

BUDIMEX SA

**FINANCIAL STATEMENTS FOR
THE YEAR ENDED 31 DECEMBER 2013**

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 commercial register kept by the District Court for the capital city of Warsaw, Division XII Commercial of the National Court Register, 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 2013, 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 Warsaw Stock Exchange as general construction and civil engineering business.

As at 31 December 2013, 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 2013 and the comparative financial data for the 12-month period ended 31 December 2012 and were prepared in accordance with the following acts:

- The Accounting Act of 29 September 1994, Journal of Laws of 2013 No. 330 (as amended) (the "Act"),
- Decree of the Minister of Finance of 18 October 2005, Journal of Laws 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, Journal of Laws 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 2013 and 31 December 2012. 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., Budimex SA Ferrovial Agroman SA Sp. j., Budimex SA Ferrovial Agroman SA S.C., Budimex SA – Budimex Budownictwo Sp. z o.o. S.C. and Budimex SA – Cadagua SA S.C.. The financial data of the above mentioned entities were aggregated using the proportionate method pursuant to Article 61 of the Accounting Act, i.e. individual items of the financial statements of Budimex SA were sum up with the proportionate part of the respective items of the jointly controlled entities' 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 2013 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 2013, 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 Rodríguez | Vice-president of the Management Board |
| • Jacek Daniewski | Member of the Management Board, Legal and Organisational Director |
| • Andrzej Artur Czynczyk | Member of the Management Board, Human Resources Director |
| • Henryk Urbański | Member of the Management Board, Real Property Management Director |
| • Marcin Węglowski | Member of the Management Board, Chief Financial Officer |

In the year 2013, there were no changes to the composition of the Management Board of Budimex SA.

As at 31 December 2013, the following persons were authorised to be commercial representatives of the Company:

- José Emilio Pont Pérez
- Jaime Rontomé Pérez.

As at 31 December 2013, 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 2013, there were no changes to the composition of the Supervisory Board.

On 7 January 2014 Tomasz Sielicki resigned from his position of the member of the Supervisory Board. On 29 January 2014, Janusz Dedo was appointed a member of the Supervisory Board.

On 7 February 2014 Maciej Stańczuk resigned from his position of the member of the Supervisory Board.

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 2013. 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 2013, the excess of the current assets over the current liabilities and current provisions and current accruals (no account being taken of income resultant from translation of long-term contracts), adjusted by the amount of retained and due retentions for construction contracts with maturities of over 12 months, amounted to PLN 209 352 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 2013 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 2012 auditor's opinion were made to the attached financial statements for the year 2013 or to the 2012 comparative financial data. The opinion of the entity authorised to perform audit of the 2012 financial statements was unqualified.

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

- buildings and constructions	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 redeemed, overdue or non-collectible 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 short-term investments valued as above is recorded in full under finance costs; 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 2013 and 31 December 2012, 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 recognises provisions especially for the following:

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

Provision for retirement benefits

The Company creates a provision for the current value of its liabilities under retirement and disability 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 2013.

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. It is accepted that the provision between 0.15%-1.4% of revenue from the given contract is made what depends on particular construction segment. This 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 leaves

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

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

- 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 granted and own receivables,
- 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.

As far as the development activities are concerned, the sales revenue 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 user. The Company considers that transfer of risks, control and rewards 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 recognizes revenue from construction contracts using the percentage of completion method, which measures the share of the 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, 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 is recognized 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 2013 and 31 December 2012, 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 2013 published by the National Bank of Poland, i.e. 4.1472 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 2013 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 4.2110 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 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 comparative financial data 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.

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 24 June 2013, i.e. 4.3432 PLN/EUR, the lowest rate in the year was the rate prevailing at 2 January 2013, i.e. 4.0671 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 valued 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 2013 and 31 December 2012, 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 disclosed 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 2013	31 December 2012
Shareholders' equity according to PAS		573 950	380 769
<u>Adjustments:</u>			
Valuation of non-current financial assets	(a)	1 369	1 369
Discount of non-current receivables and liabilities	(b)	17 120	15 697
Deferred tax calculated on above adjustments	(c)	(3 513)	(3 242)
Shareholders' equity according to IFRS		588 926	394 593

Net result

		2013	2012
Net result according to PAS		302 599	112 249
<u>Adjustments:</u>			
Valuation of non-current financial assets	(a)	-	-
Discount of non-current receivables and liabilities	(b)	1 423	(1 030)
Deferred tax calculated on above adjustments	(c)	(271)	196
Result according to IFRS		303 751	111 415

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	78 119
Translation of capital due to hyperinflation	18 198	2 080
Value disclosed in the consolidated financial statements	145 848	80 199

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 prior 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 2013.

BALANCE SHEET	Note	31.12.2013	31.12.2012
ASSETS			
I. Non-current assets		1 169 494	1 256 112
1. Intangible assets, of which:	1	3 739	2 996
- goodwill		-	-
2. Property, plant and equipment	2	62 713	84 079
3. Non-current receivables	3	-	-
3.1. From related parties		-	-
3.2. From other entities		-	-
4. Non-current investments	4	739 163	811 856
4.1. Properties		8 003	8 382
4.2. Intangible assets		-	-
4.3. Non-current financial assets		731 160	803 474
a) in related parties, of which:		729 035	801 289
- shares or equities in subordinated companies measured with equity method		-	-
b) in other entities		2 125	2 185
4.4. Other non-current investments		-	-
5. Non-current prepayments and accruals	5	363 879	357 181
5.1. Deferred tax assets		359 487	353 085
5.2. Other prepayments and accruals		4 392	4 096
II. Current assets		2 115 965	1 820 607
1. Inventories	6	105 648	143 580
2. Current receivables	7	502 263	402 875
2.1. From related parties		98 417	97 192
2.2. From other entities		403 846	305 683
3. Current investments	8	1 357 793	1 043 008
3.1. Current financial assets		1 357 793	1 043 008
a) in related parties		241 764	-
b) in other entities		29	1 460
c) cash and cash equivalents		1 116 000	1 041 548
3.2. Other current investments		-	-
4. Current prepayments and accruals	9	150 261	231 144
Total assets		3 285 459	3 076 719

EQUITY AND LIABILITIES	Note	31.12.2013	31.12.2012
I. Shareholders' equity		573 950	380 769
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	137 771	282 570
5. Revaluation reserve	13	5 930	5 936
6. Other reserves	14	-	-
7. Retained profit (loss) from prior years		-	(147 636)
8. Net profit (loss)		302 599	112 249
9. Write-offs from net profit during the financial year (negative value)	15	-	-
II. Liabilities and provisions for liabilities		2 711 509	2 695 950
1. Provisions for liabilities		280 863	280 312
1.1. Deferred tax liabilities	16	35 667	56 342
1.2. Provision for retirement benefits and similar obligations	17	4 143	3 283
a) non-current		3 264	2 542
b) current		879	741
1.3. Other provisions	17	241 053	220 687
a) non-current		125 307	113 930
b) current		115 746	106 757
2. Non-current liabilities	18	17 044	27 740
2.1. Due to related parties		-	-
2.2. Due to other entities		17 044	27 740
3. Current liabilities	19	1 505 618	1 615 954
3.1. Due to related parties		147 176	168 806
3.2. Due to other entities		1 353 345	1 442 469
3.3. Special funds		5 097	4 679
4. Prepayments and accrued income	20	907 984	771 944
4.1. Negative goodwill		-	-
4.2. Other prepayments and accruals		907 984	771 944
- non-current		4 879	5 014
- current		903 105	766 930
Total liabilities		3 285 459	3 076 719

CALCULATION OF BOOK VALUE PER SHARE

	31.12.2013	31.12.2012
Book value (in PLN thousands)	573 950	380 769
Number of shares	25 530 098	25 530 098
Book value per share (PLN)	22,48	14,91

OFF-BALANCE SHEET ITEMS	Note	31.12.2013	31.12.2012
1. Contingent receivables		353 267	347 223
1.1. From related parties (under):	21	12 765	4 208
- guarantees and suretyships received		880	2 372
- promissory notes received as security		1 092	1 836
- other contingent receivables		10 793	-
1.2. From other entities, of which:		340 502	340 015
- guarantees and suretyships received		338 524	338 497
- promissory notes received as security		1 978	1 518
1.3. Other, of which:		-	3 000
- other contingent receivables		-	3 000
2. Contingent liabilities		1 493 231	1 466 852
2.1. To related parties, of which	21	138 657	126 333
- guarantees and suretyships issued		138 657	126 333
- promissory notes issued as security		-	-
- other contingent liabilities		-	-
2.2. To other entities, of which:		1 354 574	1 340 519
- guarantees and suretyships issued		1 348 669	1 336 014
- promissory notes issued as security		5 905	4 505
3. Other, of which:		143 180	143 180
- other contingent liabilities		143 180	143 180
Total off-balance sheet items		(1 283 144)	(1 262 809)

PROFIT AND LOSS ACCOUNT	Note	01.01 - 31.12.2013	01.01. - 31.12.2012
I. Net sales of finished goods, goods for resale and raw materials, of which:		4 000 891	5 232 591
- from related parties		233 633	279 928
1. Net sales of finished goods	22	3 991 588	5 222 994
2. Net sales of goods for resale and raw materials	23	9 303	9 597
II. Cost of finished goods, goods for resale and raw materials, of which:		3 711 091	4 846 798
- to related parties		79 457	125 555
1. Cost of goods sold	24	3 706 442	4 839 742
2. Value of goods for resale and raw materials sold		4 649	7 056
III. Gross profit (loss) on sales (I - II)		289 800	385 793
IV. Selling costs	24	10 625	11 024
V. Administrative expenses	24	145 933	162 206
VI. Profit (loss) on sales (III - IV - V)		133 242	212 563
VII. Other operating revenue		30 951	55 789
1. Profit on disposal of non-financial non-current assets		767	814
2. Donations		-	-
3. Other operating revenue	25	30 184	54 975
VIII. Other operating expenses		41 336	74 015
1. Loss on disposal of non-financial non-current assets		-	-
2. Revaluation of non-financial assets	26	12 498	55 400
3. Other operating expenses	26	28 838	18 615
IX. Profit (loss) on operating activities (VI+VII -VIII)		122 857	194 337
X. Finance income		281 048	86 282
1. Dividends and shares in profits, of which:	27	45 414	20 021
- from related parties		45 409	20 021
2. Interest, of which:	27	20 568	54 811
- from related parties		214	195
3. Profit on investment disposal	29	703	5 002
4. Revaluation of investments	30	214 363	6 448
5. Other	27	-	-
XI. Finance costs		73 778	135 372
1. Interest, of which:	28	3 764	4 322
- to related parties		110	1 098
2. Loss investment disposal	29	-	2 985
3. Revaluation of investments	30	56 541	112 916
4. Other	28	13 473	15 149
XII. Profit (loss) on operating activities (IX+X-XI)		330 127	145 247
XIII. Extraordinary gains/(losses) (XIII.1. - XIII.2.)		-	-
1. Extraordinary gains	31	-	-
2. Extraordinary losses	32	-	-
XIV. Gross profit (loss) (XII+/-XIII)		330 127	145 247
XV. Income tax	33	27 528	32 998
a) current portion		54 605	(1 243)
b) deferred portion		(27 077)	34 241
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)		302 599	112 249
EARNINGS (LOSS) PER ORDINARY SHARE			
Net profit (loss)		302 599	112 249
Weighted average number of ordinary shares		25 530 098	25 530 098
Earnings (loss) per ordinary share (in PLN)	37	11,85	4,40

STATEMENT OF CHANGES IN EQUITY

	01.01 - 31.12.2013	01.01. - 31.12.2012
I. Shareholders' equity - opening balance	380 769	692 960
a) changes of accounting policies applied	-	-
b) adjustments of fundamental errors	-	(147 636)
I.a. Shareholders' equity after restatement to comparative data - opening balance	380 769	545 324
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	282 570	280 845
4.1. Changes in reserve capital	(144 799)	1 725
a) increases, of which:	2 837	1 725
- from profit distribution (in excess of the statutorily required minimum value)	172	303
- fair value of employee share option granted by the parent	2 665	1 422
b) decreases, of which:	(147 636)	-
- coverage of prior years' losses	(147 636)	-
4.2. Reserve capital - closing balance	137 771	282 570
5 Revaluation reserve - opening balance	5 936	4 097
5.1. Changes in revaluation reserve	(6)	1 839
a) increases, of which:	-	1 839
- foreign exchange differences on translation of foreign operations	-	62
- recognition in the current profit or loss of foreign exchange differences on liquidation of foreign operations	-	1 777
b) decreases, of which:	(6)	-
- foreign exchange differences on translation of foreign operations	(6)	-
5.2. Reserve capital - closing balance	5 930	5 936
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	(35 387)	280 368
7.1. Retained profit - opening balance	112 249	280 368
7.2. Retained profit after restatement to comparative data - opening balance	112 249	280 368
a) increases, of which:	-	-
b) decreases, of which:	(112 249)	(280 368)
- distribution of profit to reserve capital reserve	(172)	(303)
- payment of dividend	(112 077)	(280 065)
7.3. Retained profit - closing balance	-	-
7.4. Retained loss - opening balance	(147 636)	-
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)	(147 636)
a) increases, of which:	-	-
- coverage of prior years' losses	147 636	-
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	302 599	112 249
a) net profit	302 599	112 249
b) net loss	-	-
c) write-offs from profit	-	-
II. Shareholders' equity - closing balance	573 950	380 769
III. Shareholders' equity after accounting for the proposed distribution of profit (loss coverage)	573 950	380 769

