ULMA

CONSOLIDATED FINANCIAL STATEMENTS OF

the ULMA Construccion Polska S.A. CAPITAL GROUP

for the period of 6 months ended 30 June 2010 (unaudited)

Additional information constitutes an integral part of the consolidated financial statements

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 or ULMA POLSKA) 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.

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
Felix Esperesate Gutierrez	Member of the Supervisory Board
Rafał Alwasiak	Member of the Supervisory Board

Audit Committee

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
Andrzej Sterczyński	Member 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

- **Auditor**

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

- **Banks**

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

- **Listing**

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

All amounts in PLN '000 unless specified otherwise

	Note	As of: 30 June 2010	31 December 2009	30 June 2009
ASSETS				
1. Fixed assets				
1. Tangible fixed assets	5.	436 723	442 947	402 993
2. Intangible fixed assets	6.	550	669	767
3. Interest in associated entities	8.	2 098	2 380	2 432
4. Other fixed assets	9.	4 371	4 399	4 426
Total fixed assets		**443 742**	**450 395**	**410 618**
II. Current assets				
1. Stocks	11.	8 256	13313	14 527
2. Trade receivables and other Receivables	10.	69 534	60 467	50 500
3. Current income tax receivables		123	120	-
4. Derivative instruments		1 307	918	-
5. Cash and cash equivalents	12.	9 391	19 368	21 195
Total current assets		**88 611**	**94 186**	**86 222**
Total assets		**532 353**	**544 581**	**496 840**
EQUITY AND LIABILITIES				
I. Equity				
1. Share capital	13.	10511	10511	10511
2. Supplementary capital – share premium	13.	114 990	114 990	114 990
3. Foreign exchange gains/losses from consolidation		(3 249)	(5 563)	(3 424)
4. Retained profit, of which:		134 289	136 864	137 161
a. Net loss for the period		*(2 575)*	*(5 484)*	*(5 187)*
Total equity		**256 541**	**256 802**	**259 238**
II. Liabilities				
1. Long-term liabilities				
a. Loans	15.	168 452	182 479	157 197
b. Deferred income tax liabilities	17.	336	749	1 585
c. Long-term liabilities under pension benefis	18.	55	78	74
d. Long-term liabilities under financial leasing	16.	533	569	9
Total long-term liabilities		**169 376**	**183 875**	**158 865**
2. Short-term liabilities				
a. Loans	15.	69 175	56 377	43 456
b. Short-term liabilities under pension benefits	18.	23	24	9
c. Current income tax liabilities		23	-	-
d. Short-term liabilities under financial leasing	16.	112	241	172
e. Derivative instruments		-	-	252
f. Trade receivables and other Receivables	14.	37 103	47 262	34 848
Total short-term liabilities		**106 436**	**103 904**	**78 737**

Total liabilities	**275 812**	**287 779**	**237 602**
Total equity and liabilities	**532 353**	**544 581**	**496 840**

ULMA Construccion Polska S.A. CAPITAL GROUP
CONSOLIDATED TOTAL INCOME STATEMENT

All amounts in PLN '000 unless specified otherwise

	Note	6 months 2010	6 months 2009
Sales revenues	19.	95 504	83 874
Costs of sold products, goods and materials	20.	(82 075)	(74 773)
1. Gross profit on sales		**13 429**	**9 101**
Costs of sales and marketing	20.	(2 799)	(3 827)
Overheads	20.	(5 424)	(5 108)
Other operating costs	21.	(1 223)	(395)
II. Operating profit (loss)		**3 983**	**<2291**
Financial income	22.	205	311
Financial expenses	22.	(6 794)	(5 880)
Net financial income/(expenses)		(6 589)	*(5 569)*
Interest in profit/(loss) of associated companies		(255)	131
III. Gross profit/(loss)		**(2 861)**	**(5 667)**
Income tax	23.	286	480
IV. Net profit/(loss) for the period		**(2 575)**	**(5187)**
Other total income:			
Foreign exchange gains/(losses) from translation of a subsidiary company		(7)	269
Foreign exchange gains/(losses) from a net investment in a subsidiary company		2 341	241
Income tax related to other total income items		(20)	5
V. Total income for the period		**(261)**	**(4 672)**
Net profit (loss) for the financial period allocable to owners of the parent company		(2 575)	(5 187)
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)		(0.49)	(0.99)

All amounts in PLN '000 unless specified otherwise

Item	Share capital at nominal value	Share premium	Foreign exchange gains/(losses) from consolidation	Retained profit	Total equity
As of 31 December 2008	10 511	114 990	(3 939)	142 348	263 910
Total income in 2009	-	-	(1 624)	(5 484)	(7 108)
As of 31 December 2009	10 511	114 990	(5 563)	136 864	256 802
Total income in H1 2010	-	-	2 314	(2 575)	(261)
As of 30 June 2010	10 511	114 990	(3 249)	134 289	256 541

Item	Share capital at nominal value	Share premium	Foreign exchange gains/(losses) from consolidation	Retained profit	Total equity
As of 31 December 2008	10 511	114 990	(3 939)	142 348	263 910
Total income in H1 2009	-	-	515	(5 187)	(4 672)
As of 30 June 2009	10 511	114 990	(3 424)	137 161	259 238

ULMA Construccion Polska S.A. CAPITAL GROUP
CONSOLIDATED TOTAL INCOME STATEMENT

All amounts in PLN '000 unless specified otherwise

		6 months 2010	6 months 2009
Cash flows from operations			
Net loss for the financial period		**(2 575)**	**(5 187)**
Adjustments:			
- Income tax	23.	(286)	(480)
- Depreciation of fixed assets	5.	37 907	32 721
- Amortization of intangible fixed assets	6.	193	259
- Net value of sold formwork – fixed assets		5 776	8 427
- Interest expenses		7 336	5 064
- Interest revenue		(131)	(184)
- Gains/losses from changes in fair value of financial instruments		(107)	434
- Gains/losses from foreign exchange differences		(244)	190
- Change in fair value in provisions for pension benefits		(23)	-
Changes in the current assets:			
- Stocks		5 057	1 517
- Trade receivables and other receivables		(9 067)	4 766
- Trade liabilities and other liabilities		2 889	(4 483)
		46 725	**43 044**
Income tax paid		(128)	2 866
Net cash flows from operations		**46 597**	**45 910**
Net cash flows from investments			
Acquisition of tangible fixed assets		**(48** 753)	(39 138)
Inflows from sale of tangible fixed assets		157	47
Acquisition of intangible fixed assets		(74)	(396)
Interest received		131	184
Net cash expenses from investments		**(48 539)**	**(39 303)**
Cash flows from financing activities			
Loans received		15 294	28 770
Repayments of loans		(19 079)	(13 358)
Payments due to financial leasing		(165)	(82)
Interest paid		(6 739)	(5 064)
Net inflows/(outflows) from financing activities		**(10 689)**	**10 266**
Net increase/(decrease) in cash and overdraft facility		**(12 631)**	**16 873**
Opening cash and overdraft facility		19 368	3 804
(Gains)/losses due to valuation of cash and overdraft facility		695	28
Closing cash and overdraft facility	12.	**7 432**	**20 705**

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 6 months ended on 3 June 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".

As of 30 June 2010, there were no differences between the IFRS approved by the European Union and the IFRS announced by the International Accounting Standard Board which would affect the financial statements of the ULMA Construccion Polska S.A. Capital Group.

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 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 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 the other total income item.

4. Exchange rate 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
30 June 2010	0.4293	4.1458	2.6%
31 December 2009	0.3558	4.1082	3.5%
30 June 2009	0.4144	4.4696	3.5%

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.
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.

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.

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 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 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-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 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.

Deferred income assets and liabilities are offset when there is a legally enforceable right to offset current assets against liabilities and when the entity intends to pay tax in a net amount or realize at the same time receivables and settle liabilities.

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.

The provision for an employee is based on the anticipated amount of pension benefit that the Group agrees to pay pursuant to the applicable Regulations. Thus calculated amount is actuarially discounted as of the balance sheet day. The discounted amount is decreased by the annual allocation to the provision, discounted actuarially as of the same day, which is made to increase the provision per employee. The actuarial discount is the product of the financial discount and the survival probability of the person to the retirement age as an employee of the Group. In accordance with IAS 19, the financial discount rate used in order to calculate the present value of employee benefit liabilities was based on market rates of return on Treasury bonds with the currency and redemption date matching the currency and the estimated time of disbursement of the employee benefits.

2. Financial risk and capital management

Operations of the Group are exposed to various financial risks: foreign exchange risk, risk of change to cash flows and fair value as a result of interest rate changes, credit risk and liquidity risk.

By applying a program of risk management, the Group seeks to mitigate the financial risks that have a negative influence on the financial results achieved by the Group. The Group enters future contracts to hedge against some risks.

The currency exchange rate risk

The Group operates internationally and is exposed to foreign exchange risk of various currencies, in particular the Euro. The FX risk applies primarily to future commercial transactions (sale of products and

goods and purchases of goods and services) and the balance sheet assets and liabilities. FX risk occurs when future trade transactions, balance sheet assets and liabilities are denominated in a currency other than the functional currency of the companies in the Group.
The Group hedges net items with external forward transactions.
The table below presents EUR denominated assets and liabilities of the Group that are exposed to FX risk (expressed in EUR '000).

	30 June 2010	31 December 2009	30 June 2009
Trade receivables	1 177	1 433	2 582
Cash	1 544	3 207	548
Future FX contract	(2 875)	(4 530)	(5 384)
Total assets	**(154)**	**110**	**(2 254)**
Trade receivables	2 911	5 815	1 303
Future FX contracts	(1 040)	(2 615)	(425)
Total liabilities	**1 871**	**3 200**	**878**

A sensitivity analysis made by the Group shows that:

- as of 30 June 2010, if PLN had depreciated/appreciated by 10% in relation to EUR, with other parameters unchanged, the consolidated net profit for 6 months ended on 30 June 2010 would have been by TPLN 680 higher/lower due to revaluation of EUR denominated cash, receivables, liabilities and FX contracts,
- as of 31 December 2009, if PLN had depreciated/appreciated by 10% in relation to EUR, with other parameters unchanged, the consolidated net profit for 12 months ended on 31 December 2009 would have been by TPLN 1 061 higher/lower due to revaluation of EUR denominated cash, receivables, liabilities and FX contracts,
- as of 30 June 2009, if PLN had depreciated/appreciated by 10% in relation to EUR, with other parameters unchanged, the consolidated net profit for 6 months ended on 30 June 2009 would have been by TPLN 1 112 higher/lower due to revaluation of EUR denominated cash, receivables, liabilities and FX contracts.

