



Investor presentation

2011 financial results



Budimex Group

budimex

Construction segment



budimex



mostostal
kraków



pni

Developer segment



budimex
nieruchomości

Other activities



budimex
danwood



ELEKTROMONTAŻ
pracujemy z energią

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Segments

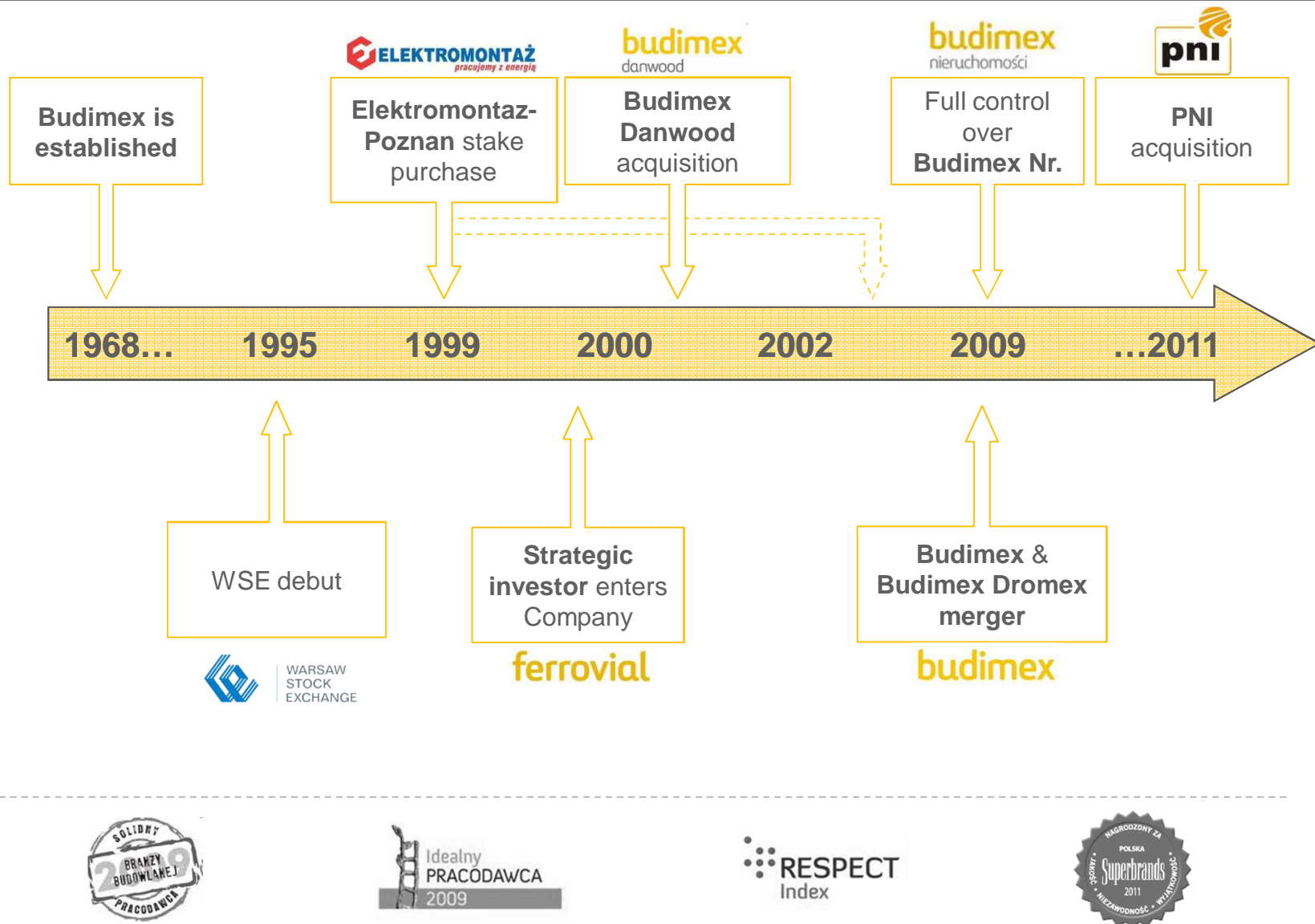
Perspectives

WSE



Budimex Group history

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Key events in 2011

Construction market



- ✓ **National Roads Construction Programme** for years '11-'15 is approved (72 bn PLN for road projects in years '11-'13)
- ✓ **'14-'20 EU budget draft** is announced (80 bn EUR for Poland)
- ✓ **First tenders are decided on industrial market** (Opole power plant tender worth 9,4 bn PLN net)
- ✓ **Business conditions** index in Dec.: **-23 pts.** (lowest December reading since 2003)
- ✓ **Record-high GDDKiA expenditures** in 2011: 26,4 bn PLN, significant drop in tenders decided

1Q

2Q

3Q

4Q

budimex

- ✓ **Augustow bypass (536 M PLN)**
- ✓ Budimex becomes **highest-cap company** in WIG-Budownictwo index (1 953 M PLN at end-2011)
- ✓ **LCS Ilawa (698 M PLN)**
- ✓ **New hydrotechnical contracts**
- ✓ **S8 Roza-Wroclaw (689 M PLN)**
- ✓ Acquisition of **Przedsiębiorstwo Napraw Infrastruktury Sp. z o.o. (225 M PLN)**
- ✓ Favorable weather conditions allowed to significantly **exceed planned 4Q sales**



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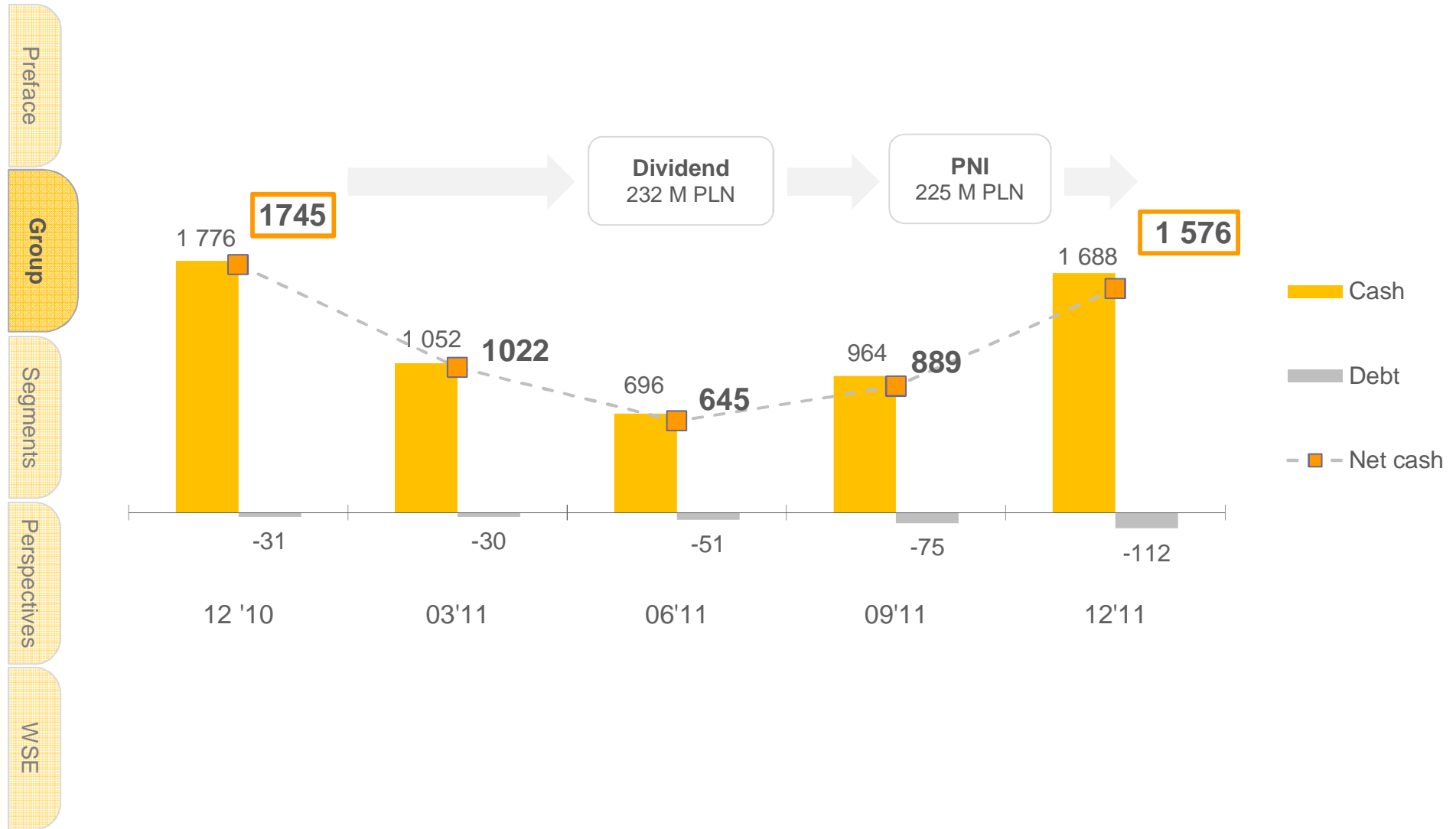
2011 results (M PLN)

