

TO SHAREHOLDERS OF THE ULMA CONSTRUCCION POLSKA S.A. CAPITAL GROUP

Ladies and Gentlemen,

In 2010, industry was the fastest developing branch of economy, whereas a definitely lower growth dynamics was recorded in construction. After a very bad beginning of the year, caused primarily by a frosty winter and floods, in May the situation began to regularly improve.

In spite of delays in launching a number of investments resulting from severe weather conditions at the beginning of 2010, the engineering sector became the key driving force of in the construction market.

Due to the aforementioned market factors, the ULMA Construcccion Polska S.A. Capital Group generated in 2010 TPLN 215 351 total sales revenues as compared to TPLN 175 446 generated in the analogous period of the previous year, which accounts for an increase by 22.7%.

Within export sales, accounting for 8.6% of the Capital Group's total revenues, the greatest share resulted from export to Kazakhstan, where the first symptoms of a recovery in the construction segment, after a several year downturn in construction caused by the global economic crisis are observed.

The Group managed to win in that market several major contracts, including contracts on formwork and scaffoldings for the purposes of a cement plant. Resuming monolithic works in Astana, the country's capital city, as well as symptoms of recovery in the construction market made the government undertake a strategic decision concerning establishment of a subsidiary company: ULMA Opalubka Kazakhstan sp. z o.o. those business object is to increase trade activities and promotion of products offered by the ULMA Group.

In 2010, a change to the functioning of the subsidiary company: Ulma System S.A. was introduced. The company was put into liquidation. The decision resulted from economic considerations - a worse outlook abroad (in particular in South America) made it impossible to ensure that the plant would receive orders in the amount allowing for full utilization of its production capacities. On the other hand, the overhaul functions of that plant were moved to the Logistics Centres in Jaworzno and Poznań, owing to which we minimized the costs of transportation of the repaired components and we could utilize the technical infrastructure of both centres to a greater extent.

In 2010, we achieved as a Capital Group a positive net financial result amounting to TPLN 10 231, as compared to the negative net result in the previous year in the amount of TPLN 5 484. It is also worth mentioning that the Group recorded a decrease in its debt (from 52.8% in 2009 to 47.6% in 2010), which was primarily due to a decrease in the long-term debt.

Better operating results of the Capital Group were due to diverse reorganization measures started in 2009, aimed at adjusting the cost structure of the Capital Group to the current market situation.

In 2010, we supplemented also the portfolio of products and services with, among others, scaffolding systems, MK universal formwork systems and security systems. Owing to these measures we are prepared to comprehensive investment servicing in all sectors of the construction market, with particular emphasis on the road and bridge sector, and we can meet increasing market requirements as regards occupational health and safety.

In spite of the difficult economic situation in the country, we managed to fully meet the objectives assumed by us in 2010. We have set new ambitious objectives to be met by us in the next year. I do believe that our efforts and their effects will be appreciated by you and will make both parties satisfied.

With kind regards,

Andrzej Kozłowski

President of the Management Board of ULMA Construcccion Polska S.A.