Moreover, the parent company granted within the Capital Group a loan in the amount of TEUR 3 100 to its subsidiary company operating in Ukraine. The loan constitutes a part of the parent company's net investment in a foreign company and is denominated in a currency other than the functional currency of the parent company (i.e. PLN) or that of the Ukrainian subsidiary (i.e. UAH). According to IAS 21, FX differences resulting from translation of the aforementioned loan in the non-consolidated financial statements of the parent company (due to translation of the loan from EUR into PLN), as well as FX differences resulting from translation of that loan in the non-consolidated financial statements of a foreign subsidiary company (due to translation of the loan from EUR into UAH) in the Group's consolidated financial statements are recognized in a separate equity item.

If PLN had depreciated/appreciated by 10% in relation to EUR, with other parameters unchanged, FX differences recognized in a separate equity item in relation to the aforementioned loan would have increased/decreased the consolidated capital by TPLN 965. If UAH had depreciated/appreciated by 10% in relation to EUR, with other parameters unchanged, FX differences recognized in a separate equity item in relation to the aforementioned loan would have increased/decreased the consolidated capital by TPLN 841. Hence, a simultaneous depreciation/appreciation of PLN in relation to UAH and EUR would not have had significant influence on the consolidated equity.

ULMA Construccion Polska S.A. CAPITAL GROUP

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

Operating income and flows of the Group are not materially exposed to the interest rate risk.
The interest rate risk in the Group applies to long-term debt instruments (Note 15). The interest rate applicable to loans contracted by the Group is based on WIBOR 1M plus a bank margin, which exposes the Group to the risk of changed cash flows due to a change in interest rates. The Group does not have fixed rate financial instruments for which any change of the interest curve would result in a change of their fair value.

A sensitivity analysis made by the Group shows that:

- as of 30 June 2010, if interest rates had been higher by 100 basis points, the consolidated net profit for the period of 6 months ended on 30 June 2010 would have been by TPLN 965 lower due to increased borrowing costs,
- as of 31 December 2009, if interest rates had been higher by 100 basis points, the consolidated net profit for the period of 12 months ended on 31 December 2009 would have been by TPLN 1 941 lower due to increased borrowing costs,
- as of 30 June 2009, if interest rates had been higher by 100 basis points, the consolidated net profit for the period of 6 months ended on 30 June 2009 would have been by TPLN 812 lower due to increased borrowing costs.

Due to the fact that the Group pays its trade liabilities on time, operating income and cash flows of the Group are not materially exposed to interest rate risk except from the generally understood trade risk (e.g. growing supply prices).

Credit risk

Trade receivables are exposed to credit risk (Note 10).

The Group is not exposed to major risk concentration under credit sales. A relatively high number of buyers of the Group's services and goods results in not concentrated credit sales. Furthermore, the Group applies a policy restricting considerably sales of services and goods to clients without an appropriate credit history. The implemented internal control procedures that provide for, among others, approving credit limits for clients depending on their economic standing, as well as approval procedures for new clients allow the Group to materially mitigate the level of credit risk.
Trade receivables with no impairment in value account for 82.7% of the gross value of those assets, including 66.6% of trade receivables which are not overdue.
There are no financial assets for which repayment terms and conditions have been renegotiated and for which impairment in value should be ascertained in case of failing to carry out renegotiations.
An age analysis of overdue financial assets with no impairment in value is as follows: (in PLN '000)

	30 June 2010	**31 December 2009**	**30 June 2009**
Overdue up to 30 days	8 886	8 797	6 857
Overdue from 31 to 90 days	5 865	6 982	5 385
Ocerdue from 91 to 180 days	3 571	2 322	3 342
Overdue from 181 to 360 days	3 192	1 215	2 883
Overdue for over 360 days	1 191	-	-
Total assets	**22 705**	**19 316**	**18 467**

Value was impaired with respect to financial assets in the group of trade and other receivables of TPLN 14 353 and a 100% revaluation write-down was applied. Impairment in value of individual financial assets is determined by the Group on the basis of an individual assessment of each client, in particular assessment of its financial condition and any collateral held. The Group hedges receivables primarily through insurance of domestic and foreign receivables and blank promissory notes.

Liquidity risk

Liquidity risk is managed by assuming an adequate level of cash, access to funding owing to adequate amount of granted financial instruments and the ability to exit market positions. The Group maintains sufficient cash resources to cover its liabilities when due and has sufficient financing available from the existing credit lines.

Over 95% of trade liabilities of the Group fall due within 2 months from the balance sheet date. An analysis of bank loans of the Group by maturity is presented in note 15 of Additional Information.

Capital management

Management of the working capital of individual companies in the ULMA Construccion Polska S.A. Capital Group is performed at the level of the Capital Group. The main objectives of capital management include ensuring an adequate level of operating liquidity and the possibility of execution of investment projects of individual companies of the Group in accordance with the approved budgets.
Those objectives govern also the dividend policy adopted in the Group. Decisions about disbursement of dividend are each and every time preceded by an analysis of current and development needs of each company and the Capital Group as a whole.

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

Certain new accounting standards and IFRIC interpretations have been published which are mandatory in relation to the reporting periods commencing after 30 June 2010.
Below, an assessment by the Group of the impact of those new standards and interpretations has been presented.
Some of the new standards and interpretations have not been approved by the European Union as of the day of approval of these financial statements.

Standards and interpretations approved by EU	**Type of anticipated modification to accounting standards**	**Potential impact on financial statements**	**Effective date for periods beginning on or after**
Amendments to IFRS 1 – *Limited exemptions from comparative IFRS 7 for first-time adopters of IFRS*	The amendment concerns exemptions from disclosures for the comparative period of information required by the amended IFRS 7 for first-time adopters of IFRS. This exemption concerns a situation when the first financial statements were prepared for a period beginning not earlier than on 1 January 2010.	The amendment has no impact on the Group's financial statements.	1 July 2010 Pursuant to Commission Regulation No. 574/2010 each entity applies the aforementioned amendments to IFRS 1 and IFRS 7, at the latest, as from the commencement date of its first financial year starting after 30 June 2010.

Standards and interpretations approved by EU	**Type of anticipated modification to accounting standards**	**Potential impact on financial statements**	**Effective date for periods beginning on or after**
Updated IAS 24 *Related party disclosures*	The introduced amendments apply mainly to requirements concerning disclosures of transactions concluded with entities related to state-controlled entities and the definition of a related entity.	The impact of the updated standard on the financial statements is unknown.	1 January 2011 Pursuant to Commission Regulation No. 632/2010 each entity applies the aforementioned amendments, at the latest, as from the commencement date of its first financial year starting after 31 December 2010.

Standards and interpretations approved by EU	Type of anticipated modification to accounting standards	Potential impact on financial statements	Effective date for periods beginning on or after
Amendments to IAS 32 Classification of Right Issues	The amendment requires that rights, options, warrants related to acquisition of a fixed number of an entity's own equity instruments for a fixed price stated in any currency constitute equity instruments if the entity offers the aforementioned rights, options and warrants *pro rata* to all existing owners of the same class of its own non-derivative equity instruments.	The amendments have no impact on the consolidated financial statements as the Group does not acquire its own equity instruments.	1 February 2010 Pursuant to Commission Regulation No. 1293/2009 each entity applies the aforementioned amendments, at the latest, as from the commencement date of its first financial year starting after 31 December 2010.

Standards and interpretations approved by EU	Type of anticipated modification to accounting standards	Potential impact on financial statements	Effective date for periods beginning on or after
Amendments to IFRIC 14: *Prepayments of a minimum funding requirement*	In accordance with the amended IFRIC 14, a prepayment made in case of a plan with minimum funding requirements should be recognized as asset.	The amendment has no impact on the Group's financial statements.	1 January 2011 Pursuant to Commission Regulation No. 633/2010 each entity applies the aforementioned amendments, at the latest, as from the commencement date of its first financial year starting after 31 December 2010.

All amounts in PLN '000 unless specified otherwise

Standards and interpretations pending EU approval

Standards and interpretations pending EU approval	**Type of anticipated modification to accounting standards**	**Potential impact on financial statements**	**Effective date for periods beginning on or after**
Amendments to International Financial Reporting Standards 2010	Amendments to International Financial Reporting Standards 2009 contain 11 amendments to 6 standards and 1 interpretation.	The impact of the updated standard on the financial statements is unknown.	1 January 2011 with the exception of amendments to IFRS 3 *Business combinations* – Transition regulations concerning conditional payments in case of combinations carried out before entry into force of the aforementioned standard. Valuation of non-controlling shares, Share-based payment programmes which are not subject to change and voluntarily modified, IAS 27 *Consolidated and Separate Financial Statements* – Transition provisions concerning amendments to IAS 21, IAS 28 and IAS 31 which resulted from amendments to IAS 27 – where 1 July 2010 is the effective date.

IFRS 9 *Financial instruments*	The standard was issued within a comprehensive review of the financial instruments accounting. The new standard is less comprehensive when compared to the current requirements and will replace IAS 39 *Financial Instruments: Recognition and measurement*. The new standard will apply to the principles for classification and measurement of financial assets only.	The impact of the updated standard on the financial statements is unknown.	1 January 2013
IFRIC 19 *Extinguishing financial liabilities with equity instruments*	The interpretation specifies that equity instruments issued in order to cover al liability constitute "a payment" in accordance with IAS 39.41. The aforementioned equity instruments should be measured at fair value, whereas the difference between the balance sheet value of an extinguished liability and the valuation of an equity instrument should be recognized as profit or loss for the period.	The amendment has no impact on the Group's financial statements.	1 July 2010

All amounts in PLN '000 unless specified otherwise

4. Information relating to operation segments

ULMA Construccion Polska S.A. Capital Group identifies in its business activities 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 (goods and services) of the Group, alongside sale of other building materials.

Information on the segments is measured in accordance with the principles presented in the accounting policy.

There is no client concentration within the Group.

Results of the segments are as follows:

6 months ended on 30 June 2010

Description	;Construction servicing	Sale of building materials	Capital Group
Total sales revenues	83 951	23 386	107 337
Sale between segments	(1 738)	(10 095)	(11 833)
Sales revenues	**82 213**	**13 291**	**95 504**
Operating costs without amortization	(41 575)	(11 846)	(53 421)
EBITDA	**40 638**	**1 445**	**42 083**
Depreciation / amortization	(37 438)	(662)	(38 100)
EBIT operating profit (loss)	**3 200**	**783**	**3 983**

6 months ended on 30 June 2009

Description	Construction servicing	Sale of building materials	Capital Group
Total sales revenues	68 677	22 817	91 494
Sale between segments	(3 624)	(3 996)	(7 620)
Sales revenues	**65 053**	**18 821**	**83 874**
Operating costs without amortization	(36 309)	(14 814)	(51 123)
EBITDA	**28 744**	**4 007**	**32 751**
Depreciation / amortization	(32 424)	(556)	(32 980)
EBIT operating profit (loss)	**(3 680)**	**3 451**	**(229)**

All amounts in PLN '000 unless specified otherwise

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

	6 months 2010	6 months 2009
Operating profit (loss) of segments	**3 983**	**(229)**
Interest income	131	311
Other financial income	74	-
Interest expenses	(7 336)	(5 617)
Other financial expenses	542	(263)
Share in profit (loss) in associated entities	(255)	131
Gross profit (loss)	**(2 861)**	**(5 667)**
Income tax	286	480
Net profit (loss)	**(2 575)**	**(5 187)**

Assets allocated to particular segments have been presented in the table below.

