

The Budimex Group

Condensed consolidated financial statements

for I quarter of 2012

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

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Consolidated statement of financial position

ASSETS	31 March 2012	31 December 2011
	(PLN thousands)	(PLN thousands)
Non-current assets		
Property, plant and equipment	267 632	274 001
Investment properties	3 245	3 278
Intangible assets	11 968	13 117
Goodwill	183 031	183 031
Equity accounted investments	13 514	13 503
Available-for-sale financial assets	12 146	12 146
Retentions for construction contracts	39 286	37 883
Trade and other receivables	-	24
Long-term prepayments and deferred costs	5 724	6 498
Deferred tax asset	316 299	326 308
Total non-current assets	852 845	869 789
Current assets		
Inventories	1 190 712	1 115 558
Trade and other receivables	489 384	515 513
Retentions for construction contracts	24 071	22 394
Amounts due and receivable from customers (investors) under construction contracts	331 176	246 187
Current tax receivable	6 062	5 985
Derivative financial instruments	750	141
Cash and cash equivalents	891 894	1 761 630
Short-term prepayments and deferred costs	15 385	13 917
	2 949 434	3 681 325
Non-current assets classified as held for sale	-	-
Total current assets	2 949 434	3 681 325
TOTAL ASSETS	3 802 279	4 551 114

Consolidated statement of financial position (cont.)

EQUITY AND LIABILITIES	31 March 2012	31 December 2011
	(PLN thousands)	(PLN thousands)
Shareholders' equity		
Shareholders' equity attributable to the shareholders of the Parent Company		
Share capital	145 848	145 848
Share premium	234 799	234 799
Other reserves	1 283	1 283
Foreign exchange differences on translation of foreign operations	1 756	2 229
Retained earnings	364 015	326 951
Total shareholders' equity attributable to the shareholders of the Parent Company	747 701	711 110
Non-controlling interests	-	-
Total shareholders' equity, incl. non-controlling interests	747 701	711 110
Liabilities		
Non-current liabilities		
Loans, borrowings and other external sources of finance	67 413	73 981
Retentions for construction contracts	141 160	150 122
Provision for long-term liabilities and other charges	134 851	124 665
Long-term retirement benefits and similar obligations	11 384	11 385
Total non-current liabilities	354 808	360 153
Current liabilities		
Loans, borrowings and other external sources of finance	40 504	37 753
Trade and other payables	1 061 822	1 698 239
Retentions for construction contracts	166 789	153 436
Amounts due and payable to customers (investors) under construction contracts	756 533	941 261
Prepayments received	404 553	357 956
Provision for short-term liabilities and other charges	103 085	105 529
Current tax payable	-	-
Short-term retirement benefits and similar obligations	5 045	5 044
Derivative financial instruments	4 632	12 330
Short-term accruals	150 697	162 231
Short-term deferred income	6 110	6 072
	2 699 770	3 479 851
Liabilities directly associated with the assets (disposal groups) classified as held for sale	-	-
Total current liabilities	2 699 770	3 479 851
Total liabilities	3 054 578	3 840 004
TOTAL EQUITY AND LIABILITIES	3 802 279	4 551 114

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Consolidated income statement

	3-month period ended 31 March	
	2012	2011
	(PLN thousands)	(PLN thousands)
Continuing operations		
Net sales of finished goods, goods for resale, raw materials and services	1 083 349	797 818
Cost of finished goods, goods for resale, raw materials and services sold	(1 005 570)	(703 458)
Gross profit on sales	77 779	94 360
Selling expenses	(5 651)	(5 378)
Administrative expenses	(43 991)	(31 623)
Other operating income	6 206	20 841
Other operating expenses	(3 958)	(20 290)
Gains/ (losses) on derivative financial instruments	6 840	(31)
Operating profit	37 225	57 879
Finance income	19 731	14 519
Finance costs	(8 578)	(13 952)
Share of results of equity accounted companies	11	(677)
Profit before tax	48 389	57 769
Income tax	(11 325)	(11 117)
Net profit from continuing operations	37 064	46 652
Net profit for the period	37 064	46 652
Of which:		
Attributable to the shareholders of the Parent Company	37 064	46 652
Attributable to non-controlling interests	-	-
Basic and diluted earnings per share attributable to the shareholders of the Parent Company (in PLN)	1.45	1.83

Consolidated statement of comprehensive income

	3-month period ended 31 March	
	2012	2011
	(PLN thousands)	(PLN thousands)
Net profit for the period	37 064	46 652
Other comprehensive income (loss) for the period:		
Foreign exchange differences on translation of foreign operations	(473)	(100)
Deferred tax related to components of other comprehensive income	-	-
Other comprehensive income (loss), net of tax	(473)	(100)
Total comprehensive income for the period	36 591	46 552
Of which:		
Attributable to the shareholders of the Parent Company	36 591	46 552
Attributable to non-controlling interests	-	-

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Consolidated statement of changes in equity

	Equity attributable to the shareholders of the Parent Company					Total	Non-controlling interests	Total equity
	Share capital	Share premium	Other reserves – share-based payments	Foreign exchange differences on translation of foreign operations	Retained earnings			
	(PLN thousands)	(PLN thousands)	(PLN thousands)	(PLN thousands)	(PLN thousands)			
Balance as at 1 January 2012	145 848	234 799	1 283	2 229	326 951	711 110	-	711 110
Profit for the period	-	-	-	-	37 064	37 064	-	37 064
Other comprehensive income	-	-	-	(473)	-	(473)	-	(473)
Total comprehensive income for the period	-	-	-	(473)	37 064	36 591	-	36 591
Balance as at 31 March 2012	145 848	234 799	1 283	1 756	364 015	747 701	-	747 701

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Consolidated statement of changes in equity (cont.)

