

ULMA Construcción Polska S.A.

**Opinion and Report
of the Independent Auditor
Financial Year ended
31 December 2010**

The opinion contains 2 pages
The report supplementing the auditor's opinion
contains 10 pages
Opinion of the independent auditor
and report supplementing the auditor's opinion
on the separate financial statements
for the financial year ended
31 December 2010



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OPINION OF THE INDEPENDENT AUDITOR

To the General Meeting ULMA Construcción Polska S.A.

We have audited the accompanying separate financial statements of ULMA Construcción Polska S.A., seated in Warsaw, ul. Klasyków 10 ("the Company"), which comprise the separate statement of financial position as at 31 December 2010, the separate statement of comprehensive income, the separate statement of changes in equity and the separate statement of cash flows for the year then ended and notes to the financial statements, comprising of a summary of significant accounting policies and other explanatory information.

Management's and Supervisory Board's Responsibility for the Financial Statements

Management of the Company is responsible for the accuracy of the accounting records and the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards, as adopted by European Union and with other applicable regulations and preparation of the Report on the Company's activities. Management of the Company is also responsible for such internal control as management determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

According to the Accounting Act dated 29 September 1994 (Official Journal from 2009, No. 152, item 1223 with amendments) ("the Accounting Act"), Management of the Company and members of the Supervisory Board are required to ensure that the separate financial statements and the Report on the Company's activities are in compliance with the requirements set forth in the Accounting Act.

Auditor's Responsibility

Our responsibility, based on our audit, is to express an opinion on these financial statements and whether the financial statements are derived from properly maintained accounting records. We conducted our audit in accordance with section 7 of the Accounting Act, national standards on auditing issued by Polish National Council of Certified Auditors and International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements and the accounting records from which they are derived are free of material misstatements.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion, the accompanying separate financial statements of ULMA Construcción Polska S.A. have been prepared and present fairly, in all material respects, the unconsolidated financial position of the Company as at 31 December 2010 and its unconsolidated financial performance and its unconsolidated cash flows for the year then ended, in accordance with International Financial Reporting Standards as adopted by the European Union, are in compliance with the respective regulations and the provisions of the Company's articles of association that apply to the Company's separate financial statements and have been prepared from accounting records, that, in all material respects, have been properly maintained.

Other Matters

As required under the Accounting Act, we also report that the Report on the Company's activities includes, in all material respects, the information required by Art. 49 of the Accounting Act and by the Decree of the Ministry of Finance dated 19 February 2009 on current and periodic information provided by issuers of securities and the conditions for recognition as equivalent information required by the law of a non-Member State (Official Journal from 2009, No 33, item 259) and the information is consistent with the separate financial statements.

On behalf of KPMG Audyt Spółka z ograniczoną
odpowiedzialnością sp.k. registration number 3546
ul. Chłodna 51, 00-867 Warsaw

Signed on the Polish original

.....
Certified Auditor No. 90116
Renata Dobersztyn-Hamerska

8 March 2011
Warsaw

Signed on the Polish original

.....
Certified Auditor No. 10268
Limited Liability Partner with power of
attorney
Monika Bartoszewicz

ULMA Construcción Polska S.A.

Report supplementing
the auditor's opinion
on the separate financial
statements

Financial Year ended
31 December 2010

The report supplementing the auditor's opinion
contains 10 pages
Report supplementing the auditor's opinion
on the separate financial statements
for the financial year ended
31 December 2010

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1. General

1.1. General information about the Company

1.1.1. Company name

ULMA Construcción Polska S.A.

1.1.2. Registered office

ul. Klasyków 10
03-115 Warsaw

1.1.3. Registration in the National Court Register

Registration court:	District Court for the Capital City Warsaw in Warsaw, XIII Commercial Department of the National Court Register
Date:	29 October 2001
Registration number:	KRS 0000055818
NIP	527-02-03-299
Initial capital as at balance sheet date:	PLN 10,511,264.00

1.1.4. Management of the Company

The Management Board is responsible for management of the Company.

At 31 December 2010, the Management Board of the Company was comprised of the following members:

- | | |
|------------------------------|--------------------------------------|
| • Andrzej Kozłowski | – President of the Management Board, |
| • Krzysztof Orzełowski | – Member of the Management Board, |
| • José Ramón Anduaga Aguirre | – Member of the Management Board, |
| • José Irizar Lasa | – Member of the Management Board, |
| • Andrzej Piotr Sterczyński | – Member of the Management Board. |

1.2. Auditor information

1.2.1. Key certified auditor information

Name and surname:	Monika Bartoszewicz
Registration number:	10268

Name and surname:	Renata Dobersztyn-Hamerska
Registration number:	90116

1.2.2. Authorized auditor information

Name: KPMG Audyt Spółka z ograniczoną odpowiedzialnością sp.k.
Address: ul. Chłodna 51, 00-867 Warsaw
Registration number: KRS 0000339379
Registration court: District Court for the Capital City Warsaw in Warsaw,
XII Commercial Department of the National Court Register
NIP number: 527-26-15-362

KPMG Audyt Spółka z ograniczoną odpowiedzialnością sp.k. is entered in the register of entities authorised to audit financial statements under number 3546.

