ULMA

CONSOLIDATED
FINANCIAL STATEMENTS OF

the ULMA Construccion Polska S.A.
CAPITAL GROUP

For the period of 6 months ended on
30 June 2011
(unaudited)

All amounts in PLN'000 unless otherwise specified

General information

• Business objects

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

- rental and sale of construction scaffolding and formwork,
- development of applications of scaffolding and formwork on commission,
- export of construction services provided by the companies of the Group,
- sale of construction materials and concrete accessories.

The parent company ULMA Construccion Polska S.A. is a joint stock company (Company). The Company started operations on 14 February 1989 under the name of Bauma Sp. z o.o. as a limited liability company (z o.o.) and was registered in Rep. A.II – 2791. On 15 September 1995, it was transformed into a joint stock company by force of a notary deed before the notary Robert Dor in the Notary Office in Warsaw and registered in Rep. No. A 5500/95. On 29 October 2001, the District Court in Warsaw, 13th Commercial Department of the National Court Register entered the Company into the National Court Register under number KRS 0000055818. On 6 November 2006, the Extraordinary Shareholder Meeting, in its Resolution No. 1 decided to change the name of the Company from BAUMA S.A. to ULMA Construccion Polska S.A. The relevant entry into the National Court Register was made on 14 November 2006.

• Registered office

ULMA Construccion Polska S.A. (the parent company of the ULMA Construccion Polska S.A. Capital Group)
ul. Klasyków 10
03-115 Warszawa

• Supervisory Board and Management Board of the Company

Supervisory Board

Aitor Ayastuy Ayastuy	Chairperson of the Supervisory Board
Lourdes Urzelai Ugarte	Vice Chairperson of the Supervisory Board
Ander Ollo Odriozola	Member of the Supervisory Board
Ernesto Maestre Escudero	Member of the Supervisory Board
Felix Esperesate Gutierrez	Member of the Supervisory Board
Rafał Alwasiak	Member of the Supervisory Board

Audit Committee

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

Management Board

Andrzej Kozłowski	President of the Management Board
Andrzej Sterczyński	Member of the Management Board
Krzysztof Orzełowski	Member of the Management Board
José Ramón Anduaga Aguirre	Member of the Management Board
José Irizar Lasa	Member of the Management Board

- **Auditor**

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

- **Banks**

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

- **Listing**

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

All amounts in PLN'000 unless otherwise specified

	Note	As of: 30 June 2011	31 December 2010	30 June 2010
ASSETS				
I. Fixed assets				
1. Tangible fixed assets	5.	392 687	416 873	436 723
2. Intangible fixed assets	6.	479	501	550
3. Interests in associated companies	8.	1 514	1 732	2 098
4. Other fixed assets	9.	4 316	4 344	4 371
5. Long-term receivables		4 266	-	-
Total assets		**403 262**	**423 450**	**443 742**
II. Current assets				
1. Stocks	11.	5 398	5 790	8 256
2. Trade receivables and other receivables	10.	93 039	76 317	69 534
3. Current income tax receivables		55	-	123
4. Derivative instruments		48	178	1 307
5. Cash and cash equivalents	12.	18 150	6 034	9 391
Total current assets		**116 690**	**88 319**	**88 611**
Total assets		**519 952**	**511 769**	**532 353**
EQUITY AND LIABILITIES				
I. Equity				
1. Share capital	13.	10 511	10 511	10 511
2. Supplementary capital – share premium	13.	114 990	114 990	114 990
3. Foreign currency exchange gains/(loss) from consolidation		(4 982)	(4 442)	(3 249)
4. Retained profit, including:		152 147	147 095	134 289
a. Net profit /(loss) for the financial period		*13 356*	*10 231*	*(2 575)*
Total equity		**272 666**	**268 154**	**256 541**
II. Liabilities				
1. Long-term liabilities				
a. Credits and loans	15.	113 754	140 453	168 452
b. Deferred income tax liabilities	17.	6 338	3 658	336
c. Long-term liabilities under pension benefits	18.	77	77	55
d. Long-term liabilities under financial lease	16.	350	423	533
Total long-term liabilities		**120 519**	**144 611**	**169 376**
2. Short-term liabilities				
a. Credits and loans	15.	60 115	70 123	69 175
b. Short-term liabilities under pension benefits	18.	27	27	23
c. Current income tax liabilities		65	-	23
d. Short-term liabilities under financial lease	16.	146	146	112
e. Derivative instruments		-	12	-
f. Trade liabilities and other liabilities	14.	66 414	28 696	37 103
Total short-term liabilities		**126 767**	**99 004**	**106 436**
Total liabilities		**247 286**	**243 615**	**275 812**
Total equity and liabilities		**519 952**	**511 769**	**532 353**

All amounts in PLN'000 unless otherwise specified

	Note	6 months of 2011	6 months of 2010
Sales revenues	19.	121 889	95 504
Costs of sold products, goods and materials	20.	(90 506)	(82 075)
I. Gross profit on sales		**31 383**	**13 429**
Sales and marketing expenses	20.	(4 391)	(2 799)
Overheads	20.	(5 830)	(5 424)
Other operating income/(expenses)	21.	1 146	(1 223)
II. Operating profit /(loss)		**22 308**	**3 983**
Financial income	22.	60	205
Financial expenses	22.	(6 044)	(6 794)
Net financial expenses		*(5 984)*	*(6 589)*
Interest in profit/(loss) of associated companies		(215)	(255)
III. Gross profit /(loss)		**16 109**	**(2 861)**
Income tax	23.	(2 753)	286
IV. Net profit /(loss) for the financial period		**13 356**	**(2 575)**
Other total income:			
FX gains/(loss) from translation of the financial statements of a foreign subsidiary company		(54)	(7)
FX gains/(loss) from a net investment in a subsidiary company		(451)	2 341
Income tax relating to other total income items		(35)	(20)
V. Total income for the financial period		**12 816**	**(261)**
Net profit /(loss) for the financial period allocable to owners of the parent company		13 356	(2 575)
Weighted average number of ordinary shares		5 255 632	5 255 632
Basic and diluted profit/(loss) per share in the financial period (in PLN per share)		2,54	(0,49)

