



BUDIMEX SA

CONDENSED FINANCIAL STATEMENTS

for 1 quarter of 2015

**prepared in accordance with
International Financial Reporting Standards**

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Statement of financial position

ASSETS	31 March 2015 (PLN thousands)	31 December 2014 (PLN thousands)
Non-currents assets (long-term)		
Property, plant and equipment	54 904	58 028
Investment properties	3 931	3 963
Intangible assets	3 832	3 946
Investments in subsidiaries	712 940	712 940
Investments in associates	19 775	19 775
Investments in other entities	6 417	6 417
Other financial assets	22 646	5 908
Trade and other receivables	7 566	6 513
Retentions for construction contracts	31 497	35 616
Deferred tax asset	339 085	346 027
Total non-current assets (long-term)	1 202 593	1 199 133
Current assets		
Inventories	93 068	55 545
Trade and other receivables	436 754	433 519
Retentions for construction contracts	15 914	20 044
Amounts due and receivable from customers (investors) under construction contracts	197 119	165 648
Current tax receivable	5 498	-
Other financial assets	36 313	34 488
Cash and cash equivalents	1 433 760	1 403 970
	2 218 426	2 113 214
Assets held for sale (disposal groups)	-	2 181
Total current assets (short-term)	2 218 426	2 115 395
TOTAL ASSETS	3 421 019	3 314 528

Statement of financial position (cont.)

EQUITY AND LIABILITIES	31 March 2015	31 December 2014
	(PLN thousands)	(PLN thousands)
Equity		
Shareholders' equity		
Share capital	145 848	145 848
Share premium	80 199	80 199
Other reserves	59 764	59 520
Foreign exchange differences on translation of foreign operations	5 450	5 507
Retained earnings	200 189	150 926
Total shareholders' equity	491 450	442 000
Liabilities		
Long-term liabilities		
Loans, borrowings and other external sources of finance	9 828	12 313
Retentions for construction contracts	161 383	165 288
Provision for long-term liabilities and other charges	154 914	154 125
Long-term retirement benefits and similar obligations	4 407	4 407
Other financial liabilities	-	1 433
Total long-term liabilities	330 532	337 566
Short-term liabilities		
Loans, borrowings and other external sources of finance	19 758	20 401
Trade and other payables	1 072 950	1 030 106
Retentions for construction contracts	170 728	191 520
Amounts due and payable to customers (investors) under construction contracts	842 841	910 183
Deferred income	380 204	247 986
Provision for short-term liabilities and other charges	111 117	106 656
Current tax payable	-	25 556
Short-term retirement benefits and similar obligations	992	992
Other financial liabilities	447	1 562
Total short-term liabilities	2 599 037	2 534 962
Total liabilities	2 929 569	2 872 528
TOTAL EQUITY AND LIABILITIES	3 421 019	3 314 528

Consolidated income statement

	3-month period ended 31 March	
	2015 (PLN thousands)	2014 (PLN thousands)
Continuing operations		
Net sales of finished goods, goods for resale, raw materials and services	795 628	655 430
Cost of finished goods, goods for resale, raw materials and services sold	(722 931)	(585 204)
Gross profit on sales	72 697	70 226
Selling expenses	(2 536)	(2 555)
Administrative expenses	(42 052)	(38 015)
Other operating income	21 919	5 804
Other operating expenses	(4 702)	(13 989)
Operating profit	45 326	21 471
Finance income	20 551	6 161
Finance costs	(6 918)	(5 853)
Profit before tax	58 959	21 779
Income tax	(9 696)	(5 279)
Net profit from continuing operations	49 263	16 500
Net profit for the period	49 263	16 500
<i>Basic and diluted earnings per share attributable to the shareholders (in PLN)</i>	<i>1,93</i>	<i>0,65</i>

Statement of comprehensive income

	3-month period ended 31 March	
	2015 (PLN thousands)	2014 (PLN thousands)
Net profit for the period	49 263	16 500
Other comprehensive income for the period, which:		
<i>Will be subsequently reclassified to profit or loss:</i>		
Foreign exchange differences on translation of foreign operations	(57)	19
Deferred tax related to components of other comprehensive income	-	-
<i>Will not be subsequently reclassified to profit or loss:</i>		
Actuarial gains/(losses)	-	-
Deferred tax related to components of other comprehensive income	-	-
Other comprehensive income, net of tax	(57)	19
Total comprehensive income for the period	49 206	16 519