1.3. Prior period financial statements

The separate financial statements for the period ended 31 December 2009 were audited by KPMG Audyt Sp. z o.o. and received an unqualified opinion.

The separate financial statements were approved at the General Shareholders' Meeting on 17 June 2010 where it was resolved to allocate the profit for the prior financial year of PLN 2,937,915.64 to reserve capital.

The separate financial statements were submitted to the Registry Court on 22 June 2010 and were published in Monitor Polski B No. 1929 on 8 October 2010.

1.4. Audit scope and responsibilities

This report was prepared for the General Meeting of ULMA Construcción Polska S.A. seated in Warsaw, ul. Klasyków 10 and relates to the separate financial statements comprising: the separate statement of financial position as at 31 December 2010, the separate statement of comprehensive income, the separate statement of changes in equity and the separate statement of cash flows for the year then ended and notes to the financial statements, comprising of a summary of significant accounting policies and other explanatory information.

The audited Company prepares its separate financial statements in accordance with International Financial Reporting Standards as adopted by the European Union on the basis of the decision of General Shareholders' Meeting dated 24 May 2005.

The separate financial statements have been audited in accordance with the contract dated 23 June 2010, concluded on the basis of the resolution of Supervisory Board dated 21 June 2010 on the appointment of the auditor.

We conducted the audit in accordance with section 7 of the Accounting Act, national standards on auditing issued by Polish National Council of Certified Auditors and International Standards on Auditing.

We audited the separate financial statements in the Company's head office during the period from 25 to 28 October 2010 (interim audit) and from 31 January 2011 to 25 February 2011 (final audit).

Management of the Company is responsible for the accuracy of the accounting records and the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards as adopted by the European Union and with other applicable regulations and preparation of the Report on the Company's activities.

Our responsibility is to express an opinion and to prepare a supplementing report on the separate financial statements and whether the financial statements are derived from properly maintained accounting records based on our audit.

Management of the Company submitted a statement dated the same date as this report as to the true and fair presentation of the separate financial statements presented for audit, which confirmed that there were no undisclosed matters which could significantly influence the information presented in the separate financial statements.

All required statements, explanations and information and all our requests for additional documents and information necessary for expressing our opinion and preparing the report have been fulfilled.

Key certified auditors and KPMG Audyt Spółka z ograniczoną odpowiedzialnością sp. k. fulfill independence requirements as described in Art. 56 points 3 and 4 of the Act on certified auditors and their government, audit firms and public oversight dated 7 May 2009 (Official Journal No. 77, item 649).

The scope of the work planned and performed has not been limited in any way. The method and scope of our audit is detailed in working papers prepared by us and retained in the offices of KPMG Audyt Spółka z ograniczoną odpowiedzialnością sp.k.

2. Financial analysis of the Company

2.1. Summary of the separate financial statements

2.1.1. Statement of financial position

ASSETS	31.12.2010 PLN '000	% of total	31.12.2009 PLN '000	% of total
Non-current assets				
Property, plant and equipment	413,263	77.9	440,742	80.4
Intangible assets	481	0.1	656	0.1
Investment in associates	13,669	2.6	13,585	2.5
Other non-current assets	4,344	0.8	4,399	0.8
Non-current loan assets	10,554	2.0	13,079	2.4
Total non-current assets	442,311	83.4	472,461	86.1
Current assets				
Inventories	5,891	1.1	1,836	0.3
Trade and other receivables	76,383	14.4	55,785	10.3
Current income tax receivable	-	-	87	-
Derivatives	177	-	846	0.2
Cash and cash equivalents	5,505	1.1	17,436	3.2
Total current assets	87,956	16.6	75,990	13.9
TOTAL ASSETS	530,267	100.0	548,451	100.0