CASH FLOW STATEMENT	01.01 - 31.12.2013	01.01. - 31.12.2012
A. Cash flow from operating activities		
I. Net profit (loss)	302 599	112 249
II. Total adjustments	(140 159)	(277 335)
1. Shares in net (profits) losses of companies valued using the equity method	-	-
2. Depreciation/Amortization	24 189	30 547
3. Foreign exchange (gains) losses	215	(773)
4. Interest and shares in profits (dividends)	(43 983)	(16 410)
5. (Profit) loss on investing activities	(164 378)	110 085
6. Change in provisions	551	25 073
7. Change in inventories	37 932	119 767
8. Change in receivables	(98 448)	31 502
9. Change in current liabilities, except for loans and borrowings	(110 649)	(168 338)
10. Change in accruals and prepayments	210 225	(404 862)
11. Other adjustments	4 187	(3 926)
III. Net cash flows from operating activities (I +/- II)	162 440	(165 086)
B. Cash flow from investing activities		
I. Inflows	57 795	33 742
1. Disposal of intangible and tangible assets	1 530	1 013
2. Disposal of investments in real properties and intangible assets	-	-
3. Financial assets, of which:	55 569	29 699
a) in related parties	55 409	29 699
- disposal of financial assets	10 000	9 678
- dividends and shares in profits	45 409	20 021
- repayment of long-term loans granted	-	-
- interest	-	-
- other cash inflows from financial assets	-	-
b) in other entities	160	-
- disposal of financial assets	-	-
- dividends and shares in profits	-	-
- repayment of long-term loans granted	-	-
- interest	-	-
- other cash inflows from financial assets	160	-
4. Other inflows from investing activities	696	3 030
II. Expenditures	22 576	102 716
1. Acquisition of intangible and tangible assets	6 076	12 721
2. Investments in real properties and intangible assets	-	-
3. Financial assets, of which:	13 389	84 010
a) in related parties	13 389	84 010
- acquisition of financial assets	11 589	84 010
- long-term loans granted	1 800	-
b) in other entities	-	-
- acquisition of financial assets	-	-
- long-term loans granted	-	-
4. Other capital expenditure	3 111	5 985
III. Net cash flows from investing activities (I - II)	35 219	(68 974)

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. Under 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 +/- E), of which:***- restricted cash*

	01.01 - 31.12.2013	01.01. - 31.12.2012
	-	85 000
	-	-
	-	-
	-	85 000
	-	-
	123 107	379 521
	-	-
	112 077	280 065
	-	-
	-	-
	-	85 000
	-	-
	9 520	11 031
	1 510	3 425
	-	-
	(123 107)	(294 521)
	74 552	(528 581)
	74 452	(528 447)
	<i>(100)</i>	<i>134</i>
	1 041 548	1 569 995
	1 116 000	1 041 548
	<i>39 843</i>	<i>37 210</i>

Notes and explanations to the balance sheet

Note 1A

INTANGIBLE ASSETS

	31.12.2013	31.12.2012
a) costs of completed development works	-	-
b) goodwill	-	-
c) licenses, patents and similar rights acquired, of which:	2 886	1 210
- <i>computer software</i>	2 886	1 210
d) other intangible assets	-	-
e) prepayments for intangible assets	853	1 786
Total intangible assets	3 739	2 996

Note 1B

INTANGIBLE ASSETS (broken down by ownership)

	31.12.2013	31.12.2012
a) own	3 739	2 996
b) used based on lease contracts and similar agreements	-	-
Total intangible assets	3 739	2 996

No legal or similar restrictions on intangible assets as security for liabilities existed as at 31 December 2013 and 31 December 2012.

CHANGES IN INTANGIBLE ASSETS (by type)

	a) costs of completed development works	b) goodwill	c) licenses, patents and similar rights 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	-	-	18 674	18 674	-	1 786	20 460
b) increases (under)	-	-	2 648	2 648	-	1 366	4 014
- purchase	-	-	346	346	-	-	346
- transfer of prepayments	-	-	-	-	-	1 366	1 366
- settlement of prepayments	-	-	2 299	2 299	-	-	2 299
- other	-	-	3	3	-	-	3
c) decreases (under)	-	-	-	-	-	2 299	2 299
- settlement of prepayments	-	-	-	-	-	2 299	2 299
d) gross value of intangible assets - closing balance	-	-	21 322	21 322	-	853	22 175
e) accumulated depreciation - opening balance	-	-	17 464	17 464	-	-	17 464
f) depreciation for the period (under)	-	-	972	972	-	-	972
- current depreciation	-	-	972	972	-	-	972
g) accumulated depreciation - closing balance	-	-	18 436	18 436	-	-	18 436
h) impairment losses - opening balance	-	-	-	-	-	-	-
- increase	-	-	-	-	-	-	-
- decrease	-	-	-	-	-	-	-
i) impairment losses - closing balance	-	-	-	-	-	-	-
j) net value of intangible assets - closing balance	-	-	2 886	2 886	-	853	3 739

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

	31.12.2013	31.12.2012
a) tangible assets, of which:	61 377	83 137
- land (including right of perpetual usufruct)	2 875	2 875
- buildings, premises and civil engineering objects	2 206	2 590
- plant and machinery	49 758	68 034
- motor vehicles	2 896	4 771
- other tangible assets	3 642	4 867
b) construction-in-progress	1 336	942
c) prepayments for construction-in-progress	-	-
Total property, plant and equipment	62 713	84 079

No legal or similar restrictions on tangible assets as security for liabilities existed as at 31 December 2013 and 31 December 2012.

Note 2B**BALANCE SHEET TANGIBLE ASSETS**

	31.12.2013	31.12.2012
a) own	31 601	46 358
b) used based on lease contracts and similar agreements, of which:	29 776	36 779
- tangible assets under lease contracts	29 776	36 779
Total balance sheet tangible assets	61 377	83 137

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

	31.12.2013	31.12.2012
used based on lease contracts and similar agreements, of which:	87 491	99 355
- tangible assets under lease contracts	35 393	40 325
- rent of office space	8 336	18 311
- rent of land	43 762	40 719
Off balance sheet tangible assets	87 491	99 355

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	2 875	7 461	162 056	13 918	18 923	205 233
b) increases (under)	-	73	2 716	1	1 183	3 973
- purchase	-	36	2 410	-	1 171	3 617
- transfer from construction-in-progress	-	37	302	-	-	339
- other	-	-	4	1	12	17
c) decreases (under)	-	-	6 147	-	1 036	7 183
- sale and liquidation	-	-	6 147	-	1 036	7 183
d) gross value of tangible assets - closing balance	2 875	7 534	158 625	13 919	19 070	202 023
e) accumulated depreciation - opening balance	-	4 871	94 022	9 147	13 754	121 794
f) depreciation for the period (under)	-	457	14 845	1 876	1 372	18 550
- current depreciation	-	457	18 368	1 875	2 242	22 942
- sale and liquidation	-	-	(3 526)	-	(875)	(4 401)
- other	-	-	3	1	5	9
g) accumulated depreciation - closing balance	-	5 328	108 867	11 023	15 126	140 344
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	2 206	49 758	2 896	3 642	61 377

Note 3A**NON-CURRENT RECEIVABLES**

	31.12.2013	31.12.2012
a) from related parties, 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 related parties (under)	-	-
b) from other entities (under)	-	-
Non-current receivables, net	-	-
c) impairment write-downs of receivables	-	-
Non-current receivables, gross	-	-

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

	31.12.2013	31.12.2012
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**

	31.12.2013	31.12.2012
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)**

	31.12.2013	31.12.2012
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)**

	31.12.2013	31.12.2012
Opening 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

A. Land (including RPU)

a) opening balance	5 624	5 010
b) increases (under)	-	748
- transfer from tangible assets	-	748
c) decreases (under)	245	134
- sale	95	-
- current depreciation	150	134

d) closing balance

5 379	5 624
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B. Buildings, premises and civil engineering objects

a) opening balance	2 720	2 708
b) increases (under)	-	120
- transfer from tangible assets	-	120
c) decreases (under)	115	108
- sale and liquidation	9	-
- current depreciation	106	108

d) closing balance

2 605	2 720
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C. Other real properties

a) opening balance	38	44
b) increases (under)	-	5
- transfer from tangible assets	-	5
c) decreases (under)	19	11
- current depreciation	19	11

d) closing balance

19	38
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Closing balance (by type):	8 003	8 382
- land (including RPU)	5 379	5 624
- buildings, premises and civil engineering objects	2 605	2 720
- other real properties	19	38

Real properties, in total

8 003	8 382
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No legal or similar restrictions on investment properties as security for liabilities existed as at 31 December 2013 and 31 December 2012.

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

	31.12.2013	31.12.2012
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**

	31.12.2013	31.12.2012
a) in subsidiaries	714 768	771 680
- shares or equities	712 919	763 380
- loans granted	1 849	-
- other non-current financial assets	-	8 300
b) in jointly controlled companies	179	179
- shares or equities	179	179
c) in associated companies	9 796	25 138
- shares or equities	9 796	18 596
- 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 related parties	4 292	4 292
- shares or equities	4 292	4 292
h) in other entities	2 125	2 185
- shares or equities	2 125	2 185
Total non-current financial assets	731 160	803 474

"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 2013 and 31 December 2012.

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

	31.12.2013	31.12.2012
A. Shares or equities		
a) opening balance	803 474	832 380
b) increases (under)	11 589	374 277
- purchase/ capital increase	11 589	84 010
- revaluation of shares/reversal of impairment write-downs	-	290 267
c) decreases (under)	85 752	403 183
- sale/ capital decrease	10 060	290 267
- impairment write-down	54 913	112 916
- reclassified to current financial assets	20 779	-
d) closing balance	729 311	803 474
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)	1 849	-
- loan granted	1 800	-
- accrued interest	49	-
c) decreases (under)	-	-
d) closing balance	1 849	-
E. Other non-current financial assets		
a) opening balance	-	-
b) increases (under)	-	-
c) decreases (under)	-	-
d) closing balance	-	-
Total non-current financial assets	731 160	803 474

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

	31.12.2013	31.12.2012
a) in PLN	729 212	803 375
b) in foreign currencies (by currencies and after translation into PLN)	99	99
b1. unit/currency thousand / EUR	25	25
PLN thousands	99	99
b2. unit/currency thousand / USD	-	-
PLN thousands	-	-
b3. other currencies in PLN thousands	-	-
Total securities, shares and other non-current financial assets	729 311	803 474

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

	31.12.2013	31.12.2012
A. Unlimited negotiability, quoted on stock exchanges (carrying amount)	-	-
B. Unlimited negotiability, quoted on over-the-counter markets	-	-
C. Unlimited negotiability, not quoted on regulated market	-	-
D. Limited negotiability (carrying amount)	729 311	803 474
a) shares and equities (carrying amount):	729 311	803 474
- revaluation adjustments (for the period)	(54 913)	177 351
- opening balance	803 474	832 380
- value at acquisition cost	800 653	805 061
Total value at acquisition cost	800 653	805 061
Total opening balance	803 474	832 380
Total revaluation adjustments (for the period)	(54 913)	177 351
Total carrying amount	729 311	803 474

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

	31.12.2013	31.12.2012
a) in PLN	1 849	-
b) in foreign currencies (by currencies and after translation into PLN)	-	-
Total long-term loans granted	1 849	-

