



FINANCIAL STATEMENTS OF

ULMA Construcción Polska S.A.

For the period of 12 months ended on
31 December 2011

ULMA Construcción Polska S.A.

GENERAL INFORMATION

All amounts in TPLN unless otherwise specified

General information

- **Business objects**

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

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

ULMA Construcción Polska S.A. is a joint stock company (the 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 Construcción Polska S.A. The relevant entry into the National Court Register was made on 14 November 2006.

- **Registered office**

ULMA Construcción Polska S.A.

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

ULMA Construcción Polska S.A.

GENERAL INFORMATION

All amounts in TPLN unless otherwise specified

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

ULMA Construcción Polska S.A.
STATEMENT OF FINANCIAL POSITION

All amounts in TPLN unless otherwise specified

		As of:	
	Note	31 December 2011	31 December 2010
ASSETS			
I. Fixed assets			
1. Tangible fixed assets	4.	377 907	413 263
2. Intangible assets	5	1 026	481
3. Interests in subsidiary and associated companies	7.	8 818	13 669
4. Other fixed assets	8.	4 288	4 344
5. Long-term receivables	9.	11 388	10 554
Total fixed assets		403 427	442 311
II. Current assets			
1. Stocks	10.	4 148	5 891
2. Trade receivables and other receivables	9.	98 416	76 383
3. Current income tax liabilities		574	-
4. Derivative instruments		-	177
5. Cash and cash equivalents	11.	18 563	5 505
Total current assets		121 701	87 956
Total assets		525 128	530 267
EQUITY AND LIABILITIES			
I. Equity			
1. Share capital	12.	10 511	10 511
2. Supplementary capital - share premium	12.	114 990	114 990
3. Retained profit, including:		197 654	160 722
<i>a. Net profit for the financial period</i>		<i>51 280</i>	<i>27 776</i>
Total equity		323 155	286 223
II. Liabilities			
1. Long-term liabilities			
a. Credits and loans	14.	87 056	140 453
b. Deferred income tax liabilities	16.	8 053	4 716
c. Long-term liabilities under pension benefits	17.	114	77
d. Long-term liabilities under financial lease	15.	285	423
Total long-term liabilities		95 508	145 669
2. Short-term liabilities			
a. Credits and loans	14.	55 295	70 123
b. Short-term liabilities under pension benefits	17.	3	27
c. Short-term liabilities under financial lease	15.	148	146
d. Derivative instruments		174	-
e. Trade liabilities and other liabilities	13.	50 845	28 079
Total short-term liabilities		106 465	98 375
Total liabilities		201 973	244 044
Total equity and liabilities		525 128	530 267

ULMA Construcción Polska S.A.
TOTAL INCOME STATEMENT

All amounts in TPLN unless otherwise specified

	Note	12 months 2011	12 months 2010
Sales revenues	18.	286 859	205 776
Costs of sold products, goods and materials	19.	(197 971)	(165 910)
I. Gross profit on sales		88 888	39 866
Costs of sales and marketing	19.	(9 011)	(5 752)
Overheads	19.	(12 312)	(9 509)
Other operating expenses	20.	(1 898)	(2 153)
II. Operating profit		65 667	22 452
Financial income	21.	7 087	22 222
Financial expenses	21.	(10 107)	(14 433)
<i>Net financial income/(expenses)</i>		<i>(3 020)</i>	<i>7 789</i>
III. Gross profit/(loss)		62 647	30 241
Income tax	22.	(11 367)	(2 465)
IV. Net profit/(loss) for the financial period		51 280	27 776
Other total income:			
V. Total income for the financial period		51 280	27 776
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)	24.	9.76	5.29

ULMA Construcción Polska S.A.
STATEMENT OF CHANGES IN EQUITY

All amounts in TPLN unless otherwise specified

Item	Share capital in nominal value	Share premium	Retained profit	Total equity
As of 1 January 2010	10 511	114 990	132 946	258 447
Total income in 2010	-	-	27 776	27 776
As of 31 December 2010	10 511	114 990	160 722	286 223
Total income in 2010	-	-	51 280	51 280
Dividend- distribution of profit for 2010	-	-	(8 304)	(8 304)
Interim dividend for 2011	-	-	(6 044)	(6 044)
As of 31 December 2011	10 511	114 990	197 654	323 155

