CONSOLIDATED
FINANCIAL STATEMENTS OF

THE ULMA Construccion Polska S.A. CAPITAL GROUP

For the period of 12 months ended on
31 December 2011

General information

• Business objects

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

- 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 company ULMA Construccion Polska S.A. is a joint stock company (Company). The Company started operations on 14 February 1989 under the name of Bauma Sp. z o.o. as a limited liability company (z o.o.) and was registered in Rep. A.II – 2791. On 15 September 1995, it was transformed into a joint stock company by force of a notary deed before the notary Robert Dor in the Notary Office in Warsaw and registered in Rep. No. A 5500/95. On 29 October 2001, the District Court in Warsaw, 13th Commercial Department of the National Court Register entered the Company into the National Court Register under number KRS 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
Félix Esperesate Gutiérrez	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 Spółka z ograniczoną odpowiedzialnością 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 ("GPW" – Warsaw Stock Exchange).
Symbol at GPW: ULM

	Note	As of: 31 December 2011	31 December 2010
ASSETS			
I. Fixed assets			
1. Tangible fixed assets	5.	374 209	416 873
2. Intangible assets	6.	1 060	501
3. Interests in associated companies	8.	1 162	1 732
4. Other fixed assets	9.	4 288	4 344
5. Long-term receivables	10.	3 040	-
Total fixed assets		**383 759**	**423 450**
II. Current assets			
1. Stocks	11.	5 203	5 790
2. Trade receivables and other receivables	10.	99 222	76 317
3. Current income tax liabilities		574	-
4. Derivative instruments	7.	-	178
5. Cash and cash equivalents	12.	18 983	6 034
Total current assets		**123 982**	**88 319**
Total assets		**507 741**	**511 769**
EQUITY AND LIABILITIES			
I. Equity			
1. Share capital	13.	10 511	10 511
2. Supplementary capital - share premium	13.	114 990	114 990
3. Foreign exchange gains/(losses) under consolidation		(2 967)	(4 442)
4. Retained profit, including:		182 096	147 095
a. Net profit/(loss) for the financial period		*49 349*	*10 231*
Total equity		**304 630**	**268 154**
II. Liabilities			
1. Long-term liabilities			
a. Credits and loans	15.	87 056	140 453
b. Deferred income tax liabilities	17.	6 974	3 658
c. Long-term liabilities under pension benefits	18.	114	77
d. Long-term liabilities under financial lease	16.	286	423
Total long-term liabilities		**94 430**	**144 611**
2. Short-term liabilities			
a. Credits and loans	15.	56 784	70 123
b. Short-term liabilities under pension benefits	18.	3	27
c. Short-term liabilities under financial lease	16.	148	146
d. Deferred income tax liabilities		74	12
e. Derivative instruments	7.	174	-
e. Trade liabilities and other liabilities	14.	51 498	28 696
Total short-term liabilities		**108 681**	**99 004**
Total liabilities		**203 111**	**243 615**
Total equity and liabilities		**507 741**	**511 769**

ULMA Construccion Polska S.A. CAPITAL GROUP
CONSOLIDATED TOTAL INCOME STATEMENT
All amounts in TPLN unless otherwise specified

	Note	12 months 2011	12 months 2010
Sales revenues	19.	294 490	215 351
Costs of sold products, goods and materials	20.	(198 387)	(168 216)
I. Gross profit on sales		**96 103**	**47 135**
Costs of sales and marketing	20.	(10 433)	(6 576)
Overheads	20.	(13 441)	(10 675)
Other operating expenses	21.	279	(2 555)
II. Operating profit		**72 508**	**27 329**
Financial income	22.	327	853
Financial expenses	22.	(11 329)	(14 095)
Net financial income/(expenses)		*(11 002)*	*(13 242)*
Share in profit/(loss) in associated companies		(567)	(627)
III. Gross profit/(loss)		**60 939**	**13 460**
Income tax	23.	(11 590)	(3 229)
IV. Net profit/(loss) for the financial period		**49 349**	**10 231**
Other total income:			
Foreign currency exchange gains/(loss) from translation of financial statements of subsidiary companies		225	(241)
Foreign currency exchange gains/(loss) in a subsidiary company		1 475	1 286
Income tax relating to other total income items		(225)	76
V. Total income for the financial period		**50 824**	**11 352**
Net profit/(loss) for the financial period allocable to the owners of the parent company	31.	49 349	10 231
Weighted average number of ordinary shares		5 255 632	5 255 632
Basic and diluted earnings/(loss) per share in the financial period (PLN per share)		9.39	1.95

Item	Share capital in nominal value	Share premium	Foreign exchange gains/(loss) under consolidation	Retained profit	Total equity
As of 1 January 2010	**10 511**	**114 990**	**(5 563)**	**136 864**	**256 802**
Total income in 2010	-	-	1 121	10 231	11 352
As of 31 December 2010	**10 511**	**114 990**	**(4 442)**	**147 095**	**268 154**
Total income in 2010	-	-	1 475	49 349	50 824
Dividend- distribution of profit for 2010	-	-	-	(8 304)	(8 304)
Interim dividend for 2011	-	-	-	(6 044)	(6 044)
As of 31 December 2010	**10 511**	**114 990**	**(2 967)**	**182 096**	**304 630**

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

All amounts in TPLN unless otherwise specified

	Note	12 months 2010	12 months 2009
Operating cash flow			
Net profit/(loss) for the financial period		**49 349**	**10 231**
Adjustments:			
- Income tax	23.	11 590	3 229
- Depreciation of fixed assets	5.	82 747	76 546
- Amortization of intangible assets	6.	313	353
- Net value of sold formwork – fixed assets		7 837	10 671
- Interest expenses		10 912	13 506
- Interest revenue		(327)	(132)
- Change in value of interest in associated companies		571	647
- (Profit)/loss due to change in fair value of financial instruments		352	740
- Foreign currency exchange gains/(loss)		161	149
- Change in provision for pension benefits		13	2
Changes in current assets			
- Stocks		587	7 523
- Trade receivables and other receivables		(22 905)	(15 850)
- Trade liabilities and other liabilities		15 420	2 745
		156 620	**110 332**
Paid income tax		(9 011)	(112)
Net operating cash inflow		**147 609**	**110 220**
Cash flow from investments			
Purchase of tangible fixed assets		(58 250)	(82 585)
Inflow from sale of tangible fixed assets		11 047	663
Purchase of intangible assets		(873)	(156)
Loans granted		(956)	-
Purchase of financial assets		-	-
Interest received		317	132
Net cash outflow from investments		**(48 715)**	**(81 946)**
Cash flow from financing activities			
Credits and loans received		1 489	12 933
Repayment of credits and loans		(65 604)	(44 868)
Payments under financial lease		(135)	(241)
Interest paid		(10 949)	(13 553)
Dividend paid		(8 304)	-
Net inflow/(outflow) from financing activities		**(83 503)**	**(45 729)**
Net increase/(decrease) in cash and overdraft facility		**15 391**	**(17 455)**
Opening cash and overdraft facility		2 332	19 368
Foreign exchange gains/(loss) from valuation of cash and overdraft facility		142	419
Closing cash and overdraft facility	**12.**	**17 865**	**2 332**

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Notes to the 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

These consolidated financial statements for 12 months ended on 31 December 2011 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 the International Financial Reporting Standards approved by the European Union.