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

	31.12.2013	31.12.2012
Total other non-current investments	-	-

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

	31.12.2013	31.12.2012
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)**

	31.12.2013	31.12.2012
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	total revaluation adjustments	carrying amount of shares/equities	percentage of share capital held	share in the total number of votes GM	at	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	(54 913)	662 606	100.00%	100.00%		-
2	Mostostal Kraków SA	Kraków	construction	subsidiary	full	2002	11 156	-	11 156	100.00%	100.00%		-
3	Budimex Budownictwo Sp. z o.o.	Warsaw	construction	subsidiary	full	2010	1 810	-	1 810	100.00%	100.00%		-
4	Budimex Autostrada SA	Warsaw	construction	subsidiary	non-consolidated	2011	442	-	442	100.00%	100.00%		-
5	Budimex Most Wschodni SA	Warsaw	construction	subsidiary	non-consolidated	2011	222	-	222	100.00%	100.00%		-
6	Budimex Kolejnictwo SA	Warsaw	construction	subsidiary	full	2011	8 001	-	8 001	100.00%	100.00%		-
7	Budimex Bau GmbH	Walluf	construction	subsidiary	full	2004	120	(21)	99	100.00%	100.00%		-
8	Budimex Parking Wrocław Sp. z o.o.	Warsaw	car park management	subsidiary	full	2011	5 652	-	5 652	100.00%	100.00%		-
9	MK Logistic Sp. z o.o. (in liquidation)	Zabrze	transportation services	subsidiary	non-consolidated	1997	26	(26)	-	100.00%	100.00%		-
10	Budimex A Sp. z o.o.	Warsaw	construction	subsidiary	non-consolidated	2012	175	-	175	100.00%	100.00%		-
11	Budimex B Sp. z o.o.	Warsaw	construction	subsidiary	full	2012	75	-	75	100.00%	100.00%		-
12	Budimex PPP SA	Warsaw	construction	subsidiary	non-consolidated	2012	780	-	780	100.00%	100.00%		-
13	Dromex Oil Sp. z o.o. (in liquidation)	Warsaw	construction	subsidiary	non-consolidated	1991	2 175	(2 175)	-	98.00%	98.00%		-
14	Elektromontaż SA	Poznań	energy infrastructure works	subsidiary	full	1999	21 901	-	21 901	50.66%	50.66%		-
Subsidiaries in total							770 054	(57 135)	712 919				-
15	Budimex SA Ferrowial Agroman SA S.C.*	Warsaw	construction	jointly controlled	proportionate	2010	-	-	-	99.98%	99.98%		as per Articles of Association
16	Budimex SA Budimex Budownictwo Sp. z o.o. S.C.*	Warsaw	construction	jointly controlled	proportionate	2013	-	-	-	99.98%	99.98%		as per Articles of Association
17	Budimex SA Sygnity SA Sp. j. *	Warsaw	construction	jointly controlled	proportionate	2005	-	-	-	67.00%	67.00%		as per Articles of Association
18	Budimex SA Ferrowial Agroman SA Sp. j. *	Warsaw	construction	jointly controlled	proportionate	2009	-	-	-	50.00%	50.00%		-
19	Budimex SA Cadagua SA S.C.*	Warsaw	construction	jointly controlled	proportionate	2013	-	-	-	50.00%	50.00%		as per Articles of Association
20	PKZ Budimex GmbH	Cologne / Germany	construction	jointly controlled	non-consolidated	2002	50	(50)	-	50.00%	50.00%		-
21	Tecpresa – Techniki Sprężania i Usługi Dodatkowe Sp. z o.o.	Warsaw	construction	jointly controlled	proportionate	2011	179	-	179	30.00%	30.00%		as per Company Bylaws
Jointly controlled companies in total							229	(50)	179				-
22	Promos Sp. z o.o.	Kraków	industrial services	associate	equity method	1998	191	-	191	25.53%	25.53%		-
23	FB Serwis SA	Warsaw	urban waste management	associate	equity method	2012	9 605	-	9 605	49,00%	49,00%		-
Associates in total							9 796	-	9 796				-
24	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%		-
25	Autostrada Południe SA	Warsaw	construction and exploitation of motorways	other related party	non-consolidated	2004	4 292	-	4 292	5.05%	5.05%		-
Other related parties in total							16 696	(12 404)	4 292				-
Total							796 775	(69 589)	727 186				-

* financial data aggregated in the statements of Budimex SA

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

	company name	shareholders' equity of the entity, 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 to called-up share capital (negative amount)	reserve capital	retained 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.	640 230	657 333	-	7 760	(24 863)	-	(24 863)	283 656	3 569	61 917	21 817	20 878	939	923 886	226 372	-	35 017
2	Elektromontaż SA	38 560	54 082	-	9 423	(24 945)	(26 957)	2 012	68 968	-	43 079	51 476	-	51 476	107 528	133 877	-	-
3	Mostostal Kraków SA	24 044	11 100	-	6 484	6 460	-	4 221	83 950	26	62 230	42 883	-	42 883	107 994	169 583	-	3 911
4	Budimex Budownictwo Sp. z o.o.	3 190	1 810	-	-	1 380	(58)	1 438	24 311	-	17 950	11 082	-	11 082	27 501	95 479	-	-
5	Budimex Autostrada SA	222	440	-	-	(218)	(110)	(108)	37	-	37	13	-	13	259	-	-	-
6	Budimex Most Wschodni SA	117	220	-	-	(103)	(50)	(53)	34	-	34	12	-	12	151	-	-	-
7	Budimex Kolejnictwo SA	7 830	8 000	-	-	(170)	(145)	(25)	297	-	206	454	-	454	8 127	1 689	-	-
8	Budimex Bau GmbH	(8)	120	-	-	(128)	(75)	(4)	12	-	4	-	-	-	4	-	-	-
9	Budimex Parking Wrocław Sp. z o.o.	6 477	5 650	-	-	827	(366)	1 193	23 105	15 667	3 055	2 079	-	2 079	29 582	20 869	-	-
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.	117	175	-	-	(58)	(25)	(33)	8	-	8	7	-	7	125	-	-	-
13	Budimex B Sp. z o.o.	237 329	238 675	-	-	(1 346)	(25)	(1 321)	82	-	7	9	-	9	237 411	-	-	-
14	Budimex PPP SA	688	780	-	-	(92)	(39)	(53)	32	-	32	11	-	11	720	-	-	-
15	Budimex SA Ferrovial Agroman SA S.C.	141	201	-	-	(60)	(36)	(24)	5	-	5	4	-	4	146	-	-	-
16	Budimex SA Sygnity SA Sp. j.	10 539	10	-	8 715	1 814	1 672	142	1 613	-	1 118	83	-	83	12 152	-	-	-
17	Budimex SA Ferrovial Agroman SA Sp. j.	(43 210)	5 900	-	-	(49 110)	(49 083)	(27)	45 054	-	19 744	206	-	206	1 844	-	-	-
18	Budimex SA Budimex Budownictwo Sp. z o.o. S.C.	181	201	-	-	(20)	-	(20)	3 850	-	3 850	3 853	-	3 853	4 031	95 810	-	-
19	Budimex SA Cadagua SA S.C.	994	1 000	-	-	(6)	-	(6)	3 482	-	3 469	1 270	-	1 270	4 476	3 206	-	-
20	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	-	-
21	Tecpresa - Techniki Sprężania i Usługi Dodatkowe Sp. z o.o.	297	590	-	298	(591)	(282)	(309)	5	-	5	2	-	2	302	557	-	-
22	Promos Sp. z o.o.	7 170	500	-	5 716	954	214	51	2 098	619	1 420	1 989	-	1 989	9 268	8 209	-	-
23	FB Serwis SA	3 355	19 600	-	-	(16 245)	(6 949)	(9 296)	25 680	484	25 196	12 969	-	12 969	29 035	26 655	-	-
24	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	-	-
25	Autostrada Południe SA	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	-	-

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 the entity, 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	no data	no data	0.61%	0.61%	-	-
2	Drogowa Trasa Średnicowa SA	Katowice	construction	52	no data	no data	1.50%	1.50%	-	-
3	Agencja Rozwoju Regionu Krakowskiego SA	Kraków	services	30	no data	no data	0.08%	0.08%	-	-
4	Agencja Rozwoju Regionalnego SA	Bielsko-Biała	services	6	no data	no data	0.27%	0.27%	-	-
5	Megagaz SA	Warsaw	construction	1	no data	no data	1.00%	1.00%	-	-
6	Górnicza Spółdzielnia Mieszkaniowa	Cieszyn	property management	-	no data	no data	0.10%	0.10%	-	-
7	Other	-	-	3	-	-	-	-	-	-
Total				2 125						

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

	31.12.2013	31.12.2012
1. Deferred tax asset - opening balance, of which:	353 085	388 400
a) recognised in profit or loss	352 602	387 917
- arising from negative temporary differences	352 602	387 917
b) recognised in equity	483	483
- arising from negative temporary differences	483	483
c) recognised in goodwill or negative goodwill	-	-
- arising from negative temporary differences	-	-
2. Increases (under)	49 713	70 541
a) recognised in profit or loss for the period in connection with negative temporary differences (under):	49 713	70 541
- temporary differences	49 713	70 541
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 (under)	43 311	105 856
a) recognised in profit or loss for the period in connection with negative temporary differences (under):	43 311	105 856
- reversal of temporary differences	43 311	105 856
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. Deferred tax asset - closing balance (by type):	359 487	353 085
a) recognised in profit or loss	359 004	352 602
- arising from negative temporary differences	359 004	352 602
b) recognised in equity	483	483
- arising from negative temporary differences	483	483
c) recognised in goodwill or negative goodwill	-	-
- arising from negative temporary differences	-	-
Total deferred tax asset	359 487	353 085

Note 5B**OTHER PREPAYMENTS AND ACCRUALS**

	31.12.2013	31.12.2012
a) prepayments and accrued income, of which:	3 580	3 246
- insurance	1 590	1 195
- cost of bank guarantees	1 990	2 051
b) other prepayments, of which:	812	850
- other	812	850
Total other prepayments and accruals	4 392	4 096

Note 5A.1

CHANGE IN BALANCE OF DEFERRED TAX ASSET	provision for contract losses	contract costs connected with deferred income	provision for uninvoiced costs of services	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	non-current financial assets	other provisions for liabilities	other	Total
Negative temporary differences as at 01.01.2013	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 01.01.2013 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
a) increases, of which:	-	-	-	900	30 322	-	-	-	163	2 238	-	10 640	5 450	49 713
recognised in profit or loss in connection with change in temporary differences	-	-	-	900	30 322	-	-	-	163	2 238	-	10 640	5 450	49 713
b) decreases, of which:	3 683	4 569	5 728	-	-	28 372	827	132	-	-	-	-	-	43 111
charged to profit or loss in connection with change in temporary differences	3 683	4 569	5 728	-	-	28 372	827	132	-	-	-	-	-	43 311
Negative temporary differences as at 31.12.2013	209 025	208 216	225 642	67 647	483 747	145 947	111 732	25 884	4 143	159 600	14 232	192 442	43 779	
Balance of deferred tax assets as at 12.31.2013 per rate 19%	39 715	39 561	42 872	12 853	91 912	27 730	21 229	4 918	787	30 324	2 704	36 564	8 318	359 487
Expiry date for negative temporary differences	2013-2019	2013-2015	2013-2016	2013-2018	2013-2017	2013-2018	2013-2016	2013-2017	2013-2039	2013-2024	2013-2016	2013-2016	2013-2016	

Note 6**INVENTORIES**

	31.12.2013	31.12.2012
a) raw materials	84 553	116 405
b) semi-finished goods and work in progress	297	2 388
c) finished goods	-	-
d) goods for resale	-	-
e) advance payments for supplies	20 798	24 787
Total inventories	105 648	143 580
f) impairment write-downs - opening balance	30 435	1 129
- increase	-	30 050
- decrease	-	744
g) impairment write-downs against - closing balance	30 435	30 435
h) gross value of inventories - closing balance	136 083	174 015

No legal or similar restrictions on inventories as security for liabilities existed as at 31 December 2013 and 31 December 2012.

Note 7A**CURRENT RECEIVABLES**

	31.12.2013	31.12.2012
a) from related parties	98 417	97 192
- trade receivables, with maturities of:	98 328	97 145
- less than 12 months	86 997	88 626
- above 12 months	11 331	8 519
- other	89	47
- claimed in court	-	-
b) receivables from other entities	403 846	305 683
- trade receivables, with maturities of:	396 312	299 272
- less than 12 months	371 121	278 108
- above 12 months	25 191	21 164
- under taxes, subsidies, customs duties, social and health insurance, and other benefits	2	670
- other	7 532	5 741
- claimed in court	-	-
Total current receivables, net	502 263	402 875
c) impairment write-downs of receivables	98 949	90 189
Total current receivables, gross	601 212	493 064

Note 7B**CURRENT RECEIVABLES FROM RELATED PARTIES**

	31.12.2013	31.12.2012
a) trade receivables, of which:	98 328	97 145
- from subsidiaries	52 809	50 009
- from jointly controlled companies	1 132	274
- from associates	6 707	630
- from the parent	37 621	44 769
- from other related parties	59	1 463
b) other, of which:	89	47
- from subsidiaries	48	7
- from associates	2	-
- from the parent	39	40
- from other related parties	-	-
Total net current receivables from related parties	98 417	97 192
d) impairment write-downs of receivables from related parties	58 648	58 833
Total gross current receivables from related parties	157 065	156 025

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

	31.12.2013	31.12.2012
a) opening balance	90 189	85 669
b) increases (under)	12 661	25 350
- doubtful and overdue receivables	12 413	25 307
- write-offs of receivables not covered by impairment write-downs	85	43
- valuation of impairment write-downs in foreign operations	163	-
c) decreases (under)	3 901	20 830
- repayment of debts by debtors	2 790	10 411
- write-offs of receivables covered by impairment write-downs	1 026	9 728
- revision of write-offs recognised in prior years	-	-
- receivables written off with no write-downs	85	43
- valuation of impairment write-downs in foreign operations	-	648
Impairment write-downs of current receivables - closing balance	98 949	90 189

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

	31.12.2013	31.12.2012
a) in PLN	582 127	464 904
b) in foreign currencies (by currencies and after translation into PLN)	19 085	28 160
b1. unit/currency thousand / EUR	4 602	6 888
PLN thousands	19 085	28 160
b3. other currencies in PLN thousands	-	-
Total current receivables	601 212	493 064

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

	31.12.2013	31.12.2012
a) up to 1 month	248 695	193 537
b) 1 - 3 months	109 099	42 928
c) 3 - 6 months	1 450	8 750
d) 6 months - 1 year	2 538	31 576
e) over 1 year	36 522	29 683
f) receivables overdue	194 321	179 185
Total trade receivables (gross)	592 625	485 659
g) impairment write-downs of trade receivables	97 985	89 242
Total trade receivables (net)	494 640	396 417

