FINANCIAL STATEMENTS OF

ULMA Construccion Polska S.A.

For the period of 12 months ended on 31 December 2010

All amounts in PLN' 000 unless otherwise specified

General information

• Business objects

The business objects of ULMA Construccion Polska S. A. are as follows:
- rental and sale of construction scaffolding and formwork,
- development of applications of scaffolding and formwork on commission,
- export of construction services,
- sale of construction materials and concrete accessories.

ULMA Construccion Polska S.A. is a joint-stock company (the Company). The Company started operation on 14 February 1989 under the business name Bauma Sp. z o.o. as a limited liability company (z o.o.) and was registered in Rep. A.II – 2791. On 15 September 1995, it was transformed into a joint stock company by force of a notary deed before the notary Robert Dor in the Notary Office in Warsaw and registered in Rep. No. A 5500/95. On 29 October 2001, the District Court in Warsaw, 13th Commercial Department of the National Court Register entered the Company into the National Court Register under KRS number: 0000055818. On 6 November 2006, the Extraordinary Shareholders Meeting, in its Resolution No. 1, decided to change the name of the Company from BAUMA S.A. to ULMA Construccion Polska S.A. The relevant entry into the National Court Register was made on 14 November 2006.

• Registered office

ULMA Construccion Polska S.A.
ul. Klasyków 10
03-115 Warszawa

• Supervisory Board and Management Board of the Company

<u>Supervisory Board</u>

Aitor Ayastuy Ayastuy	Chairperson of the Supervisory Board
Lourdes Urzelai Ugarte	Vice Chairperson of the Supervisory Board
Ander Ollo Odriozola	Member of the Supervisory Board
Ernesto Julian Maestre Escudero	Member of the Supervisory Board
Félix Esperesate Gutiérrez	Member of the Supervisory Board
Rafał Alwasiak	Member of the Supervisory Board

<u>Audit Committee</u>

Rafał Alwasiak	Chairperson of the Committee
Aitor Ayastuy Ayastuy	Member of the Committee
Lourdes Urzelai Ugarte	Member of the Committee

<u>Management Board</u>

Andrzej Kozłowski	President of the Management Board
Andrzej Sterczyński	Member of the Board
Krzysztof Orzełowski	Member of the Board
José Ramón Anduaga Aguirre	Member of the Board
José Irizar Lasa	Member of the Board

- ## Auditor

KPMG Audyt Sp. z o.o. spółka komandytowa
ul. Chłodna 51
00-867 Warszawa
The company is entered into the list of entities entitled to audit financial statements under number 3546.

- ## Banks

BRE Bank S.A.
PEKAO S.A.
BNP PARIBAS FORTIS BANK POLSKA S.A.
PKO Bank Polski S.A.

- ## Listing

The Company is listed at Giełda Papierów Wartościowych w Warszawie ("GPW" – Warsaw Stock Exchange).
Symbol at the GPW: ULM. ULM

All amounts in PLN' 000 unless otherwise specified

	Note	As of: 31 December 2010	31 December 2009
ASSETS			
I. Fixed assets			
1. Tangible fixed assets	4.	413 263	440 742
2. Intangible fixed assets	5.	481	656
3. Investments in subsidiary and associated companies	7.	13 669	13 585
4. Other fixed assets	8.	4 344	4 399
5. Long-term receivables under a loan		10 554	13 079
Total assets		**442 311**	**472 461**
II. Current assets			
1. Inventories	10.	5 891	1 836
2. Trade receivables and other receivables	9.	76 383	55 785
3. Current income tax receivables		-	87
4. Derivative instruments		177	846
5. Cash and cash equivalents	11.	5 505	17 436
Total current assets		**87 956**	**75 990**
Total assets		**530 267**	**548 451**
EQUITY AND LIABILITIES			
I. Equity			
1. Share capital	12.	10 511	10 511
2. Supplementary capital – share premium	12.	114 990	114 990
3. Retained profits, of which:		160 722	132 946
a. Net profit for the financial period		*27 776*	*2 938*
Total equity		**286 223**	**258 447**
II. Liabilities			
1. Long-term liabilities			
a. Loans	14.	140 453	182 479
b. Deferred income tax liabilities	16.	4 716	2 252
c. Long-term liabilities under pension benefits	17.	77	55
d. Long-term liabilities under financial leasing	15.	423	569
Total long-term liabilities		**145 669**	**185 355**
2. Short-term liabilities			
a. Loans	14.	70 123	56 377
b. Short-term liabilities under pension benefits	17.	27	23
c. Short-term liabilities under financial leasing	15.	146	241
Trade receivables and other receivables	13.	28 079	48 008
Total short-term liabilities		**98 375**	**104 649**
Total liabilities		**244 044**	**290 004**
Total equity and liabilities		**530 267**	**548 451**

All amounts in PLN' 000 unless otherwise specified

	Note	12 months 2010	12 months 2009
Sales revenues	18.	205 776	166 663
Costs of sold products, goods and materials	19.	(165 910)	(151 038)
I. Gross profit on sales		**39 866**	**15 625**
Costs of sales and marketing	19.	(5 752)	(4 894)
Overheads	19.	(9 509)	(8 948)
Other operating costs	20.	(2 153)	(1 193)
II. Operating profit (loss)		**22 452**	**590**
Financial income	21.	22 222	14 023
Financial expenses	21.	(14 433)	(13 234)
Net financial income (expenses)		*7 789*	*789*
III. Gross profit		**30 241**	**1 379**
Income tax	22.	(2 465)	1 559
IV. Net profit for the financial period		**27 776**	**2 938**
Other total income:		-	-
V. Total income for the financial period		**27 776**	**2 938**

Weighted average number of ordinary shares		5 255 632	5 255 632
Basic and diluted profit (loss) per share in the financial period (in PLN per share)	24.	5.29	0.56

All amounts in PLN'000 unless otherwise specified

Item	Share capital at nominal value	Share premium	Retained profits	Total equity
As of 1 January 2009	**10 511**	**114 990**	**130 008**	**255 509**
Total net income in 2009	-	-	2 938	**2 938**
As of 31 December 2009	**10 511**	**114 990**	**132 946**	**258 447**
Total net income in 2010	-	-	27 776	**27 776**
As of 31 December 2010	**10 511**	**114 990**	**160 722**	**286 223**

All amounts in PLN'000 unless otherwise specified

	Note	12 months 2010	12 months 2009
Cash flows from operations			
Net profit for the financial period		**27 776**	**2 938**
Adjustments:			
- Income tax	22.	2 465	(1 559)
- Depreciation of fixed assets	4.	78 352	68 657
- Amortization of intangible fixed assets	5.	319	491
- Net value of sold formworks – fixed assets		10 702	13 543
- (Gains)/losses from changes in fair value of financial instruments		668	-
- Interest and dividend revenues		(21 502)	(13 035)
- Interest costs		13 506	11 260
- (Gains)/losses from foreign exchange differences		361	1 672
- Change in fair value in provisions for pension benefits		26	3
Changes in current assets:			
- Inventories		(4 055)	2 222
- Trade receivables and other receivables		(17 814)	3 273
- Trade receivables and other receivables		5 453	(6 674)
		96 257	**82 791**
Income tax paid		87	2 803
Net cash inflows from operations		**96 344**	**85 594**
Cash flows from investments			
Acquisition of tangible fixed assets		(87 022)	(111 732)
Inflows from sale of tangible fixed assets		122	78
Acquisition of intangible fixed assets		(144)	(562)
Acquisition of shares in subsidiary and affiliated companies		(83)	-
Loans granted		(2 785)	(14 224)
Repayment of loans granted		1 780	-
Dividend received		20 000	11 440
Interest received		1 844	1 595
Net cash expenses from investments		**(66 288)**	**(113 405)**
Cash flow from financing activities			
Loans received		12 933	82 257
Repayment of loans		(44 868)	(28 152)
Payments due to financial leasing		(241)	(323)
Interest paid		(13 553)	(11 260)
Net cash inflows from financing activities		**(45 729)**	**42 522**
Increase /(decrease) in cash and overdraft facility		**(15 673)**	**14 711**
Opening cash and overdraft facility		17 436	3 252
(Losses)/gains due to valuation of cash and overdraft facility		40	(527)
Closing cash and overdraft facility	**11.**	**1 803**	**17 436**

Notes to the financial statements

1. Description of key accounting principles

The key accounting principles used in the preparation of these financial statements are presented below. The principles were applied in all the presented periods in a consistent manner.