As of 31 December 2011, there were no differences between the IFRS approved by the European Union and the IFRS announced by the International Accounting Standards Board (IASB) which would affect the financial statements of the ULMA Construccion Polska S.A. Capital Group.

These financial statements were made by the historical cost principle with the exception of financial assets and liabilities (derivative financial instruments) measured 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. The take-over cost is equivalent to the fair value of the received assets, issued equity 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 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 profit and loss account.

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/(loss) on cash items that are a part of net investments in an entity operating abroad are initially recognized in a separate equity item and when the net investment is disposed of, the FX gains/(loss) are recognized in the financial profit/(loss).

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.

C) Measurement of foreign currency denominated items

1. Functional currency and presentation currency

The items in the Group's financial statements are measured 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, 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 profit and loss account. FX gains and losses concerning investing and financing activities are recognized as financial income/expenses.
FX gains and losses concerning realization and balance sheet valuation of trade transactions increase or decrease the income or expense items to which they are related.
The 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 Capital Group whose functional currencies are different from the presentation currency, are translated into the presentation currency as follows:

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

4. Exchange rates and inflation

	Average PLN exchange rate to Hryvnia (UAH) announced by the National Bank of Poland	Average PLN exchange rate to Tenge (KZT) announced by the National Bank of Poland	Average PLN exchange rate to EUR announced by the National Bank of Poland	Change of consumer price index announced by the Central Statistical Office
31 December 2011	0.4255	0.022638	4.4168	4.3%
31 December 2010	0.3722	0.020633	3.9603	2.6%

D) Financial instruments

Financial instruments disclosed in the statement of financial position include cash on hand and at banks, trade receivables and other receivables, financial assets recognized at fair value in the

financial result, financial assets held for sale, trade liabilities and other liabilities, as well as credits and loans.
The applied methods of presentation and measurement of particular financial instruments are specified below in the description of the applied accounting standards.
Derivative financial instruments are initially recognized at fair value as of the contract date. Later, their value is updated to the current fair value. The derivative instruments held by the Group do not qualify for hedge accounting, therefore the result of their re-measurement to fair value is recognized in the profit and loss.
As of each balance sheet date, the Group makes a review if there are any premises indicating impairment in value of financial assets. If such events occur, the Group recognizes the cumulated loss in the profit and loss account as a difference between the balance sheet value and the current fair value, simultaneously decreasing the balance sheet value of the asset item.

E) Tangible fixed assets

Tangible fixed assets such as buildings, plant and machinery used for production, delivery of products and provision of services or for management purposes, were measured 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 by the linear method in order to cover the original value decreased by any residual value over their useful life for each generic group.
The applied useful life periods for each type of fixed assets are as follows (in years):

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

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

When the balance sheet value of a fixed asset exceeds its estimated recoverable value, its balance sheet value is lowered to the recoverable value (note 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 profit and loss account.

F) Lease – lessee's accounting

Lease of assets whereby a major part of risk and benefits resulting from the title are held by the lessor is operating lease. Lease fees that the Group is charged with under operating lease are charged to the profit and loss account by the linear method throughout the term of the lease contract.

Lease of tangible fixed assets whereby the Group takes the major part of risk and benefits resulting from the title is financial lease. The subject of financial lease is recognized in the assets

as of the day when lease is commenced at the lower of the following amounts: the fair value of the subject of lease or the current value of minimum lease fees. Lease fees paid during the reporting period in the portion covering the principal instalments decrease the principal part of liabilities under financial lease while the remaining portion being the interest part is charged to the financial expense for the period. The split of lease 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 lease 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 lease contract the Group will acquire the title, the assets are depreciated over the shorter of the following periods: lease period and their useful life.

G) Lease – lessor's accounting

Lease 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 lease, the asset is disclosed in the statement of financial position according to its nature (type). Revenues from operating lease are recognized by the straight line method over the lease period.

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

H) Intangible fixed assets

Software

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

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

J) Investments

Financial assets held for sale

Investments of the Group include the value of shares in other entities than its subsidiary or associated companies. Investments in other entities are disclosed as financial assets held for

sale as the Management Board has no intention of selling those investments within the next 12 months. Investments are originally recognized at fair value increased by additional transactional costs. Any increase in investments due to revaluation to fair value is recognized in equity. Any decrease in the value of those investments which have been previously increased, decreases the revaluation reserve. All other decreases due to impairment in value are charged to the profit and loss account. Financial instruments held for sale for which no reliable fair value can be estimated (there is no active market for such instruments) are measured 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 consumed 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 borrowing costs.

The net selling price is the selling price in the normal course of business activities, reduced by the estimated costs of completion of production and the variable costs necessary to carry out sales.
Consumption of stocks is measured in accordance with the “first in, first out” (FIFO) principle, except for raw materials and materials for production of formwork, the consumption of which is measured by average weighted purchase price.
If necessary, revaluation write-downs are made with respect to obsolete, non marketable and defective stocks.

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

L) Trade receivables and other receivables

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

Prepayments

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

M) Cash and cash equivalents

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

N) Capitals

Share capital

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

Retained profit

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

O) Credits and loans

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

P) Provisions

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

Q) Accruals and deferred income

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

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

R) Mayor accounting principles

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, goods 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 the 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 the 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 customer acknowledges receipt of the delivery.

2. Revenues from sale of services

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

- amount of revenues can be measured in a reliable way,
- it is probable that the entity 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 by 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 by 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 a combination 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 assets 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 tax 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) Employment benefits

Retirement packages

Retirement packages become payable when employees acquire retirement rights compliant 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 date. 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

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

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

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 (in TEUR).

	31 December 2011	31 December 2010
Trade receivables	849	680
Cash	348	285
Loans granted	241	-
FX forward contracts	(1 476)	(320)
Total assets	**(38)**	**645**
Trade liabilities	1 272	1 242
FX forward contracts	(710)	(610)
Total liabilities	**562**	**632**

A sensitivity analysis made by the Group shows that:

- 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 2011 would have been by TPLN 229 higher/lower due to revaluation of EUR denominated cash, receivables, liabilities and FX contracts.
- 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 2010 would have been by TPLN 5 higher/lower due to revaluation of EUR denominated cash, receivables, liabilities and FX contracts.