Description	Construction servicing	Sale of building materials	Non-classified items	Capital Group
As of 30 June 2010	402 844	18 062	111 447	532 353
As of 31 December 2009	397 999	23 692	122 890	544 581
As of 30 June 2009	343 044	31 080	122 716	496 840

Adjustment of assets of the segments to the Group's total assets has been presented below. The Group does not perform allocation of liabilities to particular segment.

Description	30 June 2010	31 December 2009	30 June 2009
Assets of segments	420 906	421 691	374 124
Non-allocated fixed assets	92 233	93 863	92 287
Non-allocated intangible fixed assets	504	589	688
Investments in an associated company	2 098	2 380	2 432
Other fixed assets	4 371	4 399	4 426
Tax receivables and other receivables	1 543	1 373	1 688
Derivative instruments	1 307	918	-
Cash and cash equivalents	9 391	19 368	21 195
Total assets	**532 353**	**544 581**	**496 840**

All amounts in PLN '000 unless specified otherwise

5. Tangible fixed assets

Changes in tangible fixed assets from 1 January 2009 to 30 June 2010.

	Land, buildings and structures	Plant, machinery and motor vehicles	Formwork systems	Other fixed assets	Fixed assets under construction	Total tangible fixed assets
GROSS VALUE						
As of 1 January 2009	**64 614**	**11 473**	**439 408**	**2 851**	**5 480**	**523 826**
Increase due to purchase	24 545	4 413	96 876	1 012	2 734	129 580
Increase - inventory surplus, reclassifications	3 458	99	2 444	12	(5 48	533
Decrease - disposal	(161)	(368)	(29 723)	(204)	-	(30 456)
Decrease – liquidation, shortages and reclassifications	(3 673)	(174)	(11 757)	(97)	-	(15 701)
Foreign exchange gains	(1)	(22)	(711)	(8)	-	(742)
As of 31 December 2009	**88 782**	**15 421**	**496 537**	**3 566**	**2 734**	**607 040**
Increase due to purchase	667	493	37 265	172	2 376	40 973
Increase - inventory surplus, reclassifications	-	1 007	283	4		1 294
Decrease - disposal	-	(396)	(10 527)	(3)		(10 926)
Decrease – liquidation, shortages and reclassifications	(182)	(172)	(5 945)	(882)	(2 75	(9 936)
Foreign exchange gains	19	81	2 895	23	2	3 020
As of 30 June 2010	**89 286**	**16 434**	**520 508**	**2 880**	**2 357**	**631 465**
ACCUMULATED AMORTIZATION						
As of 1 January 2009	**3 968**	**6 938**	**106 883**	**1 318**	-	**119 107**
Amortization for the period	1 696	1 433	64 016	441	-	67 586
Decrease - disposal	(37)	(300)	(16 848)	(170)	-	(17 355)
Decrease – liquidation, reclassifications	(116)	(17)	(4 672)	(42)	-	(4 847)
Foreign exchange gains	(1)	(14)	(376)	(7)	-	(398)
As of 31 December 2009	**5 510**	**8 040**	**149 003**	**1 540**	-	**164 093**
Amortization for the	1 178	851	35 652	226	-	37 907
Decrease - disposal	-	(329)	(5 727)	(3)	-	(6 059)
Decrease – liquidation, reclassifications	(51)	2	(2 274)	(26)	-	(2 349)
Foreign exchange gains	5	43	1 086	16	-	1 150

As of 30 June 2010	**6 642**	**8 607**	**177 740**	**1 753**	**-**	**194 742**
NET VALUE:						
As of 30 June 2010	**82 644**	**7 827**	**342 768**	**1 127**	**2 357**	**436 723**
As of 31 December 2009	**83 272**	**7 381**	**347 534**	**2 026**	**2 734**	**442 947**
As of 1 January 2009	**60 646**	**4 535**	**332 525**	**1 533**	**5 480**	**404 719**

Changes in tangible fixed assets from 1 January 2009 to 30 June 2009.

	Land, buildings and structures	Plant, machinery and motor vehicles	Formwork systems	Other fixed assets	Fixed assets under construction	Total tangible fixed assets
GROSS VALUE						
As of 1 January 2009	**64 614**	**11 473**	**439 408**	**2 851**	**5 480**	**523 826**
Increase due to purchase	28	839	18 379	69	27 638	46 953
Increase - inventory surplus, reclassifications	-	6	98	-	(5 480)	(5 376)
Decrease - disposal	-	(292)	(19 549)	(133)	-	(19 974)
Decrease – liquidation, shortages and reclassifications	(558)	(47)	(4 001)	(13)	-	(4 619)
Foreign exchange gains	5	51	1 710	17	-	1 783
As of 30 June 2009	**64 089**	**12 030**	**436 045**	**2 791**	**27 638**	**542 593**
ACCUMULATED AMORTIZATION						
As of 1 January 2009	**3 968**	**6 938**	**106 883**	**1 318**	-	**119 107**
Amortization for the period	737	753	31 015	216	-	32 721
Decrease - disposal	-	(226)	(10 675)	(115)	-	(11 016)
Decrease – liquidation, reclassifications	(5)	(9)	(1 457)	3	-	(1 468)
Foreign exchange gains	1	17	238	-	-	256
As of 30 June 2009	**4 701**	**7 473**	**126 004**	**1 422**	-	**139 600**
NET VALUE:						
As of 30 June 2009	**59 388**	**4 557**	**310 041**	**1 369**	**27 638**	**402 993**
As of 1 January 2009	**60 646**	**4 535**	**332 525**	**1 533**	**5 480**	**404 719**

All amounts in PLN '000 unless specified otherwise

The depreciation of the tangible fixed assets was added to:

Item	6 months 2010	12 months 2009	6 months 2009
Costs of sold products, goods and materials	37 576	66 957	32 405
Costs of sales and marketing	7	16	8
Overheads	324	613	308
Total	**37 907**	**67 586**	**32 721**

As of 30 June 2010, bank credit lines were secured on fixed assets (formwork) up to TPLN 290 056.As of 31 December 2009, the collateral amount was TPLN 298 143. (30 June 2009 – TPLN 273 656). The net value of tangible fixed assets used pursuant to financial leasing contracts as of 30 June 2010 was TPLN 730 (as of 31 December 2009 – TPLN 834, as of 30 June 2009 – TPLN 156).

6. Intangible fixed assets

Changes in intangible assets in the period from 1 January 2009 to 30 June 2010.

	Licences and software	Other – developed for the entity's purposes*)	Total intangible assets
GROSS VALUE			
As of 1 January 2009	**2 962**	**445**	**3 407**
Increase	567	1	568
Decrease - disposal	(54)	-	(54)
As of 31 December 2009	**3 475**	**446**	**3 921**
Increase	74	-	74
Decrease - liquidation	(2)	(404)	(406)
As of 30 June 2010	**3 547**	**42**	**3 589**
ACCUMULATED AMORTIZATION			
As of 1 January 2009	**2 341**	**425**	**2 766**
Amortization for the period	508	7	515
Decrease - disposal	(29)	-	(29)
As of 31 December 2009	**2 820**	**432**	**3 252**
Amortization for the period	189	4	193
Decrease - liquidation	(2)	(404)	(406)
As of 30 June 2010	**3 007**	**32**	**3 039**
NET VALUE:			
As of 30 June 2010	**540**	**10**	**550**
As of 31 December 2009	**655**	**14**	**669**
As of 1 January 2009	**621**	**20**	**641**

*) Other intangible assets include mainly capitalized patent costs related to the production technology of the PRIMO formwork system.

All amounts in PLN '000 unless specified otherwise

Changes in intangible assets in the period from 1 January 2009 to 30 June 2009.

	Licences and software	Other – developed for the entity's purposes*)	Total intangible assets
GROSS VALUE			
As of 1 January 2009	**2 962**	**445**	**3 407**
Increase	396	-	396
Decrease - liquidation	(19)	-	(19)
As of 30 June 2009	**3 339**	**445**	**3 784**
ACCUMULATED AMORTIZATION			
As of 1 January 2009	**2 341**	**425**	**2 766**
Amortization for the period	255	4	259
Decrease - liquidation	(8)	-	(8)
As of 30 June 2009	**2 588**	**429**	**3 017**
NET VALUE:			
As of 30 June 2009	**751**	**16**	**767**
As of 1 January 2009	**621**	**20**	**641**

All amounts in PLN '000 unless specified otherwise

The amortization if the intangible assets was added to:

Item	6 months 2010	12 months 2009	6 months 2009
Costs of sold products, goods and materials	77	258	141
Costs of sales and marketing	18	34	15
Overheads	98	223	103
Total	**193**	**515**	**259**

7. Financial instruments

	Balance sheet value			**Fair value**		
	30 June 2010	31 2009	30 June 2009	30 June 2010	31 2009	30 June 2009
Financial assets held for sale						
Cash	9 391	19 368	21 195	9 391	19 368	21 195
Receivables and loans granted						
Trade liabilities and other liabilities	69 534	60 467	50 500	69 534	60 467	50 500
Derivative instruments						
Derivative instruments valued at fair value through profit and loss	1 307	918		1 307	918	
Financial liabilities						
Variable interest rate loans	237 627	238 856	200 653	237 627	238 856	200 653
Trade liabilities and other liabilities	31 594	43 330	33 841	31 594	43 330	33 841
Derivative instruments						
Derivative instruments valued at fair value through profit and loss	**-**	-	252	-	-	252

All amounts in PLN '000 unless specified otherwise

8. Interest in associated entities

Name and legal status	Registered office	Business objects	Balance sheet value of interests	% of share capital held
ULMA Cofraje S.R.L.	Bucharest Romania	sale and rental of formwork, sale of building materials	2 098	30,00

Key data concerning the associated entity.

	30 June 2010	31 December 2009	30 June 2009
Assets	16219	18 179	19 425
Liabilities	6 203	6 837	7 242
Sales revenues	2 979	9 621	4 978
Net financial result	(850)	268	436

9. Other fixed assets

The other fixed assets include the value of perpetual usufruct right of TPLN 4 371. The perpetual usufruct right expires on 5 December 2089.