A) Basis

These financial statements for 12 months ended on 31 December 2010 of ULMA Construccion Polska S. A. with its registered office in Warsaw were made in compliance with IAS 34 "Interim Financial Reporting" approved by the European Union.

As of 31 December 2010, there were no differences between the IFRS approved by the European Union and the IFRS announced by the International Accounting Standard Board (IASB) which would affect the financial statements of ULMA Construccion Polska S.A.

These financial statements were made according to the historical cost principle with the exception of financial assets and liabilities (derivative financial instruments) recognized at fair value in the profit and loss account.

B) Valuation of foreign currency denominated items

1. Functional currency and presentation currency

The items in the Company's financial statements are recognized in the currency of the key economic environment in which the major part of the Company operates (functional currency). The Polish zloty (PLN) is the functional currency, being at the same time the presentation currency of the Company's financial statements.

2. Transactions and balances

Foreign currency denominated transactions are translated into the functional currency at the rate prevailing on the transaction date. FX gains and losses under settlement of those transactions and resulting from balance sheet valuation of foreign currency denominated cash assets and liabilities are recognized accordingly in the profit and loss account. FX gains and losses concerning investing and financing activities are recognized as financial income/expenses.
FX gains and losses concerning realization and balance sheet valuation of trade transactions increase or decrease the income or expense items to which they are related.
The Company applies the mean rate of a given currency announced by the National Bank of Poland as of the balance sheet date as the closing rate of the currency for the purposes of balance sheet valuation of foreign currency denominated cash assets and liabilities.

C) Financial instruments

Financial instruments disclosed in the statement of financial position include cash on hand and at banks, trade receivables and other receivables, financial assets recognized at fair value in the financial result, financial assets available for sale, trade liabilities and other liabilities, as well as loans. The applied methods of presentation and valuation of particular financial instruments are specified below in the description of the applied accounting standards. Derivative financial instruments are initially recognized at fair value as of the contract date. Later, their value is updated to the current fair value. The derivative instruments held by the Company do not qualify

for hedge accounting and therefore the result of their revaluation to fair value is recognized in the profit and loss.
As of each balance sheet date, the Company makes a review if there are any premises indicating impairment in value of financial assets. If such events occur, the Company recognizes the cumulated loss in the profit and loss account as a difference between the balance sheet value and the current fair value, simultaneously decreasing the balance sheet value of the asset item.

D) Tangible fixed assets

Tangible fixed assets such as buildings, plant and machinery used for production, delivery of products and provision of services or for management purposes, were valued as of the balance sheet date at cost or manufacturing cost decreased by accumulated depreciation/amortization and write-downs due to impairment in value.

Subsequent expenditures are recognized in the balance sheet value of the fixed asset or as a separate fixed asset (where appropriate) only when it is probable that this will result in economic benefit to the Company, while the costs of the asset can be reliably measured. Subsequent expenditures that do not increase the initial useful value of the fixed asset are charged to the period when they were incurred.

Land owned by the Company is recognized at cost and is not depreciated. The other fixed assets are depreciated by the linear method in order to cover the original value decreased by any residual value over their useful life for each generic group.
The applied useful life periods for each type of fixed assets are as follows (in years):

- buildings and structures	25 – 40
- investments in third party assets	10
- plant and machinery	3 – 20
- equipment, formwork systems and other fixed assets	5 – 7

Residual values and useful lives of fixed assets are verified as of each balance sheet date and adjusted if required.

When the balance sheet value of a fixed asset exceeds its estimated recoverable value, its balance sheet value is lowered to the recoverable value (note 1H).

Profit and loss due to disposal of fixed assets is determined by comparing the proceeds with the relevant balance sheet value and the result recognized in the profit and loss account.

E) Leasing – lessee's leasing

Leasing of assets whereby a major part of risk and benefits resulting from the title are held by the lessor is operating leasing. Leasing fees that the Company is charged with under operating leasing are charged to the total income statement with the linear method throughout the term of the leasing contract.

Leasing of tangible fixed assets whereby the Company takes the major part of risk and benefits resulting from the title is financial leasing. The subject of financial leasing is recognized in the assets as of the day when leasing is commenced at the lower of the following amounts: the fair value of the subject of leasing or the current value of minimum leasing fees. Leasing fees paid during the reporting period in the portion covering the principal instalments decrease the principal part of liabilities under financial leasing while the remaining portion being the interest part is charged to the financial expense for the period. The split of leasing fees into principal and interest

portions is made in such a manner that for each period a fixed interest rate is calculated in relation to the outstanding amount of liabilities.
Tangible fixed assets covered by financial leasing were disclosed in the statement of financial position in the same manner as the other fixed assets and are depreciated in accordance with the same principles. If there is no certainty that after the end of the leasing contract the Company will acquire the title, the assets are depreciated over the shorter of the following periods: leasing period and their useful life.

F) Leasing – lessor's accounting

Leasing is a contract pursuant to which in consideration for payment or a series of payment of fees, the lessor provides the lessee with the right to use a given asset for an agreed period of time. If assets are delivered under operating leasing, the asset is disclosed in the statement of financial position according to its nature (type). Revenues from operating leasing are recognized by the straight line method over the leasing period.

Fixed assets classified as “Formwork systems and other fixed assets” are covered by short-term operating leasing contracts.

G) Intangible fixed assets

Software

Purchased licences for computer software are recognized as an asset in the amount spent on the purchase and preparation for use of particular software. The recognized costs are written off over the estimated period of software use, i.e. 2– 5 years.

H) Impairment in value of fixed assets

Depreciated fixed assets are analyzed for any impairment in value if any premises occur that there is a risk to realizing the balance sheet value of tangible fixed assets and intangible assets held. The amounts of revaluation write-downs determined within an analysis (impairment value test) reduce the balance sheet value of the assets to which they refer and are recognized as costs of the period. A loss due to depreciation is recognized in the amount by which the balance sheet value of a given asset exceeds its recoverable value. The recoverable value is the higher of: fair value reduced with the costs of sales and the useful value (reflecting the present value of cash flows related to the asset item). For the purposes of analysis for impairment in value, assets are grouped at the lowest level with reference to which there are separate identifiable cash flows (cash generating units). Non-financial assets other than goodwill that were in the past subject to impairment in value are reviewed as of each balance sheet date to determine if they may not be written back.

I) Investments

Financial assets held for sale
Investments of the Company include the value of shares in other entities than its subsidiary or associated companies. Investments in other entities are disclosed as financial assets held for sale as the Management Board has no intention of selling those investments within the next 12 months. Investments are originally recognized at fair value increased by additional transactional costs. Any increase of investments due to revaluation to fair value is recognized in equity. Any decrease in the value of those investments which have been previously increased, decreases the revaluation reserve. All other decreases due to impairment in value are charged to the profit and

loss account. Financial instruments held for sale for which no reliable fair value can be estimated (there is no active market for such instruments) are valued at cost of instrument purchase decreased by any revaluation write-downs.

Shares in associated companies are valued at the purchase price reduced by possible impairment write-downs.

J) Stocks

Stocks of raw materials, materials, semi-finished products and finished products as well as purchased goods are valued as of the balance sheet at the lower of: purchase price (manufacturing cost) or net realizable selling price.

The net selling price is the selling price in the normal course of business activities, reduced by the estimated costs of completion of production and the variable costs necessary to carry out sales.
The turnover of stocks is valued in accordance with the “first in, first out” (FIFO) principle.
If necessary, revaluation write-downs are made with respect to obsolete, non marketable and defective stocks.

K) Trade receivables and other receivables

Trade receivables are initially recognized at fair value and they are subsequently revalued in accordance with the method of amortized cost with the effective interest rate and decreased by the revaluation write-down due to impairment in value. Trade receivables deemed uncollectible are expensed when determined to be uncollectible. When the Management Board finds it probable that the Company will not be able to collect the amounts due in the original amount, a revaluation write-down is made due to impairment in value. The amount of the revaluation write-down is equal to the difference between the book value and the current value of the anticipated future cash flows, discounted with the effective interest rate. Adjustments to the write-downs revaluating the value of trade receivables are recognized in the profit and loss account as costs of sales and marketing, in the period where the adjustment occurs.

Prepayments and accruals

The item “Trade and other receivables” in the statement of financial position includes also an amount of expenses incurred in the reported financial year and referring to future reporting periods. Their value was reliably determined and will result in economic benefits in the future.

