EXTENDED CONSOLIDATED REPORT

of the ULMA Construccion Polska S.A.
CAPITAL GROUP

FOR 3 Q 2010

All amounts in PLN '000 unless otherwise specified

General information

- **Business object**

The business object of the ULMA Construccion Polska S.A. CAPITAL GROUP S.A. (hereinafter referred to as the Group) is 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 and equipment related operations, including sale and rental of building equipment, including leasing thereof.

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, 20th 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**

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
Felix Esperesate Gutierrez	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

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. 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.
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.

All amounts in PLN '000 unless otherwise specified

		30 June 2010	31 December 2009	30 September 2009
I.				
1. Tangible fixed assets	429 096	436 723	442 947	423 235
2. Intangible assets	507	550	669	642
3. Interest in associated entities	1 973	2 098	2 380	2 495
4.	4 357	4 371	4 399	4 412
Total fixed assets (long-term)	**435 933**	**443 742**	**450 395**	**430 784**
II.				
1. Stocks	6 710	8 256	13 313	15 635
2.	77 066	69 534	60 467	48 409
3. Income tax receivables	99	123	120	-
4. Derivative instruments	1 525	1 307	918	755
5. Cash and cash equivalents	6 237	9 391	19 368	24 011
Total current assets (short-term)	**91 637**	**88 611**	**94 186**	**88 810**
Total assets	**527 570**	**532 353**	**544 581**	**519 594**

I.				
1. Share capital	10 511	10 511	10 511	10 511
2. Supplementary capital – share premium	114 990	114 990	114 990	114 990
3. Foreign exchange gains/(loss) from consolidation	(4 946)	(3 249)	(5 563)	(5 698)
4.	139 855	134 289	136 864	135 968
a) Net profit for the period	*2 991*	*(2 575)*	*(5 484)*	*(6 380)*
	260 410	**256 541**	**256 802**	**255 771**
II. Liabilities				
1. Long-term liabilities				
a. Loans	154 453	168 452	182 479	165 500
Deferred income tax liabilities	1 777	336	749	806
Long-term liabilities under pension benefits	55	55	78	74
Long-term liabilities under financial leasing	463	533	569	-
Total long-term liabilities	**156 748**	**169 376**	**183 875**	**166 380**
2. Short-term liabilities				
a. Loans	72 257	69 175	56 377	50 308
Short-term liabilities under pension benefits	23	23	24	9
Current income tax liabilities	-	23		
Short-term liabilities under financial leasing	146	112	241	138
e. Derivative instruments	-	-	-	19
	37 986	37 103	47 262	46 969
Total short-term liabilities	**110 412**	**106 436**	**103 904**	**97 443**
Total liabilities	**267 160**	**275 812**	**287 779**	**263 823**
	527 570	**532 353**	**544 581**	**519 594**

All amounts in PLN '000 unless otherwise specified

			Q3 2009 from 1 July to 30 September 2010	3 quarters of 2009 from 1 January to 30 September 2009
Sales revenues	59 809	155 314	41 861	125 736
Costs of sold products, goods and materials	(44 502)	(126 577)	(37 878)	(112 652)
I.	**15 307**	**28 737**	**3 983**	**13 084**
	(1 005)	(3 803)	(1 237)	(5 064)
Overheads	(2 598)	(8 023)	(2 480)	(7 589)
Other operating expenses	(1 415)	(2 638)	(134)	(528)
II. Operating profit /(loss)	**10 289**	**14 273**	**132**	**(97)**
Financial income	411	615	641	953
Financial expenses	(3 439)	(10 232)	(2 662)	(8 542)
	(3 028)	*(9 617)*	*(2 021)*	*(7 589)*
	(136)	(392)	63	194
III. Gross profit /(loss)	**7 125**	**4 264**	**(1 826)**	**(7 492)**
Current income tax	(33)	(180)	(1)	(25)
Deferred income tax	(1 526)	(1 093)	634	1 137
IV. Net profit /(loss) for the period	**5 566**	**2 991**	**(1 193)**	**(6 380)**
	(1 652)	682	(2 419)	(1 909)
	(45)	(65)	145	150
V. Total income for the financial period	**3 869**	**3 608**	**(3 467)**	**(8 139)**
	5 566	2 991	(1 193)	(6 380)
Weighted average number of ordinary shares	5 255 632	5 255 632	5 255 632	5 255 632
	1.06	0.57	(0.23)	(1.21)

All amounts in PLN ‘000 unless otherwise specified

	Share capital at nominal value	Share premium	Foreign exchange gains/(loss) from consolidation	Retained profits	Total equity
	10 511	**114 990**	**(3 939)**	**142 348**	**263 910**
	-	-	(1 624)	(5 484)	(7 108)
As of 31 December 2009	**10 511**	**114 990**	**(5 563)**	**136 864**	**256 802**
	-	-	617	2 991	3 608
As of 30 September 2010	**10 511**	**114 990**	**(4 946)**	**139 855**	**260 410**

Item	Share capital at nominal value	Share premium	Foreign exchange gains/(loss) from consolidation	Retained profits	Total equity
As of 31 December 2008	**10 511**	**114 990**	**(3 939)**	**142 348**	**263 910**
Total income in 3 quarters of 2009	-	-	(1 759)	(6 380)	(8 139)
As of 30 September 2009	**10 511**	**114 990**	**(5 698)**	**135 968**	**255 771**