	Equity attributable to the shareholders of the Parent Company					Total	Non-controlling interests	Total equity
	Share capital	Share premium	Other reserves – share-based payments	Foreign exchange differences on translation of foreign operations	Retained earnings			
	(PLN thousands)	(PLN thousands)	(PLN thousands)	(PLN thousands)	(PLN thousands)			
Balance as at 1 January 2011	145 848	234 799	256	1 611	297 891	680 405	-	680 405
Profit for the period	-	-	-	-	46 652	46 652	-	46 652
Other comprehensive income	-	-	-	(100)	-	(100)	-	(100)
Total comprehensive income for the period	-	-	-	(100)	46 652	46 552	-	46 552
Balance as at 31 March 2011	145 848	234 799	256	1 511	344 543	726 957	-	726 957
Profit for the period	-	-	-	-	214 222	214 222	-	214 222
Other comprehensive income	-	-	-	718	-	718	-	718
Total comprehensive income for the period	-	-	-	718	214 222	214 940	-	214 940
Dividends	-	-	-	-	(231 814)	(231 814)	-	(231 814)
Share-based payments	-	-	1 027	-	-	1 027	-	1 027
Balance as at 31 December 2011	145 848	234 799	1 283	2 229	326 951	711 110	-	711 110

Consolidated statement of cash flow

	3-month period ended 31 March	
	2012	2011
	(PLN thousands)	(PLN thousands)
CASH FLOW FROM OPERATING ACTIVITIES		
Net profit before tax	48 389	57 769
Adjustments for:		
Depreciation/ amortization	13 193	6 679
Share of results of equity accounted companies	(11)	677
Foreign exchange (gains)/ losses	(2 158)	(158)
Interest and shares in profits (dividends)	1 498	143
(Profit)/ loss on disposal of investments	100	6 220
Change in valuation of derivative financial instruments	(8 307)	822
Operating profit before changes in working capital	52 704	72 152
Change in receivables and retentions for construction contracts	18 266	(61 407)
Change in inventories	(75 154)	(51 373)
Change in provisions and liabilities arising from retirement benefits and similar obligations	7 742	(2 111)
Change in retentions for construction contracts and in liabilities, except for loans and borrowings	(630 445)	(296 056)
Change in accruals and accrued income	(12 190)	(45 926)
Change in amounts due and receivable under construction contracts	(269 717)	(211 412)
Change in prepayments received	46 597	(9 426)
Change in cash and cash equivalents of restricted use	8 041	(7 067)
Other adjustments	(769)	(329)
Cash generated from operations	(854 925)	(612 955)
Income tax paid	(1 393)	(169 733)
NET CASH USED IN OPERATING ACTIVITIES	(856 318)	(782 688)

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Consolidated statement of cash flow (cont.)

	3-month period ended 31 March	
	2012	2011
	(PLN thousands)	(PLN thousands)
CASH FLOW FROM INVESTING ACTIVITIES		
Sale of intangible assets and tangible fixed assets	242	1 598
Purchase of intangible assets and tangible fixed assets	(7 303)	(2 772)
Proceeds from disposal of financial assets in related entities	4 676	-
Purchases of available-for-sale financial assets	-	(7)
NET CASH USED IN INVESTING ACTIVITIES	(2 385)	(1 181)
CASH FLOW FROM FINANCING ACTIVITIES		
Loans and borrowings taken out	30 493	1 523
Repayment of loans and borrowings	(28 635)	-
Payment of finance lease liabilities	(3 403)	(2 756)
Interest paid	(1 442)	(215)
NET CASH USED IN FINANCING ACTIVITIES	(2 987)	(1 448)
NET CHANGE IN CASH AND CASH EQUIVALENTS	(861 690)	(785 317)
Foreign exchange differences, net	(5)	256
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD (note 3.4)	1 740 488	1 861 547
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD (note 3.4)	878 793	1 076 486

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1. Organization of the Budimex Group and changes in the Group structure

1.1. The Parent Company

The parent company of the Budimex Group is Budimex SA (the „Parent Company”), which main area of business is building, rendering of management and advisory services.

The main areas of the business activities of the Group are widely understood construction-assembly services realized in the system of general execution at home and abroad, developer activities, property management, and limited scope trading, production, transport, hotel and other business. Budimex SA serves in the Group as an advisory, management and financial centre. Realization of these three functions is to facilitate:

- efficient flow of information within Group structures,
- strengthening the efficiency of cash and financial management of individual Group companies,
- strengthening market position of the entire Group.

1.2. Entities subject to consolidation

As at 31 March 2012, 31 December 2011 and 31 March 2011 the following companies were subject to consolidation:

Company name	Registered office	% in the share capital as at			Consolidation method
		31 March 2012	31 December 2011	31 March 2011	
Mostostal Kraków SA	Cracow / Poland	100.00%	100.00%	100.00%	full
Budimex Danwood Sp. z o.o.	Bielsk Podlaski / Poland	100.00%	100.00%	100.00%	full
Budimex Bau GmbH	Cologne/ Germany	100.00%	100.00%	100.00%	full
Budimex Nieruchomości Sp. z o.o.	Warsaw / Poland	100.00%	100.00%	100.00%	full
Budimex Budownictwo Sp. z o.o.	Warsaw / Poland	100.00%	100.00%	100.00%	full
Przedsiębiorstwo Napraw Infrastruktury Sp. z o.o. ¹	Warsaw / Poland	100.00%	100.00%	-	full
SPV-BN 1 Sp. z o.o. ²	Warsaw / Poland	100.00%	100.00%	-	full
SPV-BN 2 Sp. z o.o. ³	Warsaw / Poland	100.00%	100.00%	-	full
Budimex SA Ferroviał Agroman SA s.c.	Warsaw / Poland	99.00%	99.00%	99.00%	proportionate
Budimex SA Sygnity SA Sp. j.	Warsaw / Poland	67.00%	67.00%	67.00%	proportionate
Budimex SA Ferroviał Agroman SA Sp. j.	Warsaw / Poland	50.00%	50.00%	50.00%	proportionate
Tecpresa – Techniki Sprężania i Usługi Dodatkowe Sp. z o.o.	Warsaw / Poland	30.00%	30.00%	30.00%	proportionate
Centrum Konferencyjne „Budimex” Sp. z o.o. ⁴	Licheń / Poland	-	-	100.00%	full

¹) Company entered in the Register of Entrepreneurs on 16 November 2011.

²) Company entered in the Register of Entrepreneurs on 27 July 2011.

