EXTENDED CONSOLIDATED REPORT OF

the ULMA Construccion Polska S.A. CAPITAL GROUP

FOR Q1 2010

All amounts in PLN ’000 unless specified otherwise

General information

- **Business object**

The business objects of the ULMA Construccion Polska S.A. Capital Group (hereinafter referred to as the Group) are as follows:

- production, rental and sale of construction scaffolding and formwork,
- development of applications of scaffolding and formwork on commission,
- export of construction services rendered by the companies of the Group,
- sale of construction materials and concrete accessories,
- transport, equipment and overhaul services related operations, including sale and rental of building equipment.

The parent entity ULMA Construccion Polska S.A. is a joint-stock company (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, XIII 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 Shareholder 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. (the parent company of the ULMA Construccion Polska S.A. Capital Group)
ul. Klasyków 10
03-115 Warszawa

- **Supervisory Board and Management Board of the Company**

Supervisory Board

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 Maestre Escudero	Member of the Supervisory Board
Pedro Telleria Goenaga	Member of the Supervisory Board
Felix Esperesate Gutierrez	Member of the Supervisory Board.

Management Board

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 Sterczyński	Member of the Management Board

- **Auditor**

KPMG Audyt Sp. z o.o.
ul. Chłodna 51
00-867 Warszawa
The company is entered into the list of entities entitled to audit financial statements under number 458.

- **Banks**

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

- **Listing**

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

ULMA Construccion Polska S.A. CAPITAL GROUP
CONSOLIDATED STATEMENT OF FINANCIAL POSITION

All amounts in PLN '000 unless specified otherwise

As of:

	31 March 2010	**31 December 2009**	**31 March 2009**
ASSETS			
I. Fixed assets (long-term)			
1. Tangible fixed assets	435 491	442 947	400 055
2.Intangible fixed assets	591	669	542
3.Interest in associated entities	2 404	2 380	2 385
14.Deferred income tax assets	163	-	-
5.Other fixed assets	4 385	4 399	4 40
Total fixed assets (long-term)	**443 034**	**450 395**	**407 422**
II. Current assets (short-term)			
1. Stocks	**12 083**	**13 313**	**15 108**
2.Trade liabilities and other liabilities	**58 888**	**60 467**	**50 137**
3.Income tax receivables	**156**	**120**	**2 889**
4.Derivative financial instruments	**1 953**	**918**	**13**
5. Cash and cash equivalents	**17 225**	**19 368**	**25 515**
Total current assets (short-term)	**90 305**	**94 186**	**93 662**
Total assets	**533 339**	**544 581**	**501 084**
EQUITY AND LIABILITIES			
I. Equity			
1.Share capital	10 511	10 511	10 511
2.Supplementary capital – share premium	114 990	114 990	114 990
3. Foreign exchange gains (losses) from consolidation	(4 999)	(5 563)	(2 862)
4. Retained profit, of which:	132 868	136 864	139 143
a) Net profit for the period	*(3 996)*	*(5 484)*	*(3 205)*
Total equity	**253 370**	**256 802**	**261 782**
II. Liabilities			
1. Long-term liabilities			
a. Loans	182 451	182 479	165 658
b. Deferred income tax liabilities	-	749	1 798
c. Long-term liabilities under pension benefits	78	78	74

All amounts in PLN '000 unless specified otherwise

d. Long-term liabilities under financial leasing	532	569	53
Total long-term liabilities	**183 061**	**183 875**	**167 583**
2. Short-term liabilities			
a) Loans	66 762	56 377	42 441
b. Short-term liabilities under pension benefits	24	24	9
c. Short-term liabilities under financial leasing	198	241	169
d. Derivative instruments	-	-	187
e. Trade liabilities and other liabilities	29 924	47 262	28 913
Total short-term liabilities	**96 908**	**103 904**	**71 719**
Total liabilities	**279 969**	**287 779**	**239 302**
Total equity and liabilities	**533 339**	**544 581**	**501 084**

All amounts in PLN '000 unless specified otherwise

	Q1 2010 period from 1 January to 31 March 2010	**Q1 2009 period from 1 January to 31 March 2009**
Sales revenues	40 267	40 312
Costs of sold products, goods and materials	(37 497)	(36 676)
I. Gross profit on sales	**2 770**	**3 636**
Costs of sales and marketing	(1 632)	(1 736)
Overheads	(2 690)	(2 455)
Other operating costs	(451)	(297)
II. Operating profit (loss)	**(2 003)**	**(852)**
Financial income	878	407
Financial expenses	(3 637)	3 270)
Net financial expenses	(2 759)	(2 863)
Interest in profit (loss) of associated companies	24	84
III. Gross profit (loss)	**(4 738)**	**(3 631)**
Current income tax	(40)	(1)
Deferred income tax	782	427
IV. Profit (loss) for the financial period	**(3 996)**	**(3 205)**
Foreign exchange gains (loss) from translation of a subsidiary company	659	1 209

Income tax related to the other total income item	(131)	(132)
V. Total income tax for the financial period	**(3 432)**	**(2 128)**

Net profit (loss) for the financial period allocable to owners of the parent company	(3 996)	(3 205)
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)	(0.76)	(0.61)

All amounts in PLN '000 unless specified otherwise

Item	Share capital at nominal value	Share premium	Foreign exchange gains (losses)	Retained profit	Total equity
As of 31 December 2008	10 511	114 990	(3 939)	142 348	263 910
Total income in 2009	10 511	114 990	(1 624)	(5 484)	(7 108)
As of 31 December 2009	10 511	114 990	(5 563)	136 864	256 802
Total income in Q1 2010	-	-	564	(3 996)	(3 432)

Item	Share capital at nominal value	Share premium	Foreign exchange gains (losses)	Retained profit	Total equity
As of 31 December 2008	10 511	114 990	(3 939)	142 348	263 910
Total income in Q1 2009	-	-	1 077	(3 205)	(2 128)
As of 31 March 2010	10 511	114 990	(2 862)	139 143	261 782

ULMA Construccion Polska S.A. CAPITAL GROUP
CONSOLIDATED CASH FLOW STATEMENT

All amounts in PLN '000 unless specified otherwise

	Q1 2010 period from 1 January to 31 March 2010	**Q1 2009 period from 1 January to 31 March 2009**
Cash flows from operating activities		
Net profit for the financial period	**(3 996)**	**(3 205)**
Adjustments:		
- Income tax	(743)	(426)
- Depreciation of fixed assets	18 733	16 324
- Amortization of intangible fixed assets	106	126
- Net value of sold formwork – fixed assets	2 580	2 437
- Interest in the financial result of associated companies	(24)	(83)
- Interest received	(87)	(71)
- Interest expenses	3 437	3 174
- (Gains)/losses from foreign exchange differences	612	662
Changes in the current assets:		
- Stocks	1 230	936
- Trade liabilities and other liabilities	544	5 468
- Trade liabilities and other liabilities	(692)	(10 272)
- Provisions for liabilities and other charges	- 21 700	- 15 070
Income tax paid	(75)	(1)
Net cash flows from operating activities	**21 625**	**15 069**
Acquisition of tangible fixed assets Inflows from sale of tangible fixed assets	(30 787)	(13 657)
Inflows from sale of tangible fixed assets	57	26
Acquisition of intangible fixed assets	**(27)**	**(37)**
Acquisition of financial assets	**-**	**-**
Interest received	87	71

