



Presentation for investors

Financial results 1H 2011

budimex



Agenda

I.	Important events of the period	3
	Successes of 1H'11	3
	Challenges for the future	11
II.	Financial results 1H'11	14
	Construction segment	17
	Developer segment	23
	Other activities	29
	Internal eliminations	32



Important events of the period

Successes

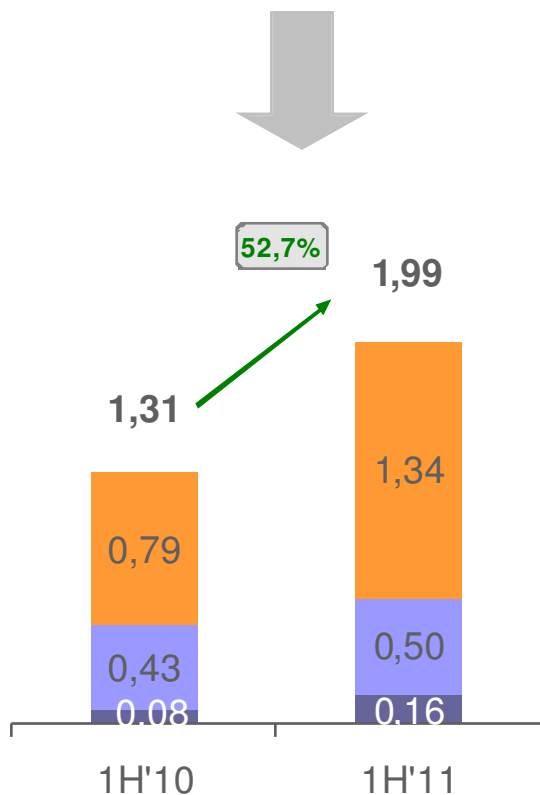
- Construction sales dynamic over market
- Record sales and results in construction segment
- Top backlog level: 7,9 bn. PLN
- Third year of dividend payment
- High net treasury position
- Plots purchasing process initiation & new projects started
- Budimex the most valuable construction company



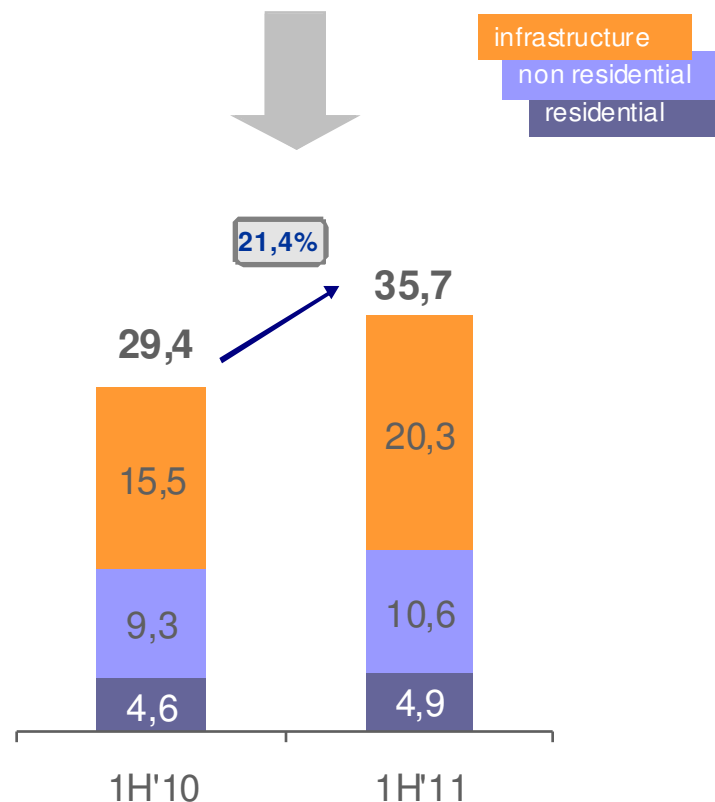


Dynamics of construction sales (bn. PLN)

Budimex construction sales in Poland



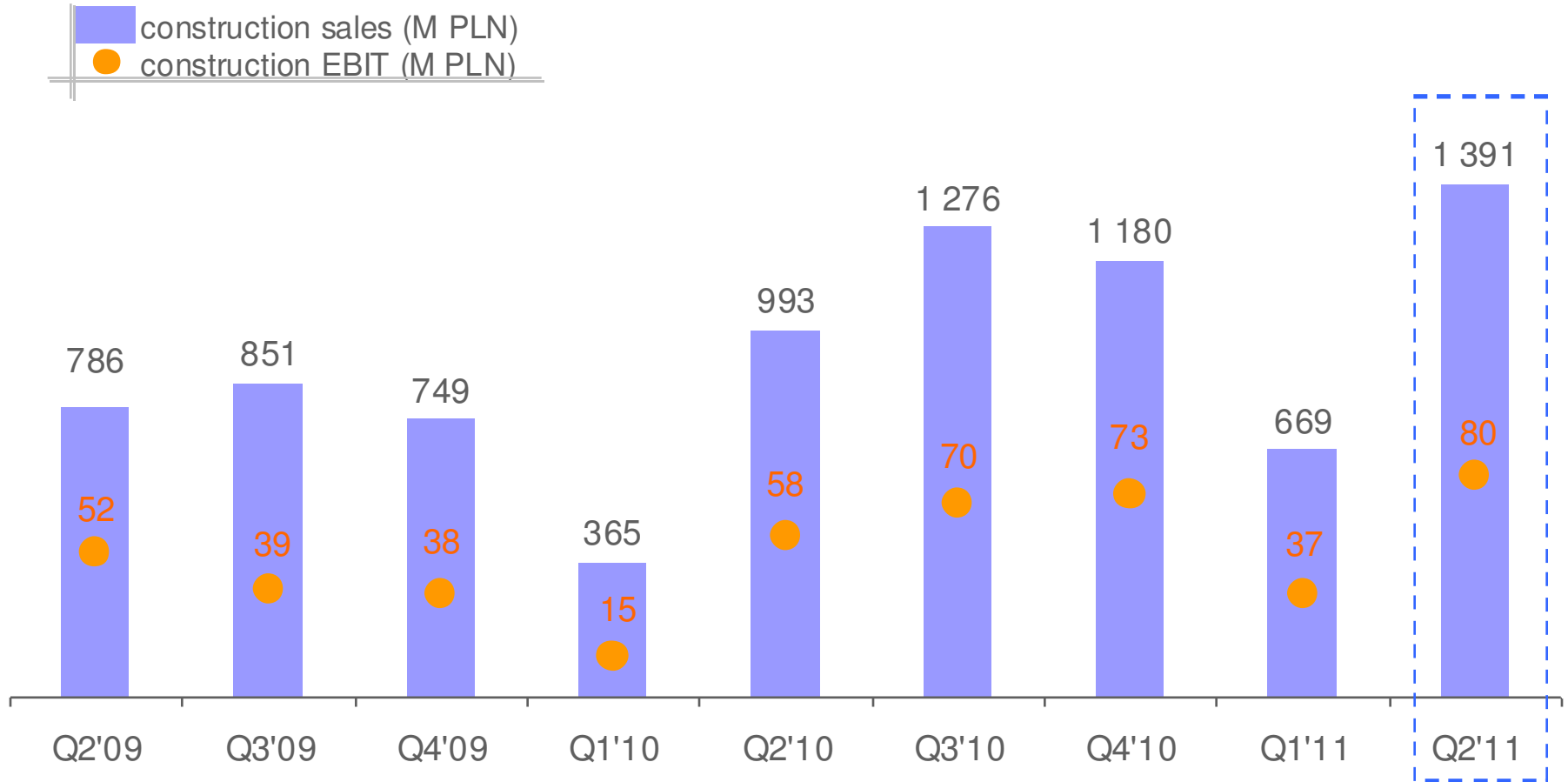
Polish construction production*



* construction production in Poland as the production of the companies with more than 9 employees registered in Central Statistic Office as construction ones