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:**

	31.12.2013	31.12.2012
a) up to 1 month	23 375	27 854
b) 1 - 3 months	11 372	10 754
c) 3 - 6 months	14 335	20 872
d) 6 months - 1 year	16 901	45 547
e) over 1 year	128 338	74 158
Trade receivables overdue in total (gross)	194 321	179 185
f) impairment write-downs of trade receivables	97 985	89 242
Trade receivables overdue in total (net)	96 336	89 943

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

	31.12.2013	31.12.2012
Trade receivables overdue	194 321	179 185
Other receivables overdue	942	942
Receivables overdue claimed in court	22	5
Receivables overdue in total (gross)	195 285	180 132
Impairment write-downs	98 949	90 189
Receivables overdue in total (net - less write-downs)	96 336	89 943

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

	31.12.2013	31.12.2012
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	22	5
- trade receivables	22	5
Disputed receivables in total (gross)	22	5
Impairment write-downs	22	5
Disputed receivables in total (net - less write-downs)	-	-

Note 8A**CURRENT FINANCIAL ASSETS**

	31.12.2013	31.12.2012
a) in subsidiaries	241 764	-
- shares or equities	238 600	-
- loans granted	3 164	-
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 related parties	-	-
h) in other entities	29	1 460
- other current financial assets (by type)	29	1 460
- <i>valuation of financial instruments at fair value</i>	29	1 460
i) cash and cash equivalents	1 116 000	1 041 548
- cash in hand and cash at bank	1 115 317	1 040 526
- other cash equivalents	683	1 022
Total current financial assets	1 357 793	1 043 008

Note 8B**SECURITIES, SHARES AND OTHER CURRENT FINANCIAL ASSETS
(BROKEN DOWN BY CURRENCY)**

	31.12.2013	31.12.2012
a) in PLN	238 629	1 460
b) in foreign currencies (by currencies and after translation into PLN)	-	-
Total securities, shares and other current financial assets	238 629	1 460

Note 8C**SECURITIES, SHARES AND OTHER CURRENT FINANCIAL ASSETS
(BY NEGOTIABILITY)**

	31.12.2013	31.12.2012
A. With unlimited negotiability, quoted on stock exchange	-	-
B. Unlimited negotiability, quoted on over-the-counter markets	-	-
C. With unlimited negotiability, not quoted on regulated market	-	-
D. Limited negotiability (carrying amount)	238 629	1 460
a) shares and equities (carrying amount):	238 600	-
- <i>fair value</i>	238 600	-
b) bonds (carrying amount):	-	-
c) other - by type (carrying amount):	29	1 460
c1 valuation of financial instruments at fair value	29	1 460
c2 commercial bonds	-	-
c3 treasury bills	-	-
Total value at acquisition cost	-	-
Total opening balance	1 460	122
Total revaluation adjustments (for the period)	217 821	-
Total carrying amount	238 629	1 460

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

a) in PLN

31.12.2013	31.12.2012
3 164	-

b) in foreign currencies (by currencies and after translation into PLN)

-	-
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Total short-term loans granted

3 164	-
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Note 8E**CASH AND CASH EQUIVALENTS
(BROKEN DOWN BY CURRENCY)**

a) in PLN

31.12.2013	31.12.2012
1 083 341	1 006 943

b) in foreign currencies (by currencies and after translation into PLN)

32 659	34 605
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b1. unit/currency thousand / EUR

7 859	8 457
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PLN thousands

32 593	34 574
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b2. unit/currency thousand / USD

22	10
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PLN thousands

66	31
----	----

b3. other currencies in PLN thousands

-	-
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Total cash and cash equivalents

1 116 000	1 041 548
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Note 8F**OTHER CURRENT INVESTMENTS (by type)**

Total other current investments

31.12.2013	31.12.2012
-	-

Note 8G**OTHER CURRENT INVESTMENTS (broken down by currency)**

a) in PLN

31.12.2013	31.12.2012
-	-

b) in foreign currencies (by currencies and after translation into PLN)

-	-
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Total other current investments

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

	31.12.2013	31.12.2012
a) prepayments and accrued income, of which:	12 820	8 255
- insurance	7 902	6 814
- subscription	3	86
- IT services	72	97
- cost of bank guarantees	988	875
- costs of contracts to be settled over time	3 691	-
- other	164	383
b) other prepayments, of which:	137 441	222 889
- services rendered but not billed (valuation of contracts)	137 441	222 889
Total short-term prepayments	150 261	231 144

Note 10

Impairment write-downs of non-financial assets recognised/reversed in 2013 and 2012 related to:

- tangible assets - in 2013 and 2012 the Company did not recognise or reverse any impairment write-downs;
- investment properties - in 2013 and 2012 the Company did not recognise or reverse any impairment write-downs;
- inventories - in 2013 the Company did not recognise or reverse any impairment write-downs of inventories; 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;
- receivables - the value of impairment write-downs recognised and reversed is presented in note 7C; the impairment write-downs were mainly due to deteriorated financial situation of debtors and deterioration of ageing structure of debts. Reversal of impairment write-downs against receivables was mainly due to write-offs and repayment of debts covered by impairment write-downs as well as revision of write-downs established in previous years.

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	-	2 350	12	1)	1994-08-05	1994-01-01
A	ordinary/bearer	none	-	2 997 650	14 988	1)	1994-08-05	1994-01-01
B	ordinary/bearer	none	-	2 000 000	10 000	cash	1994-11-13	1995-01-01
C	ordinary/bearer	none	-	1 900 285	9 501	cash	1995-03-07	1995-01-01
D	ordinary/bearer	none	-	1 725 072	8 625	cash	1996-04-25	1996-01-01
E	ordinary/bearer	none	-	2 000 000	10 001	2)	1997-08-05	1997-01-01
F	ordinary/bearer	none	-	5 312 678	26 563	cash	1998-05-05	1998-01-01
G	ordinary/bearer	none	-	2 217 549	11 088	3)	1999-11-02	1999-01-01
H	ordinary/bearer	none	-	1 448 554	7 243	3)	1999-11-02	1999-01-01
I	ordinary/bearer	none	-	186 250	931	3)	1999-11-02	1999-01-01
K	ordinary/bearer	none	-	1 484 693	7 423	4)	2000-07-13	2000-01-01
L	ordinary/bearer	none	-	4 255 017	21 275	cash	2000-12-18	2000-01-01
				25 530 098				

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

1) assets of the transformed company, 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 2013 and 2012 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 2013 and 2012 there were no changes of the nominal value of shares of Budimex SA.

On 19 July 2013, 120 ordinary registered shares were converted to ordinary bearer shares.

Shareholding structure of Budimex SA as at 31 December 2013 is as follows:

Shareholder	type of shares	number of shares	% share in share capital	number of votes	% of voting right at GSM
Valivala Holdings B.V. Amsterdam (Holland) - a Ferrovial SA Group (Spain) company	ordinary	15 078 159	59.06%	15 078 159	59.06%
Aviva OFE Aviva BZ WBK	ordinary	1 304 851	5.11%	1 304 851	5.11%
OFE PZU "Złota Jesień"	ordinary	2 253 988	8.83%	2 253 988	8.83%
Other shareholders	ordinary	6 893 100	27.00%	6 893 100	27.00%
Total		25 530 098	100.00%	25 530 098	100.00%

On 8 April 2013, Aviva OFE Aviva BZ WBK acquired at the Stock Exchange the shares in Budimex SA, thus increasing its share in the total number of votes to over 5%. Before the transaction, Aviva OFE held 1 259 427 shares in the Company, representing 4.93% of share capital of Budimex SA and giving right to 1 259 427 votes at the General Meeting, i.e. 4.93% of the total number of votes.

On 27 June 2013, the Management Board of Budimex was informed of the sale of the Company shares held by OFE PZU "Złota Jesień", whose share in the total number of votes decreased from 10.03% to 8.83%. Before the sale, OFE PZU possessed 2 561 102 shares.

After the balance sheet date, on 25 February 2014, the Management Board of Budimex was notified of the sale of the Company shares by OFE PZU "Złota Jesień". The respective share of this shareholder was decreased to 4.75% of the total number of votes. Before the change, OFE PZU held 1 213 075 shares.

Note 12**RESERVE CAPITAL**

	31.12.2013	31.12.2012
a) share premium	78 119	225 755
b) statutorily required	42 550	42 550
c) established according to statute/articles of association, above statutorily required minimum value, of which:	10 206	10 034
- transfer from revaluation reserve	9 608	9 608
- from profit distribution	598	426
d) additional equity contributions by shareholders	-	-
e) fair value of employee share option granted by the parent	5 370	2 705
f) other (by type)	1 526	1 526
Total reserve capital	137 771	282 570

Note 13**REVALUATION RESERVE**

	31.12.2013	31.12.2012
a) arising from revaluation of tangible assets	444	444
b) foreign exchange differences on translation of foreign operations	5 486	5 492
c) other (by type)	-	-
Total revaluation reserve	5 930	5 936

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

	31.12.2013	31.12.2012
Total other reserves	-	-

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

	31.12.2013	31.12.2012
Write-offs from net profit during the financial year, in total	-	-

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

	31.12.2013	31.12.2012
1. Deferred tax liability - opening balance, of which:	56 342	57 416
a) recognised in profit or loss	56 116	57 190
<i>- arising from 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	-	-
2. Increases (under)	-	1 496
a) recognised in profit or loss for the period in connection with positive temporary differences (under):	-	1 496
- temporary differences	-	1 496
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 (under)	20 675	2 570
a) recognised in profit or loss for the period in connection with positive temporary differences (under):	20 675	2 570
- reversal of temporary differences	20 675	2 570
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. Deferred tax liability - closing balance (of which):	35 667	56 342
a) recognised in profit or loss	35 441	56 116
<i>- arising from positive temporary differences</i>	<i>35 441</i>	<i>56 116</i>
b) recognised in equity	226	226
c) recognised in goodwill or negative goodwill	-	-
Total deferred tax liability - closing balance	35 667	56 342

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 derivative instruments	other	Total
Positive temporary differences as at 01.01.2013	227 863	858	1 021	3 716	52 726	1 460	8 895	
Balance of deferred tax assets as at 01.01.2013 per rate 19%	43 294	163	194	706	10 018	277	1 690	56 342
a) increases, of which:	-	-	-	-	-	-	-	-
recognised in profit or loss in connection with change in temporary differences	-	-	-	-	-	-	-	-
b) decreases, of which:	15 805	81	39	706	2 376	272	1 396	20 675
charged to profit or loss in connection with change in temporary differences	15 805	81	39	706	2 376	272	1 396	20 675
Positive temporary differences as at 31.12.2013	144 679	432	816	-	40 221	29	1 542	
Balance of deferred tax assets as at 31.12.2013 per rate 19%	27 489	82	155	-	7 642	6	293	35 667
Expiry date for positive temporary differences	2013-2017	2013-2016	2013-2016	2013-2015	2013-2020	2013-2014	2013-2016	

Note 17A**CHANGE IN BALANCE OF NON-CURRENT PROVISION FOR RETIREMENT BENEFITS AND SIMILAR OBLIGATIONS (BY TYPE)****A. Retirement severance payments**

	31.12.2013	31.12.2012
a) opening balance	2 542	2 637
b) increases (under)	722	-
- revision of value	722	-
c) utilization (of which)	-	-
d) release (of which)	-	95
- revision of value	-	95
e) closing balance	3 264	2 542

B. Length of service awards

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

Total non-current provision for retirement benefits and similar obligations

3 264	2 542
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Note 17B**CHANGE IN BALANCE OF CURRENT PROVISION FOR RETIREMENT BENEFITS AND SIMILAR OBLIGATIONS (OF WHICH)****A. Retirement severance payments**

	31.12.2013	31.12.2012
a) opening balance	741	727
b) increases (under)	456	175
- revision of value	456	175
c) utilization (of which)	318	161
- payments made	318	161
d) release (of which)	-	-
- revision of value	-	-
e) closing balance	879	741

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

879	741
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Note 17C**CHANGE IN BALANCE OF OTHER NON-CURRENT PROVISIONS (OF WHICH)****A. Warranty repairs**

	31.12.2013	31.12.2012
a) opening balance	113 930	99 362
b) increases (under)	41 754	25 443
- revision of value	41 754	25 443
c) utilization (of which)	-	-
d) release (of which)	30 377	10 875
- revision of value	17 928	6 131
- transfer to current provisions	12 449	4 744
e) closing balance	125 307	113 930

Total other non-current provisions

125 307	113 930
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Note 17D**CHANGE IN BALANCE OF OTHER CURRENT PROVISIONS
(OF WHICH)****A. Legal proceedings**

	31.12.2013	31.12.2012
a) opening balance	34 606	32 235
b) increases (under)	2 805	3 279
- revision of value	2 805	3 279
c) utilization (of which)	432	-
- payments/ compensations	432	-
d) release (of which)	1 276	908
- revision of value	1 276	908
e) closing balance	35 703	34 606

B. Warranty repairs

a) opening balance	37 334	32 170
b) increases (under)	12 449	18 088
- revision of value	-	13 344
- transfer from non-current provisions	12 449	4 744
c) utilization (of which)	11 514	12 924
- payments made	11 514	12 924
d) release (of which)	-	-
- revision of value	-	-
e) closing balance	38 269	37 334

