

Budimex SA

Condensed financial statements
for I quarter of 2012

BUDIMEX SA
Condensed financial statement for 1 quarter of 2012
BALANCE SHEET

	As at 31.03.2012	As at 31.12.2011	As at 31.03.2011
	(PLN '000)	(PLN '000)	(PLN '000)
Assets			
I. Non-current assets	1 481 912	1 484 376	1 275 577
1. Intangible assets, including:	2 084	2 051	1 751
- goodwill	-	-	-
2. Tangible fixed assets	95 477	100 326	79 055
3. Long-term receivables	-	-	-
3.1. From related parties	-	-	-
3.2. From other entities	-	-	-
4. Long-term investments	1 023 880	1 022 409	804 437
4.1. Investment property	7 733	7 762	13 265
4.2. Intangible assets	-	-	-
4.3. Long-term financial assets	1 016 147	1 014 647	791 172
a) in related parties, including:	1 013 962	1 012 462	788 987
- shares in subordinate entities equity accounted	-	-	-
b) in other entities	2 185	2 185	2 185
4.4. Other long-term investments	-	-	-
5. Long-term deferred costs	360 471	359 590	390 334
5.1. Deferred tax assets	355 242	353 769	386 924
5.2. Other prepayments and deferred costs	5 229	5 821	3 410
II. Current assets	1 820 598	2 481 890	2 041 389
1. Inventories	345 564	263 347	328 135
2. Short-term receivables	472 299	439 156	524 774
2.1. From related parties	107 245	98 887	117 363
2.2. From other entities	365 054	340 269	407 411
3. Short-term investments	726 971	1 570 117	976 863
3.1. Short-term financial assets	726 971	1 570 117	976 863
a) in related parties	-	-	-
b) in other entities	46	122	14 679
c) cash and cash equivalents and other monetary assets	726 925	1 569 995	962 184
3.2. Other short-term investments	-	-	-
4. Short-term deferred costs	275 764	209 270	211 617
Total Assets	3 302 510	3 966 266	3 316 966
Liabilities and Shareholders' Equity			
I. Shareholders' equity	752 395	692 960	709 609
1. Share capital	127 650	127 650	127 650
2. Unpaid share capital (negative value)	-	-	-
3. Own shares purchased (negative value)	-	-	-
4. Reserve capital	280 845	280 845	285 349
5. Revaluation reserve	4 189	4 097	3 440
6. Other reserves	-	-	-
7. Accumulated profits (losses) from previous years	280 368	-	226 283
8. Net profit (loss) for the period	59 343	280 368	66 887
9. Deductions from profit for the period (negative value)	-	-	-
II. Liabilities and provisions	2 550 115	3 273 306	2 607 357
1. Provisions	274 199	255 239	238 637
1.1. Deferred tax liability	69 072	57 416	58 319
1.2. Provision for retirement bonuses and related obligations	3 364	3 364	2 911
a) long-term	2 637	2 637	1 554
b) short-term	727	727	1 357
1.3. Other provisions	201 763	194 459	177 407
a) long-term	108 791	99 362	78 413
b) short-term	92 972	95 097	98 994
2. Long-term liabilities	31 315	33 652	7 356
2.1. To related parties	-	-	-
2.2. To other entities	31 315	33 652	7 356
3. Short-term liabilities	1 248 601	1 792 443	1 211 366
3.1. To related parties	106 884	152 707	122 607
3.2. To other entities	1 134 450	1 635 429	1 082 674
3.3. Special funds	7 267	4 307	6 085
4. Accruals and deferred income	996 000	1 191 972	1 149 998
4.1. Negative goodwill	-	-	-
4.2. Other accruals and deferred income	996 000	1 191 972	1 149 998
a) long-term	5 150	5 150	5 150
b) short-term	990 850	1 186 822	1 144 848
Total Liabilities and Shareholders' Equity	3 302 510	3 966 266	3 316 966
Book value per share calculation	As at 31.03.2012	As at 31.12.2011	As at 31.03.2011
Net assets (thd zł)	752 395	692 960	709 609
Number of shares	25 530 098	25 530 098	25 530 098
Book value per share (zł)	29,47	27,14	27,79