All amounts in PLN '000 unless otherwise specified

	Q3 2010 from 1 July to 30 Septembe r 2010	3 quarters of 2010 from 1 January to 30 Septembe r 2010	Q3 2009 from 1 July to 30 Septembe r 2010	3 quarters of 2009 from 1 January to 30 Septembe r 2009
Cash flow from operating activities				
Net profit for the period	**5 566**	**2 991**	**(1 193)**	**(6 380)**
- Income tax	1 559	1 273	(633)	(1 112)
- Depreciation of fixed assets	19 257	57 164	16 642	49 363
-	69	262	134	392
-	3 920	9 696	4 316	12 742
-	(92)	(199)	(1 052)	(618)
-	2	(129)	(254)	(437)
-	3 201	10 537	3 197	8 261
-	(168)	(412)	(1 801)	(1 612)
- Stocks	1 546	6 603	(1 109)	409
- Trade receivables and other receivables	(7 533)	(16 600)	2 091	6 857
- Trade receivables and other receivables	4 962	7 852	12 123	7 639
- Provisions for liabilities and other charges	-	(23)	-	-
	32 289	**79 015**	**32 461**	**75 504**
	(31)	(159)	(2)	2 865
	32 258	**78 856**	**32 459**	**78 369**
	(21 436)	(70 189)	(41 705)	(80 843)
	404	561	27	75
intangible fixed assets	(24)	(98)	(10)	(405)
	-	-	-	-
Retained interest	(2)	129	254	437
Net cash flow from investing activities	**(21 058)**	**(69 597)**	**(41 434)**	**(80 736)**
	-	-	-	-
	787	16 081	19 292	48 062
	(14 575)	(33 654)	(7 458)	(20 816)
	(37)	(202)	(42)	(124)
	(3 773)	(10 512)	(3 197)	(8 261)
Other	-	-	-	-
Net cash flow from financing activities	**(17 598)**	**(28 287)**	**8 595**	**18 861**
Net increase/(decrease) in cash and overdraft facility	**(6 398)**	**(19 028)**	**(380)**	**16 494**
	7 433	19 368	20 705	3 804
	(200)	495	(126)	(99)
Cash and overdraft facility at the end of the period	**835**	**835**	**20 199**	**20 199**

Notes to consolidated financial statements

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 9 months ended on 30 September 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 in accordance with 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 financial result.

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 otherwise specified

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 average 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 total income item.

4. Exchange rate and inflation

	Average PLN exchange rate to Hryvnia (UAH) announced by the National Bank of Poland	Average PLN exchange rate to EUR announced by the National Bank of Poland	Change of consumer price index published by the Central Statistical Office
30 September 2010	0.3689	3.9870	2.5%
31 December 2009	0.3558	4.1082	3.5%
30 September 2009	0.3538	4.2226	3.4%

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 held 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 hedge 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 acquisition price or manufacturing costs determining the initial value of fixed assets do not include the costs of handling liabilities incurred in order to finance them.

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" are covered by short-term operating leasing contracts.

H) Intangible assets

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.

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 held 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 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 in 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 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.

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 receivables and other receivables

Trade receivables are initially recognized at fair value and subsequently re-valued 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 to 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 receivables and other receivables" 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-mentioned 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) 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 "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) Credits and loans

Credits and loans are initially recognized at fair value decreased by the incurred transaction costs. In subsequent periods, credits and 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 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 liabilities 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 financial statements

Brief description of the Issuer's major achievements or failures in the concerned period, with the list of the most important events related to them and the list of factors and events, in particular untypical ones, which have significant influence on the achieved financial results

Market environment in Poland

Construction and assembly production after three quarters of 2010 was by 1.5% lower as compared to the analogous period of the previous year. However, this continuously negative dynamics resulted mainly from very poor ratios in the first four months of the year, as since May the construction market has been demonstrating a gradual increase which amounted in August to + 8.5% and to as much as 13.5% in September. The best results were recorded in that period in the non-housing sector: +18.7 % in Q3. Construction and assembly production in the housing sector was in Q3 by 6.4% lower than that of the analogous period of the previous year, yet a considerable number of flats the construction of which has been started (+ 60% in Q3 in the category of flats held for sale and rental) and the number of building permits (+33.1% in September in the same category) should result in a noticeable improvement in the situation on the flat market in subsequent periods. Infrastructure construction, which was supposed to be the driving force in the engineering sector and the entire industry, turned out to be the greatest disappointment. Delays in execution of the priority tasks (e.g. those related to EURO 2012) caused that the engineering sector recorded after 3 quarters a decrease by 1.0% as compared to the analogous period of the previous year (including a decrease by 1.1% in road and bridge construction).

Market environment abroad

The Ukrainian economy seems to be slowly recovering from a major crisis. Positive industry production dynamics after 3 quarters of 2010 amounted to 10.8%. Construction and assembly production remained at a low level, showing after three quarters a nearly 13% decrease as compared to the analogous period of the past year (which was still lower as compared to a 20% decrease in H1 2010).

In Kazakhstan after three quarters construction and assembly production reached the level achieved in the analogous period of 2009 (after H1 it was by 3.9% lower). Since March, a gradual increase in investment value in construction has been recorded - in August the dynamics amounted to 12%, while in September it amounted to nearly 16% as compared to the analogous months of the previous year.

Operating profitability

Within 3 quarters of 2010, the Capital Group achieved a positive result on operating activities, i.e. TPLN 14 273 as compared to TPLN 97 in the analogous period of the preceding year (an increase by TPLN 14 370).

The aforementioned result on operating activities was positively affected by higher revenues from the business object of the Capital Group, i.e. rental of formwork systems and scaffoldings, compared to those generated in the analogous period of the preceding year.