All amounts in PLN'000 unless otherwise specified

Item	Share capital at nominal value	Share premium	Foreign currency exchange gains/(loss) from consolidation	Retained profits	Total equity
As of 31 December 2009	**10 511**	**114 990**	**(5 563)**	**136 864**	**256 802**
Total income in 2010	-	-	1 121	10 231	11 352
As of 31 December 2010	**10 511**	**114 990**	**(4 442)**	**147 095**	**268 154**
Total income in H1 2011	-	-	(540)	13 356	12 816
Distribution of profit for 2010 (dividend)	-	-	-	(8 304)	(8 304)
As of 30 June 2011	**10 511**	**114 990**	**(4 982)**	**152 147**	**272 666**

Item	Share capital at nominal value	Share premium	Foreign currency exchange gains/(loss) from consolidation	Retained profits	Total equity
As of 31 December 2009	**10 511**	**114 990**	**(5 563)**	**136 864**	**256 802**
Total income in H1 2010	-	-	2 314	(2 575)	(261)
As of 30 June 2011	**10 511**	**114 990**	**(3 249)**	**134 289**	**256 541**

All amounts in PLN'000 unless otherwise specified

	Note	6 months of 2011	6 months of 2010
Operating cash flow			
Net profit /(loss) for the financial period		**13 356**	**(2 575)**
Adjustments:			
- Income tax	23.	2 753	(286)
- Depreciation of fixed assets	5.	39 576	37 907
- Amortization of intangible fixed assets	6.	136	193
- Net value of sold formworks – fixed assets		4 061	5 776
- Interest expenses		5 598	7 336
- Interest revenue		(60)	(131)
- Change in value of interest in associated companies		219	282
- (Gains)/loss from changes in fair value of financial instruments		129	(389)
- (Gains)/loss from foreign currency exchange differences		254	(244)
- Change in fair value of provisions for pension benefits		-	(23)
Changes in current assets:			
- Stocks		392	5 057
- Trade receivables and other receivables		(14 416)	(9 067)
- Trade liabilities and other liabilities		15 436	2 889
		67 434	**46 725**
Income tax paid		(111)	(128)
Net operating cash inflow		**67 323**	**46 597**
Cash flow from investments			
Acquisition of tangible fixed assets		(18 984)	(48 753)
Inflow from sale of tangible fixed assets		7 265	157
Acquisition of intangible fixed assets		(101)	(74)
Loans granted		(957)	-
Interest received		60	131
Net cash outflow from investments		**(12 717)**	**(48 539)**
Cash flow from financing activities			
Credits and loans received		-	15 294
Repayment of credits and loans		(32 999)	(19 079)
Payments under financial lease		(73)	(165)
Interest paid		(5 604)	(6 739)
Net cash inflow/(outflow) from financing activities		**(38 676)**	**(10 689)**
Net increase/(decrease) in cash and overdraft facility		**15 930**	**(12 631)**
Opening cash and overdraft facility		2 332	19 368
FX (loss)/gains due to measurement of cash and overdraft facility		(112)	695
Closing cash and overdraft facility	**12.**	**18 150**	**7 432**

.

Notes to the consolidated financial statements

1. Description of key accounting principles

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

A) Basis

These consolidated financial statements for 6 months ended on 30 June 2011 of the ULMA Construccion Polska S.A. Capital Group for which ULMA Construccion Polska S.A. with its registered office in Warsaw is the parent company were made in compliance with the International Financial Reporting Standard 34 "Interim Financial Reporting".

As of 30 June 2011, there were no differences between the IFRS approved by the European Union and the IFRS announced by the International Accounting Standard Board (IASB) which would affect the financial statements of the ULMA Construccion Polska S.A. Capital Group.

These financial statements were made according to the historical cost principle with the exception of financial assets and liabilities (derivative financial instruments) recognized at fair value in the profit and loss account.

B) Consolidation

Subsidiary companies are all those companies (including special purpose vehicles) in relation to which the Group can manage their financial policies and operations, which is usually associated with holding a majority of votes in their governing bodies. While assessing if the Group indeed controls a given entity, the existing voting rights and the impact of potential voting rights that may be exercised or exchanged at a given time are taken into account. Subsidiary entities are subject to full consolidation from the date control over them is assumed by the Group. The consolidation is discontinued when control ceases to exist. The take-over cost is equivalent to the fair value of the received assets, issued equity instruments and liabilities contracted or accepted as of the exchange date, increased by costs directly related to the take-over. Identifiable acquired assets and liabilities, including contingent liabilities, acquired as a result of business combinations are initially measured at their fair value as of the take-over date, irrespective of minority interests, if any. The surplus of the take-over cost over the interest fair value of the Group in identifiable acquired net assets is recognized as goodwill. If the take-over cost is lower than the net asset fair value of the acquired subsidiary, the difference is recognized directly in the profit and loss account.