ULMA Construcción Polska S.A.
Additional information to the financial statements

All amounts in TPLN unless otherwise specified

	Note	12 months 2011	12 months 2010
Operating cash flow			
Net profit/(loss) for the financial period		51 280	27 776
Adjustments:			
- Income tax	22.	11 367	2 465
- Depreciation of fixed assets	4.	84 980	78 352
- Amortization of intangible assets	5.	308	319
- Net value of sold formwork – fixed assets		9 032	10 702
- (Profit)/loss due to change in fair value of financial instruments		352	668
- Revenues from interest, dividend and other income from interests in related companies		(7 086)	(21 502)
- Interest expenses		10 912	13 506
- Foreign currency exchange gains/(loss)		(1 429)	361
- Change in provision for pension benefits		13	26
Changes in current assets			
- Stocks		1 743	(4 055)
- Trade receivables and other receivables		(26 785)	(17 814)
- Trade liabilities and other liabilities		15 580	5 453
		150 267	96 257
Paid income tax		(8 605)	87
Net operating cash inflow		141 662	96 344
Cash flow from investments			
Purchase of tangible fixed assets		(57 624)	(87 022)
Inflow from sale of tangible fixed assets		166	122
		(853)	(144)
Purchase of intangible assets		-	(83)
Purchase of interests in subsidiary and associated companies			
Loans granted		(1 197)	(2 785)
Repayment of loans granted		6 415	1 780
Dividend received and other income from interests in related companies		10 608	20 000
Interest received		1 320	1 844
Net cash outflow from investments		(41 165)	(66 288)
Cash flow from financing activities			
Credits and loans received		-	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		(84 992)	(45 729)
Net increase/(decrease) in cash and overdraft facility		15 505	(15 673)
Opening cash and overdraft facility		1 803	17 436
Foreign exchange gains/(loss) from valuation of cash and overdraft facility		138	40
Closing cash and overdraft facility	11.	17 446	1 803

ULMA Construcccion Polska S.A.

Additional information to the financial statements

All amounts in TPLN unless otherwise specified

Notes to the financial statements

1. Description of key accounting principles

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

A) Basis

These financial statements for 12 months ended on 31 December 2011 of ULMA Construcccion Polska S.A. with its registered office in Warsaw 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 ULMA Construcccion Polska S.A.

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) Measurement of foreign currency denominated items

1. Functional currency and presentation currency

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

2. Transactions and balances

Foreign currency denominated transactions are translated into the functional currency at the rate prevailing on the transaction date. FX gains and losses under settlement of those transactions and resulting from balance sheet valuation of foreign currency denominated cash assets and liabilities are recognized accordingly in the profit and loss account. FX gains and losses concerning investing and financing activities are recognized as financial income/expenses.

FX gains and losses concerning realization and balance sheet valuation of trade transactions increase or decrease the income or expense items to which they are related.

The Company applies the mean rate of a given currency announced by the National Bank of Poland as of the balance sheet date as the closing rate of the currency for the purposes of balance sheet valuation of foreign currency denominated cash assets and liabilities.

C) Financial instruments

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

ULMA Construcción Polska S.A.

Additional information to the financial statements

All amounts in TPLN unless otherwise specified

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 Company makes a review if there are any premises indicating impairment in value of financial assets. If such events occur, the Company recognizes the cumulated loss in the profit and loss account as a difference between the balance sheet value and the current fair value, simultaneously decreasing the balance sheet value of the asset item.

D) Tangible fixed assets

Tangible fixed assets such as buildings, plant and machinery used for production, delivery of products and provision of services or for management purposes, were 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 Company, while the costs of the asset can be reliably measured. Subsequent expenditures that do not increase the initial useful value of the fixed asset are charged to the period when they were incurred.

Land owned by the Company is recognized at cost and is not depreciated. The other fixed assets are depreciated by the linear method in order to cover the original value decreased by any residual value over their useful life for each generic group.

The applied useful life periods for each type of fixed assets are as follows (in years):

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

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

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

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

E) 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 Company 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 Company 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

ULMA Construcción Polska S.A.

Additional information to the financial statements

All amounts in TPLN unless otherwise specified

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

F) 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.

G) Intangible fixed assets

Software

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

H) Impairment in value of fixed assets

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

I) Investments

Financial assets held for sale

The Company's investments 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

ULMA Construcción Polska S.A.

Additional information to the financial statements

All amounts in TPLN unless otherwise specified

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.

Interests in related entities are measured at the purchase price reduced with impairment write-downs (in any).

J) Stocks

Stocks of raw materials, materials, as well as purchased goods are measured as of the balance sheet at the lower of: purchase price (manufacturing cost) or net realizable sale price.

The net selling price is the selling price in the normal course of business activities, reduced by the estimated costs of completion of production and the variable costs necessary to carry out sales.

Consumption of stocks is measured in accordance with the "first in, first out" (FIFO) principle.

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

K) Trade receivables and other receivables

Trade receivables are initially recognized at fair value and 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 Company will not be able to collect the amounts due in the original amount, a revaluation write-down is made due to impairment in value. The amount of the revaluation write-down is equal to the difference between the book value and the current value of the anticipated future cash flows, discounted with the effective interest rate. Adjustments 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.

L) Cash and cash equivalents

Cash and cash equivalents are recognized in the statement of financial position at fair value corresponding to nominal value. This includes cash on hand and at banks, other highly liquid short-term investments with the original maturity no longer than three months.

The cash balance disclosed in the cash flow statement is composed of the above cash and cash equivalents decreased by outstanding amounts of current account overdraft facilities.

Current account overdraft facilities are disclosed in the statement of financial position as liabilities – short-term credits and loans.

M) Capitals

Share capital

ULMA Construcción Polska S.A.

Additional information to the financial statements

All amounts in TPLN unless otherwise specified

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 Company in preceding financial periods and the profit/(loss) for the current financial year.

N) 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 Company holds an unconditional right to defer the repayment of such liabilities by minimum 12 months from the balance sheet date.

O) Provisions

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

P) Accruals and deferred income

In the item "Trade liabilities and other liabilities" the Company 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.