Furthermore, 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). In accordance with IAS 21, FX gains/(loss) 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 1,055. If UAH had depreciated/appreciated by 10% in relation to EUR, with other parameters unchanged, FX gains/(loss) recognized in a separate equity item in relation to the aforementioned loan would have increased/decreased the consolidated capital by TPLN 839. Hence, a simultaneous depreciation/appreciation of PLN in relation to UAH and EUR would not have had a significant influence on the consolidated equity.

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

Operating income and cash 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 credits 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 31 December 2011, if interest rates had been higher by 100 basis points, the net consolidated profit for the period of 12 months ended on 31 December 2011 would have been by TPLN 1,157 lower due to increased borrowing costs.
- as of 31 December 2010, if interest rates had been higher by 100 basis points, the net consolidated profit for the period of 12 months ended on 31 December 2010 would have been by TPLN 1,710 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.

Credit risk

Trade receivables are an item 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 no concentration of credit sales. Furthermore, the Group applies a policy restricting to a large extent sales of services and goods to customers without a good credit history. The implemented internal control procedures that provide for, among others, setting credit limits for individual customers depending

on their financial standing, as well as approval procedures for new customers allow the Group to materially mitigate the level of credit risk.
Trade receivables with no impairment in value account for 78.4% of the gross value of those financial assets, including 66.0% of trade receivables which are not overdue (in 2010, these values were 81.0% and 59.1%, respectively).
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 TPLN)

	31 December 2011	31 December 2010
Overdue up to 30 days	15 364	12 261
Overdue from 31 up to 90 days	7 198	8 948
Overdue from 91 up to 180 days	4 156	4 899
Overdue from 181 up to 360 days	5 652	4 236
Overdue over 360 days	-	417
Total assets	**32 370**	**30 761**

Value was impaired with respect to financial assets in the group of trade receivables and other receivables of TPLN 26,242, 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 customer, in particular assessment of its financial standing and any collateral held. The Group uses as collateral primarily blank promissory notes and insurance of foreign receivables from eastern markets.

Liquidity risk

Liquidity risk is managed by assuming an adequate level of cash, access to funding due to a sufficient amount of granted credit facilities and ability to exit market positions. The Group maintains sufficient cash resources to cover its liabilities when due and has sufficient funding available from the existing credit lines.
Over 95% of trade liabilities of the Group fall due within 2 months from the balance sheet date. An analysis of the Group's bank credits by maturity is presented in note 15 of Additional Information.

Working 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 plans of individual companies of the Group in accordance with the approved budgets.

Dividend policy

The aforementioned objectives govern also the dividend policy adopted by the Group. Decisions on 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 31 December 2011.
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.

Standard and Interpretations pending EU approval

Standard and Interpretations pending EU approval	Type of the anticipated amendment to accounting standards	Potential impact on financial statements	Effective date for periods beginning on or after
Amendments to IFRS 1 *Severe Hyperinflation and Removal of Fixed Dates for First – time Adopters*	The amendment adds an exemption to IFRS 1 that an entity can apply at the date of transition to IFRSs after being subject to severe hyperinflation. This exemption allows an entity to measure assets and liabilities held before the functional currency normalization date at fair value and use that fair value as the deemed cost of those assets and liabilities in the opening IFRS statement of financial position.	The amendment is not expected to have material impact on the Group's financial statements.	1 July 2011
Amendments to IFRS 7 *Disclosures - Transfers of Financial Assets*	The amendment requires disclosure of information that enables users of financial statements: • to understand the relationship between transferred financial assets that are not derecognized in their entirety and the associated liabilities; and • to evaluate the nature of, and risks associated with, the entity's continuing involvement in derecognized financial assets. The amendment defines "continuing involvement" for the purposes of applying the disclosure requirements.	The Group does not expect the amendment to IFRS 7 to have material impact on the financial statements because of the nature of the Group's operations and the types of financial assets that it holds.	1 July 2011

IFRS 9 *Financial Instruments*	The new Standard replaces the guidelines contained in IAS 39, *Financial Instruments: Recognition and Measurement*, as regards classification and measurement of financial assets. The standard eliminates the following categories existing in IAS 39: held to maturity, held for sale, as well as loans and receivables. Financial assets will be classified into one of two categories on initial recognition: • financial assets measured at amortized cost; or • financial assets measured at fair value. A financial asset is measured at amortized cost provided the two following conditions are met: the assets are held within a business model whose objective is to hold assets in order to generate contractual cash flows; and, its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal outstanding. Gains and losses on measurement of financial assets measured at fair value are recognized in profit or loss for a given period, except for cases when an investment in an equity instrument is not held for trading. IFRS 9 provides, on initial recognition, an irrevocable election to present all fair value changes from the investment in other comprehensive income (OCI). The election is available on an individual share-by-share basis. No amount recognized in OCI is ever reclassified to profit or loss at a later date.	The Group does not expect IFRS 9 to have material impact on the financial statements. The Group does not expect IFRS 9 to have material impact on the financial statements. The classification and measurement of the Group's financial assets are not expected to change under IFRS 9 because of the nature of the Group's operations and the types of financial assets that it holds.	1 January 2013
Amendments to IAS 9 *Financial Instruments* (issued in 2010)	The amendments to IFRS 9 of 2010 replace the guidelines contained in IAS 39, *Financial Instruments: Recognition and Measurement*, as regards classification and measurement of financial liabilities and the derecognition of financial assets and financial liabilities. The Standard retains almost all of the existing requirements from IAS 39 as regards the classification and measurement of financial liabilities, as well as derecognition of financial assets and financial liabilities. The Standard requires that the amount of change in fair value attributable to changes in the credit risk of a financial liability designated at initial recognition as fair value through profit or loss, be presented in other comprehensive income (OCI), with only the remaining amount of the total gain or loss included in profit or loss. However, if this requirement creates or enlarges an accounting mismatch in profit or loss, then the whole fair value change is presented in profit or loss for a given period. Amounts presented in OCI are not subsequently reclassified to profit or loss for a given period but may be transferred within equity. Derivative financial liabilities that are related to each other and must be	The Group does not expect IFRS 9 to have material impact on the financial statements. The classification and measurement of the Group's financial liabilities are not expected to change under IFRS 9 because of the nature of the Group's operations and the types of financial assets that it holds.	1 January 2013