All amounts in PLN '000 unless otherwise specified

The highest – in terms of value – prime costs of the operating activities include depreciation write-offs which the Capital Group incurs due to assets held by it (mainly formwork systems and scaffoldings, as well as the Logistics Centre in Poznań and the Logistics Centre in Jaworzno). The amount of depreciation write-offs within 3 quarters of 2010 increased by 15.1% as compared 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 analysed periods are as follows:

	Q1 2010	Q2 2010	Q3 2010	3 quarters of 2010	2009	3 quarters of 2009
Sales	40 267	55 238	59 809	155 314	175 446	125 736
EBIT	(2 003)	5 987	10 289	14 273	3 959	(97)
% of sales	(4.98)	10.84	17.20	9.19	2.26	(0.08)
Amortization/depreciation	18 839	19 261	19 326	57 426	68 101	49 755
EBITDA	16 836	25 248	29 615	71 699	72 060	49 658
% of sales	41.81	45.71	49.52	46.16	41.07	39.49

Within 3 quarters of 2010, the Capital Group recorded an increase in EBITDA – in the absolute terms – of TPLN 22 041 (i.e. by 44.4%) – the EBIDTA profitability (EBITDA as a % of sales) amounted to 46%, compared to 39% in the analogous period of the preceding year.

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

- increase in the revenues from the basic business object of the Group, i.e. rental of formwork systems and scaffoldings, which has a positive effect on the degree of covering the expenses of operations, which due to their specific nature are fixed costs,
- increasing unit prices for the offered services resulting from a better outlook in construction, in particular in the road segment,
- reductions of the costs of the logistic functions as a consequence of launching of the Regional Logistics Centre in Poznań and the Regional Logistics Centre in Jaworzno. As a result of those operations, warehousing and logistic functions were centralized, part of local warehouses was closed, and employment was optimized.

Furthermore, the Capital Group continues preparations for construction of the Regional Logistics Centre in Warsaw. At present, the construction documentation is being developed (concepts and projects).

Within 3 quarters of 2010 changes to the functioning of the subsidiary company - Ulma Systems S.A. were also introduced.
Pursuant to the resolution of the Extraordinary Meeting of Shareholders adopted on 31 May 2010 the entity is to be wound up. The decision results from business considerations as a downturn abroad (especially in North America) has made it impossible to ensure orders that would allow that plant to fully utilize its production capacities. On the other hand, the overhaul functions of that plant were moved to the Logistic Centres in Jaworzno and Poznań in order to minimize the costs of transportation of the modernized elements and to use the technical infrastructure of both centres more effectively.
As a consequence of the decisions on liquidation of the Company, the operating results of the Capital Group were charged with one-off costs related to that liquidation. Severance pay in the amount of TPLN 484 is the greatest item among additional costs.

All amounts in PLN '000 unless otherwise specified

Definition of the Capital Group's exposure to currency exchange risk

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 through:

- mutual set-off of liabilities and receivables denominated in the same foreign currency and related to the same maturity periods,
- operations on the currency market (purchase or sale of foreign currencies which are subject to settlements of liabilities or receivables denominated in a foreign currency),
- entering transactions on the futures market and entering 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 hedge accounting, hence the results of realization and valuation of hedging transactions (positive and negative) are posted to the result for a given period.

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

a) recognized in the statement of financial situation

	30 September 2010	31 December 2009	30 September 2009
Assets under NDF valuation as of the balance sheet date	1 525	918	755
Liabilities under NDF valuation as of the balance sheet date	-	-	19

b) recognized in the total income statement

	3 quarters of 2010	3 quarters of 2009
Result for the period due to execution of the previously concluded NDF contracts - (item: other operating expenses)	(52)	752
Result for the period under valuation of NDF contracts as of the balance sheet date - (item: other operating expenses)	119	(90)
Result for the period under valuation of NDF contracts as of the balance sheet date – financing activities	486	515
Total result under NDF contracts	**553**	**1 177**

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

Besides the economic effects related to settlement and valuation of NDF contracts, economic effects related to adaptation of formwork system components according to the needs of individual customers, as well as the overall results of management of the held assets (inventory surpluses and shortages, as well as provisions for stock impairment) are recognized in the other operating activities. Within 3 quarters 2010 costs related to the aforementioned phenomena amounted to TPLN 2 843 as compared to TPLN 1 347 in the analogous period of 2009.

Financial expenses and other total income

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

The balance on bank credits (short- and medium-term) with interest accrued until the balance sheet date as of 30 September 2010 amounted to TPLN 226 710, as compared to TPLN 215 808 as of 30 September 2009.

As a result of an accrual on the balance on credits with a simultaneous increase in market interest rates as far as financing activity is concerned there was an increase in financial expenses related to interest on credits, which within 3 quarters of 2010 amounted to TPLN 10 504 as compared to TPLN 8 241 in the analogous period of the preceding year (an increase by 28%).

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 Opałubka 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 (losses) resulting thereof are recognized in "statement of changes in the consolidated equity" and in "other total income".

Within 3 quarters of 2010 the total amount of foreign exchange gains /(loss) recognized in the aforementioned statements was positive and amounted to TPLN 682 – out of which foreign exchange gains /(losses) related to the above-mentioned "net investment in a foreign entity" amounted to TPLN 852, whereas foreign exchange gains /(loss) resulting from translation of the financial statement of the entity operating abroad amounted to TPLN (170).

The foreign exchange risk concerning the aforementioned internal loan within EUR-PLN exposure in Poland is hedged by entering NDF contracts; whereas change in valuation of their fair value is recognized in *financial income/expenses* (the Capital Group does not apply Financial Hedging). In H1 2010, change in valuation of the aforementioned forward and future instruments was positive and amounted to TPLN 486.

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 difficult to assess due to the scale and the unpredictability of UAH-EUR changes, which is often a one-off administrative decision.

