



ULMA Construcción Polska S.A.

**Opinion and Report
of the Independent Auditor
Financial Year ended
31 December 2011**

The opinion contains 2 pages
The report supplementing the auditor's opinion
contains 9 pages
Opinion of the independent auditor
and report supplementing the auditor's opinion
on the separate financial statements
for the financial year ended
31 December 2011

This document is a free translation of the Polish original. Terminology current in Anglo-Saxon countries has been used where practicable for the purposes of this translation in order to aid understanding. The binding Polish original should be referred to in matters of interpretation.

OPINION OF THE INDEPENDENT AUDITOR

To the General Meeting of ULMA Construcccion Polska S.A.

We have audited the accompanying separate financial statements of ULMA Construcccion Polska S.A., seated in Warsaw, Klasykow 10 street ("the Company"), which comprise the separate statement of financial position as at 31 December 2011, the separate statement of comprehensive income, the separate statement of changes in equity and the separate statement of cash flows for the year then ended and notes to the financial statements, comprising of a summary of significant accounting policies and other explanatory information.

Management's and Supervisory Board's Responsibility for the Financial Statements

Management of the Company is responsible for the accuracy of the accounting records and the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards, as adopted by European Union and with other applicable regulations and preparation of the Report on the Company's activities. Management of the Company is also responsible for such internal control as management determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

According to the Accounting Act dated 29 September 1994 (Official Journal from 2009, No. 152, item 1223 with amendments) ("the Accounting Act"), Management of the Company and members of the Supervisory Board are required to ensure that the financial statements and the Report on the Company's activities are in compliance with the requirements set forth in the Accounting Act.

Auditor's Responsibility

Our responsibility, based on our audit, is to express an opinion on these financial statements and whether the financial statements are derived from properly maintained accounting records. We conducted our audit in accordance with section 7 of the Accounting Act, national standards on auditing issued by the Polish National Council of Certified Auditors and International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements and the accounting records from which they are derived are free of material misstatements.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion, the accompanying separate financial statements of ULMA Construcción Polska S.A. have been prepared and present fairly, in all material respects, the unconsolidated financial position of the Company as at 31 December 2011 and its unconsolidated financial performance and its unconsolidated cash flows for the year then ended, in accordance with International Financial Reporting Standards as adopted by the European Union, are in compliance with the respective regulations and the provisions of the Company's articles of association that apply to the Company's separate financial statements and have been prepared from accounting records, that, in all material respects, have been properly maintained.

Other Matters

As required under the Accounting Act, we also report that the Report on the Company's activities includes, in all material respects, the information required by Art. 49 of the Accounting Act and by the Decree of the Ministry of Finance dated 19 February 2009 on current and periodic information provided by issuers of securities and the conditions for recognition as equivalent information required by the law of a non-Member State (Official Journal from 2009, No 33, item 259 with amendments) and the information is consistent with the financial statements.

On behalf of KPMG Audyt Spółka z ograniczoną
odpowiedzialnością sp.k. registration number 3546
Chłodna 51 street, 00-867 Warsaw

Signed on the Polish original

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Certified Auditor No. 10268
Limited Liability Partner with power of attorney
Monika Bartoszewicz

12 March 2012
Warsaw

ULMA Construcción Polska S.A.

Report supplementing
the auditor's opinion
on the separate financial
statements

Financial Year ended
31 December 2011

The report supplementing the auditor's opinion
contains 9 pages

Report supplementing the auditor's opinion
on the separate financial statements
for the financial year ended
31 December 2011

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1. General

1.1. General information about the Company

1.1.1. Company name

ULMA Construcción Polska S.A.

1.1.2. Registered office

Klasykow 10 street
03-115 Warszawa

1.1.3. Registration in the National Court Register

Registration court:	District Court for the Capital City Warsaw in Warsaw, XIII Commercial Department of the National Court Register
Date:	29 October 2001
Registration number:	KRS 0000055818
Share capital as at balance sheet date:	PLN 10,511,264.00

1.1.4. Management of the Company

The Management Board is responsible for management of the Company.

At 31 December 2011, the Management Board of the Company was comprised of the following members:

- | | |
|------------------------------|--------------------------------------|
| • Andrzej Kozłowski | – President of the Management Board, |
| • Krzysztof Orzełowski | – Member of the Management Board, |
| • José Ramón Anduaga Aguirre | – Member of the Management Board, |
| • José Irizar Lasa | – Member of the Management Board, |
| • Andrzej Piotr Sterczyński | – Member of the Management Board. |

1.2. Auditor information

1.2.1. Key certified auditor information

Name and surname:	Monika Bartoszewicz
Registration number:	10268

1.2.2. Audit firm information

Name:	KPMG Audyt Spółka z ograniczoną odpowiedzialnością sp.k.
Address:	Chłodna 51 street, 00-867 Warsaw
Registration number:	KRS 0000339379
Registration court:	District Court for the Capital City Warsaw in Warsaw, XII Commercial Department of the National Court Register
NIP number:	527-26-15-362

KPMG Audyt Spółka z ograniczoną odpowiedzialnością sp.k. is entered in the register of audit firms under number 3546.