³) Company entered in the Register of Entrepreneurs on 28 July 2011.

⁴) Company sold on 31 May 2011.

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1.3. Description of changes in the composition of the Group together with indication of their consequences

In the 3-month period ended 31 March 2012, there were no changes in the composition of the Group.

In the period covered by this report, no significant activities were discontinued and there were no plans to discontinue any significant activities in the future.

2. Shareholders of the Parent Company

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 (Holland) – the Company from the Ferrovial SA Group (Spain)	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%

From the date of publication of the annual report for the year ended 31 December 2011, i.e. 20 March 2012 the shareholding structure has not changed.

3. Principles applied for the purpose of preparation of financial statements

3.1. Accounting policies and basis of preparing the consolidated financial statements of the Budimex Group

These condensed financial statements were prepared in accordance with IAS 34 “Interim Financial Reporting” and appropriate accounting standards applicable for preparation of the interim consolidated financial statements adopted by the European Union issued and effective when preparing the interim consolidated financial statements applying the same principles for the current and comparable period. Details of accounting policies adopted by the Group were described in the consolidated financial statements of the Group for the year ended 31 December 2011, published on 20 March 2012.

The consolidated financial statements were prepared on the assumption that the Parent Company and all entities included in the Budimex Group will be going concerns in the foreseeable future. In the reporting period and as at the date of preparation of these financial statements no circumstances have been noted that would indicate a threat to ability to continue as a going concern.

Standards and Interpretations effective in the current period

The following 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 IFRS 7 “Financial Instruments: Disclosures”** - Transfers of Financial Assets, adopted by the EU on 22 November 2011 (effective for annual periods beginning on or after 1 July 2011).

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The Group anticipates that the adoption of the remaining aforementioned standards, amendments to the existing standards and interpretations will have no material impact on the financial statements of the Group in the period of initial application.

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, amendments to the existing standards and interpretations, which were not endorsed for use as at 25 April 2012:

- **IFRS 9 "Financial Instruments"** (effective for annual periods beginning on or after 1 January 2015),
- **IFRS 10 "Consolidated Financial Statements"** (effective for annual periods beginning on or after 1 January 2013),
- **IFRS 11 "Joint Arrangements"** (effective for annual periods beginning on or after 1 January 2013),
- **IFRS 12 "Disclosures of Involvement with Other Entities"** (effective for annual periods beginning on or after 1 January 2013),
- **IFRS 13 "Fair Value Measurement"** (effective for annual periods beginning on or after 1 January 2013),
- **IAS 27 (revised in 2011) "Separate Financial Statements"** (effective for annual periods beginning on or after 1 January 2013),
- **IAS 28 (revised in 2011) "Investments in Associates and Joint Ventures"** (effective for annual periods beginning on or after 1 January 2013),
- **Amendments to IFRS 1 "First-time Adoption of IFRS"** - Severe Hyperinflation and Removal of Fixed Dates for First-time Adopters (effective for annual periods beginning on or after 1 July 2011),
- **Amendments to IFRS 7 "Financial Instruments: Disclosures"** - Offsetting Financial Assets and Financial Liabilities (effective for annual periods beginning on or after 1 January 2013),
- **Amendments to IAS 1 "Presentation of financial statements"** - Presentation of Items of Other Comprehensive Income (effective for annual periods beginning on or after 1 July 2012),
- **Amendments to IAS 12 "Income Taxes"** - Deferred Tax: Recovery of Underlying Assets (effective for annual periods beginning on or after 1 January 2012),
- **Amendments to IAS 19 "Employee Benefits"** - Improvements to the Accounting for Post-employment Benefits (effective for annual periods beginning on or after 1 January 2013),
- **Amendments to IAS 32 "Financial instruments: presentation"** - Offsetting Financial Assets and Financial Liabilities (effective for annual periods beginning on or after 1 January 2014),
- **IFRIC 20 "Stripping Costs in the Production Phase of a Surface Mine"** (effective for annual periods beginning on or after 1 January 2013).

The Group anticipates that the adoption of these standards, revisions and interpretations will have no material impact on the financial statements of the Group in the period of initial application.

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 entity'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.

3.2. Changes in accounting policies and the method of preparation of financial statements

Starting from 1 January 2012, perpetual usufruct is depreciated over the period of its estimated useful life. Before, as described in the consolidated financial statements of the Group for the year 2011, perpetual usufruct was not depreciated. The aforementioned change of valuation method has no significant impact on the balance sheet value of perpetual usufruct and the amount of net result of the Group for the first quarter of 2012.

3.3. 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 2012 – 4.1616 PLN/EUR,
- individual profit and loss account and statement of cash flow 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 statement of cash flow 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.

3.4. Cash recognised in the statement of cash flow

The Group recognizes cash of restricted use (including mainly cash representing security for bank guarantees and funds kept in escrow by developer companies, provided their maturity does not exceed 3 months) 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 2012	31 December 2011	31 March 2011
	(in PLN thousands)	(in PLN thousands)	(in PLN thousands)
Cash recognised in the statement of financial position	891 894	1 761 630	1 084 409
Cash and cash equivalents of restricted use	(13 101)	(21 142)	(7 923)
Cash recognised in the statement of cash flow	878 793	1 740 488	1 076 486

4. Description of factors and events which had a material effect on a financial result of the Budimex Group for the first quarter of 2012

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 third quarter, while the lowest – in the first quarter.

In the 3-month period ended 31 March 2012, the Budimex Group earned sales revenue of PLN 1 083 349 thousand which means a 35.79% increase on the corresponding period of 2011.

In the first quarter of 2012 construction-assembly production in Poland expressed in fixed prices increased by 14.9% compared to the corresponding period of the prior year, while sales of the construction segment of the Budimex Group on the home market were up 57.56% on the corresponding periods.

Gross profit on sales in the first quarter of 2012 was PLN 77 779 thousand, while in the corresponding period of the prior year it amounted to PLN 94 360 thousand. The gross sales profitability ratio was therefore 7.18% in the first quarter of 2012, while in the first quarter of 2011 was 11.83%.