All amounts in PLN '000 unless specified otherwise

Net cash flows from investing activities	**(30 670)**	**(13 597)**
Proceeds from issue of shares	**-**	**-**
Loans received	**16 209**	**26 956**
Repayments of loans	(7 425)	(5 853)
Payments due to financial leasing	(80)	(40)
Interest paid	(3 437)	(3 174)
Others	**-**	**-**
Net cash flows from financing activities	**5 267**	**17 889**
Net increase/(decrease) in cash and overdraft facility	**(3 778)**	**19 361**
Opening cash and overdraft facility	19 368	3 804
(Gains)/losses due to valuation of cash and overdraft facility	62	106
Closing cash and overdraft facility	**15 652**	**23 271**

Notes to consolidated financial statements

1. Description of key accounting principles

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

A) Basis

The consolidated financial statements for the period of 3 months ended on 31 March 2010 of the ULMA Construccion Polska S.A. Capital Group for which ULMA Construccion Polska S.A. with its registered office in Warsaw is the parent entity were made in compliance with IAS 34 "Interim Financial Reporting".

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) Consolidation

Subsidiary companies are all those companies (including special purpose vehicles) in relation to which the Group can manage their financial policies and operations, which is usually associated with holding a majority of votes in their governing bodies. While assessing if the Group indeed controls a given entity, the existing voting rights and the impact of potential voting rights that may be exercised or exchanged at a given time are taken into account. Subsidiary entities are subject to full consolidation from the date control over them is assumed by the Group. The consolidation is discontinued when control ceases to exist. Take-over of subsidiary companies by the Group is settled through application of the purchase method. The take-over cost is equivalent to the fair value of the received assets, issued capital instruments and liabilities contracted or accepted as of the exchange date, increased by costs directly related to the take-over. Identifiable acquired assets and liabilities, including contingent liabilities, acquired as a result of a merger of economic entities are initially value at their fair value as of the take-over date, irrespective of minority interests, if any. The surplus of the take-over cost over the interest fair value of the Group in identifiable acquired net assets is recognized as goodwill. If the take-over cost is lower than the net asset fair value of the acquired subsidiary, the difference is recognized directly in the total income statement.

Transactions, settlements and unrealized profit on transactions carried out within the Group are eliminated. Unrealized losses are also eliminated unless the transaction provides evidence of impairment in value by the delivered asset item.
Foreign exchange gains/losses on cash items that are part of net investments in an entity operating abroad are recognized respectively in separate financial statements of the entity preparing the financial statements or the entity operating abroad. Foreign exchange gains/losses are initially recognized in a separate equity item and when the net investment is disposed of, they are recognized in the financial result.
The accounting principles used by the subsidiary entities were changed to the extent required to assure compliance with the accounting principles applied by the Group.

All amounts in PLN '000 unless specified otherwise

C) Valuation of foreign currency denominated items

1. Functional currency and presentation currency

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

3. Foreign companies

Financial statements of the member companies of the ULMA Polska S.A. Capital Group whose functional currencies are different from the presentation currency, are translated into the presentation currency as follows:

a) assets and liabilities are translated at the closing rate of exchange prevailing on the balance sheet date,
b) income and expenses in the total income statement are translated separately for each financial month at the closing rate of exchange prevailing as at the last day of each month,
c) all the resulting foreign exchange gains and losses are recognized as a separate equity item.

4. Exchange rates and inflation

	Average PLN exchange rate to Hryvnia (UAH) published by the National Bank of Poland	Average PLN exchange rate to EUR published by the National Bank of Poland	Change of consumer price index published by the Central Statistical Office
31 March 2010	0.3630	3.8622	3.0%
31 December 2009	0.3558	4.1082	3.5%
31 March 2009	0.4307	4.7013	3.3%

D) 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. Subsequently, the value is revalued to the current fair value. The derivative instruments held by the Group do not qualify for hedging accounting and therefore the result of their revaluation to fair value is recognized in the total income statements (in the other operating income/expenses).
As of each balance sheet date, the Group makes a review if there are any premises indicating impairment in value of elements of financial assets. If such events occur, the Group recognizes the cumulated loss in the total income statement as a difference between the balance sheet value and the current fair value, simultaneously decreasing the balance sheet value of the asset item.

E) Tangible fixed assets

Tangible fixed assets being 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. The purchase price or manufacturing costs determining the initial value of fixed assets do not include the costs of service of liabilities contracted in order for the fixed assets to be financed.

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 Group, 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 Group is recognized at cost and is not depreciated. The other fixed assets are depreciated with the linear method in order to cover the original value decreased by any residual value over their useful life for each group type.
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 1I).

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 total income statement.

F) Leasing – lessee's accounting

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 Group 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 Group take 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 Group will acquire the title, the assets are depreciated over the shorter of the following periods: leasing period and their useful life.

G) 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 under operating leasing are recognized throughout the leasing period with the linear method.

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

H) Intangible fixed assets

1. Software

Purchased licences for computer software is recognized as an asset in the amount spent on the purchase and preparation for use of specific software. The asset is amortized over the estimated useful life of the software of 2– 5 years.

2. Patents and know-how

Patents and know-how have limited (definite) useful economic life and are disclosed in the statement of financial position at historical cost minus amortization to date. Amortization accrues with the linear method so that the cost is amortized over the useful life (17 years).

I) 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. 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 component exceeds its recoverable value. The recoverable value is the higher of: fair value minus 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.

J) Investments

Financial assets available for sale

Investments of the Group include the value of shares in other entities than its subsidiary or associated companies. Investments in other entities are disclosed as financial assets available 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 total income statement. Financial instruments available 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.

K) 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 sale price. The costs of finished products and production in progress include development costs, the value of consumer raw materials, direct labour, other direct costs and the corresponding departmental production costs (on the basis of normal production capacity), they do not, however, cover the costs of external funding. The sale 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 constitutes the net sale price.

The turnover of stocks is valued according to the "first in, first out" (FIFO) principle with the exception of raw materials and materials for the production of formwork where the turnover is valued at the weighted average purchase prices.