1.3. Prior period financial statements

The separate financial statements for the period ended 31 December 2010 were audited by KPMG Audyt Spółka z ograniczoną odpowiedzialnością sp.k. and received an unqualified opinion.

The separate financial statements were approved at the General Meeting on 16 June 2011 where it was resolved to allocate the profit for the prior financial year of PLN 27,776,463.49 as follows:

- 8,303,898.56 to be paid as a dividend (1.58 per share),
- 19,472,564.93 to reserve capital.

The separate financial statements were submitted to the Registry Court on 23 June 2011 and were published in Monitor Polski B No. 1918 on 17 October 2011.

1.4. Audit scope and responsibilities

This report was prepared for the General Meeting of ULMA Construcción Polska S.A. seated in Warsaw, Klaszkow 10 street and relates to the separate financial statements comprising: the separate statement of financial position as at 31 December 2011, the separate statement of comprehensive income, the separate statement of changes in equity and the separate statement of cash flows for the year then ended and notes to the financial statements, comprising of a summary of significant accounting policies and other explanatory information.

The audited Company prepares its separate financial statements in accordance with International Financial Reporting Standards as adopted by the European Union on the basis of the decision of General Shareholders' Meeting dated 24 May 2005.

The separate financial statements have been audited in accordance with the contract dated 16 June 2011, concluded on the basis of the resolution of Supervisory Board dated 14 June 2011 on the appointment of the auditor.

We conducted the audit in accordance with section 7 of the Accounting Act, national standards on auditing issued by the Polish National Council of Certified Auditors and International Standards on Auditing.

We audited the separate financial statements in the Company's head office during the period from 6 February to 17 February 2012.

Management of the Company is responsible for the accuracy of the accounting records and the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards as adopted by the European Union and with other applicable regulations and preparation of the Report on the Company's activities.

Our responsibility is to express an opinion and to prepare a supplementing report on the separate financial statements and whether the financial statements are derived from properly maintained accounting records based on our audit.

Management of the Company submitted a statement dated the same date as this report as to the true and fair presentation of the separate financial statements presented for audit, which confirmed that there were no undisclosed matters which could significantly influence the information presented in the separate financial statements.

All required statements, explanations and information and all our requests for additional documents and information necessary for expressing our opinion and preparing the report have been fulfilled.

Key certified auditor and KPMG Audyt Spółka z ograniczoną odpowiedzialnością sp. k. fulfill independence requirements as described in Art. 56 points 3 and 4 of the Act on Certified Auditors and Their Government, Audit Firms and Public Oversight dated 7 May 2009 (Official Journal from 2009, No. 77, item 649).

The scope of the work planned and performed has not been limited in any way. The method and scope of our audit is detailed in working papers prepared by us and retained in the offices of KPMG Audyt Spółka z ograniczoną odpowiedzialnością sp.k.

2. Financial analysis of the Company

2.1. Summary of the separate financial statements

2.1.1. Separate statement of financial position

ASSETS	31.12.2011 PLN '000	% of total	31.12.2010 PLN '000	% of total
Non-current assets				
Property, plant and equipment	377,907	72.0	413,263	77.9
Intangible assets	1,026	0.2	481	0.1
Investment in associates	8,818	1.7	13,669	2.6
Other non-current assets	4,288	0.8	4,344	0.8
Long term receivables	11,388	2.2	10,554	2.0
Total non-current assets	403,427	76.9	442,311	83.4
Current assets				
Inventories	4,148	0.8	5,891	1.1
Trade and other receivables	98,416	18.7	76,383	14.4
Current income tax receivable	574	0.1	-	-
Derivatives	-	-	177	-
Cash and cash equivalents	18,563	3.5	5,505	1.1
Total current assets	121,701	23.1	87,956	16.6
TOTAL ASSETS	525,128	100.0	530,267	100.0