In accordance with the accounting policies adopted, when budgeted contract costs exceed the entire expected contract revenue, Group companies create provisions for expected contract losses and recognize them under „Amounts due and payable to customers under construction contracts“. 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 368 895 thousand. In the first quarter of 2012, the balance of provision for contract losses dropped by PLN 23 844 thousand.

The Budimex Group companies are required to issue a warranty for the construction services rendered. As at 31 March 2012 the provision for warranty amounted to PLN 160 999 thousand. In the 3-month period ended 31 March 2012 the balance of the provision for warranty increased by PLN 10 603 thousand.

Selling expenses increased in the first quarter of 2012 by PLN 273 thousand compared to the corresponding period of the prior year, while administrative expenses were PLN 12 368 thousand higher than expenses incurred in the corresponding period of 2011. The share of selling and administrative expenses in total sales decreased from 4.64% in the first quarter of 2011 to 4.58% in the first quarter of the current year.

Other operating income for the first quarter of 2012 was PLN 6 206 thousand and comprised reversal of provisions for liabilities in dispute in the amount of PLN 206 thousand, reversal of impairment write-downs against doubtful debts in the amount of PLN 2 795 thousand and income from compensations and contractual penalties in the amount of PLN 1 864 thousand. Additionally, in the period of three months of 2012 Group companies disposed of tangible fixed assets, intangible assets and investment properties and earned sales profit of PLN 119 thousand. The net book value of the tangible fixed assets, intangible assets and investment properties sold in the period of three months of 2012 was fully depreciated.

Other operating expenses for the first quarter of 2012 amounted to PLN 3 958 thousand, of which PLN 1 074 thousand related to impairment write-downs against receivables, PLN 392 thousand related to provisions created for litigation proceedings and PLN 928 thousand related to provisions created for costs of litigation proceedings. The value of compensations and contractual penalties charged to the Group result in the period discussed was PLN 389 thousand.

During the first quarter of 2012 the Group reported gains on valuation and realization of derivative financial instruments contracts (made with a view to limiting the FX risk on foreign currency construction contracts) in the amount of PLN 6 840 thousand, while in the corresponding period of the prior year it incurred losses in the amount of PLN 31 thousand.

The reported operating profit of the Group in the first quarter of 2012 was PLN 37 225 thousand, while in the first quarter of 2011 it amounted to PLN 57 879 thousand. The operating profit for the first quarter of 2012 represented 3.44% of sales revenue value, while for the corresponding period of the prior year – 7.25% of sales revenue.

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In the 3-month period ended 31 March 2012 the Group generated a gain on financing activities in the amount of PLN 11 153 thousand while in the same period of the prior year – gain in the amount of PLN 567 thousand. Finance income in the first quarter of 2012 represented mainly interest of PLN 15 098 thousand and FX gains in the amount of PLN 4 618 thousand. Finance costs in the first quarter of 2012 represented, among others, interest costs of PLN 2 598 thousand, bank commissions on guarantees and loans of PLN 3 766 thousand paid by Group companies and costs from discount of long-term retention receivables and liabilities of PLN 2 114 thousand.

In the first quarter of 2012, the Group reported a gross profit of PLN 48 389 thousand, while in the corresponding period of the prior year – a gross profit of PLN 57 769 thousand.

Income tax for the 3-month period ended 31 March 2012 was PLN 11 325 thousand, of which:

- current tax was PLN 1 058 thousand,
- deferred tax in the amount of PLN 10 267 thousand.

As at 31 March 2012, the Group recognized a deferred tax asset in the amount of PLN 316 299 thousand, while as at 31 December 2011 – PLN 326 308 thousand. The reported statement of financial position items of deferred tax asset result mainly from a special method of settlement of construction contracts, under which the moment of recognition of costs as incurred and revenue as realized are different from the tax and accounting perspectives.

The net profit attributable to the shareholders of the Budimex Group for the first quarter of 2012 was PLN 37 064 thousand, while the net profit attributable to the shareholders of the Budimex Group for the corresponding period of 2011 was PLN 46 652 thousand.

In the first quarter of 2012, the Group purchased property, plant and equipment, intangible assets and investment properties with a total value of PLN 3 654 thousand, of which plant and machinery accounted for PLN 1 921 thousand.

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5. Operating segments

For the management purposes the Group has been divided into segments based on the products and services offered. The Group operates in the following two operating segments:

- construction business
- developer and property management business.

Construction business covers rendering of widely understood construction-assembly services at home and abroad and is realised by the following Group companies:

- Budimex SA
- Mostostal Kraków SA
- Budimex Bau GmbH
- Budimex Budownictwo Sp. z o.o.
- Tecpresa – Techniki Sprężania i Usługi Dodatkowe Sp. z o.o. (entered in the Register of Entrepreneurs on 17 March 2011).
- Przedsiębiorstwo Napraw Infrastruktury Sp. z o.o. (purchased by Budimex SA on 16 November 2011).

Developer and property management segment covers preparation of land for investment projects, realization of investment projects in the field of housing construction industry, flat disposal and rental and servicing property on own account. The following Group entities were included in this segment:

- Budimex Nieruchomości Sp. z o.o.
- SPV-BN 1 Sp. z o.o. (entered in the Register of Entrepreneurs on 27 July 2011)
- SPV-BN 2 Sp. z o.o. (entered in the Register of Entrepreneurs on 28 July 2011)
- Centrum Konferencyjne „Budimex” Sp. z o.o. (sold on 31 May 2011)
- Budimex SA in a part relating to developer business, as a result of merger with Budimex Inwestycje on 13 August 2009.

Segment performance is evaluated based on sales revenue, gross profit (loss) on sales, operating profit (loss) and net profit (loss) for the period.

Other business conducted does not meet the requirements of reportable segment. Included in other business are entities that mainly conduct production, service or trading activities.