C. Provisions for penalties

a) opening balance	27 052	30 534
b) increases (under)	13 817	1 889
- revision of value	13 817	1 889
c) utilization (of which)	734	3 554
- payments made	734	3 554
d) release (of which)	1 130	1 817
- revision of value	1 130	1 817
e) closing balance	39 005	27 052

D. Restructuring

a) opening balance	7 765	158
b) increases (under)	-	7 765
- revision of value	-	7 765
c) utilization (of which)	2 642	-
- payments/ compensations	2 642	-
d) release (of which)	2 354	158
- revision of value	2 354	158
e) closing balance	2 769	7 765

E. Other

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

Total other current provisions

115 746	106 757
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Note 18A**NON-CURRENT LIABILITIES**

	31.12.2013	31.12.2012
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 related parties	-	-
h) due to other entities	17 044	27 740
- loans and borrowings	-	-
- under issues of debt securities	-	-
- other financial liabilities, of which:	17 044	27 740
- <i>finance lease contracts</i>	17 044	27 740
- other (by type)	-	-
Total non-current liabilities	17 044	27 740

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

	31.12.2013	31.12.2012
a) 1- 3 years	16 862	22 360
b) 3 - 5 years	182	5 380
c) above 5 years	-	-
Total non-current liabilities	17 044	27 740

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

	31.12.2013	31.12.2012
a) in PLN	17 044	27 740
b) in foreign currencies (by currencies and after translation into PLN)	-	-
Total non-current liabilities	17 044	27 740

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	guarantees/ collateral	additional rights	quotation market	other
-	-	-	-	-	-	-	-
Total	-						

Note 19A**CURRENT LIABILITIES**

	31.12.2013	31.12.2012
a) due to subsidiaries	9 885	4 769
- trade payables, with maturities of:	9 881	4 765
- less than 12 months	8 273	3 674
- above 12 months	1 608	1 091
- other (by type)	4	4
b) due to jointly controlled companies	727	727
- trade payables, with maturities of:	660	660
- less than 12 months	660	660
- above 12 months	-	-
- other (by type)	67	67
c) due to associates	117	4 470
- trade payables, with maturities of:	80	4 433
- less than 12 months	80	3 774
- above 12 months	-	659
- other (by type)	37	37
d) due to significant investor	-	-
e) due to partner of jointly controlled companies	-	-
f) due to parent company	107 703	140 004
- loans and borrowings	8 333	8 107
- trade payables, with maturities of:	87 653	113 640
- less than 12 months	87 653	113 640
- above 12 months	-	-
- other (by type)	11 717	18 257
- settlement of consortia	11 437	17 982
- other	280	275
g) due to other related parties	28 744	18 836
- trade payables, with maturities of:	28 744	18 836
- less than 12 months	28 744	18 584
- above 12 months	-	252
h) due to other entities	1 353 345	1 442 469
- loans and borrowings	-	-
- under issues of debt securities	-	-
- other financial liabilities, of which:	10 272	9 831
- valuation of forward contracts	440	243
- finance lease	9 832	9 588
- trade payables, with maturities of:	1 148 667	1 278 729
- less than 12 months	978 352	1 107 176
- above 12 months	170 315	171 553
- advance payments against supplies received	-	-
- other (by type)	194 406	153 909
- under taxes and duties	164 711	121 197
- under insurance and similar	7 882	8 586
- payables due to employees	3 749	3 638
- settlement of consortia	17 216	18 852
- investment purchases	173	527
- other	675	1 109
i) special funds	5 097	4 679
Company Social Benefit Fund	4 744	4 282
Restructuring Fund	135	135
other	218	262
Total current liabilities	1 505 618	1 615 954

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

	31.12.2013	31.12.2012
a) in PLN	1 470 307	1 571 449
b) in foreign currencies (by currencies and after translation into PLN)	35 311	44 505
b2. unit/currency thousand / EUR	8 492	10 874
PLN thousands	35 218	44 455
b3. unit/currency thousand/ USD	31	16
PLN	93	50
b3. unit /currency thousand/ RUB	-	-
PLN	-	-
b4. other currencies in PLN	-	-
Total current liabilities	1 505 618	1 615 954

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	50 000	-	-	-	WIBOR 1M + margin	2014-02-05	none	-
Societe Generale SA Branch in Poland	Warsaw	50 000	-	-	-	WIBOR 1M + margin	2014-12-09	none	-
ING Bank Śląski SA	Warsaw	25 000	-	-	-	WIBOR 1M + margin	2014-02-18	none	-
Bank Zachodni WBK SA	Warsaw	50 000	-	-	-	WIBOR 1M + margin	2014-03-03	none	-
Bank PEKAO SA	Warsaw	50 000	-	-	-	WIBOR 1M + margin	2014-06-30	none	-
Cintra Infraestructuras SA	Madrid	-	€ 2 007	8 333	€ 2 009	EURIBOR 12M + margin	2014-12-01	none	-
Total		225 000	€ 2 007	8 333	€ 2 009				

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

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

Note 20A**CHANGE IN NEGATIVE GOODWILL**

	31.12.2013	31.12.2012
a) opening balance	-	-
b) increases (under)	-	-
c) decreases (under)	-	-
Negative goodwill - closing balance	-	-

Note 20B**OTHER PREPAYMENTS AND ACCRUALS**

	31.12.2013	31.12.2012
a) accruals and deferred income	359 219	384 417
- long-term (of which)	-	-
- short-term (of which)	359 219	384 417
- provision for contract losses	209 025	228 412
- provision for costs of contracts completion	8 823	9 062
- provision for unused holidays	27 210	27 710
- provision for bonuses	113 936	118 656
- other	225	577
b) accrued income	548 765	387 527
- long-term (of which)	4 879	5 014
- settlement of perpetual usufruct	4 879	5 014
- short-term (of which)	543 886	382 513
- prepayments received for future services	59 346	55 341
- contracts valuation - adjustment of sales revenue	479 134	321 035
- other	5 406	6 137
Total other prepayments and accruals	907 984	771 944

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

	31.12.2013	31.12.2012
Book value (in PLN thousands)	573 950	380 769
Number of shares	25 530 098	25 530 098
Book value per share (PLN)	22,48	14,91

Notes and explanations to off-balance sheet items**Note 21A****CONTINGENT RECEIVABLES FROM RELATED PARTIES
(under)**

	31.12.2013	31.12.2012
a) guarantees and suretyships received	880	2 372
- from subsidiaries	880	-
- from associated companies	-	2 372
b) other	1 092	1 836
b.1. promissory notes received as security, of which:	1 092	1 836
- from subsidiaries	1 092	1 836
c) other	10 793	-
Total contingent receivables from related parties	12 765	4 208

Note 21B**CONTINGENT LIABILITIES TO RELATED PARTIES****(of which)**

	31.12.2013	31.12.2012
a) guarantees and suretyships issued, of which:	138 657	126 333
- to subsidiaries	138 657	126 333
b) other (of which)	-	-
Total contingent liabilities due to related parties	138 657	126 333

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 related parties
 b) sales of other services, of which:
 - from related parties
 c) sales of finished goods, of which:
 - from related parties

Total net sales of products
 - from related parties

	01.01 - 31.12.2013	01.01. - 31.12.2012
a) sales of construction and assembly services, of which:	3 969 812	5 180 192
- from related parties	212 327	260 820
b) sales of other services, of which:	21 773	41 759
- from related parties	21 306	18 526
c) sales of finished goods, of which:	3	1 043
- from related parties	-	-
Total net sales of products	3 991 588	5 222 994
- from related parties	233 633	279 346

Note 22B

NET SALES OF FINISHED GOODS (BY GEOGRAPHY)

1. domestic market, of which:
 - from related parties
 2. export sales, of which:
 - from related parties

Total net sales of products
 - from related parties

	01.01 - 31.12.2013	01.01. - 31.12.2012
1. domestic market, of which:	3 867 464	5 089 296
- from related parties	232 263	277 962
2. export sales, of which:	124 124	133 698
- from related parties	1 370	1 384
Total net sales of products	3 991 588	5 222 994
- from related parties	233 633	279 346

Note 23A

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

- a) sales of raw materials, of which:
 - from related parties
 b) sales of goods for resale, of which:
 - from related parties

Total net sales of goods for resale and raw materials
 - from related parties

	01.01 - 31.12.2013	01.01. - 31.12.2012
a) sales of raw materials, of which:	9 303	9 597
- from related parties	-	582
b) sales of goods for resale, of which:	-	-
- from related parties	-	-
Total net sales of goods for resale and raw materials	9 303	9 597
- from related parties	-	582

Note 23B

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

1. domestic market, of which:
 - from related parties
 2. export sales, of which:
 - from related parties

Total net sales of goods for resale and raw materials
 - from related parties

	01.01 - 31.12.2013	01.01. - 31.12.2012
1. domestic market, of which:	9 303	9 597
- from related parties	-	582
2. export sales, of which:	-	-
- from related parties	-	-
Total net sales of goods for resale and raw materials	9 303	9 597
- from related parties	-	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 - 31.12.2013	01.01. - 31.12.2012
a) construction business	3 969 812	5 180 192
b) property management and developer business	3 938	4 612
c) other business	27 141	47 787
Total net sales of goods for resale, raw materials and finished goods	4 000 891	5 232 591

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 - 31.12.2013	01.01. - 31.12.2012
a) Poland	3 876 767	5 098 893
b) Germany	124 124	133 698
Total net sales of goods for resale, raw materials and finished goods	4 000 891	5 232 591

Note 24

COSTS BY TYPE	01.01 – 31.12.2013	01.01. - 31.12.2012
a) depreciation/amortization	24 189	30 547
b) consumption of materials and energy	1 301 346	1 865 385
c) external services	2 016 896	2 640 463
d) taxes and charges	5 613	5 701
e) remuneration	384 091	426 559
f) social security and other benefits	76 522	85 443
g) other costs by type (of which):	52 119	(40 103)
- accommodation of employees	19 334	20 318
- business trips	2 308	2 571
- advertising and representation expenses	3 760	2 940
- life and non-life (property) insurance	11 585	11 666
- provision for contract losses	(19 387)	(119 594)
- cost of contracts completion (including provisions for warranty repairs)	21 181	31 000
- cost of technical documentation	12 699	10 052
- other	639	944
Total costs by type	3 860 776	5 013 995
Change in balance of inventories, finished goods and accruals and prepayments	2 224	(1 023)
Cost of goods produced for the entity's own use (negative value)	-	-
Selling costs (negative value)	(10 625)	(11 024)
Administrative expenses (negative value)	(145 933)	(162 206)
Cost of goods sold	3 706 442	4 839 742

Note 25**OTHER OPERATING REVENUE**

	01.01 - 31.12.2013	01.01. - 31.12.2012
a) release of provisions	4 760	2 883
- for legal proceedings	1 276	908
- for expected contract liabilities	1 130	1 817
- for restructuring	2 354	158
b) other, of which:	25 424	52 092
- compensations, penalties and fines received	18 725	38 878
- reversal of impairment write-downs of receivables	2 790	10 411
- write-off of statute-barred liabilities	2 496	1 168
- other	1 413	1 635
Total other operating revenue	30 184	54 975

Note 26A**OTHER OPERATING EXPENSES**

	01.01 - 31.12.2013	01.01. - 31.12.2012
a) establishment of provisions (for)	16 622	12 933
- for legal proceedings	2 805	3 279
- for restructuring	-	7 765
- for expected contract liabilities	13 817	1 889
b) other, of which:	12 216	5 682
- donations	554	619
- compensations and contractual penalties paid	9 877	3 176
- court charges and executions, costs of legal proceedings	1 704	1 542
- other	81	345
Total other operating expenses	28 838	18 615

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

	01.01 - 31.12.2013	01.01. - 31.12.2012
a) intangible assets	-	-
b) tangible assets	-	-
c) investment properties	-	-
d) bad and overdue receivables	12 498	25 350
d) inventories	-	30 050
Total impairment write-downs of non-financial assets	12 498	55 400

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

	01.01 - 31.12.2013	01.01. - 31.12.2012
a) from related parties, of which:	45 409	20 021
- from subsidiaries	45 409	20 000
- from associates	-	21
b) from other entities	5	-
Total financial income from dividends and shares in profits	45 414	20 021

Note 27B**INTEREST INCOME**

	01.01 - 31.12.2013	01.01. - 31.12.2012
a) on loans granted	194	30
- from related entities, of which	194	30
- from subsidiaries	141	-
- from associates	53	30
b) other interest	20 374	54 781
- from related entities, of which	20	165
- from subsidiaries	20	-
- from other related parties	-	165
- from other entities	20 354	54 616
Total interest income	20 568	54 811

Note 27C**OTHER FINANCIAL INCOME**

	01.01 - 31.12.2013	01.01. - 31.12.2012
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 - 31.12.2013	01.01. - 31.12.2012
a) on loans and borrowings	110	1 098
- to related parties, of which:	110	1 098
- to subsidiaries	-	882
- to the parent	110	216
- to other entities	-	-
b) other interest	3 654	3 224
- to related parties	-	-
- to other entities	3 654	3 224
Total interest charges	3 764	4 322

Note 28B**OTHER FINANCE COSTS**

	01.01 - 31.12.2013	01.01. - 31.12.2012
a) foreign exchange losses *)	531	1 737
- realised	52	2 572
- unrealised	479	(835)
b) provisions established (of which)	-	-
c) other, of which:	12 942	13 412
- bank commissions and guarantees	12 742	13 412
- other	200	-
Total other finance costs	13 473	15 149

*) excess of exchange losses over exchange gains

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

	01.01 - 31.12.2013	01.01. - 31.12.2012
a) gains	3 175	7 023
- realised	2 420	3 873
- unrealised	755	3 150
b) losses	3 706	8 760
- realised	2 472	6 445
- unrealised	1 234	2 315
Total (a - b)	(531)	(1 737)

Note 29A**PROFIT ON INVESTMENT DISPOSAL**

	01.01 - 31.12.2013	01.01. - 31.12.2012
a) profit on settlement of financial instruments	603	-
b) profit on sale of shares/equities	100	5 002
Profit on investment disposal, in total	703	5 002

On 10 October 2013 Budimex SA and Polskie Koleje Górskie SA signed an agreement on sale of shares of the company Kolej Gondolowa Jaworzyna Krynicka SA for the amount of PLN 160 thousand. The book value of the shares sold was PLN 60 thousand.