Transactions, accounts and unrealized profit on transactions carried out within the Group are eliminated. Unrealized losses are also eliminated unless the transaction provides evidence of impairment in value by the delivered asset item.
Foreign exchange gains/(loss) on cash items that are part of net investments in an entity operating abroad are recognized initially in a separate equity item and next they are recognized in

other total income, and when the net investment is disposed of, they are recognized in the financial result.

The accounting principles used by the subsidiary entities were changed to the extent required to assure compliance with the accounting principles applied by the Group.

C) Measurement of foreign currency denominated items

1. Functional currency and presentation currency

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

2. Transactions and balances

Foreign currency denominated transactions are translated into the functional currency at the rate prevailing on the transaction date. FX gains and losses under settlement of those transactions and resulting from balance sheet valuation of foreign currency denominated cash assets and liabilities are recognized accordingly in the profit and loss account. FX gains and losses concerning investing and financing activities are recognized as financial income/expenses.
FX gains and losses concerning realization and balance sheet valuation of trade transactions increase or decrease the income or expense items to which they are related.
The Group applies the average rate of a given currency announced by the National Bank of Poland as of the balance sheet date as the closing rate of the currency for the purposes of balance sheet valuation of foreign currency denominated cash assets and liabilities.

3. Foreign companies

Financial statements of the member companies of the Capital Group whose functional currencies are different from the presentation currency, are translated into the presentation currency as follows:

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

4. Exchange rates and inflation

All amounts in PLN'000 unless otherwise specified

	Average PLN exchange rate to Hryvnia (UAH) announced by the National Bank of Poland	Average PLN exchange rate to EUR announced by the National Bank of Poland	Average PLN exchange rate to KZT announced by the National Bank of Poland	Change in consumer price index announced by the Central Statistical Office
30 June 2011	0.3444	3.9866	0.01905	4.2%
31 December 2010	0.3722	3.9603	0.02063	2.6%
30 June 2010	0.4293	4.1458	0.02297	2.6%

D) Financial instruments

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

E) Tangible fixed assets

Tangible fixed assets such as buildings, plant and machinery used for production, delivery of products and provision of services or for management purposes, were valued as of the balance sheet date at cost or manufacturing cost decreased by accumulated depreciation/amortization and write-downs due to impairment in value.

Subsequent expenditures are recognized in the balance sheet value of the fixed asset or as a separate fixed asset (where appropriate) only when it is probable that this will result in economic benefit to the Group, while the costs of the asset can be reliably measured. Subsequent expenditures that do not increase the initial useful value of the fixed asset are charged to the period when they were incurred.

Land owned by the Group is recognized at cost and is not depreciated. The other fixed assets are depreciated 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):

- land, 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 1l).

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

F) Lease – lessee's accounting

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

Lease of tangible fixed assets whereby the Group takes the major part of risk and benefits resulting from the title is financial lease. The subject of financial lease is recognized in the assets as of the day when lease is commenced at the lower of the following amounts: the fair value of the subject of lease or the current value of minimum lease fees. Lease fees paid during the reporting period in the portion covering the principal instalments decrease the principal part of liabilities under financial lease while the remaining portion being the interest part is charged to the financial expenses for the period. The split of lease fees into principal and interest portions is made in such a manner that for each period a fixed interest rate is calculated in relation to the outstanding amount of liabilities.
Tangible fixed assets covered by financial lease were disclosed in the statement of financial position in the same manner as the other fixed assets and are depreciated in accordance with the same principles. If there is no certainty that after the end of the lease contract the Group will acquire the title, the assets are depreciated over the shorter of the following periods: lease period and their useful life.

G) Lease – lessor's accounting

Lease is a contract pursuant to which in consideration for payment or a series of payment of fees, the lessor provides the lessee with the right to use a given asset for an agreed period of time. If assets are delivered under operating lease, the asset is disclosed in the statement of financial position according to its nature (kind). Revenues from operating lease are recognized by the straight line method over the lease period.

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

H) Intangible fixed assets

1. Software

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

I) Impairment in value of fixed assets

Depreciated fixed assets are analyzed for any impairment in value if any premises occur that there is a risk to realizing the balance sheet value of tangible fixed assets and intangible assets held. The amounts of revaluation write-downs determined as a result of 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 sales expenses and the useful value (reflecting the present value of cash flows related to the asset item). For the purposes of analysis for impairment in value, assets are grouped at the lowest level with reference to which there are separate identifiable cash flows (cash generating units). Non-financial assets other than goodwill that were in the past subject to impairment in value are reviewed as of each balance sheet date to determine if they may not be written back.

J) Investments

Financial assets held for sale

Investments of the Group include the value of shares in other entities than its subsidiary or associated companies. Investments in other entities are disclosed as financial assets held for sale as the Management Board has no intention of selling those investments within the next 12 months. Investments are originally recognized at fair value increased with additional transactional costs. Any increase in investments due to remeasurement to fair value is recognized in equity. Any decrease in the value of those investments which have been previously increased, decreases the revaluation reserve. All other decreases due to impairment in value are charged to the profit and loss account. Financial instruments held for sale for which no reliable fair value can be estimated (there is no active market for such instruments) are valued at cost of instrument purchase decreased by any revaluation write-downs.

K) Stocks

Stocks of raw materials, materials, semi-finished products and finished products as well as purchased goods are valued as of the balance sheet at the lower of: purchase price (manufacturing cost) or net realizable sale price. The costs of finished products and production in progress include development costs, the value of consumer raw materials, direct labour, other direct costs and the corresponding departmental production costs (on the basis of normal production capacity), they do not, however, cover borrowing costs.

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

The turnover of stocks is measured according to the “first in, first out” (FIFO) principle with the exception of raw materials and materials for the production of formwork where the turnover is measured at the weighted average purchase prices.
If necessary, revaluation write-downs are made with respect to obsolete, non marketable and defective stocks.