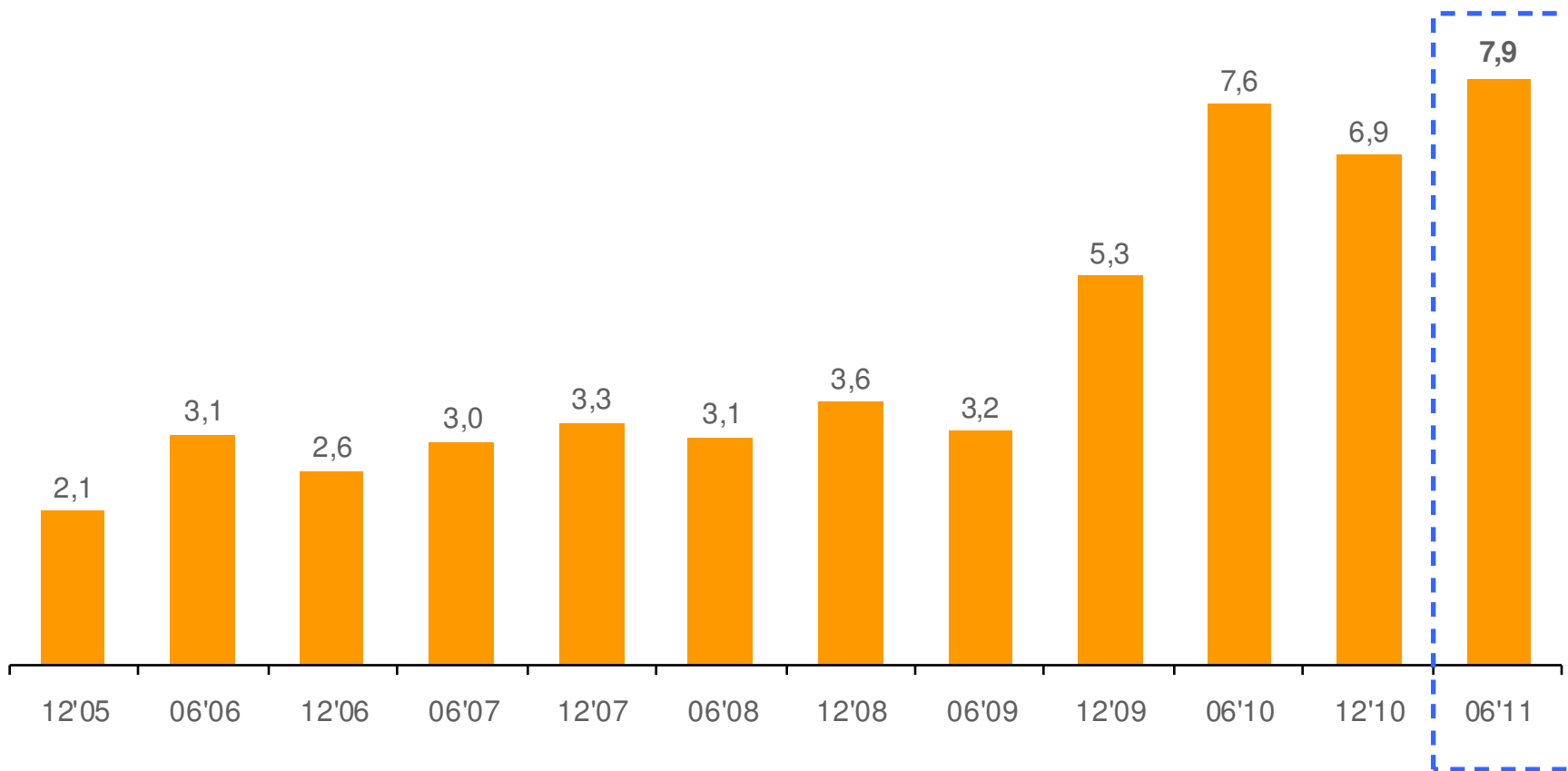


Construction segment: record sales and results



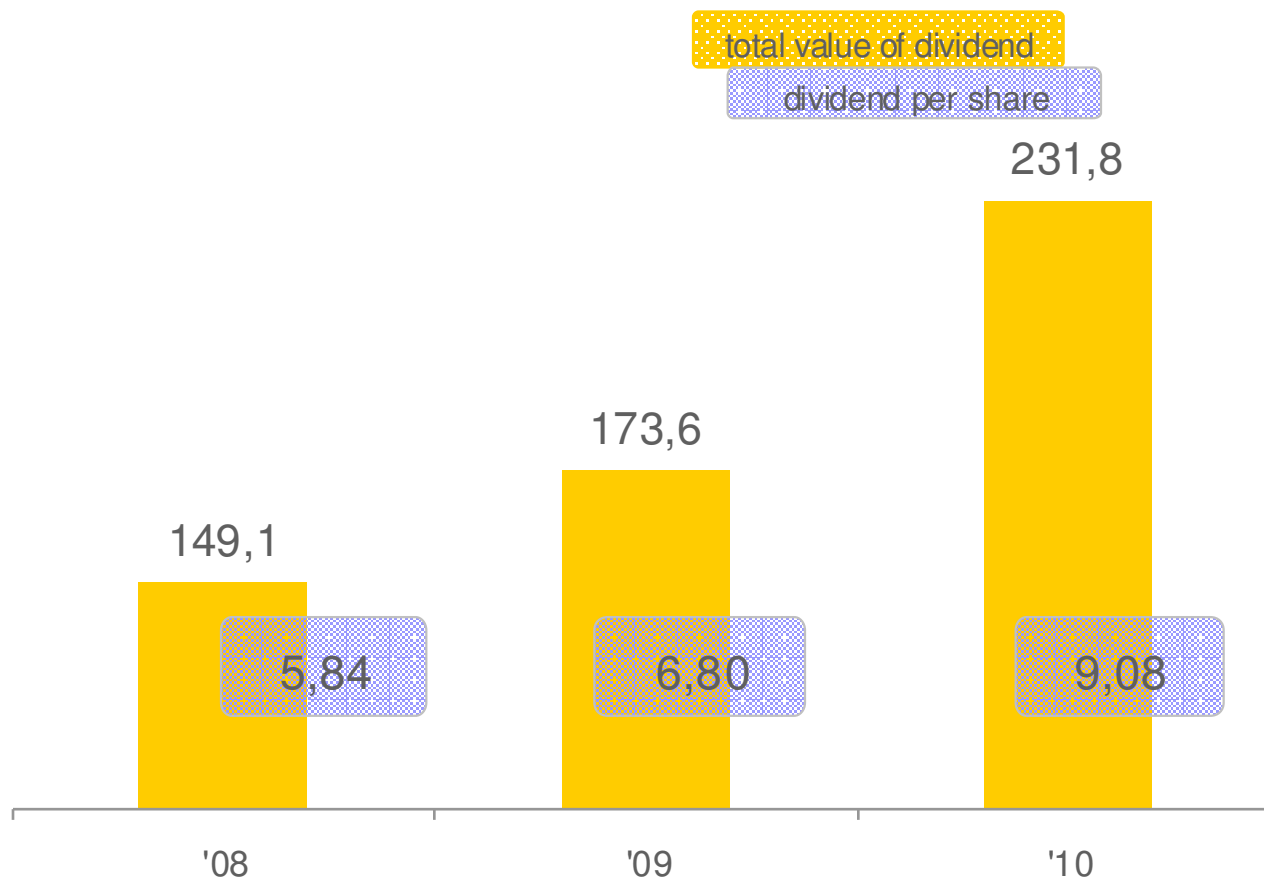


Top backlog level (bn. PLN)





Sharing profits with owners... (M PLN)



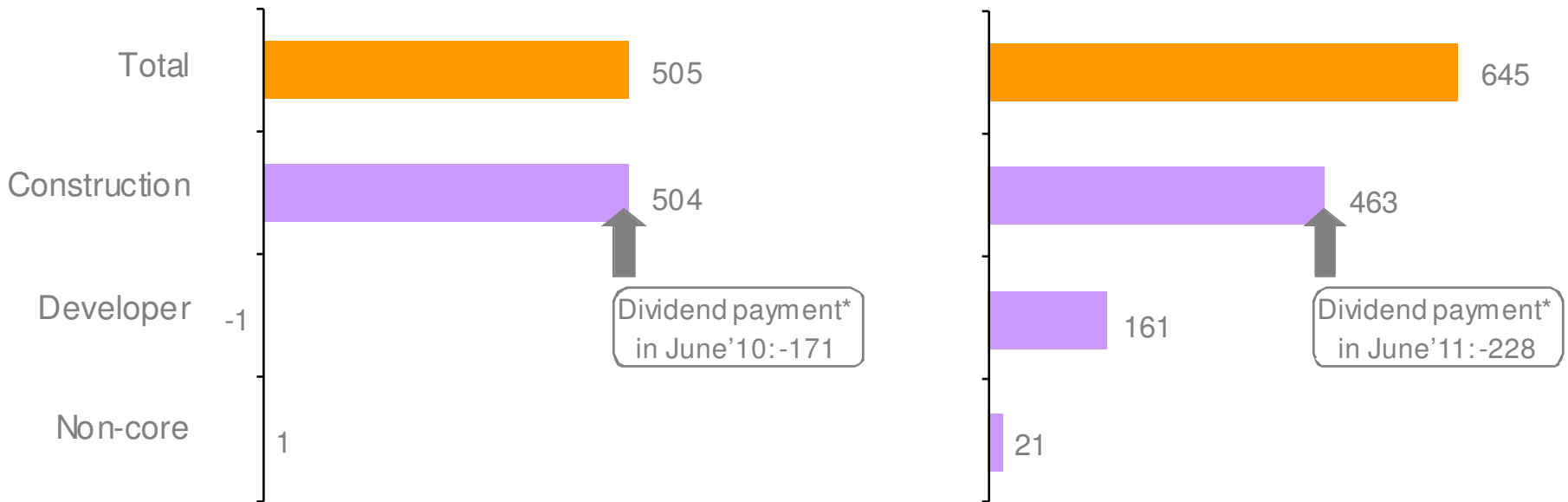


High net treasury position (M PLN)