Statement of changes in equity

	Share capital	Share premium	Other reserves	Foreign exchange differences on translation of foreign operations	Retained earnings	Total equity
	in PLN thousands					
Balance as at 1 January 2015	145 848	80 199	59 520	5 507	150 926	442 000
Profit for the period	-	-	-	-	49 263	49 263
Other comprehensive income	-	-	-	(57)	-	(57)
Total comprehensive income for the period	-	-	-	(57)	49 263	49 206
Share-based payment	-	-	244	-	-	244
Balance as at 31 March 2015	145 848	80 199	59 764	5 450	200 189	491 450

Statement of changes in equity (cont.)

	Share capital	Share premium	Other reserves	Foreign exchange differences on translation of foreign operations	Retained earnings	Total equity
	in PLN thousands					
Balance as at 1 January 2014	145 848	80 199	58 913	5 486	297 389	587 835
Profit for the period	-	-	-	-	16 500	16 500
Other comprehensive income	-	-	-	19	-	19
Total comprehensive income for the period	-	-	-	19	16 500	16 519
Balance as at 31 March 2014	145 848	80 199	58 913	5 505	313 889	604 354
Profit for the period	-	-	-	-	139 569	139 569
Other comprehensive income	-	-	(736)	2	-	(734)
Total comprehensive income for the period	-	-	(736)	2	139 569	138 835
Dividends	-	-	-	-	(302 532)	(302 532)
Share-based payment	-	-	1 343	-	-	1 343
Balance as at 31 December 2014	145 848	80 199	59 520	5 507	150 926	442 000

Cash flow statement

	3-month period ended 31 March	
	2015 (PLN thousands)	2014 (PLN thousands)
CASH FLOW FROM OPERATING ACTIVITIES		
Net profit before tax	58 959	21 779
Adjustments for:		
Depreciation/ amortization	4 958	5 492
Share of results of equity accounted companies	(305)	(75)
Foreign exchange (gains)/ losses	(11 699)	150
Interest and shares in profits (dividends)	(7 080)	(900)
(Profit)/ loss on disposal of investments	(6 385)	(117)
Change in valuation of derivative financial instruments	4 958	5 492
Change in provisions and liabilities arising from retirement benefits and similar obligations	5 250	12 965
Other adjustments	(5 571)	19
Operating profit before changes in working capital	38 127	39 313
Change in receivables and retentions for construction contracts	15 288	79 258
Change in inventories	(37 523)	(26 192)
Change in retentions for construction contracts and in liabilities, except for loans and borrowings	18 448	(281 827)
Change in deferred income	(98 813)	9 408
Change in amounts due and receivable under construction contracts	132 218	(84 251)
Change in cash and cash equivalents of restricted use	6 191	615
Cash used /from operations	73 936	(263 676)
Income tax paid	(33 810)	(17 849)
NET CASH USED IN OPERATING ACTIVITIES	40 126	(281 525)
CASH FLOW FROM INVESTING ACTIVITIES		
Sale of intangible assets and tangible fixed assets	8	390
Sale of assets held for sale	14 000	-
Purchase of intangible assets and tangible fixed assets	(1 953)	(1 488)
Loans granted	(13 338)	(6 370)
Interest received	299	167
NET CASH USED IN INVESTING ACTIVITIES	(984)	(7 301)
CASH FLOW FROM FINANCING ACTIVITIES		
Payment of finance lease liabilities	(2 910)	(2 438)
Interest paid	(203)	(263)
NET CASH GENERATED FROM/ USED IN FINANCING ACTIVITIES	(3 113)	(2 701)
NET CHANGE IN CASH AND CASH EQUIVALENTS	36 029	(291 527)
Foreign exchange differences, net	(48)	123
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD (note 1.4)	1 361 934	1 076 157
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD (note 1.4)	1 397 915	784 753

1. Principles applied for the purpose of preparation of this report

1.1. Accounting policies and basis of preparing the financial statements of the Company

These condensed financial statements were prepared in accordance with IAS 34 "Interim Financial Reporting" and appropriate accounting standards applicable for preparation of the interim financial statements adopted by the European Union issued and effective when preparing the interim financial statements applying the same principles for the current and comparable period. Details of accounting policies adopted by the Company were described in the financial statements of the Company for the year ended 31 December 2014, published on 16 March 2015.