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

L) Trade receivables and other receivables

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

Prepayments

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

M) Cash and cash equivalents

Cash and cash equivalents are recognized in the statement of financial position at fair value corresponding to the nominal value. These include 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 loans.

N) Capitals

Share capital

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

Retained profit

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

O) Credits and loans

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

P) Provisions

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

Q) Acruals and deferred income

In the item “Trade liabilities and other liabilities” of the statement of financial position the Group discloses:

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

R) Major accounting principles

While preparing financial statements in accordance with the International Standards of Financial Reporting, the Management Board makes certain accounting estimates subject to their knowledge and estimates as to the anticipated changes to the analysed values. The actual values may differ from the estimated values. The balance sheet value of tangible fixed assets is determined with the application of estimated useful lives of each group of fixed assets. The adopted periods of useful life of tangible fixed assets are subject to periodical verification performed based on analyses made by the Group.
Receivables are verified for their impairment in value if premises presenting a risk of non-collection occur. Should this occur, the value of revaluation write-downs is estimated by the Group.

S) Revenues

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

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

1. Revenues from sale of 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 case of domestic sales, the moment when such products or goods are released to the buyer from the Group's warehouses is the moment when revenues from sale of products or goods are recognized. In case of export sale and intra-community delivery of goods, the recognition moment is subject to the delivery terms determined in accordance with Incoterms 2000, as specified in the executed contract. For contracts concluded in accordance with the FCA (or EXW) terms of delivery, the moment when such products are released to the buyer from the Group's warehouses is the moment when sales revenues are recognized. For contracts concluded in accordance with the CPT and CIP terms, the revenues from sale of products and goods are recognized when the 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:

- the amount of revenues can be valued 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 with the effective interest rate method. This income refers to remuneration for the use of funds by companies in the Group. If a receivable loses in value, the Group reduces its balance sheet value to the collectible amount equal to the estimated future cash flow discounted at the original effective interest rate for the instrument, followed by gradual recognition of the discount amount in correspondence to interest income.

4. Dividend

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

T) Deferred income tax

Deferred income tax assets and liabilities resulting from temporary differences between the tax value of assets and liabilities and their balance sheet value are recognized in the consolidated financial statements with the balance sheet method. However, if such deferred income tax is due to the original recognition of an asset or a liability under a transaction other than business combinations that would not affect the profit/(loss) or tax profit /(loss), no deferred income tax is recognized. Deferred income tax is determined subject to the tax rates (and regulations) prevailing legally or actually as of the balance sheet date and that are expected to continue to be binding when such deferred income tax assets are realized or when such deferred income tax liabilities are paid.

Deferred income tax asset are recognized if it is probable that taxable income will be generated in the future that will assure application of the temporary differences.

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

U) Employee benefits

Retirement packages

Retirement packages become payable when employees acquire retirement rights in compliance with the Labour Code. The amount of retirement packages due to employees who acquire retirement rights is calculated as additional one-month salary in the identical manner as holiday equivalent. The Group recognizes provisions for retirement packages. The amount of such liabilities is calculated each year by independent actuaries.
The provision for an employee is based on the anticipated amount of pension benefit that the Group agrees to pay pursuant to the applicable Regulations. Thus calculated amount is actuarially discounted as of the balance sheet date. The discounted amount is decreased by the annual allocation to the provision, discounted actuarially as of the same day, which is made to increase the provision per employee. The actuarial discount is the product of the financial discount and the survival probability of the person to the retirement age as an employee of the Group. In accordance with IAS 19, the financial discount rate used in order to calculate the present value of employee benefit liabilities was based on market rates of return on Treasury bonds with the currency and redemption date matching the currency and the estimated time of disbursement of the employee benefits.

2. Financial risk and capital management

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

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

Currency exchange rate risk

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

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

	30 June 2011	31 December 2010	30 June 2010
Trade receivables and other receivables	780	680	1 177
Cash	1 536	285	1 544
FX forward contracts	(601)	(320)	(2 875)
Total assets	**1 715**	**645**	**(154)**
Trade liabilities	5 563	1 242	2 911
FX forward contracts	(3 751)	(610)	(1 040)
Total liabilities	**1 812**	**632**	**1 871**

A sensitivity analysis made by the Group shows that:

- as of 30 June 2011, if PLN had depreciated/appreciated by 10% in relation to EUR, with other parameters unchanged, the consolidated net profit for 6 months ended on 30 June 2011 would have been by TPLN 20 higher/lower due to remeasurement of EUR denominated cash, receivables, liabilities and FX contracts,
- as of 31 December 2010, if PLN had depreciated/appreciated by 10% in relation to EUR, with other parameters unchanged, the consolidated net profit for 12 months ended on 31 December 2010 would have been by TPLN 5 higher/lower due to remeasurement of EUR denominated cash, receivables, liabilities and FX contracts,
- as of 30 June 2010, if PLN had depreciated/appreciated by 10% in relation to EUR, with other parameters unchanged, the consolidated net profit for 6 months ended on 30 June 2010 would have been by TPLN 680 higher/lower due to remeasurement of EUR denominated cash, receivables, liabilities and FX contracts.

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

If PLN had depreciated/appreciated by 10% in relation to EUR, with other parameters unchanged, FX gains/(loss) recognized in a separate equity item in relation to the aforementioned loan would have increased/decreased the consolidated capital by TPLN 749. If UAH had depreciated/appreciated by 10% in relation to EUR, with other parameters unchanged, FX gains/(loss) recognized in a separate equity item in relation to the aforementioned loan would have increased/decreased the consolidated capital by UAH 907. Hence, a simultaneous depreciation/appreciation of PLN and UAH in relation to EUR would not have had a significant impact on the consolidated equity.