as of 30.06'10

+27,8%

as of 30.06'11



* dividend payment from construction segment cash



Plots purchasing & developer projects



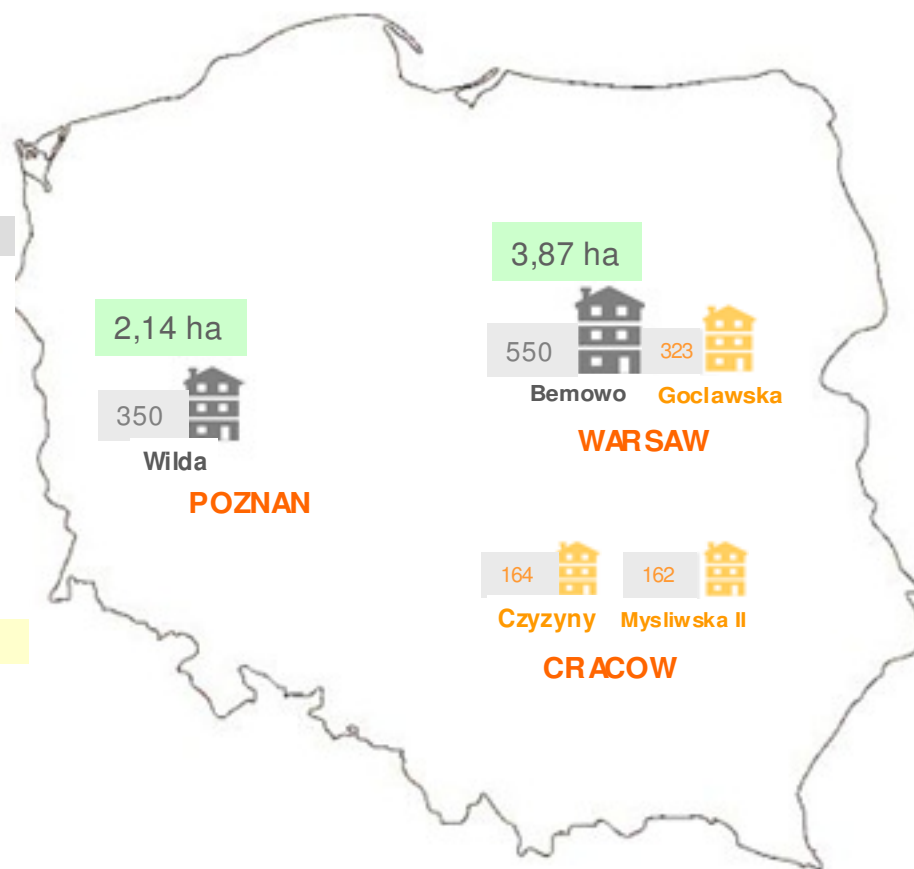
Purchasing of new plots in 2011

Project	Flats	Status
Warsaw (Bemowo)	≈550	Purchased in 07'11
Poznan (Wilda)	≈350	Purchased in 08'11



New projects in 2011

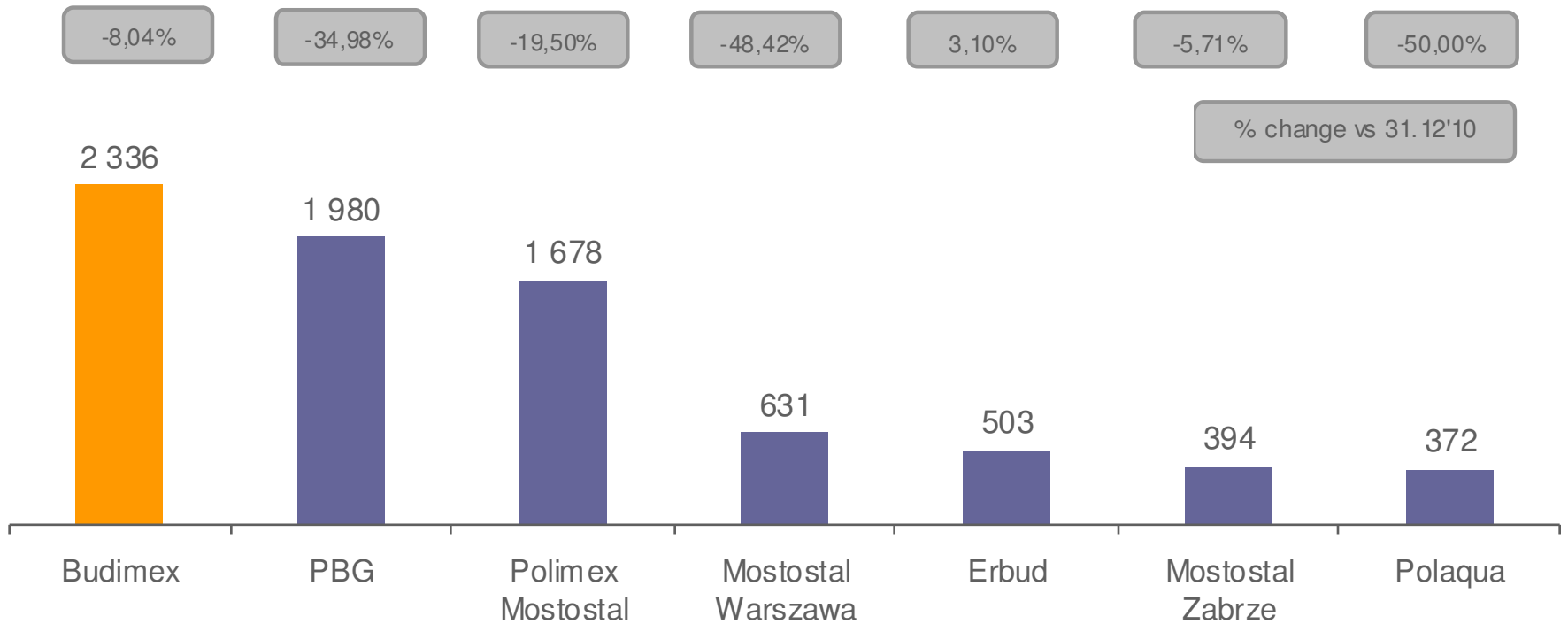
Project	Flats	Construction status
Mysliwska II Cracow	162	Started in 04'11
Goclawska Warsaw	323	Started in 07'11
Czyzyny I Warsaw	164	To be started in 2011





Budimex: most valuable construction company

as of 30.06'11 (M PLN)





Events of the period challenging the future

Challenges



- European and Polish macroeconomic situation in 1H'11 influencing construction as well as real – estate market
- Alternative for shrinking roads investments market
 - Finalization of PNI privatization process, then implementation of Budimex management procedures and increase PNI profitability
 - Budimex position on industrial market




Macroeconomic situation impacted Budimex

Construction market

- ✓ **End of Euro 2012 investments**
 - ✓ **Public finances deficit:**
 - reduction to **3,0%** of GDP in '12 from **7,9%** in '10
 - local governments investments cuts
 - ✓ **Unstable European market situation**
-
- ✓ **national roads outlays drop**
 - 34 bn. PLN in '11 ~~to~~ 12 bn. PLN in '13
 - ✓ **local roads outlays decrease** (schetynowki)
 - 1 bn. PLN annually ~~to~~ 0,2 bn. PLN in '12
 - ✓ **size of EU co-financed investments under question**

Real estate market

- ✓ **Polish Zloty depreciation vs. CHF**
 - min.(07'08) 1,96 PLN ► (06'11) **3,30 PLN**
 - ✓ **S Recommendation implementation**
 - ✓ **growing CPI forces NBP to rise interest rates**
 - CPI peak (05 '11): 5,0% ► ca. 4,0% in FY '11
 - ✓ „Rodzina na Swoim” expiration
- ↓ ↓
- ✓ **dropping creditworthiness**
 - ✓ **historical number of flats available for sale on the market**
- 



Alternative for shrinking roads market

Steps already undertaken



➤ Railway market:

- PNI Ltd. under process of purchasing. Conditional act of commercialization signed. The date for completion conditions: 31 October'11.
- First railway contract won: 698 M PLN



➤ Budimex on industrial market:

- Passed prequalification on Turow power plant (550 MW)



➤ Waste incinerator:

- Offer placed for prequalification tender in Cracow in consortium with Cespa



➤ PPP contracts:

Underground parking in Wroclaw: under process of negotiations

Financial results

1H 2011

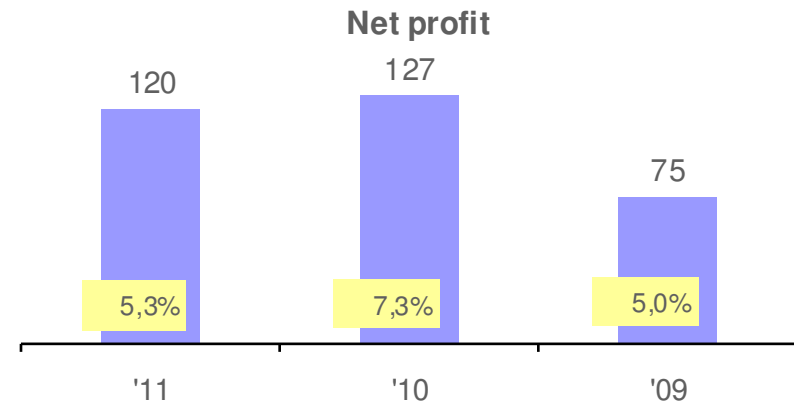
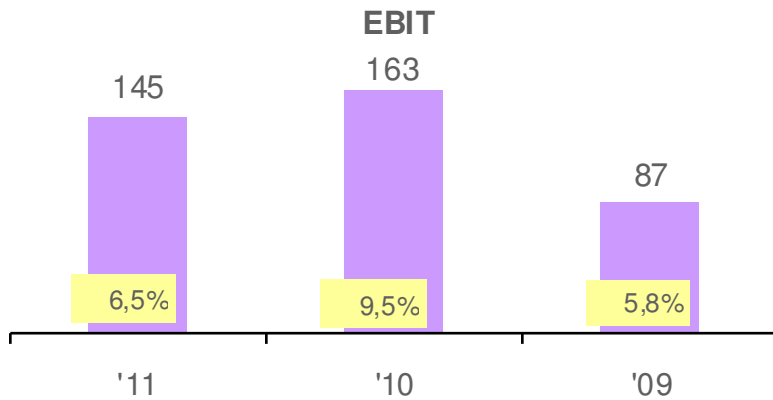
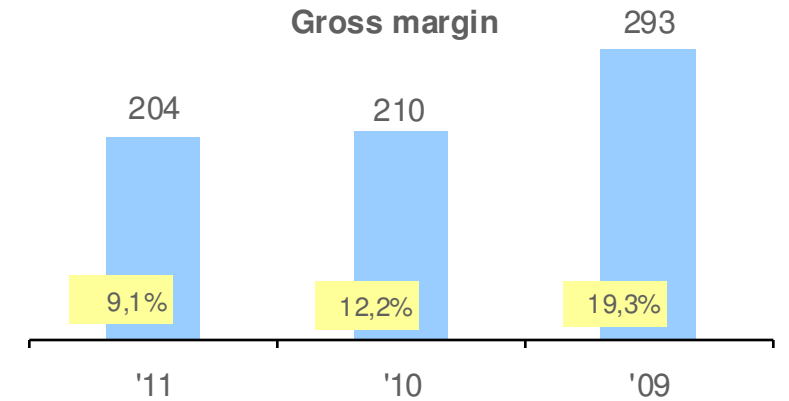
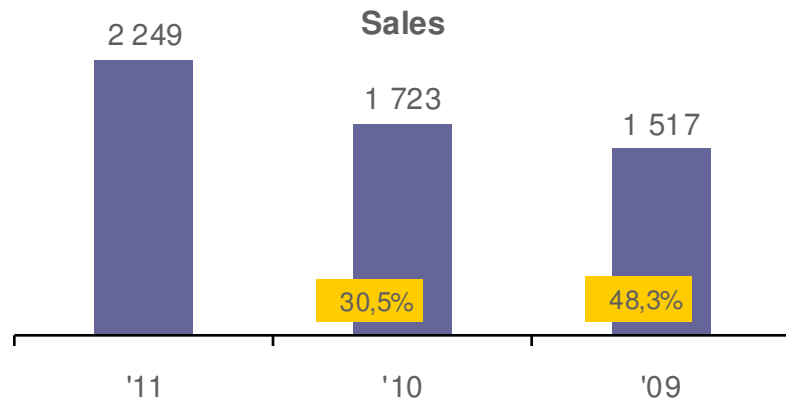
budimex



Budimex Group 1H'11 (M PLN)

dynamics '11 vs...

as % of sales





Results by segments 1H'11 (M PLN)

	Budimex Group 1H'11	Construction	Developer	Other activities	Internal eliminations
Sales	2 248,9	2 059,5	180,0	99,0	-89,5
Gross margin	204,3	166,8	32,9	7,0	-2,4
as % of sales	9,1%	8,1%	18,3%	7,1%	0,0%
Overheads	-79,4	-68,8	-10,6	-5,8	5,8
as % of sales	-3,5%	-3,3%	-5,9%	-5,9%	0,0%
EBIT	145,4	116,9	23,5	1,7	3,4
as % of sales	6,5%	5,7%	13,0%	1,7%	0,0%
Gross result	148,2	120,3	25,1	-0,6	3,4
as % of sales	6,6%	5,8%	13,9%	0,0%	0,0%
Net result	119,8	98,0	20,6	-1,5	2,7
as % of sales	5,3%	4,8%	11,4%	-1,5%	-3,1%

details on slides:

17-22

23-28

29-31

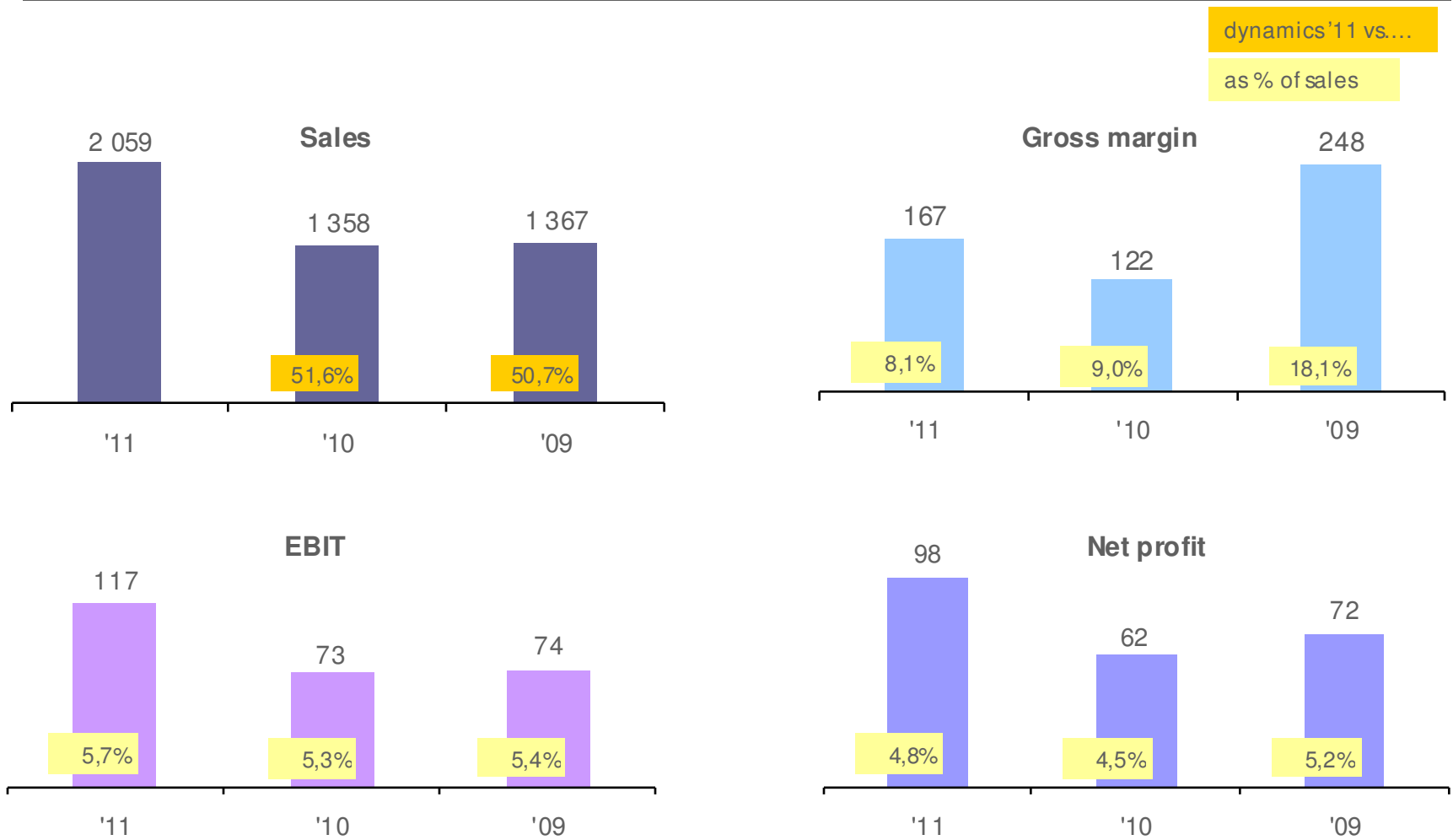
32-33



Construction segment

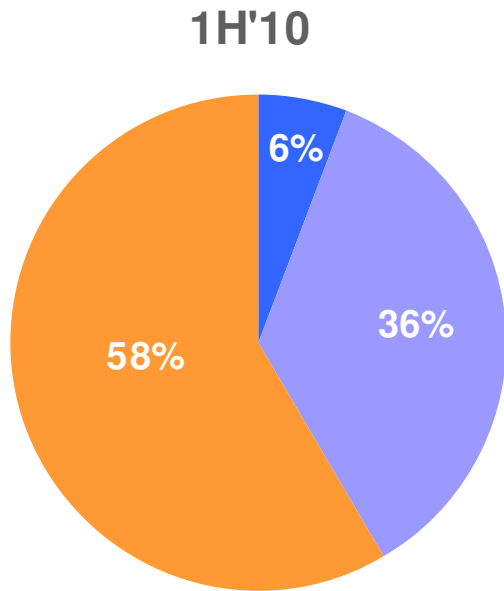


Construction segment 1H'11 (M PLN)