L) Cash and cash equivalents

Cash and cash equivalents are recognized in the statement of financial position at fair value corresponding to nominal value. This includes cash on hand and at banks, other highly liquid short-term investments with the original maturity no longer than three months.
The cash balance disclosed in the cash flow statement is composed of the above cash and cash equivalents decreased by outstanding amounts of current account overdraft facilities.
Current account overdraft facilities are disclosed in the statement of financial position as liabilities – short-term loans.

M) Capitals

Share capital

Ordinary shares are classified as share capital. Share capital is disclosed at nominal value of shares. Any share premium decreased by direct costs of new share issues is disclosed as supplementary capital.

Retained profits

The statement of financial position discloses retained profit as cumulated, retained profit and loss generated by the Company in preceding financial periods and the profit/loss for the current financial year.

N) Loans

Credit and loans are initially recognized at fair value decreased by the incurred transaction costs. In subsequent periods, loans are valued at the adjusted acquisition price (amortized cost) with the effective interest rate.
Credits and loans are classified as short-term liabilities unless the Company holds an unconditional right to defer the repayment of such liabilities by minimum 12 months from the balance sheet date.

O) Provisions

Provisions are established for existing liabilities of the Company (legal or customary) that result from past events if it is likely that the Company will have to spend its resources in order to meet those liabilities and if the liabilities can be reliably estimated.

P) Accruals and deferred income

In the item “Trade and other liabilities” the Company discloses:

- reliably estimated costs incurred in the relevant reporting period that were not invoiced by suppliers up until the balance sheet date. The timing and manner of settling such costs are due to their nature, subject to the prudence principle.
- Deferred income, covering in particular the equivalent of received or due amounts for those deliveries or services that will be performed in the future reporting periods.

Q) Major accounting estimates

While preparing financial statements in accordance with the International Standards of Financial Reporting, the Management Board makes certain accounting estimates subject to their knowledge and estimates as to the anticipated changes to the analysed values. The actual values may differ from the estimated values. The balance sheet value of tangible fixed assets is determined with the application of estimated useful lives of each group of fixed assets. The adopted periods of useful life of tangible fixed assets are subject to periodical verification performed based on analyses made by the Company.
Receivables are verified for their impairment in value if premises presenting a risk of non-collection occur. Should this occur, the value of revaluation write-downs is estimated by the Company.

R) Revenues

Revenues include the fair value of revenues from sale of products, goods and services minus VAT, rebates and discounts.
The Company recognizes sales revenues when the amount of revenues can be reliably measured, when it is probable that the entity will generate economic benefits in the future and that the criteria listed below have been met for each type of operations of the Company.

1. Revenues from sale of products and goods

Revenues from sale of goods and products are recognized if a material risk and benefits resulting from the ownership title to goods and products have been passed on to the buyer and when the amount of revenues can be reliably measured, and the collectability of the revenues is sufficiently certain.
This category further includes revenues from sale of formwork systems that are elements of tangible fixed assets. Profit (loss) on sale of other tangible fixed assets is disclosed in other net profit/(loss).
In case of domestic sales, the moment when such products or goods are released to the buyer from the Company's warehouses is the moment when revenues from sale of products or goods are recognized. In case of export sale and intra-community delivery of goods, the recognition moment is subject to the delivery terms determined in accordance with Incoterms 2000, as specified in the executed contract. For contracts concluded in accordance with the FCA (or EXW) terms of delivery, the moment when such products are released to the buyer from the Company's warehouses is the moment when sales revenues are recognized. For contracts concluded in accordance with the CPT and CIP terms, the revenues from sale of products and goods are recognized when the client acknowledges receipt of the delivery.

2. Revenues from sale of services

Revenues from sale of services cover primarily rental services of construction formwork.
Revenues from sale of services are recognized in the period during which such services were rendered subject to the progress of a given transaction, determined on the basis of relation between the actually completed works with all the works to be performed, provided:

- amount of revenues can be valued in a reliable way,
- it is probable that the unit will derive economic benefits from the transaction,
- the progress of the transaction as of the date when such revenues are recognized can be reliably assessed,
- the costs incurred in relation to the transaction and the costs of completion of the transaction can be reliably assessed.

3. Interest

Interest income is recognized on the accrual basis with the effective interest rate method. This income refers to remuneration for the use of funds by companies in the Company. If a receivable loses in value, the Company reduces its balance sheet value to the collectible amount equal to the estimated future cash flow discounted at the original effective interest rate for the instrument, followed by gradual recognition of the discount amount in correspondence to interest income.

4. Dividend

Dividend income is recognized when the right to dividend payment is acquired.

S) Deferred income tax

Deferred income tax assets and liabilities resulting from temporary differences between the tax value of assets and liabilities and their balance sheet value in the consolidated financial statements are recognized with the balance sheet method. However, if such deferred income tax is due to the original recognition of an asset or a liability under a transaction other than merger of economic entities that would not affect the profit/(loss) or tax profit/(loss), no deferred income tax is recognized. Deferred income tax is determined subject to the tax rates (and regulations) prevailing legally or actually as of the balance sheet date and that are expected to continue to be binding when such deferred income tax assets are realized or when such deferred income tax liabilities are paid.

Deferred income tax asset are recognized if it is probable that taxable income will be generated in the future that will assure application of the temporary differences.

Deferred income assets set-off deferred income liabilities if it is possible to enforce the right to set-off current income assets and liabilities if a given entity intends to pay the tax in the net amount or execute at the same time receivables and settle the liability.

T) Employment benefits

Retirement packages
Retirement packages become payable when employees acquire retirement rights in compliance with the Labour Code. The amount of retirement packages due to employees who acquire retirement rights is calculated as additional one-month salary in the identical manner as holiday equivalent. The Company recognizes provisions for retirement packages in the amount of the current value of estimated future proceeds under the provisions of the Polish law. The value of such liabilities is calculated each year by independent actuaries.

2. Financial risk management

The Company's operations are exposed to various financial risks: foreign exchange risk, risk of change to cash flows and fair value as a result of interest rate changes, credit risk and liquidity risk.

By applying a program of risk management, the Company has been seeking to mitigate the financial risks that have a negative influence on the financial results achieved by the Company. The Company hedges net items with external forward transactions.

Currency exchange rate risk

The Company operates internationally and is exposed to foreign exchange risk of various currencies, in particular the Euro. The FX risk applies primarily to future commercial transactions (sale of products and goods and purchases of goods and services) and the balance sheet assets and liabilities. FX risk occurs when future trade transactions, balance sheet assets and liabilities are denominated in a currency other than the functional currency of the companies in the Company.

The Company hedges net items with external forward transactions.

The table below presents EUR denominated assets and liabilities of the Company that are exposed to FX risk. (in EUR '000)

	31 December 2010	31 December 2009
Trade receivables	678	921
Loans granted	2 665	3 100
Cash	285	3 145
FX future contracts	(320)	(3 960)
Total assets	**3 308**	**3 206**
Trade liabilities	1 242	5 786
FX future contracts	(610)	(2 615)
Total liabilities	**632**	**3 171**

A sensitivity analysis made by the Company shows that:

a) as of 31 December 2010,
- if PLN had depreciated/appreciated by 10% in relation to EUR, with other parameters unchanged, the net profit for 12 months ended on 31 December 2010 would have been by TPLN 859 higher/lower due to revaluation of EUR denominated cash, receivables, liabilities and FX contracts.

b) as of 31 December 2009,
- if PLN had depreciated/appreciated by 10% in relation to EUR, with other parameters unchanged, the net profit for 12 months ended on 31 December 2009 would have been by TPLN 31 higher/lower due to revaluation of EUR denominated cash, receivables, liabilities and FX contracts.

Risk of change to cash flows and fair value as a result of interest rate changes

Operating income and cash flows of the Company are not materially exposed to the interest rate risk.
The interest rate risk in the Company applies to long-term debt instruments (Note 14). The interest rate applicable to loans contracted by the Company is based on WIBOR 1M plus a bank margin, which exposes the Company to the risk of changed cash flows due to a change in interest rates. The Company does not have fixed rate financial instruments for which any change of the interest curve would result in a change of their fair value.

A sensitivity analysis made by the Company shows that:

- as of 31 December 2010, if interest rates had been higher by 100 basis points, the net profit for the period of 12 months ended on 31 December 2010 would have been by TPLN 1 710 lower due to increased costs of borrowing costs.