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, Budimex SA recognised the entire amount as profit on investment disposal.

Note 29B**LOSS ON INVESTMENT DISPOSAL**

	01.01 - 31.12.2013	01.01. - 31.12.2012
a) loss on settlement of financial instruments	-	2 985
b) loss on sale of shares/equities	-	-
Loss on investment disposal, in total	-	2 985

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

	01.01 - 31.12.2013	01.01. - 31.12.2012
a) valuation of derivative instruments	-	6 448
b) recognition of fair value of assets held for trading (shares in the company Budimex B Sp. z o.o. covered with a contribution of shares in the company Budimex Danwood Sp. z o.o.)	214 363	-
Income from revaluation of investments, in total	214 363	6 448

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

	01.01 - 31.12.2013	01.01. - 31.12.2012
a) valuation of derivative instruments	1 628	-
b) impairment write-downs of non-current financial assets	54 913	112 916
Costs of revaluation of investments, in total	56 541	112 916

In 2013, the Company recognized an impairment write-down in the amount of 54 913 thousand connected with the loss of value of shares of the company Budimex Nieruchomości Sp. z o. o. (reduction of fair value determined using the discounted cash flow method as part of the income valuation approach).

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.

Note 31

EXTRAORDINARY GAINS

	01.01 - 31.12.2013	01.01. - 31.12.2012
a) fortuitous events	-	-
b) other (by type)	-	-
Total extraordinary gains	-	-

Note 32

EXTRAORDINARY LOSSES

	01.01 - 31.12.2013	01.01. - 31.12.2012
a) fortuitous events	-	-
b) other (by type)	-	-
Total extraordinary loss	-	-

Note 33A

CURRENT INCOME TAX

	01.01 - 31.12.2013	01.01. - 31.12.2012
1. Gross profit (loss)	330 127	145 247
2. Differences between gross profit (loss) and income tax base (by type):	72 123	(440 521)
- permanent differences between gross profit and taxable income	(201 632)	19 384
- temporary differences between gross profit and taxable income	284 783	(448 020)
- other differences	(11 028)	(11 885)
3. Income tax base	402 250	(295 274)
4. Income tax according to enacted tax rate of 19%	76 428	-
5. Income tax paid in respect on profits generated abroad	5 975	(1 007)
6. Tax increases, abandonments, exemptions, deductions and reductions	(27 798)	(236)
7. Current income tax recognised in tax declaration for the period, of which:	54 605	(1 243)
- recognised in profit and loss account	54 605	(1 243)

Note 33B

DEFERRED INCOME TAX RECOGNISED IN PROFIT AND LOSS ACCOUNT

	01.01 - 31.12.2013	01.01. - 31.12.2012
- decrease (increase) due to occurrence and reversal of temporary differences	(27 077)	34 241
- decrease (increase) due to changes in tax rates	-	-
- decreases (increases) in respect of tax loss not recognised previously, tax credit or temporary difference relating to the prior period	-	-
- other components of deferred tax (by type)	-	-
Total deferred tax asset	(27 077)	34 241

Note 33C**TOTAL DEFERRED TAX**

	01.01 - 31.12.2013	01.01. - 31.12.2012
- recognised in equity	-	-
- recognised in goodwill or negative goodwill	-	-

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

	01.01 - 31.12.2013	01.01. - 31.12.2012
1. Permanent differences (adjustment for revenues – adjustment for costs):	(201 632)	19 384
Adjustments for revenues:	(264 347)	(21 884)
- dividends received	(45 414)	(20 021)
- release of provisions for legal proceedings and penalties	-	(263)
- compensations, penalties and budget interest	(1 310)	-
- revaluation of financial assets	(214 363)	-
- other	(3 260)	(1 600)
Adjustment for costs:	(62 715)	(41 268)
- donations	(554)	(619)
- compensations, penalties and budget interest	(2 042)	(373)
- provisions for legal proceedings and penalties	-	(1 682)
- amounts transferred to PFRON (National Fund for the Rehabilitation of Disabled Persons)	(2 014)	(3 176)
- fees paid to associations - non-obligatory	(136)	(99)
- costs of warranty repairs	(610)	(588)
- representation	(1 565)	(1 297)
- revaluation of financial assets	(54 913)	-
- impairment write-down of advance payments made	-	(30 050)
- other	(881)	(3 384)
2. Temporary differences (adjustment for revenues – adjustment for costs):	284 783	(448 020)
Adjustments for revenues:	244 236	(232 828)
- unrealised foreign exchange gains	424	540
- release of provisions for legal proceedings and penalties	(5 494)	(6 174)
- valuation of forward contracts	-	(6 448)
- valuation of construction contracts	242 638	(229 230)
- reversal of impairment write-downs of receivables	(2 790)	(10 411)
- reversal of impairment write-downs of inventories and tangible assets	-	(744)
- reversal of impairment write-downs of investment properties	-	-
- compensations, penalties, fines received	4 778	14 987
- accrued interest	207	1 103
- other	4 473	3 549
Adjustment for costs:	(40 547)	215 192
- unrealised foreign exchange losses	(37)	1 671
- impairment write-downs of receivables	(12 413)	(25 350)
- impairment write-downs of non-current financial assets	-	177 351
- provision for employee leaves and retirement severance payments	(107)	(3 662)
- provision for bonuses	4 720	5 558
- accrued interest	-	11
- provision for not yet billed costs	54 719	(23 006)
- valuation of forward contracts	(1 628)	-
- provision for contract losses	19 387	119 594
- provisions for warranty repairs	(12 312)	(19 732)
- provisions for legal proceedings and penalties	(16 622)	(11 251)
- costs invoiced in compliance with art. 15b of the act on CIT	(24 443)	-
- licence agreement costs	(50 496)	-
- other	(1 315)	(5 992)
3. Other differences:	(11 028)	(11 885)
- taxable profit achieved on foreign markets	(11 028)	(11 885)
- other	-	-
Total (1 +2 +3)	72 123	(440 521)

Note 34**OTHER STATUTORY DEDUCTIONS FROM PROFIT (INCREASES OF LOSS), UNDER:**

	01.01 - 31.12.2013	01.01. - 31.12.2012
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Other statutory deductions from profit (increases of loss), in total	-	-
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Note 35**SHARE IN NET PROFITS (LOSSES) OF SUBORDINATED COMPANIES ACCOUNTED FOR WITH EQUITY METHOD, OF WHICH:**

	01.01 - 31.12.2013	01.01. - 31.12.2012
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Share in net profits (losses) of subordinated companies accounted for with equity method, of which:	-	-
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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 24 April 2013. The General Meeting of Shareholders resolved to allocate the 2012 profit to pay the dividend in the amount of PLN 112 077 (i.e. gross amount of PLN 4.39 per one share). The remaining portion of the profit, i.e. PLN 172 thousand, was credited to the reserve capital. The dividend was paid on 22 May 2013.

Till the date of preparation of these financial statements for the financial year ended 31 December 2013 the Management Board of the Company did not make a resolution in respect of appropriation of the profit for 2013 in the amount of PLN 302 599 thousand.

Note 37**EARNINGS (LOSS) PER SHARE**

	01.01 - 31.12.2013	01.01. - 31.12.2012
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Net profit (loss)	302 599	112 249
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	11,85	4,40

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

	31.12.2013	31.12.2012
a) cash in hand	10	13
b) cash at bank	1 115 307	1 040 513
- current accounts	35 024	35 120
- overnight (one-day) deposits	99 013	108 659
- other cash deposits up to 1 year	977 787	893 771
- cash deposits above 1 year of restricted use	3 483	2 963
c) other cash equivalents	683	1 022
Total cash and cash equivalents	1 116 000	1 041 548

The balance of cash and cash equivalents covers cash of consortia in the part attributable to the consortium members in the amount of PLN 36 106 thousand as at 31 December 2013 and PLN 34 098 thousand as at 31 December 2012.

Note 39A**CHANGE IN BALANCE OF RECEIVABLES**

	31.12.2013	31.12.2012
- change in balance of receivables in the balance sheet	(99 388)	36 281
- payment of receivables under redemption of shares in the company Autostrada Południe SA	-	(4 676)
- change in balance of investing receivables	940	(103)
Change in balance of receivables, in total	(98 448)	31 502

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

	31.12.2013	31.12.2012
- change in balance of liabilities and special funds in the balance sheet	(121 032)	(182 401)
- change in balance of liabilities under loans and borrowings	(226)	424
- change in balance of liabilities under finance lease	10 452	7 004
- change in balance under valuation of financial instruments	(197)	5 110
- change in balance of investing liabilities	354	1 525
Change in balance of current liabilities and special funds, except for loans and borrowings, in total	(110 649)	(168 338)

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

	31.12.2013	31.12.2012
- adjustment for foreign exchange differences related to foreign operations	(6)	1 839
- valuation of forward contracts	1 628	(6 448)
- fair value of employee share option granted by the parent	2 665	1 422
- other items	(100)	(739)
Total other adjustments to operating activities	4 187	(3 926)

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

	31.12.2013	31.12.2012
- repayment of a short-term loan with interest	93	3 030
- settlement of derivative instruments	603	-
Total other inflows from investing activities	696	3 030

Note 39E**OTHER CAPITAL EXPENDITURES**

	31.12.2013	31.12.2012
- settlement of derivative instruments	-	2 985
- short-term loan granted	3 111	3 000
Total other capital expenditures	3 111	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 2013 or 31 December 2012.

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 security or collateral on property. 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.

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 2013 and 31 December 2012 are presented in the table below:

	Financial assets on valuation of derivative financial instruments		Financial liabilities on valuation of derivative financial instruments	
	31 December 2013	31 December 2012	31 December 2013	31 December 2012
FX forward contracts	29	1 460	440	243
Total	29	1 460	440	243

	Financial assets on valuation of derivative financial instruments		Financial liabilities on valuation of derivative financial instruments	
	31 December 2013	31 December 2012	31 December 2013	31 December 2012
Opening balance	1 460	122	243	5 353
valuation adjustment at the reporting date	(1 431)	1 338	197	(5 110)
Closing balance	29	1 460	440	243

The total nominal value of FX forward contracts as at 31 December 2013 was EUR 5 158 thousand and USD 817 thousand, while as at 31 December 2012 it was EUR 19 369 thousand.

Forward selling/ buying rate for transactions open as at 31 December 2013 ranged EUR/ PLN 4.1878-4.2890 and USD/PLN 3.0460-3.2555 (as at 31 December 2012 – EUR/PLN 4.1070-4.3496). Forward transactions open as at 31 December 2013 are to be settled within 30 - 324 days.

As at 31 December 2013 or 31 December 2012, 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 2013 and 31 December 2012:

	Financial assets held for trading	Financial assets held to maturity	Financial assets available for sale	Loans granted and own receivables	Financial liabilities held for trading	Other financial liabilities
1 January 2013	1 460	-	2 185	-	243	45 435
<u>increases</u> , of which:	-	-	-	5 013	197	543
- purchase/provision	-	-	-	4 911	-	317
- revaluation	-	-	-	-	197	-
- accrued interest	-	-	-	102	-	226
<u>decreases</u> , of which:	(1 431)	-	(60)	-	-	(10 769)
- sale / repayment/ redemption	(1 431)	-	(60)	-	-	(10 769)
- revaluation	-	-	-	-	-	-
- accrued interest adjustment	-	-	-	-	-	-
31 December 2013	29	-	2 125	5 013	440	35 209
Balance sheet recognition	=====	=====	=====	=====	=====	=====
Non-current financial assets						
- in related parties	-	-	-	1 849	-	-
- in other entities	-	-	2 125	-	-	-
Current financial assets						
- in related parties	-	-	-	3 164	-	-
- in other entities	29	-	-	-	-	-
Non-current financial liabilities						
- to related parties	-	-	-	-	-	-
- to other entities	-	-	-	-	-	17 044
Current financial liabilities						
- to related parties	-	-	-	-	-	8 333
- to other entities	-	-	-	-	440	9 832
Total	29	-	2 125	5 013	440	35 209
	=====	=====	=====	=====	=====	=====

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

The value of financial assets available for sale stated at amortized cost as at 31 December 2013 and 31 December 2012 was respectively PLN 2 125 thousand and PLN 2 185 thousand and covered only non-current financial assets in unrelated entities.