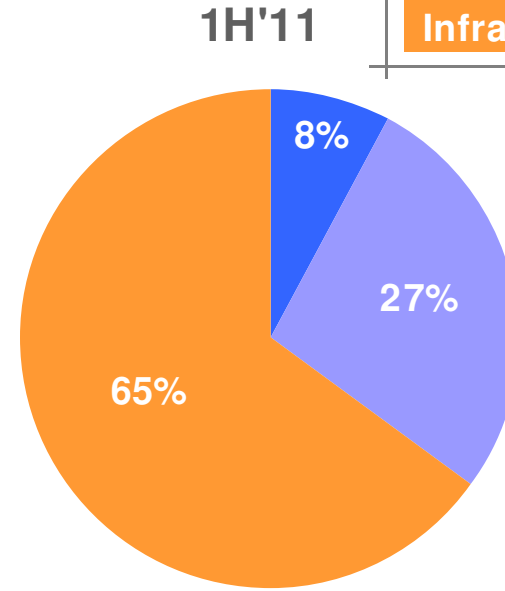




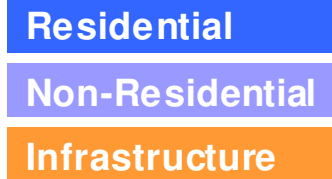
Construction sales structure (M PLN)



1 358 M PLN



2 059 M PLN

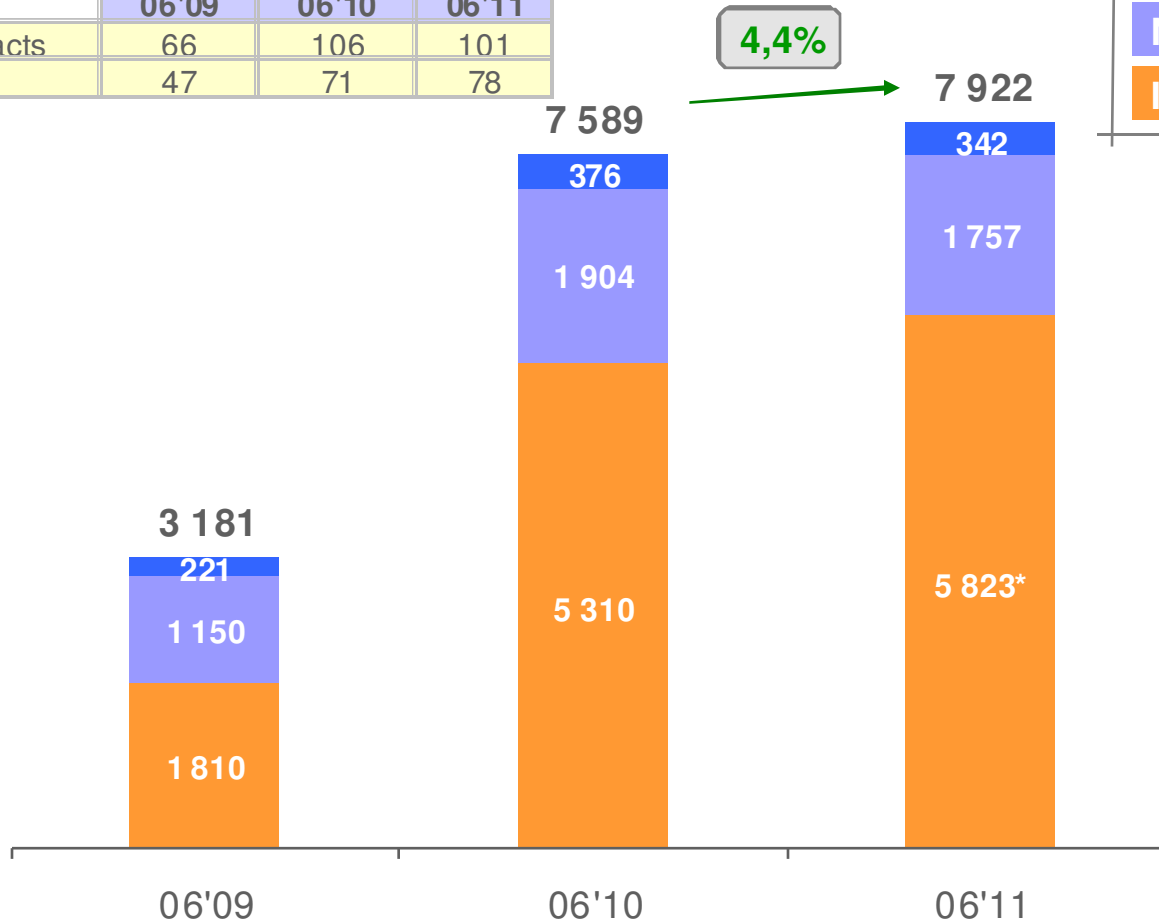




Construction backlog (M PLN)

Contracts realized with backlog value > 1 M PLN:

	06'09	06'10	06'11
Number of contracts	66	106	101
Average value	47	71	78

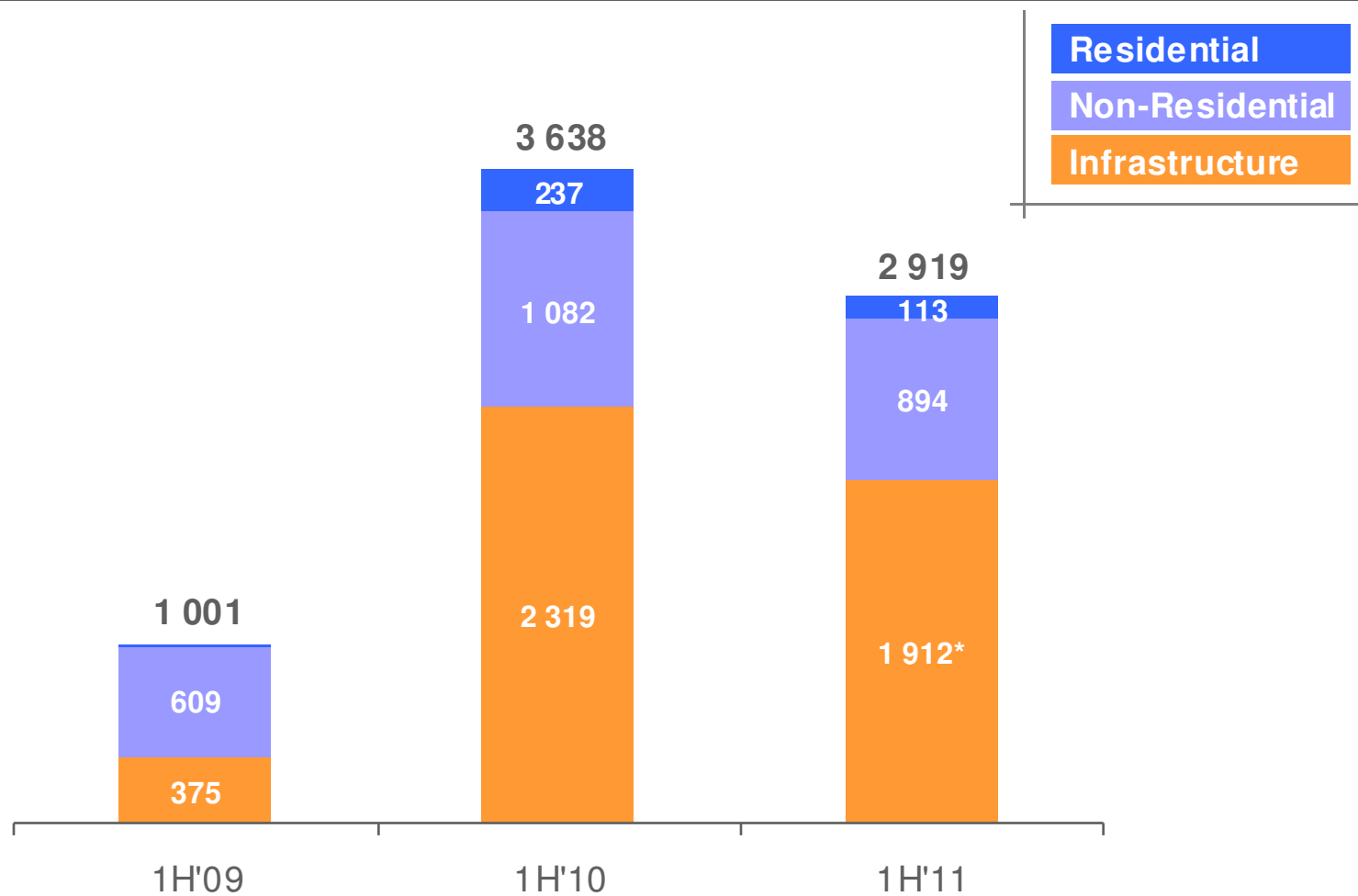


- Residential
- Non-Residential
- Infrastructure

* railway contract for 698 M PLN included



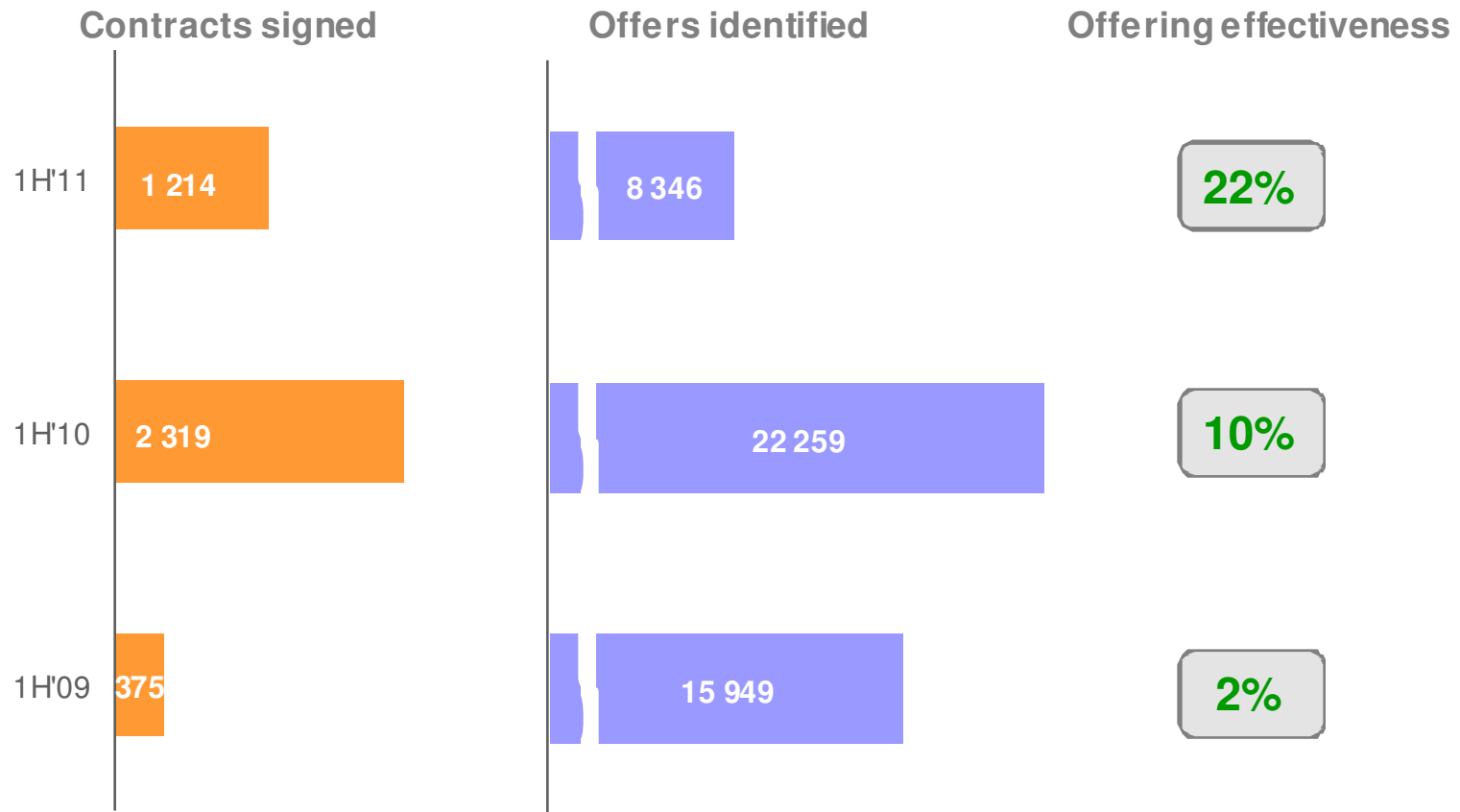
Construction contracts signed (M PLN)



* included railway contract for 698 M PLN signed in May '11



Infrastructure contracts signed (M PLN)



Despite of shrinking market, value of contracts signed in 1H'11 comparable to 1H'10



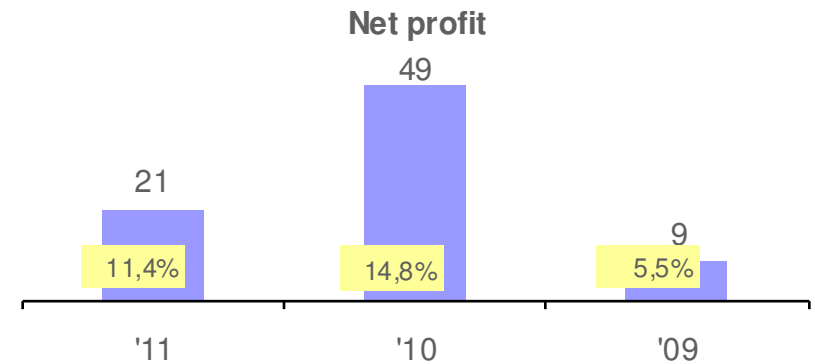
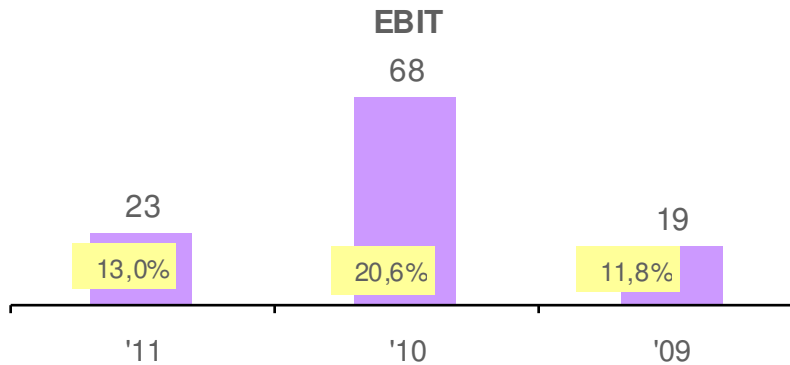
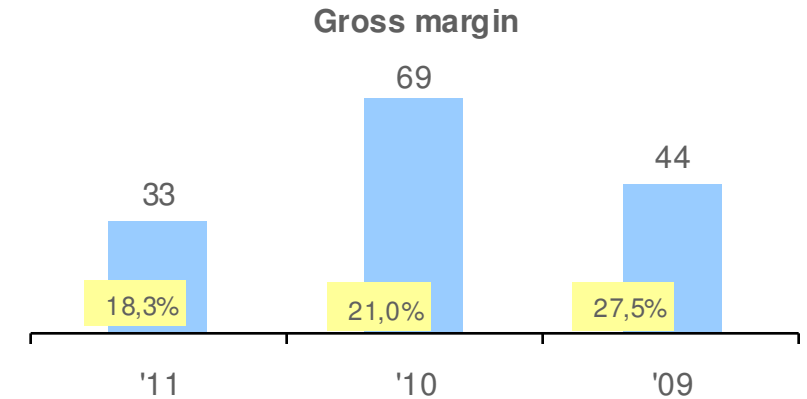
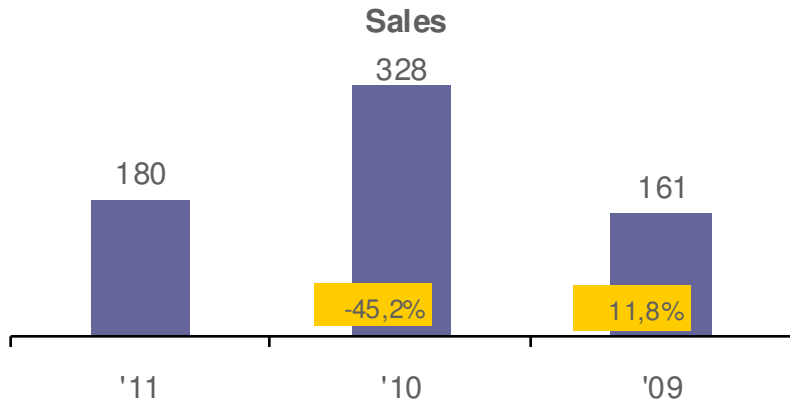
Developer segment



Developer segment 1H'11 (M PLN)

dynamics '11 vs...