EQUITY AND LIABILITIES	31.12.2010 PLN '000	% of total	31.12.2009 PLN '000	% of total
Equity				
Share capital	10,511	2.0	10,511	1.9
Reserves - surplus from sales of shares above nominal value	114,990	21.7	114,990	21.0
Retained earnings, including:	160,722	30.3	132,946	24.2
<i>Net profit for the year</i>	<i>27,776</i>	<i>5.2</i>	<i>2,938</i>	<i>0.5</i>
Total equity	286,223	54.0	258,447	47.1
Liabilities				
Credit and loans	140,453	26.5	182,479	33.3
Deferred tax liabilities	4,716	0.9	2,252	0.4
Provisions for retirement and similar benefits	77	-	55	-
Long-term leasing liabilities	423	0.1	569	0.1
Total non-current liabilities	145,669	27.5	185,355	33.8
Credit and loans	70,123	13.2	56,377	10.3
Short-term retirement liabilities	27	-	23	-
Short-term leasing liabilities	146	-	241	-
Trade and other payables	28,079	5.3	48,008	8.8
Total current liabilities	98,375	18.5	104,649	19.1
Total liabilities	244,044	46.0	290,004	52.9
TOTAL EQUITY AND LIABILITIES	530,267	100.0	548,451	100.0

2.1.2. Statement of comprehensive income

	1.01.2010 - 31.12.2010 PLN '000	% of total sales	1.01.2009 - 31.12.2009 PLN '000	% of total sales
CONTINUING OPERATION				
Revenue	205,776	100.0	166,663	100.0
Cost of sales	(165,910)	80.6	(151,038)	90.6
Gross profit on sales	39,866	19.4	15,625	9.4
Sales and marketing costs	(5,752)	2.8	(4,894)	2.9
General and administrative expenses	(9,509)	4.6	(8,948)	5.4
Other operating expenses	(2,153)	1.1	(1,193)	0.7
Results from operating activities	22,452	10.9	590	0.4
Finance income	22,222	10.8	14,023	8.4
Finance expenses	(14,433)	7.0	(13,234)	7.9
Net finance profits	7,789	3.8	789	0.5
Profit before income tax	30,241	14.7	1,379	0.9
Income tax expense	(2,465)	1.2	1,559	0.9
Profit for the period	27,776	13.5	2,938	1.8
Total comprehensive income for the period	27,776	13.5	2,938	1.8
Weighted average number of ordinary shares	5,255,632		5,255,632	
Basic and diluted earnings per share for the period (PLN)	5.29		0.56	

2.2. Selected financial ratios

	2010	2009	2008
1. Return on sales			
$\frac{\text{profit for the period} \times 100\%}{\text{revenue}}$	13.5%	1.8%	9.4%
2. Return on equity			
$\frac{\text{profit for the period} \times 100\%}{\text{equity} - \text{profit for the period}}$	10.7%	1.1%	8.9%
3. Debtors' days			
$\frac{\text{average trade receivables (gross)} \times 365 \text{ days}}{\text{revenue}}$	136 days	149 days	114 days
4. Debt ratio			
$\frac{\text{liabilities} \times 100\%}{\text{equity and liabilities}}$	46.1%	52.9%	48.1%
5. Current ratio			
$\frac{\text{current assets}}{\text{current liabilities}}$	0.9	0.7	0.8

- Net revenues are comprised of the sale of finished products, merchandise and raw materials.
- Average trade receivables represent the average of trade receivables at the beginning and at the end of the period, excluding allowances for receivables.

3. Detailed report

3.1. Proper operation of the accounting system

The Company maintains current documentation describing the applied accounting principles adopted by the Management Board to the extent required by Art. 10 of the Accounting Act.

During the audit of the financial statements, we tested, on a sample basis, the operation of the accounting system.

On the basis of the work performed, we have not identified material irregularities in the accounting system which have not been corrected and that could have a material impact on the separate financial statements. Our audit was not conducted for the purpose of expressing a comprehensive opinion on the operation of the accounting system.

The Company performed a physical verification of assets in accordance with the requirements and time frame specified in Art. 26 of the Accounting Act.

3.2. Notes to the separate financial statements

All information included in the notes to the separate financial statements, comprising of a summary of significant accounting policies and other explanatory notes, is, in all material respects, presented accurately and completely. This information should be read in conjunction with the separate financial statements.

3.3. Report on the Company's activities

The Report on the Company's activities includes, in all material respects, information required by Art. 49 of the Accounting Act and by the Decree of the Ministry of Finance dated 19 February 2009 on current and periodic information provided by issuers of securities and the conditions for recognition as equivalent information required by the law of a non-Member State (Official Journal from 2009, No 33, item 259) and the information is consistent with the separate financial statements.



3.4. Information on the opinion of the independent auditor

Based on our audit of the separate financial statements as at and for the year ended 31 December 2010, we have issued an unqualified opinion.

On behalf of KPMG Audyt Spółka z ograniczoną
odpowiedzialnością sp.k. registration number 3546
ul. Chłodna 51, 00-867 Warsaw

Signed on the Polish original

.....
Certified Auditor No. 90116
Renata Dobersztyn-Hamerska

8 March 2011
Warsaw

Signed on the Polish original

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Certified Auditor No. 10268
Limited Liability Partner with power of
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Monika Bartoszewicz