Net profit

Following deduction of corporate income tax the Capital Group achieved within 3 quarters a positive net financial result in the amount of TPLN 2 991, as compared to the negative net result achieved in the analogous period of the preceding financial year amounting to TPLN 6 380.

All amounts in PLN '000 unless otherwise specified

Cash flows

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

	Q3 2010	3 quarters of 2010	Q3 2009	3 quarters of 2009
Net profit (loss)	5 566	2 991	(1 193)	(6 380)
Amortization/depreciation	19 326	57 426	16 776	49 755
Total cash surplus	24 892	60 417	15 583	43 375
Other cash flow from operating activities	7 366	18 439	16 876	34 994
Net cash flow from operating activities	32 258	78 856	32 459	78 369
Net cash flow from investing activities	(21 058)	(69 597)	(41 434)	(80 736)
Net cash flow from financing activities	(17 598)	(28 287)	8 595	18 861
Net cash flow	(6 398)	(19 028)	(380)	16 494

Cash flow from operating activities

Within 3 quarters of 2010, the Capital Group had a positive financial surplus (net profit + depreciation/amortization) in the amount of TPLN 60 417.

At the same time, cash flows on operating activities amounted to TPLN 78 856, as compared to TPLN 78 369 in the analogous period of the preceding year (an increase by TPLN 487).

From the perspective of current asset management, the period of 3 quarters of 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)*

		30 September 2010	31 December 2009	30 September 2009
1.	Net trade receivables	76 018	59 213	47 372
2.	Sales revenues for 12 months from the balance sheet date	205 024	175 446	179 229
3.	Number of days	365	365	365
4.	Rotation ratio (1*3/2)	135	123	97

It should be stresses that a decrease in the rotation ratio results also from the sales revenues in the analysed periods. The level of receivables as of the balance sheet date is affected primarily by sales revenues generated within the last two months preceding the balance sheet date.

The upturn on the construction market resulted in the fact that sales revenues generated within the last two months preceding the balance sheet date accounted for 20.2% of sales revenues generated within the period assumed for the purposes of calculation of the rotation ratio as of 30 September 2010. In the other presented periods, sales revenues generated within the two last months accounted for respectively 18.7% and 15.4% of the revenues generated in the period of 12 months preceding the balance sheet date.

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 in progress. In spite of those measures, a decrease in the receivable rotation ratio as compared to the level recorded in 2009 was observed - 123 days.

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

Within 3 quarters of 2010, the Capital Group made investment purchases in order to supplement the portfolio of the offered products (in particular formwork systems and scaffoldings). Furthermore, it settled payments related to the same investment purchases made in Q4 2009. As a result, investment expenditures made within 3 quarters of 2010 related to purchasing fixed tangible assets amounted to TPLN 70 189.

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

In 3 quarters of 2010, surplus of outflows over inflows from financing activities amounted to TPLN 28 287 as compared to surplus of inflows over outflows in the amount of TPLN 18 861 in the analogous period of 2009.

As has already been mentioned, the Capital Group uses bank credits to finance investments related to purchase of products for rent. Lower investment expenditures made for that purpose recorded in 2010 resulted in a decrease in inflows under newly incurred investment credits – TPLN 16 081 within 3 quarters of 2010 as compared to TPLN 48 062 within 3 quarters of 2009. On the other hand, outflows under repayment of the previously incurred credits are higher (TPLN 33 654 as compared to TPLN 20 816 within 3 quarters of 2009).

As a result of the aforementioned phenomena the Group recorded in the period of 3 quarters of 2010 a decrease in cash amounting to TPLN 19 028 and a decrease in the overdraft facility to TPLN 835 as of 30 September 2010.

Information concerning seasonal or cyclical nature of the Issuer's operations within the presented period

Construction works are characterized by high seasonality which is directly reflected in revenues from sale of products and services of the ULMA Construccion Polska Capital Group S.A. Particularly unfavourable weather conditions and frequent delays in execution of budget investments occur usually in the first quarter of the year. Improvement to the discussed factors occurs usually in the subsequent quarters.
A particularly apparent seasonality effect has been noticeable this year due to especially unfavourable weather conditions in winter.

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

Within 3 quarters of 2010, there were no operations of that type.

Information concerning disbursed (or declared) dividend, in total and per share, by 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 company - ULMA Systems S.A. - it was resolved to disburse dividend in the amount of PLN 24 million to the benefit of the Company's sole shareholder - ULMA Construccion Polska S.A.

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

Events that took place after the date for which these abridged quarterly financial statements were prepared that were not provided for in these statements, which may materially affect the future financial results of the ULMA Construccion Polska S.A. Capital Group

In spite of high effectiveness of measures hedging against currency exchange risk the net result on those transactions is affected to a large extend by volatility of exchange rates. This relates in particular to transactions hedging against currency exchange risk resulting from the balance of the intragroup loan which ULMA Construccion Polska S.A. granted to its daughter company - Ulma Opałubka Ukraina sp. z.o.
As a result, EUR/PLN volatility continues to affect total income generated by the Capital Group.

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 allocable to particular sector or geographical segment specified in accordance with International Accounting Standards depending on which segment division in the basic one

The ULMA Construccion Polska S.A. Capital Group identifies in its business activity two basic segments:

- servicing constructions – a segment which includes rental of formwork and construction scaffolding alongside the broadly understood logistics services and settlement of constructions costs once the contract has been 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 (products and services) of the Group, alongside sale of other building materials.