	settled by delivery of an unquoted equity instrument whose value cannot be reliably measured, are required to be measured at fair value under IFRS 9.		
IFRS 10 *Consolidated Financial Statements*	IFRS 10 provides a new single model to be applied in the control analysis for all investees, including entities that currently are SPEs in the scope of SIC-12. IFRS 10 introduces new requirements to assess control that are different from the existing requirements in IAS 27 (2008). Under the new single control model, an investor controls an investee when (1) it is exposed or has rights to variable returns from its involvements with the investee, (2) has the ability to affect those returns through its power over that investee and (3) there is a link between power and returns. The new standard includes also the disclosure requirements and the requirements relating to preparation of consolidated financial statements. These requirements are carried forward from IAS 27 (2008).	The Group does not expect the new standard to have impact on the financial statements, since the assessment of control over its current investees under the new standard is not expected to change the conclusions regarding the Group's control over its investees.	1 January 2013
IFRS 11 *Joint Arrangements*	IFRS 11, *Joint Arrangements*, supersedes and replaces IAS 31, *Interest in Joint Ventures*. IFRS 11 does not introduce substantive changes to the overall definition of an arrangement subject to joint control, although the definition of control, and therefore indirectly of joint control, has changed due to IFRS 10. Under the new Standard, joint arrangements are divided into two types, each having its own accounting model defined as follows: • a joint operation is one whereby the jointly controlling parties, referred to as the joint operators, have rights to the assets, and obligations for the liabilities, relating to the arrangement. • a joint venture is one whereby the jointly controlling parties, referred to as joint venturers, have rights to the net assets of the arrangement. IFRS 11 effectively carves out from IAS 31 jointly controlled entities in those cases, in which although these are separate vehicles, separation is ineffective in certain ways. These arrangements are treated similarly to jointly controlled assets/operations (line by line accounting of underlying assets and liabilities), and are now called joint operations. The remainder of IAS 31 jointly controlled entities, now called joint ventures, are stripped of the free choice of equity accounting or	The Group does not expect IFRS 11 to have material impact on the financial statements since it is not a party to any joint arrangements.	1 January 2013

	proportionate consolidation; they must now always use the equity method.		
IFRS 12 *Disclosure of Interests in Other Entities*	IFRS 12 requires additional disclosures relating to significant judgements and assumptions made in determining the nature of interests in an entity or arrangement, interests in subsidiaries, joint arrangements and associates and/or unconsolidated structured entities.	The Group does not expect IFRS 12 to have material impact on the financial statements.	1 January 2013
IFRS 13 *Fair Value Measurement*	IFRS 13 replaces the fair value measurement guidance contained in individual IFRSs with a single source of fair value measurement guidance. It defines fair value, establishes a framework for measuring fair value and sets out disclosure requirements for fair value measurements. IFRS 13 explains "how" to measure fair value when it is required or permitted by other IFRSs. IFRS 13 does not introduce new requirements to measure assets or liabilities at fair value, nor does it eliminate the practicability exceptions to fair value measurements that currently exist in certain standards. The standard contains an extensive disclosure framework that provides additional disclosures to existing requirements to provide information that enables financial statement users to assess the methods and inputs used to develop fair value measurements and, for recurring fair value measurements that use significant unobservable inputs, the effect of the measurements on profit or loss or other comprehensive income.	The Group does not expect IFRS 13 to have material impact on the financial statements since the management considers the methods and assumptions used currently to measure the fair value of assets to be consistent with IFRS 13.	1 January 2013
Amendment to IAS, 1 *Presentation of Items of Other Comprehensive Income*	The amendments require an entity to present separately those items of OCI that may be reclassified to profit or loss in the future from those that would never be reclassified to profit or loss. Consequently an entity that presents items of OCI before related tax effects will also have to allocate the aggregated tax amount between these sections.	The Group does not expect the aforementioned amendment to have a significant impact on the Group's financial statements.	1 July 2012

Amendments to IAS *12 Income taxes – Deferred Tax: Recovery of Underlying Assets*	The 2010 amendment introduces an exception to the current measurement principles based on the manner of recovery in paragraph 52 of IAS 12 for investment property measured using the fair value model in accordance with IAS 40 by introducing a rebuttable presumption that in these for the assets the manner of recovery will be entirely by sale. The management's intentions would not be relevant unless the investment property is depreciable and held within a business model whose objective is to consume substantially all of the asset's economic benefits over the life of the asset. This is the only instance in which the rebuttable presumption can be rebutted.	The amendments are not relevant to the Group's financial statements, since the Group does not have any investment properties measured using the fair value model in IAS 40.	1 January 2012
Amended IAS 19 *Employee Benefits*	Actuarial gains and losses will be recognised immediately in other comprehensive income. This amendment will: • remove the corridor method and hence is expected to have a significant effect on entities that currently apply this method to recognize actuarial gains and losses; and eliminate the ability for entities to recognize all changes in the defined benefit obligation and in plan assets in profit or loss, which is currently allowed under IAS 19.	The Group does not expect the amendment to have material impact on the financial statements.	1 January 2013
IAS 28 (amended in 2011) *Investments in Associates and Joint Ventures*	Limited amendments have been made to IAS 28: • Associates and joint ventures held for sale. IFRS 5 *Non-current Assets Held for Sale and Discontinued Operations* applies to an investment, or a portion of an investment, in an associate or a joint venture that meets the criteria to be classified as held for sale. For any retained portion of the investment that has not been classified as held for sale, the equity method is applied until disposal of the portion held for sale. After disposal, any retained interest is accounted for using the equity method if the retained interest continues to be an associate or a joint venture. • *Changes in Interests Held in Associates and Joint Ventures*. Previously, IAS 28 (2008) and IAS 31 specified that the cessation of significant influence or joint control triggered remeasurement of any retained stake in all cases, even if significant influence was succeeded by joint control. IAS 28 (2011) requires that in such scenarios the retained interest in the investment is not remeasured.	The Group does not expect that the amended standard will have a significant impact on the financial statements because it does not have any investments in associates or joint ventures, which would be affected by those amendments.	1 January 2013

IFRIC 20: *Stripping Costs in the Production Phase of a Surface Mine*	The interpretation addresses the following issues: (a) recognition as an asset of stripping costs in the production phase; (b) measurement of the asset related to overburden removal at initial recognition; and (c) measurement of the asset related to overburden removal as of the balance sheet. Mining companies will be able to capitalize overburden removal costs incurred in the production phase, which will bring economic benefits to the entity in later periods, provided certain criteria are met. Capitalization and the amortization period will depend on the identified elements of deposits to which the cost of overburden removal relate.	IFRIC does not apply to the Group's financial statements, since the Group does not incur any overburden removal costs in the production phase in a surface mine.	1 January 2013

4. Information on business segments

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

- servicing constructions – a segment which includes rental of formwork and construction scaffolding alongside 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 concentration of customers within the Group.