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

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

A sensitivity analysis made by the Group shows that:

- as of 30 June 2011, if interest rates had been higher by 100 basis points, the net consolidated profit for the period of 6 months ended on 30 June 2011 would have been by TPLN 706 lower due to increased borrowing costs.
- as of 31 December 2010, if interest rates had been higher by 100 basis points, the net consolidated profit for the period of 12 months ended on 31 December 2010 would have been by TPLN 1 710 lower due to increased borrowing costs.
- as of 30 June 2010, if interest rates had been higher by 100 basis points, the net consolidated profit for the period of 6 months ended on 30 June 2010 would have been by TPLN 965 lower due to increased borrowing costs.

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

Credit risk

Trade receivables are an item exposed to credit risk (Note No. 10).

All amounts in PLN'000 unless otherwise specified

The Group is not exposed to major risk concentration under credit sales. A relatively high number of buyers of the Group's services and goods results in lack of concentration of credit sales. Furthermore, the Group applies a policy restricting sales of services and goods to customers without an appropriate credit history. The implemented internal control procedures that provide for, among others, approving credit limits for customers depending on their economic standing, as well as approval procedures for new customers allow the Group to materially mitigate the level of credit risk.
Trade receivables with no impairment in value account for 80.9% of the gross value of those financial assets, including 71.7% of trade receivables which are not overdue.
There are no financial assets for which repayment terms and conditions were 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)

	30 June 2011	31 December 2010	30 June 2010
Overdue up to 30 days	11 888	12 261	8 886
Overdue from 31 to 90 days	6 141	8 948	5 865
Overdue from 91 to 180 days	4 614	4 899	3 571
Overdue from 181 to 360 days	5 600	4 236	3 192
Overdue over 360 days	-	417	1 191
Total assets	**28 243**	**30 761**	**22 705**

Value was impaired with respect to financial assets in the group of trade receivables and other receivables of TPLN 21 050, and a 100% revaluation write-down was applied. Impairment in value of individual financial assets is determined by the Group on the basis of an individual assessment of each customer, in particular assessment of its financial condition and any collateral held. The Group uses as collateral primarily insurance of foreign receivables from eastern markets and blank promissory notes.

Liquidity risk

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

Working capital management

Management of the working capital of individual companies in the ULMA Construccion Polska S.A. Capital Group is performed at the level of the Capital Group. The main objectives of capital management include ensuring an adequate level of operating liquidity and the possibility of execution of investment projects of individual companies of the Group in accordance with the approved budgets.

Dividend policy

The aforementioned governs also the dividend policy adopted by the Group. Decisions on disbursement of dividend are each and every time preceded by an analysis of current and development needs of each company and the Capital Group as a whole.

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

Certain new accounting standards and IFRIC interpretations mandatory in relation to reporting periods commencing after 30 June 2011 have been published.
Below, an assessment by the Group of the impact of those new standards and interpretations has been presented.
Some of the new standards and interpretations have not been approved by the European Union as of the date of approval of these financial statements.

Standard and Interpretations pending EU approval

Standard/Interpretation	Nature of impending change in accounting policy	Possible impact on financial statements	Effective date for periods beginning as the date or after that date
Amendments to IFRS 1 *Severe Hyperinflation and Removal of Fixed Dates for First – time Adopters*	The Amendments add 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 has no impact on the Group's Financial Statements.	1 July 2011

Standard/Interpretation	**Nature of impending change in accounting policy**	**Possible impact on financial statements**	**Effective date for periods beginning as the date or after that date**
Amendments to IFRS 7 *Disclosures - Transfers of Financial Assets*	The Amendments require disclosure of information that enables users of financial statements: • to understand the relationship between transferred financial assets that are not derecognized in their entirety and the associated liabilities; and • to evaluate the nature of, and risks associated with, the entity's continuing involvement in derecognized financial assets. The Amendments define "continuing involvement" for the purposes of applying the disclosure requirements.	The Group does not expect the amendment to IFRS 7 to have material impact on the financial statements, because of the nature of the Group's operations and the types of financial assets that it holds.	1 July 2011

<table>
<tr><th>Standard/Interpretation</th><th>Nature of impending change in accounting policy</th><th>Possible impact on financial statements</th><th>Effective date for periods beginning as the date or after that date</th></tr>
<tr><td>IFRS 9 Financial Instruments</td><td>This Standard replaces the guidance in IAS 39, Financial Instruments: Recognition and Measurement, about classification and measurement of financial assets. The Standard eliminates the existing IAS 39 categories of held to maturity, available for sale and loans and receivable.
Financial assets will be classified into one of two categories on initial recognition:
• financial assets measured at amortized cost; or
• financial assets measured at fair value.
A financial asset is measured at amortized cost if the following two conditions are met: the assets is held within a business model whose objective is to hold assets in order to collect 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 remeasurement of financial assets measured at fair value are recognized in profit or loss, except that for an investment in an equity instrument which 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.</td><td>The Group does not expect IFRS 9 to have material impact on the financial statements. The classification and measurement of the Group's financial assets is not expected to change under IFRS 9 because of the nature of the Group's operations and the types of financial assets that it holds.</td><td>1 January 2013</td></tr>
</table>