- as of 31 December 2009, if interest rates had been higher by 100 basis points, the net profit for the period of 12 months ended on 31 December 2009 would have been by TPLN 1 941 lower due to increased costs of borrowing costs.

Due to the fact that the Company pays its trade liabilities on time, operating income and cash flows of the Company are not materially exposed to interest rate risk.

Credit risk

Trade receivables are exposed to credit risk (Note No. 9).
The Company is not exposed to major risk concentration under credit sales. A relatively high number of buyers of the Company's services and goods results in not concentrated credit sales. Furthermore, the Company applies a policy restricting sales of services and goods to clients without an appropriate credit history. The implemented internal control procedures that provide for, among others, approving credit limits for clients depending on their economic standing, as well as approval procedures for new clients allow the Company to materially mitigate the level of credit risk.

Trade receivables with no impairment in value account for 83.5% of the gross value of those financial assets, including 60.4% of trade receivables which are not overdue (in 2009 those values amounted to 82.9% and 64.1%).
There are no financial assets for which repayment terms and conditions have been renegotiated and for which impairment in value should be ascertained in case of failing to carry out renegotiations.
An age analysis of overdue financial assets with no impairment in value is as follows: (in PLN '000)

	31 December 2010	31 December 2009
Overdue up to 30 days	12 249	8 741
Overdue from 31 to 90 days	8 301	6 667
Overdue from 91 to 180 days	4 306	2 050
Overdue from 181 to 360 days	3 843	839
Overdue over 360 days	91	-
Total assets	**28 790**	**18 297**

Value was impaired with respect to financial assets in the group of trade receivables and other receivables of TPLN 14 426, and a 100% revaluation write-down was applied. Impairment in value of individual financial assets is determined by the Company on the basis of an individual assessment of each client, in particular assessment of its financial condition and any collateral held. The Company uses as collateral primarily insurance of foreign receivables from eastern markets and blank promissory notes.

Liquidity risk

Liquidity risk is managed by assuming an adequate level of cash, access to funding due to a sufficient amount of granted loan instruments and ability to exit market positions. The Company maintains sufficient cash resources to cover its liabilities when due and has sufficient funding available from the existing credit lines.
Over 95% of trade liabilities of the Company fall due within 2 months from the balance sheet date. An analysis of the Company's bank loans by maturity is presented in note 14 of Additional Information.

Working capital management

Dividend policy

The aforementioned govern also the dividend policy adopted by the Group. Decisions about disbursement of dividend are each and every time preceded by an analysis of current and development needs of each company and the Capital Group as a whole.

All amounts in PLN'000 unless otherwise specified

3. New accounting standards and interpretations of the International Financial Reporting Interpretations Committee (IFRIC)

Certain new accounting standards and IFRIC interpretations have been published which are mandatory in relation to the reporting periods commencing after 31 December 2010.
Below, an assessment by the Company of the impact of those new standards and interpretations has been presented.
Some of the new standards and interpretations have not been approved by the European Union as of the day of approval of these financial statements.

Standards and interpretations approved by the EU

Standards and interpretations approved by the EU	Type of anticipated modification to accounting standards	Potential impact on financial statements	Effective date for periods beginning on or after
Amendments to IFRS 1 – Limited exemptions from comparative IFRS 7 disclosures for first-time adopters of IFRS.	The amendment concerns exemptions from disclosures for the comparative period of information required by the amended IFRS 7 for first-time adopters of IFRS. This exemption concerns a situation when the first financial statements were prepared for a period beginning not earlier than on 1 January 2010.	The amendment has no impact on the Company's financial statements.	1 July 2010 Pursuant to Commission Regulation No. 574/2010 each entity applies the aforementioned amendments to IFRS 1 and IFRS 7, at the latest, as from the commencement date of its first financial year starting after 30 June 2010.
Updated IAS 24 *Related party disclosures*	The amendment introduces an exemption relating to disclosures of the amounts of transactions concluded with related parties, the amounts of balances, including contingent liabilities, concluded with (a) the government which controls or co-controls the reporting unit or has major impact on it; and (b) another entity being a related party, due to the fact that the same government controls or co-controls the reporting unit and the other unit, or has major impact on it. The updated standard requires units which use this kind of exemption to carry out specific disclosures. The updated standard changes also the definition of a	The updated IAS 24 does not concern the Company's financial statements as the Company is not controlled by the government. Furthermore, it is not expected that the updated definition of the related companies will result in new liabilities the disclosure of which in the financial statements would be required.	1 January 2011 Pursuant to Commission Regulation No. 632/2010 each entity applies the aforementioned amendments, at the latest, as from the commencement date of its first financial year starting after 31 December 2010.

All amounts in PLN'000 unless otherwise specified

Standards and interpretations approved by the EU	**Type of anticipated modification to accounting standards**	**Potential impact on financial statements**	**Effective date for periods beginning on or after**
	related party in such a way that the definition covers by its scope additional entities such as e.g. companies associated with the controlling shareholder and companies controlled or co-controlled by members of the key managerial staff.		
Amendments to IAS 32 *Classification of Rights Issues*	The amendment requires that rights, options and warrants related to acquisition of a fixed number of an entity's own equity instruments for a fixed price stated in any currency constitute equity instruments if the entity offers the aforementioned rights, options and warrants pro rata to all existing owners of the same class of its own non-derivative equity instruments.	The amendments to IAS 32 have no impact on the Company's financial statements as the Company did issue such instruments in the past.	1 February 2010 Pursuant to Commission Regulation No. 1293/2009 each entity applies the aforementioned amendments, at the latest, as from the commencement date of its first financial year starting after 31 December 2010.
Amendments to IFRIC 14: *Prepayments of a minimum funding requirement*	The amended IFRIC 14 concerns accounting treatment of prepayments of minimum funding requirements. In accordance with those amendments, the entity is obliged to recognize such prepayments as assets due to the fact that it gains future economic benefits resulting from the prepayment. The benefits consist in lowering future contributions in the periods when payments related to minimum financial requirements would be due in case of lack of previous prepayments.	The amendments to IFRIC 14 have no impact of the Company's financial statements as the Company does not have defined benefit schemes specifying minimum funding requirements.	1 January 2011 Pursuant to Commission Regulation No. 633/2010 each entity applies the aforementioned amendments, at the latest, as from the commencement date of its first financial year starting after 31 December 2010.
IFRIC 19 Extinguishing financial liabilities with equity instruments	The interpretation specifies that equity instruments issued for the creditor in order to extinguish all or part of a financial liability is treated as consideration paid in accordance with IAS 39.41. At the time of initial recognition equity instruments issued in order to extinguish a financial liability are valued at the face value of those instruments unless their fair value cannot be reliably assessed. In such a case the equity instrument should be valued in such a way as to reflect the fair value of the liability which was extinguished as a result of its issue. The difference between the balance sheet value of the extinguished liability (or part thereof)	In the current period the Company did not issue any equity instruments in order to extinguish financial liabilities. Therefore, the interpretation will not have significant impact on the comparable data disclosed in the financial statements for the financial year ended on 31 December 2010. Furthermore, due to the fact that the interpretation may apply only to future transactions, it is not possible to determine in advance the impact of that interpretation.	1 July 2010 Pursuant to Commission Regulation No. 662/2010 each entity applies the aforementioned amendments to IFRS 19, at the latest, as from the commencement date of its first financial year starting after 30 June 2010.

All amounts in PLN'000 unless otherwise specified

Standards and interpretations approved by the EU	**Type of anticipated modification to accounting standards**	**Potential impact on financial statements**	**Effective date for periods beginning on or after**
	and the initial valuation of the equity instrument should be recognized in the profit or loss for the period.		