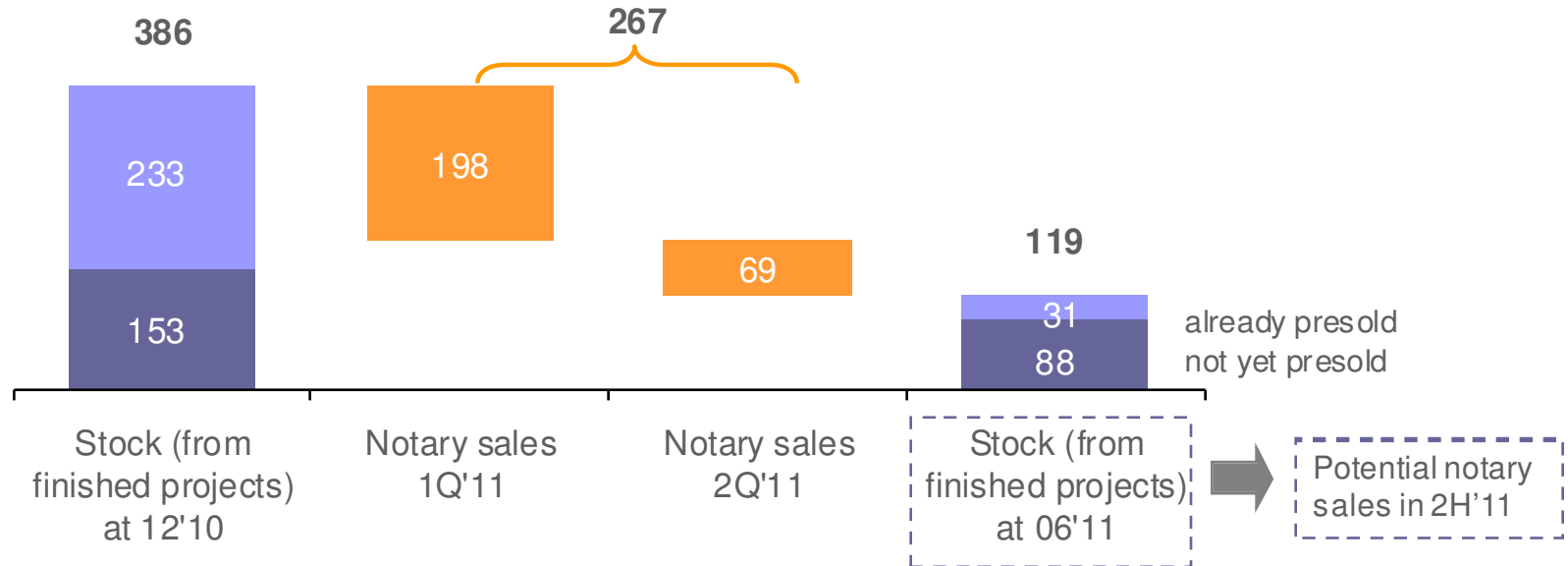
as % of sales





Notary sales in 2011 (number of flats)

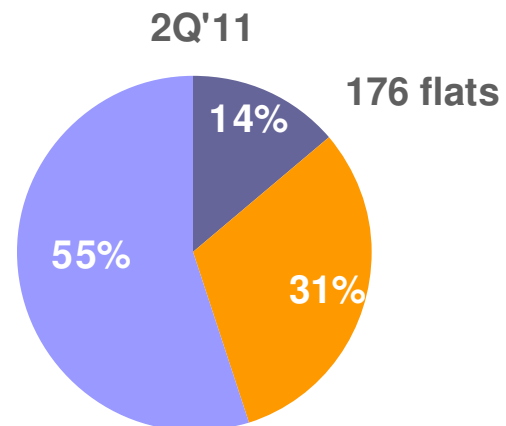
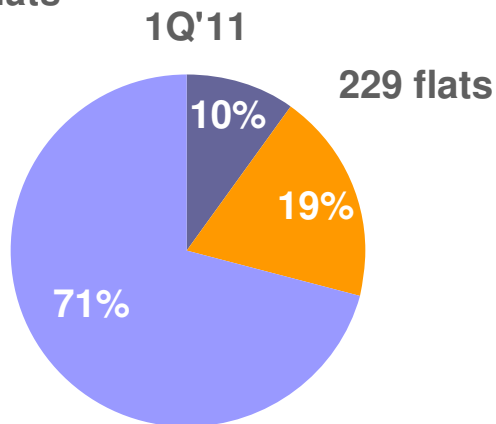
Notary sales in 2011 come from projects finished before 2010



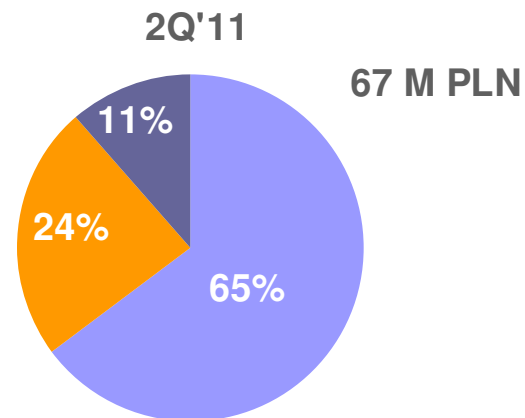
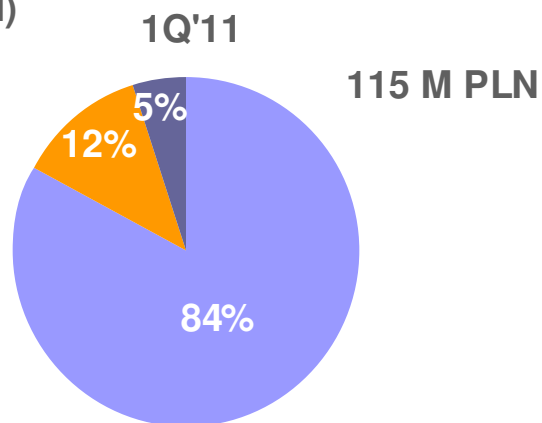


Presales* in 2011

Number of flats



Value (M PLN)