OFF-BALANCE SHEET ITEMS (in PLN thousands)

	As at 31.03.2012	As at 31.12.2011	As at 31.03.2011
	(PLN '000)	(PLN '000)	(PLN '000)
1. Contingent receivables	376 816	339 678	312 368
1.1. From related parties, of which:	533	-	-
- guarantees and suretyships received	-	-	-
- bills of exchange received as security	533	-	-
1.2. From other entities	373 283	336 678	312 368
- guarantees and suretyships received	370 414	329 996	301 220
- bills of exchange received as security	2 869	6 682	11 148
1.3. Other	3 000	3 000	-
- other contingent receivables	3 000	3 000	-
2. Contingent liabilities	1 708 887	1 755 356	1 556 386
2.1. To related parties, of which	129 827	147 130	139 476
- guarantees and suretyships issued	129 827	147 130	139 476
- promissory notes issued as security	-	-	-
2.2. To other entities, of which	1 579 060	1 608 226	1 416 910
- guarantees and suretyships issued	1 577 005	1 606 171	1 414 855
- promissory notes issued as security	2 055	2 055	2 055
3. Other	-	-	-
- other contingent liabilities	-	-	-
Total off-balance sheet items	(1 332 071)	(1 415 678)	(1 244 018)

PROFIT AND LOSS ACCOUNT

	1. quarter for the period from 01.01.12 to 31.03.12 (PLN '000)	1. quarter for the period from 01.01.11 to 31.03.11 (PLN '000)
I. Sales of finished products, goods for resale and raw materials, including:	930 020	657 624
- to related parties	50 918	52 651
1. Sales of finished products	928 900	657 444
2. Sales of goods for resale and raw materials	1 120	180
II. Cost of finished products, goods for resale and raw materials, including:	(853 340)	(592 379)
- from related parties	(32 676)	(20 524)
1. Cost of finished products	(852 634)	(592 264)
2. Cost of goods for resale and raw materials sold	(706)	(115)
III. Gross profit (loss) on sales (I - II)	76 680	65 245
IV. Selling expenses	(2 934)	(2 620)
V. General and administrative expenses	(34 993)	(28 510)
VI. Profit (loss) on sales (III - IV - V)	38 753	34 115
VII. Other operating revenue	4 108	19 722
1. Profits on the sale of non-financial fixed assets	-	1 273
2. Subsidies	-	-
3. Other	4 108	18 449
VIII. Other operating expenses	(2 015)	(19 841)
1. Losses on the sale of non-financial fixed assets	(13)	-
2. Revaluation of non-financial assets	(235)	(40)
3. Other	(1 767)	(19 801)
IX. Operating profit (loss) (VI + VII - VIII)	40 846	33 996
X. Financial revenue	34 972	51 084
1. Dividends received and share in profits, including:	20 000	37 000
- from related parties	20 000	37 000
2. Interest revenue, including:	12 293	13 387
- from related parties	-	-
3. Profits on the sale of investments	-	-
4. Revaluation of investments	1 806	654
5. Other	873	43
XI. Financial expenses	(5 894)	(11 762)
1. Interest expenses, including:	(1 242)	(736)
- to related parties	(57)	(42)
2. Losses on the sale of investments	(1 021)	(149)
3. Revaluation of investments	-	(7 571)
4. Other	(3 631)	(3 306)
XII. Profit (loss) on the sale of shares in subordinate entities	69 924	73 318
XIII. Extraordinary items (XIV.1. - XIV.2.)	-	-
1. Extraordinary gains	-	-
2. Extraordinary losses	-	-
XIV. Gross profit (loss) (XIII +/- XIV)	69 924	73 318
XV. Corporate income tax	10 581	6 431
a) current	398	(4 618)
b) deferred	10 183	11 049
XVI. Other obligatory charges	-	-
XVII. Profit (loss) on shares in subordinate entities equity accounted	-	-
XVIII. Net profit (loss) (XIV +/- XV +/- XVI +/- XVII)	59 343	66 887
Calculation of net profit (loss) per ordinary share	1. quarter for the period from 01.01.12 to 31.03.12	1. quarter for the period from 01.01.11 to 31.03.11
Net profit (loss) (annualised)	272 824	271 852
Weighted average number of ordinary shares	25 530 098	25 530 098
Net profit (loss) for the first quarter per ordinary share (zł)	2,32	2,62

STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

	1. quarter for the period from 01.01.12 to 31.03.12	year 2011	1. quarter for the period from 01.01.11 to 31.03.11
	(PLN '000)	(PLN '000)	(tys. zł)
I. Shareholders' equity at the beginning of the period	692 960	642 735	642 735
a) changes in accounting policies	-	-	-
b) adjustments due to errors	-	-	-
I.a. Shareholders' equity at the beginning of the period, restated	692 960	642 735	642 735
1. Share capital at the beginning of the period	127 650	127 650	127 650
1.1 Changes in share capital	-	-	-
a) increases	-	-	-
b) decreases	-	-	-
1.2. Share capital at the end of the period	127 650	127 650	127 650
2. Unpaid share capital at the beginning of the period	-	-	-
2.1. Changes in unpaid share capital	-	-	-
a) increases	-	-	-
b) decreases	-	-	-
2.2. Unpaid share capital at the end of the period	-	-	-
3. Own shares purchased at the beginning of the period	-	-	-
3.1. Changes in own shares purchased	-	-	-
a) increases	-	-	-
b) decreases	-	-	-
3.2. Own shares purchased at the end of the period	-	-	-
4. Reserve capital at the beginning of the period	280 845	285 349	285 349
4.1. Changes in reserve capital	-	(4 504)	-
a) increases	-	1 027	-
- fair value of rights to shares granted to employees of the parent	-	1 027	-
b) decreases	-	(5 531)	-
- dividend payment	-	(5 531)	-
4.2. Reserve capital at the end of the period	280 845	280 845	285 349
5. Revaluation reserve at the beginning of the period	4 097	3 453	3 453
5.1. Changes in revaluation reserve	92	644	(13)
a) increases	92	644	-
- FX differences on translation of investment denominated in foreign currencies	92	644	-
b) decreases	-	-	(13)
- FX differences on translation of investment denominated in foreign currencies	-	-	(13)
5.2. Revaluation reserve at the end of the period	4 189	4 097	3 440
6. Accumulated profit (loss) from previous years at the beginning of the period	280 368	226 283	226 283
6.1. Accumulated profit from previous years at the beginning of the period	280 368	226 283	226 283
a) changes in accounting policies	-	-	-
b) adjustments due to errors	-	-	-
6.2. Accumulated profit from previous years at the beginning of the period, restated	280 368	226 283	226 283
a) increases	-	-	-
b) decreases	-	(226 283)	-
- dividend payment	-	(226 283)	-
6.3. Accumulated profit from previous years at the end of the period	280 368	-	226 283
6.4. Accumulated loss from previous years at the beginning of the period	-	-	-
a) changes in accounting policies	-	-	-
b) adjustments due to fundamental errors	-	-	-
6.5. Accumulated loss from previous years at the beginning of the period, restated	-	-	-
a) increases	-	-	-
b) decreases	-	-	-
6.6. Accumulated loss from previous years at the end of the period	-	-	-
6.7. Accumulated profit (loss) from previous years at the end of the period	280 368	-	226 283
7. Net profit	59 343	280 368	66 887
a) net profit	59 343	280 368	66 887
b) net loss	-	-	-
c) net profit distribution	-	-	-
II. Shareholders' equity at the end of the period	752 395	692 960	709 609
III. Shareholders' equity at the end of the period, after proposed profit distribution / loss absorption	472 330	692 960	477 796