Q) 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 Company.

Receivables are verified for their impairment in value if premises presenting a risk of non-collection occur. Should this occur, the value of revaluation write-downs is estimated by the Company.

R) Revenues

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

ULMA Construcción Polska S.A.

Additional information to the financial statements

All amounts in TPLN unless otherwise specified

The Company recognizes sales revenues when the amount of revenues can be reliably measured, when it is probable that the entity will generate economic benefits in the future and that the criteria listed below have been met for each type of operations of the Company.

1. Revenues from sale of products, 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 Company'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 Company's warehouses is the moment when sales revenues are recognized. For contracts concluded in accordance with the CPT and CIP terms, the revenues from sale of products and goods are recognized when the 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 the Company. If a receivable loses in value, the Company reduces its balance sheet value to the collectible amount equal to the estimated future cash flow discounted at the original effective interest rate for the instrument, followed by gradual recognition of the discount amount in correspondence to interest income.

4. Dividend

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

S) Deferred income tax

Deferred income tax assets and liabilities resulting from temporary differences between the tax value of assets and liabilities and their balance sheet value in the financial statements are recognized by the balance sheet method. However, if such deferred income tax is due to the

ULMA Construcccion Polska S.A.

Additional information to the financial statements

All amounts in TPLN unless otherwise specified

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.

T) 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 Company recognizes provisions for retirement packages in the amount of the current value of estimated future proceeds under the provisions of the Polish law. The value of such liabilities is calculated each year by independent actuaries.

ULMA Construcción Polska S.A. Additional information to the financial statements

All amounts in TPLN unless otherwise specified

2. Financial risk and capital management

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

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

Currency exchange rate risk

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

The Company hedges net items with external forward transactions.

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

	31 December 2011	31 December 2010
Trade receivables	849	678
Loans granted	2 131	2 665
Cash	348	285
FX forward contracts	(1 476)	(320)
Total assets	1 852	3 308
Trade liabilities	1 272	1 242
FX forward contracts	(710)	(610)
Total liabilities	562	632

A sensitivity analysis made by the Company shows that:

- a) as of 31 December 2011,
 - if PLN had depreciated/appreciated by 10% in relation to EUR, with other parameters unchanged, the net profit for 12 months ended on 31 December 2011 would have been by TPLN 374 higher/lower due to revaluation of EUR denominated cash, receivables, liabilities and FX contracts.
- b) as of 31 December 2010,
 - if PLN had depreciated/appreciated by 10% in relation to EUR, with other parameters unchanged, the net profit for 12 months ended on 31 December 2010 would have been by TPLN 859 higher/lower due to revaluation of EUR denominated cash, receivables, liabilities and FX contracts.

ULMA Construcción Polska S.A.

Additional information to the financial statements

All amounts in TPLN unless otherwise specified

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

Operating income and cash flows of the Company are not materially exposed to the interest rate risk.

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

A sensitivity analysis made by the Company shows that:

- as of 31 December 2011, if interest rates had been higher by 100 basis points, the net 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 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 Company pays its trade liabilities on time, operating income and cash flows of the Company are not materially exposed to interest rate risk.

Credit risk

Trade receivables are an item exposed to credit risk (Note 9).

The Company is not exposed to major risk concentration under credit sales.

A relatively high number of buyers of the Company's services and goods results in no concentration of credit sales. Furthermore, the Company 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 Company to materially mitigate the level of credit risk.

Trade receivables with no impairment in value account for 81.8% of the gross value of those financial assets, including 66.7% of trade receivables which are not overdue (in 2010, these values were 83.5% and 60.4%, 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	15 706	12 249
Overdue from 31 up to 90 days	6 617	8 301
Overdue from 91 up to 180 days	3 713	4 306
Overdue from 181 up to 360 days	5 093	3 843
Overdue over 360 days	338	91
Total assets	31 467	28 790

ULMA Construcción Polska S.A.

Additional information to the financial statements

All amounts in TPLN unless otherwise specified

Value was impaired with respect to financial assets in the group of trade receivables and other receivables of TPLN 21,102, and a 100% revaluation write-down was applied. Impairment in value of individual financial assets is determined by the Company on the basis of an individual assessment of each customer, in particular assessment of its financial standing and any collateral held. The Company 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 Company maintains sufficient cash resources to cover its liabilities when due and has sufficient funding available from the existing credit lines.

Over 95% of trade liabilities of the Company fall due within 2 months from the balance sheet date. An analysis of the Company's bank credits by maturity is presented in note 14 of Additional Information.

Working capital management

The main objectives of capital management include ensuring an adequate level of operating liquidity and the possibility of execution of the Company's investment plans in accordance with the approved budgets.

Dividend policy

The aforementioned objectives govern also the adopted dividend policy. 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.

ULMA Construcción Polska S.A.
Additional information to the financial statements

All amounts in TPLN unless otherwise specified

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

Certain new accounting standards and IFRIC interpretations have been published which are mandatory in relation to the reporting periods commencing after 31 December 2011.

Below, an assessment by the Company of the impact of those new standards and interpretations has been presented.

Some of the new standards and interpretations have not been approved by the European Union as of the day of approval of these financial statements.