Results of the segments are as follows:

12 months ended on 31 December 2011

Description	Construction servicing	Sale of building materials	Capital Group
Total sales revenues	277 627	28 111	305 738
Sales between segments	(330)	(10 918)	(11 248)
Sales revenues	**277 297**	**17 193**	**294 490**
Operating costs without amortization	(127 587)	(11 335)	(138 922)
EBITDA	**149 710**	**5 858**	**155 568**
Depreciation /amortization	(82 638)	(422)	(83 060)
EBIT operating profit/(loss)	**67 072**	**5 436**	**72 508**

12 months ended on 31 December 2010

Description	Construction servicing	Sale of building materials	Capital Group
Total sales revenues	197 300	36 159	233 459
Sales between segments	(3 028)	(15 080)	(18 108)
Sales revenues	**194 272**	**21 079**	**215 351**
Operating costs without amortization	(93 916)	(17 235)	(111 151)
EBITDA	**100 356**	**3 844**	**104 200**
Depreciation /amortization	(75 919)	(952)	(76 871)
EBIT operating profit/(loss)	**24 437**	**2 892**	**27 329**

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

	12 months 2011	12 months 2010
Operating profit/(loss) of segments	**72 508**	**27 329**
Interest revenues	327	132
Other financial revenues	-	721
Interest expenses	(10 912)	(13 506)
Other financial expenses	(417)	(589)
Interest in associated companies	(567)	(627)
Gross profit/(loss)	**60 939**	**13 460**
Income tax	(11 590)	(3 229)
Net profit/ (loss)	**43 349**	**10 231**

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 31 December 2011	391 619	6 884	109 238	507 741
As of 31 December 2010	399 479	8 766	103 524	511 769

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 segments.

Description	31 December 2011	31 December 2010
Assets of segments	398 503	408 245
Non-allocated fixed assets	76 196	89 805
Non-allocated intangible fixed assets	978	466
Investments in the associated company	1 162	1 733
Other fixed assets	4 288	4 344
Tax receivables and other receivables	7 631	964
Derivative instruments	-	178
Cash and cash equivalents	18 983	6 034
Total assets	**507 741**	**511 769**

5. Tangible fixed assets

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

	Land, buildings and structures	Plant, machinery and motor vehicles	Formwork systems	Other fixed assets	Fixed assets under construction	Total tangible fixed assets
GROSS VALUE						
As of 1 January 2010	**88 782**	**15 421**	**496 537**	**3 566**	**2 734**	**607 040**
Increase due to purchase	738	827	64 540	303	1 898	68 306
Increase - inventory surplus, reclassifications	-	1 018	3 356	277	(2 756)	1 895
Decrease - sales	-	(1 265)	(18 468)	(20)	-	(19 753)
Decrease – liquidation, shortages and reclassifications	(182)	(221)	(17 591)	(1 169)	-	(19 163)
Foreign exchange gains/(loss)	4	19	646	5	-	674
As of 31 December 2010	**89 342**	**15 799**	**529 020**	**2 962**	**1 876**	**638 999**
Increase due to purchase	50	878	58 225	248	1 980	61 381
Increase - inventory surplus, reclassifications	-	-	5 652	440	(1 876)	4 216
Decrease - sales	(9 286)	(8 516)	(21 154)	(448)	-	(39 404)
Decrease – liquidation, shortages and reclassifications	(3)	(61)	(14 213)	(602)	-	(14 879)
Foreign exchange gains/(loss)	17	51	2 098	28	-	2 194
As of 31 December 2011	**80 120**	**8 151**	**559 629**	**2 628**	**1 980**	**625 507**
ACCUMULATED AMORTIZATION						
As of 1 January 2010	**5 510**	**8 040**	**149 003**	**1 540**	**-**	**164 093**
Amortization for the period	2 313	1 466	72 302	465	-	76 546
Decrease – sales	-	(741)	(9 616)	(19)	-	(10 376)
Decrease – liquidation, reclassifications	(51)	(52)	(8 153)	(43)	-	(8 299)
Foreign exchange gains/(loss)	-	7	153	2	-	162
As of 31 December 2010	**7 772**	**8 720**	**203 689**	**1 945**	**-**	**222 126**
Amortization for the period	2 070	1 045	79 155	477	-	82 747
Decrease - sales	(1 688)	(4 874)	(12 879)	(327)	-	(19 813)
Decrease – liquidation, reclassifications	-	(55)	(7 768)	(146)	-	(7 969)
Foreign exchange gains/(loss)	5	34	1 149	19	-	1 207
As of 31 December 2011	**8 159**	**4 870**	**263 346**	**1 923**	**-**	**278 298**
NET VALUE:						
As of 31 December 2011	**71 961**	**3 281**	**296 282**	**705**	**1 980**	**374 209**
As of 31 December 2010	**81 570**	**7 079**	**325 331**	**1 017**	**1 876**	**416 873**
As of 1 January 2010	**83 272**	**7 381**	**347 534**	**2 026**	**2 734**	**442 947**

The depreciation of the tangible fixed assets was added to:

Item	12 months 2011	12 months 2010
Costs of sold products, goods and materials	82 369	75 932
Costs of sales and marketing	20	16
Overheads	358	598
Total	**82 747**	**76 546**

As of 31 December 2011, bank credit lines are secured on fixed assets (formwork). The collateral value pursuant to the pledge agreements concluded at the time of signing the credit agreements is TPLN 302,256. As of 31 December 2010, the collateral amount was TPLN 302,056.
The net value of tangible fixed assets used pursuant to financial lease contracts as of 31 December 2011 was TPLN 614, whereas as of 31 December 2010 – TPLN 691.

6. Intangible assets

Changes in intangible assets in the period from 1 January 2010 to 31 December 2011

	Licences and software	Other – developed for the entity's purposes*)	Total intangible assets
GROSS VALUE			
As of 1 January 2010	**3 475**	**446**	**3 921**
Increase	156	3	159
Decrease – sales	(149)	(405)	(554)
As of 31 December 2010	**3 482**	**44**	**3 526**
Increase	876	-	876
Decrease – liquidation	(154)	(3)	(157)
Foreign exchange gains/(loss)	1	1	2
As of 31 December 2011	**4 205**	**42**	**4 247**
ACCUMULATED AMORTIZATION			
As of 1 January 2010	**2 820**	**432**	**3 252**
Amortization for the period	318	7	325
Decrease – sales	(148)	(404)	(552)
As of 31 December 2010	**2 990**	**35**	**3 025**
Amortization for the period	306	7	313
Decrease – liquidation	(149)	(3)	(152)
Foreign exchange gains/(loss)	1	-	1
As of 31 December 2011	**3 148**	**39**	**3 187**
NET VALUE:			
As of 31 December 2011	**1 057**	**3**	**1 060**
As of 31 December 2010	**492**	**9**	**501**
As of 1 January 2010	**655**	**14**	**669**

The amortization of the intangible assets was added to:

Item	12 months 2011	12 months 2010
Costs of sold products, goods and materials	102	120
Costs of sales and marketing	10	28
Overheads	201	177
Total	**313**	**325**

7. Financial instruments

	Balance sheet value		Fair value	
	31 December 2011	31 December 2010	31 December 2011	31 December 2010
Financial assets held for sale				
Cash	18 983	6 034	18 983	6 034
Receivables and loans granted				
Trade receivables and other receivables	101 188	76 317	101 188	76 317
Loans granted	1 074	-	1 074	-
Derivative instruments				
Financial instruments valued at fair value through profit and loss	-	178	-	178
Financial liabilities				
Variable interest rate credits	143 840	210 576	143 840	210 576
Trade liabilities and other liabilities	41 661	21 865	41 661	21 865
Derivative instruments				
Financial instruments measures at fair value through profit and loss	174	-	174	-

8. Interests in associated companies

name (company) 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	1 162	30.00

Key data concerning the associated company.