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Net cash (M PLN)





Record year in construction segment

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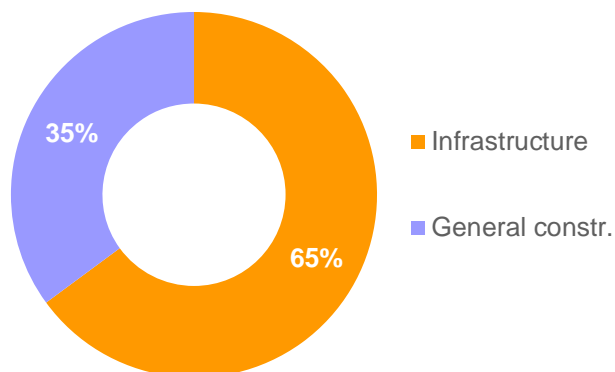
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Construction segment results (M PLN)

	2011	y-o-y dynamics
Sales	5 193	36%
Operating profit	284	32%
% sales	5,5%	-0,2 pp.
Net profit	235	28%
% sales	4,5%	-0,3 pp.

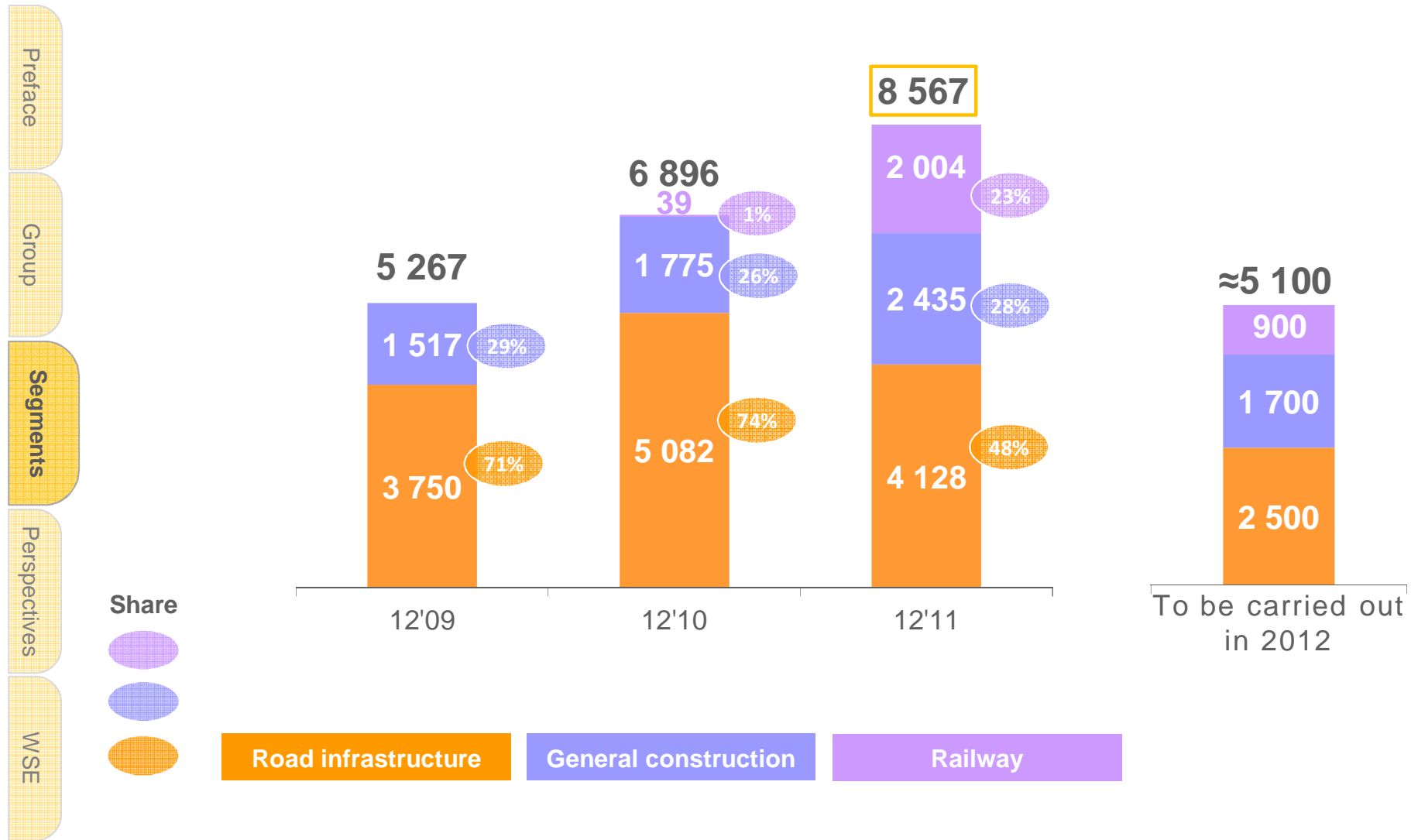
Sales in construction segment



- ✓ Company achieved **historical level of sales and profit** from construction segment
- ✓ Despite increased competition and materials prices growth **high profitability** has been maintained
- ✓ Company **increased sales (+27% y-o-y) and profit (+77% y-o-y) on German market**
- ✓ Favorable weather conditions allowed to **significantly exceed planned 4Q sales**