Standards and interpretations 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 <i>Severe Hyperinflation and Removal of Fixed Dates for First-time Adopters</i>	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 Company's financial statements.	1 July 2011
Amendments to IFRS 7 <i>Disclosures - Transfers of Financial Assets</i>	The amendment requires disclosure of information that enables users of financial statements: <ul style="list-style-type: none"> • 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 Company does not expect the amendment to IFRS 7 to have material impact on the financial statements because of the nature of the Company's operations and the types of financial assets that it holds.	1 July 2011

ULMA Construcción Polska S.A.
Additional information to the financial statements

All amounts in TPLN unless otherwise specified

<p>IFRS 9 <i>Financial Instruments</i></p>	<p>The new Standard replaces the guidelines contained in IAS 39, <i>Financial Instruments: Recognition and Measurement</i>, 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.</p> <p>Financial assets will be classified into one of two categories on initial recognition:</p> <ul style="list-style-type: none"> • financial assets measured at amortized cost; or • financial assets measured at fair value. <p>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.</p>	<p>The Company does not expect IFRS 9 to have material impact on the financial statements. The classification and measurement of the Company's financial assets are not expected to change under IFRS 9 because of the nature of the Company's operations and the types of financial assets that it holds.</p>	<p>1 January 2013</p>
<p>Amendments to IAS 9 <i>Financial Instruments</i> (issued in 2010)</p>	<p>The amendments to IFRS 9 of 2010 replace the guidelines contained in IAS 39, <i>Financial Instruments: Recognition and Measurement</i>, as regards classification and measurement of financial liabilities and the derecognition of financial assets and financial liabilities.</p> <p>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.</p> <p>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.</p>	<p>The Company does not expect IFRS 9 (2010) to have material impact on the financial statements. The classification and measurement of the Company's financial liabilities are not expected to change under IFRS 9 because of the nature of the Company's operations and the types of financial assets that it holds.</p>	<p>1 January 2013</p>

ULMA Construcción Polska S.A.
Additional information to the financial statements

All amounts in TPLN unless otherwise specified

	<p>Derivative financial liabilities that are related to each other and must be 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.</p>		
IFRS 10 <i>Consolidated Financial Statements</i>	<p>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.</p> <p>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).</p>	<p>The Company 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 Company's control over its investees.</p>	1 January 2013
IFRS 11 <i>Joint Arrangements</i>	<p>IFRS 11, <i>Joint Arrangements</i>, supersedes and replaces IAS 31, <i>Interest in Joint Ventures</i>. 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:</p> <ul style="list-style-type: none"> • 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. <p>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.</p>	<p>The Company does not expect IFRS 11 to have material impact on the financial statements since it is not a party to any joint arrangements.</p>	1 January 2013

ULMA Construcción Polska S.A.
Additional information to the financial statements

All amounts in TPLN unless otherwise specified

	The remainder of IAS 31 jointly controlled entities, now called joint ventures, are stripped of the free choice of equity accounting or proportionate consolidation; they must now always use the equity method.		
IFRS 12 <i>Disclosure of Interests in Other Entities</i>	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 Company does not expect IFRS 12 to have material impact on the financial statements.	1 January 2013
IFRS 13 <i>Fair Value Measurement</i>	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 Company 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 <i>Presentation of Items of Other Comprehensive Income</i>	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 Company does not expect the aforementioned amendment to have a significant impact on the financial statements.	1 July 2012

ULMA Construcción Polska S.A.
Additional information to the financial statements

All amounts in TPLN unless otherwise specified

<p>Amendments to IAS 12 <i>Income taxes – Deferred Tax: Recovery of Underlying Assets</i></p>	<p>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.</p>	<p>The amendments are not relevant to the Company's financial statements, since the Company does not have any investment properties measured using the fair value model in IAS 40.</p>	<p>1 January 2012</p>
<p>Amended IAS 19 <i>Employee Benefits</i></p>	<p>Actuarial gains and losses will be recognised immediately in other comprehensive income. This amendment will:</p> <ul style="list-style-type: none"> • 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. 	<p>The Company does not expect the amendment to have material impact on the financial statements.</p>	<p>1 January 2013</p>
<p>IAS 27 (amended in 2011) <i>Separate Financial Statements</i></p>	<p>IAS 27 (2008) remains as IAS 27 (2011) only for the purposes of transfer of the existing accounting and disclosure requirements to separate financial statements with several minor refinements. The requirements of IAS 28 (2008) and IAS 31 concerning separate financial statements have been attached to IAS 27 (2011). The Standard contains no longer control principles and requirements concerning preparation of consolidated financial statements which have been transferred to IFRS 10, <i>Consolidated Financial Statements</i>.</p>	<p>The Company does not expect the aforementioned amendment to have material impact on the financial statements since it does not affect the accounting policy adopted by the entity.</p>	<p>1 January 2013</p>
<p>IAS 28 (amended in 2011) <i>Investments in Associates and Joint Ventures</i></p>	<p>Limited amendments have been made to IAS 28:</p> <ul style="list-style-type: none"> • Associates and joint ventures held for sale. IFRS 5 <i>Non-current Assets Held for Sale and Discontinued Operations</i> 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 	<p>The Company does not expect that the amended standard will have material impact on the financial statements because it does not have any investments in associates or joint ventures, which would be affected by those amendments.</p>	<p>1 January 2013</p>