If necessary, revaluation write-downs are made with respect to obsolete, non marketable and defective stocks.

Semi-finished products, production in progress and finished products covering formwork and components thereof manufactured by the Group can be marketed or recognized as fixed assets for rent. The Group recognizes formwork as tangible fixed assets when evidenced as products for rent.

L) Trade liabilities and other liabilities

Trade receivables are initially recognized at fair value and subsequently revalued 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 as uncollectible are expensed when determined as uncollectible. When the Management Board finds it probable that the Group 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 of the write-downs revaluating the value of trade receivables are recognized in the total income statement as costs of sale 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.

M) 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.

N) Stocks

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 reserve capital.

Retained profit

The "Retained profit" equity item discloses retained profit as cumulated, retained profit and loss incurred by the Group in the preceding financial periods and the profit/loss for the current financial year.

O) Loans

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.

Loans are classified as short-term liabilities unless the Group holds an unconditional right to defer the repayment of such liabilities by minimum 12 months from the balance sheet date.

P) Provisions

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

Q) Accruals and deferred income

The item "Trade and other liabilities" the Group discloses

- reliably estimated costs incurred in the relevant reporting period that were not invoiced by suppliers until the balance sheet date. The timing and manner of settling such costs is 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.

R) 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 Group.
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 Group.

S) Revenues

Revenues include the fair value of revenues from sale of products, goods and services minus VAT, rebates and discounts.
The Group 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 Group.

1. Revenues from sale of products and materials

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 Group'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 Group'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:

- the revenue amount can be reliably estimated,
- 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 Group. If a receivable loses in value, the Group 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.

T) 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.

U) Employee 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 Group 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.

Additional information to the quarterly report

Brief description of the Issuer's key achievements and failures within the period covered by this report, with details of the most important events related to them and description of factors and events, in particular extraordinary ones, that materially affect the achieved financial results

All amounts in PLN '000 unless specified otherwise

Market environment in Poland

In Q1 2010, a decrease in construction and assembly production in Poland exceeded 15% and resulted primarily from extremely difficult atmospheric conditions in January and February, as a long and frosty winter made it impossible to perform a great deal of construction works. The worst results were recorded in the housing sector, in which negative dynamics amounted to as much as 28%. A decrease in construction housing production in the non-housing sector amounted at the same period to 17%. Even engineering construction, characterized in 2009 by very high (over 20%) positive growth dynamics recorded in Q1 2010 a 9% decrease, whereby a 3% decrease was recorded in the road and bridge sector.

Market environment abroad

A 5% increase in GDP was recorded in Ukraine in Q1 2010, whereby in March the increase amounted to 6.8% (data of the National Statistics Committee of Ukraine). Although that result is partially due to a low base level in the compared Q1 2009, it may indicate that following a deep crisis the Ukrainian economy is slowly entering a growth phase. Also the international rating agency standard, Standard&Poor's increased its ratings for Ukraine for the first time since the beginning of the loan crisis, while a representative of the International Currency Fund confirmed its willingness to pursue cooperation with Ukraine. The cooperation had been suspended last year due to an unstable financial and economic situation in that country.

Operating profitability

In Q1 2010, the Capital Group achieved a negative result on operating activities which amounted to TPLN 2 003 as compared to TPLN – 852 in Q1 2009.

The aforementioned result on operating activities was negatively influenced by lower revenues from the Company's basic objects, i.e. rental of formwork systems and scaffoldings, compared to those generated in the analogous period of the preceding year.
The highest – in terms of value – prime costs of the operating activities include depreciation write-offs which the Company incurs due to assets held by it (mainly formwork systems and scaffoldings, as well as the Logistics Centre in Poznań put into service in Q4 2008 and the Logistics Centre in Jaworzno put into service in Q2 2009). The amount of depreciation write-offs in Q1 2010 increased by 14.5% in comparison to the analogous period of the preceding year, as a consequence of an increase in the value of the assets held by the Capital Group.

Key items related to EBIT (operating profit) and EBITDA (operating profit + depreciation/amortization) in the analyzed periods are as follows:

	Q1 2010	Q1 2009	Q2 2009	Q3 2009	Q4 2009	2009
Sales	40 267	40 312	43 562	41 861	49 710	175 446
EBIT	(2 003)	(852)	623	132	4 056	3 959
to sales ratio	(4.98)	(2.11)	1.43	0.32	8.16	2.26
Amortization/ depreciation	18 839	16 450	16 530	16 776	18 345	68 101

All amounts in PLN '000 unless specified otherwise

EBITDA	16 836	15 598	17 153	16 908	22 402	72 060
to sales ratio	41.81	38.69	39.37	40.39	45.06	41.07

In Q1 2010, the Capital Group recorded an EBITDA increase in absolute terms by TPLN 1 238 (i.e. 8%) – EBITDA profitability (EBITDA to sales ratio) amounted to 41.8% as compared to 38.7% in relation to the level achieved in the analogous period of the preceding year.

The most significant factors influencing the EBITDA decrease (in absolute terms) compared to the analogous period of the preceding year include:

- decrease in the revenues from the basic business object which consists in rental of formwork systems and scaffoldings, resulting from a worse market outlook and unfavorable weather conditions in Q1 2010, which has a negative effect on the degree of covering expenses of the activities, which due to their specific nature are fixed costs,
- strengthening competition among the participants of the formwork system market, leading to a decrease in the unit prices of offered products and services, and hence to decreased profitability of sales.

Since the beginning of 2009, the Management Board undertook diverse reorganization measures aimed at adjusting the Capital Group's cost structure to the current market situation. The measures undertaken by the Management Board include, in particular, reorganization of logistics activities in the area of western and southern Poland, where the Regional Logistics Centre in Poznań started operating in Q4 2008, followed by the Regional Logistics Centres in Jaworzno opened in Q2 2009. As a result of those measures, warehousing and logistics functions were centralized, part of local warehouses were closed and employment was optimized.

The strategic plans concerning reorganization of the logistics functions within the Group assume also construction of the Regional Logistics Centre in Warsaw. At present, the design concept of the Logistics Centre is being prepared. The centre will also serve as an office for the Company's headquarters. The construction is scheduled to commence in Q4 2010.

The reorganization measures resulted in reduction of the operating costs, which had a positive influence on a gradual improvement of EBITDA profitability (EBITDA to sales ratio) in particular quarters of 2009. A decrease in EBITDA profitability in Q1 2010 as compared to that of Q4 2009 results from unfavourable weather conditions in that period, which had a negative influence on the level of sales revenues.