The results of the segments are as follows:

Q3 2010 – period of 3 months ended on 30 September 2010

Description	Construction servicing	Sale of building	Capital Group

All amounts in PLN '000 unless otherwise specified

		materials	
Total sales revenues	54 992	8 917	63 909
Sale between segments	(951)	(3 149)	(4 100)
Sales revenues	**54 041**	**5 768**	**59 809**
Operating expenses without amortization	(25 615)	(4 579)	(30 194)
EBITDA	**28 426**	**1 189**	**29 615**
Amortization/depreciation	(19 139)	(187)	(19 326)
EBIT operating profit	**9 287**	**1 002**	**10 289**

3 quarters of 2010 – period of 9 months ended on 30 September 2010

Description	Construction servicing	Sale of building materials	Capital Group
Total sales revenues	138 943	32 304	171 247
Sale between segments	(2 689)	(13 244)	(15 933)
Sales revenues	**136 254**	**19 060**	**155 314**
Operating expenses without amortization	(67 190)	(16 425)	(83 615)
EBITDA	**69 064**	**2 635**	**71 699**
Amortization/depreciation	(56 576)	(850)	(57 426)
EBIT operating profit /(loss)	**12 488**	**1 785**	**14 273**

Q3 2009 – period of 3 months ended on 30 September 2009

Description	Construction servicing	Sale of building materials	Capital Group
Total sales revenues	35 597	14 162	49 759
Sale between segments	(1 320)	(6 578)	(7 898)
Sales revenues	**34 277**	**7 584**	**41 861**
Operating costs without amortization	(19 908)	(5 045)	(24 953)
EBITDA	**14 369**	**2 539**	**16 908**
Amortization/depreciation	(16 428)	(348)	(16 776)
EBIT operating profit /(loss)	**(2 059)**	**2 191**	**132**

3 quarters of 2009 – period of 9 months ended on 30 September 2009

Description	Construction servicing	Sale of building materials	Capital Group

Total sales revenues	104 274	36 980	141 254
Sale between segments	(4 944)	(10 574)	(15 518)
Sales revenues	**99 330**	**26 406**	**125 736**
Operating costs without amortization	(56 219)	(19 859)	(76 078)
EBITDA	**43 111**	**6 547**	**49 658**
Amortization/depreciation	(48 851)	(904)	(49 755)
EBIT operating profit /(loss)	**(5 740)**	**5 643**	**(97)**

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

	Q3 2010 from 1 July to 30 September 2010	**3 quarters of 2010 from 1 January to 30 September 2010**	**Q3 2009 from 1 July to 30 September 2009**	**3 quarters of 2009 from 1 January to 30 September 2009**
Operating profit /(loss) of segments	**10 289**	**14 273**	**132**	**(97)**
Interest income	(1)	129	126	437
Other financial income	412	486	515	516
Interest expenses	(3 201)	(10 537)	(2 644)	(8 261)
Other financial expenses	(238)	305	(18)	(281)
Interest in profit /(loss) of associated entities	(136)	(392)	63	194
Gross profit (loss)	**7 125**	**4 264**	**(1 826)**	**(7 492)**
Income tax	(1 559)	(1 273)	633	1 112
Net profit (loss)	**5 566**	**2 991**	**(1 193)**	**(6 380)**

Translations of selected financial data into EUR

	in PLN '000		**in EUR '000**	
ITEM	**3 quarters of 2010 from 1 January to 30 September 2010**	**3 quarters of 2009 from 1 January to 30 September 2009**	**3 quarters of 2010 from 1 January to 30 September 2010**	**3 quarters of 2009 from 1 January to 30 September 2009**

All amounts in PLN '000 unless otherwise specified

Net revenues from sale of products, goods and materials	155 314	125 736	38 769	28 581
Operating profit /(loss)	14 273	(97)	3 563	(22)
Gross profit /(loss)	4 264	(7 492)	1 064	(1 703)
Net profit	2 991	(6 380)	747	(1 450)
Net cash flows from operating activities	78 856	78 369	19 684	17 814
Net cash flows from investments	(69 597)	(80 736)	(17 373)	(18 352)
Net cash flows from financing activities	(28 287)	18 861	(7 061)	4 287
Net cash flows	(19 028)	16 494	(4 750)	3 749
Diluted profit per ordinary share	0.57	(1.21)	0.14	(0.28)
Basic profit per ordinary share (PLN/EUR)	0.57	(1.21)	0.14	(0.28)

	30 September 2010	**31 December 2009**	**30 September 2010**	**31 December 2009**
Total assets	527 570	544 581	132 323	132 560
Liabilities	267 160	287 779	67 008	70 050
Long-term liabilities	156 748	183 875	39 315	44 758
Short-term liabilities	110 412	103 904	27 693	25 292
Equity	260 410	256 802	65 315	62 510
Share capital	10 511	10 511	2 636	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 (PLN/EUR)	49.55	48.86	12.43	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 30 September 2010 was PLN 3.9870 and as of 31 December 2009 – PLN 4.1082.

The total income statement items and the cash flow statement items were translated using the exchange rate representing the arithmetical mean of the exchange rates prevailing as of the last day of each month in a given period, i.e. the data for the period of 1 January – 30 September 2010 were translated at the exchange rate of PLN/EUR = 4.0061, while the data for the analogous period of 2009 were translated at the exchange rate of PLN/EUR = 4.3993.

Description of the organization of the ULMA Construccion Polska S.A. Capital Group with details of the entities subject to consolidation

The Group is controlled by ULMA C y E, S. Coop. with its registered office in Spain which as of 30 September 2010 holds 75.49% of the Company's shares. The remaining 24.51% of 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. joint stock company with its registered office in Warsaw at ul. Klasyków 10. On 15 September 1995, pursuant to a resolution of the Extraordinary Shareholder Meeting the company was transformed from a limited liability company into a joint stock company (Notary Deed of 15 September 1995, Ref. A 5500/95). It was entered into the Register of Entrepreneurs under KRS number 0000055818 by the District Court for the Capital City of Warsaw, 20th Commercial Division of the National Court Register.