CASH FLOW STATEMENT

	1. quarter for the period from 01.01.12 to 31.03.12 (PLN '000)	1. quarter for the period from 01.01.11 to 31.03.11 (PLN '000)
A. Cash flows from operating activities		
I. Net profit (loss) for the period	59 343	66 887
II. Adjustments for:	(897 126)	(854 911)
1. Depreciation and amortisation	7 544	5 895
2. Foreign exchange (gains)/losses	(540)	(158)
3. Interest and dividends	(19 287)	(36 857)
4. (Profit) / loss on investing activities	1 034	6 446
5. Change in provisions	18 960	6 966
6. Change in inventories	(82 217)	(90 556)
7. Change in receivables	(17 952)	(73 629)
8. Change in short-term liabilities and special funds (excluding loans and borrowings)	(539 332)	(468 696)
9. Change in accruals and deferred income / costs	(263 347)	(203 502)
10. Other	(1 989)	(820)
III. Net cash flows from operating activities	(837 783)	(788 024)
B. Cash flows from investing activities		
I. Inflows	4 788	1 579
1. Sale of intangible assets and tangible fixed assets	112	1 579
2. Sale of investments in property and intangible assets	-	-
3. From financial assets, including:	4 676	-
a) in related parties	4 676	-
- sale of financial assets	4 676	-
- dividends received and share in profits	-	-
- repayment of long-term loans granted	-	-
- interest received	-	-
- other inflows from financial assets	-	-
b) in other entities	-	-
- sale of financial assets	-	-
- dividends received and share in profits	-	-
- repayment of long-term loans granted	-	-
- interest received	-	-
- other inflows from financial assets	-	-
4. Other investment inflows	-	-
II. Outflows	(6 226)	(3 753)
1. Purchase of intangible assets and tangible fixed assets	(3 705)	(2 167)
2. Purchase of investments in property and intangible assets	-	-
3. From financial assets, including:	(1 500)	(1 437)
a) in related parties	(1 500)	(1 437)
- purchase of financial assets	(1 500)	(1 437)
- long-term loans granted	-	-
b) in other entities	-	-
- purchase of financial assets	-	-
- long-term loans granted	-	-
4. Other investment outflows	(1 021)	(149)
III. Net cash flows from investing activities	(1 438)	(2 174)
C. Cash flows from financing activities		
I. Inflows	-	-
1. Issuance of shares and capital contributions and additional payments to capital	-	-
2. Proceeds from bank loans and borrowings	-	-
3. Issuance of bonds and other securities	-	-
4. Other financing inflows	-	-
II. Outflows	(3 896)	(2 873)
1. Purchase of own shares	-	-
2. Dividends and other payments to shareholders	-	-
3. Other payments relating to distribution of profit (excluding payments to shareholders)	-	-
4. Repayment of bank loans and borrowings	-	-
5. Redemption of debt securities	-	-
6. Other financial liabilities payments	-	-
7. Finance lease payments	(3 239)	(2 658)
8. Interest paid	(657)	(215)
9. Other financing outflows	-	-
III. Net cash flows from financing activities	(3 896)	(2 873)
D. Net cash flows	(843 117)	(793 071)
E. Change in cash and cash equivalents	(843 070)	(792 815)
- changes in cash and cash equivalents arising from foreign exchange gains/losses	47	256
F. Cash and cash equivalents at the beginning of the period	1 569 995	1 754 999
G. Cash and cash equivalents at the end of the period	726 925	962 184
- including restricted cash	32 984	45 978

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

The financial statements of Budimex SA for the 3-month period of 2012 together with comparative data were prepared in accordance with Polish accounting regulations, described in the introduction to the financial statements of the Company for the year 2011, except an accounting estimates of perpetual usufruct, described below.

As from 1 January 2012, the Company has changed an accounting policy related to amortisation of perpetual usufruct, which is currently depreciated over the period which matches its estimated useful lives. Previously, as described in the financial statement for the year 2011, perpetual usufruct was not depreciated. The above change in accounting estimates has no significant influence on the amount of net profit for the I quarter 2012.

The financial statements and the comparative data contain aggregate data of the reporting organizational branches acting as at 31 March 2012, 31 December 2011 and 31 March 2011, prepared in foreign currencies and translated into Polish zloty using the rate of exchange presented in the point 1.4 of herein condensed financial statements.

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

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

There were not any difference between current and comparative data reported in the herein condensed financial statement and data contained in the prior condensed financial statements.