<u>Definition of the Capital Group's exposure to currency exchange risk</u>

The companies of the Capital Group are exposed to currency exchange risk at the time of actual cash flows which the Group seeks to mitigate in the following way:

- through set-off of liabilities and receivables denominated in the same currency and related to the same maturity periods,
- through operations on the currency market (purchase or sale of foreign currencies which are subject to settlements of liabilities and receivables denominated in a foreign currency),
- through operations on the forward market and Non-Delivery Forward (NDF) contracts.

All NDF instruments held by the Capital Group are concluded exclusively for the purposes of measures hedging against foreign exchange risk and are not asymmetric.

The Capital Group does not apply hedging accounting, hence the results of realization of valuation of hedging transactions (positive and negative)are posted to the result for a given period.

All amounts in PLN '000 unless specified otherwise

The basic figures concerning the NDF contracts concluded by the Group are as follows:

a) recognized in the statement of financial position

	31 March 2010	**31 December 2009**	**31 March 2009**
Assets under NDF valuation as of the balance sheet date	1 953	918	13
Liabilities under NDF valuation as of the balance sheet date	-	-	187

b) recognized in the total income statement

	Q1 2010	**Q1 2009**
Result of the period under realization of the previously concluded contracts NDF – (item: other net losses)	(163)	556
Result of the period under NDF valuation as of the balance sheet date (item: other net losses)	244	(486)
Result of the period under NDF valuation as of the balance sheet date (item: financial activities	791	328
Total result of the period under NDF valuation	872	399

The results of hedging transactions neutralize to a large extent the foreign exchange risk the Capital Group is exposed to.

Besides the economic results concerning settlement and valuation of NDF contracts, hedging against foreign exchange risk the other operating activities include the economic effects related to customizing elements of formwork systems to the needs of individual clients and general results of asset management (inventory surpluses and shortages, as well as provisions for stock impairment). In Q1 2010, the costs of the aforementioned phenomena amounted to TPLN 728 as compared to TPLN 413 in Q1 2009.

Financial expenses and other total income

The Capital Group uses bank loans to finance investments related to purchase of products for rent (i.e. formwork systems and scaffolding systems).

The balance of bank loans (short- and medium-term) with interest accrued until the balance sheet date as of 31 December 2010 amounted to TPLN 249 213, as compared to TPLN 208 099 as of 31 December 2009.

An accrual on the balance on loans with a simultaneous decrease in market interest rates (from approximately 5.8% in Q1 2009 to approximately 5.5% in Q1 2010) resulted in a relatively small accrual of interest expenses and handling costs (e.g. bank fees) – these amounted in Q1 2010 to TPLN 3 450 as compared to TPLN 3 370 in the analogous period of 2009).

In Q4 2008, restructuring of intragroup trade settlements between the subsidiary companies was performed. As a result of those measures, the parent company - Ulma Construccion Polska S.A. granted its daughter company - Ulma Opalubka Ukraina Sp. z o.o. an internal loan in the amount of TEUR 3 100.

In accordance with the International Accounting Standards (IAS 21) this loan is "a net investment in a foreign entity", hence any foreign exchange gains (loss) resulting thereof are recognized in "statement of changes to the consolidated equity" and in "other total income".
In Q1 2010, the total amount of foreign exchange gains (loss) recognized in the aforementioned statements was positive and was equal to TPLN 564. The foreign exchange risk concerning the aforementioned internal loan within EUR-PLN exposition in Poland is hedged by entering NDF contracts; whereas change in valuation of their fair value is recognized in *revenues/financial expenses* (the Capital Group does not apply financial hedging). In Q1 2010, change in valuation of the aforementioned term instruments was positive and amounted to TPLN 791.

Foreign exchange risk related with the aforementioned internal loan within EUR-UAH exposure is hedged in Ukraine (the Ukrainian Hryvnia) in a natural manner through application in relations with external clients in Ukraine price lists denominated in EUR. However, the effectiveness of those hedging measures is hard to assess due to the scale and the unpredictability of UAH-EUR rate changes, which is often a one-off administrative decision.

Net result

Following deduction of corporate income tax the Capital Group achieved in Q1 2010 a negative financial result in the amount of TPLN 3 996, as compared to the negative net result achieved in Q1 the preceding financial year amounting to TPLN 3 205.

Cash flows

An abbreviated cash flow statement of the Group for the analysed periods is presented in the table below:

	Q1 2010	**Q1 2009**

All amounts in PLN '000 unless specified otherwise

Net profit (loss)	(3 996)	(3 205)
Amortization/ depreciation	18 839	16 450
Total cash surplus	14 843	13 245
Other cash flow from operating activities	6 782	1 824
Net cash flows from operating activities	(30 670)	(13 597)
Net cash flows from financial activities	5 267	17 889
Net cash flows from	(3 778)	19 361

Cash flows from operating activities

In Q1 2010, the Capital Group had a positive financial surplus (net profit + depreciation/amortization) in the amount of TPLN 14 843.In the same period, cash flows from operating activities amounted to TPLN 21 625, as compared to TPLN 15 069 in the analogous period of the preceding year (an increase by TPLN 6 556). As a result, in spite of a decrease in revenues from its business object, the Capital Group retains its ability to generate added value, the amount of which is positively affected by the discipline of management of the structure of operating costs.

From the perspective of management of the working assets, Q1 2010, similarly to 2009, was characterized by payment backlogs and slower receivable inflow.
The crisis which became apparent especially in the large building segment resulted in manifesting by large general contractor companies a strong negotiation-oriented approach, expecting not only lower prices offered by sub-contractor companies, resulting in price wars between market participants, but also in longer periods of settling receivables for performed services. Moreover, numerous general contractor companies without diversified revenue sources and acting only on the large building construction market faced the problem of maintaining financial liquidity.
These facts had a negative impact also on the segment of rental of formwork systems and scaffoldings. Within the Capital Group, the aforementioned factors resulted in a worse receivable turnover ratio *(table below).*

	31 March 2010	31 December	31 March 2009

		2009	
1. Net trade receivables	57 197	59 213	47 803
2. Sales revenues for 12 months following the balance sheet date	175 400	175 446	216 643
3. Number of days	365	365	365
4. Rotation ratio (1*3/2)	119	123	81

The Capital Group seeks to mitigate the risk of receivable inflow through effective implementation of internal procedures and principles for identification, measurement and monitoring of the financial positions and liquidity of clients of the Capital Group at the time of commencement of cooperation and when it is progress. The aforementioned measures resulted in a slight improvement of the receivable turnover ratio as compared to the level recorded in 2009 - 123 days.

<u>Cash flows from investing activities</u>

In Q1 2010, the Capital Group made investment purchases primarily in order to supplement the portfolio of offered products (formwork systems and scaffoldings). Moreover, it settled liabilities related to the same purchases as those made in Q4 2009. As a result, investment expenses incurred in Q1 2010 related to purchase of tangible fixed assets amounted to TPLN 30 787.