Standard and Interpretations pending EU approval

Standard and Interpretations pending EU approval	**Type of anticipated amendment to accounting standards**	**Potential impact on financial statements**	**Effective date for periods beginning on or after**
Amendments to International Financial Reporting Standards 2010	Amendments to International Financial Reporting Standards 2010 contain 11 amendments to 6 standards and 1 interpretation	The impact of the updated standard on the financial statements is unknown.	1 January 2011 with the exception for amendments to IFRS 3 Business combinations – Transition regulations concerning conditional payments in case of combinations carried out before entry into force of the aforementioned standard. Valuation of non-controlling shares, Share-based payment programmes which are not subject to change and voluntarily modified, IAS 27 Consolidated and Separate Financial Statements – Transition provisions concerning amendments to IAS 21, IAS 28 and IAS 31 which resulted from amendments to IAS 27 – where 1 July 2010 is the effective date.
Amendments to IFRS 7 *Disclosures – Reclassifications of*	The amendment requires disclosure of information which enables those using the financial statements to:	The Company does not expect the amendment to IFRS 7 to have significant impact on the financial statements due to the specific nature of the Company's operations and the type of held financial assets.	1 July 2011

Standard and Interpretations pending EU approval	**Type of anticipated amendment to accounting standards**	**Potential impact on financial statements**	**Effective date for periods beginning on or after**
financial assets	• understand the relationship between the reclassified financial asset which has not been excluded from the financial statements in whole, and the financial liability related to it; and • evaluate the nature, related risks and the level of the entity's involvement in the excluded asset. The amendment defines "continuing involvement" in order to comply with the requirements concerning disclosures.		
IFRS 9 *Financial instruments*	The new standard replaces the guidelines contained in IAS 39, Financial Instruments: *recognition and measurement,* relating to classification and valuation of financial assets. The standard eliminates the following categories existing in IAS 39: continued until the due date, held for sale, as well as loans and receivables. At the moment of initial recognition, financial assets will be classified in one of the following two categories: • financial assets measured at amortized cost; or • financial assets valued at fair value. A financial asset is measured at amortized cost provided the two following conditions are met: assets are held within a business model aimed at holding assets in order to obtain cash flow resulting from the contract; and, its contractual terms and conditions result in generating at certain periods cash flow constituting exclusively capital repayment and interest on outstanding capital. Profit and loss from measurement of financial assets measured at fair value are recognized in the profit/(loss) for a given period, unless a given investment in an equity instrument is held for sale. IFRS 9 provides for the possibility of measurement of such financial instruments at the time of their initial recognition, at fair value, on the other total income item. Such a decision is irrevocable. Such a choice may be made separately for each instrument. Values recognized in the other total income	The Company does not expect IFRS 9 to have any significant impact on the financial statements. It is expected that due to the specific nature of the Company's operations and the type of financial assets held, the classification principles and measurement of the Company's financial assets will not be affected due to application of IFRS 9.	1 January 2013

All amounts in PLN'000 unless otherwise specified

Standard and Interpretations pending EU approval	**Type of anticipated amendment to accounting standards**	**Potential impact on financial statements**	**Effective date for periods beginning on or after**
	may not be reclassified in subsequent periods to the profit and loss account.		
Amendments to IAS 39 *Financial instruments (issued in 2010)*	The amendments to IFRS 9 of 2010 amend the guidelines contained in IAS 39 Financial Instruments. *Recognition and measurement* concerning classification and valuation of financial liabilities, as well as exclusion of financial assets and financial liabilities. Within the standard, nearly all the requirements of IAS 39 binding to date as regards classification and measurement of financial liabilities and exclusion of financial assets and financial liabilities remain valid. The standard requires a change in fair value relating to the credit risk of the financial liability specified at the time of initial recognition as one measured at fair value in the profit/(loss) are presented as other total income. The remaining part of the profit/(loss) from measurement to fair value is recognized in the profit/(loss) for the current period. Where application of the aforementioned requirement results in the matching principle of income and costs being not observed, then the total change in the fair value is recognized in the profit or loss for a given period. The values presented in other total income are not later reclassified to the profit or loss for a given period. They can be only reclassified to equity. In accordance with IFRS 9 measurement of unrelated derivative financial instruments which need to be regulated through provision of unlisted equity instruments whose value cannot be reliably assessed should be carried out at fair value.	The Company does not expect IFRS 9 (2010) to have any significant impact on the financial statements. It is expected that due to the specific nature of the Company's operations and the type of financial assets held, the Company's principles of classification and measurement of its financial assets will not be affected due to application of IFRS 9.	1 January 2013
Amendments to IAS 12 *Taxes – Deferred income tax Recovery of underlying assets*	The amendment of 2010 introduces an exception to the currently binding measurement principles based on the manner of recovery of the carrying amount in accordance with par. 52 of IAS 12 for investment properties measured in accordance with the fair value mode pursuant to IAS 40 assuming that the manner of recovery of the carrying amount of the investment property is entirely through sale	The aforementioned amendments do not concern the Company's financial statements due to the fact that the Company does not hold ant investment properties accounted for in accordance with the fair value model compliant with IAS 40.	1 January 2012

Standard and Interpretations pending EU approval	**Type of anticipated amendment to accounting standards**	**Potential impact on financial statements**	**Effective date for periods beginning on or after**
	of those assets. The Management Board's intentions will have no impact unless the investment property is subject to amortization and is held within a business model aimed at consuming basically all economic benefits derived due this asset within its useful life. This is the only case when this assumption may be abandoned.		

All amounts in PLN'000 unless otherwise specified

4. Tangible fixed assets

Changes in tangible fixed assets from 1 January 2009 to 31 December 2010

	Land, buildings and structures	Plant, machinery and motor vehicles	Formwork systems	Other fixed assets	Fixed assets under construction	Total tangible fixed assets
GROSS VALUE						
As of 1 January 2009	**56 125**	**5 698**	**457 194**	**2 253**	**4 283**	**525 553**
Increase due to purchase	24 257	1 252	100 964	996	2 169	129 638
Increase - inventory surplus, reclassifications	3 413	-	2 340	5	(4 283)	1 475
Decrease - sales	(161)	(267)	(29 984)	(203)	-	(30 615)
Decrease- liquidation, shortages	(3 672)	(99)	(11 647)	(41)	-	(15 459)
As of 1 January 2010	**79 962**	**6 584**	**518 867**	**3 010**	**2 169**	**610 592**
Increase due to purchase	161	754	65 144	227	1 876	68 162
Increase - inventory surplus, reclassifications	-	1 001	3 316	276	(2 169)	2 424
Decrease - sales	-	(464)	(19 141)	(5)	-	(19 610)
Decrease- liquidation, shortages	(182)	(221)	(17 541)	(1 169)	-	(19 113)
As of 31 December 2010	**79 941**	**7 654**	**550 645**	**2 339**	**1 876**	**642 455**
ACCUMULATED AMORTIZATION						
As of 1 January 2009	**2 890**	**2 987**	**117 057**	**972**	**-**	**123 906**
Amortization for the period	1 442	1 046	65 812	357	-	68 657
Decrease - sales	(37)	(227)	(17 471)	(168)	-	(17 903)
Decrease- liquidation, shortages	(125)	(30)	(4 635)	(20)	-	(4 810)
As of 1 January 2010	**4 170**	**3 776**	**160 763**	**1 141**	**-**	**169 850**
Amortization for the period	2 044	1 073	74 837	398	-	78 352
Decrease - sales	-	(459)	(10 265)	(5)	-	(10 729)
Decrease- liquidation, shortages	(51)	(52)	(8 135)	(43)	-	(8 281)
As of 31 December 2010	**6 163**	**4 338**	**217 200**	**1 491**	**-**	**229 192**
NET VALUE:						
As of 31 December 2010	**73 778**	**3 316**	**333 445**	**848**	**1 876**	**413 263**
As of 1 January 2010	**75 792**	**2 808**	**358 104**	**1 869**	**2 169**	**440 742**
As of 1 January 2009	**53 235**	**2 711**	**340 137**	**1 281**	**4 283**	**401 647**

All amounts in PLN'000 unless otherwise specified

The depreciation of the tangible fixed assets was added to:

Item	12 months 2010	12 months 2009
Costs of sold products, goods and materials	77 865	68 151
Costs of sales and marketing	16	16
Overheads	471	490
Total	**78 352**	**68 657**

As of 31 December 2010, bank credit lines are secured on fixed assets (formwork) up to TPLN 302 056. As of 31 December 2009, the collateral amount was TPLN 289 143.
The net value of tangible fixed assets used pursuant to financial leasing contracts as of 31 December 2010 was TPLN 691, whereas as of 31 December 2009 – TPLN 834.