ULMA Construcción Polska S.A.
Additional information to the financial statements

All amounts in TPLN unless otherwise specified

	<p>joint venture.</p> <ul style="list-style-type: none"> • <i>Changes in Interests Held in Associates and Joint Ventures.</i> 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. 		
<p>IFRIC 20: <i>Stripping Costs in the Production Phase of a Surface Mine</i></p>	<p>The interpretation addresses the following issues: (a) recognition as an asset related to 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.</p> <p>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.</p>	<p>IFRIC does not apply to the Company's financial statements since the Company does not incur any overburden removal costs in the production phase in a surface mine.</p>	<p>1 January 2013</p>

4. Tangible fixed assets

Changes in tangible fixed assets from 1 January 2010 to 31 December 2011

	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	79 962	6 584	518 867	3 010	2 169	610 592
Increase due to purchase	161	754	65 144	227	1 876	68 162
Increase - inventory surplus, reclassifications	-	1 001	3 316	276	(2 169)	2 424
Decrease – sales	-	(464)	(19 141)	(5)	-	(19 610)
Decrease – liquidation, shortages and reclassifications	(182)	(221)	(17 541)	(1 169)	-	(19 113)
As of 1 January 2011	79 941	7 654	550 645	2 339	1 876	642 455
Increase due to purchase	46	821	57 358	219	1 978	60 423
Increase - inventory surplus, reclassifications	-	-	5 373	440	(1 876)	3 937
Decrease - sales	-	(677)	(21 193)	(20)	-	(21 890)
Decrease – liquidation, shortages and reclassifications	-	(59)	(14 212)	(604)	-	(14 875)
As of 31 December 2011	79 987	7 739	577 971	2 374	1 978	670 049
ACCUMULATED AMORTIZATION						
As of 1 January 2010	4 170	3 776	160 763	1 141	-	169 850
Amortization for the period	2 044	1 073	74 837	398	-	78 352
Decrease – sales	-	(459)	(10 265)	(5)	-	(10 729)
Decrease – liquidation, reclassifications	(51)	(52)	(8 135)	(43)	-	(8 281)
As of 1 January 2011	6 163	4 338	217 200	1 491	-	229 192
Amortization for the period	1 954	947	81 639	440	-	84 980
Decrease – sales	-	(605)	(13 440)	(17)	-	(14 062)
Decrease – liquidation, reclassifications	-	(55)	(7 767)	(146)	-	(7 968)
As of 31 December 2011	8 117	4 625	277 632	1 768	-	292 142
NET VALUE:						
As of 31 December 2011	71 870	3 114	300 339	606	1 978	377 907
As of 1 January 2011	73 778	3 316	333 445	848	1 876	413 263
As of 1 January 2010	75 792	2 808	358 104	1 869	2 169	440 742

The depreciation of the tangible fixed assets was added to:

Item	12 months 2011	12 months 2010
Costs of sold products, goods and materials	84 676	77 865
Costs of sales and marketing	21	16
Overheads	283	471

ULMA Construcción Polska S.A.
Additional information to the financial statements

All amounts in TPLN unless otherwise specified

Total	84 980	78 352
--------------	---------------	---------------

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.

5. 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	3 378	37	3 415
Increase	145	-	145
Decrease – sales	(149)	-	(149)
As of 1 January 2011	3 374	37	3 411
Increase	853	-	853
Decrease – liquidation	(58)	-	(58)
As of 31 December 2011	4 169	37	4 206
ACCUMULATED AMORTIZATION			
As of 1 January 2010	2 735	24	2 759
Amortization for the period	312	7	319
Decrease – sales	(148)	-	(148)
As of 1 January 2010	2 899	31	2 930
Amortization for the period	302	6	308
Decrease – liquidation	(58)	-	(58)
As of 1 January 2011	3 143	37	3 180
NET VALUE:			
As of 31 December 2011	1 026	-	1 026
As of 1 January 2011	475	6	481
As of 1 January 2010	643	13	656

ULMA Construcción Polska S.A.
Additional information to the financial statements

All amounts in TPLN unless otherwise specified

The amortization of the intangible assets was added to:

Item	12 months 2011	12 months 2010
Costs of sold products, goods and materials	101	120
Costs of sales and marketing	10	29
Overheads	197	170
Total	308	319

6. 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	18 563	5 505	18 563	5 505
Receivables and loans granted				
Trade receivables and other receivables	100 383	73 598	100 383	73 598
Loans granted	9 421	13 339	9 421	13 339
Derivative instruments				
Financial instruments valued at fair value through profit and loss	-	177	-	177
Financial liabilities				
Variable interest rate credit	142 351	210 576	142 351	210 576
Trade liabilities and other liabilities	41 054	21 470	41 054	21 470
Derivative instruments				
Financial instruments valued at fair value through profit and loss	174	-	174	-

ULMA Construcción Polska S.A.
Additional information to the financial statements
All amounts in TPLN unless otherwise specified

7. Interests in subsidiary and associated companies

As of 31 December 2011.