<u>Cash flows from financing activities</u>

In Q1 2010, cash flows from financing activities amounted to TPLN 5 267 as compared to TPLN 17 889 in Q1 2009.

As has already been mentioned, the Capital Group uses bank loans to finance investments related to purchase of products for rent. Due to lower investment expenditures made for this purpose recorded in 2010, proceeds from newly incurred investment loans decreased as well - from TPLN 16 209 in Q1 2010 as compared to TPLN 26 956 in Q1 2009. On the other hand, expenses due to repayment of the previously incurred loans are higher (TPLN 7 425 as compared to TPLN 5 853 in Q1 2009).

As a result of the aforementioned phenomena, the Group recorded as of 31 March 2010 a decrease in Q1 2010 in cash by TPLN 3 778 to the level of TPLN 15 652.

Information concerning seasonality and cyclical nature of the Issuer's operations within the presented period

Construction works are characterized by high seasonality which has a direct impact on revenues from sales of products and services of the ULMA Construccion Polska Capital Group. Particularly unfavourable weather conditions and frequent delays in execution of budget investments occur usually in the first quarter of the year. An improvement in the discussed factors occurs usually in subsequent periods. The seasonality effect is particularly apparent this year due to exceptionally unfavourable weather conditions in winter.

Information concerning issue, redemption and repayment of debt and equity securities

In Q1 2010, there were no operations of that type.

Information concerning disbursed (or declared) dividend, in total and per share, with division into ordinary and privileged shares

The Capital Group did not disburse any dividend within the presented financial periods. Pursuant to Resolutions of the General Meeting of Shareholders of a subsidiary ULMA Systems S.A. it was resolved to disburse dividend in the amount of PLN 24 million to one Company's shareholder – ULMA Construccion Polska S.A. Disbursement of the aforementioned amount was made in three tranches:

- December 2009 – PLN 4.0 million,
- March 2010 – PLN 4.0 million
- April 2010 – PLN 5.7 million.

The remaining part of the dividend in the amount of PLN 10.3 million will be disbursed in June 2010.

In accordance with the consolidation principles the transaction has no effect on the consolidated results of the Capital Group.

Details of events which occurred after the date of preparation of the abridged quarterly financial statements, not accounted for in these statements which can, however, significantly affect future results of the ULMA Construccion Polska S.A. Capital Group

Future results of the ULMA Construccion Polska S.A. Capital Group can be affected by the recently observed volatility of EUR/PLN exchange rates. Exchange rate fluctuations affect valuation of hedging transactions (NDF) which hedge the long-term receivable of ULMA Construccion Polska S.A. under the agreement on a loan granted to ULMA Ukraina.

Information concerning changes in contingent liabilities or contingent assets which occurred after the end of the last financial year

No changes in contingent liabilities and contingent assets occurred after the end of the last financial year.

Information concerning revenues and results of particular sector or geographical segments, determined in accordance with IAS, depending on which segment division is the basic one

The ULMA Construccion Polska S.A. CAPITAL GROUP distinguishes in its commercial activities two basic segments:

- construction servicing - a segment including rental of formwork systems and scaffoldings with broadly understood logistic services and settlement of construction costs once the contract is completed,
- sale of building materials – a segment which covers sale of formwork systems constituting elements of the fixed capital (fixed assets) and the working capital (goods and services) of the Capital Group, as well as other building materials.

Results of the segments were as follows:

All amounts in PLN '000 unless specified otherwise

Description	Construction servicing	Sale of building materials	Capital Group
Total sales revenues	36 423	9 309	45 732
Sale between segments	(964)	(4 501)	(5 465)
Sales revenues	**35 459**	**4 808**	**40 267**
Operating costs without amortization	(19 844)	(3 587)	(23 431)
EBITDA	**15 615**	**1 221**	**16 836**
Amortization/depreciation	(18 520)	(319)	(18 839)
EBIT operating profit (loss)	**(2 905)**	**902**	**(2 003)**

Q1 2010 – a period of 3 months ended on 31 March 2010

Description	Construction servicing	Sale of building materials	Capital Group
Total sales revenues	36 271	8 522	44 793
Sale between segments	(2 088)	(2 393)	(4 481)
Sales revenues	**34 183**	**6 129**	**40 312**
Operating costs without amortization	(19 393)	(5 321)	(24 714)
EBITDA	**14 790**	**808**	**15 598**
Amortization/depreciation	(16 213)	(237)	(16 450)
EBIT operating profit (loss)	**(1 423)**	**571**	**(852)**

All amounts in PLN ’000 unless specified otherwise

Adjustment of the operating profit (loss) to the Group’s net result has been presented below.

	Q1 2010 period from 1 January to 31 March 2010	Q1 2009 period from 1 January to 31 March 2009
Operating profit (loss)	**(2 003)**	**(852)**
Interest revenue	87	79
Other financial income	791	328
Interest expenses	(3 437)	(3 360)
Other financial expenses	(200)	90
Interest in profit (loss) in associated companies	24	84
Gross profit (loss)	**(4 738)**	**(3 631)**
Income tax	742	426
Net profit (loss)	**(3 996)**	**(3 205)**

A decrease in the Capital Group's net profitability in Q1 2010 as compared to the analogous period of the preceding year results primarily from:

- an overall market situation in the construction sector,
- a fierce price was affecting primarily rental fees which translates into the results of the "Construction servicing" segment presented above.

Translation of selected financial data into EUR

ITEM	in PLN '000 Q1 from 1 January to 31 March 2010	Q12009 from 1 January to 31 March 2009	in EUR '000 Q1 2010 from 1 January to 31 March 2010	Q1 2009 from 1 January to 31 March 2009
Net revenue from sale of products, goods and materials	40 267	40 312	10 151	8 765
Operating result	(2 003)	(852)	(505)	(185)
Gross profit	(4 738)	(3 631)	(1 194)	(789)
Net result	(3 996)	(3 205)	(1 007)	(697)
Cash flows from operating Activities				
Net cash flows from investing activities	(30 670)	(13 597)	(7 732)	(2 956)
Net cash flows from financing Activities				
Net cash flows	(3 778)	19 361	(952)	4 209
Diluted profit per ordinary share (PLN/EUR)	(0.76)	(0.61)	(0.19)	(0.14)
Basic profit per ordinary share (PLN/EUR)	(0.76)	(0.61)	(0.19)	(0.14)
	31 March 2010	**31 December 2009**	**31 March 2010**	**31 December 2009**
Total assets	533 339	544 581	138 092	132 560
Liabilities	279 969	287 779	72 490	70 050
Long-term liabilities				
Short-term liabilities	96 908	103 904	25 091	25 292
Equity	253 370	256 802	65 603	62 510
Share capital	10 511	10 511	2 722	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 (PLN/ EUR)	5 255 632	5 255 632	5 255 632	5 255 632
Book value per share (PLN /EUR)	48.21	48.86	12.48	11.89

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 March 2010 was PLN 3.8622, 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 March 2010 this rate was PLN/EUR 3.9669, while the data for the analogous period in 2009 were translated at the rate PLN/EUR 4.5994.