Standard/Interpretation	**Nature of impending change in accounting policy**	**Possible impact on financial statements**	**Effective date for periods beginning as the date or after that date**
Additions to IFRS 9 *Financial Instruments* (issued in 2010)	The 2010 additions to IFRS 9 replace the guidance in IAS 39 *Financial Instruments: Recognition and Measurement*, about classification and measurement of financial liabilities and the derecognition of financial assets and financial liabilities. The Standard retains almost all of the existing requirements from IAS 39 on the classification and measurement of financial liabilities and for derecognition of financial assets and financial liabilities. The Standard requires that the amount of change in fair value attributable to changes in the credit risk of a financial liability designated at initial recognition as fair value through profit or loss, be presented in other comprehensive income (OCI), with only the remaining amount of the total gain or loss included in profit or loss. However, if this requirement creates or enlarges an accounting mismatch in profit or loss, then the whole fair value change is presented in profit or loss. Amounts presented in OCI are not subsequently reclassified to profit or loss but may be transferred within equity. Derivative financial liabilities that are linked to and must be settled by delivery of an unquoted equity instrument whose fair value cannot be reliably measured, are required to be measured at fair value under IFRS 9.	The Group does not expect IFRS 9 issued in 2010 to have material impact on the financial statements. The classification and measurement of the Group's financial liabilities are not expected to change under IFRS 9 because of the nature of the Group's operations and the types of financial assets that it holds.	1 January 2013

Standard/Interpretation	**Nature of impending change in accounting policy**	**Possible impact on financial statements**	**Effective date for periods beginning as the date or after that date**
IFRS 10 *Consolidated Financial Statements*"	IFRS 10 provides a new single model to be applied in the control analysis for all investees, including entities that currently are SPEs in the scope of SIC-12. IFRS 10 introduces new requirements to assess control that are different from the existing requirements in IAS 27 (2008). Under the new single control model, an investor controls an investee when (1) it is exposed or has rights to variable returns from its involvements with the investee, (2) has the ability to affect those returns through its power over that investee and (3) there is a link between power and returns. The new standard also includes the disclosure requirements and the requirements relating to preparation of consolidated financial statements. These requirements are carried forward from IAS 27 (2008).	The Group does not expect the new standard to have any impact on the financial statements, since the assessment of control over its current investees under the new standard is not expected to change the conclusion regarding the Group's control over its investees.	1 January 2013

All amounts in PLN'000 unless otherwise specified

Standard/Interpretation	**Nature of impending change in accounting policy**	**Possible impact on financial statements**	**Effective date for periods beginning as the date or after that date**
IFRS 11 *Joint arrangements*	IFRS 11, Joint Arrangements, supersedes and replaces IAS 31, Interest in Joint Ventures. IFRS 11 does not introduce substantive changes to the overall definition of an arrangement subject to joint control, although the definition of control, and therefore indirectly of joint control, has changed due to IFRS 10. Under the new Standard, joint arrangements are divided into two types, each having its own accounting model defined as follows: - a joint operation is one whereby the jointly controlling parties, known 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, known as joint venturers, have rights to the net assets of the arrangement. IFRS 11 effectively carves out, from IAS 31 jointly controlled entities, those cases in which although there is a separate vehicle, that separation is ineffective in certain ways. These arrangements are treated similarly to jointly controlled assets/operations (line by line accounting of underlying assets and liabilities), and are now called joint operations. The remainder of IAS 31 jointly controlled entities, now called joint ventures, are stripped of the free choice of equity accounting or proportionate consolidation; they must now always use the equity method.	The entity does not expect IFRS 11 to have material impact on the financial statements since it is not a party to any joint arrangements.	1 January 2013
IFRS 12 *Disclosure of interests in other entities*	IFRS 12 requires additional disclosures relating to significant judgements and assumptions made in determining the nature of interests in an entity or arrangement, interests in subsidiaries, joint arrangements and associates and unconsolidated structured entities.	The entity does not expect IFRS 12 to have material impact on the financial statements.	1 January 2013

Standard/Interpretation	**Nature of impending change in accounting policy**	**Possible impact on financial statements**	**Effective date for periods beginning as the date or after that date**
IFRS 13 *Fair value measurement*	IFRS 13 replaces the fair value measurement guidance contained in individual IFRSs with a single source of fair value measurement guidance. It defines fair value, establishes a framework for measuring fair value and sets out disclosure requirements for fair value measurements. IFRS 13 explains 'how' to measure fair value when it is required or permitted by other IFRSs. IFRS 13 does not introduce new requirements to measure assets or liabilities at fair value, nor does it eliminate the practicability exceptions to fair value measurements that currently exist in certain standards. The standard contains an extensive disclosure framework that provides additional disclosures to existing requirements to provide information that enables financial statement users to assess the methods and inputs used to develop fair value measurements and, for recurring fair value measurements that use significant unobservable inputs, the effect of the measurements on profit or loss or other comprehensive income.	The entity does not expect IFRS 13 to have material impact on the financial statements since management considers the methods and assumptions currently used to measure the fair value of assets to be consistent with IFRS 13.	1 January 2013
Amendments to IAS 1 *Presentation of Items of Other Comprehensive Income*	The amendments require that an entity present separately the 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 change is not expected to have significant impact on the financial statement of the Group.	1 July 2012