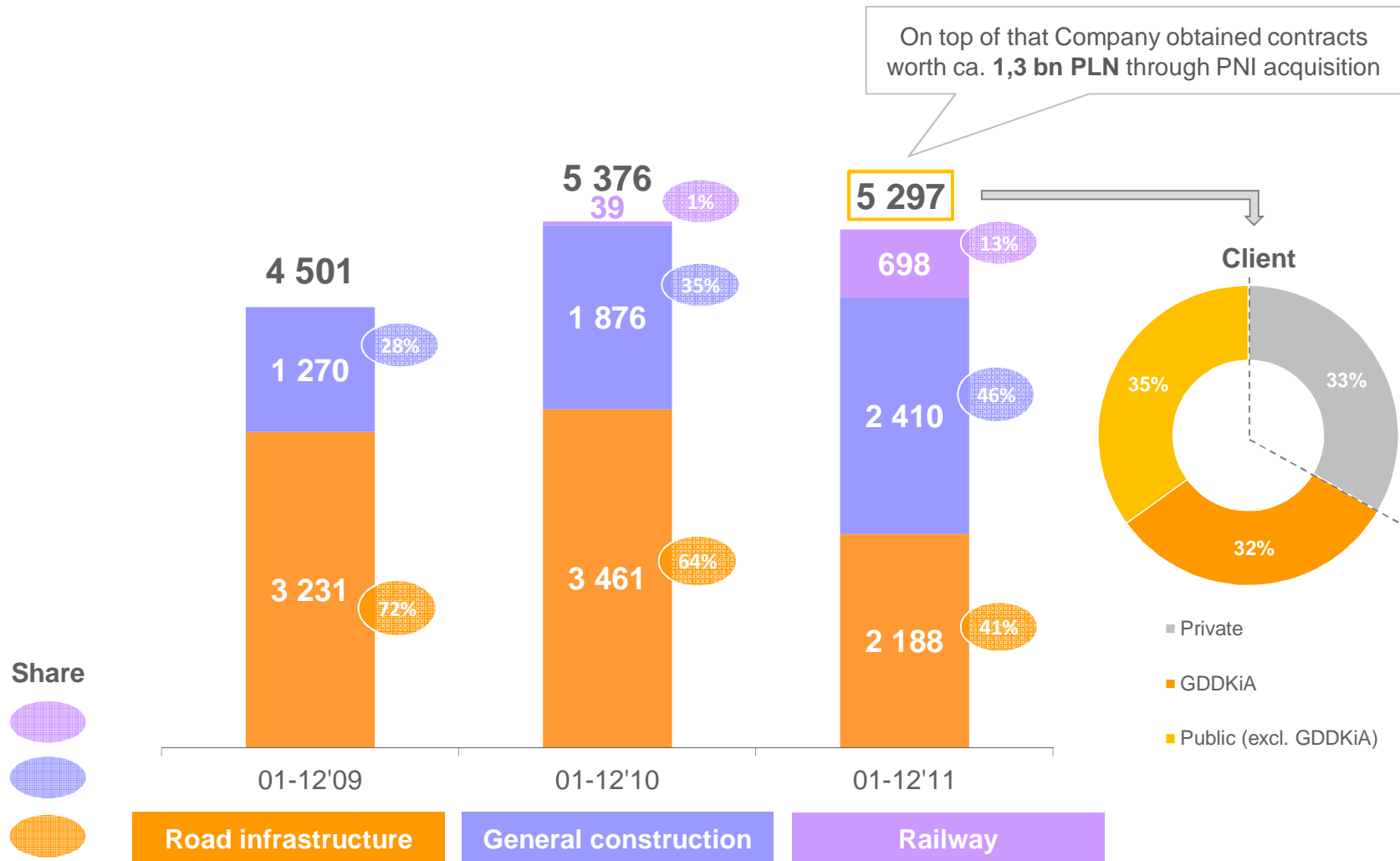
Historical level of order backlog (M PLN)





Over 5 bn PLN of contracts signed

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PNI acquisition: impact on Budimex Group

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Impact on Budimex Group results

✓ Acquisition price: 225 M PLN (cash)

✓ Net cash:

- At acquisition: -64 M PLN
- As of 12'11: 31 M PLN

✓ Backlog as of 12'11: 1 292 M PLN

✓ Impact on 2011 results:

- Sales: ≈ 63 M PLN
- Operating profit: ≈ 3 M PLN

✓ 2012 Sales: ≈ 600 M PLN

✓ Company's main assets:



❖ Production potential

❖ Qualified technical staff

❖ Machinery:

- Locomotives (14)
- Rolling stock (1 439)
- Ballast cleaners (17)
- Tamping machines (47)

❖ Properties (also for sale)

❖ Transport license

❖ Potential to execute maintenance works



Developer segment in 2011

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Developer segment results (M PLN)

	2011	y-o-y dynamics
Sales	248	-50%
Operating profit	28	-60%
% sales	11,5%	-2,7 pp.
Net profit	27	-47%
% sales	10,7%	+0,7 pp.
Presales	682	-11%

Projects in offer*



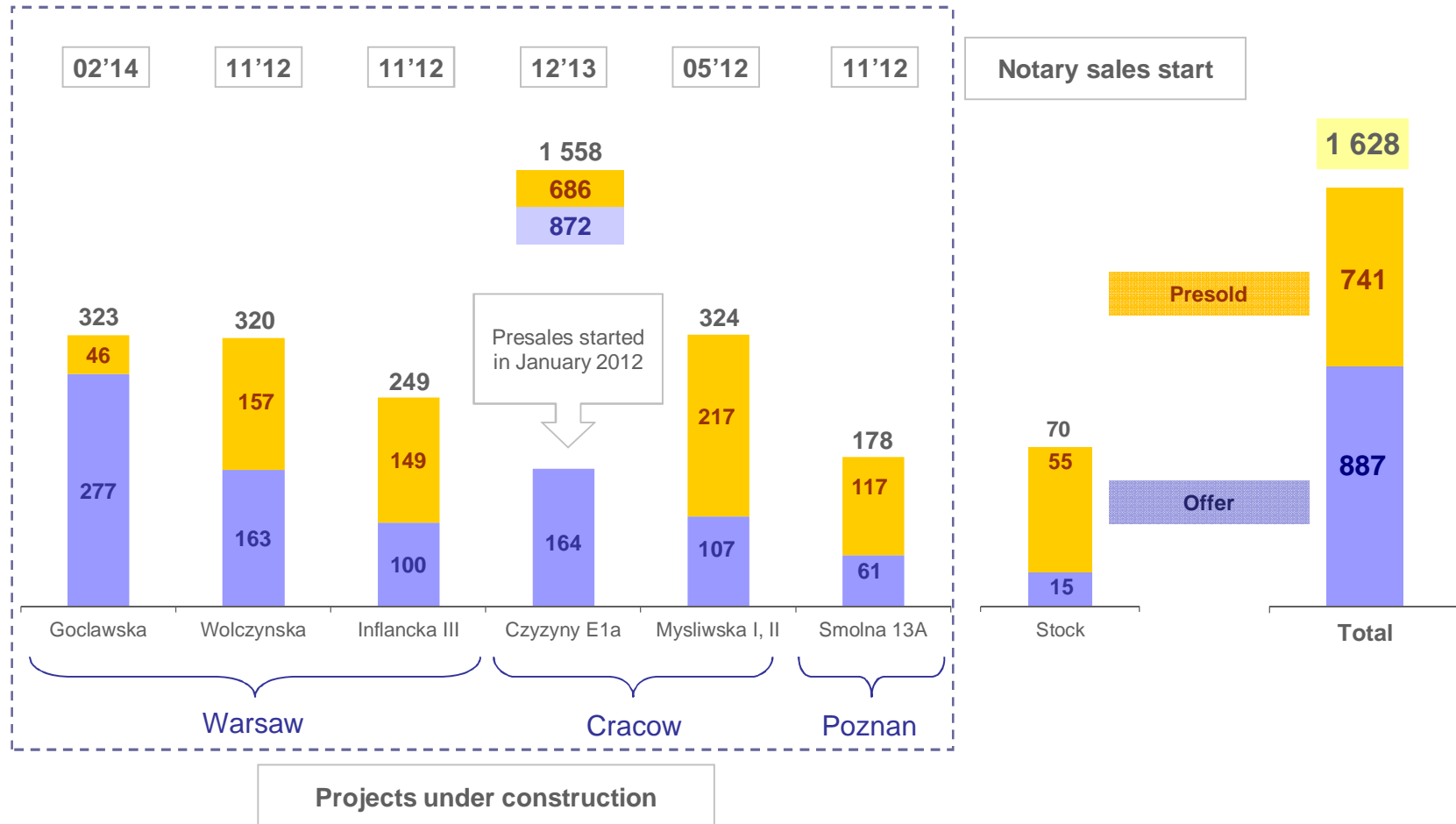
*excluding projects with last flats in offer