No.	Entity name	Registered office	Business objects	Relationship	Acquisition date	Interest value per acquisition price	Revaluation write-downs	Balance sheet value of shares/interests	Percent of share capital held	Share in the total number of votes at the General Meeting
1	ULMA Opałubka Ukraina	Ukraine	sale and rental of formwork, sale of building materials	subsidiary company	18 July 2001	5 818	-	5 818	100	100
2	ULMA Cofraje	Romania	sale and rental of formwork, sale of building materials	associated company	2 November 2007	2 917	-	2 917	30	30
3	ULMA Opałubka Kazachstan	Kazakhstan	sale and rental of formwork, sale of building materials	subsidiary company	27 August 2010	84	-	84	100	100
						8 819	-	8 819		

On 31 May 2010, it was resolved to liquidate ULMA System S.A. based in Starachowice. In December 2011, the process of the 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.

8. Other fixed assets

The other fixed assets cover the value of perpetual usufruct right of TPLN 4,288. The perpetual usufruct right was acquired by the Company in 2007 and expires on 5 December 2089.

9. Trade receivables and other receivables

	As of:	
	31 December 2011	31 December 2010
Trade receivables from non-related parties	112 820	85 489
Revaluation write-down on trade receivables	(21 102)	(14 426)
<i>Net trade receivables</i>	<i>91 718</i>	<i>71 063</i>
Other receivables	5 087	46
Prepaid expenses	671	805
Trade receivables from related parties	2 907	1 684
Loans granted	9 421	13 339
Total trade receivables and other receivables	109 804	86 937
of which:		
Long-term portion	11 388	10 554
Short-term portion	98 416	76 383

On the basis of performed analyses the Company assessed that the balance sheet value of individual 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 customers.

The net amount of revaluation write-downs on receivables increased by the amount of receivables written off in the total amount of TPLN 5,633 (TPLN 2,649 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	14 426	11 382
Increase – revaluation write-downs on trade receivables	5 894	2 805
Increase – revaluation write-downs on delay interest	1 833	1 520
Exercise	(454)	(254)
Adjustment to earlier write-down	(597)	(1 027)
Closing balance	21 102	14 426

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

10. Stocks

ULMA Construcción Polska S.A.
Additional information to the financial statements

All amounts in TPLN unless otherwise specified

	As of:	
	31 December 2011	31 December 2010
Materials	3 530	4 288
Goods	958	1 943
Net value of stocks	4 488	6 231
Revaluation write-down on stocks	(340)	(340)
Net value of stocks	4 148	5 891

11. Cash and cash equivalents

	As of:	
	31 December 2011	31 December 2010
Cash on hand and at bank	17 326	5 505
Short-term bank deposits	1 237	-
Total cash, including:	18 563	5 505
Cash with restricted availability	433	257

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

	As of:	
	31 December 2011	31 December 2010
Cash and cash equivalents	18 563	5 505
Overdraft facility (Note 14)	(1 117)	(3 702)
Cash and cash equivalents recognized in the cash flow account	17 446	1 803

12. 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 a 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
---------------	----------------------

ULMA Construcción Polska S.A.
Additional information to the financial statements

All amounts in TPLN unless otherwise specified

	Number of shares	%	Meeting of Shareholders Number of votes	%
ULMA CyE, S. Coop	3 967 290	75.49	3 967 290	75.49
OFE Aviva BZ WBK	516 739	9.83	516 739	9.83
Small shareholders	771 603	14.68	771 603	14.68

13. Trade liabilities and other liabilities

	As of:	
	31 December 2011	31 December 2010
Trade liabilities towards non-related parties	19 514	16 881
Liabilities towards related parties	3 338	2 058
Social insurance and other liabilities	9 791	6 609
Accrued expenses	12 005	2 313
Deferred income	3	-
Other liabilities	150	218
Dividend liabilities – related parties	4 562	-
Dividend liabilities – other entities	1 482	-
Total trade liabilities and other liabilities	50 845	28 079
of which:		
Long-term portion	-	-
Short-term portion	50 845	28 079

14. 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 11)	1 117	3 702
Bank credits	54 178	66 421
Total short-term credits	55 295	70 123

Bank credits are secured on formwork (registered pledge or transfer of title) in accordance with the information contained in Note 4.

ULMA Construcción Polska S.A.
Additional information to the financial statements

All amounts in TPLN unless otherwise specified

Blank promissory notes 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 Company 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

15. Lease

15 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.

ULMA Construcción Polska S.A.
Additional information to the financial statements

All amounts in TPLN unless otherwise specified

	As of:	
	31 December 2011	31 December 2010
Under one year	148	146
From 1 to 5 years	285	423
Total amount of minimum lease fees by maturity:	433	569

	As of:	
	31 December 2011	31 December 2010
Under one year	148	146
From 1 to 5 years	285	423
Total amount of current value of minimum leasing fees by maturity:	433	569

An analysis performed by the Company 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.