5. Intangible assets

Changes in intangible assets in the period from 1 January 2009 to 31 December 2010

	Licences and software	Other	Total intangible assets
GROSS VALUE			
As of 1 January 2009	**2 871**	**37**	**2 908**
Increase	562	-	562
Decrease – sales	(55)	-	(55)
As of 1 January 2010	**3 378**	**37**	**3 415**
Increase	145	-	145
Decrease – disposal, liquidation	(149)	-	(149)
As of 31 December 2010	**3 374**	**37**	**3 411**
ACCUMULATED AMORTIZATION			
As of 1 January 2009	**2 281**	**16**	**2 297**
Amortization for the period	483	8	491
Decrease – sales	(29)	-	(29)
As of 1 January 2010	**2 735**	**24**	**2 759**
Amortization for the period	312	7	319
Decrease – disposal, liquidation	(148)	-	(148)
As of 31 December 2010	**2 899**	**31**	**2 930**
NET VALUE:			
As of 31 December 2010	**475**	**6**	**481**
As of 1 January 2010	**643**	**13**	**656**
As of 1 January 2009	**590**	**21**	**611**

The amortization of the intangible assets was added to:

All amounts in PLN'000 unless otherwise specified

Item	12 months 2010	12 months 2009
Costs of sold products, goods and materials	120	258
Costs of sales and marketing	29	34
Overheads	170	199
Total	**319**	**491**

6. Financial instruments

	Balance sheet value		Fair value	
	31 December 2010	31 December 2009	31 December 2010	31 December 2009
Financial assets held for sale				
Cash	5 505	17 436	5 505	17 436
Receivables and loans granted				
Trade receivables and other receivables	73 598	55 785	73 598	55 785
Loans granted	13 339	13 079	13 339	13 079
Derivative instruments				
Financial instruments valued at fair value through profit and loss	177	846	177	846
Financial liabilities				
Variable interest rate loans	210 576	238 856	210 576	238 856
Trade liabilities and other liabilities	21 470	44 298	21 470	44 298

All amounts in PLN'000 unless otherwise specified

7. Investments in subsidiary and associated companies

As of 31 December 2010

No.	Entity name	Registered office	Business objects	Relationship character	Acquisition date	Interest value per acquisition price	Revaluation write-downs	Balance sheet value of shares/interests	Percentage of share capital held	Share in the total number of votes at the General Meeting
1	ULMA System S.A. in liquidation	Starachowice	manufacturing of metal products and structures	subsidiary company	11.07.2000	4 850	-	4 850	100	100
2	ULMA Opałubka Ukraina	Ukraine	sale and rental of formwork, sale of building materials	subsidiary company	18.07.2001	5 818	-	5 818	100	100
3.	ULMA Cofraje	Romania	sale and rental of formwork, sale of building materials	associated company	02.11.2007	2 917	-	2 917	30	30
4.	ULMA Opałubka Kazachstan	Kazakhstan	sale and rental of formwork, sale of building materials	subsidiary company	27.08.2010	84	-	84	100	100
						13 669	**-**	**13 669**		

All amounts in PLN'000 unless otherwise specified

8. Other fixed assets

The other fixed assets cover the value of perpetual usufruct right of TPLN 4 344. The perpetual usufruct right was acquired by the Company in 2007 and expires on 5 December 2089.

9. Trade receivables and other receivables

	As of: 31 December 2010	As of: 31 December 2009
Trade receivables from non-related parties	85 489	65 593
Revaluation write-down on trade receivables	(14 426)	(11 382)
Net trade receivables	*71 063*	*54 211*
Other receivables	46	39
Revaluation write-down on other receivables	-	-
Other net receivables	*46*	*39*
Prepaid expenses	805	616
Trade receivables from related parties	1 684	919
Loans granted	2 785	-
Total trade receivables and other receivables	**76 383**	**55 785**
including:		
Long-term portion	-	-
Short-term portion	76 383	55 785

On the basis of performed analyses, the Company assessed that the balance sheet value of particular receivables disclosed in these financial statements approximates the fair value of those receivables.

There is no concentration of credit risk related to trade receivables as the Company has a large number of clients.

The net amount of revaluation write-downs of receivables increased by the amount of receivables written off in the total amount of TPLN 2 649 (TPLN 1 822 in 2009) was recognized in the sales and marketing costs in the total income statement.

Change to the revaluation write-downs of trade and other receivables is as follows:

	12 months 2010	12 months 2009
Opening balance	**11 382**	**10 536**
Increase – revaluation write-downs of trade receivables	2 805	3 288
Increase – revaluation write-downs on delay interest	1 520	-
Exercise	(254)	(1 494)
Adjustment to earlier write-down	(1 027)	(948)
Closing balance	**14 426**	**11 382**

All revaluation write-downs of trade receivables relate to short-term receivables.

All amounts in PLN'000 unless otherwise specified

10. Stocks

	As of: 31 December 2010	31 December 2009
Materials	4 288	799
Goods	1 943	1 281
Net value of stocks	**6 231**	**2 080**
Revaluation write-down on stocks	(340)	(244)
Net value of stocks	**5 891**	**1 836**

11. Cash and cash equivalents

	As of: 31 December 2010	31 December 2009
Cash on hand and at bank	5 505	4 783
Short-term bank deposits	-	12 653
Total cash, including:	**5 505**	**17 436**
Cash with restricted availability	257	165

For the purposes of cash flow statements, the cash and overdraft facility include:

	As of: 31 December 2010	31 December 2009
Cash and cash equivalents	5 505	17 436
Overdraft facility (note 14)	(3 702)	-
Cash and cash equivalents evidences recognized in the cash flow account	**1 803**	**17 436**

12. Share capital

	Number of shares	Nominal value of shares	Share premium	Total
As of 1 January 2009	**5 255 632**	**10 511**	**114 990**	**125 501**
- increase	-	-	-	-
- decrease	-	-	-	-
As of 31 December 2009	**5 255 632**	**10 511**	**114 990**	**125 501**
- increase	-	-	-	-
- decrease	-	-	-	-
As of 31 December 2010	**5 255 632**	**10 511**	**114 990**	**125 501**

All shares are ordinary bearer shares with nominal value of PLN 2.00. All shares are fully paid up.

As of 31 December 2010, the shareholding structure of the Company was as follows:

	Share capital	**Votes at the General**

	Number of shares	%	Meeting of Shareholders Number of votes	%
ULMA CyE, S. Coop	3 967 290	75.49	3 967 290	75.49
OFE Aviva BZ WBK	306 822	5.84	306 822	5.84
Small shareholders	981 520	18.67	981 520	18.67

Information on a proposed distribution of the profit generated in 2010 is included in Note 29.

13. Trade liabilities and other liabilities

	As of: 31 December 2010	As of: 31 December 2009
Trade liabilities towards non-related parties	16 881	13 827
Liabilities towards related parties	2 058	27 938
Social insurance and other liabilities	6 609	3 710
Accrued expenses	2 313	1 856
Deferred income	-	516
Other liabilities	218	161
Total trade liabilities and other liabilities	**28 079**	**48 008**
including:		
Long-term portion	-	-
Short-term portion	28 079	48 008

14. Loans

	As of: 31 December 2010	As of: 31 December 2009
Long-term		
Bank loans	140 453	182 479
Total long-term loans	**140 453**	**182 479**

	As of: 31 December 2010	As of: 31 December 2009
Short-term		
Overdraft facility (note 11)	3 702	-
Bank loans	66 421	56 377
Total short-term loans	**70 123**	**56 377**

Bank loans are secured on fixed assets - formwork (registered pledges) in accordance with the information contained in Note 4.

All amounts in PLN'000 unless otherwise specified

Blank promissory notes are used as additional collateral.
Interest on bank loans accrues monthly on the basis of the prevailing WIBOR rate plus a margin specified in each loan agreements.

Structure of maturity of long-term loans:

	31 December 2010	31 December 2009
From 1 to 2 years	53 397	52 834
From 2 to 5 years	87 056	120 359
Over 5 years	-	9 286
Total long-term loans	**140 453**	**182 479**

The effective interest rates as of the balance sheet date were as follows:

	31 December 2010	31 December 2009
Overdraft facility	5.88	5.11
Bank loans	5.74	5.23

The Company has at its disposal the following credit limits that have not been drawn:

	31 December 2010	31 December 2009
With variable interest:		
- expiring within one year	4 298	8 000
- expiring after one year	10 000	16 081
Total credit limits which have not been drawn	**14 298**	**24 081**

15. Leasing

15 a) Financial leasing

The assets used under leasing contracts, as presented in the table below, cover forklift trucks and machines for cleaning formwork:

	As of	
	31 December 2010	31 December 2009
Initial value of leased fixed assets	768	1 612
Depreciation	(77)	(778)
Net book value	**691**	**834**

The depreciation of leased fixed assets under concluded financial leasing contracts during 12 months ended on 31 December 2010 amounted to TPLN 147, whereas during 12 months ended on 31 December 2009 it amounted to TPLN 170.