10. Trade receivables and other receivables

	As of:		
	30 June 2010	31 December 2009	30 June 2009
Trade receivables from non-related entities	79 549	70 046	51 630
Revaluation write-down on trade receivables	(14 353)	(13 841)	(12 715)
Net trade receivables	*65 196*	*56 205*	*38 915*
Other receivables	156	467	826
Revaluation write-down on other receivables	-	-	(49)
Other net receivables	*156*	*467*	*777*
Accruals and prepaid expenses	1 264	787	911
Trade receivables from related entities	2 918	3 008	9 897
Total trade receivables and other receivables	**69 534**	**60 467**	**50 500**
of which:			
Long-term portion	-	-	-
Short-term portion	69 534	60 467	50 500

All amounts in PLN '000 unless specified otherwise

On the basis of performed analyses, the Group ascertained that the balance sheet value of the receivables disclosed in these consolidated financial statements approximates the fair value of the receivables.

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

The net amount of revaluation write-downs of receivables increased by the amount of receivables written off in the amount of TPLN 679 (TPLN 1 987 in the analogous period of 2009) was recognized in the sales and marketing costs in the total income statement.

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

	6 months 2010	12 months 2009	6 months 2009
Opening balance	**13 841**	**11 421**	**11 421**
Increase	1 028	4 708	2 782
Application	499	(1 340)	(548)
Solution.	(1 015)	(948)	(891)
Closing balance	**14 353**	**13 841**	**12 764**

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

11. Stocks

	As of: 30 June 2010	31 December 2009	30 June 2009
Materials	4 625	8 915	9 794
Semi-finished products and production in	2 911	3 829	3 777
Finished products	313	673	559
Goods	971	465	954
Net value of stocks	**8 820**	**13 882**	**15 084**
Revaluation of stocks	(564)	(569)	(557)
Net value of stocks	**8 256**	**13313**	**14 527**

12. Cash and cash equivalents

	As of: 30 June 2010	31 December 2009	30 June 2009
Cash on hand and at bank	9 391	6715	14 452
Short-term bank deposits	-	12 653	6 743
Total cash, of which:	**9 391**	**19 368**	**21 195**
Cash with restricted availability	213	233	202

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

All amounts in PLN '000 unless specified otherwise

	As of: 30 June 2010	31 December 2009	30 June 2009
Cash and cash equivalents	9 391	19 368	21 195
Overdraft facility (note 15)	(1 959)	-	(490)
Cash and cash equivalents recognized in the cash flow statement	**7 432**	**19 368**	**20 705**

13. Share capital

	Number of shares	Nominal value of shares	Share premium	Total
Aof 1 January 2009	**5 255 632**	**10 511**	**114 990**	**125 501**
- increase			-	-
- decrease	-	**-**	-	-
As of 31 December 2009	**5 255 632**	**10 511**	**114 990**	**125 501**
- increase			-	-
- decrease	-	**-**	-	-
As of 30 June 2010	**5 255 632**	**10 511**	**114 990**	**125 501**

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

As of 30 June 2010, the shareholding structure of the Company was as follows:

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

14. Trade liabilities and other liabilities

	As of: 30 June 2010	31 December 2009	30 June 2009
Trade liabilities towards non-related entities	17 351	17 324	24 864
Liabilities towards related parties	10 499	23 789	5 660

All amounts in PLN ’000 unless specified otherwise

Social insurance and other liabilities	5 509	3 932	1 007
Accruals and prepaid expenses	3 105	1 994	2 771
Accruals and deferred income	30	-	4
Other liabilities	609	223	542
Total trade liabilities and other liabilities	**37 103**	**47 262**	**34 848**
of which:			
Long-term portion	-	-	-
Short-term portion	37 103	47 262	34 848

15. Loans

	As of:		
	30 June 2010	31 December 2009	30 June 2009
Long-term			
Bank loans	168 452	182 479	157 197
Total long-term loans	**168 452**	**182 479**	**157 197**
Short-term			
Overdraft facility (note 12)	1 959	-	490
Bank loans	67 216	56 377	42 966
Total short-term loans	**69 175**	**56 377**	**43 456**

Bank loans are secured on formwork (registered pledge or transfer of title). Blank promissory notes and corporate guarantees serve as additional collateral.

Interest on bank loans accrues monthly on the basis of the prevailing WIBOR rate plus a margin specified in each loan agreement.

The structure of long terms loans by maturity is as follows:

	As of:		
	30 June 2010	31 December 2009	30 June 2009
1 to 2 years	54 697	52 834	42 608
2 to 5 years	113 755	120 359	102 533
Over 5 years	-	9 286	12 056
Total long-term loans	**168 452**	**182 479**	**157 197**

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

All amounts in PLN '000 unless specified otherwise

	30 June 2010	31 December 2009	30 June 2009
Overdraft facility	5.85	5.11	5.88
Bank loans	5.95	5.23	5.58

The Group has access to the following credit limits that have not been drawn:

	As of:		
	30 June 2010	31 December 2009	30 June 2009
With variable interest rate:			
- expiring within one year	6 041	8 000	7 872
- expiring after one year	-	16 081	53 169
Total credit limits which have not been drawn	**6 041**	**24 081**	**61 041**

16. Leasing

a) Financial leasing

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

	As of:		
	30 June 2010	31 December	30 June 2009
Initial value of leased fixed assets	768	1 612	848
Depreciation	(38)	(778)	(692)
Net book value	**730**	**834**	**156**

The depreciation of leased fixed assets under concluded financial leasing contracts during 6 months ended on 30 June 2010 amounted to TPLN 109, during 12 months ended on 31 December 2009 it amounted to TPLN 170, whereas in the period of 6 months ended on 30 June 2009 – TPLN 84.

	As of:		
	30 June 2010	31 December 2009	30 June 2009
Under one year	112	241	172
1 year to 5 years	533	569	9
Total amount of minimum leasing fees by maturity:	**645**	**810**	**181**

	As of:		
	30 June 2010	31 December 2009	30 June 2009
Under one year	112	241	172
1 year to 5 years	533	569	9

All amounts in PLN '000 unless specified otherwise

Total amount of present value of minimum leasing fees by maturity:	**645**	**810**	**181**

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

Material provisions of leasing contracts

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

b) Operational leasing

Operational leasing contracts include acquired perpetual usufruct right of land.

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

		As of:	
	30 June 2010	31 December 2009	30 June 2009
Under one year	18	18	18
1 year to 5 years	71	71	71
Over 5 years	1 317	1 335	1 336
Total	**1 406**	**1 424**	**1 425**

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

17. Deferred income tax

		As of:	
	30 June 2010	31 December 2009	30 June 2009
Deferred income tax assets:	10 322	8 571	4 930
Deferred income tax liabilities:	(10 658)	(9 320)	(6 515)
Balance sheet value of deferred income tax asset (liability)	**(336)**	**(749)**	**(1 585)**

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

All amounts in PLN ’000 unless specified otherwise

Deferred income tax liabilities

Item of temporary differences	Valuation of tangible fixed assets	Unrealized foreign exchange gains (losses)	Other	Total
As of 31 January 2009	**5 577**	**144**	**108**	**5 829**
Recognition of profit/(loss)	(531)	(622)	(366)	**(1 519)**
Charge to profit/loss	3 932	592	486	**5010**
As of 31 December 2009	**8 978**	**114**	**228**	**9 320**
Recognition of profit/(loss)	(14)	(130)	(208)	**(352)**
Charge to profit/loss	1 365	37	288	**1 690**
As of 30 June 2010	**10 329**	**21**	**308**	**10 658**

Deferred income tax assets

Item of temporary differences	Tax losses	Leasing	Valuation of tangible fixed assets	Provisions for costs	Unrealized foreign exchange gains (losses)	Total
As of 1 January 2009	**-**	**50**	**1 718**	**1 795**	**173**	**3 736**
Recognition of profit/(loss)	5 505	-	193	1 007	356	**7 061**
Charge to profit/loss	-	(32)	(408)	(1 490)	(514)	**(2 444)**
Recognition in equity	-	-	-	-	218	**218**
As of 31 December 2009	**5 505**	**18**	**1 503**	**1 312**	**233**	**8 571**
Recognition of profit/(loss)	1 669	-	5	493	109	**2 276**
Charge to profit/loss	(131)	(18)	(21)	(264)	**(71)**	**(505)**
Recognition in equity	-	-	-	-	**(20)**	**(20)**
As of 30 June 2010	**7 043**	**-**	**1 487**	**1 541**	**251**	**10 322**

All amounts in PLN '000 unless specified otherwise

18. Liabilities under pension benefits

	As of: 30 June 2010	31 December 2009	30 June 2009
Financial statement liabilities under:			
Pension benefits	78	102	83
Total	**78**	**102**	83

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

	6 months 2010	12 months 2009	6 months 2009
Allocation to provision for pension benefits	(24)	11	-
Interest expenses	-	17	-
Net actuarial profit and loss	-	-	-
Disbursed benefits	-	(9)	-
Total expensed amount of employee benefits	**(24)**	**19**	**-**

Change in balance sheet liabilities:

	6 months 2010	12 months 2009	6 months 2009
Provision for pension benefits at the beginning of period	102	83	83
Allocation to provision for pension benefits	(24)	11	-
Interest expenses	-	17	-
Net actuarial profit and loss	-	-	-
Disbursed benefits	-	(9)	-
Provision for pension benefits at the end of period	**78**	**102**	**83**

19. Sales revenues

	6 months 2010	6 months 2009
Revenues from construction servicing	82 213	65 053
Revenues from sale of building goods and materials	13 291	18 821
Total sales revenues	**95 504**	**83 874**

Sales revenues to the entity controlling the ULMA Construccion Polska S.A. Capital Group in the period of 6 months ended on 30 June 2010 amounted to TPLN 3 807 (TPLN 2 839 in the period of 6 months ended on 30 June 2009).