The results of segments for the first quarter of 2012 are presented in the table below:

Segment name	amounts in PLN thousands				
	Construction business	Property management and developer business	Other business	Consolidation adjustments	Consolidated value
External sales	992 999	31 699	58 651	-	1 083 349
Inter-segment sales	51 366	117	-	(51 483)	-
Total sales of finished goods, goods for resale and raw materials	1 044 365	31 816	58 651	(51 483)	1 083 349
Gross profit	71 582	6 195	6 843	(6 841)	77 779
Selling expenses	(2 907)	(1 894)	(865)	15	(5 651)
Administrative expenses	(41 392)	(2 081)	(2 457)	1 939	(43 991)
Other operating income/ (expenses), net	2 562	(337)	23	-	2 248
Gains / (losses) on derivative financial instruments	785	-	6 055	-	6 840
Operating profit	30 630	1 883	9 599	(4 887)	37 225
Finance income / (costs), net	7 138	1 698	2 317	-	11 153
Shares in gains/ (losses) of equity accounted entities	-	-	11	-	11
Income tax expense	(8 658)	(710)	(2 887)	930	(11 325)
Net profit for the period	29 110	2 871	9 040	(3 957)	37 064

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The results of segments for the first quarter of 2011 are presented in the table below:

Segment name	amounts in PLN thousands				Consolidated value
	Construction business	Property management and developer business	Other business	Consolidation adjustments	
External sales	630 690	128 883	38 245	-	797 818
Inter-segment sales	37 985	107	-	(38 092)	-
Total sales of finished goods, goods for resale and raw materials	668 675	128 990	38 245	(38 092)	797 818
Gross profit	67 258	23 898	2 628	576	94 360
Selling expenses	(2 825)	(1 746)	(816)	9	(5 378)
Administrative expenses	(28 957)	(4 173)	(1 776)	3 283	(31 623)
Other operating income/ (expenses), net	856	(185)	(120)	-	551
Gains / (losses) on derivative financial instruments	513	-	(544)	-	(31)
Operating profit / (loss)	36 845	17 794	(628)	3 868	57 879
Finance income / (costs), net	17	521	29	-	567
Shares in gains/ (losses) of equity accounted entities	-	-	(677)	-	(677)
Income tax expense	(6 655)	(3 597)	(130)	(735)	(11 117)
Net profit / (loss) for the period	30 207	14 718	(1 406)	3 133	46 652

6. Related party transaction

Transactions with related parties made in the first quarter of 2012 and unsettled balances of receivables and liabilities as at 31 March 2012 and 31 December 2011 are presented in the tables below:

	amounts in PLN thousands			
	Receivables		Liabilities	
	31 March 2012	31 December 2011	31 March 2012	31 December 2011
Parent Company and related parties (the Ferrovial Group)	54 102	54 103	103 228	133 056
Jointly-controlled entities	208	1 298	437	1 918
Associates	12	19	2 814	7 410
Other related parties*	939	4 926	1 567	1 361
Total settlements with related parties	55 261	60 346	108 046	143 745

	amounts in PLN thousands			
	Loans granted / acquired debt securities		Loans taken out / issued debt securities	
	31 March 2012	31 December 2011	31 March 2012	31 December 2011
Parent Company and related parties (the Ferrovial Group)	-	-	8 094	8 531
Jointly-controlled entities	-	-	-	-
Associates	-	-	-	-
Other related parties*	-	-	-	-
Total settlements with related parties	-	-	8 094	8 531

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	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	
	2012	2011	2012	2011
Parent Company and related parties (the Ferrovial Group)	11 754	11 484	(15 798)	(20 603)
Jointly-controlled entities	45	86	(523)	-
Associates	17	15	(2 565)	(2 272)
Other related parties*	45	-	(1 460)	(1 140)
Total settlements with related parties	11 861	11 585	(20 346)	(24 015)

	amounts in PLN thousands			
	Financial income		Financial costs	
	3-month period ended 31 March		3-month period ended 31 March	
	2012	2011	2012	2011
Parent Company and related parties (the Ferrovial Group)	-	-	(63)	(131)
Jointly-controlled entities	-	-	-	-
Associates	-	-	-	-
Other related parties*	-	-	(1)	-
Total settlements with related parties	-	-	(64)	(131)

*) Other related parties represent controlled or jointly controlled entities or entities, on which the key management person of the Parent Company or of the subsidiary of the Budimex Group or his close relative exercises significant influence, or has significant number of votes at the shareholders' meeting of this company.

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

7. Factors which will affect results achieved by the Group in a period covering at least the next quarter

The main factors that may affect the financial situation of the Group in the next quarter include:

- instability on the financial markets,
- a tempo and directions of assistance funds utilization within the framework of programmes aimed at financing the adaptation of domestic infrastructure to the European Union standards,
- outcome of tenders in infrastructure segment scheduled for the current year,
- fluctuations of exchange rates, which have the impact on the sales revenue, operating costs and result of the valuation and realization of derivative financial instrument contracts,
- price level of material and construction services affecting the amount of direct costs of realized contracts,
- intensification of actions aimed at recovery of overdue debts, which were provided for and strengthening the operational and financial control in respect of contracts realized,
- results of the pending legal proceedings, described in more detail in note 12 to these consolidated financial statements.

As at 31 March 2012 the backlog was PLN 8 108 847 thousand. The value of contracts signed between January and March 2012 was PLN 499 423 thousand. The number of pre-sold apartments in the period from January - March 2012 (without booking) is 98 units.

8. The main events in the first quarter of 2012 and significant events after 31 March 2012

Significant contracts:

On 17 January 2012 the Maritime Office in Słupsk announced that during the proceedings for public procurement, in an open tender for the task entitled "Protection of sea coasts east of Port Darłowo", the offer made by the consortium of Budimex SA (leader) and Ferrovial Agroman SA (partner) has been chosen as the most favourable one. Net contract value is PLN 75 832 thousand.

On 30 January 2012 Budimex SA signed a contract with Powiśle Park Sp. z o.o. on the construction of the Office, Residential and Commercial Complex at ul. Kruczkowskiego 2 in Warsaw. Net contract value is PLN 173 000 thousand.

On 8 March 2012 Budimex SA signed a contract with the Krakow Development I Sp. z o.o. on the construction of an office building "Neptun Office Centre in Gdańsk". Net contract value is: EUR 18 689 thousand (PLN 77 100 thousand).