	As of:	
	31 December	31 December

All amounts in PLN'000 unless otherwise specified

	2010	2009
Under one year	146	241
From 1 to 5 years	423	569
Total amount of minimum leasing fees by maturity:	**569**	**810**

	As of: 31 December 2010	31 December 2009
Under one year	146	241
From 1 to 5 years	423	569
Total amount of present value of minimum leasing fees by maturity:	**569**	**810**

An analysis performed by the Company showed that the total value of minimum leasing fees is not materially different from the total amount of the present value of those fees.

Material provisions of leasing contracts

- the leasing period is usually 5 years,
- the amount of conditional leasing fees is based on a WIBOR rate plus a margin,
- the leasing contracts provide for a call option of the leased assets after the end of the leasing term,
- the contracts do not provide for any restrictions concerning additional indebtedness or additional leasing contracts.

15 b) Operational leasing

Operational leasing contracts include acquired perpetual usufruct right of land.

The total amount of future minimum fees under perpetual usufruct right of land is as follows:

	As of: 31 December 2010	31 December 2009
Under one year	9	9
From 1 to 5 years	35	35
Over 5 years	654	663
Total	**698**	**707**

Pursuant to the relevant agreement the perpetual usufruct right expires on 5 December 2089.

16. Deferred income

	As of: 31 December 2010	31 December 2009
Deferred income tax assets	7 383	7 068
Deferred income tax liabilities	(12 099)	(9 320)

All amounts in PLN'000 unless otherwise specified

Balance sheet value of deferred income tax asset (liability)	**(4 716)**	**(2 252)**

Changes to the deferred income tax assets and liabilities introduced during the year (before set-off within one jurisdiction) are as follows:

Deferred income tax liabilities

Item of temporary differences	Valuation of tangible fixed assets	Unrealized foreign exchange gains (loss)	Other	Total
As of 1 January 2009	**5 577**	**144**	**108**	**5 829**
Recognition of profit/(loss)	(531)	(622)	(366)	**(1 519)**
Charge to profit/(loss)	3 932	592	486	**5 010**
As of 31 December 2009	**8 978**	**114**	**228**	**9 320**
Recognition of profit/(loss)	(13)	(195)	(589)	**(797)**
Charge to profit/(loss)	3 095	86	395	**3 576**
As of 31 December 2010	**12 060**	**5**	**34**	**12 099**

Deferred income tax assets

Item of temporary differences	Tax losses	Leasing	Provisions for costs	Unrealized foreign exchange gains (loss)	Total
As of 1 January 2009	**-**	**50**	**1 795**	**173**	**2 018**
Recognition of profit/(loss)	5 505	-	1 007	574	**7 086**
Charge to profit/(loss)	-	(32)	(1 490)	(514)	**(2 036)**
As of 31 December 2009	**5 505**	**18**	**1 312**	**233**	**7 068**
Recognition of profit/(loss)	56	-	1 073	447	**1 576**
Charge to profit/(loss)	-	(18)	(857)	(386)	**(1 261)**
As of 31 December 2010	**5 561**	**-**	**1 528**	**294**	**7 383**

17. Liabilities under pension benefits

	31 December 2010	31 December 2009
Financial statement liabilities under:		
Pension benefits	104	78
	104	**78**

All amounts in PLN'000 unless otherwise specified

The Company performs an actuarial assessment of provisions for pensions at the end of each financial year.

	12 months 2010	12 months 2009
Allocation to provision for pension benefits	8	8
Interest expenses	5	4
Net actuarial profit and loss	13	
Disbursed benefits	-	(9)
Total expensed amount of employee benefits	**26**	**3**

Change in balance sheet liabilities:

	12 months 2010	12 months 2009
Provision for pension benefits at the beginning of period	78	75
Allocation to provision for pension benefits	8	8
Interest expenses	5	4
Net actuarial profit and loss	13	-
Disbursed benefits	-	(9)
Provision for pension benefits at the end of the period	**104**	**78**

18. Sales revenues

	12 months 2010	12 months 2009
Revenues from construction servicing	186 925	136 877
Revenues from sale of building goods and materials	18 851	29 786
Total sales revenues	**205 776**	**166 663**

19. Costs by type

	12 months 2010	12 months 2009
Depreciation of tangible fixed assets and amortization of intangible assets	78 671	69 148
Costs of employee benefits (note 19 a)	26 931	26 048

All amounts in PLN'000 unless otherwise specified

Consumption of raw materials, other materials and energy	9 131	6 516
Transportation services	13 142	13 962
Rental and lease services	7 343	7 554
Overhaul services	4 908	9 512
Assembly services	7 679	1 926
Other third party services	12 309	7 756
Other expenses	6 807	5 655
Value of sold goods, materials and formwork (fixed assets)	14 252	16 964
Total costs by type	**181 173**	**165 041**
Costs of benefits to the entity's own needs	(2)	(161)
Costs of sales and marketing	(5 752)	(4 894)
Overheads	(9 509)	(8 948)
Costs of sold products, goods and materials	**165 910**	**151 038**

19 a) Costs of employee benefits

Salaries and severance pay	22 395	21 766
Social insurance and employee benefits	4 536	4 282
Total costs of employee benefits	**26 931**	**26 048**

20. Other operating income and expenses

20 a) Other operating income

	12 months 2010	12 months 2009
Inventory surplus	1 851	1 370
Gains due to change in fair value of term contracts	1 934	709
Damage received - lost tangible fixed assets and working assets	119	65
Written-off liabilities	23	1
Sale of tangible fixed assets	124	109
Reinvoices	300	335
Revaluation write-down on stocks	-	40
Other income	136	91
Total other operating income	**4 487**	**2 720**

20 b) Other operating expenses

	12 months 2010	12 months 2009
Inventory shortages	(1 029)	(813)
Loss due to change in fair value of future contracts	(1 847)	(412)
Lost tangible fixed assets and working assets	(18)	(37)
Liquidation of tangible fixed assets	(3 476)	(2 472)
Revaluation write-down on stocks	(96)	(19)

All amounts in PLN'000 unless otherwise specified

Other expenses	(174)	(160)
Total other operating expenses	**(6 640)**	**(3 913)**

21. Financial income and expenses

21 a) Financial income	12 months 2010	12 months 2009
Interest revenue:		
- Loans granted	1 390	1 261
- on cash in bank accounts	112	335
Gains due to change in fair value of future contracts under financial operation	720	987
Divident received	20 000	11 440
Total financial income	**22 222**	**14 023**

21 b) Financial expenses		
Interest expenses:		
- bank loans	(13 460)	(11 238)
- leasing	(41)	(11)
- delay interest	(5)	(11)
	(13 506)	**(11 260)**
Foreign exchange gains (loss)	(468)	(1 672)
Costs of obtaining a loan	(151)	(302)
Bank Guarantee Fund	(59)	-
Other	(249)	-
Total financial expenses	**(14 433)**	**(13 234)**

22. Income tax

	12 months 2010	12 months 2009
Current tax	-	-
Deferred income tax (note 16)	(2 465)	1 559
Total income tax	**(2 465)**	**1 559**

The difference between the gross corporate income tax of the Company and the theoretical amount that would have been achieved if the applicable tax rate had been applied to gross income:

	12 months 2010	12 months 2009
Gross profit	**30 241**	**1 379**
Tax calculated at the applicable rates (19%)	5 746	262
Non taxable income	(4 450)	(3 041)

All amounts in PLN'000 unless otherwise specified

Non-tax deductible expenses	1 169	1 220
Corporate income tax	**2 465**	**(1 559)**

Tax authorities may inspect the books of account and tax returns within 5 years from the end of the year in which tax declarations are filed and charge the Company with additional tax assessment along with penalty interest. According to the Management Board, there are no circumstances indicating the possibility of any material tax liabilities.

23. Measure of financial instruments at fair value

On the basis of performed analyses, the Company assessed that the balance sheet value of particular financial instruments disclosed in these financial statements approximates the fair value of those instruments.

24. Profit per share

Profit per share is calculated as the quotient of profit distributable among shareholders of the Company and the weighted average number of ordinary shares during the year.