Description of the organization of the ULMA Construccion Polska S.A. Capital Group with details of the consolidated entities

The Group is controlled by ULMA C y E, S. Coop. with its registered office in Spain which holds as of 31 March 2010 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. a joint stock company with its registered office in Warsaw, at ul. Klasyków 10. On 15 September 1995, the Company was transformed pursuant to a resolution of the Extraordinary General Meeting of Shareholders from a limited liability company into a joint stock company (Notarial Deed of 15 September 1995, Ref. A-5500/95). It was entered into the Register of Entrepreneurs by the District Court of the Capital City of Warsaw in Warsaw, XX Commercial Division of the National Court Register under KRS number 0000055818.

Subsidiary companies:

- ULMA System S.A. with its registered office in Starachowice at ul. Radomska 29 established on 11 July 2000 - Notary Deed Ref. A 2105/2000. The company was registered by a decision of the District Court in Kielce, X Commercial Division in the Register of Entrepreneurs under number KRS 0000054140. The Company's business objects include manufacturing of metal products and structures. The Issuer's share in the capital and the total number of votes is 100%.

- 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 assigned ID code 31563803. The Company's business object consist in 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%.

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 Company's business object consist in rental and sale of construction scaffolding and formwork, including leasing operations. The Issuer's share in the capital and the total number of votes is 30%.

The subsidiary companies are subject to full consolidation. The associated company is consolidated by the equity method.

Details of consequences of changes to the structure of the business entity e.g. as a result of a business combination, take-over or sale of the companies of the Capital Group, long-term investments, split, restructuring and discontinued operations

In Q1 2010, there were no changes to the structure of the Capital Group.

The position of the Management Board as regards realization of the previously published forecasts for a given year, in the context of the results presented in the quarterly report in relation to the forecast results

ULMA Construccion Polska S.A. Capital Group does not publish forecast results.

Identification of shareholders holding directly or indirectly or via their subsidiary companies the minimum of 5% of the total number of votes at the General Meeting of ULMA Construccion Polska S.A. as of the date of publication of the quarterly report, with details of the number of shares held by such shareholders, their percentage share in the share capital, the number of votes at the General Meeting and details of changes to the ownership structure of significant packets of shares of ULMA Construccion Polska S.A. within the period after passing the previous quarterly report.

As of the date of passing of this quarterly report, there are the following shareholders holding over 5% of the total number of votes:

- ULMA C y E S, Coop. (Spain) holding directly 3 967 290 shares of ULMA Construccion Polska S.A., equivalent to 75.49% in the Company's share capital and entitling to 3 967 290 votes at the General Meeting, equivalent to 75.49% of the total number of votes,
- Aviva Otwarty Fundusz Emerytalny BZ WBK holding directly 298 355 shares of ULMA Construccion Polska S.A. equivalent to 5.68% in the Company's share capital and entitling to 298 355 votes at the General Meeting, equivalent to 5,68% of the total number of votes.

Within the period from passing the previous report, there were no changes to the ownership structure of the significant packets of shares of ULMA Construccion Polska S.A.

Statement of changes to the ownership structure of ULMA Construccion Polska S.A. shares or entitlement to them (options) by the Issuer's managing and supervising persons, in accordance with the information held by ULMA Construccion Polska S.A. within the period from passing the previous report

In accordance with the information held by ULMA Construccion Polska S.A. within the period from passing the previous report there were no changes to the shares of ULMA Construccion Polska S.A. or entitlement to them (options) held by the aforementioned persons. No managing or supervising person of ULMA Construccion Polska S.A. holds the Issuer's shares.

Identification of court proceedings, arbitration or administrative proceedings with the following details:

a) **proceedings concerning liabilities or receivables of ULMA Construccion Polska S.A. or a subsidiary thereof with minimum value equivalent to 10% of the equity of ULMA Construccion Polska S.A. with details of: subject of the proceedings, value of dispute, commencement date of the proceedings, parties to the proceedings and the Company's position**

b) **two or more proceedings concerning liabilities and receivables the total value of which is equivalent to minimum 10% of the equity of ULMA Construccion Polska S.A. with details of the total value of the proceedings separately for liabilities and receivables along with the Company's position and – in reference to the largest proceedings in the group of liabilities and receivables – with details of the subject, value of dispute, commencement date of the proceedings and parties to the proceedings**

During the period covered by the report, no proceedings were initiated against ULMA Construccion Polska S.A. or its subsidiaries with a value in excess of 10% of their equity.

Proceedings concerning receivables of ULMA Construccion Polska S.A.:

ULMA Construccion Polska S.A. is involved in 77 court proceedings concerning receivables – their total amount is TPLN 8 955. Among the proceedings pending at court, ULMA Construccion Polska S.A. is conducting 47 bankruptcy proceedings for the total amount of

TPLN 7 193.

List of major proceedings related to receivables conducted by ULMA Construccion Polska S.A.

Creditor	Debtor	Value of dispute in PLN '000	Proceedings commencement date
	PRIB EKO PRZEM SP. Z O.O.	1 096	17-03-2010 – bankruptcy
ULMA Construccion Polska S.A.	MPRD S.A.	824	08-12-2006 – bankruptcy
ULMA Construccion Polska S.A.	GRUPA BIP	792	24-04-2009 – bankruptcy
ULMA Construccion Polska S.A.	LPBO S.A.	725	23-03-2009 - court
ULMA Construccion Polska S.A.	IMA BUD DEVELOPMENT SP. Z O.O.	592	20-11-2007 – enforced collection
ULMA Construccion Polska S.A.	MAXER S.A.	552	28-04-2006 – bankruptcy
ULMA Construccion Polska S.A.	Krupiński Construction Sp. z o.o.	552	05-12-2006 – enforced collection
	Total	**5 133**	

Information on conclusion by ULMA Construccion Polska S.A. or a subsidiary thereof one or more transactions with associated companies if the transactions are material individually or collectively and were concluded on terms and conditions other than those concluded on an arm's length basis, with details of their value and:

a) information on the entity with which the transaction was concluded,
b) information on the relationships of ULMA Construccion Polska S.A. or a subsidiary thereof with the party to the transaction,
c) information on the subject matter of the transaction,
d) material transaction terms and conditions, with particular consideration of financial terms and conditions with details of specific terms and conditions determined by the parties characteristic for a given agreement, in particular those that differ from terms and conditions commonly applied to that type of agreements,
e) other information concerning those transactions if these ARE necessary to understand the Issuer's financial situation and its financial result,
f) all changes to transactions with associated companies referred to in the last annual statements which could have a significant impact on the Issuer's financial situation and its financial result.