The financial statements and the comparative data contain aggregate data of the reporting organizational branches acting as at 31 March 2015, 31 December 2014 and 31 March 2014, prepared in foreign currencies and translated into Polish zloty using the rate of exchange presented in the point 1.3 of herein condensed financial statements.

The financial statements and the comparative data contain also assets and liabilities corresponding to Budimex SA share in jointly controlled entities: Budimex SA Sygnity SA Sp. j., Budimex SA Ferrovial Agroman SA Sp. j. and Budimex SA Ferrovial Agroman SA S.C., Budimex SA – Budimex Budownictwo Sp. z o.o. SC, Budimex SA – Cadagua SA SC and Budimex SA – Cadagua II SC, Budimex SA, Tecnicas Reunidas SA – Turów SC.

Standards and Interpretations effective in the current period

The following standards and amendments to the existing standards issued by the International Accounting Standards Board („IASB”) and adopted by the EU are effective for the current period:

- **Amendments to various standards “Improvements to IFRSs (2011-2013)”** resulting from the annual improvement project of IFRS (IFRS 3, IFRS 13 and IAS 40) primarily with a view to removing inconsistencies and clarifying wording - adopted by the EU on 18 December 2014 (effective for annual periods beginning on or after 1 January 2015),
- **IFRIC 21 “Levies”** adopted by the EU on 13 June 2014 (effective for annual periods beginning on or after 17 June 2014).

The adoption of these amendments to the existing standards and interpretations has not led to any changes in the Company’s accounting policies.

Standards and Interpretations issued by IASB and adopted by the EU but not yet effective

At the date of authorisation of these financial statements the following interpretation issued by IASB and adopted by the EU was in issue but not yet effective:

- **Amendments to IAS 19 “Employee Benefits”** - Defined Benefit Plans: Employee contributions - adopted by the EU on 17 December 2014 (effective for annual periods beginning on or after 1 February 2015),
- **Amendments to various standards “Improvements to IFRSs (2010-2012)”** resulting from the annual improvement project of IFRS (IFRS 2, IFRS 3, IFRS 8, IFRS 13, IAS 16, IAS 24 and IAS 38) primarily with a view to removing inconsistencies and clarifying wording - adopted by the EU on 17 December 2014 (effective for annual periods beginning on or after 1 February 2015),

Standards and Interpretations issued by IASB but not yet adopted by the EU

At present, IFRS as adopted by the EU do not significantly differ from regulations adopted by the International Accounting Standards Board (IASB) except from the following standards and amendments to the existing standards, which were not endorsed for use as at 29 April 2015:

- **IFRS 9 “Financial Instruments”** (effective for annual periods beginning on or after 1 January 2018),
- **IFRS 14 “Regulatory Deferral Accounts”** (effective for annual periods beginning on or after 1 July 2016),
- **IFRS 15 “Revenue from contracts with customers”** (effective for annual periods beginning on or after 1 January 2017),

- **Amendments to IFRS 10 “Consolidated Financial Statements” and IAS 28 “Investments in associates and joint ventures”** – Sale or contribution of assets between an investor and its associate or joint venture (effective for annual periods beginning on or after 1 January 2016),
- **Amendments to IFRS 10 “Consolidated Financial Statements”, IFRS 12 “Disclosures of Interests in Other Entities” and IAS 28 “Investments in associates and joint ventures”** - Investment Entities: applying the consolidation exception (effective for annual periods beginning on or after 1 January 2016),
- **Amendments to IFRS 11 “Joint Arrangements”** - Accounting of acquisition of shares in joint operations (effective for annual periods beginning on or after 1 January 2016),
- **Amendments to IAS 1 “Presentation of financial statements”** - Disclosure initiative (effective for annual periods beginning on or after 1 January 2016),
- **Amendments to IAS 16 “Property, Plant and Equipment” and IAS 38 “Intangible assets”** - Clarification of Acceptable Methods of Depreciation and Amortisation (effective for annual periods beginning on or after 1 January 2016),
- **Amendments to IAS 16 “Property, Plant and Equipment” and IAS 41 “Agriculture” - Agriculture: bearer plants** (effective for annual periods beginning on or after 1 January 2016),
- **Amendments to IAS 27 “Separate Financial Statements”** - 'Equity Method in Separate Financial Statements (effective for annual periods beginning on or after 1 January 2016),
- **Amendments to various standards “Improvements to IFRSs (2012-2014)”** resulting from the annual improvement project of IFRS (IFRS 5, IFRS 7, IAS 19 and IAS 34) primarily with a view to removing inconsistencies and clarifying wording (effective for annual periods beginning on or after 1 January 2016).