Other significant agreements and events:

On 27 January 2012 Budimex SA signed with Polbank EFG SA (former EFG Eurobank Ergasias SA, Branch in Poland) an annex to the agreement on the multi-purpose overdraft facility dated 20 January 2011. Pursuant to the annex, the term of the guarantee limit was extended to 30 December 2012 and the amount of the guarantee limit was decreased from PLN 200 000 thousand to PLN 100 000 thousand. Other provisions of the agreement remain unchanged.

On 1 February 2012 Budimex SA signed with Towarzystwo Ubezpieczeń Ergo Hestia, located in Sopot, an annex to the agreement concerning cooperation in providing insurance guarantees within the granted guarantee limit of 18 May 2009. Pursuant to the annex, it was agreed that the total amount of all guarantees established under the agreement shall not exceed PLN 130 000 thousand. Other provisions of the contract remain unchanged.

On 9 February 2012 Przedsiębiorstwo Napraw Infrastruktury Sp. z o.o. concluded with Sopotkie Towarzystwo Ubezpieczeń Ergo Hestia SA a contract on providing insurance guarantees within the granted guarantee limit. Under the contract, PNI Sp. of o.o. may commission the insurer issuing the insurance guarantees to the limit of PLN 70 000 thousand. The limit is renewable. The established collateral under this contract is constituted by 10 blank promissory notes along with promissory note declarations. The insurer will not charge any fees in connection with signing the contract. The agreement shall be concluded for an indefinite period of time and it may be terminated by either party with 30 day notice. Other terms of the Contract do not differ from terms commonly applied to this type of agreements.

On 12 March 2012 Budimex SA received a signed Bank Guarantee Line Contract from Kredyt Bank SA. Pursuant to the contract the company may, until 2 March 2013, 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. Other terms of the contract do not differ from terms commonly applied to this type of agreements.

On 20 March 2012 the Management Board of Budimex SA decided to recommend that the 2012 Annual General Meeting will undertake the decision to pay the dividend of PLN 10.97 per single share. It is suggested that the net profit of the period from 1 January 2011 to 31 December 2011 amounting to PLN 280 065 thousand. On 28 March 2012 the Management Board of Budimex SA decided the dividend payout day, i.e. the day the list of shareholders entitled for dividend payout for the year 2011 to be 11 June 2012 and the date of dividend payout to be 25 June 2012.

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9. Issue, redemption and repayment of debt and equity securities

In the first quarter of 2012 Budimex SA and Group companies did not issue, redeem or repay equity securities.

10. The Management Board's position on the feasibility of results stated in the financial forecasts published earlier for the year in view of the financial results presented in the quarterly report in relation to the projected results

Budimex SA did not publish any forecasts.

11. Statement of ownership of shares of Budimex SA or rights to such shares (options) held by the managing or supervisory persons of Budimex SA as at the date of publication of this report together with indication of changes in the ownership in the I quarter of 2012

As at the date of publication of the report members of the Management Board and Supervisory Board of Budimex SA held the following number of shares:

Marcin Węglowski	(Management Board member)	2 830 shares
Marek Michałowski	(chairman of the Supervisory Board)	3 900 shares

Above mentioned members of the Management Board and Supervisory Board do not own share options of the company. As at the date of publication of this report other managing and supervisory persons of Budimex SA do not hold its shares or share options. There was no change in the status of ownership from the date of publication of the annual report for the year 2011, i.e. 20 March 2012.

12. Proceedings pending as at 31 March 2012 before court, competent arbitration body or any public administration authority

The total value of legal proceedings in progress in respect of liabilities and receivables as at 31 March 2012 was PLN 555 337 thousand and exceeded 10% of the equity of Budimex SA, which amounts to PLN 752 395 thousand. Excess of the value of proceedings against Group companies over proceedings relating to claims of Group companies amounted to PLN 47 993 thousand.

In accordance with information in the possession of Budimex SA, the total value of legal proceedings in progress in respect of liabilities of Budimex SA and its subsidiaries as at 31 March 2012 was PLN 301 665 thousand. These proceedings involve the Group companies' operating activity.

The proceedings in the highest value case, relating both to receivables and liabilities due from Budimex SA, is pending before Arbitration Court at the National Chamber of Commerce in Warsaw, which involve the consortium Ferrovial Agroman SA, Budimex SA and Estudio Lamela S.L. (Consortium FBL) and Przedsiębiorstwo Państwowe "Porty Lotnicze" (PPL). The litigation is the result of rescinding the contract for developing and modernizing Warsaw Frederic Chopin Airport - Terminal II by the Investor PPL. Initially, the proceedings related to the claim filed by the Consortium FBL, in relation to bank guarantees realised by PPL groundlessly, which were given as a performance warranty of a total amount of PLN 54 382 thousand. The claim in this respect was filed on 24 January 2008.

In the course of the case PPL filed a counter-claim of a total amount of PLN 135 719 thousand, covering claims for the redress of damage, including lost benefits, return of unjust enrichment and liquidated damages. On 31 July and 26 October 2009 PPL filed to the Arbitration Court the next written statements of claim including extension of counter-claim, changing the original amount of counter-claim from PLN 135 719 thousand to PLN 280 894 thousand (risk of Budimex SA does not exceed the amount of PLN 112 358 thousand).

In the opinion of Budimex SA, the main claims under the counter-suit are groundless.

The response to the counter-claim, including the motion to dismiss the claim entirely, and therefore supporting the statement that claims filed by PPL are unjustified, was filed on 21 October 2008. To date, there have been a dozen or so trials during which witnesses for the plaintiff and the counter-defendant have been examined for the circumstances included in the counter-claim.

On 27 May 2010 the Arbitration Court made a decision, based on which the evidence from the expert's opinion regarding the evaluation of reasonableness of the PPL claims was accepted. The expert appointed by the Arbitration Court - the BS Consulting Group started to work at the end of 2010. To date, there have been several meetings with proxies of parties and the expert and there was an inspection of the airport objects with the participation of the aforementioned expert in March 2011. Technical opinion prepared by the expert, that was delivered to proxies of both parties on 29 July 2011, represented the results of his work. The parties made comments, remarks, details questions to the opinion prepared, which have been considered by the expert for the purposes of preparation of the supplementary opinion at the end of March 2012. The assessment derived from the opinion is favorable to the Consortium, as it confirms that the Consortium FBL had the right to prolong the period of time necessary for the works completion. Currently, the phase of exchanging the written statement of claim regarding the part of the expert's opinion - as a whole study. During the next trial, date of which was established by the Arbitration Court, conclusion of the proceedings with regard to the aforementioned expert's opinion is expected.