Subsidiary companies:

- ULMA System S.A. 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 pursuant to a decision of the District Court in Kielce, 10th Commercial Division in the Register of Entrepreneurs under KRS number 0000054140. The business objects of the Company consist in 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 ULMA System S.A. adopted a resolution on liquidation of the Company.

- ULMA Opałubka Ukraina sp. z o.o. with its registered office in Kyiv at 9 Gnata Juri street 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 objects of the company 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%.

- On 27 August 2010, a subsidiary company – ULMA Opałubka Kazachstan sp. z o.o. with its registered office in Astana at 25 Taszenowa street was established. Its strategic objective will development of the Capital Group's basic objects, i.e. rental of formwork systems and scaffoldings, as well as dissemination of knowledge on application of the formwork technology in the construction process in Kazakhstan. 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 200 Chitilei street 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 consists 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 using 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

Establishment of the subsidiary ULMA Opałubka Kazachstan in Kazakhstan will cause the Capital Group to incur in subsequent periods costs and expenditures related to complementing the logistics and trade structures in that country.

The position of the Management Board as regards the possibility of realization of the previously published result forecasts for a given year in the light of the results presented in the quarterly statements in comparison with the forecast results

The ULMA Construccion Polska S.A. Capital Group does not publicize any forecasts concerning its 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 Shareholders of ULMA Construccion Polska S.A. as of the date of passing the quarterly report, with details of the number of shares held by such shareholders, their percentage interest 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 from 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% of the Company's share 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 Aviva BZ WBK holding directly 306 822 shares of ULMA Construccion Polska S.A., equivalent to 5.84% of the Company's share capital and entitling to 306 822 votes at the General Meeting, equivalent to 5.84% 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) held 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 subsidiaries thereof with a value in excess of 10% of their equity.

Proceedings concerning receivables of ULMA Construccion Polska S.A. as of 30 September 2010:

During the period covered by the report, no proceedings were initiated against ULMA Construccion Polska S.A. or subsidiaries thereof 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 carrying out 71 court proceedings concerning receivables – their total value amounts to TPLN 9 294. Among the proceedings pending at court, ULMA Construccion Polska S.A. is carrying out 47 bankruptcy proceedings for the total amount of TPLN 7 456.

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

Creditor	Debtor	Value of dispute in PLN '000	Proceeding commencement date
ULMA Construccion Polska S.A.	PRIB EKO PRZEM SP. Z O.O. 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	24-04-2006 - bankruptcy
ULMA Construccion Polska S.A.	LPBO S.A.	725	23-03-2000 - bankruptcy
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. 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 they are significant, either

individually or jointly, and have not been 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 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 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 provided these are necessary to understand the Issuer's financial situation and its financial result,
f) any amendments to transactions concluded with associated companies which were referred to in the latest annual statements and which could have a significant impact on the Issuer's financial situation and its financial result.

Transactions concluded within 3 quarters of 2010 by ULMA Construccion Polska S.A. and subsidiaries thereof with associated companies 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 concerned purchase of formwork and overhaul services related to formwork systems made by ULMA Construccion Polska S.A. from ULMA System S.A. for TPLN 19 287 and purchases of formwork from ULMA C y E, S. Coop. for TPLN 27 298.
Within the last 12 months (from 1 October 2009 to 30 September 2010) the value of the aforementioned transactions was TPLN 31 012 in relation to purchases from ULMA System S.A. and TPLN 50 920 for purchased from ULMA C y E, S. Coop., respectively.

Information on granting by ULMA Construccion Polska S.A. or a subsidiary thereof credit 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 credits and loans which were duly guaranteed in total or in part,
c) the period for which the warranties or guarantees were granted,
d) financial terms and 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 credit or loan.

ULMA Construccion Polska S.A. – parent company – granted its daughter company ULMA System S.A. in Starachowice an intragroup loan in the amount of TPLN 3 500 for financing the company's needs as regards current assets related to conducting the winding up process.

The loan has been granted on a arm's length basis until 31 May 2011 and it will be repaid with cash acquired through sale of the assets of the subsidiary company being wound up.

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 for evaluation of possibilities of meeting its liabilities by ULMA Construccion Polska S.A. Capital Group

Within 3 quarters of 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 for evaluation of its personnel and financial situation, its financial result and changes thereto, and for evaluation of possibilities of meeting its liabilities by companies of the Capital Group.

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

Market in Poland

In Q3 the construction industry was making up for outstanding works from the first months of the year. This tendency is set to continue in Q4 provided the industry is not faced with unfavourable weather conditions.
There are positive signals from the housing construction market: developers are planning to commence new investments offering stable prices, customers are looking for new premises and bankers are declaring their willingness to grant more credits, lowering at the same time their margins. In the next quarter we should find out whether this is stabilization of the situation or the beginning of an upwards trend.
As far as the non-housing construction is concerned, in spite of high growth dynamics in Q3, one should not consider it a permanent trend to start investments and re-launch frozen projects - a symbolic increase seems to be most probable in the near future.
An apparent upturn should be expected in the engineering construction, particularly in the infrastructure one, which after a period of depression should start making up for the delays. Within three quarters of 2010, 38 agreements on construction of new sections of main roads of the total value of PLN 17.7 billion were signed. In September 2010, the total of 1255 km of main roads (28 sections of motorways, 33 sections of express roads and 19 city bypasses) were under construction.
Owing to investments in the portfolio development and skills of the project teams the Capital Group has been successively increasing its share in that sector: after 3 quarters of 2010 the share of engineering construction in its revenues increased by over 15% as compared to 2009.