	31 December 2011	31 December 2010
Assets	13 061	14 555
Liabilities	5 661	6 055
Sales revenues	5 212	5 298
Net financial profit/(loss)	(1 888)	(2 090)

9. Other fixed assets

The other fixed assets cover the value of perpetual usufruct right of TPLN 4,288. The perpetual usufruct right expires on 5 December 2089.

10. Trade receivables and other receivables

	As of: 31 December 2011	31 December 2010
Trade receivables from non-related parties	120 333	91 415
Revaluation write-down on trade receivables	(26 242)	(17 626)
Net trade receivables	*94 091*	*73 789*
Other receivables	5 304	84
Prepaid expenses	679	880
Trade receivables from related parties	1 114	1 564
Loan receivables	1 074	-
Total trade receivables and other receivables	**102 262**	**76 317**
including:		
Long-term portion	3 040	-
Short-term portion	99 222	76 317

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

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

The net amount of revaluation write-downs on receivables increased by the amount of receivables written off in the total amount of TPLN 7,039 (TPLN 3,255 in 2010) was recognized in the sales and marketing costs in the total income statement.

Changes to the revaluation write-downs on trade and other receivables are as follows:

	12 months 2011	12 months 2010
Opening balance	**17 26**	**13 841**
Increase – revaluation write-downs on trade receivables	7 299	3 412
Increase – revaluation write-downs on delay interest	1 833	1 520
Exercise	(454)	(254)
Adjustment to earlier write-down	(597)	(1 027)
Foreign exchange gains/(loss)	535	134
Closing balance	**26 242**	**17 626**

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

11. Stocks

	As of: 31 December 2011	31 December 2010
Materials	4 570	3 531
Semi-finished products and production in progress	-	1 738
Finished products	-	308
Goods	973	1 104
Net value of stocks	**5 543**	**6 681**
Revaluation write-down on stocks	(340)	(891)
Net value of stocks	**5 203**	**5 790**

12. Cash and cash equivalents

	As of: 31 December 2011	31 December 2010
Cash on hand and at bank	17 746	6 034
Short-term bank deposits	1 237	-
Total cash, including:	**18 983**	**6 034**
Cash with restricted availability	433	257

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

	As of: 31 December 2011	31 December 2010
Cash and cash equivalents	18 983	6 034
Overdraft facility (note 15)	(1 118)	(3 702)
Cash and cash equivalents recognized in the cash flow account	**17 865**	**2 332**

13. Share capital

	Number of shares	Nominal value of shares	Share premium	Total
As of 1 January 2010	**5 255 632**	**10 511**	**114 990**	**125 501**
- increase	-	-	-	-
- decrease	-	-	-	-
As of 31 December 2010	**5 255 632**	**10 511**	**114 990**	**125 501**
- increase	-	-	-	-
- decrease	-	-	-	-
As of 31 December 2011	**5 255 632**	**10 511**	**114 990**	**125 501**

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

As of 31 December 2011, 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	516 739	9.83	516 739	9.83
Small shareholders	771 603	14.68	771 603	14.68

14. Trade liabilities and other liabilities

	As of: 31 December 2011	31 December 2010
Trade liabilities towards non-related parties	19 888	17 431
Liabilities towards related parties	3 338	1 862
Social insurance and other liabilities	9 837	6 831
Accrued expenses	12 196	2 323
Deferred income	4	-
Other liabilities	191	249
Dividend liabilities – related parties	4 562	-
Dividend liabilities – other entities	1 482	-
Total trade liabilities and other liabilities	**51 498**	**28 696**
including:		
Long-term portion	-	-
Short-term portion	51 498	28 696

15. Credits and loans

	As of: 31 December 2011	31 December 2010
Long-term		
Bank credits	87 056	140 453
Total long-term credits	**87 056**	**140 453**
Short-term		
Overdraft facility (note 12)	1 118	3 702
Bank credits	55 666	66 421
Total short-term credits	**56 784**	**70 123**

Bank credits are secured on formwork (registered pledge or transfer of title) in accordance with the information contained in note 5. Blank promissory notes and corporate guarantees serve as additional collateral.

Interest on bank credits accrues monthly on the basis of the prevailing WIBOR rate plus a margin specified in each credit agreements.

The structure of long-terms credits by maturity is as follows:

	As of:	
	31 December 2011	31 December 2010
From 1 to 2 years	46 438	53 397
From 2 to 5 years	40 618	87 056
Over 5 years	-	-
Total long-term credits	**87 056**	**140 453**

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

	31 December 2011	31 December 2010
Overdraft facility	5.04	5.88
Bank credits	6.13	5.74

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

	As of:	
	31 December 2011	31 December 2010
With variable interest:		
- expiring within one year	6 883	4 298
- expiring after one year	15 000	10 000
Total credit limits which have not been drawn	**21 883**	**14 298**

16. Lease

a) Financial lease

The assets used under lease contracts, as presented in the table below, cover machines for cleaning of formwork:

	As of:	
	31 December 2011	31 December 2010
Initial value of leased fixed assets	768	768
Depreciation	(154)	(77)
Net book value	**614**	**691**

The depreciation of leased fixed assets under concluded financial lease contracts during 12 months ended on 31 December 2011 amounted to TPLN 77, whereas during 12 months ended on 31 December 2010 it amounted to TPLN 147.

	As of:	
	31 December 2011	31 December 2010
Under one year	148	146
From 1 to 5 years	286	423
Total amount of minimum leasing fees by maturity:	**434**	**569**

	As of:	
	31 December 2011	31 December 2010
Under one year	148	146
From 1 to 5 years	286	423
Total amount of current value of minimum leasing fees by maturity:	**434**	**569**

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

Material provisions of lease contracts

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

b) Operational lease

Operational lease contracts include acquired perpetual usufruct right of land.
The total amount of future minimum fees under perpetual usufruct right of land is as follows:

	As of:	
	31 December 2011	31 December 2010
Under one year	9	18
From 1 to 5 years	35	71
Over 5 years	645	1 318
Total	**689**	**1 407**

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

17. Deferred income tax

	As of:	
	31 December 2011	31 December 2010
Deferred income tax assets	7 789	8 441
Deferred income tax liabilities	(14 763)	(12 099)

Balance sheet value of deferred income tax asset (liability)	**(6 974)**	**(3 658)**