During the 12-month period ended 31 December 2012 and in 2013, the Company did not recognise any impairment write-downs of shares in unrelated entities.

e) Interest on financial assets

12 –month period ended 31 December 2013	realised	unrealised with maturity of			total	Total interest
		< 3 months	3-12 months	> 12 months		
loans granted and own receivables	92	53	-	49	102	194
financial assets held for trading	-	-	-	-	-	-
Total	92	53	-	49	102	194

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 own receivables	30	-	-	-	-	30
financial assets held for trading	-	-	-	-	-	-
Total	30	-	-	-	-	30

f) Interest on financial liabilities

12 –month period ended 31 December 2013	realised	unrealised with maturity of			total	Total	interest
		< 3 months	3-12 months	> 12 months			
current financial liabilities	1 611	-	9	-	9		1 620
non-current financial liabilities	-	-	-	-	-		-
Total	1 611	-	9	-	9		1 620

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

2. Contingent liabilities

a) Guarantees, suretyships and other contingent liabilities

Type of liability (in PLN thousands)	31 December 2013	31 December 2012
Guarantees and suretyships provided (incl. bills of exchange), of which:	1 487 326	1 462 347
- to related parties	138 657	126 333
- to other entities *	1 348 669	1 336 014
Promissory notes issued as security/collateral, of which:	5 905	4 505
- to related parties	-	-
- to other entities	5 905	4 505
Other off-balance-sheet liabilities**	143 180	143 180
Total	1 636 411	1 610 032

* 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 claims against the Company.

** Other contingent liabilities include among others voluntary acceptance of enforcement constituting a security of payment up to the amount of PLN 135 010 thousand, due and payable in the case of improper performance of obligations by Budimex SA under the acquisition agreement concerning shares of Przedsiębiorstwo Napraw Infrastruktury Sp. z o.o.

b) Legal proceedings pending as at 31 December 2013

The total value of legal proceedings in progress in respect of liabilities and receivables was PLN 499 131 thousand as at 31 December 2013. 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 91 423 thousand.

As at December 2013, the total value of the proceedings relating to the Company's liabilities was PLN 295 277 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.

On 23 March 2009, the Arbitration Court issued a partial judgement with this respect. 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).

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. The claim of PPL was finally dismissed pursuant to the judgment of the Court of Appeals in Warsaw of 23 August 2012. The ruling was final and even though it was eligible for a cassation appeal with the Supreme Court, the verdict provided the grounds for the FBL Consortium reinstating the proceedings to declare enforceable the verdict of the Court of Arbitration by appending an enforcement clause. The total value of the claim awarded under the verdict and the amount of statutory interest for late payment was PLN 87 920 thousand (the amount attributable to Budimex SA was PLN 35 168 thousand, of which PLN 21 612 thousand as reimbursement of the performance bond). The court enforcement officer transferred that amount to the bank account of Budimex SA on 28 September 2012. On 3 December 2012, PPL filed a cassation appeal to the Supreme Court. On 11 October 2013, the Supreme Court decided that none of the charges in the PPL's cassation appeal were worth any consideration. In consequence,

The enforcement proceedings became final and PPL cannot submit any further claims against the FBL Consortium regarding reimbursement of the amounts adjudicated in the partial judgment.

In the course of the proceedings before the Arbitration Court, PPL filed a counter-claim of 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 counter-claim, 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. Under the consortium contract, the share of Budimex SA in the claim amounts to PLN 86 583 thousand.

On 27 May 2010, the Court of Arbitration 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 Court of Arbitration, Grupa BS Consulting, started to work at the end of 2010. To date, 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. The Court should be expected to order the expert to prepare an opinion regarding the validity of the amounts sought by the parties.

Pursuant to a decision of the Arbitration Court dated 28 January 2013 and based on a site inspection performed in July 2013, the expert, i.e. Grupa BS Consulting was to draft an opinion on assessment on value of claims submitted by the FBL Consortium in the extended claim by the end of October 2013. Since the expert did not draft the opinion on time, at the hearing held on 20 December 2013 the Arbitration Court made a decision on appointment of a new expert. At present, the parties are awaiting the Court's decision regarding the appointment of a new expert selected among proposals submitted.

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

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 several hearings during which witnesses for the claimant and defendant were examined. Having heard the parties, on 19 December 2013, the 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). Until the date this report was drafted, the expert's opinion had not been drafted yet.

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 2013, the court ended examination of witnesses of both parties, and then heard the parties. On 6 February 2014, the court accepted evidence from the construction expert opinion with regard, inter alia, to: assessment of quality and value of works completed by the defendant, the scope and completeness of works to be performed as well as value of corrections. The expert's opinion should be ready by the end of April 2014.

As at 31 December 2013, the total value of proceedings relating to claims of Budimex SA was PLN 203 854 thousand. The proceedings relate mainly to the recovery of overdue receivables from business partners and to additional claims in respect of the construction work performed.

On 10 March 2009, the District Court in Cracow issued a verdict regarding the claim filed by Budimex Dromex SA against the Municipal Commune 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, Ferrovial 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 appeal to the Supreme Court. On 20 October 2010, the Supreme Court granted the cassation and remitted the case to the Court of Appeals. 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 Urban Municipality of Cracow 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 Urban Municipality of Cracow to Budimex SA. 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. A supplementary expert opinion was drafted, and later on an additional supplementary opinion. At the hearing held on 14 October 2013, the court asked for a yet another opinion to be drafted by a new expert.

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 appropriate authorities

authorised to impose high penalties and fines together with 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 2013 and 31 December 2012, 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 2013 and during the prior year ended 31 December 2012, 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 years 2013 and 2012, 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 2013 amounted to PLN 17 651 thousand, of which PLN 6 062 thousand was allocated to the acquisition of non-financial non-current assets. In the year 2012, capital expenditure amounted to PLN 99 283 thousand, of which PLN 16 025 thousand was allocated to the acquisition of non-current non-financial long assets. In both periods, the capital expenditure incurred did not relate to environmental protection.

The Company intends to incur in 2014 capital expenditure of approx. PLN 13 000 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 1 March 2013, Budimex SA – Budimex Budownictwo Sp. z o.o. Spółka Cywilna was established. The share of the shareholders is as follows: Budimex SA - 99.975 per cent and Budimex Budownictwo Sp. z o.o. - 0.025 per cent. The contribution was made in cash and amounted to PLN 201 thousand and PLN 50, as appropriate. The company was established for the purpose and duration of performance of the investment task named "Development of the landing area in the Frederic Chopin Airport - conversion and development of PSS 2, PPS 4, PPS 6 (including DK D1), reconstruction of the runway strip and development of the taxiway".

On 21 March 2013, the Ordinary General Meeting of Shareholders of Budimex Danwood Sp. z o.o. (a subsidiary of Budimex SA) resolved to return the capital payment in the amount of PLN 6 000 thousand to Budimex SA. Therefore, the value of shares of Budimex SA in its subsidiary decreased from PLN 30 779 thousand to PLN 24 779 thousand. The payment was returned on 7 May 2013.

On 20 June 2013, the first tranche of the long-term loan in the amount of PLN 1 000 thousand was paid. The loan was granted by Budimex SA to Budimex Parking Wrocław Sp. z o.o (a subsidiary

of Budimex SA) under the loan agreement dated 19 December 2012. Pursuant to the agreement, the loan interest was agreed as 1-m WIBOR + margin. Next tranches of the loan will be available for the borrower until 30 April 2014 and the repayment period is 20 years. **On 25 July 2013 and 26 August 2013**, the second and the third tranche of the long-term loan were availed, in the amount of PLN 600 thousand and PLN 200 thousand, as appropriate.

On 5 August 2013, under the resolution of the Ordinary General Meeting of Shareholders of 18 June 2013, Budimex Danwood Sp. z o.o. returned the capital payment in the amount of PLN 4 000 thousand to Budimex SA. Therefore, the value of shares of Budimex SA in its subsidiary decreased from PLN 24 779 thousand to PLN 20 779 thousand.

On 16 September 2013, 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 4 150 thousand, i.e. from PLN 1 500 thousand to PLN 5 650 thousand by way of establishing 83 000 new shares with a nominal value of PLN 50 each. Budimex SA subscribed all the shares in the increased capital. The capital increase payment was made on 20 September 2013.

On 17 September 2013, Budimex SA subscribed for 4 772 000 shares in the increased capital of Budimex B Sp. z o.o. (a subsidiary of Budimex SA) with nominal value of PLN 50 each, namely with the total nominal value of PLN 238 600 thousand, in return for a contribution in kind of 100 per cent of shares in Budimex Danwood Sp. z o.o.

On 24 September 2013, Budimex SA concluded a loan agreement with the company FB Serwis SA (an associate of Budimex SA) and provided FB Serwis with a loan in the amount of up to PLN 19 600 thousand. Pursuant to the agreement, the loan interest was agreed as 3-m WIBOR + margin. The first tranche of the loan in the amount of PLN 3 111 thousand was paid out on 30 September 2013.

On 27 September 2013, the Extraordinary General Meeting of Shareholders of Budimex A Sp. z o.o. (a subsidiary of Budimex SA) resolved to increase the company's share capital by PLN 100 thousand, i.e. from PLN 75 thousand to PLN 175 thousand by way of establishing 2 000 new shares with a nominal value of PLN 50 each. Budimex SA subscribed all the shares in the increased capital. The capital increase payment was made on 30 September 2013.

On 3 October 2013, the Extraordinary General Meeting of Shareholders of Budimex PPP SA (a subsidiary of Budimex SA) resolved to increase the company's share capital by PLN 420 thousand, i.e. from PLN 360 thousand to PLN 780 thousand by way of establishing 420 new shares with a nominal value of PLN 1 000 each. Budimex SA subscribed all the shares in the increased capital. The capital increase payment was made on 15 October 2013.

On 3 October 2013, the Extraordinary General Meeting of Shareholders of Budimex Autostrada SA (a subsidiary of Budimex SA) resolved to increase the company's share capital by PLN 240 thousand, i.e. from PLN 200 thousand to PLN 440 thousand by way of establishing 240 new shares with a nominal value of PLN 1 000 each. Budimex SA subscribed all the shares in the increased capital. The capital increase payment was made on 10 October 2013.

On 3 October 2013, the Extraordinary General Meeting of Shareholders of Budimex Most Wschodni SA (a subsidiary of Budimex SA) resolved to increase the company's share capital by PLN 120 thousand, i.e. from PLN 100 thousand to PLN 220 thousand by way of establishing 120 new shares with a nominal value of PLN 1 000 each. Budimex SA subscribed all the shares in the increased capital. The capital increase payment was made on 10 October 2013.

On 30 October 2013, Budimex SA – Cadagua SA Spółka Cywilna was established. Share of each of the shareholders amounts to 50 per cent. The company was established for the purpose and duration of performance of the investment task named "Modernisation of the sewage treatment plant and construction of sewage system of a part of the city of Tomaszów Mazowiecki".

On 19 November 2013, the shareholders of Budimex SA Ferrovial Agroman SA Sp. j. (affiliate of Budimex SA) decided to increase contribution to the company by PLN 1 700 thousand. The shareholders made payments increasing the contribution in accordance with their shareholding, namely by 50 per cent. Budimex SA made payment of its part in the amount of PLN 850 thousand on 19 December 2013.

On 16 December 2013, the Management Board of Budimex B Sp. z o.o. resolved to decrease the company's share capital by PLN 238 600 thousand in connection with the sale by Budimex B Sp. z o.o. of 100 per cent shares in Budimex Danwood Sp. z o.o., brought in the form of contribution in kind on 17 September 2013. After decrease the company's share capital will amount to PLN 75 thousand and will be divided into 1500 shares of nominal value of PLN 50 each. Up to the date of drawing up the financial statements, the decrease of capital was not registered.