- ☑ **Sales drop** in 2011 was an effect of finished flats **stock sale out** in 2010 (drop in notary sales in 2011)
- ☑ **High net presales** (682 flats) will assure solid revenues in forthcoming years
- ☑ In 2011 **Company purchased 2 plots** for the total of **39 M PLN** (in Warsaw and Poznan)
- ☑ Construction of **3 new projects** totaling **649 flats** has started
- ☑ Company plans to **geographically diversify** its land bank (Tricity, Wroclaw)



Budimex Nieruchomosci projects

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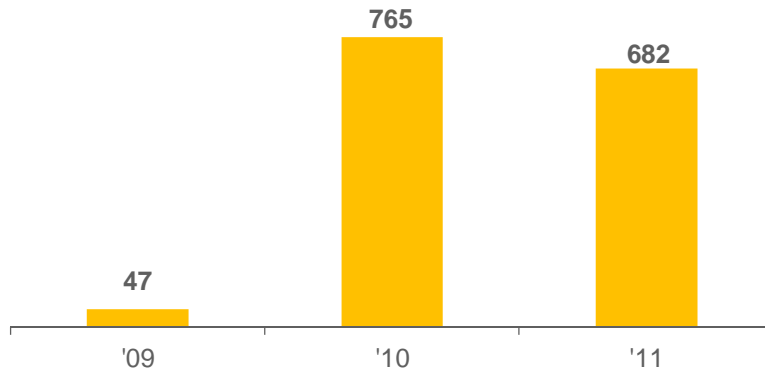




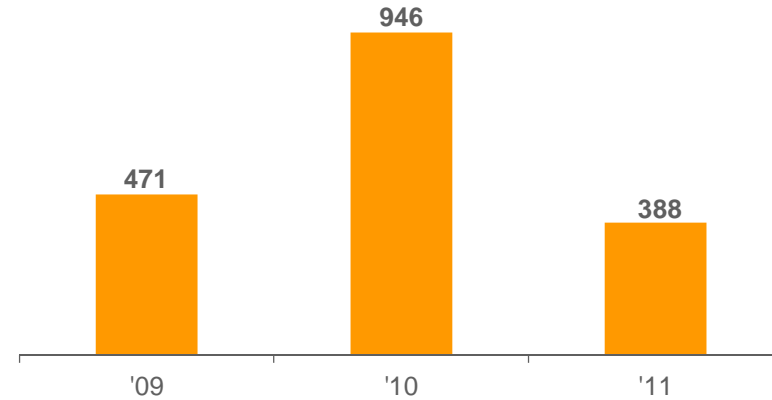
Presales and notary sales

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Net presales (number of flats)



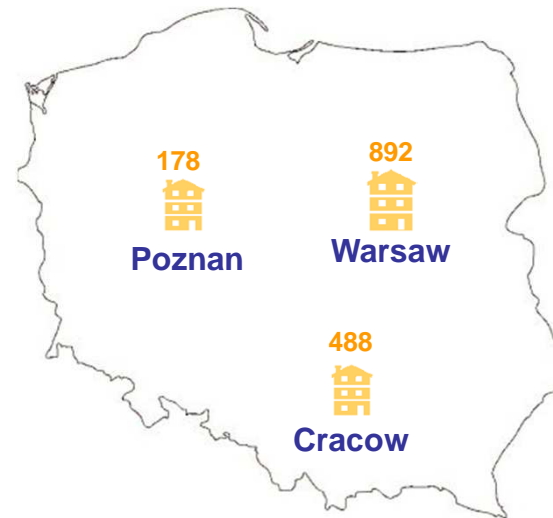
Notary sales (number of flats)



 Land bank: 7 222 flats



 In construction: 1 558 flats





Other activities in 2011

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Other activities (M PLN)

	2011	y-o-y dynamics
Sales	261	63%
Operating profit	4	-50%
% sales	1,4%	-3,2 pp.
Net profit	3	-255%
% sales	-1,2%	-2,4 pp.

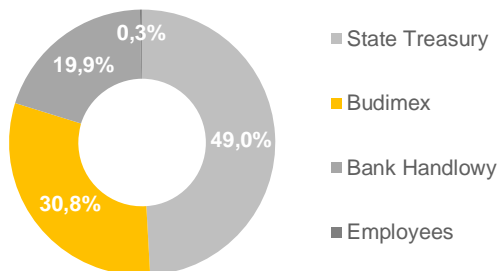


- ☑ Company noted **record high sales level**
- ☑ After excluding financial instruments valuation effect** **operating profit amounted to 10 M PLN**
- ☑ At end-2011 Company had a **historical level of order backlog (743 prefabricated houses)**



- ☑ Company* went through deep reorganization

Shareholder structure



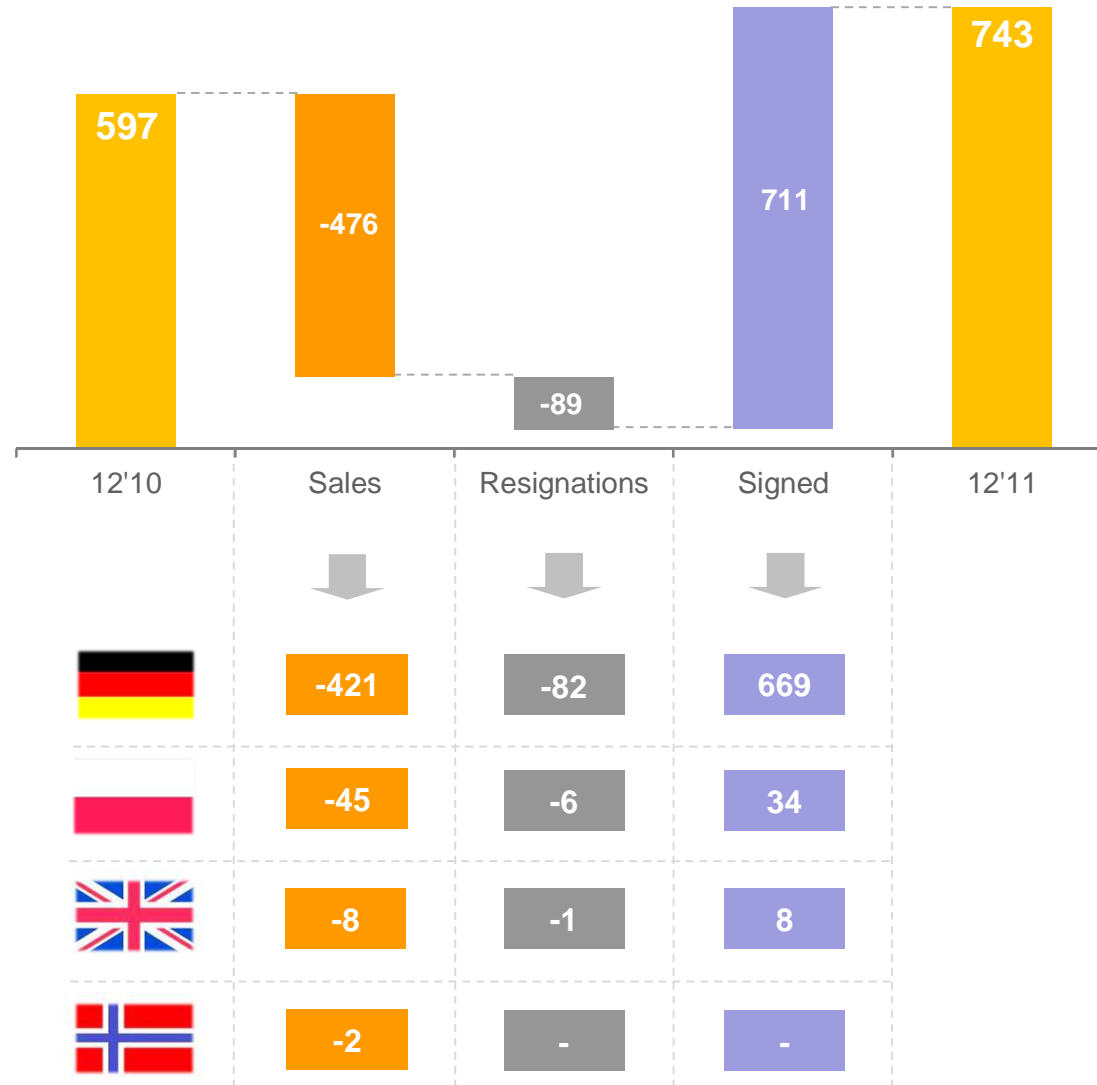
*Elektromontaz-Poznan is consolidated with equity method