The Company anticipates that the adoption of these standards and amendments to the standards would have no material impact on the financial statements of the Company if applied.

At the same time, hedge accounting regarding the portfolio of financial assets and liabilities, whose principles have not been adopted by the EU, is still unregulated. According to the Group's estimates, application of hedge accounting for the portfolio of financial assets or liabilities pursuant to IAS 39: “Financial Instruments: Recognition and Measurement”, would not significantly impact the financial statements, if applied as at the balance sheet date.

1.2. Changes in accounting principles and the method of preparation of financial statements

In the reporting period there were no changes in the accounting principles and the method of preparation of financial statements compared to those disclosed in the financial statements of the Company for the financial year 2014, published on 16 March 2015.

The statement of financial position as at 31 December 2014 and profit and loss account for the period of 12 months ended 31 December 2014 have been amended because of different aggregation of data in individual reporting lines. The way how the data was transformed and the causes of the transformation were explained in the consolidated financial statements for the financial year of 2014.

Due to the above, the comparative data of profit and loss account and cash flow statement as at 31 March 2014 were transformed relating to those published in the condensed financial statement for I quarter of 2014.

1.3. Translation of selected financial data into euro

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

- individual asset and liability items – using the average exchange rate prevailing as at 31 March 2015 – 4.0890 PLN/EUR,
- individual profit and loss account and statement of cash flow items for the first quarter of 2015 – using the exchange rate being an arithmetic average of average exchange rates established by the National Bank of Poland for the last day of each ended month for the period from 1 January 2015 to 31 March 2015 – 4.1489 PLN/EUR,
- individual asset and liability items of comparative financial data for the year 2014 – using the average exchange rate prevailing as at 31 December 2014 – 4.2623 PLN/EUR,
- individual profit and loss account and statement of cash flow items of comparative financial data for the first quarter of 2014 - using the exchange rate being an arithmetic average of average exchange rates established

by the National Bank of Poland for the last day of each ended month for the period from 1 January 2014 to 31 March 2014 – 4.1894 PLN/EUR.

1.4. Cash recognized in the cash flow statement

The Company recognizes cash of restricted use including cash of the consortia in the portion attributable to other consortium members in the statement of financial position under cash and cash equivalents. For the purpose of the statement of cash flow – the balance of cash at the beginning and at the end of the reporting period is reduced by cash of restricted use, and its change in the statement of financial position is recognized under cash flow from operating activities.

	31 March 2015	31 December 2014	31 March 2014
	in PLN thousand		
Cash recognised in the statement of financial position	1 433 760	1 403 970	820 235
Cash and cash equivalents of restricted use	(35 845)	(42 036)	(35 482)
Cash recognised in the statement of cash flow	1 397 915	1 361 934	784 753

1.5. Going concern

The financial statements of the Company were prepared on the assumption that the Company will be going concern during the period of 12 months from the balance sheet date, i.e. 31 March 2015 without a significant limitation in its activities. 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 after the balance sheet date, due to an intended or compulsory withdrawal from or a significant limitation in its activities.

As at 31 March 2015 the excess of the current liabilities over the current assets amounted to PLN 380 611 thousand. Taking into consideration very good financial position of Budimex Group related to liquidity, of which the excess of current assets over current liabilities as at 31 March 2015 amounted to PLN 285 560 thousand, the Company's Management Board does not state as at the date of signing the financial statements any threat to Company's ability to continue as a going concern.

2. Shareholders of the Parent Company

According to the information held by Budimex SA, the shareholding structure of Budimex SA as at 29 April 2015 was as follows:

Shareholder	Type of shares	Number of shares	% of the share capital	Number of votes	% of voting rights at the AGM
Valivala Holdings B.V. Amsterdam (the Netherlands) - Ferrovial SA Group company (Spain)	ordinary	15 078 159	59,06%	15 078 159	59,06%
Aviva OFE Aviva BZ WBK	ordinary	1 280 000	5,01%	1 280 000	5,01%
Other shareholders	ordinary	9 171 939	35,93%	9 171 939	35,93%
Total		25 530 098	100.00%	25 530 098	100.00%

3. Descriptions of factors and events which had a material effect on the financial result of the Company for the first quarter of 2015

3.1. Business operation of the Company in the I quarter of 2015

Sale of construction-assembly services in Poland is characterized by seasonality mainly connected with atmosphere conditions and the highest revenues are usually achieved in the second and third quarter, while the lowest – in the first quarter.