EQUITY AND LIABILITIES	31.12.2011 PLN '000	% of total	31.12.2010 PLN '000	% of total
Equity				
Share capital	10,511	2.0	10,511	2.0
Reserves - surplus from sales of shares above nominal value	114,990	21.9	114,990	21.7
Retained earnings, including: <i>Net profit for the year</i>	197,654 51,280	37.6 9.8	160,722 27,776	30.3 5.2
Total equity	323,155	61.5	286,223	54.0
Liabilities				
Credit and loans	87,056	16.6	140,453	26.5
Deferred tax liabilities	8,053	1.5	4,716	0.9
Provisions for retirement and similar benefits	114	-	77	-
Long-term leasing liabilities	285	0.1	423	0.1
Total non-current liabilities	95,508	18.2	145,669	27.5
Credit and loans	55,295	10.6	70,123	13.2
Short-term retirement liabilities	3	-	27	-
Short-term leasing liabilities	148	-	146	-
Derivatives	174	-	-	-
Trade and other payables	50,845	9.7	28,079	5.3
Total current liabilities	106,465	20.3	98,375	18.5
Total liabilities	201,973	38.5	244,044	46.0
TOTAL EQUITY AND LIABILITIES	525,128	100.0	530,267	100.0

2.1.2. Separate statement of comprehensive income

	1.01.2011 - 31.12.2011 PLN '000	% of total sales	1.01.2010 - 31.12.2010 PLN '000	% of total sales
CONTINUING OPERATION				
Revenue	286,859	100.0	205,776	100.0
Cost of products, merchandise and raw materials sold	(197,971)	69.0	(165,910)	80.6
Gross profit on sales	88,888	31.0	39,866	19.4
Sales and marketing costs	(9,011)	3.1	(5,752)	2.8
General and administrative expenses	(12,312)	4.3	(9,509)	4.6
Other operating expenses	(1,898)	0.7	(2,153)	1.1
Results from operating activities	65,667	22.9	22,452	10.9
Finance income	7,087	2.4	22,222	10.8
Finance expenses	(10,107)	3.5	(14,433)	7.0
Net finance profits/costs	(3,020)	1.1	7,789	3.8
Profit before income tax	62,647	21.8	30,241	14.7
Income tax expense	(11,367)	4.0	(2,465)	1.2
Profit for the period	51,280	17.8	27,776	13.5
Total comprehensive income for the period	51,280	17.8	27,776	13.5
Weighted average number of ordinary shares	5,266,632		5,255,632	
Basic and diluted earnings per share for the period (PLN)	9.76		5.29	

2.2. Selected financial ratios

	2011	2010	2009
1. Return on sales			
$\frac{\text{profit for the period} \times 100\%}{\text{revenue}}$	17.9%	13.5%	1.8%
2. Return on equity			
$\frac{\text{profit for the period} \times 100\%}{\text{equity} - \text{profit for the period}}$	18.9%	10.7%	1.1%
3. Debtors' days			
$\frac{\text{average trade receivables (gross)} \times 365 \text{ days}}{\text{revenue}}$	129 days	136 days	149 days
4. Debt ratio			
$\frac{\text{liabilities} \times 100\%}{\text{equity and liabilities}}$	38.5%	46.0%	52.9%
5. Current ratio			
$\frac{\text{current assets}}{\text{current liabilities}}$	1.1	0.9	0.7
<ul style="list-style-type: none"> • Net revenues are comprised of the sale of finished products, merchandise and raw materials. • Average trade receivables represent the average of trade receivables at the beginning and at the end of the period, excluding allowances for receivables. 			

3. Detailed report

3.1. Proper operation of the accounting system

The Company maintains current documentation describing the applied accounting principles adopted by the Management Board to the extent required by Art. 10 of the Accounting Act.

During the audit of the separate financial statements, we tested, on a sample basis, the operation of the accounting system.

On the basis of the work performed, we have not identified material irregularities in the accounting system which have not been corrected and that could have a material impact on the separate financial statements. Our audit was not conducted for the purpose of expressing a comprehensive opinion on the operation of the accounting system.

The Company performed a physical verification of assets in accordance with the requirements and time frame specified in Art. 26 of the Accounting Act.

3.2. Notes to the separate financial statements

All information included in the notes to the separate financial statements, comprising of a summary of significant accounting policies and other explanatory notes, is, in all material respects, presented accurately and completely. This information should be read in conjunction with the separate financial statements.

3.3. Report on the Company's activities

The Report on the Company's activities includes, in all material respects, information required by Art. 49 of the Accounting Act and by the Decree of the Ministry of Finance dated 19 February 2009 on current and periodic information provided by issuers of securities and the conditions for recognition as equivalent information required by the law of a non-Member State (Official Journal from 2009, No 33, item 259 with amendments) and the information is consistent with the separate financial statements.

3.4. Information on the opinion of the independent auditor

Based on our audit of the separate financial statements as at and for the year ended 31 December 2011, we have issued an unqualified opinion.

On behalf of KPMG Audyt Spółka z ograniczoną
odpowiedzialnością sp.k. registration number 3546
Chłodna 51 street, 00-867 Warsaw

Signed on the Polish original

.....
Certified Auditor No. 10268
Limited Liability Partner with power of attorney
Monika Bartoszewicz

12 March 2012
Warsaw