1.3. Changes in the method of preparation of financial statements

Apart from the changes described above and in the point 1.1. of the herein condensed financial statements, there were not any other significant changes introduced in the preparation of financial statements.

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

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

- individual asset and liability items – using the average exchange rate prevailing as at 31 March 2012 – 4.1616 PLN/EUR,
- individual profit and loss account and cash flow statement items for the first quarter of 2012 – 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 2012 to 31 March 2012 – 4.1750 PLN/EUR,
- individual asset and liability items of comparative financial data for the year 2011 – using the average exchange rate prevailing as at 31 December 2011 – 4.4168 PLN/EUR
- individual profit and loss account and cash flow statement items of comparative financial data for the first quarter of 2011 - using the exchange rate being an arithmetic average of average exchange rates established by the National Bank of Poland for the last day of each ended month for the period from 1 January 2011 to 31 March 2011 – 3.9742 PLN/EUR.

1.5. Going concern

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 balance sheet date, i.e. 31 March 2012 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 2012 the excess of the current liabilities and short-term accruals over the current assets amounted to PLN 512 552 thousand. Taking into account, that the above amount included short-term deferred income referring to construction contracts valuation and advances received for future services in the total amount of PLN 510 789 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. Changes in the shareholding structure

According to the information held by Budimex SA, the shareholding structure of Budimex SA as at 25 April 2012 was as follows:

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

3. Description of factors and events which had a material effect on a financial result of Budimex SA**3.1. Business operation of the Company in the I quarter of 2012**

In the period of three months of 2012 Budimex SA earned sales revenue in the amount of PLN 930 020 thousand, mainly related to sales of construction services (99,14%) amounted to PLN 922 049 thousand.

In the comparative period of the year 2011, sales revenue amounted to PLN 657 624 thousand, of which 97.92% related to sales of construction services amounted to PLN 643 914 thousand and sales from development activity and property investments' management amounted to PLN 9 887 thousand (1.50%).

The sales of construction services increased by more than 43% in the three months of 2012 in relation to the comparative period of the year 2011. Due to settlement of development projects taken over on merger with Budimex Inwestycje Sp. z o. o. in 2009, in the I quarter of 2012 the sales revenue from that activity was immaterial in relation to the total sales revenue of the Company.

Gross profit on sales for the 3-month period of 2012 amounted to PLN 76 680 thousand and was of PLN 11 435 thousand higher (17.53%) than in the comparative period of the previous year. Otherwise, the operating profit for the period of three months of 2012 amounted to PLN 40 846 thousand and in the comparative period of 2011 amounted to PLN 33 996 thousand.

Due to the positive result from financial activity, mainly including dividends and interests received, the profit on operating activities for the period of 3-months of 2012 amounted to PLN 69 924 thousand (in the period of 3-months of 2011 amounted to 73 318 thousand).

In the period of three months of 2012 the Company reported a net profit of PLN 59 343 thousand gaining net profit margin of 6.38%.

3.2. Changes of estimates

Provisions for expected contract losses

In accordance with accounting policies adopted, the Company creates provisions for expected contract losses if budgeted contract costs exceed the entire expected contract revenue. In the subsequent periods, a part of the created provision is released in proportion to the percentage of contract completion, after taking into account total negative margin on the entire contract. As at 31 March 2012, the balance of the provision for contract losses amounted to PLN 325 378 thousand, while as at 31 March 2011 amounted to PLN 437 658 thousand. In the 3-month period of 2012 the balance of provision decreased by PLN 22 628 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 2012, the balance of the provision in this respect amounted to PLN 32 627 thousand, while as at 31 March 2011 amounted to PLN 42 683 thousand. In the 3-month period of 2012 the balance of provision increased by PLN 392 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 2012, the balance of the provision in this respect amounted to PLN 26 971 thousand, while as at 31 March 2011 amounted to PLN 38 751 thousand. In the 3-month period of 2012 the balance of provision decreased by PLN 3 563 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 2012, the balance of the provision in this respect amounted to PLN 142 007 thousand, while as at 31 March 2011 amounted to PLN 95 706 thousand. In the 3-month period of 2012 the balance of provision increased by PLN 10 475 thousand.