In the period of three months of 2015 Budimex SA earned sales revenue in the amount of PLN 795 628 thousand, mainly related to sales of construction services amounted to PLN 792 115 thousand.

In the comparative period of the year 2014, sales revenue amounted to PLN 655 430 thousand, mainly related to sales of construction services amounted to PLN 647 548 thousand.

Gross profit on sales for the 3-month period of 2015 amounted to PLN 72 697 thousand and was PLN 2 471 thousand (3.52%) higher than in the comparative period of the previous year.

Total amount of administrative and selling expenses in I quarter of 2015 was PLN 44 588 thousand, while in I quarter of 2014 amounted to PLN 40 570 thousand. The share of selling and administrative expenses in total sales was equal to 5.60% (in the first quarter of 2014 to 6.19%).

In I quarter of 2015, the result from the other operating activity was positive and amounted to PLN 17 217 thousand (in I quarter of 2014 it was negative and amounted to PLN 8 185 thousand). The above was related mainly to profit on disposal of a plot together with buildings located in Warsaw in the amount of PLN 11 819 thousand, gain on valuation and realization of FX forward derivative instrument contracts in the amount of PLN 6 843 thousand, revenue from penalties and fines received in the amount to PLN 1 625 thousand and recognition of provisions for penalties and legal proceedings accordingly in the amounts of PLN 3 837 thousand and PLN 247 thousand.

All valued derivative instrument contracts (presented both in the operating and financing activity) were classified as level 2 in the fair value hierarchy. During the 3 months ended 31 March 2015, there was no transfer between Level 1 and Level 2 of fair value measurements, and no transfer into and out of Level 3 of fair value measurement.

In I quarter of 2015 the operating profit amounted to PLN 45 326 thousand and was higher of PLN 23 855 thousand (111.10%) compared to the comparative period of the year 2014. In I quarter of 2015, the operating margin was equal to 5.70%, while in the comparative period of 2014 was equal to 3.28%.

In I quarter of 2015, the result from financial activity was positive and amounted to PLN 13 633 thousand due to dividends received in that period. In the comparative period of 2014, the result was lower of PLN 13 325 thousand.

Profit before tax for the period of 3-months of 2015 amounted to PLN 58 959 thousand, while in the comparative period of 2014 amounted to PLN 21 779 thousand

In the period of three months of 2015 the Company reported a net profit of PLN 49 263 thousand gaining net profit margin of 6.19%.

In the first quarter of 2015, the Company purchased or started to lease property, plant and equipment, intangible assets and investment property with a total value of PLN 2 309 thousand, of which plant and machinery accounted for PLN 1 078 thousand.

3.2. Changes of estimates

Provisions for expected contract losses

In accordance with accounting policies adopted, the Company creates provisions for expected contract losses if budgeted contract costs exceed the entire expected contract revenue. As at 31 March 2015, the balance of the provision for contract losses amounted to PLN 513 436 thousand, while as at 31 December 2014 amounted to PLN 446 996 thousand. Due to that, in the 3-month period of 2015 the balance of provision increased by PLN 66 440 thousand.

Provision for legal proceedings

The Company recognises provisions for legal proceedings when it is suited and the probability of an unfavourable court judgement is higher than the probability of a favourable one. An estimation of that result is made on the basis of analysis of a legal proceedings progress as well as lawyers' opinions. As at 31 March 2015, the balance of the provision in this respect amounted to PLN 25 876 thousand, while as at 31 December 2014 amounted

to PLN 25 629 thousand. Due to that, in the 3-month period of 2015 the balance of provision increased by PLN 247 thousand.

Provision for penalties

The Company recognises provisions for penalties related to the realization of construction contracts. A provision is recognised only when the Company has a present obligation as a result of past event, the settlement of that obligation is highly probable and a reliable estimate can be made of the amount of the obligation. As at 31 March 2015, the balance of the provision in this respect amounted to PLN 42 482 thousand, while as at 31 December 2014 amounted to PLN 38 683 thousand. Due to that, in the 3-month period of 2015 the balance of provision increased by PLN 3 799 thousand.