**related to next periods (not year 2011)



Backlog & contracts signed (houses) budimex danwood

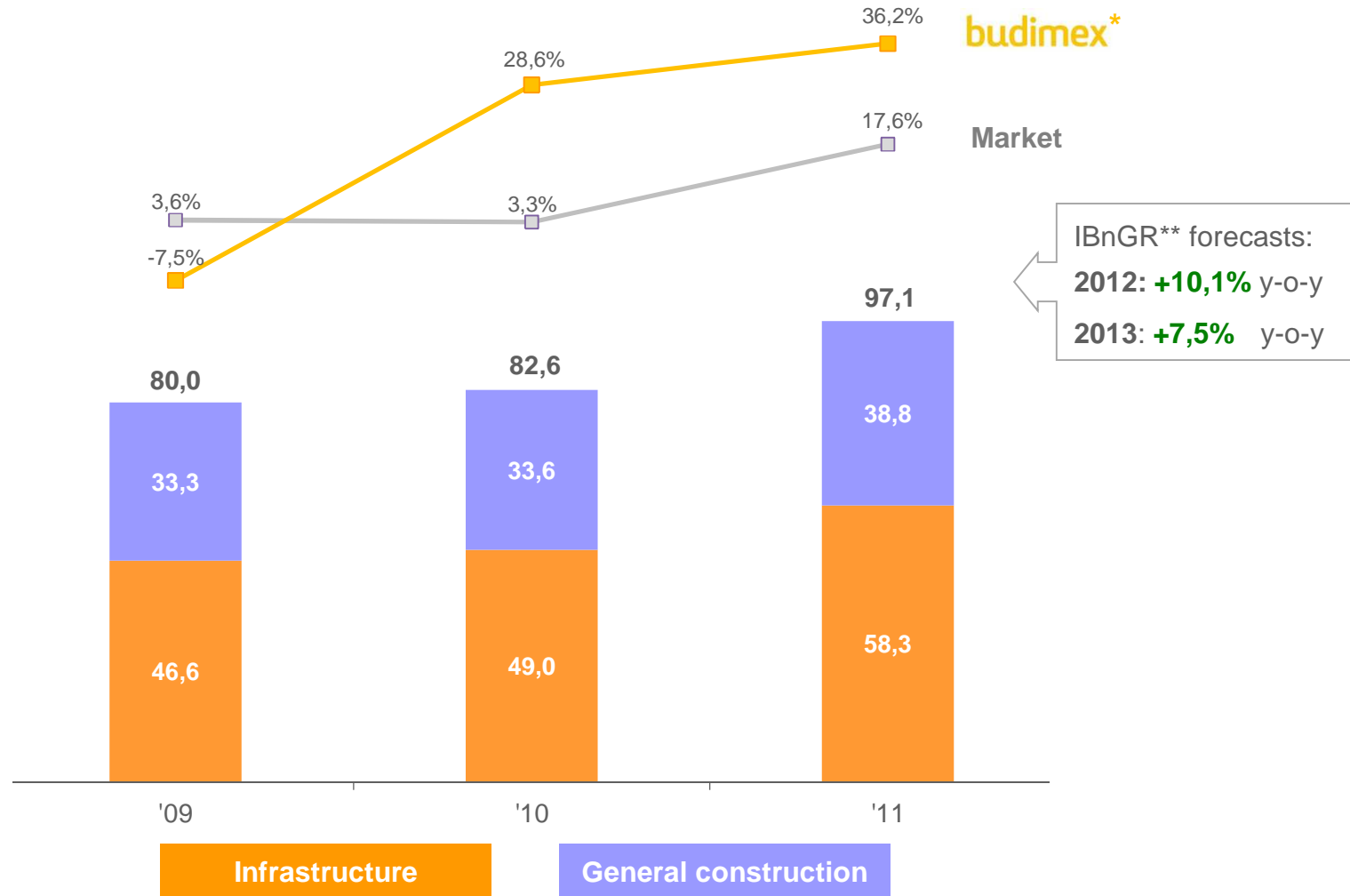
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Construction market in 2011 (bn PLN)

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*construction segment

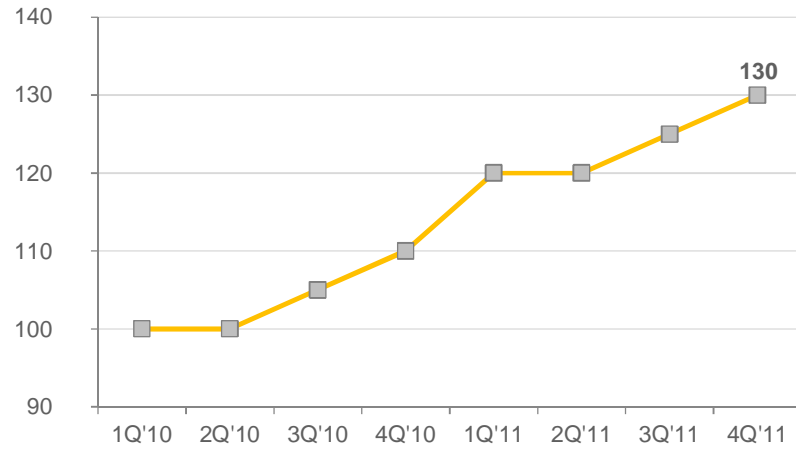
**IBnGR Macroeconomic Forecasts number 73 (February 2012), construction and assembly production dynamics in constant prices