Regardless of the counter-claim of PPL and in accordance with former announcements, on 27 February 2009 the Consortium FBL submitted a written statement of claim including the extension of the main claim by the amount of PLN 216 458 thousand, covering: the remuneration for works performed, but not paid by Investor, the remuneration for additional works, the return of the retained amounts and the interest on late payments. According to the consortium contract the share of Budimex SA in the claim amounts to PLN 86 583 thousand. Mutual financial claim related issued will be identified by the Arbitration Court (as well as by the expert's opinion) after the completion of opinion related works, with regard to the general legitimacy of claims filed by PPL.

On 23 March 2009 the Arbitration Court issued a partial verdict covering the decision in respect of bank guarantees. Based on the verdict, the Arbitration Court adjudged the total amount of PLN 54 382 thousand together with statutory interest for the period from 9 November 2007 (at the date of issuing the verdict the amount of interest was PLN 8 805 thousand). According to the consortium contract the

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portion falling to Budimex SA is 40%, i.e. PLN 21 753 thousand and PLN 3 522 thousand referring to interest.

Having received the reason for the partial judgement from the Arbitration Court, the Consortium filed, in the Common Court, a motion on ascertainment of executability of the verdict of the Arbitration Court through giving an enforcement clause. On 8 May 2009 PPL filed a claim to dismiss the partial verdict and simultaneously to defer the verdict executability of the Arbitration Court. On 31 May 2010 the District Court in Warsaw quashed the partial verdict of the Arbitration Court, claiming that the appealed sentence of the Arbitration Court violates the public order rules with regard to adjudging the compensation jointly in favour of three entities in case the benefit is divisible. The verdict was issued with regard to the company Budimex SA, which was considered by the District Court to be the only legitimated passively in the case and at the same time deciding that the partial verdict cannot have been issued against Ferrovial Agroman SA – Branch in Poland and Estudio Lamela SL – Branch in Poland, as the branches of these entrepreneurs have no legal personality separate from the company. Therefore, in the verdict issued by the District Court, the proceedings against these parties were canceled and the complaint filed in this respect was rejected. All three parties of the consortium filed the appeal against the sentence of the District Court. On 13 July 2010 Budimex SA appealed against the verdict of the District Court in Warsaw. Companies Ferrovial Agroman and Estudio Lamela filed a complaint against the decision regarding the abolition of proceedings against them. The complaints were considered and were in total allowed for by the Appeal Court. The Appeal Court reconsidering the complaints quashed the complained sentenced and agreed with the statements of Ferrovial Agroman and Estudio Lamela that as foreign entrepreneurs (and not as their branches in Poland) had legitimacy to act as a party in the trial and that the partial verdict issued by the Arbitration Court was correctly issued in this respect. Due to the above decision of the Appeal Court, in January 2012 the District Court in Warsaw amended the decision issued on 31 May 2010 quashing the verdict of the Arbitration Court – also in respect of Ferrovial Agroman SA Branch in Poland and Etudio Lamela SL, which then appealed this decision.

Currently, Budimex SA and the remaining consortium members are waiting for the verdict of the Appeal Court in Warsaw regarding the appeal filed.

In the opinion of the Management Board the settlement of the appeal against sentence filed by Budimex SA should be favourable to the company and in consequence it should enable the company to receive the enforcement clause for the partial verdict issued by the Arbitration Court, allowing for the verdict execution. The Management Board is also in the opinion that the final verdict of the Arbitration Court will be favourable to the remaining claims filed by the consortium.

On 16 December 2010 Tomasz Ryskalok and Rafał Ryskalok, pursuing a business activity as a civil law partnership under the name Cerrys S.C., residing in Wykroty, filing a lawsuit against Budimex SA with regard to the payment of a contractual penalty for delay in the removal of defects identified within the effective period of the guarantee. The lawsuit concerns the construction of a concrete plant in line with agreement concluded on 19 May 2003 with the value of the agreement amounting to PLN 4 189 thousand. The value of the subject matter of the lawsuit is PLN 90 000 thousand including contractual interest calculated from 19 October 2006 until the day of payment. In the opinion of Budimex SA, the claim constituting the subject matter of the argument is absolutely groundless and there is no basis, either formal or factual, for considering it (the deadline for submitting the claims in question expired, the limit concerning contractual penalties - i.e. up to 15% of the value of the agreement - has not been taken into account, and the defect is not material). To date, there have been two trials during which witnesses for the plaintiff have been examined. The court postponed the trial till 9 May 2012. During the next trial the witnesses of the defendant will be examined.

Another material in value legal proceedings relate to the claim filed on 5 March 2008 by Miejskie Wodociągi i Kanalizacja w Bydgoszczy Sp. z o.o. requesting that the amount of PLN 25 252 thousand be awarded jointly and severally against the consortium to which the Budimex SA and Budimex Dromex SA belonged. The claim relates to the replacement contractor costs incurred by the investor when the consortium rescinded a contract. The Budimex Group's share in consortium was 90%, therefore the value of the claim for which the Company is liable is PLN 22 727 thousand. The defendants filed a response to the statement of claim within two weeks of receipt of the statement of claim. As a result of the plea of incompetency of a court formulized in the response to the statement of claim due to the written arbitration agreement, the court brought a case before the closed court in order to determine its jurisdiction. On 30 September 2010 the Court issued the ruling, refusing to reject the claim, thereby the Court acknowledged the Common Court as competent to consider the litigation. On 28 October 2010 Budimex SA filed a complaint regarding the court decision, which was dismissed by the Appeal Court on 10 March 2011. The decision of the Appeal Court cannot

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be sued. Due to above, the case will be considered by the common court when the brief is passed to the court of first instance. Till the date of publication of this financial statements, there have been three trials before the common court, during which witnesses of the plaintiff have been examined. The next trials in 2012 will be dedicated to examination of the remaining witnesses of both parties.