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

Deferred income tax liabilities

Item of temporary differences	Valuation of tangible fixed assets	Unrealized foreign exchange gains/(loss)	Other	Total
As of 1 January 2010	**8 978**	**114**	**228**	**9 320**
Recognition of profit/(loss)	(13)	(195)	(589)	**(797)**
Charge to profit/(loss)	3 095	86	395	**3 576**
As of 31 December 2010	**12 060**	**5**	**34**	**12 099**
Recognition of profit/(loss)	-	(70)	(132)	**(202)**
Charge to profit/(loss)	2 636	104	126	**2 866**
As of 31 December 2011	**14 696**	**39**	**28**	**14 763**

Deferred income tax assets

Item of temporary differences	Tax losses	Lease	Valuation of tangible fixed assets and working assets	Provisions for costs	Unrealized foreign exchange gains/(loss)	Total
As of 1 January 2010	**5 505**	**18**	**1 503**	**1 312**	**233**	**8 571**
Recognition of profit/(loss)	56	-	3	1 074	370	**1 503**
Charge to profit/(loss)	-	(18)	(448)	(857)	(386)	**(1 709)**
Charge to equity	-	-	-	-	76	**76**
As of 31 December 2010	**5 561**	**-**	**1 058**	**1 529**	**293**	**8 441**
Recognition of profit/(loss)	-	-	29	3 230	190	**3 449**
Charge to profit/(loss)	(2 784)	-	(9)	(904)	(179)	**(3 876)**
Charge to equity	**-**	**-**	-		(225)	**(225)**
As of 31 December 2011	**2 777**	**-**	**1 078**	**3 855**	**78**	**7 789**

18. Liabilities under pension benefits

	As of: 31 December 2011	As of: 31 December 2010
Financial statement liabilities under:		
Pension benefits	117	104
Total	**117**	**104**

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

	12 months 2011	12 months 2010
Allocation to provision for pension benefits	7	8
Interest expenses	5	5
Net actuarial profit and loss	25	13
Disbursed benefits	(24)	-
Redundancies/plan liquidation	-	(24)
Total expensed amount of employee benefits	**13**	**2**

Change in balance sheet liabilities:

	12 months 2011	12 months 2010
Provision for pension benefits at the beginning of period	104	102
Allocation to provision for pension benefits	7	8
Interest expenses	5	5
Net actuarial profit and loss	25	13
Disbursed benefits	(24)	-
Redundancies/plan liquidation	-	(24)
Provision for pension benefits at the end of the period	**117**	**104**

19. Sales revenues

	12 months 2011	12 months 2010
Revenues from construction servicing	277 298	194 272
Revenues from sale of building goods and materials	17 192	21 079
Total sales revenues	**294 490**	**215 351**

Sales revenues to the company which has control over the ULMA Construccion Polska S.A. Capital Group in the period of 12 months ended on 31 December 2011 amounted to TPLN 523 (TPLN 6,606 in 2010).

20. Costs by type

	12 months 2011	12 months 2010
Depreciation of tangible fixed assets and amortization of intangible assets	83 060	76 871
Costs of employee benefits (note 20 a)	40 595	31 148
Consumption of raw materials, other materials and energy	15 151	15 849
Transportation services	20 622	13 586
Rental and lease services	12 135	8 176
Third party processing services	1 402	2 374
Overhaul and maintenance	3 548	1 979
Assembly services	3 005	7 679
Other third party services	17 593	13 012
Other expenses	12 272	8 068
Value of sold foods and materials	14 657	13 218
Total costs by type	**224 040**	**191 960**
Change in stocks of products and production in progress and costs of services for the company's purposes	(1 779)	(6 493)
Costs of sales and marketing	(10 433)	(6 576)
Overheads	(13 441)	(10 675)
Costs of sold products, goods and materials	**198 387**	**168 216**

20 a) Costs of employee benefits

Salaries and severance pay	33 659	25 801
Social insurance and employee benefits	6 936	5 347
Total costs of employee benefits	**40 595**	**31 148**

21. Other operating income and expenses

21 a) Other operating income

	12 months 2011	12 months 2010
Inventory surplus	2 113	1 851
Loss due to change in fair value of forward contracts	171	1 940
Damages received - lost tangible fixed assets and working assets	199	161
Written-off liabilities	-	23
Sale of tangible fixed assets	13 021	674
Revaluation write-down on stocks	551	5
Reinvoices	277	337
Other income	216	241
Total other operating income	**16 548**	**5 232**

21 b) Other operating expenses

	12 months 2011	12 months 2010
Inventory shortages	(1 148)	(1 026)
Loss due to change in fair value of forward contracts	(87)	(1 919)
Lost tangible fixed assets and working assets	(9)	(18)
Liquidation of tangible fixed assets	(14 197)	(3 980)
Revaluation write-down on stocks	(550)	(327)
Other expenses	(278)	(517)
Total other operating expenses	**(16 269)**	**(7 787)**

22. Financial income and expenses

22 a) Financial income

	12 months 2011	12 months 2010
Interest on cash on bank accounts	305	132
Interest from loan granted	22	-
Gains due to change in fair value of forward contracts under financial activity	-	721
Total financial income	**327**	**853**

22 b) Financial expenses

Interest expenses:		
- bank credits	(10 874)	(13 460)
- lease	(34)	(41)
- other – delay interest	(4)	(5)

	(10 912)	**(13 506)**
Loss due to change in fair value of forward contracts under financial activity	(103)	-
Foreign exchange gains/(loss)	(40)	(130)
Costs of obtaining credit	(165)	(151)
Bank Guarantee Fund	(109)	(59)
Other	-	(249)
Total financial expenses	**(11 329)**	**(14 095)**

22 c) Foreign currency exchange gains/(loss)

The table below presents the impact of foreign exchange gains/(loss) on the profit and loss of the ULMA Construccion Polska S.A. Group:

	12 months 2011	12 months 2010
Sales revenues	123	(689)
Costs of sold products, goods and materials	(168)	594
Financial expenses	(41)	(130)
Total foreign exchange gains/(loss)	**(86)**	**(225)**

23. Income tax

	12 months 2011	12 months 2010
Current tax	(8 499)	(244)
Deferred tax (note 17)	(3 091)	(2 985)
Total income tax	**(11 590)**	**(3 229)**

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 had been applied is as follows:

	12 months 2011	12 months 2010
Gross profit	**60 939**	**13 460**
Tax calculated at the applicable rates (19% for Poland, 23% for Ukraine, 20% for Kazakhstan)	11 625	2 621
Non taxable income	(1 540)	(1 012)
Non-tax deductible expenses	1 730	1 544
Liabilities due to deferred tax recognized in equity	(225)	76
Corporate income tax	**11 590**	**3 229**

Tax authorities may inspect the tax books and tax settlements within 5 years from the end of the year in which tax returns 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

On 16 June 2011, the General Meeting of Shareholders adopted a resolution on disbursement of dividend in the amount of PLN 8,303,898.56 (PLN 1.58 per share) from the profit generated in 2010.
Pursuant to the aforementioned resolution, 5 July 2011 was the dividend date, and the dividend was disbursed on 30 November 2011.