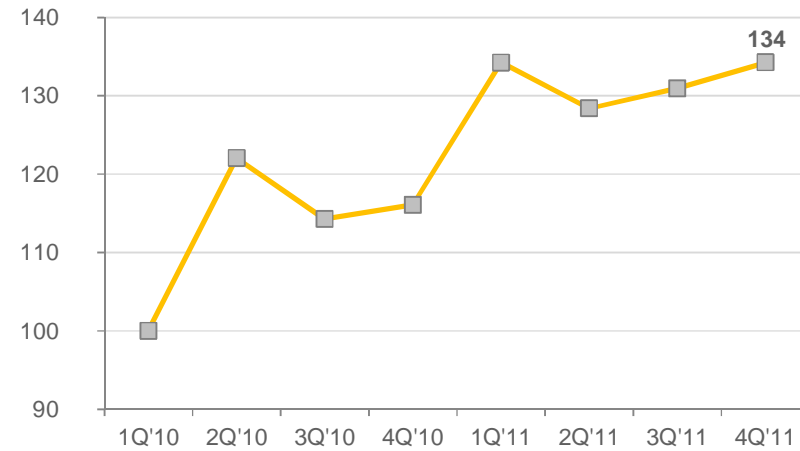
Material prices evolution*

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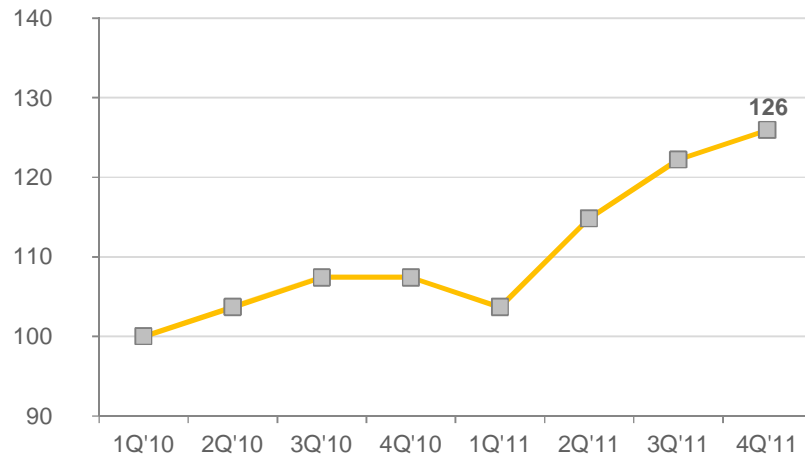
Concrete (1Q'10 = 100)



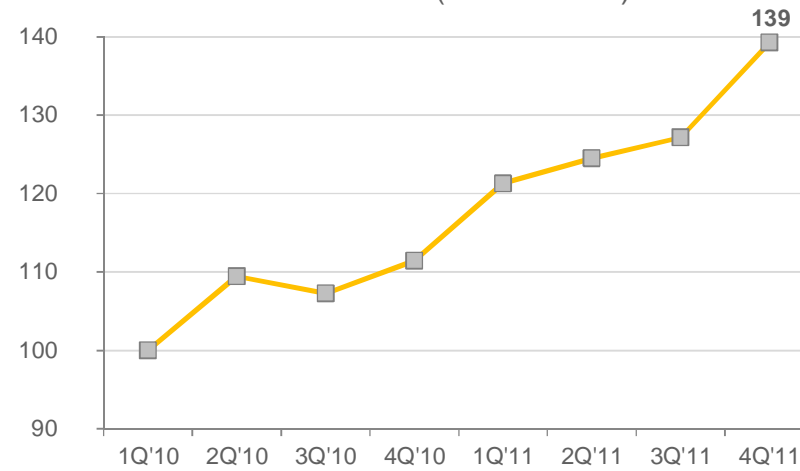
Reinforcement steel (1Q'10 = 100)



Asphalt (1Q'10 = 100)



Diesel oil (1Q'10 = 100)



*based on Budimex internal data, diesel oil prices according to Lotos SA data



Road & railway market perspectives

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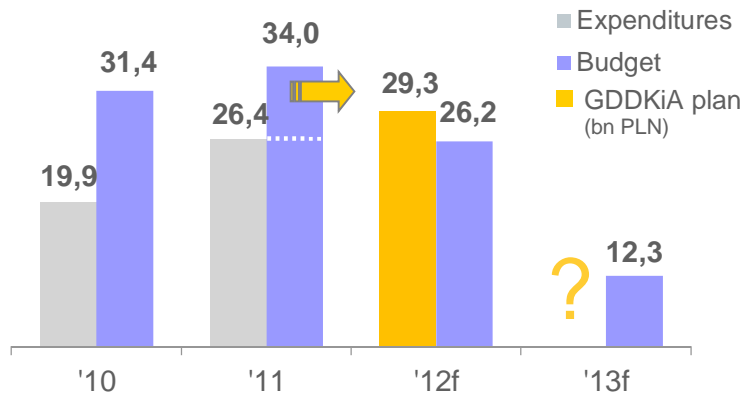
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Roads



- ✘ 2012-2013 will be especially challenging in terms of signing new contracts with GDDKiA
- ✘ In 2013-2014 GDDKiA expenditures are expected to drop significantly:

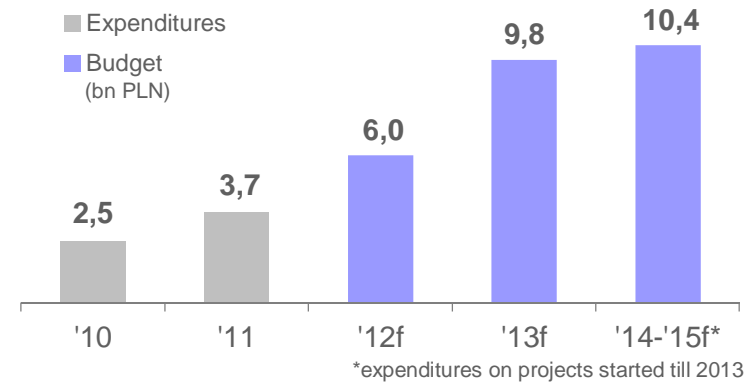


- ✔ Company plans to expand its activity on voivodship roads market (ca. 2,7 bn PLN in 2010)
- ✔ New projects may be announced in 2014. GDDKiA has already prepared list of projects for years '14-'20 worth ca. 65 bn PLN

Railways



- ✔ 2011 noted record high expenditures, Ministry of Infrastructure expects further growth of funds dedicated to railway infrastructure:



- ✔ Through PNI acquisition Budimex Group became a leader in terms of order backlog and technical capabilities
- ✔ New EU budget should be good for railway: for years '14-'20 PKP PLK prepared projects totaling 30 bn PLN. In '07-'13 allocation ca. 20 bn PLN was envisaged for railway (within POIIS)

Sources: Ministry of Infrastructure, press information, Budimex SA



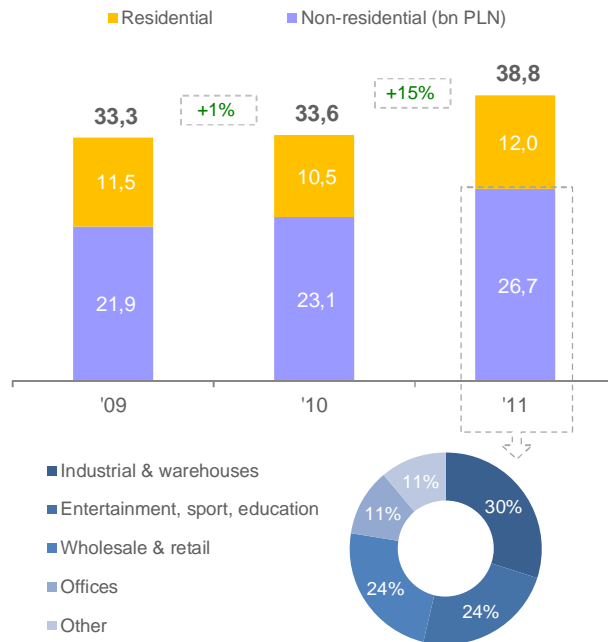
General construction & developer market

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General construction



- ✓ 2011 noted a record level of production sold in general construction segment:



- ✓ Company has solid order backlog for year 2012, building the backlog for next years may be challenging
- ✗ Public expenditures cuts may be a significant threat to general construction segment

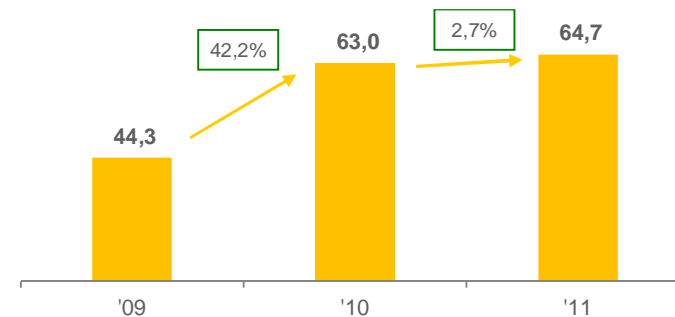
Developer market



- ✓ 2011 was good in terms of volume of flats sold – value of mortgage loans granted was similar to year 2010

- ✗ Market uncertainty and change in bank policy in relation to mortgage loans (KNF Recommendation) may negatively impact demand while supply is relatively high:

Number of flats started by developer companies (ths.)



- ✓ Good presales in 2011 should assure relevant notary sales growth (recognized in developer segment P&L) in 2012

Sources: CSO, Reas



Industrial market, other Budimex markets

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Industrial market



- ✓ Market value till year 2020 may reach 140 bn PLN (excl. nuclear power plant)
- ✓ Currently Budimex is engaged in Turow power plant tender, Company has already placed an offer as a subcontractor in Wloclawek (for SNC-Lavalin)
- ✓ In 2012 Company plans to focus on lower-value tenders
- ✓ Budimex plans to acquire engineering company / design office

Waste incinerators



- ✓ Market value is estimated at ca. 5 bn PLN
- ✓ In the nearest future Company will place final offers for the construction of incinerator in Bialystok and Konin

Hydrotechnical market



- ✓ Hydrotechnical market value (costal structures, river constructions) in 2011 amounted to 1,8 bn PLN (over 50% y-o-y growth)
- ✓ Market is prospective, competition is less fierce than on the roads / railways market
- ✓ In 2011 Company signed 3 contracts (53,5 M PLN)

Public-Private-Partnership



- ✓ Estimated value of planned PPP projects exceeds 10 bn PLN
- ✓ Company has created PPP team:
 - Currently Budimex finalizes car park in Wroclaw project
 - Applications for tenders worth ca. 1 bn PLN are being prepared (road in Dabrowa Gor., car parks in Warsaw, Gdansk and Cracow)

Sources: Ministry of Environment, CSO, PPP Institute, Budimex SA



Services, roads & railways maintenance

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Facility management

- ✓ Facility management comprises i.a.:
 - Technical maintenance
 - Cleaning
 - Security



- ✓ Market is fragmented and has huge potential, consolidation is expected. Company plans an acquisition in this segment yet in 2012

Waste management



- ✓ Market value is estimated at ca. 5 bn PLN
- ✓ According to amendment to „waste law” communities will be responsible for organizing waste collection and operators will be elected through public tender
- ✓ Budimex and Ferrovial Services will establish company, which is going to operate on facility management, waste management and roads maintenance market

Roads maintenance



- ✗ Market is fragmented, mainly dominated by local companies
- ✓ Market value exceeds 5 bn PLN annually
- ✓ Main investors are GDDKiA and municipalities:
 - Gradual expansion of expressway and motorway network should contribute to significant growth of current maintenance expenditures

Railway maintenance



- ✗ Market is fragmented, part of repairs is executed on one-off basis
- ✓ PKP PLK plans to implement long-term railway maintenance agreements
- ✓ Thanks to PNI acquisition Budimex Group has sufficient capabilities to carry out such contracts

Sources: Ministry of Environment, Budimex SA

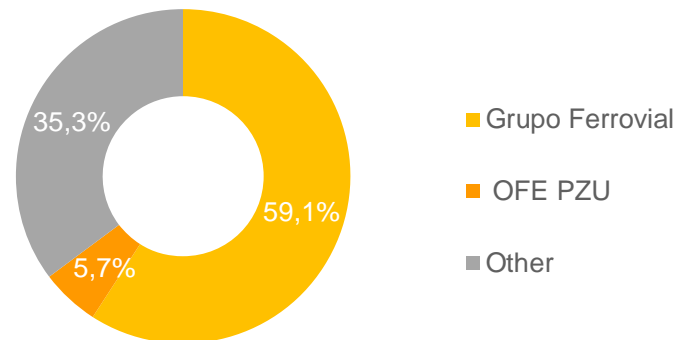


Construction companies capitalization

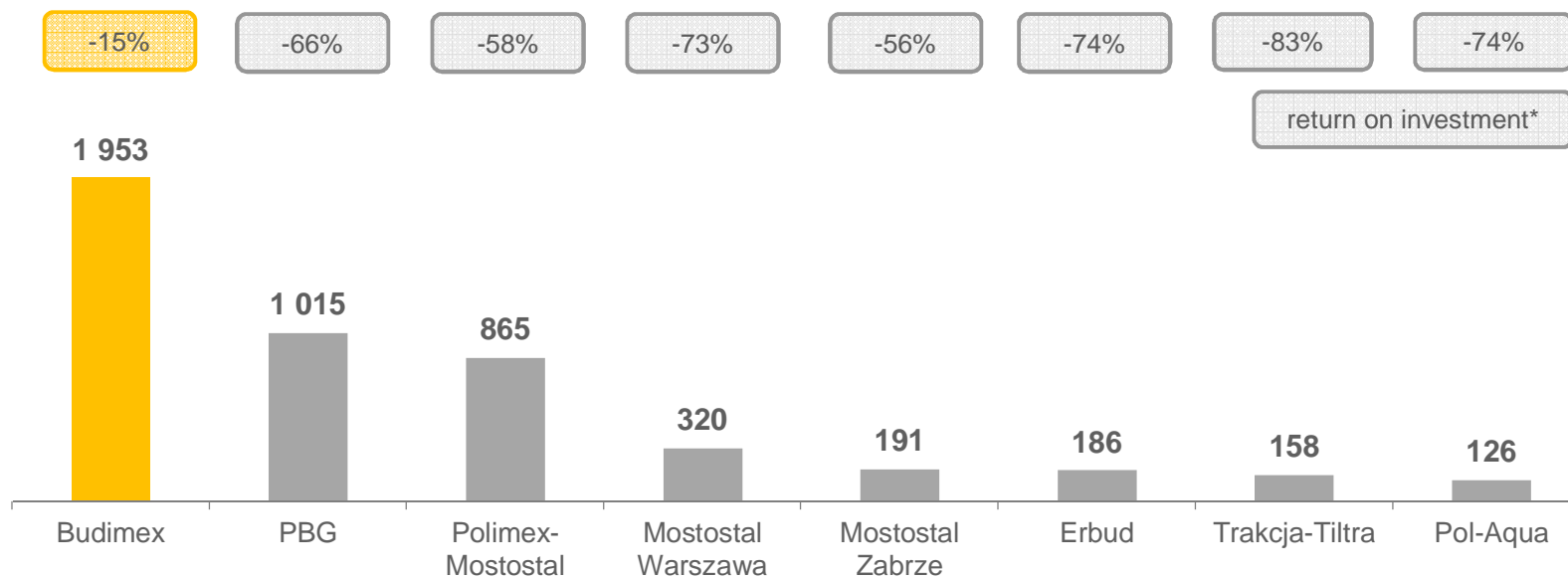
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budimex	
WSE symbol	BDX
Number of shares	25 530 098
52 week min/max	64 / 109 PLN
Average volume	15,7 ths. shares