15 b) Operating lease

Operating 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	9
From 1 to 5 years	35	35
Over 5 years	645	654
Total	689	698

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

16. Deferred income tax

	As of:	
	31 December 2011	31 December 2010
Deferred income tax assets	6 710	7 383
Deferred income tax liabilities	(14 763)	(12 099)
Balance sheet value of deferred income tax asset (liability)	(8 053)	(4 716)

ULMA Construcción Polska S.A.
Additional information to the financial statements

All amounts in TPLN unless otherwise specified

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	Provisions for expenses	Unrealized foreign exchange gains/ (loss)	Total
As of 1 January 2010	5 505	18	1 312	233	7 068
Recognition of profit/(loss)	56	-	1 073	447	1 576
Charge to profit/(loss)	-	(18)	(857)	(386)	(1 261)
As of 31 December 2010	5 561	-	1 528	294	7 383
Recognition of profit/(loss)	-	-	3 230	350	3 580
Charge to profit/(loss)	(2 784)	-	(904)	(565)	(4 253)
As of 31 December 2011	2 777	-	3 854	79	6 710

17. Liabilities under pension benefits

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

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

ULMA Construcción Polska S.A.
Additional information to the financial statements

All amounts in TPLN unless otherwise specified

	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)	-
Total expensed amount of employee benefits	13	26

Change in balance sheet liabilities:

	12 months 2011	12 months 2010
Provision for pension benefits at the beginning of the period	104	78
Allocation to provision for pension benefits	7	8
Interest expenses	5	5
Net actuarial profit and loss	25	13
Disbursed benefits	(24)	-
Provision for pension benefits at the end of the period	117	104

18. Sales revenues

	12 months 2011	12 months 2010
Revenues from construction servicing	268 170	186 925
Revenues from sale of building goods and materials	18 689	18 851
Total sales revenues	286 859	205 776

19. Costs by type

	12 months 2011	12 months 2010
Depreciation of tangible fixed assets and amortization of intangible assets	85 288	78 671
Costs of employee benefits (Note 19a)	38 364	26 931
Consumption of raw materials, other materials and energy	14 682	9 131
Transportation services	20 504	13 142
Rental and lease services	11 337	7 343
Overhaul services	3 793	4 908
Assembly services	3 005	7 679
Other third party services	16 588	12 309
Other expenses	10 322	6 807
Value of sold goods and materials	15 419	14 252
Total costs by type	219 302	181 173
Costs of services for the company's own needs	(8)	(2)
Costs of sales and marketing	(9 011)	(5 752)
Overheads	(12 312)	(9 509)
Costs of sold products, goods and materials	197 971	165 910

19 a) Costs of employee benefits

Salaries and severance pay	31 909	22 395
Social insurance and employee benefits	6 455	4 536
Total costs of employee benefits	38 364	26 931

20. Other operating income and expenses

20 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	1 934

ULMA Construcción Polska S.A.
Additional information to the financial statements

All amounts in TPLN unless otherwise specified

Damages received - lost tangible fixed assets and working assets	199	119
Written-off liabilities	-	23
Sale of tangible fixed assets	168	124
Reinvoiced	346	300
Other income	34	136
Total other operating income	3 031	4 487

20 b) Other operating expenses	12 months 2011	12 months 2010
Inventory shortages	(1 148)	(1 029)
Loss due to change in fair value of forward contracts	(88)	(1 847)
Lost tangible fixed assets and working assets	(9)	(18)
Liquidation of tangible fixed assets	(2 950)	(3 476)
Revaluation write-down on tangible fixed assets	(550)	(96)
Other expenses	(184)	(174)
Total other operating expenses	(4 929)	(6 640)

21. Financial income and expenses

21 a) Financial income	12 months 2011	12 months 2010
Interest income:		
- from loans granted	1 182	1 390
- from cash in the overdraft facility	147	112
Gains due to change in fair value of forward contracts under financing activity	-	720
Dividend and other income from share in profit of the legal entity	5 758	20 000
Total financial income	7 087	22 222

22 b) Financial expenses		
Interest expenses:		
- bank credits	(10 874)	(13 460)
- leasing	(34)	(41)
- other – delay interest	(4)	(5)
	(10 912)	(13 506)
Foreign exchange gains/ (loss)	(1 181)	(468)
Loss due to change in fair value of forward contracts under financial activity	(103)	-
Costs of obtaining a credit	(165)	(151)
Bank Guarantee Fund	(108)	(59)
Other	-	(249)
Total financial expenses	(10 107)	(14 433)

22. Income tax

	12 months 2011	12 months 2010
Current tax	(8 031)	-
Deferred tax (note 16)	(3 336)	(2 465)
Total income tax	(11 367)	(2 465)

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

	12 months 2011	12 months 2010
Gross profit	62 647	30 241
Tax calculated at the applicable rates (19%)	11 902	5 746
Non taxable income	(1 435)	(4 450)
Non-tax deductible expenses	900	1 169
Corporate income tax	11 367	2 465

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 Company with additional tax assessment along with penalty interest. According to the Management Board, there are no circumstances indicating the possibility of any material tax liabilities.

23. Measurement of financial instruments at fair value

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

24. Earnings 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	51 280	27 776
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)	9.76	5.29
Diluted earnings per share (in PLN per share)	9.76	5.29

25. Contingent items

ULMA Construcción Polska S.A.
Additional information to the financial statements

All amounts in TPLN unless otherwise specified

As of the balance sheet date, the Company was bound by an agreement of 27 September 2010 concluded between ULMA Construcción 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.