On 28 November 2011, the Management Board of ULMA Construccion Polska S.A. adopted a resolution on disbursement of interim dividend in the amount of PLN 6,043,976.80 (PLN 1.15 per share) from the profit generated in 2011. Pursuant to the aforementioned resolution, 27 December 2011 was the date of determination of the rights to dividend, and the dividend was disbursed on 4 January 2012.

25. Contingent items

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

The Agreement has been concluded for 10 years. The current credit period expires on 30 May 2012.
As of the balance sheet date, the payment guarantees granted by the Bank under the above agreement amount to TPLN 320. The aforementioned guarantee is valid until 30 September 2012.

26. Investment liabilities (off-balance sheet)

The ULMA Construccion Polska S.A. Capital Group does not have any future investment liabilities existing as of the balance sheet date which have not been disclosed in the statement of financial situation yet.
Future liabilities under operational lease *(where the Group is the lessee)* are presented in Note 16b.

27. Measurement of financial instruments at fair value

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

28. Events after the balance sheet date

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

29. Transactions with related parties

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 29 Radomska street was established on 11 July 2000 – Notary Deed Ref. A 2105/2000. The company was registered by a decision of the District Court in Kielce, 10th Commercial Division in the Register of Entrepreneurs under number KRS 0000054140. The business objects of the Company included manufacturing of metal products and structures. The Issuer's share in the capital and the total number of votes is 100%.
  On 31 May 2010, the Extraordinary General Meeting of Shareholders of ULMA System S.A. adopted a resolution on the Company's liquidation.
  In December 2011, the process of liquidation of the company and division of its assets were completed.
  On 23 December 2011, a motion to delete the company from the Register of Entrepreneurs of the National Court Register was filed.
  The value of the assets received by ULMA Construccion Polska S.A. in connection with the liquidation of ULMA System S.A. was TPLN 10,608.

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

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

Associated company:

ULMA Cofraje SRL with its registered office in Bucharest at 200 Chitilei street was established on 9 October 2007. It is registered with the National Office of Commercial Register in Bucharest under number 22679140. The business object of the Company is rental and sale of construction scaffolding and formwork, including lease 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.

Subsidiary companies are fully consolidated while the associated entity is consolidated by the equity method.

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

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

Balances on the accounts as of the balance sheet date	**As of** 31 December 2011	31 December 2010
Receivables of ULMA Construccion Polska S.A. from companies of the Group	2 907	1 555
Liabilities of ULMA Construccion Polska S.A. towards entities of the Group	3 338	1 862
Receivables of ULMA Systems S.A. from companies of the Group	-	9
Liabilities of ULMA System S.A. towards companies of the Group	-	-
Loan liabilities – ULMA Cofraje SRL (in TEUR)	241	-
Loan receivables (in TEUR)	2	-
Interim dividend for 2011	4 562	-
Sale and purchase from companies of the Group	12 months 2011	12 months 2010
Sales of ULMA Construccion Polska S.A. to companies of the Group	1 569	4 563
Purchases of ULMA Construccion Polska S.A. from companies of the Group	35 159	31 158
Sales of ULMA System S.A. to companies of the Group	176	3 873
Purchases of ULMA Systems S.A. from companies of the Group	-	-
Loan interest revenues	22	-

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

In 2011, the Members of the Management Board and the Supervisory Board were paid the following remuneration and bonus:

	12 months 2011	12 months 2010
Management Board of ULMA Construccion Polska S.A		
Andrzej Kozłowski	1 327	784
Andrzej Sterczyński	493	363
Krzysztof Orzełowski	435	357
Liquidator of ULMA System S.A. in liquidation		
Stanisław Siwik	242	330
ULMA Opałubka Ukraina		
Victoriya Ryabinina	114	239
Dmitriv Lyakhovetskiy	159	80
Denys Kvachuk	94	80

ULMA Opałubka Kazachstan Ewa Giersz	68	-
Supervisory Board of ULMA Construccion Polska S.A.		
Rafał Alwasiak	54	35

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

31. Profit per share

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

	12 months 2011	12 months 2010
Profit allocable to the shareholders of the parent company	49 349	10 231
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
Basic earnings per share (in PLN per share)	9.39	1.95
Diluted earnings per share (in PLN per share)	9.39	1.95

32. Translation of selected financial data into EUR

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

ITEM	in TPLN		in TEUR	
	12 months 2011	12 months 2010	12 months 2011	12 months 2010
Net revenues from sale of products, goods and materials	294 490	215 351	71 131	53 779
Operating profit/(loss)	72 508	27 329	17 513	6 825
Gross profit/(loss)	60 939	13 460	14 719	3 361
Net profit/ (loss)	49 349	10 231	11 920	2 555
Operating cash flow	147 609	110 220	35 653	27 525
Net cash flow from investments	(48 715)	(81 946)	(11 767)	(20 464)
Net cash flow from financing activity	(83 503)	(45 729)	(20 169)	(11 420)
Net cash flow	15 391	(17 455)	3 717	(4 359)
Diluted earnings per share	9.39	1.95	2.27	0.49
Earnings per ordinary share (in PLN/EUR)	9.39	1.95	2.27	0.49

	in TPLN		in TEUR	
	31 December 2011	31 December 2010	31 December 2011	31 December 2010
Total assets	507 741	511 769	114 957	129 224
Liabilities	203 111	243 615	45 986	61 514
Long-term liabilities	94 430	144 611	21 380	36 515
Short-term liabilities	108 681	99 004	24 606	24 999
Equity	304 630	268 154	68 971	67 710
Share capital	10 511	10 511	2 380	2 654
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)	57.96	51.02	13.12	12.88

The specific asset and equity as well as liability items were translated into EUR at the average rates of exchange announced by the President of the National Bank of Poland prevailing as of the balance sheet date. The EUR average rate as of 31 December 2011 was PLN 4.4168, and as of 31 December 2010 – PLN 3.9603.

While translating the items of the total income statement and cash flow account items, a rate being the arithmetic mean of the rates prevailing as of the last day of each month in a given period was applied. For the period 1 January – 31 December 2011 this rate was 4.1401 PLN/EUR, while the data for the analogous period in 2010 were translated at the rate 4.0044 PLN/EUR.

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

Andrzej Kozłowski, President of the Management Board …..

Andrzej Sterczyński, Member of the Management Board …..

Krzysztof Orzełowski, Member of the Management Board …..

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

José Ramón Anduaga Member of the Management Board…..

Signature of the person responsible for bookkeeping

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

Warsaw, 12 March 2012