Shareholder structure (as of 31.12'11)



Capitalization as of 31.12'11 (M PLN)



*in 2011, including dividends paid



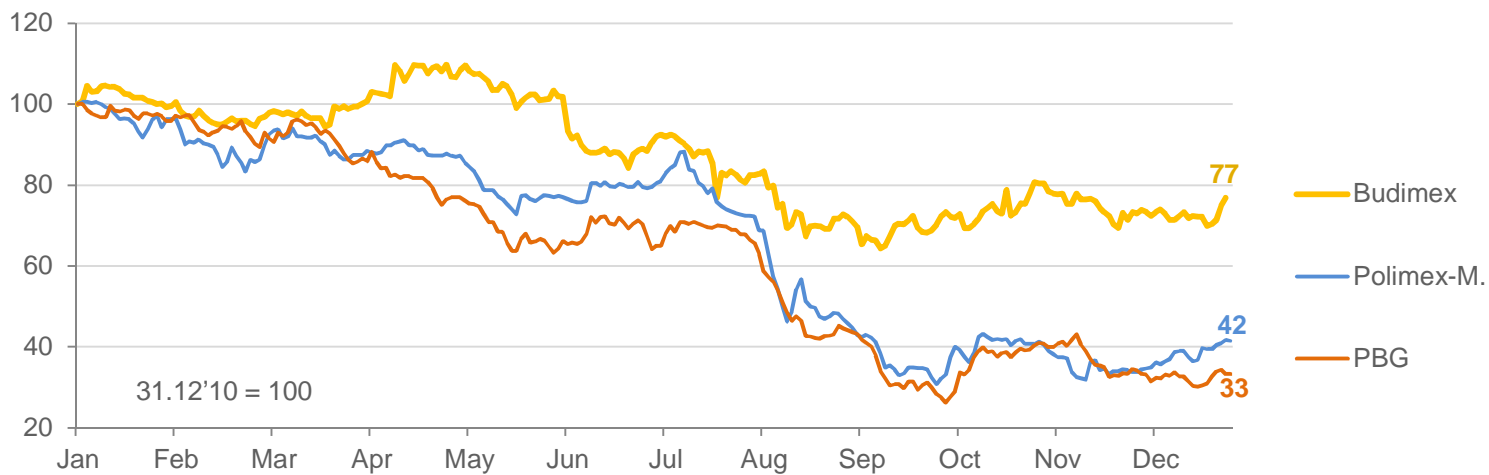
Budimex shares performance in 2011

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Budimex vs. market



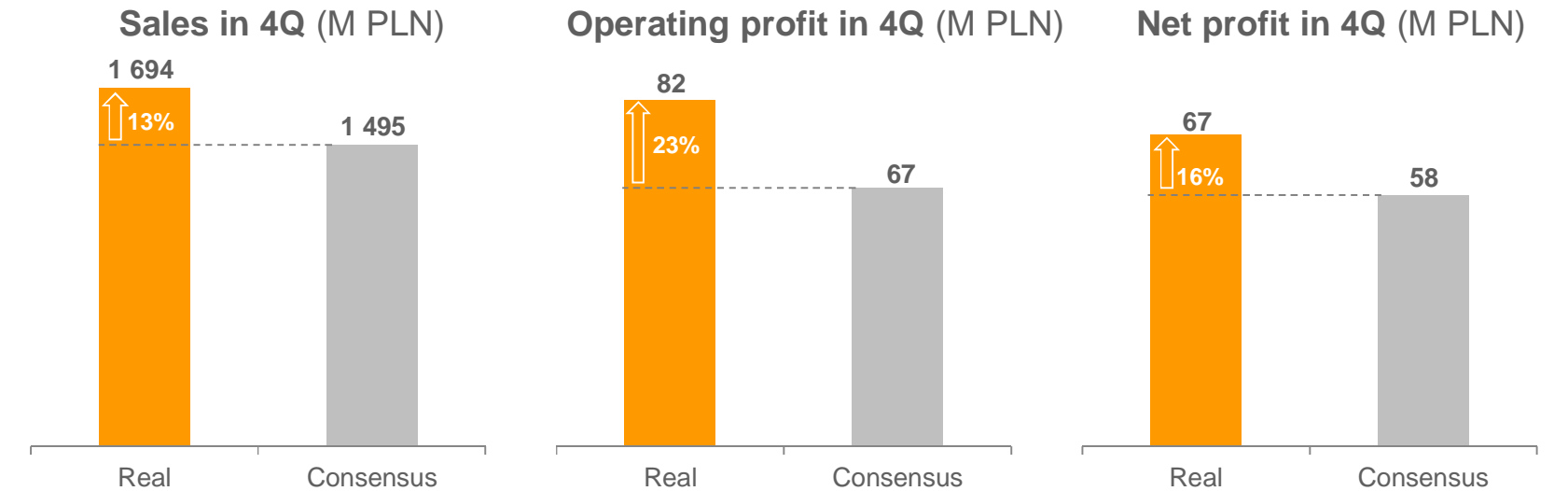
Budimex vs. biggest construction companies



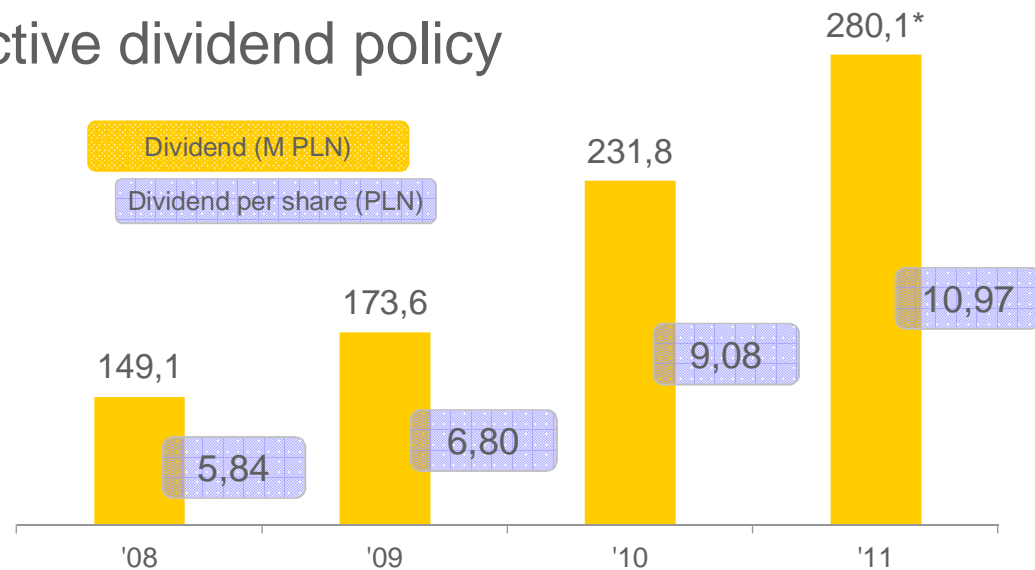


Results better than expectations...

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... and attractive dividend policy



*recommended by Management Board



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