All amounts in PLN'000 unless otherwise specified

Standard/Interpretation	**Nature of impending change in accounting policy**	**Possible impact on financial statements**	**Effective date for periods beginning as the date or after that date**
Amendments to IAS 12 *Income taxes - Deferred Tax: Recovery of Underlying Assets*	The 2010 amendment introduces an exception to the current measurement principles based on the manner of recovery in paragraph 52 of IAS 12 for investment property measured using the fair value model in accordance with IAS 40 by introducing a rebuttable presumption that in these for the assets the manner of recovery will be entirely by sale. Management's intention would not be relevant unless the investment property is *depreciable* and held within a business model whose objective is to consume substantially all of the asset's economic benefits over the life of the asset. This is the only instance in which the rebuttable presumption can be rebutted.	The amendments are not relevant to the Group's financial statements, since the Group does not have any investment properties measured using the fair value model in IAS 40.	1 January 2012
Amended IAS 19 *Employee Benefits*	Actuarial gains and losses will be recognised immediately in other comprehensive income. This change will: − remove the corridor method and hence is expected to have a significant effect on entities that currently apply this method to recognise actuarial gains and losses; and − eliminate the ability for entities to recognise all changes in the defined benefit obligation and in plan assets in profit or loss, which currently is allowed under IAS 19.	The entity do not expect that the amendments have material impact on the financial statements.	1 January 2013

All amounts in PLN'000 unless otherwise specified

Standard/Interpretation	**Nature of impending change in accounting policy**	**Possible impact on financial statements**	**Effective date for periods beginning as the date or after that date**
IAS 28 (amended 2011) *Investments in associates and joint venutres*	There are limited amendments made to IAS 28 (2008): • *Associates and joint ventures held for sale.* IFRS 5 *Non-current Assets Held for Sale and Discontinued Operations* applies to an investment, or a portion of an investment, in an associate or a joint venture that meets the criteria to be classified as held for sale. For any retained portion of the investment that has not been classified as held for sale, the equity method is applied until disposal of the portion held for sale. After disposal, any retained interest is accounted for using the equity method if the retained interest continues to be an associate or a joint venture. • *Changes in interests held in associates and joint ventures*. Previously, IAS 28 (2008) and IAS 31 specified that the cessation of significant influence or joint control triggered remeasurement of any retained stake in all cases, even if significant influence was succeeded by joint control. IAS 28 (2011) now requires that in such scenarios the retained interest in the investment is not remeasured.	It is expected that the standard, when initially applied, will have a significant impact on the financial statements. However, the Group is not able to prepare an analysis of the impact this will have on the financial statements until the date of initial application.	1 January 2013

4. Information on operating segments

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

- servicing constructions – a segment which includes rental of formwork and construction scaffolding alongside the broadly understood logistics services and settlement of constructions costs once the contract has been completed,
- sale of construction materials – a segment which covers sale of formwork systems constituting components of the fixed capital (fixed assets) and the working capital (goods and services) of the Group, alongside sale of other building materials.

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

There is no customer concentration within the Group.

Results of the segments are as follows:

6 months ended on 30 June 2011

Description	Construction servicing	Sale of construction materials	The Capital Group
Total sales revenues	114 566	15 533	130 099
Sale between segments	(251)	(7 959)	(8 210)
Sales revenues	**114 315**	**7 574**	**121 889**
Operating costs without amortization	(55 540)	(4 329)	(59 869)
EBITDA	**58 775**	**3 245**	**62 020**
Amortization/depreciation	(39 428)	(284)	(39 712)
EBIT operating profit	**19 347**	**2 961**	**22 308**

6 months ended on 30 June 2010

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

All amounts in PLN'000 unless otherwise specified

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

	6 months of 2011	6 months of 2010
Operating profit/(loss) of segments	**22 308**	**3 983**
Interest revenues	60	131
Other financial revenues	-	74
Interest expenses	(5 598)	(7 336)
Other financial expenses	(446)	542
Interest in profit/(loss) of associated companies	(215)	(255)
Gross profit/(loss)	**16 109**	**(2 861)**
Income tax	(2 753)	286
Net profit/(loss)	**13 356**	**(2 575)**

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

Description	Construction servicing	Sale of construction materials	Non-classified items	The Capital Group
As of 30 June 2011	401 539	6 780	111 633	519 952
As of 31 December 2010	399 479	8 766	103 524	511 769
As of 30 June 2010	402 844	18 062	111 447	532 353

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

Description	30 June 2011	31 December 2010	30 June 2010
Assets of segments	408 319	408 245	420 906
Non-allocated fixed assets	79 261	89 805	92 233
Non-allocated intangible fixed assets	395	466	504
Investments in an associated company	1 514	1 733	2 098
Other fixed assets	4 316	4 344	4 371
Long-term receivables	4 266	-	-
Tax receivables and other receivables	3 683	964	1 543
Derivative instruments	48	178	1 307
Cash and cash equivalents	18 150	6 034	9 391
Total assets	**519 952**	**511 769**	**532 353**