8. Data concerning transactions of Budimex SA executed with related parties

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

	Receivables as at 31 December 2013	Liabilities as at December 2013	Revenue on sales of products in 2013	Purchases of finished goods and services in 2013	Dividend income in 2013	Interest income in 2013	Interest expense in 2013
The parent company and related entities of the parent (the Ferrovial Group)	47 259*	107 703**	8 242	39 340	-	-	110
Budimex Nieruchomości Sp. z o.o.	34 227	881	103 326	1 797	35 017	-	-
Budimex Budownictwo Sp. z o.o.	16 318	1 849	86 580	1 769	-	-	-
Mostostal Kraków SA	452	3 992	5 240	25 428	3 911	10	-
Budimex Danwood Sp. z o.o. (until 30.11.2013)	-	-	8 271	-	6 481	-	-
FBSerwis SA	6 707	99	334	-	-	53	-
Budimex SA Ferrovial Agroman SA S. j.	259	67	448	-	-	-	-
Tecpresa – Techniki Sprężania i Usługi Dodatkowe Sp. z o.o.	2	-	59	2 077	-	-	-
Budimex Kolejnictwo SA	3	219	30	1 498	-	-	-
Budimex SA Sygnyty SA Sp. j	51	660	60	-	-	-	-
Elektromontaż Poznań SA	101	2 944	105	18 075	-	-	-
Budimex A Sp. z o.o.	6	-	26	-	-	-	-
Budimex B Sp. z o.o.	6	-	26	-	-	-	-
Budimex C Sp. z o.o.	6	-	26	-	-	-	-
Budimex D Sp. z o.o.	6	-	26	-	-	-	-
Budimex E Sp. z o.o.	6	-	26	-	-	-	-
Budimex PPP SA	6	-	28	-	-	92	-
Budimex Autostrada SA	18	-	28	-	-	-	-
Budimex Most Wschodni SA	15	-	28	-	-	-	-
Budimex Parking Wrocław Sp. z o.o.	1 665	-	19 888	129	-	59	-
Budimex Autostrada 1 SA	18	-	28	-	-	-	-
Budimex Bau GmbH	4	-	-	-	-	-	-
Autostrada Południe SA	25	-	-	-	-	-	-
PPHU Promos Sp. z o.o.	-	18	-	191	-	-	-
SPV-BN 1 Sp. z o.o.	-	-	3	-	-	-	-
SPV-BN 2 Sp. z o.o.	-	-	3	-	-	-	-
Budimex SA – Cadagua SA S.C.	822	-	248	-	-	-	-
Przedsiębiorstwo Napraw Infrastruktury Sp. z o.o.. in bankruptcy open to arrangements	38	27 640	554	21 476	-	-	-
Total transactions with related entities	108 020	146 072	233 633	111 780	45 409	214	110
transactions with other related parties ***	(4)	1 104	-	3 064	-	-	-
Total transactions with related parties	108 016	147 176	233 633	114 844	45 409	214	110

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

** this amount includes the liability under loan from Ferrovial Infraestructuras SA in the amount of PLN 8 333 thousand, as described below.

*** other related 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 entities of the parent (the Ferrovial Group)" is financial data relating to transactions with Ferrovial Agroman SA (the sole owner of the Parent Company of Budimex SA, i.e. Valivala Holdings BV), including with Ferrovial Agroman SA Oddział w Polsce [Branch in Poland] and other Ferrovial 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 Ferrovial Agroman SA, based on which Ferrovial has been rendering to the Company services relating to maintenance and development of IT systems as well as delegation of staff. The costs of these agreements incurred by Budimex SA in 2013 were PLN 4 055 thousand and 6 270 thousand, respectively and in 2012: 1 669 thousand and PLN 5 482 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 2013 Budimex SA incurred costs of PLN 22 612 thousand and in 2012 total 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 2013, 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.

9. Joint ventures

As at 31 December 2013, 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 2013, 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 2013:

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%
Technology modernisation in the Central Pipeline Facility, stage II	50%
Enlargement and modernization of sewage treatment plant in Gorzów Wielkopolski	50%
Consortia with other entities:	
Construction of the Province Childrens' Hospital in Bydgoszcz	55%
Construction of the second passenger terminal for Gdańsk Airport	52%
Construction of a Municipal Waste Processing Plant in Białystok	50%
Construction of a border crossing station in Dołhobyczów	33%

The financial data of the Company as at 31 December 2013 and 31 December 2012 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:

- "Development of the landing area in the Frederic Chopin Airport - conversion and development of PSS 2, PPS 4, PPS 6 (including DK D1), reconstruction of the runway strip and development of the taxiway" performed by the company Budimex SA - Budimex Budownictwo Sp. z o.o. S.C.; the share of Budimex SA in this undertaking amounts to 99.975%,
- "Modernization of sewage treatment plant and construction of sewage system of a part of the city of Tomaszów Mazowiecki" performed by the company Budimex SA Cadagua SA S.C; the share of Budimex SA in this undertaking 50%,
- "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" 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, which commenced in 2009 pursuant to the preliminary agreement concluded by 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 and 2013, partial evidence proceedings and witness interrogation took place. The parties presented their comments to the expert opinion and a supplementary opinion is expected in the upcoming months.

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 2013 and 31 December 2012 relating to the contracts realized by the consortia and special purpose companies:

Balance Sheet data:

	31 December 2013	31 December 2012
Non-current assets	573	125
Current assets	163 450	332 234
Liabilities and provisions for liabilities	147 387	254 883
	60 456	53 716
Contingent liabilities		

Profit and Loss Account:

	2013	2012
Revenue	131 560	72 290
Costs	130 441	60 006

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 ("PPL") 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 Przedsiębiorstwo Państwowe Porty Lotnicze had demanded payment from 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 PPL 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.

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 2013, 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 99 211 thousand as at 31 December 2013 (as at 31 December 2012: PLN 99 870 thousand). Budimex SA's loss on the entire contract, without taking into account the result of other operating and financial activities, was PLN 141 436 thousand as at 31 December 2013 (as at 31 December 2012: PLN 142 095 thousand). Due to the legal proceedings pending and the fact that the Consortium has not completed its financial settlements with PPL and its subcontractors, the final result of the contract performance may change.

10. Employment structure

Average employment at Budimex SA in the years 2013 and 2012 was as follows:

Employee group	Year ended 31 December 2013	Year ended 31 December 2012
White collar employees	1 943	2 105
Blue collar employees	1 679	1 956
Total employment	3 622	4 061

11. Share-based payments

In 2010, Ferrovial SA established a performance share plan, which is classified as a share-based payment transaction settled in equity.

According to the plan, each year the members of the Management Board and senior management of Budimex SA are granted shares in Ferrovial SA. Such shares will be finally settled three years after the grant date, subject to the following conditions:

- 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.

As at December 2013, the total fair value of services recognized in reserve capital PLN 5 370 thousand.

Detailed information on the Ferrovial SA shares vested since the launch of the plan is presented in the table below:

	Number of shares granted	Grant date	Fair value of 1 share at grant date	Financial performance conditions	Discount rate	Cost of shares granted*
2013	48 464	15-02-2013	51.84	100%	5%	2 665
2012	55 650	12-02-2012	38.84	100%	5%	1 422
2011	50 900	28-02-2011	33.98	100%	5%	1 027
2010	41 800**	31-03-2010	24.47	100%	5%	256
Total	196 814	-	-	-	-	5 370

* in specific years, the cost contained the following:

- 2010 - 9/36 of the cost of shares granted in 2010,
- 2011 - 12/36 of the cost of shares granted in 2010 and 10/36 of the cost of shares granted in 2011,
- 2012 - 12/36 of the cost of shares granted in 2010, 12/36 of the cost of shares granted in 2011 and 10/36 of the cost of shares granted in 2013,
- 2013 - 3/36 of the cost of shares granted in 2010, 12/36 of the cost of shares granted in 2011, 12/36 of the cost of shares granted in 2012 and 10/36 of the cost of shares granted in 2013,

**The three-year vesting period for shares granted in 2010 ended in March 2013. As the conditions were satisfied, 59 800 shares in Ferrovial SA were formally handed over to the employees entitled to obtain such shares in this tranche. The number of shares actually granted differs from the originally defined number due to adjustments made at later date.

12. Remuneration and awards for members of Management and Supervisory Boards

In 2013, the total value of remuneration, bonuses and awards for the members of the Management Board of Budimex SA amounted to PLN 6 519 thousand (of which PLN 1 406 thousand represented performance bonuses for completing the tasks performed in 2012), of which PLN 5 530 thousand was recognised costs of Budimex SA. The remaining balance was recognised as costs of its subsidiaries.

In 2012, the total value of remuneration was PLN 8 406 thousand, of which PLN 6 270 thousand was entered as costs of Budimex SA (PLN 2 311 thousand represented performance bonuses for the completed bonus tasks for the year 2011). The remaining balance was recognised as costs of its subsidiaries.

In 2013, remuneration of the members of the Management Board was as follows:

Dariusz Blocher	PLN 1 447 thousand
Ignacio Botella Rodríguez	PLN 1 364 thousand
Henryk Urbański	PLN 989 thousand
Marcin Węglowski	PLN 892 thousand
Jacek Daniewski	PLN 931 thousand
Andrzej Artur Czynczyk	PLN 896 thousand

Additionally, in 2013 the former member of the Management Board, Joanna Makowiecka received remuneration in connection with the non-competition requirement in the amount of PLN 169 thousand.

Additionally, apart from the amounts presented above, in the 12-month period ended 31 December 2013 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 1 371 thousand and were as follows:

Dariusz Blocher	PLN 491 thousand
Ignacio Botella Rodríguez	PLN 236 thousand
Henryk Urbański	PLN 238 thousand
Marcin Węglowski	PLN 155 thousand
Jacek Daniewski	PLN 155 thousand
Andrzej Artur Czynczyk	PLN 96 thousand

The above costs consist of: 3/36 of the cost of shares granted in 2010, 12/36 of the cost of shares granted in 2011, 12/36 of the cost of shares granted in 2012 and 10/36 of the cost of shares granted in 2013.

The three-year vesting period for shares granted in 2010 ended in March 2013. As the conditions were satisfied, the shares in Ferrovial SA were formally handed over. The number of shares actually granted to the members of the Management Board of the Company was as follows:

Dariusz Blocher	14 000 shares
Ignacio Botella Rodríguez	7 000 shares
Henryk Urbański	7 000 shares
Marcin Węglowski	4 600 shares
Jacek Daniewski	4 400 shares

The market value of Ferrovial SA shares as at the date of actual grant amounted to PLN 52.07.

The total value of remuneration paid to proxies of Budimex SA in 2013 was PLN 2 936 thousand, while in 2012 it was PLN 1 898 thousand. Individual remuneration of proxies in 2013 was as follows:

Jaime Rontomé Pérez	PLN 1 465 thousand
José Emilio Pont Pérez	PLN 1 471 thousand

Additionally, apart from the amounts presented above, in the 12-month period ended 31 December 2013, the estimated costs of share-based payments under Ferrovial SA incentives programmes allocated to the Company's Management Board amounted to PLN 232 thousand and were as follows:

Jaime Rontomé Pérez	PLN 116 thousand
José Emilio Pont Pérez	PLN 116 thousand

The three-year vesting period for shares granted in 2010 ended in March 2013. As the conditions were satisfied, the shares in Ferrovial SA were formally handed over. The number of shares actually granted to the proxies of the Company was as follows:

Jaime Rontomé Pérez	3 500 shares
José Emilio Pont Pérez	3 500 shares

The market value of Ferrovial SA shares as at the date of actual grant amounted to PLN 52.07.

Total value of remuneration paid to members of Supervisory Board of Budimex SA in 2013 amounted to PLN 944 thousand (PLN 921 thousand in 2012).

In 2012, remuneration of members of the Supervisory Board of Budimex SA was as follows:

Marek Michałowski	PLN 155 thousand
Igor Chalupec	PLN 91 thousand
Tomasz Sielicki	PLN 101 thousand
Javier Galindo Hernandez	PLN 91 thousand
José Carlos Garrido-Lestache Rodríguez	PLN 91 thousand

Marzenna Anna Weresa	PLN 128 thousand
Piotr Kamiński	PLN 91 thousand
Maciej Stańczuk	PLN 91 thousand
Alejandro de la Joya Ruiz de Velasco	PLN 105 thousand

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

As at 31 December 2013, 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

In 2013 there were no significant prior year events that should be reflected in the current year financial statements.

15. Significant events after the reporting date

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

16. Relations between legal predecessor and the Company

In the year 2013, 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 per cent, and hence no inflation adjustments were made to financial data reported in these financial statements.

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 2013, there were not any difference between current and comparative data reported in the herein financial statement and data contained in the prior year financial statement.

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

In 2013, 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

In the year 2013, 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 2013 and 31 December 2012 the total value of shares in subordinated entities stated at acquisition cost was PLN 722 894 thousand and PLN 796 997 thousand, respectively. Had the Company applied the equity method to value its subordinated companies, the total value of shares as at 31 December 2013 would be lower of PLN 16 881 thousand and as at 31 December 2012 would be higher of PLN 9 286 thousand. The net financial result for 2013 would be lower of PLN 5 902 thousand and for 2012 it would be higher of PLN 27 130 thousand.

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

The Supervisory Board of Budimex SA resolved on 24 April 2013 to appoint Deloitte Polska Spółka z ograniczoną odpowiedzialnością Sp. k. to review the Company's mid-year financial statements and consolidated financial statements of the Budimex Group for the 6-month period of 2013, and to audit the financial statements of Budimex SA and consolidated financial statements of the Budimex Group for the financial year 2013. The contracts with Deloitte Polska for the review and audit of financial statements were concluded on 5 July 2013 and 10 October 2013, respectively.

In 2013, remuneration for the statutory audit amounted to PLN 454 thousand; remuneration for the half-year review and other assurance services amounted to PLN 155 thousand; remuneration for tax advisory amounted to PLN 36 thousand and remuneration for other services amounted to PLN 96 thousand.

Deloitte Polska Spółka z ograniczoną odpowiedzialnością Sp. k. also reviewed the mid-year separate financial statements of Budimex SA and consolidated financial statements of the Budimex Group for the 6-month period of 2012 and audited the separate financial statements of Budimex SA and consolidated financial statements of the Budimex Group for the financial year 2012.

In 2012, remuneration for the statutory audit amounted to PLN 444 thousand and remuneration for the half-year review and other assurance services amounted to PLN 235 thousand.

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 Rodríguez	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, 7 March 2014		
Name and surname	Position	Signature			