

Ladies and Gentlemen,

Year 2015, in between one and another EU budget perspectives, was unusual for the construction sector. The 2% growth of the construction market, much lower than the forecast for the year, was caused by a decline in the number and value of public procurement contracts in the preceding period.

Yet, it was another good year for Budimex. In 2015, the Company recorded an almost 5% increase in sales compared with the previous year, thus exceeding the value of PLN 4.77 billion. We improved financial results at all levels. Budimex's operating profitability amounted to 5.2%, and it increased by 17% compared with 2014. The Company generated approximately PLN 260 million of profit before tax, i.e. approximately 32% more than in the previous year, and more than PLN 208 million of net profit, which makes for a 33% increase compared to 2014.

It was another year in succession when the value of contracts signed by us reached the record-high level of almost PLN 7 billion. Consequently, at the end of 2015, the value of the Budimex's order book stood at PLN 8.3 billion.

We used the favourable economic situation to strengthen our cash position. The balance of cash of Budimex at the end of 2015 was almost PLN 2 billion and was higher by almost PLN 580 million compared to the cash balance at the end of 2014.

In 2015, we successfully completed our first large project in the industry segment, "Construction of the Municipal Waste Disposal Plant in Białystok" under the "design and build" formula. We also completed two important projects in the railway sector: "Design and construction of the Pomeranian Metropolitan Railway Stage 1 – revitalisation" and "Modernisation of the railway line in the LCS Iława area".

In the same period, Budimex won most road construction contracts, taking up 21% of the domestic market. At the moment, Budimex is constructing every third kilometre of motorways and express roads under tenders announced in 2014–2015. A high (nearly 20%) increase in sales was seen in the construction of buildings, while the sales in the energy sector increased by 75%.

Sales revenue in 2015 on the German market where Budimex mainly provides workshop services exceeded PLN 150 million and grew by more than 16% compared to 2014. With increased revenue and maintained profitability, the operating profit on the market grew by almost 22% in comparison to 2014.

In 2015, Budimex maintained its leading position on the infrastructure market and, as planned, it continued to diversify its operations, with the energy and railway markets playing a major role in the plans. With the headcount of more than 600 people, Budimex is also prepared to the expected accumulation of workload as a result of the contracts signed, and the developments in the energy, industrial and railway sectors. We plan to hire 700 more specialists in 2016.

Budimex market value at the end of 2015 reached PLN 4.95 billion, while at the end of 2014 it was PLN 3.6 billion. This is the best proof for the trust the market places in us. Invariably since 2011, Budimex has been listed in the RESPECT Index including the shares of companies meeting the highest CSR standards. Special attention needs to be drawn to two social programmes operated across Poland: "Domofon ICE. Budimex for Children" intended to increase the safety of children on the roads, and "Parent's Zone. Budimex for Children" aimed to create rest-and-play zones for children and parents at paediatric wards in Polish hospitals.

Our responsibility is also evidenced by our concern about occupational safety. The Company, acting within the framework of the Agreement for Safety in Construction, has improved the occupational safety and reduced the number of accidents in the construction industry.

Continued increase in sales is planned for 2016. We shall pay particular attention to the effectiveness of bidding and increased portfolio of infrastructural contracts. In relation to our increased activity on the rail construction market, we plan to set up our own machine base for this segment. This is also a time when we want to enter the gas and electricity transmission markets, and enhance our potential in the industrial construction segment.

Our major goal is to systematically improve the results and maintain the leading position on the construction market. Our high cash position and record-breaking order book of the Company allows us to take an optimistic view into the future.

I invite and encourage you to read the Annual Report of Budimex SA for 2015.

Dariusz Blocher

President of the Management Board