

TO SHAREHOLDERS OF ULMA CONSTRUCCION POLSKA S.A.

Dear Sirs,

In 2011, construction was the fastest growing sector of economy. According to the Central Statistical Office construction and assembly output increased in this period by 16.3%. However, in spite of high growth dynamics, the business outlook indicator in construction remained negative from the middle of the year, which resulted from postponing payment deadlines, lower margins, a decline in the number of successful tenders, as well as increasing debt of construction companies.

To meet the requirements of the market, the Management Board introduced an effective policy of hedging against commercial risk, owing to which we were able to improve the receivables turnover ratio. We sought to mitigate receivable collection risk through implementation of internal procedures for monitoring of our customers' financial standing launched already at the time of commencement of cooperation.

Despite unfavourable conditions ULMA Construcccion Polska S.A. generated in 2011 revenues of more than PLN 286 million, i.e. an increase by 39% compared to 2010. In that period the Company generated a positive operating result, in the amount of over PLN 65 million as compared to PLN 22 million generated in the previous year, as well as profit of PLN 51 million (PLN 27.7 million in 2010). These results are due to increasing prices of offered services after a period of a fierce price war lasting from 2008, and the cost discipline followed strictly by the Company.

Given the anticipated downturn in construction in the coming years, which may result in a return to a fierce competitive struggle, we consistently supplement knowledge and gain experience in the application of formwork systems in construction of complex engineering structures, and we hope that we will launch investments in the power engineering construction sector. Owing to the above we are able to compete successfully on the market through delivery of novelty solutions which meet the most technically advanced and complex expectations of our customers.

On the occasion of passing the report summing up the operations of ULMA Construcccion Polska S.A. in 2011, I would like to thank our Shareholders and Customers for their confidence, and the Company's employees for their exceptional commitment to the tasks entrusted to them.

With kind regards

Andrzej Kozłowski

President of the Management Board of ULMA Construcccion Polska S.A.