ULMA Construcción Polska S.A. granted a guarantee of repayment of a bank credit contracted by ULMA Opałubka Ukraina Sp. z. o.o. pursuant to a credit agreement concluded with UKRSIBBANK. The total amount of the granted guarantee is TEUR 500.

26. Events after the balance sheet date

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

27. Transactions with related entities

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 Construcción Polska S.A. Capital Group is composed of the following companies:

Parent company:

ULMA Construcción 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 Construcción Polska S.A. in connection with the liquidation of ULMA System S.A. was TPLN 10,608.

ULMA Construcción Polska S.A.
Additional information to the financial statements

All amounts in TPLN unless otherwise specified

- 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.

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

Details of the transactions of ULMA Construcción Polska S.A. with related parties:

Balances on the accounts as of the balance sheet date	As of	
	31 December 2011	31 December 2010
Trade receivables	2 907	1 685
Trade liabilities	3 338	2 058
Interim dividend liability	4 562	-
Sales and purchase from companies of the Group	12 months 2011	12 months 2010
Sales	6 248	6 278
Purchases	42 033	51 868
Loans, interest, dividend	12 months 2011	12 months 2010
Loans – in TEUR	241	-
Loans repaid – in TEUR	775	435
Loan interest income – in TEUR	260	320
Loans granted – in TPLN	240	2 785
Loans repaid – in TPLN	3 025	-
Loan interest income – in TPLN	109	154
Dividend received	-	20 000

ULMA Construcccion Polska S.A.
Additional information to the financial statements

All amounts in TPLN unless otherwise specified

ULMA Construcccion Polska S.A. granted its subsidiary company Ulma Opałubka Ukraina sp. z o.o. an investment loan in the amount of TEUR 3,100. The loan has a fixed interest rate at the market level. Pursuant to the Annex of 15 September 2011 the date of the loan repayment has been set for 25 December 2015.

ULMA Construcccion Polska S.A. granted a guarantee of repayment of a bank credit contracted by ULMA Opałubka Ukraina pursuant to a credit agreement concluded with UKRSIBBANK. The total amount of the granted guarantee is TEUR 500.

ULMA Construcccion Polska S.A. granted its subsidiary company ULMA System S.A. in liquidation in Starachowice an intragroup loan in the amount of TPLN 3,500 for the purposes of financing the company's requirements as regards the working capital needed for execution of the process of the company's liquidation.

The loan was granted on an arm's length basis until 30 June 2011, and it was repaid with the funds obtained from the sale of assets of the liquidated company.

ULMA Construcccion Polska S.A. granted its associated Company ULMA Cofraje SRL a long-term loan in the amount of TEUR 241. The loan was granted on an arm's length basis until 31 May 2014.

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

	12 months 2011	12 months 2010
<u>Management Board of ULMA Construcccion Polska S.A.</u>		
Andrzej Kozłowski	1 327	784
Andrzej Sterczyński	493	363
Krzysztof Orzełowski	435	357
<u>Supervisory Board of ULMA Construcccion Polska S.A.</u>		
Rafał Alwasiak	54	35

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

29. Proposed distribution of profit

On 28 November 2011, the Management Board of ULMA Construcccion Polska S.A. adopted a resolution on disbursement of interim dividend from the profit generated in 2011 in the total amount of PLN 6,043,976.80 (PLN 1.15 per share).

The Management Board of ULMA Construcccion Polska S.A. proposes to allocate the remaining part of the net profit for 2011 in the amount of PLN 45,235,643.22 to increase the Company's supplementary capital.

30. Translation of selected financial data into EUR

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

ITEM	in TPLN		in TEUR	
	12 months 2011	12 months 2010	12 months 2011	12 months 2010
Net revenues from sale of products, goods and materials	286 859	205 776	69 287	51 387
Operating profit/(loss)	65 667	22 452	15 861	5 607
Gross profit/(loss)	62 647	30 241	15 132	7 552
Net profit/ (loss)	51 280	27 776	12 386	6 936
Operating cash flow	141 662	96 344	34 217	24 060
Net cash flow from investments	(41 165)	(66 288)	(9 943)	(16 554)
Net cash flow from financing activity	(84 992)	(45 729)	(20 529)	(11 420)
Net cash flow	15 505	(15 673)	3 745	(3 914)
Diluted earnings per ordinary share (in PLN/EUR)	9.76	5.29	2.36	1.33
Basic earnings per ordinary share (in PLN/EUR)	9.76	5.29	2.36	1.33

	in TPLN		in TEUR	
	31 December 2011	31 December 2010	31 December 2011	31 December 2010
Total assets	525 128	530 267	118 893	133 896
Liabilities	201 973	244 044	45 728	61 623
Long-term liabilities	95 508	145 669	21 624	36 782
Short-term liabilities	106 465	98 375	24 104	24 841
Equity	323 155	286 223	73 165	72 273
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)	61.49	54.46	13.92	13.75

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 Construcción Polska S.A.

Andrzej Kozłowski, President of the Management Board

Andrzej Sterczyński, Member of the Management Board

ULMA Construcción Polska S.A.
Additional information to the financial statements

All amounts in TPLN unless otherwise specified

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