Costs of future warranty repairs

The Company is required to issue guarantees for its construction services. It is accepted that the provision between 0.15%-1.4% of revenue from the given contract is made what depends on particular construction segment. This general value is assessed on an individual basis and may be increased or reduced, as appropriate. As at 31 March 2015, the balance of the provision in this respect amounted to PLN 194 904 thousand, while as at 31 December 2014 amounted to PLN 193 700 thousand. Due to that, in the 3-month period of 2015 the balance of provision increased by PLN 1 204 thousand.

Deferred tax asset and liability

As at 31 March 2015, the balance of deferred tax asset (reducing by deferred tax liability) amounted to PLN 339 085 thousand, while as at 31 December 2014 amounted to PLN 346 027 thousand. Due to that, in the 3-month period of 2015 the balance of deferred tax asset decreased by PLN 6 942 thousand.

Impairment write-downs against receivables

As at 31 March 2015, the balance of recognized impairment write-downs against receivables amounted to PLN 130 740 thousand, while as at 31 December 2014 amounted to PLN 133 242 thousand. In the 3-month period of 2015 the Company recognized impairment write-downs in the amount of PLN 28 thousand and reversed it in the amount of PLN 2 530 thousand.

Impairment write-downs against inventory

As at 31 March 2015 and 31 December 2014, the balance of recognised impairment write-downs against inventory amounted to PLN 385 thousand. Due to that, in the 3-month period of 2015 the balance of recognized impairment write-downs was not change.

3.3. Material changes of the legal proceedings pending in I quarter of 2015

As at 31 March 2015, the total value of the proceedings relating to the Company's liabilities and claims accordingly amounted to PLN 287 375 thousand and PLN 222 597 thousand, and as at 31 December 2014 accordingly PLN 286 250 thousand and PLN 222 646 thousand.

3.4. Other events for the I quarter of 2015

On 28 April 2015 the Ordinary General Meeting of Budimex SA adopted resolution on dividend payout. Pursuant to the resolution, net profit for the period from 1 January 2014 to 31 December 2014 in the amount of PLN 155 989 thousand has been allocated to the dividend payout in the amount of PLN 6.11 gross per share. The dividend payout will cover all Budimex SA shares, i.e. 25 530 098 shares. The dividend day is on 8 May 2015. The dividend will be paid on 25 May 2015.

4. Related party transactions

Transactions with related parties made in the first quarter of 2015 and in the first quarter of 2014 and unsettled balances of receivables and liabilities as at 31 March 2015 and 31 December 2014 are presented in the tables below:

	amounts in PLN thousands			
	Receivables		Liabilities	
	31 March 2015	31 December 2014	31 March 2015	31 December 2014
Parent Company and related parties (the Ferrovial Group)	21 958	23 989	98 475	99 649
Subsidiary companies	59 805	58 467	8 899	8 090
Associates	779	730	98	98
Jointly controlled entities	722	959	727	727
Other related parties*	16	34	9 282	8 128
Total settlements with related parties	83 280	84 179	117 481	116 692

	amounts in PLN thousands			
	Loans granted		Loans taken out	
	31 March 2015	31 December 2014	31 March 2015	31 December 2014
Parent Company and related parties (the Ferrovial Group)	-	-	(8 339)	(8 670)
Subsidiary companies	20 964	20 623	-	-
Associates	32 285	18 988	-	-
Total settlements with related parties	53 249	39 611	(8 339)	(8 670)

	amounts in PLN thousands			
	Sales of finished goods and services		Purchase of finished goods and services	
	3-month period ended 31 March		3-month period ended 31 March	
	2015	2014	2015	2014
Parent Company and related parties (the Ferrovial Group)	12 102	658	(14 928)	(8 287)
Subsidiary companies	62 367	38 840	(4 979)	(5 289)
Associates	288	143	(36)	(31)
Jointly controlled entities	47	411	-	-
Other related parties*	-	20	(2 305)	(11 064)
Total transactions with related parties	74 804	40 072	(22 248)	(24 671)

	amounts in PLN thousands			
	Finance income		Finance costs	
	3-month period ended 31 March		3-month period ended 31 March	
	2015	2014	2015	2014
Parent Company and related parties (the Ferrovial Group)	-	-	(138)	(111)
Subsidiary companies	11 625	28	(103)	-
Associates	299	114	-	-
Total transactions with related parties	11 924	142	(241)	(111)

*) Other related parties comprise also entities on which the key management person of the Company or his close relative exercises significant influence.