As a result of the upturn a further increase in unit prices of the services offered by the Capital Group (particularly as far as rental of formwork systems and scaffoldings is concerned), and as a consequence – a further increase in the operating profitability ratios (EBIT and EBITDA) may be forecast. However, the degree of this increase depends on the situation in the construction market and weather conditions in winter months.

Export markets

A gradual political stabilization in Ukraine, an increase in industrial production in the export markets and accepting in June 2010 a comprehensive programme of economic and social reforms by the Ukrainian government enhanced confidence of international financial institutions. In July, the ICF unblocked financial aid granting a credit in the amount of USD

15.5 billion, whereas the National Bank of Ukraine increased in August a GDP growth forecast for 2010 to 4%.

In Kazakhstan investment projects in the housing sector are slowly re-launched and 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 3 Q 2010

ULMA Construccion Polska S.A.
STATEMENT OF FINANCIAL POSITON
All amounts in PLN '000 unless otherwise specified

	As of:			
	30 September 2010	**30 June 2010**	**31 December 2009**	**30 September 2009**
ASSETS				
I. Fixed assets (long-term)				
1. Tangible fixed assets	426 417	433 214	440 742	421 551
2. Intangible assets	497	541	656	626
3. Investments in subsidiary and associated companies	13 669	13 585	13 585	13 585
4. Trade receivables and other receivables	11 164	11 920	13 079	13 213
5. Other fixed assets	4 357	4 371	4 399	4 413
Total fixed assets (long-term)	**456 104**	**463 631**	**472 461**	**453 388**
II. Current assets (short-term)				
1. Stocks	6 450	7 537	1 836	1 968
2. Trade receivables and other receivables	77 292	67 792	55 785	44 585
3. Current income tax receivables	99	123	87	-
4. Derivative instruments	1 650	1 307	846	755
5. Cash and cash equivalents	5 643	9 016	17 436	22 245
Total current assets (short-term)	**91 134**	**85 775**	**75 990**	**69 553**
Total assets	**547 238**	**549 406**	**548 451**	**522 941**
TOTAL EQUITY AND LIABILITIES				
I. Equity				
1. Share capital	10 511	10 511	10 511	10 511
2. Supplementary capital – share premium	114 990	114 990	114 990	114 990
3. Retained profit, of which:	154 592	149 908	132 946	129 154
a) Net profit for the period	*21 646*	*16 962*	*2 938*	*(854)*
Total equity	**280 093**	**275 409**	**258 447**	**254 655**
II. Liabilities				
1. Long-term liabilities				
a. Credits and loans	154 452	168 452	182 479	165 501
b. Deferred income tax liabilities	3 087	1 823	2 252	2 350
c. Long-term liabilities under pension benefits	55	55	55	66
d. Long-term liabilities under financial leasing	464	533	569	-
Total long-term liabilities	**158 058**	**170 863**	**185 355**	**167 917**
2. Short-term liabilities				
a. Credits and loans	72 257	69 175	56 377	50 308
b. Short-term liabilities under pension benefits	23	23	23	9
d. Short-term liabilities under financial leasing	146	112	241	138
d. Derivative instruments	-	-	-	-
e. Trade receivables and other receivables	36 661	33 824	48 008	49 914
Total short-term liabilities	**109 087**	**103 134**	**104 649**	**100 369**
Total liabilities	**267 145**	**273 997**	**290 004**	**268 286**
Total equity and liabilities	**547 238**	**549 406**	**548 451**	**522 941**

All amounts in PLN '000 unless otherwise specified

	Q3 2010 from 1 July to 30 September 2010	3 quarters of 2010 from 1 January to 30 September 2010	Q3 2009 from 1 July to 30 September 2010	3 quarters of 2009 from 1 January to 30 September 2009
Sales revenues	57 770	148 144	39 280	120 923
Costs of sold products, goods and materials	(44 491)	(123 938)	(37 162)	(112 350)
I. Gross profit on sales	**13 279**	**24 206**	**2 118**	**8 573**
Costs of sales and marketing	(695)	(3 058)	(831)	(3 720)
Overheads	(2 304)	(7 057)	(2 083)	(6 481)
Other operating costs	(1 327)	(2 414)	2	(570)
II. Operating profit /(loss)	**8 953**	**11 677**	**(794)**	**(2 198)**
Financial income	900	21 757	8 422	9 159
Financial expenses	(3 905)	(10 952)	(3 410)	(9 276)
Net financial expenses	*(3 005)*	*10 805*	*5 012*	*(117)*
III. Gross profit /(loss)	**5 948**	**22 482**	**4 218**	**(2 315)**
Current income tax	-	-	-	-
Deferred income tax	(1 264)	(836)	545	1 461
IV. Net profit /(loss) for the period	**4 684**	**21 646**	**4 763**	**(854)**
Other total income	-	-	-	-
V. Total income for the financial period	**4 684**	**21 646**	**4 763**	**(854)**
Weighted average number of ordinary shares	5 255 632	5 255 632	5 255 632	5 255 632
Basic and diluted profit /(loss) per share in the financial period (in PLN per share)	0.89	4.12	0.91	(0.16)

All amounts in PLN '000 unless otherwise specified

Item	Share capital at nominal value	Share premium	Retained profits	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 3 quarters of 2010	-	-	21 646	**21 646**
As of 30 September 2010	**10 511**	**114 990**	**154 592**	**280 093**

Item	Share capital at nominal value	Share premium	Retained profits	Total equity
As of 31 December 2008	**10 511**	**114 990**	**130 008**	**255 509**
Total net income in 3 quarters of 2009	-	-	(854)	**(854)**
As of 30 September 2009	**10 511**	**114 990**	**129 154**	**254 655**