Transactions concluded in Q1 2010 by ULMA Construccion Polska S.A. with subsidiaries thereof were typical and routine, were concluded on an arm's length basis, and their nature and terms and conditions resulted from the current operations.

The major transactions included purchase of formwork and overhaul services related to formwork systems made by ULMA Construccion Polska S.A. from ULMA System S.A. for TPLN 5 375 and purchases of formwork from ULMA C y E, S. Coop. for TPLN 6 505.

In the period of last 12 months (from 1 April 2009 to 31 March 2010) the value of the aforementioned transactions amounted to TPLN 27 485 - purchases from ULMA Systems S.A. and TPLN 63 127 – purchases from ULMA C y E, S. Coop., respectively.

Information on granting by ULMA Construccion Polska S.A. or a subsidiary thereof loan warranties or on granting a guarantee – jointly to one entity or a subsidiary thereof if the total value of the granted warranties or guarantees is equivalent to the minimum of 10% of equity of ULMA Construccion Polska S.A. with details of:

a) the name (company) of the entity to which the warranties or guarantees were granted,
b) the total amount of loans which were guaranteed in total or in part,
c) the period for which the warranties or guarantees were granted,
d) the financial conditions on which the warranties or guarantees were granted, with determination of remuneration of ULMA Construccion Polska S.A. or a subsidiary thereof for granting the warranties or guarantees,
e) the nature of relationships between ULMA Construccion Polska S.A. with the entity which incurred the loan.

In Q1 2010, there were no operations of that type.

Other information which is relevant according to ULMA Construccion Polska S.A. to evaluation of its personnel and financial situation, its financial result and changes thereto, as well as information which is material as regards evaluation of possibilities of meeting its liabilities by ULMA Construccion Polska S.A. Capital Group

In Q1 2010, there were no major events except for those referred to above. The Management Board of ULMA Construccion Polska S.A. is not aware of any other information which would be material as regards evaluation of its personnel and financial situation, its financial result and changes thereto, and as regards evaluation of possibilities of meeting liabilities by companies of the Capital Group.

Indication of factors which will affect according to ULMA Construccion Polska S.A. the results achieved by ULMA Construccion Polska S.A. Capital Group within the minimum of one quarter

Market in Poland

After a significant decrease in construction and assembly production in January and February caused by a fierce winter, data regarding March allow for greater optimism as regards the prospects for construction market development in the oncoming months. According to the Main Statistical Office (GUS) evaluations of the overall outlook for the construction sector were positive and better than those reported in March and in the analogous month of the previous year. Forecasts for the oncoming three months as regards the portfolio of orders and construction and assembly production are positive too, and they are better than those reported in March.

The housing sector experienced the greatest breakdown in 2008-2009, while in Q1 2010 an increase of over 16% in the number of commenced housing constructions was recorded, whereby in March this increase amounted to 44% as compared to the analogous period of the previous year.

Nevertheless, the engineering sector (whose share in the construction and assembly production amounts at present to 59%), in particular road construction, will remain the basic driving force of construction market development. This fact is due to continuation of the programme for construction and modernization of motorways, express roads and ring roads. In spite of delays in execution of several major infrastructural projects, even the most cautious experts' estimates assume an expenditure of PLN 20-25 million incurred for that this year.

As far as the non-housing sector is concerned, acceleration primarily in the public utility construction is expected. This should partially offset decreases in the commercial facilities segment due to suspending a number of large projects and a general lower level of investments.

<u>Export markets</u>

Forecasts for economic outlook in Ukraine in 2010 assume a 0-3% GDP growth (year to year), depending on the political situation. Gradual outlook stabilization observed after the latest election, in particular a 5% GDP growth recorded in Q1 2010 and an increase in export branches of industry may constitute, however, a real basis for an upward adjustment of that forecast.

The anti-crisis measures undertaken by the government in Kazakhstan allow one to hope for a marked recovery of the construction market in the next several years. Plans for that period assume an inflow of foreign investments in the amount of approximately USD 20 billion, which will be allocated to e.g. construction of the Western Europe – Western China transit corridor and projects within the industrial and raw material sectors: power plants and power stations, oil processing plants and a giant gas and chemical complex.

ABRIDGED UNCONSOLIDATED FINANCIAL STATEMENTS OF

ULMA Construccion Polska S.A.

for Q1 2010

Additional information constitutes an integral part of financial statements

ULMA Construccion Polska S.A.
CONSOLIDATED STATEMENT OF FINANCIAL POSITION

All amounts in PLN '000 unless specified otherwise

	31 March 2010	As of 31 December 2009	31 March 2009
ASSETS			
I. Fixed assets (long-term)			
Tangible fixed assets	432 872	440 742	394 929
Intangible fixed assets	581	656	512
Investments in subsidiary and associated companies	13 585	13 585	13 585
Trade liabilities and other liabilities	4 385	4 399	14 574
Other fixed assets	11 490	13 079	4 440
Total assets (long-term)	**462 913**	**472 461**	**428 040**
II. Working assets (short-term)			
1. Stocks	2 298	1 836	2 963
2. Trade liabilities and other liabilities	55 996	55 785	45 412
3. Current income tax receivables	133	87	2 889
4. Derivative instruments	1 936	846	-
5. Cash and cash equivalents	16 268	17 436	15 986
Total working assets (short-term)	**76 631**	**75 990**	**67 250**
Total assets	**539 544**	**548 451**	**495 290**
EQUITY AND LIABILITIES			
I. Equity			
1. Share capital	10 511	10 511	10 511
Supplementary capital – share premium	114 990	114 990	114 990
3. Retained profits, of which:	133 016	132 946	127 267
a) Net profit for the financial period	*70*	*2 938*	*(2 741)*
Total equity	**258 517**	**258 447**	**252 768**
II. Liabilities			
1. Long-term liabilities			
a. Loans	182 451	182 479	165 658
b. Deferred income tax liabilities	1 421	2 252	3 363
c. Long-term liabilities under pension benefits	55	55	66
d. Long-term liabilities under financial leasing	533	569	54
Total long-term liabilities	**184 460**	**185 355**	**169 141**
2. Short-term liabilities			
a. Loans	66 762	56 377	42 362
b. Short-term liabilities under pension benefits	23	23	9
c. Short-term liabilities under financial leasing	198	241	168
d. Derivative instruments	-	-	187
e. Trade liabilities and other liabilities	29 584	48 008	30 655
Total short-term liabilities	**96 567**	**104 649**	**73 381**
Total liabilities	**281 027**	**290 004**	**242 522**
Total equity and liabilities	**539 544**	**548 451**	**495 290**