	12 months 2010	12 months 2009
Profit due to the shareholders of the parent company	27 776	2 938
Number of ordinary shares as of the balance sheet date	5 255 632	5 255 632
Weighted average number of ordinary shares	5 255 632	5 255 632
Primary profit per share (in PLN per share)	5.29	0.56
Diluted profit per share (in PLN per share)	5.29	0.56

25. Contingent items

As of the balance sheet date, the Company had an agreement of 27 September 2010 concluded between ULMA Construccion Polska S.A. and FORTIS BANK POLSKA S.A. on a credit limit of TPLN 2 000 within which the following guarantees may be issued:
1. bid bond,
2. performance bond,
3. bank guarantee on advance repayment,
4. payment guarantee.

The agreement was concluded for 10 years with the first credit period until 31 March 2011.
As of the balance sheet date, the payment guarantees issued by the Bank under the above agreement amount to TPLN 854. The aforementioned guarantee is valid until 31 March 2011.

26. Events after the balance sheet date

After the balance sheet date, no events occurred that would have a material impact on these financial statements.

27. Transactions with related entities

All amounts in PLN'000 unless otherwise specified

The Group is controlled by ULMA C y E, S. Coop. with its registered office in Spain which holds 75.49 % of the Company's shares. The remaining 24.51 % of the shares are held by numerous shareholders.

The ULMA Construccion Polska S.A. Capital Group is composed of the following companies:

Parent company:

ULMA Construccion Polska S.A. with its registered office in Warsaw

Subsidiary companies:

- Ulma System S.A. in liquidation with its registered office in Starachowice at ul. Radomska 29 was established on 11 July 2000 – Notary Deed Ref. A 2105/2000. The company was registered by a decision of the District Court in Kielce, 10^{th} Commercial Division in the Register of Entrepreneurs under number KRS 0000054140. The business objects of the Company include manufacturing of metal products and structures. The Issuer's share in the capital and the total number of votes is 100%.
  On 31 May 2010, the Extraordinary General Meeting of Shareholders of ULMA System S.A. adopted a resolution on the Company's liquidation.
  As of 31 December 2010, the Company did not carry out production.

- ULMA Opałubka Ukraina with its registered office in Kiev at Gnata Juri 9 was established on 18 July 2001. It was registered in the Sviatoshin Branch of State Administration for the City of Kiev under number 5878/01 and was granted ID code 31563803. The business object of the company is sale and rental of formwork as well as sale of construction materials. The Issuer's share in the capital and the total number of votes is 100%.

- On 27 August 2010, a subsidiary company ULMA Opałubka Kazachstan sp. z o.o. with its registered office in Astana, at. Taszenowa 25 was established. The company's strategic objective will be development of the Capital Group's business objects, i.e. rental of formwork and scaffoldings, as well as dissemination of knowledge in the area of application of the formwork technology in the construction process executed in Kazakhstan. Issuer's share in the capital and the total number of votes is 100%.

Associated company:

ULMA Cofraje SRL with its registered office in Bucharest at Chitilei 200 was established on 9 October 2007. It is registered with the National Office of Commercial Register in Bucharest under number 22679140. The business object of the Company is rental and sale of construction scaffolding and formwork, including also leasing operations. The Issuer's share in the capital and the total number of votes is 30%. The other 70% in the capital of the Company belongs to the entity controlling the Group - ULMA C y E, S. Coop. with its registered office in Spain.

The transactions concluded on an arm's length basis by ULMA Construccion Polska S.A. with its related companies were typical and routine, and their nature and terms and conditions resulted from their current operations.

Details of the transactions of companies of ULMA Construccion Polska S.A. with its related parties:

	As of	
Balances on the accounts as of the balance sheet date	31 December 2010	31 December 2009

Receivables of ULMA Construccion Polska S.A. from entities of the Group	1 685	919
Liabilities of ULMA System S.A. towards entities of the Group	2 058	27 938

Sale and purchase from entities of the Group	12 months 2010	12 months 2009
Sales of ULMA Construccion Polska S.A. to entities of the Group	6 278	10 546
Purchases of ULMA Construccion Polska S.A. from entities of the Group	51 868	92 331

Loans, interest, dividend	12 months 2010	12 months 2009
Loans granted to ULMA Construccion Polska S.A. to entities of the Group – in TEUR	-	3 100
Loans repaid by the entities of the Group – in TEUR	435	-
Interest revenue under loans granted to entities of the Group - in TEUR	320	
Loans granted to ULMA Construccion Polska S.A. to entities of the Group – in TPLN	2 785	-
Interest revenue under loans granted to entities of the Group - in TPLN	154	-
Dividend received from entities of the Group	20 000	11 440

ULMA Construccion Polska S.A. granted its subsidiary ULMA Opałubka Ukraina sp. z o.o. an investment loan in the amount of TEUR 3 100 with a fixed interest rate at the market level. Pursuant to Annex of 29 December 2010 the date of the loan repayment was specified for 25 December 2013.

ULMA Construccion Polska S.A. granted its subsidiary company ULMA System S.A. in liquidation a long-term loan in the amount of TPLN 3 500 with a fixed-interest loan at the market level.

28. Remuneration of Members of the Management Board and of the Supervisory Board

	12 months 2010	12 months 2009
<u>Management Board of ULMA Construccion Polska S.A</u>		
Andrzej Kozłowski	784	770
Andrzej Sterczyński	363	360
Krzysztof Orzełowski	357	336
<u>Supervisory Board of ULMA Construccion Polska S.A.</u>		
Rafał Alwasiak	35	-

The other Members of the Management Board and Members of the Supervisory Board were not paid any remuneration in the presented periods.

29. Proposed profit distribution

The Management Board of ULMA Construccion Polska S.A. proposes to allocate the net profit for 2010 in the amount of PLN 27 776 463.49 to an increase of the Company's supplementary capital.

30. Translation of selected financial data into EUR

Translation of selected financial data into EUR has been presented in the table below:

Item	in TPLN		in TEUR	
	12 months 2010	12 months 2009	12 months 2010	12 months 2009
Net revenues from sale of products, goods and materials	205 776	166 663	51 387	38 396
Operating profit (loss)	22 452	590	5 607	136
Gross profit (loss)	30 241	1 379	7 552	318
Net profit (loss)	27 776	2 938	6 936	677
Operating cash flow	96 344	85 594	24 060	19 719
Net cash flow from investments	(66 288)	(113 405)	(16 554)	(26 126)
Net cash flow from financing activities	(45 729)	42 522	(11 420)	9 796
Net cash flow	(15 673)	14 711	(3 914)	3 389

	in TPLN		in TEUR	
	31 December 2010	31 December 2009	31 December 2010	31 December 2009
Total assets	530 267	548 451	133 896	133 501
Liabilities	244 044	290 004	61 623	70 591
Long-term liabilities	145 669	185 355	36 782	45 118
Short-term liabilities	98 375	104 649	24 840	25 473
Equity	286 223	258 447	72 273	62 910
Share capital	10 511	10 511	2 654	2 559
Weighted average number of shares	5 255 632	5 255 632	5 255 632	5 255 632
Number of shares as of the balance sheet date	5 255 632	5 255 632	5 255 632	5 255 632
Book value per share (in PLN/EUR)	54.46	49.18	13.75	11.97
Diluted profit per share (PLN/EUR)	5.29	0.56	1.33	0.13
Basic profit per share (PLN/EUR)	5.29	0.56	1.33	0.13

The specific asset and equity as well as liability items were translated into EUR at the average rates of exchange announced by the President of the National Bank of Poland prevailing as of the balance sheet date. The EUR average rate as of 31 December 2010 was PLN 3.9603, and as of 31 December 2009 – PLN 4.1082.

While translating the items of the statement of total income and cash flow statement items, a rate being the arithmetic mean of the rates prevailing as of the last day of each month in a given period was applied. For the period 1 January – 31 December 2010 this rate was 4.0044 PLN/EUR, while the data for the analogous period in 2009 were translated at the rate 4.3406 PLN/EUR.

On behalf of the Management Board of ULMA Construccion Polska S.A.

Andrzej Kozłowski, President of the Management Board ....

Andrzej Sterczyński, Member of the Management Board ....

Krzysztof Orzełowski, Member of the Management Board ....

José Irizar Lasa, Member of the Management Board..

José Ramón Anduaga Member of the Management Board ....

Signature of the person responsible for maintaining bookkeeping

Henryka Padzik, Chief Accountant ………………………………………

Warsaw, 8 March 2011