All amounts in PLN '000 unless specified otherwise

20. Costs by type

	6 months 2010	6 months 2009
Depreciation of tangible fixed assets and amortization of intangible assets	38 100	32 980
Costs of employee benefits (note 20 a)	15 373	16 477
Consumption of raw materials, other materials and energy	9 050	6 740
Transportation services	6 007	5 604
Rental and lease services	4 029	4 653
Third party processing services	1 398	394
Overhaul and maintenance	723	901
Fitting services	3 235	289
Other third party services	5 789	3 431
Other expenses	3 518	4 792
Value of sold goods and materials	8 857	10 458
Total costs by type	**96 079**	**86 719**
Change in stocks of products and production in progress and costs of services for the entity's needs	(5 781)	(3 011)
Costs of sales and marketing	(2 799)	(3 827)
Overheads	(5 424)	(5 108)
Costs of sold products, goods and materials	**82 075**	**74 773**

20 a) Costs of employee benefits

Salaries and severance pay	12 624	13 509
Social insurance and employee benefits	2 749	2 968
Total costs of employee benefits	**15 373**	**16 477**

21. Other operating income and expenses

21 a) Other operating income

	6 months 2010	6 months 2009
Gains due to change in fair value of future contracts	1 380	685
Damages received – lost tangible fixed assets and current assets	32	128
Written-off liabilities	15	1
Sale of tangible fixed assets	161	77
Revaluation of stocks	-	40
Reinvoices	609	132
Other income	203	51
Total other operating income	**2 400**	**1 114**

All amounts in PLN '000 unless specified otherwise

21 b) Other operating expenses

	6 months 2010	6 months 2009
Inventory shortage	_	(18)
Loss due to change in fair value of future contracts	(1 224)	(548)
Lost tangible fixed assets and current assets	(10)	(24)
Liquidation of tangible fixed assets	(1 691)	(908)
Reinvoices	(373)	(52)
Other expenses	(325)	41
Total operating expenses	**(3 623)**	**(1 509)**

22. Financial income and expenses

22 a) Financial income

	6 months 2010	6 months 2009
Interest on assets in bank accounts	131	311
Gains due to change in fair value of future contracts under financial operations	74	-
Total financial income	**205**	**311**

22 b) Financial expenses

Interest expenses:		
- bank loans	(7 314)	(5 600)
- leasing	(22)	(7)
- other - delay interest	-	(10)
	(7 336)	**(5 617)**
Foreign exchange gains/ (losses)	639	27
Costs of obtaining a loan	(38)	(68)
Loss due to change in fair value of future contracts	-	(222)
Other	(59)	-
Total financial expenses	**(6 794)**	**(5 880)**

22 c) Foreign exchange gains/(losses)

All amounts in PLN '000 unless specified otherwise

The table below presents the impact of foreign exchange gains/(losses) on the financial result of the ULMA Construccion Polska S.A. Group:

	6 months 2010	6 months 2009
Sales revenues	(265)	-
Costs of sold products, goods and materials	(158)	859
Financial expenses	639	27
Total foreign exchange gains/(losses)	**216**	**886**

23. Income tax

	6 months 2010	6 months 2009
Current tax	(147)	(23)
Deferred tax (note 17)	433	503
Total income tax	**286**	**480**

The difference between corporate income tax of the Group and the theoretical amount that would have been achieved if a weighted average tax rate applicable to the profit of consolidated companies were applied is as follows:

	6 months 2010	6 months 2009
Gross loss	**(2 861)**	**(5 667)**
Tax calculated at the applicable rates (19% for Poland, 25% for Ukraine)	(478)	(1 107)
Non taxable income	(863)	29
Non-tax deductible expenses	1 075	593
Other	(20)	5
Corporate income tax	**(286)**	**(480)**
Effective tax rate	-	-

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

24. Dividend per share

The Capital Group did not disburse any dividend within the presented financial periods.

25. Contingent items

As of the balance sheet date, the Group had an agreement of 13 February 2006 concluded between ULMA Construccion Polska S.A. and FORTIS BANK POLSKA S.A. on a credit limit of TPLN 3 000 within which the following guarantees may be issued:

1. bid bond,
2. performance bond,
3. bank guarantee on advance repayment,
4. payment guarantee.

The agreement was concluded for 10 years with the first credit period until 11 February 2007.
As of the balance sheet date, the payment guarantees issued by the Bank under the above agreement amount to TPLN 854.The aforementioned guarantees are valid until 31 March 2011.

26. Investment liabilities (off-balance sheet)

The ULMA Construccion Polska S.A. Capital Group does not have any future investment obligations existing as of the balance sheet date which have not been disclosed in the statement of financial situation yet.

Future obligations under operational leasing *(where the Group is the lessee)* are presented in Note 16b.

27. Valuation of financial instruments at fair value

On the basis of performed analyses, the Group concluded that the balance sheet value of the particular derivative instruments presented in these consolidated financial statements approximates the fair value of the instruments.

28. Events after balance sheet day

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

29. Transactions with related entities

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

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

Parent company:

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

Subsidiary companies:

- ULMA System S.A. in liquidation with its registered office in Starachowice at ul. Radomska 29 established on 11 July 2000 - Notary Deed Ref. A 2105/2000. The company was registered by a

All amounts in PLN '000 unless specified otherwise

decision of the District Court in Kielce, X Commercial Division in the Register of Entrepreneurs under number KRS 0000054140. The business objects of the Company include manufacturing of metal products and structures. The Issuer's share in the capital and the total number of votes is 100%.
On 31 May 2010, the Extraordinary General Meeting of Shareholders ULMA System S.A. adopted a resolution on liquidation of the Company.• ULMA Opałubka Ukraina with its registered office in Kiev at ul. Gnata Juri 9 was established on 18 July 2001. It was registered in the Sviatoshin Branch of State Administration for the City of Kiev under number 5878/01 and was granted ID code 31563803. The business object of the company is sale and rental of formwork as well as sale of construction materials. The Issuer's share in the capital and the total number of votes is 100%.

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 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 other 70% in the capital of the Company belongs to the entity controlling the Group - ULMA C y E, S. Coop. with its registered office in Spain.

The companies are fully consolidated while the associated entity is consolidated with the equity method.

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

Details of the transactions of the companies of the ULMA Construccion Polska S.A. Capital Group with ULMA C y E, S. Coop.:

	As of	
Balances on the accounts as of the balance sheet date	30 June 2010	30 June 2009
Receivables of ULMA Construccion Polska S.A. from entities of the Group	2 515	9 808
Liabilities of ULMA System S.A. towards entities of the Group	10 139	5 586
Receivables of ULMA System S.A. in liquidation towards entities of the Group	403	89
Liabilities of ULMA System S.A. in liquidation towards entities of the Group	360	74
Sales and purchase from entities of the Group	6 months 2010	6 months 2009
Sales of ULMA Construccion Polska S.A. to entities of the Group	2 754	8 207
Purchase of ULMA Construccion Polska S.A. from entities of the Group	20 172	11 979
Sale of ULMA System S.A. in liquidation to entities of the Group	2 925	461
Purchase of ULMA System S.A. in liquidation from entities of the Group	-	75

All amounts in PLN '000 unless specified otherwise

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

	6 months 2010	6 months 2009
ULMA Construccion Polska S.A – Management Board		
Andrzej Kozłowski	385	385
Andrzej Sterczyński	180	180
Krzysztof Orzełowski	168	168
ULMA Construccion Polska S.A – Supervisory Board		
Rafał Alwasiak	8	-
Ulma System S.A. in liquidation		
Stanisław Siwik	140	126
ULMA Opałubka Ukraina		
Victoriya Ryabinina	133	88
Dmitriv Lyakhovetskiy	42	31
Denys Kvachuk	42	32

The other Members of the Management Board and Members of the Supervisory Board are not paid any remuneration.

31. Profit per share

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

	6 months 2010	6 months 2009
Loss allocable to the shareholders of the parent company	(2 575)	(5 187)
Number of ordinary shares as of the balance sheet date	5 255 632	5 255 632
Weighted average number of ordinary shares	5 255 632	5 255 632
Primary loss per share (in PLN per share)	(0.49)	(0.99)
Diluted loss per share (in PLN per share)	(0.49)	(0.99)

32. Translation of selected financial data in EUR

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

ITEM	In PLN '000 6 months 2010	In PLN '000 6 months 2009	In EUR '000 6 months 2010	In EUR '000 6 months 2009
Net revenues from sales of products, goods and materials	95 504	83 874	23 792	18 563
Operating profit (loss)	3 983	(229)	992	(51)
Gross profit (loss)	(2 861)	(5 667)	(713)	(1 254)
Net profit (loss)	(2 575)	(5 187)	(642)	(1 148)
Net cash flows from financing activities	46 597	45 910	11 608	10 161
Net cash flows from investments	(48 539)	(39 303)	(12 092)	(8 698)
Net cash flows from financing activities	(10 689)	10 266	(2 663)	2 272
Net cash flows	(12 631)	16 873	(3 147)	3 734
Diluted profit per share	(0.49)	(0.99)	(0.12)	(0.22)
Profit per ordinary share (PLN/EUR)	(0.49)	(0.99)	(0.12)	(0.22)

	In PLN '000 30 June 2010	In PLN '000 31 December 2009	In EUR '000 30 June 2010	In EUR '000 31 December 2009
Total assets	532 353	544 581	128 408	132 560
Liabilities	275 812	287 779	66 528	70 050
Long-term liabilities	169 376	183 875	40 855	44 758
Short-term liabilities	106 436	103 904	25 673	25 292
Equity	256 541	256 802	61 880	62 510
Share capital	10511	10511	2 535	2 559
Weighted average number of shares	5 255 632	5 255 632	5 255 632	5 255 632
Number of shares as of the balance sheet date	5 255 632	5 255 632	5 255 632	5 255 632
Book value per share (in PLN/EUR)	48.81	48.86	11.77	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 June 2009 was PLN 4.1458 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 – 30 June 2010 this rate was PLN/EUR 4.0142, while the data for the analogous period in 2009 were translated at the rate PLN/EUR 4.5184.

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

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

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

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

José Irizar Lasa Member of the Management Board ....

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

Signature of the person responsible for maintaining bookkeeping

Henryka Padzik, Chief Accountant ....

Warsaw, 30 August 2010

FINANCIAL STATEMENTS OF

ULMA Construccion Polska S.A.

for 6 months ended on 30 June 2010

(unaudited)

All amounts in PLN '000 unless specified otherwise

General information

• Business objects

The business objects of the ULMA Construccion Polska S.A. are as follows:

- rental and sale of construction scaffolding and formwork,
- development of applications of scaffolding and formwork on commission,
- export of construction services,
- sale of construction materials and concrete accessories.

ULMA Construccion Polska S.A. is a joint-stock company (Company). The Company started operation on 14 February 1989 under the business name Bauma Sp. as a limited liability company (LLC), 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.
ul. Klasyków 10
03-115 Warszawa

• Supervisory Board and Management Board

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
Felix Esperesate Gutierrez	Member of the Supervisory Board
Rafał Alwasiak	Member of the Supervisory Board

Qualified Audit Committee

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

<u>Management Board</u>

Andrzej Kozłowski	President of the Management Board
Andrzej Sterczyński	Member of the 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

- **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 the number 3546.