As at the date of this report the final outcome of the proceedings is not known.

Total value of legal proceedings in respect of receivables due to Budimex SA and its subsidiaries as at 31 March 2012 amounted to PLN 253 672 thousand. The proceedings relate mainly to the recovery of overdue receivables from business partners and to additional claims in respect of construction work performed.

On 10 March 2009 the District Court in Cracow issued the verdict regarding the claim filed by Budimex Dromex SA against Municipal Commune of Cracow, adjudging the payment of PLN 20 708 thousand together with statutory interest calculated for the period from 5 November 2007 and return of court fees in the amount of PLN 143 thousand. The claimed filed by Budimex Dromex related to the refund of the amount drawn by the Municipal Commune of Cracow on 5 November 2007 from the bank guarantee provided by Budimex Dromex SA as the performance bond for the contract for engineering, design and execution of a sports and show hall in Cracow – Czyżyny concluded on 20 December 2005 between the Consortium of Budimex Dromex SA, Ferrovial Agroman SA and Decathlon SA, and the Municipal Commune of Cracow. The commune drew this amount for the stipulated penalty provided by the contract after previous declaration of withdrawal from the contract and associated imposing of a stipulated penalty despite the fact that Budimex Dromex SA put the legitimacy of imposing of this penalty in question. On 15 July 2009 the Court of Appeal in Cracow, acting as the court of second resort in the proceedings described above, brought the verdict changing the verdict of the Court of first resort, adjudged the payment by the Municipal Commune of Cracow to Budimex Dromex SA of the amount of PLN 6 903 thousand including statutory interest calculated starting on 20 November 2007 until the date of payment and payment of the court fees in the amount of PLN 20 thousand. The Court rejected the rest of the appeal of the Municipal Commune of Cracow and adjudged the payment by Budimex Dromex SA to the Municipal Commune of the amount of PLN 70 thousand as the appeal trial fees. Budimex Dromex SA appealed to the Supreme Court for cassation of this verdict. On 20 October 2010 the Supreme Court provided for cassation and the case will be considered again by the Appeal Court in Cracow. On 17 February 2011 Budimex SA received information on the decision of the Appellate Court in Cracow, which, having re-examined – as a result of the Supreme Court reversing the previous decision of the Appellate Court in Cracow in the part regarding the dismissal of the claim and adjudication on legal costs – the appeal of the Urban Municipality of Cracow against the decision of the District Court in Cracow of 10 March 2008, reversed the decision of the District Court in Cracow of 10 March 2008 in the part regarding the claim for the amount exceeding PLN 6 903 thousand (i.e. to the amount of PLN 13 805 thousand) and referred the case to the District Court in Cracow for re-examination and adjudication on legal costs. The case brought by Budimex SA (as a general successor of Budimex Dromex SA) against the Urban Municipality of Cracow for the payment of PLN 20 708 thousand has become final with regard to the amount of PLN 6 903 thousand plus statutory interest calculated from 20 November 2007, having been adjudicated to be paid by the Urban Municipality of Cracow to Budimex SA. The remaining elements of the claim currently are being re-examined by the District Court in Cracow. The court accepted as evidence documents and expert's opinions submitted by Budimex SA, the case was postponed till the expert's opinion is prepared.

As at the date of this report the final outcome of the proceedings is not known.

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13. Contingent liabilities and contingent receivables

	31 March 2012	31 December 2011
	(in PLN thousands)	(in PLN thousands)
Contingent receivables		
From related parties, of which:		
– guarantees and suretyships received	-	-
– bills of exchange received as security	-	-
From related parties, total	-	-
From other entities		
– guarantees and suretyships received	397 726	358 041
– bills of exchange received as security	17 331	20 228
From other entities, total	415 057	378 269
Other contingent receivables	3 000	-
Total contingent receivables	418 057	378 269
Contingent liabilities		
To related parties, of which:		
– guarantees and suretyships issued	324	503
– bills of exchange issued as performance bond	-	-
To related parties, total	324	503
To other entities, of which:		
– guarantees and suretyships issued	1 857 094	1 801 518
– bills of exchange issued as performance bond	30 089	30 613
To other entities, total	1 887 183	1 832 131
Other contingent liabilities	10 259	3 709
Total contingent liabilities	1 897 766	1 836 343
Total off-balance sheet items	(1 479 709)	(1 458 074)

Contingent receivables represent guarantees issued by banks and other financial institutions to the companies of the Budimex Group as security for the potential claims the Group 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 Group as security for the potential claims they may be filed against the Group in respect of the construction contracts in progress. Banks are entitled to recourse the underlying claims to Group companies. Guarantees issued to the Group'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 Group, while the bills of exchange received and recognized under contingent assets (receivables) represent security for the repayment by the Group customers of the amounts due to the Group.

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Guarantees for bank loans and borrowings issued by Budimex SA and its subsidiaries as at 31 March 2012:

Name of the company which issued a guarantee or suretyship for a bank loan or borrowings	Name of the (company) entity which received suretyships or guarantees	Total value of bank loans and borrowings, for which guarantee or suretyship was issued for the full amount or defined part (in PLN thousands)	Period of guarantees or suretyships issuance	Financial conditions in respect of guarantees and suretyships issued	Type of relations between Budimex SA and the entity which took out a bank loan or borrowings
Budimex SA	Budimex Danwood SA	72 433	2013-05-31	free of charge	subsidiary
Budimex SA	Mostostal Kraków SA	34 476	2016-12-31	free of charge	subsidiary
Budimex SA	Budimex Nieruchomości Sp. z o.o.	11 816	2017-07-15	free of charge	subsidiary
Budimex SA	Budimex Budownictwo Sp. z o.o.	10 777	2020-02-12	free of charge	subsidiary
Budimex SA	Budimex Bau GmbH	324	2016-12-13	free of charge	subsidiary
TOTAL		129 826			

President of the Management Board

Dariusz Blocher

Management Board Member

Marcin Węglowski

Warsaw, 25 April 2012