

Ladies and Gentlemen,

The year 2015, in between one and another EU budget perspectives, was specific 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.

However, for the Budimex Group it was good year. In 2015, the Group recorded an almost 4% increase in sales compared with the previous year, thus exceeding the value of PLN 5 billion. We improved financial results at all levels. The Group's operating profitability amounted to 5.7% and it increased by 14% compared with 2014. The Group generated approximately PLN 300 million of profit before tax, i.e. approximately 22% more than in the previous year.

It was another year in succession when the value of contracts signed by us reached the record high level of PLN 7.1 billion. Consequently, at the end of 2015, the value of the Group's order book stood at PLN 8.4 billion, which meant an increase of 38% compared with the end of the preceding year.

The period of good economic situation was used to strengthen our cash position, which amounted to PLN 2.3 billion at the end of 2015 and increased by 34% compared with the previous period.

The main driving force behind the Group's results was the construction segment in which we recorded an increase in sales by nearly 5% as well as a 25 and 30% of increase of the operating profit and profit before tax, respectively.

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 I – 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%.

The real property market generated better results at each level of activity in 2015: the sales increased by nearly 17%, while the operating profit – by 20%. Budimex Nieruchomości pre-sold a record number of 1,918 apartments, and as planned, commenced its operation in Tricity (Trójmiasto). In 2015, Budimex Nieruchomości acquired land whereon it plans to build around 2.5 thousand apartments. Our existing land bank is sufficient to build around 6.3 thousand apartments in total.

Better results were generated by Budimex's subsidiary – Mostostal Krakow, which, after restructuring, improved its operating profitability by more than 200%.

Poznań-based Elektromontaż recorded an increase in sales by 34% while its EBIT went up to 4.2%.

In line with the expectations, FBSerwis, owned by Budimex in 49%, strengthened its market position. In 2015, FBSerwis Group increased its revenues from sales by over 300%, reaching the break-even point at the level of its operating result. Recently, FBSerwis has purchased two entities and is planning further acquisitions.

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 market playing a major role in the plans. With the headcount of 650 people, Budimex Group is also prepared to the expected cumulation 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. We also plan to maintain a high level of pre-sales of apartments and to purchase plots of land for new investment projects. Due 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 order book of the Group allows us to take an optimistic view into the future.

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

Dariusz Blocher

President of the Management Board