ULMA Construccion Polska S.A.
TOTAL INCOME STATEMENT

All amounts in PLN ’000 unless specified otherwise

	Q1 2010 period from 1 January to 31 March 2010	Q1 2009 period from 1 January to 31 March 2010
Sales revenues	38 767	39 099
Costs of sold products, goods and materials	(36 625)	(36 922)
I. Gross profit on sales	**2 142**	**2 177**
Costs of sales and marketing	(967)	(1 089)
Overheads	(2 370)	(2 089)
Other operating costs	(343)	(267)
II. Operating profit (loss)	**(1 538)**	**(1 268)**
Financial income	5 203	595
Financial costs	(4 425)	(2 516)
Net financial expenses	*778*	*(1 921)*
III. Gross profit (sale)	**(760)**	**(3 189)**
Current income tax		
Deferred income tax	830	448
IV. Net profit (loss) for the financial period	**70**	**(2 741)**
Other total income		
V. Total income for the financial period	**70**	**(2 741)**
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)	0.01	(0.52)

All amounts in PLN ’000 unless specified otherwise

ULMA Construccion Polska S.A. TOTAL INCOME STATEMENT
All amounts in PLN '000 unless otherwise specified

Item	Share capital at nominal value	Share premium	Retained profit	Total equity
As of 31 December 2008	**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 Q1 2010	-	-	70	**70**
As of 31 March 2010	**10 511**	**114 990**	**133 016**	**258 517**

Item	Share capital at nominal value	Share premium	Retained profit	Total equity
As of 31 December 2008	**10 511**	**114 990**	**130 008**	**255 509**
Total net income in Q1 2009	-	-	(2 741)	**(2 741)**
As of 31 March 2009	**10 511**	**114 990**	**127 267**	**252 768**

ULMA Construccion Polska S.A.
CASH FLOW ACCOUNT

All amounts in PLN '000 unless specified otherwise

ULMA Construccion Polska S.A. TOTAL
INCOME STATEMENT
All amounts in PLN '000 unless otherwise specified

	Q1 2010 period from 1 January to 31 March 2010	Q1 2009 period from 1 January to 31 March 2009
Cash flows from operating activities		
Net profit for the financial period	**70**	**(2 741)**
Adjustments:		
Income tax	(830)	(448)
Depreciation of fixed assets	19 028	16 709
Amortization of intangible fixed assets	103	121
Net value of sold formwork – fixed assets	2 505	3 131
Profit (loss) due to change in the fair value of financial instruments		-
Interest and dividend revenues	(4 413)	(266)
Interest costs	3 437	3 356
Foreign exchange gains (loss)	868	(854)
- Provisions for liabilities and other charges	-	-
Changes in working assets:		
Stocks	(462)	1 095
Trade liabilities and other liabilities	(1 301)	14 492
Trade liabilities and other liabilities	(1 040)	(6 754)
	17 965	**27 841**
Income tax paid	(46)	-
Net cash flows from operating activities	**17 919**	**27 841**
Cash flows from investing activities		
Acquisition of tangible fixed assets	(31 074)	(21 520)
Inflows from sale of tangible fixed assets	40	26
Acquisition of intangible fixed assets	(27)	(32)
Loans (granted) repaid	855	(13 881)
Dividend received	4 001	-
Interest received	412	266
Net cash flows from investing activities	**(25 793)**	**(35 141)**
Cash flows from financing activities		
Proceeds from issue of shares		-
Loans received	16 209	26 956
Repayments of loans	(7 425)	(5 853)
Payments due to financial leasing	(80)	(40)
Interest paid	(3 437)	(3 356)
Net cash flows from financing activities	**5 267**	**17 707**
Net increase/(decrease) in cash and overdraft facility	**(2 607)**	**10 407**
Opening cash and overdraft facility	17 436	3 252
(Gains)/losses due to valuation of cash and overdraft facility	(135)	161
Closing cash and overdraft facility	**14 694**	**13 820**

All amounts in PLN '000 unless specified otherwise

ULMA Construccion Polska S.A. TOTAL INCOME STATEMENT
All amounts in PLN '000 unless otherwise specified

Notes to the unconsolidated interim financial statements

1. Description of key accounting principles

The key accounting principles applied in the preparation of these unconsolidated financial statements are compliant with the accounting principles applied by the Group and presented in the consolidated financial statements constitute an integral part of this report. The accounting principles applied in the unconsolidated financial statements which have not been presented in the consolidated financial statements have been presented below.

a) Investments in subsidiary and associated companies

Investments in subsidiary and associated companies are recognized according to the historical cost principle adjusted by revaluation write-downs. The results of changes of investment revaluation write-downs in subsidiary companies are recognized as revenues or financial costs of the reporting period in which the change occurred.

Translation of selected financial data into EUR

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

	in PLN '000		in EUR '000	
ITEM	Q1 2010 from 1 January to 31 March 2010	Q1 2009 from 1 January to 31 March 2009	Q1 2010 from 1 January to 31 March 2010	Q1 2009 from 1 January 31 March 2009
Net revenues from sales of products, goods and materials	38 767	39 099	9 773	8 501
Result on operating activities	(1 538)	(1 268)	(388)	(276)
Gross result	(760)	(3 189)	(192)	(693)
Net result	70	(2 741)	18	(596)
Net cash flows from operating activities	17 919	27 841	4 517	6 053
Net cash flows from investing activities	(25 793)	(35 141)	(6 502)	(7 640)
Net cash flows from financing activities	5 267	17 707	1 328	3 850
Net cash flows	(2 607)	10 407	(657)	2 263
Basic profit per ordinary share (PLN/EUR)	0.01	0.53	-	0.13
Diluted profit per an ordinary share (PLN/EUR)	0.01	0.53	-	0.13
	31 March 2010	31 December 2009	31 March 2010	31 December 2009
Total assets	539 544	548 451	139 698	133 501
Liabilities	281 027	290 004	72 763	70 591
Long-term liabilities	184 460	185 355	47 760	45 118
Short-term liabilities	96 567	104 649	25 003	25 473
Equity	258 517	258 447	66 935	62 910
Share capital	10 511	10 511	2 722	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 ordinary share (PLN/EUR)	49.19	49.18	12.74	11.97

All amounts in PLN ’000 unless specified otherwise

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 March 2010 was PLN 3.8622, 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 March 2010 this rate was PLN/EUR 3.9669, while the data for the analogous period in 2009 were translated at the rate PLN/EUR 4.5994

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Additional information constitutes an integral part of financial statements