- **Banks**

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

- **Listing**

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

All amounts in PLN '000 unless specified otherwise

	Note	30 June 2010	As of: 31 December 2009	30 June 2009
ASSETS				
1. Fixed assets				
1. Tangible fixed assets	2.	433 214	440 742	397 830
2. Intangible fixed assets	3.	541	656	748
3. Investments in subsidiary and associated companies	5.	13 585	13 585	13 585
4. Other fixed assets	6.	4 371	4 399	4 426
5. Long-term loan assets		11 920	13 079	13 980
Total fixed assets		**463 631**	**472 461**	**430 569**
II. Current assets				
1. Stocks	8.	7 537	1 836	2 389
2. Trade receivables and other receivables	7.	67 792	55 785	46 732
3. Current income tax receivables		123	87	-
4. Derivative instruments		1 307	846	-
5. Cash and cash equivalents		9016	17 436	14 753
Total current assets		**85 775**	**75 990**	**63 874**
Total assets	9.	**549 406**	**548 451**	**494 443**
EQUITY AND LIABILITIES				
I. Equity				
1. Share capital	10.	10 511	10 511	10 511
2. Share capital – share premium	10.	114 990	114 990	114 990
3. Retained profits, of which:		149 908	132 946	124 391
a. Net profit (loss) for the financial period		*16 962*	*2 938*	*(5 617)*
Total equity		**275 409**	**258 447**	**249 892**
II. Liabilities				
1. Long-term liabilities				
a. Loans	12.	168 452	182 479	157 197
b. Deferred income tax liabilities	14.	1 823	2 252	2 896
c. Long-term liabilities under pension benefits	15.	55	55	66
d. Long-term liabilities under financial leasing	13.	533	569	8
Total long-term liabilities		**170 863**	**185 355**	**160 167**
2. Short-term liabilities				
a. Loans	12.	69 175	56 377	43 094
b. Current deferred income liabilities				
c. Short-term liabilities under pension benefits		23	23	9
d. Short-term liabilities under financial leasing	13.	112	241	172
e. Derivative instruments		-	-	252
f. Trade liabilities and other liabilities	11.	33 824	48 008	40 857
Total short-term liabilities		**103 134**	**104 649**	**84 384**
Total liabilities		**273 997**	**290 004**	**244 551**
Total equity and liabilities		**549 406**	**548 451**	**494 443**

All amounts in PLN ’000 unless specified otherwise

Sales revenues	Note	6 months 2010	6 months 2009
Costs of sold products. goods and materials			
Sales revenues	16.	90 375	81 642
Costs of sold products, goods and materials	17.	(79 448)	(75 187)
I.Gross profit on sales		**10 927**	**6 455**
Costs of sales and marketing	17.	(2 364)	(2 889)
Overheads	17.	(4 752)	(4 398)
Other operating costs	18.	(1 088)	(571)
II. Operating profit (loss)		**2 723**	**(1 403)**
Financial income	19.	20 858	737
Financial expenses	**19.**	(7 047)	(5 866)
Net financial income (expenses)		*13 811*	*(4 907)*
III. Gross profit (sale)		**16 534**	**(6 532)**
Income tax	**20.**	428	915
IV. Net profit (loss) for the financial period		**16 962**	**(5 617)**
Other total income:		-	-
V. Total income for the financial period		**16 962**	**(5 617)**
Weighted average number of ordinary shares		5 255 632	5 255 632
Basic and diluted profit (loss) per share in the financial period (in PLN per share)	24.	3.23	(1.07)

All amounts in PLN '000 unless specified otherwise

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 H1 2010	**-**	**-**	16 962	**16 962**
As of 30 June 2010	**10 511**	**114 990**	**149 908**	**275 409**

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 H1 2009	**-**	**-**	(5 617)	**(5 617)**
As of 30 June 2009	**10511**	**114 990**	**124 391**	**249 892**

All amounts in PLN '000 unless specified otherwise

	Note	6 months 2010	6 months 2009
Cash flow from operating activities			
Net profit for the financial period		**16 962**	**(5 617)**
Adjustments:			
- Income tax	**20.**	**(428)**	(915)
- Depreciation of fixed assets	**2.**	**38 509**	33 329
- Amortization of intangible fixed assets	**5.**	**188**	243
- Net value of sold formwork – fixed assets		5 771	8 935
- Profit (loss) due to change in the fair value of financial instruments		(461)	604
- Interest and dividend revenues		(20 784)	(737)
- Interest costs		7 336	5 611
- Foreign exchange gains /(losses)		(442)	(60)
- Change in provision for pension benefits		-	-
Changes in current assets:			
- Stocks		(5 701)	1 669
- Trade liabilities and other liabilities		(10 407)	12 820
- Trade liabilities and other liabilities		2 735	416
		33 278	56 298
Income tax paid		(36)	2 889
Net inflows from operating activities		**33 242**	**59 187**
Cash flows from investments			
Acquisition of tangible fixed assets		(53 733)	(43 982)
Inflows from sale of tangible fixed assets		90	48
Acquisition of intangible fixed assets		(73)	(390)
Inflows from loan repayment		921	-
Loans grantem		(1 600)	(14 005)
Divident received		20 000	-
Interest received		1 126	737
Net financial expenses on investments		**(33 269)**	**(57 592)**
Cash flows from financial activities			
Loans received		15 294	28 770
Loan repayment		(19 079)	(13 359)
Payments due to financial leasing		(165)	(82)
Interest paid		(6 739)	(5 611)
Net inflows from financial activities		**(10 689)**	**9 718**
Net increase/(decrease) in cash and overdraft facility		**(10 716)**	**11 313**
Opening cash and overdraft facility		17 436	3 252
(Gains)/losses due to valuation of cash and overdraft facility		337	60
Closing cash and overdraft facility	**9.**	**7 057**	**14 625**

All amounts in PLN ’000 unless specified otherwise

Notes to the financial statements

1. Description of key accounting principles

These interim abridged unconsolidated financial statements of ULMA Construccion Polska S.A. for the period of 6 months ended on 30 June 2010 were prepared in accordance with IAS 34 "Interim financial reporting".
The key accounting principles used in the preparation of these abridged interim abridged non-consolidated financial statements are compliant with the accounting policy adopted by the Group, which have been presented in the interim consolidated financial statements prepared for the period of 6 months ended on 30 June 2010. The accounting principles applied in the unconsolidated financial statements which have not been presented in the consolidated financial statements have been presented below.

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. Effects of the revaluation write-downs of the investments in subsidiary entities are recognized as financial income or expenses for the reporting period in which the changed occurred.

2. Tangible fixed assets

Changes in tangible fixed assets from 1 January to 30 June 2010.

	Land, buildings and structures	Plant, machinery and motor vehicles	Formwork systems	Other fixed assets	Fixed assets under constructior	Total tangible fixed assets
GROSS VALUE						
As of 1 January 2009	**56 125**	**5 698**	**457 194**	**2 253**	**4 283**	**525 553**
Increase due to purchase	24 257	1 252	100 964	996	2 169	129 638
Increase - inventory surplus, reclassifications	3 413		2 340	5	(4 283)	1 475
Decrease - disposal	(1.6.1	(267)	(29 984)	(203)	-	(30 615)
Decrease – liquidation, shortages	(3 672)	(99)	(11 647)	41)		(15 459)
As of 31 December 2009	**79 962**	**6 584**	**518 867**	**3 010**	**2 169**	**610 592**
Increase due to purchase	107	439	38 462	108	2 357	41 473
Increase - inventory surplus, reclassifications		1 001	283	4		1 288
Decrease - disposal	-	(230)	(10 754)	(2)	-	(10 986)
Decrease – liquidation, shortages	(182)	(167)	(5 945)	(882)	(2 169)	(9 345)
As of 30 June 2010	**79 887**	**7 627**	**540 913**	**2 238**	**2 357**	**633 022**
ACCUMULATED AMORTIZATION						
As of 1 January 2009	**2 890**	**2 987**	**117 057**	**972**	**-**	**123 906**
Amortization for the period	1 442	1 046	65 812	357	-	68 657
Decrease - disposal	(37)	(227)	(17 471)	(1.68)	-	(17 903)

Decrease – liquidation, shortages	(125)	(30)	(4 635)	(20)		(4 810)
As of 31 December 2009	**4 170**	**3 776**	**160 763**	**1 141**	**-**	**169 850**
Amortization for the period	1 041	574	36 704	190	-	38 509
Decrease - disposal	-	(226)	(5 974)	(1)	-	(6 201)
Decrease – liquidation, inventory shortages	(51)	2	(2 274)	(27)		(2 350)
As of 30 June 2010	**5 160**	**4 126**	**189 219**	**1 303**	**-**	**199 808**
NET VALUE:						
As of 30 June 2010	**74 727**	**3 501**	**351 694**	**935**	**2 357**	**433 214**
As of 31 December 2009	**75 792**	**2 808**	**358 104**	**1 869**	**2 169**	**440 742**
As of 1 January 2009	**53 235**	**2 711**	**340 137**	**1 281**	**4 283**	**401 647**

Changes in tangible fixed assets from 1 January to 30 June 2009.

GROSS VALUE	Land, buildings and structures	Plant, machinery and motor vehicles	Formwork systems	Other fixed assets	Fixed assets under construction	Total tangible fixed assets
As of 1 January 2009	**56 125**	**5 698**	**457 194**	**2 253**	**4 283**	**525 553**
Increase due to purchase	28	325	18 601	39	26 055	45 048
Increase - inventory surplus, reclassifications			103		(4 283)	(4 180)
Decrease - disposal	-	(184)	(19 118)	(132)	-	(19 434)
Decrease – liquidation, inventory shortages	(558)	(47)	(3 963)	(13)		(4 581)
As of 30 June 2009	**55 595**	**5 792**	**452 817**	**2 147**	**26 055**	**542 406**
ACCUMULATED AMORTIZATION						
As of 1 January 2009	**2 890**	**2 987**	**117 057**	**972**	**-**	**123 906**
Amortization for the period	611	527	32 018	173	-	33 329
Decrease - disposal	-	(14	(10 932)	(1	-	(11 193)
Decrease – liquidation, inventory shortages	(4)	(9)	(1 451)	(2)		(1 466)
As of 30 June 2009	**3 497**	**3 359**	**136 692**	**1 028**	-	**144 576**
NET VALUE:						
As of 30 June 2009	**52 098**	**2 433**	**316 125**	**1 119**	**26 055**	**397 830**
As of 1 January 2009	**53 235**	**2 711**	**340 137**	**1 281**	**4 283**	**401 647**

As of 30 June 2010, bank credit lines were secured on fixed assets (formwork) up to TPLN 290 056. As of 31 December 2009, the collateral amount was TPLN 298 143 (30 June 2009 – TPLN 273 656). The net value of tangible fixed assets used pursuant to financial leasing contracts as of 30 June 2010 was TPLN 730 (as of 31 December 2009 – TPLN 834, and as of 30 June 2009 - TPLN 156).