ULMA Construccion Polska S.A.
CASH FLOW STATEMENT

All amounts in PLN '000 unless otherwise specified

	Q3 2010 from 1 July to 30 September 2010	3 quarters of 2010 from 1 January to 30 September 2010	Q3 2009 from 1 July to 30 September 2010	3 quarters of 2009 from 1 January to 30 September 2009
Cash flow from operating activities				
Net profit for the period	**4 684**	**21 646**	**4 763**	**(854)**
Adjustments:				
- Income tax	1 264	836	(545)	(1 461)
- Depreciation of fixed assets	19 780	58 289	16 858	50 187
- Amortization of intangible assets	68	256	129	373
- Net value of sold formwork – fixed assets	4 020	9 791	2 892	11 827
- Gains /(loss) from change in fair value of financial instruments	(343)	(803)	-	(403)
- Interest and dividend income	(362)	(21 145)	(7 906)	(8 643)
- Interest expenses	3 201	10 537	2 644	8 255
- FX gains /(loss)	667	225	899	839
- Provisions for liabilities and other charges	-	-	-	-
Change in current assets:				
- Stocks	1 087	(4 614)	421	2 090
- Trade receivables and other receivables	(8 075)	(18 483)	1 392	14 967
- Trade receivables and other receivables	7 078	9 813	(6 182)	(5 514)
	33 069	**66 348**	**15 365**	**71 663**
Income tax paid	24	(12)	-	2 889
Net cash flow from operating activities	**33 093**	**66 336**	**15 365**	**74 552**
Cash flow from investing activities				
Acquisition of fixed financial assets	(21 260)	(74 993)	(28 520)	(72 503)
Inflows from sale of fixed financial assets	30	120	27	75
Acquisition of intangible fixed assets	(24)	(98)	(9)	(400)
Loans granted	(1 425)	(3 025)	-	(14 004)
Repayment of loans granted	307	1 228	-	-
Dividend received	-	20 000	7 440	7 440
Acquisition of shares in a subsidiary and associated company	(84)	(84)	-	-
Interest received	362	1 488	466	1 203
Net cash flow from investing activities	**(22 094)**	**(55 364)**	**(20 596)**	**(78 189)**
Cash flow from financing activities				
Credits and loans received	787	16 081	19 292	48 062
Repayment of credit and loans	(14 575)	(33 654)	(7 458)	(20 816)
Payments under financial leasing	(36)	(201)	(42)	(124)
Interest paid	(3 773)	(10 512)	(2 644)	(8 255)
Net cash flow from financing activities	**(17 597)**	**(28 286)**	**9 148**	**18 867**
Net increase/(decrease) in cash and overdraft facility	**(6 598)**	**(17 314)**	**3 917**	**15 230**
Cash and overdraft facility at the beginning of the period	7 057	17 436	14 625	3 252
FX gains /(losses) due to valuation of cash and overdraft facility	(218)	119	(108)	(48)
Cash and overdraft facility at the end of the period	**241**	**241**	**18 434**	**18 434**

Notes to the interim unconsolidated financial statements

1. Description of key accounting principles

The key accounting principles applied in preparation of these unconsolidated financial statements are compliant with the accounting policies adopted by the Group. The principles have been presented in the consolidated financial statements constituting 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 in accordance with the historical cost principle adjusted by revaluation write-downs. Effects of the revaluation write-downs of the investments in subsidiary companies are recognized as financial income or expenses for the reporting period in which the changed occurred.

Translations of selected financial data into EUR

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

ITEM	in PLN '000		in EUR '000	
	3 quarters of 2010 from 1 January to 30 September 2010	**3 quarters of 2009 from 1 January to 30 September 2009**	**3 quarters of 2010 from 1 January to 30 September 2010**	**3 quarters of 2009 from 1 January to 30 September 2009**
Net revenues from sale of products, goods and materials	148 144	120 923	36 980	27 487
Operating profit /(loss)	11 677	(2 198)	2 915	(500)
Gross profit /(loss)	22 482	(2 315)	5 612	(526)
Net profit /(loss)	21 646	(854)	5 403	(194)
Net cash flow from operating activities	66 336	74 552	16 559	16 946
Net cash flow from investing activities	(55 364)	(78 189)	(13 820)	(17 773)
Net cash flow from financing activities	(28 286)	18 867	(7 061)	4 289
Net cash flow	(17 314)	15 230	(4 322)	3 462
Basic profit per ordinary share (PLN/EUR)	4.12	(0.16)	1.03	(0.04)
Diluted profit per share (PLN/EUR)	4.12	(0.16)	1.03	(0.04)
	30 September 2010	**31 December 2009**	**30 September 2010**	**31 December 2009**
Total assets	547 238	548 451	137 256	133 501
Liabilities	267 145	290 004	67 004	70 591
Long-term liabilities	158 058	185 355	39 643	45 118
Short-term liabilities	109 087	104 649	27 361	25 473
Equity	280 093	258 447	70 252	62 910
Share capital	10 511	10 511	2 636	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 (PLN/EUR)	53.29	49.18	13.37	11.97

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 30 September 2010 was PLN 3.9870 and as of 31 December 2009 – PLN 4.1082.

The total income statement items and the cash flow statement items were translated using the exchange rate representing the arithmetical mean of the exchange rates prevailing as of the last day of each month in a given period, i.e. the data for the period of 1 January – 30 September 2010 were translated at the exchange rate of PLN/EUR = 4.0061, while the data for the analogous period of 2009 were translated at the exchange rate of PLN/EUR = 4.3993.