Deferred tax asset and liability

During the 3-month period of 2012 deferred tax asset increased by PLN 1 473 (a fall by PLN 31 682 thousand compared to the amount recognized as at 31 March 2011), while deferred tax liability increased by PLN 11 656 thousand (an increase by PLN 10 753 thousand compared to the amount recognized as at 31 March 2011).

Impairment write-downs against receivables

As at 31 March 2012, the balance of recognized impairment write-downs against receivables amounted to PLN 74 847 thousand, while as at 31 March 2011 amounted to PLN 91 297 thousand. In the 3-month period of 2012 the Company recognized impairment write-downs in the amount of PLN 235 thousand and reversed it in the amount of PLN 11 057 thousand.

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

In the period of I quarter 2012, the value of the proceedings relating to the Company's liabilities and claims has not changed significantly in relation to the value recognised in the financial statement for the year 2011 and amounted accordingly to PLN 296 119 thousand and PLN 249 853 thousand.

3.4. Bank guarantees and insurance agreements signed in I quarter 2012

On 1 February 2012 Budimex SA signed with Sopockie Towarzystwo Ubezpieczeń Ergo Hestia SA the Annex to the Contract Insurance Guarantee of 18 May 2009. Pursuant to the Annex, the limit of PLN 130 000 thousand has been established to which Ergo Hestia may issue contract guarantees. Other provisions of the Contract remain unchanged.

On 2 March 2012 Budimex SA signed with Kredyt Bank SA Contract Insurance Guarantee. Pursuant to the Contract the Company may commission the Bank to issue bank guarantees up to the total amount of PLN 116 000 thousand. The collateral established under the Agreement consists of: the Company's statement of execution and an authorisation to access bank accounts kept with the Bank.

3.5. Other material events in I quarter of 2012

On 31 January 2012 the Extraordinary General Meeting of the company Budimex Budownictwo Sp. z o. o. (the 100% subsidiary of Budimex SA) made the resolution on increasing the capital in the amount of PLN 1 500 thousand, i.e. to the amount of 1 810 thousand. The total amount 3 000 new shares of nominal value PLN 500 each was taken by Budimex SA. The increase of capital was registered on 26 March 2012.

On 20 April 2012 the Management Board of Budimex SA recommend taking the decision to pay out a dividend of PLN 10.97 gross per one share to the Ordinary General Meeting in 2012. It is suggested to reserve unit net profit for the period from 1 January 2011 to 31 December 2011 in the amount of PLN 280 065 thousand for the dividend. Dividend day, i.e. the day of establishing the list of shareholders entitled to dividend for 2011, is suggested to be set for 11 June 2012. Deadline for payment of dividend is proposed to be set for 25 June 2012.

On 27 March 2012 the Incorporation Act of Budimex PPP SA was signed. The share capital of new company amounted to PLN 100 000 thousand, consists of 100 shares of nominal value PLN 1 000 each and was taken by Budimex SA. Up to the issuing of that condensed financial statement the company was not registered.

On 27 March 2012 the Incorporation Acts of the following companies was signed: Budimex A SA, Budimex B SA, Budimex C SA, Budimex D SA and Budimex E SA due to planned investments on the base of public – private partnership. The share capital of each new company amounted to PLN 5 000 thousand, consists of 100 shares of nominal value PLN 50 each and was taken by Budimex SA. Up to the issuing of that condensed financial statement the companies was not registered.

On 28 March 2012 the Incorporation Act of FB Serwis SA was signed. The share capital of new company amounted to PLN 6 250 thousand, consists of 12 500 shares of nominal value PLN 500 each and was taken accordingly by Budimex SA in the amount of 3 063 thousand (6 125 shares) and Ferrovial Servicios SA in the amount of PLN 3 187 thousand (6 375 shares). Up to the issuing of that condensed financial statement the company was not registered.

**President
of the Management Board**

**Member
of the Management Board**

Dariusz Blocher

Marcin Węglowski

Warsaw, 25 April 2012