All amounts in PLN '000 unless specified otherwise

The depreciation of the tangible fixed assets was added to:

Item	6 months 2010	12 months 2009	6 months 2009
Costs of sold products, goods and materials	38 242	68 151	33 073
Costs of sales and marketing	8	16	8
Overheads	259	490	248
Total	**38 509**	**68 657**	**33 329**

3. Intangible fixed assets

Changes in intangible assets in the period from 1 January 2009 to 30 June 2010.

	Licences and software	Other	Total intangible assets
GROSS VALUE			
As of 1 January 2009	**2 871**	**37**	**2 908**
Increase	562	-	562
Decrease - disposal	(55)	-	(55)
As of 31 December 2009	**3 378**	**37**	**3 415**
Increase	74	_	74
Decrease – disposal, liquidation	(2)	-	(2)
As of 30 June 2010	**3 450**	**37**	**3 487**
ACCUMULATED AMORTIZATION			
As of 1 January 2009	**2 281**	**16**	**2 297**
Amortization for the period	483	8	491
Decrease - disposal	(29)	-	(29)
As of 31 December 2009	**2 735**	**24**	**2 759**
Amortization for the period	184	4	188
Decrease – disposal, liquidation	(1)	-	(1)
As of 30 June 2010	**2 918**	**28**	**2 946**
NET VALUE:			
As of 30 June 2010	**532**	**9**	**541**
As of 31 December 2009	**643**	**13**	**656**
As of 1 January 2009	**590**	**21**	**611**

All amounts in PLN '000 unless specified otherwise

Changes in intangible assets in the period from 1 January 2009 to 30 June 2009.

	Licences and software	Other	Total intangible assets
GROSS VALUE			
As of 1 January 2009	**2 871**	**37**	**2 908**
Increase	390		390
Decrease - disposal	(18)	-	(18)
As of 30 June 2009	**3 243**	**37**	**3 280**
ACCUMULATED AMORTIZATION			
As of 1 January 2009	**2 281**	**16**	**2 297**
Amortization for the period	239	4	243
Decrease - disposal	(8)	-	(8)
As of 30 June 2009	**2 512**	**20**	**2 532**
NET VALUE:			
As of 30 June 2009	**731**	**17**	**748**
As of 1 January 2009	**590**	**21**	**611**

The amortization of the intangible assets was added to:

Item	6 months 2010	12 months 2009	6 months 2009
Costs of sold products, goods and materials	77	258	141
Costs of sales and marketing	18	34	15
Overheads	93	199	87
Total	**188**	**491**	**243**

All amounts in PLN '000 unless specified otherwise

4.Financial instruments

	Balance sheet value			Fair value		
	30 June 2010	31 December 2009	30 June 2009	30 June 2010	31 December 2009	30 June 2009
Financial assets held for sale						
Cash	9 016	17 436	14 753	9016	17 436	14 753
Receivables and loans granted						
Trade liabilities and other liabilities	66 192	55 785	46 732	66 192	55 785	46 732
Loans granted	13 520	13 079	13 980	13 520	13 079	13 980

	Balance sheet value			Fair value		
	30 June 2010	31 December 2009	30 June 2009	30 June 2010	31 December 2009	30 June 2009
Derivative instruments						
Financial instruments valued at fair value through profit and loss	1 307	846	-	1 307	846	-
Financial liabilities						
Loans with variable interest rate	237 627	238 856	200 291	237 627	238 856	200 291
Trade liabilities and other liabilities	28 699	44 298	40 018	28 699	44 298	40 018
Derivative instruments						
Financial instruments valued at fair value through profit and loss	-	-	252	-	-	252

All amounts in PLN '000 unless specified otherwise

5. Investments in subsidiary and associated companies

As of 30 June 2010

No.	Entity's name	Registered office	Business objects	Relationship character	Acquisition date	Interest value by acquisition price	Revaluation write-downs	Balance sheet value of shares/ interests	Percentage of share capital held	Share in the total number of votes at the general meeting
1	ULMA System S.A. in liquidation	Starachowice	manufacturing of metal products and structures	subsidiary company	11.07.2000	4 850		4 850	100	100
2	ULMA Opałubka Ukraina	Ukraine	sale and rental of formwork, sale of building materials	subsidiary company	18.07.2001	5818		5 818	100	100
3.	ULMA Cofraje	Romania	sale and rental of formwork, sale of building materials	associated company	02.11.2007	2917		2 917	30	30
						13 585	**-**	**13 585**		

All amounts in PLN '000 unless specified otherwise

6. Other fixed assets

The other fixed assets include the value of perpetual usufruct right of TPLN 4 371. The perpetual usufruct right was acquired by the Company in 2007 and expires on 5 December 2089.

7. Trade liabilities and other liabilities

	As of: 30 June 2010	31 December 2009	30 June 2009
Trade receivables from non-related entities	73 501	65 593	46 820
Revaluation write-down on trade receivables	(11 021)	(11 382)	(10 967)
Net trade receivables	*62 480*	*54 211*	*35 853*
Other receivables	79	39	403
Revaluation write-down on other receivables	-	-	(49)
Other net receivables	*79*	*39*	*354*
Accruals and prepaid expenses	1 106	616	692
Trade receivables from related entities	2 527	919	9 833
Loans granted	1 600	-	-
Total trade receivables and other receivables	**67 792**	**55 785**	**46 732**
of which:			
Long-term portion	-	-	-
Short-term portion	67 792	55 785	46 732

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

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

The net amount of revaluation write-downs of receivables increased by the amount of receivables written off in the amount of TPLN 385 (TPLN 1 124 in the analogous period in 2009) was recognized in the sales and marketing costs in the total income statement.

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

	6 months 2010	12 months 2009	6 months 2009
Opening balance	**11 382**	**10 536**	**10 536**
Increase	733	3 288	1 954
Application	(79)	(1 494)	(583)
Cancellation	(1 015)	(948)	(891)
Closing balance	**11 021**	**11 382**	**11 016**

All amounts in PLN '000 unless specified otherwise

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

8. Stocks

	As of:		
	30 June 2010	31 December	30 June 2009
Materials	525	799	961
Goods	1 695	1 281	1 653
Advance payments for deliveries	5 561	-	-
Net value of stocks	**7 781**	**2 080**	**2 614**
Revaluation of stocks	(244)	(244)	(225)
Net value of stocks	**7 537**	**1 836**	**2 389**

9. Cash and cash equivalents

	As of:		
	30 June 2010	31 December 2009	30 June 2009
Cash on hand and at bank	9016	4 783	13 010
Short-term bank deposits	-	12 653	1 743
Total cash, of which:	**9 016**	**17 436**	**14 753**
Cash with restricted availability	165	165	111

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

	As of:		
	30 June 2010	31 December 2009	30 June 2009
Cash and cash equivalents	9 016	17 436	14 753
Overdraft facility (note 12)	(1 959)	-	(128)
Cash and cash equivalents evidenced in the cash flow statement	**7 057**	**17 436**	**14 625**

10. Share capital

	Number of shares	Nominal value of shares	Share premium	Total
As of 1 January 2009	**5 255 632**	**10 511**	**114 990**	**125 501**
- increase				
- decrease	-	-	-	-
As of 31 December 2009	**5 255 632**	**10 511**	**114 990**	**125 501**
- increase	-	-	-	-
- decraese	-	-	-	-
As of 30 June 2010	**5 255 632**	**10 511**	**114 990**	**125 501**

All amounts in PLN '000 unless specified otherwise

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

As of 30 June 2010, the shareholding structure of the Company was as follows:

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

11. Trade liabilities and other liabilities

	As of		
	30 June 2010	31 December 2009	30 June 2009
Trade liabilities towards non-related entities	15 117	13 827	23 526
Liabilities towards related parties	10 535	27 938	13 136
Social insurance and other liabilities	5 125	3710	839
Accruals and prepaid expenses	2 519	1 856	2 683
Accruals and deferred income	29	516	245
Other liabilities	499	161	428
Total trade liabilities and other liabilities	**33 824**	**48 008**	**40 857**
of which:			
Long-term portion	-	-	-
Short-term portion	33 824	48 008	40 857

12. Loans

	As of:		
	30 June 2010	31 December	30 June 2009
Long-term			
Bank loans	168 452	182 479	157 197
Total long-term loans	**168 452**	**182 479**	**157 197**

	As of:		
	30 June 2010	31 December 2009	30 June 2009
Short-term			
Overdraft facility (note 9)	1 959	-	128

Bank loans	67 216	56 377	42 966
Total short-term loans	**69 175**	**56 377**	**43 094**

Bank loans are secured on fixed assets - formwork (registered pledges). Blank promissory notes are used as additional collateral.

Interest on bank loans accrues monthly on the basis of the prevailing WIBOR rate plus a margin specified in each loan agreement.

Structure of maturity of long-term loans:

	30 June 2010	31 December 2009	30 June 2009
1 to 2 years	54 697	52 834	42 608
2 to 5 years	113 755	120 359	102 533
Over 5 years	-	9 286	12 056
Total long-term loans	**168 452**	**182 479**	**157 197**

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

	30 June 2010	31 December 2009	30 June 2009
Overdraft facility	5.85	5.11	5.88
Bank loans	5.95	5.23	5.58

The Company has access to the following credit limits that have not been drawn:

	30 June 2010	31 December 2009	30 June 2009
With variable interest rate:	6 041	8 000	7 872
- expiring within one year			
- expiring after one year	-	16 081	53 169
Total credit limits which have not been drawn	**6 041**	**24 081**	**61 041**

13. Leasing

13a) Financial leasing

The assets used under leasing contracts, as presented in the table below, cover fork lifts and machines for cleaning formwork.

		As of:	
	30 June 2010	31 December 2009	30 June 2010
Initial value of leased fixed assets	768	1 612	848
Depreciation	(38)	(778)	(692)
Net book value	**730**	**834**	**156**

All amounts in PLN '000 unless specified otherwise

The depreciation of leased fixed assets under concluded financial leasing contracts during 6 months ended on 30 June 2010 amounted to TPLN 109, whereas during 12 months ended on 31 December 2009 it amounted to TPLN 170, and during 6 months ended on 30 June 2009 - TPLN 84.

	As of:		
	30 June 2010	31 December 2009	30 June 2009
Under one year	112	241	172
1 year to 5 years	533	569	8
Total amount of minimum leasing fees by maturity:	**645**	**810**	**180**

	As of:		
	30 June 2010	31 December 2009	30 June 2009
Under one year	112	241	172
1 year to 5 years	533	569	8
Total amount of present value of minimum leasing fees by maturity:	**645**	**810**	**180**

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

Material provisions of leasing contracts

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

13b) Operational leasing

Operational leasing contracts include acquired perpetual usufruct right of land.