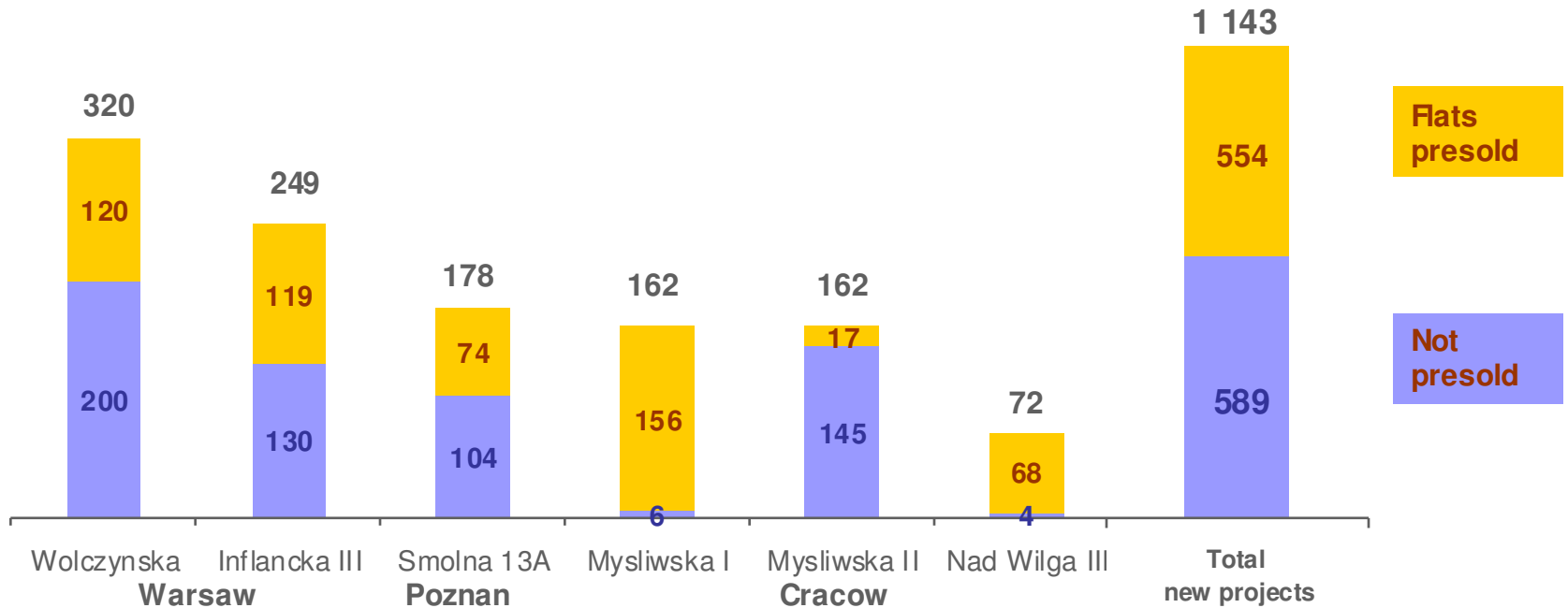


* net presales of flats



New projects: presales as of 30.06'11

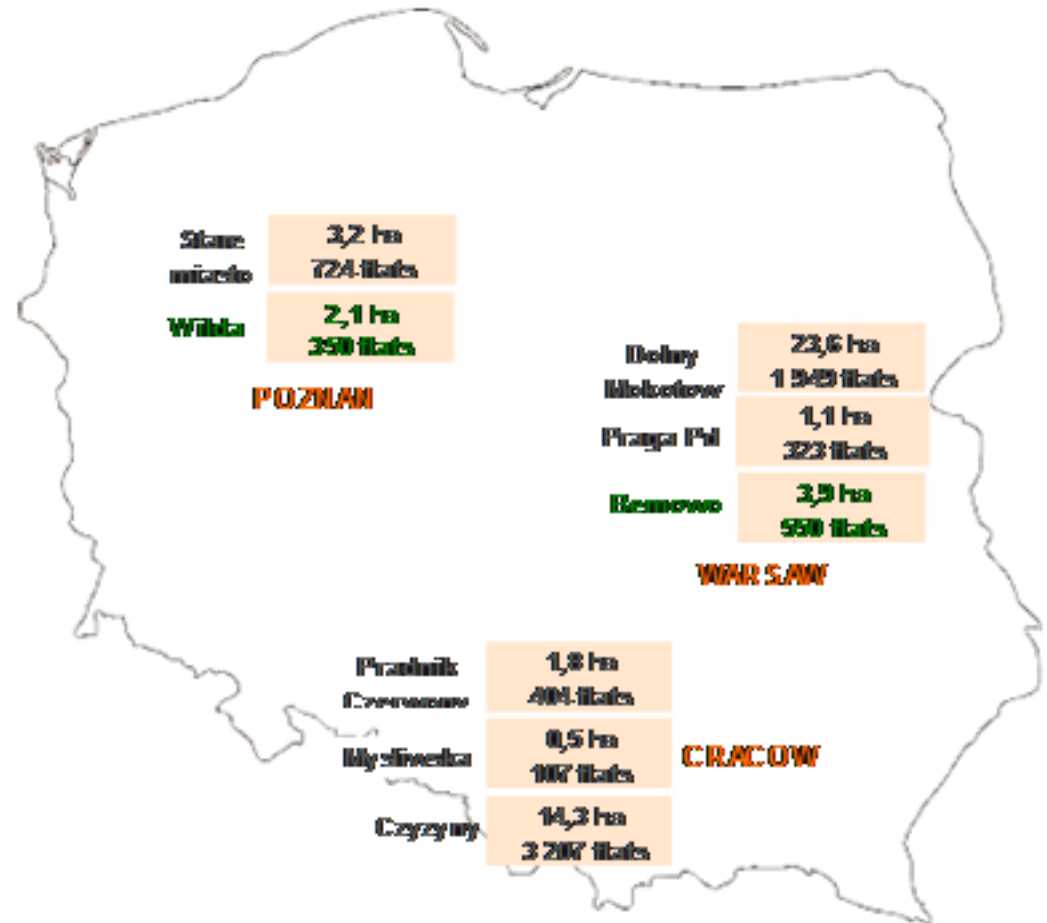
Projects with presales already started as of 30.06'11





Budimex land bank

Warsaw: 28,6 ha
Cracow: 16,6 ha
Poznan: 5,3 ha
TOTAL: 50,5 ha



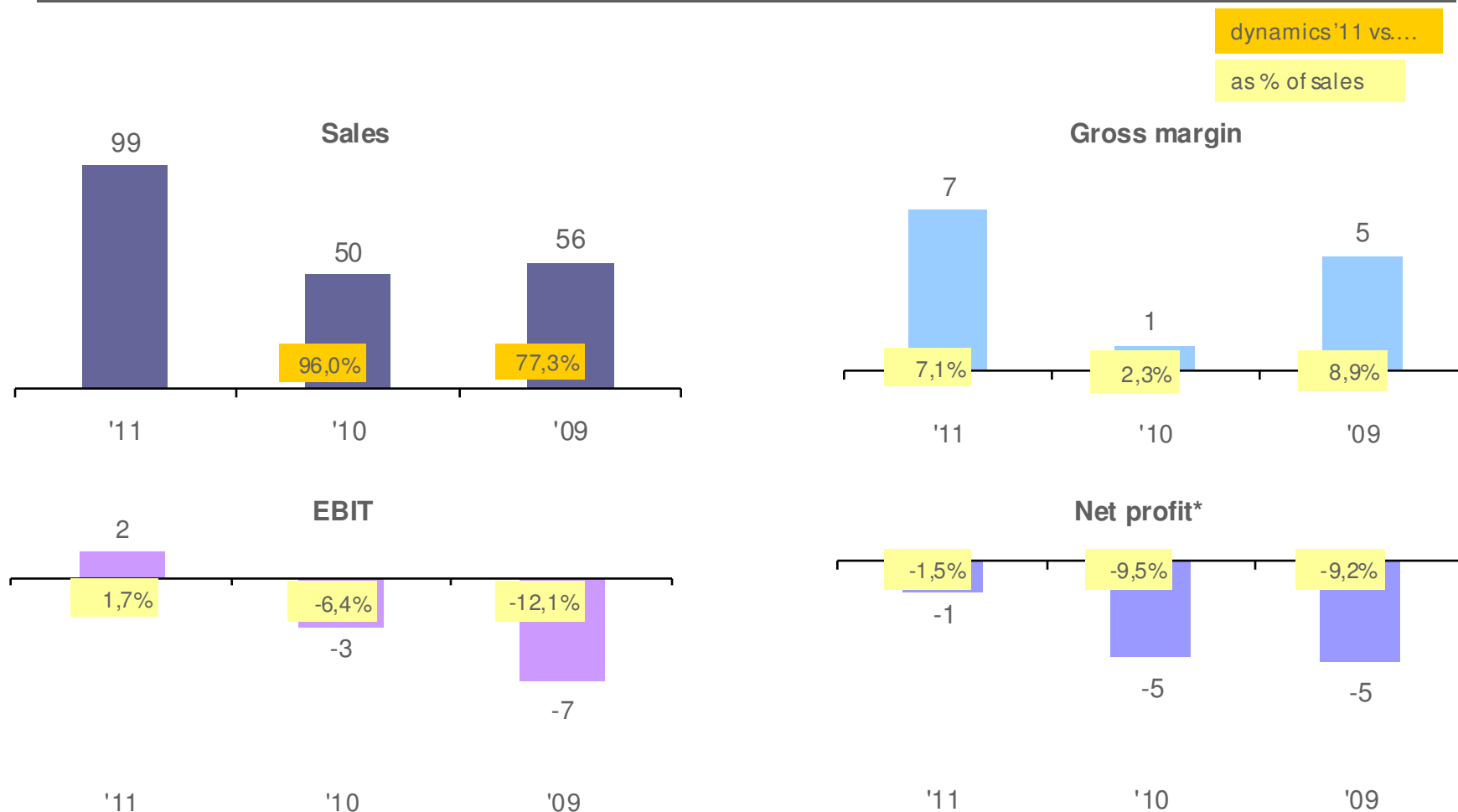
Budimex owns land for c.a. 7 600 flats.



Other activities



Other activities 1H'11 (M PLN)



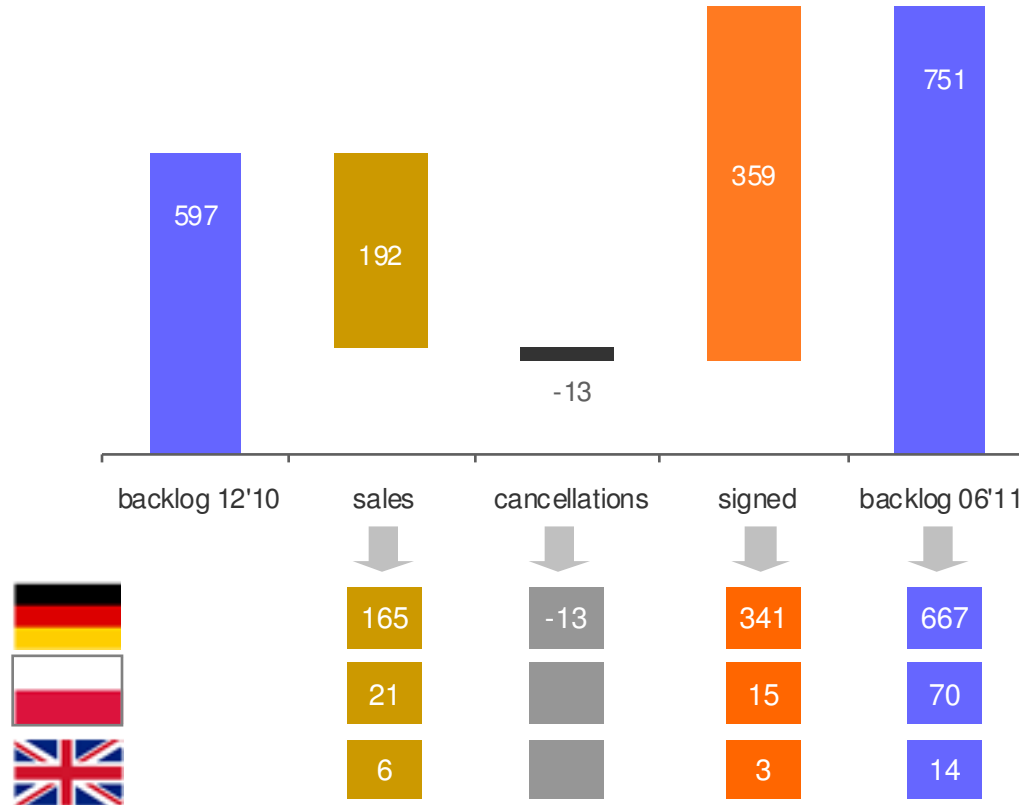
* including Budimex Danwood result and companies consolidated with equity method (Promos Ltd. and Elektromontaz Poznan SA)



Budimex Danwood activity

- ✓ Main activity: timber frame houses production
- ✓ Main market: Germany (86% of sales value), foreign currency exposure hedged

Backlog, sales and contracts signed (number of houses)





Internal eliminations



Internal eliminations* 1H'11 (M PLN)

	1H'11	1H'10	1H'09
Sales	-89,5	-13,6	-66,7
Gross margin	-2,4	17,6	-4,3
Overheads	5,8	7,2	0,8
EBIT	3,4	26,0	0,7
Gross result	3,4	26,0	0,3
Net result	2,7	21,1	0,2

* mainly construction segment to developer segment



For further information, please contact:

Magdalena Boruszewska

relacje.inwestorskie@budimex.pl

www.budimex.com.pl

budimex