Inter-Group transactions are made on an arm's length basis.

5. Contingent receivables and contingent liabilities

	31 March 2015 (in PLN thousands)	31 December 2014 (in PLN thousands)
<u>Contingent receivables</u>		
From related parties, of which:	14 482	14 482
– guarantees and suretyships received	880	880
– bills of exchange received as security	2 964	2 964
– other contingent receivables	10 638	10 638
From other entities	299 175	296 465
– guarantees and suretyships received	298 132	295 422
– bills of exchange received as security	1 043	1 043
Total contingent receivables	313 657	310 947
<u>Contingent liabilities</u>		
To related parties, of which:		
– guarantees and suretyships issued	166 156	157 953
To related parties, total	166 156	157 953
To other entities, of which:	1 939 535	1 880 706
– guarantees and suretyships issued	1 936 338	1 877 637
– bills of exchange issued as performance bond	3 197	3 069
Other contingent liabilities	135 480	135 480
Total contingent liabilities	2 241 171	2 174 139
Total off-balance sheet items	(1 927 514)	(1 863 192)

Contingent receivables represent guarantees issued by banks and other financial institutions to the companies of the Company as security for the potential claims the Company may file against its business partners in respect of the construction contracts in progress.

Contingent liabilities represent guarantees and suretyships issued by banks to business partners of the Company as security for the potential claims they may be filed against the Company in respect of the construction contracts in progress. Banks are entitled to recourse the underlying claims to the Company. Guarantees issued to the Company's customers represent an alternative, to the retentions held, method of securing potential claims of customers.

The bills of exchange issued represent a security for the settlement of liabilities towards the strategic suppliers of the Company, while the bills of exchange received and recognized under contingent assets (receivables) represent security for the repayment by the Company customers of the amounts due to 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.

5.1. Bank and guarantee agreements:

Date	Business partner	Description
4.02.2015	Bank Handlowy w Warszawie SA	Annex to the credit agreement, pursuant to which the validity term of the agreement has been extended until 3 April 2015 and the form of the credit has been changed from promised to non-promised. Other terms and conditions remained unchanged.
9.02.2015	Bank Societe Generale SA Oddział w Polsce	Annex to the agreement on bank guarantees, pursuant to which the term of the agreement has been extended to 31 December 2015. Other provisions of the agreement remained unchanged.
11.02.2015	La Caixa Bank SA Oddział w Polsce	Annex to the agreement on bank guarantees, pursuant to which the limit amount for the bank guarantees that can be issued by the bank was increased from PLN 100 000 thousand to PLN 121 000 thousand. Other provisions of the agreement remained unchanged.
16.02.2015	ING Bank Śląski SA	Annex to the loan agreement, pursuant to which the term of the agreement was extended until 30 April 2015 and the form of the loan was altered from a promised loan to non-promised loan. All other terms and conditions of the agreement remained unchanged.
16.02.2015	BNP Paribas Bank Polska SA	Annex to the bank guarantee facility agreement of 25 April 2008, pursuant to which the bank extended the limit to which Budimex SA may order the issuance of bank guarantee facilities up to the amount of PLN 205 000 thousand. The term of the Agreement was extended until 15 February 2016. All other terms and conditions of the agreement remained unchanged.
20.02.2015	KUKE SA	Annex to the General Contract on granting insurance guarantees dated 5 February 2014. By virtue of that document KUKE SA increased the value of the limit to which Budimex SA may order issuing of insurance guarantees up to PLN 45 000 thousand and extended the validity of the contract until 31 January 2016. The other terms and conditions of the contract remained unchanged.
2.03.2015	TU Euler Hermes SA	Annex to the agreement on granting contractual guarantees under the revolving limit of 28 August 2008, pursuant to which the limit to which Budimex SA may instruct Euler Hermes SA to issue contractual guarantees was raised to PLN 70 000 thousand and it was agreed that the agreement is concluded for an indefinite time. Any other provisions of the agreement remained unchanged.
8.04.2015	Powszechna Kasa Oszczędności Bank Polski SA	Agreement on granting bank guarantees, under which Budimex SA may instruct the bank to issue bank guarantees up to the total value of PLN 200 000 thousand. The agreement was concluded until 31 March 2016.

President of the Management Board**Management Board Member****Dariusz Blocher****Marcin Węglowski**

Warsaw, 29 April 2015