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

	As of:		
	30 June 2010	31 December 2009	30 June 2009
Under one year	9	9	9
1 year to 5 years	35	35	35

Over 5 years	645	654	663
Total	**689**	**698**	**707**

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

14. Deferred tax

	As of: 30 June 2010	31 December 2009	30 June 2009
Deferred income tax assets:	8 835	7 068	3619
Deferred income tax liabilities:	(10 658)	(9 320)	(6 515)
Balance sheet value of deferred income tax asset (liability)	**(1 823)**	**(2 252)**	**(2 896)**

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

Deferred income tax liabilities

Item of temporary differences	Valuation of tangible fixed assets	Unrealized foreign exchange gains/ (losses)	Other	Total
As of 1 January 2009	**5 577**	**144**	**108**	**5 829**
Recognition of profit/(loss)	(531)	(622)	(366)	**(1 519)**
Charge to profit/loss	3 932	592	486	**5 010**
As of 31 December 2009	**8 978**	**114**	**228**	**9 320**
Recognition of profit/(loss)	(14)	(130)	(208)	**(352)**
Charge to profit/loss	1 365	37	288	**1 690**
As of 30 June 2010	**10 329**	**21**	**308**	**10 658**

Deferred income tax assets

Item of temporary differences	Tax losses	Leasing	Provisions for costs	Unrealized foreign exchange gains/ (losses)	Total
As of 1 January 2009	-	**50**	**1 795**	**173**	**2 018**
Recognition of profit/(loss)	5 505	-	1 007	574	**7 086**
Charge to profit/loss	_	(32)	(1 490)	(514)	**(2 036)**
As of 31 December 2009	**5 505**	**18**	**1 312**	**233**	**7 068**
Recognition of profit/(loss)	1 669	-	493	249	**2 411**
Charge to profit/loss	(131)	(18)	(264)	(231)	**(644)**
As of 30 June 2010	**7 043**	**-**	**1 541**	**251**	**8 835**

All amounts in PLN '000 unless specified otherwise

15. Liabilities under pension benefits

	30 June 2010	31 December 2009	30 June 2009
Liabilities recognized in the statement of financial position under:			
Pension benefits	78	78	75
	78	78	75

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

	6 months 2010	12 months 2009	6 months 2009
Allocation to provision for pension benefits	-	8	-
Interest expenses	-	4	-
Net actuarial profit and loss	-	-	-
Disbursed benefits	-	(9)	-
Total expensed amount of employee benefits	**-**	**3**	**-**

Change in balance sheet liabilities:

	6 months 2010	12 months 2009	6 months 2009
Opening provision for pension benefits	78	75	75
Charge for provision for pension benefits	-	8	-
Interest expenses	-	4	-
Net actuarial profit and loss	-	-	-
Disbursed benefits	-	(9)	-
Closing provision for pension benefits	78	78	75

16. Sales revenues

	6 months 2010	6 months 2009
Revenues from construction servicing	79 496	62 457
Revenues from sale of building goods and materials	10 879	19 185
Total sales revenues	**90 375**	**81 642**

All amounts in PLN '000 unless specified otherwise

17. Costs by type

	6 months 2010	6 months 2009
Depreciation of tangible fixed assets and amortization of intangible assets	38 697	33 572
Costs of employee benefits (note 17a)	12 817	13 723
Consumption of raw materials, other materials and energy	4 000	2 585
Transportation services	5 727	5 365
Rental and lease services	3 579	4 087
Overhaul services	2 406	4 460
Fitting services	3 235	289
Other third party services	5 495	3 050
Other expenses	2 864	3 551
Value of sold goods, materials and formwork (fixed assets)	7 744	11 842
Total costs by type	**86 564**	**82 524**
Costs of benefits for the entity's own needs	-	(50)
Costs of sales and marketing	(2 364)	(2 889)
Overheads	(4 752)	(4 398)
Costs of sold products, goods and materials	**79 448**	**75 187**

17 a) Costs of employee benefits

Salaries and severance pay	10 525	11 276
Social insurance and employee benefits	2 292	2 447
Total costs of employee benefits	**12 817**	**13 723**

18. Other operating income and expenses

18 a) Other operating income

	6 months 2010	6 months 2009
Gains due to change in fair value of future contracts	1 375	644
Damages received – lost tangible fixed assets and current assets	18	6
Written-off liabilities	15	-
Sale of tangible fixed assets	90	48
Reinvoices	546	260
Revaluation of stocks	-	40
Other income	165	28
Total other operating income	**2 209**	**1 026**

All amounts in PLN '000 unless specified otherwise

18 b) Other operating expenses

	6 months 2010	6 months 2009
Loss due to change in fair value of future contracts	(1 152)	(545)
Lost tangible fixed assets and current assets	-	(7)
Liquidation of tangible fixed assets	(1 632)	(875)
Reinvoices	(393)	(79)
Other expenses	(120)	(91)
Total operating expenses	**(3 297)**	**(1 597)**

19. Financial income and expenses

19 a) Financial income

	6 months 2010	6 months 2009
Interest revenue:		
- loans granted	665	553
- on cash in bank accounts	119	184
Gains due to change in fair value of future contracts under financial operations	74	-
Dividend received	20 000	-
Total financial income	**20 858**	**737**

19 b) Financial expenses

Interest expenses:		
- bank loans	(7 314)	(5 595)
- leasing	(22)	(7)
- delay interest	-	(9)
	(7 336)	**(5 611)**
Foreign exchange gains/(losses)	386	35
Costs of obtaining a loan	(38)	(68)
Loss due to change in fair value of future contracts	-	(222)
Other	(59)	-
Total financial expenses	**(7 047)**	**(5 866)**

All amounts in PLN ’000 unless specified otherwise

20. Income tax

	6 months 2010	6 months 2009
Current tax	-	-
Deferred tax (note 14)	428	915
Total income tax	**428**	**915**

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

	6 months 2010	6 months 2009
Gross profit	**16 534**	**(6 532)**
Tax calculated at the applicable rates (19%)	3 141	(1 241)
Non taxable income	(4 044)	(15)
Non-tax deductible expenses	475	341
Corporate income tax	**(428)**	**(915)**

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

21. Valuation of financial instruments at fair value

On the basis of an analysis, the Company concluded that the balance sheet value of the financial instruments presented in these financial statements is equivalent to the fair value of the instruments.

22. Profit per share

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

	6 months 2010	6 months 2009
Profit distributable among the shareholders of the parent company	16 962	(5 617)
Number of ordinary shares as of the balance sheet date	5 255 632	5 255 632
Weighted average number of ordinary shares	5 255 632	5 255 632
Primary profit per share (in PLN per share)	3.23	(1.07)
Diluted profit per share (in PLN per share)	3.23	(1.07)

23. Contingent items

As of the balance sheet date, the Company had an agreement of 13 February 2006 concluded between

ULMA Construccion Polska S.A. and FORTIS BANK POLSKA S.A. on a credit limit of TPLN 3 000 within which the following guarantees may be issued:
1. bid bond,
2. performance bond,
3. bank guarantee on advance repayment,
4. payment guarantee.

The agreement was concluded for 10 years with the first credit period until 11 February 2007.

As of the balance sheet date, the payment guarantees issued by the Bank under the above agreement amount to TPLN 854. The aforementioned guarantees are valid until 31 March 2011.

24. Events after the balance sheet date

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

25. Transactions with related entities

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

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

Parent company:

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

Subsidiary companies:

- ULMA System S.A. (in liquidation) with its registered office in Starachowice at ul. Radomska 29 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%.
  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 ul. Gnata Juri 9 was established on 18 July 2001. It was registered in the Sviatoshin Branch of State Administration for the City of Kiev under number 5878/01 and was granted ID code 31563803. The business object of the company is sale and rental of formwork, as well as sale of construction materials. The Issuer's share in the capital and the total number of votes is 100%.

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 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 other 70% in the capital of the Company belongs to the entity controlling the Group - ULMA C y E, S. Coop. with its registered office in Spain.

The transactions concluded by ULMA Construccion Polska S.A. with its related companies were typical and routine, were concluded on an arm's length basis, and their nature and terms and conditions resulted from their current operations.
Details of transactions concluded by ULMA Construccion Polska S.A. with its related companies of the ULMA C v E, S. Coop. Capital Group.

	As of:	
Balances on the accounts as of the balance sheet date	30 June 2010	30 June 2009
Receivables of ULMA Construccion Polska S.A. from entities of the Group	2 527	9 833
Liabilities of ULMA Construccion Polska S.A. towards entities of the Group	10 535	13 136
Sale and purchase from entities of the Group	6 months 2010	6 months 2009
Sale of ULMA Construccion Polska S.A. to entities of the Group	3 120	9 361
Purchase of ULMA Construccion Polska S.A. from entities of the Group	31 801	18 636

26. 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	6 months 2010	6 months 2009	6 months 2010	6 months 2009
Net revenues from sales of products, goods and materials	90 375	81 642	22 514	18 069
Operating profit (loss)	2 723	(1 403)	678	(311)
Gross profit (loss)	16 534	(6 532)	4 119	(1 446)
Net profit (loss)	16 962	(5 617)	4 226	(1 243)
Net cash flows from operations	33 242	59 187	8 281	13 099
Net cash flows from investments	(33 269)	(57 592)	(8 288)	(12 746)
Net cash flows from financing activities	(10 689)	9 718	(2 663)	2 151
Net cash flows	(10 716)	11 313	(2 670)	2 504
Diluted profit per an ordinary share (PLN/EUR)	3.23	(1.07)	0.80	(0.24)
Basic profit per ordinary share (PLN/EUR)	3.23	(1.07)	0.80	(0.24)
	in PLN '000		**in EUR '000**	

	30 June 2010	31 December 2009	30 June 2010	31 December 2009
Total assets	549 406	548 451	132 521	133 501
Liabilities	273 997	290 004	66 090	70 591
Long-term liabilities	170 863	185 355	41 213	45 118
Short-term liabilities	103 134	104 649	24 877	25 473
Equity	275 409	258 447	66 431	62 910
Share capital	10 511	10 511	2 535	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	5 255 632	5 255 632	5 255 632	5 255 632
Book value per share (in PLN/EUR)	52.40	49.18	12.64	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 June 2009 was PLN 4.1458 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 – 30 June 2010 this rate was PLN/EUR 4.0142, while the data for the analogous period in 2009 were translated at the rate PLN/EUR 4.5184.

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

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

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

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

José Irizar Lasa, Member of the Management Board ....

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

Signature of the person responsible for maintaining bookkeeping

Henryka Padzik, Chief Accountant ....

Warsaw, 30 August 2010