All amounts in PLN'000 unless otherwise specified

5. Tangible fixed assets

Changes in tangible fixed assets from 1 January 2010 to 30 June 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	**88 782**	**15 421**	**496 537**	**3 566**	**2 734**	**607 040**
Increase due to purchase	738	827	64 540	303	1 898	68 306
Increase - inventory surplus, reclassifications	-	1 018	3 356	277	(2 756)	1 895
Decrease - sales	-	(1 265)	(18 468)	(20)	-	(19 753)
Decrease – liquidation, shortages and reclassifications	(182)	(221)	(17 591)	(1 169)	-	(19 163)
Foreign exchange gains/(loss)	4	19	646	5	-	674
As of 31 December 2010	**89 342**	**15 799**	**529 020**	**2 962**	**1 876**	**638 999**
Increase due to purchase	36	492	32 269	90	1 897	34 784
Increase - inventory surplus, reclassifications	-	-	246	332	-	578
Decrease - sales	(9 286)	(8 088)	(10 877)	(430)	-	(28 681)
Decrease – liquidation, shortages and reclassifications	(2)	(22)	(6 031)	(380)	-	(6 435)
Foreign exchange gains/(loss)	(9)	(27)	(1 094)	(15)	-	(1 145)
As of 30 June 2011	**80 081**	**8 154**	**543 533**	**2 559**	**3 773**	**638 100**
ACCUMULATED AMORTIZATION						
As of 1 January 2010	**5 510**	**8 040**	**149 003**	**1 540**	**-**	**164 093**
Amortization for the period	2 313	1 466	72 302	465	-	76 546
Decrease - sales	-	(741)	(9 616)	(19)	-	(10 376)
Decrease – liquidation, reclassifications	(51)	(52)	(8 153)	(43)	-	(8 299)
Foreign exchange gains/(loss)	-	7	153	2	-	162
As of 31 December 2010	**7 772**	**8 720**	**203 689**	**1 945**	**-**	**222 126**
Amortization for the period	1 092	574	37 686	224	-	39 576
Decrease - sales	(1 688)	(4 522)	(6 486)	(356)	-	(13 052)
Decrease – liquidation, reclassifications	-	(22)	(2 652)	(44)	-	(2 718)
Foreign exchange gains/(loss)	(2)	(15)	(495)	(7)	-	(519)
As of 30 June 2011	**7 174**	**4 735**	**231 742**	**1 762**		**245 413**
NET VALUE:						
As of 30 June 2011	**72 907**	**3 419**	**311 791**	**797**	**3 773**	**392 687**
As of 31 December 2010	**81 570**	**7 079**	**325 331**	**1 017**	**1 876**	**416 873**
As of 1 January 2010	**83 272**	**7 381**	**347 534**	**2 026**	**2 734**	**442 947**

All amounts in PLN'000 unless otherwise specified

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

	Land, buildings and structures	Plant, machinery and motor vehicles	Formwork systems	Other fixed assets	Fixed assets under construction	Total tangible fixed assets
GROSS VALUE						
As of 1 January 2010	**88 782**	**15 421**	**496 537**	**3 566**	**2 734**	**607 040**
Increase due to purchase	667	493	37 265	172	2 376	40 973
Increase - inventory surplus, reclassifications	-	1 007	283	4	-	1 294
Decrease - sales	-	(396)	(10 527)	(3)	-	(10 926)
Decrease – liquidation, shortages and reclassifications	(182)	(172)	(5 945)	(882)	(2 755)	(9 936)
Foreign exchange gains/(loss)	19	81	2 895	23	2	3 020
As of 30 June 2010	**89 286**	**16 434**	**520 508**	**2 880**	**2 357**	**631 465**
ACCUMULATED AMORTIZATION						
As of 1 January 2010	**5 510**	**8 040**	**149 003**	**1 540**	**-**	**164 093**
Amortization for the period	1 178	851	35 652	226	-	37 907
Decrease - sales	-	(329)	(5 727)	(3)	-	(6 059)
Decrease – liquidation, reclassifications	(51)	2	(2 274)	(26)	-	(2 349)
Foreign exchange gains/(loss)	5	43	1 086	16	-	1 150
As of 30 June 2010	**6 642**	**8 607**	**177 740**	**1 753**	**-**	**194 742**
NET VALUE:						
As of 30 June 2010	**82 644**	**7 827**	**342 768**	**1 127**	**2 357**	**436 723**
As of 1 January 2010	**83 272**	**7 381**	**347 534**	**2 026**	**2 734**	**442 947**

All amounts in PLN'000 unless otherwise specified

The depreciation of the tangible fixed assets was added to:

Item	6 months of 2011	12 months of 2010	6 months of 2010
Costs of sold products, goods and materials	39 350	75 932	37 576
Sales and marketing expenses	8	16	7
Overheads	218	598	324
Total	**39 576**	**76 546**	**37 907**

As of 30 June 2011, bank credit lines are secured on fixed assets (formwork) up to TPLN 302 256. As of 31 December 2010, the collateral amount was TPLN 302 056 (30 June 2010 - TPLN 290 056).
The net value of tangible fixed assets used pursuant to financial lease contracts as of 30 June 2011 was TPLN 653 (as of 31 December 2010 – TPLN 691, and as of 30 June 2010 – TPLN 730).

6. Intangible fixed assets

Changes in intangible fixed assets in the period from 1 January 2010 to 30 June 2011

	Licences and software	Other - developed for the entity's purposes	Total intangible assets
GROSS VALUE			
As of 1 January 2010	**3 475**	**446**	**3 921**
Increase	156	3	159
Decrease - sale	(149)	(405)	(554)
As of 31 December 2010	**3 482**	**44**	**3 526**
Increase	120	-	120
Decrease - liquidation	(155)	(3)	(158)
As of 30 June 2011	**3 447**	**41**	**3 488**
ACCUMULATED AMORTIZATION			
As of 1 January 2010	**2 820**	**432**	**3 252**
Amortization for the period	318	7	325
Decrease - sale	(148)	(404)	(552)
As of 31 December 2010	**2 990**	**35**	**3 025**
Amortization for the period	132	4	136
Decrease - liquidation	(149)	(3)	(152)
As of 30 June 2011	**2 973**	**36**	**3 009**
NET VALUE:			
As of 30 June 2011	**474**	**5**	**479**
As of 31 December 2010	**492**	**9**	**501**
As of 1 January 2010	**655**	**14**	**669**

All amounts in PLN'000 unless otherwise specified

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

	Licences and software	Other - developed for the entity's purposes	Total intangible assets
GROSS VALUE			
As of 1 January 2010	**3 475**	**446**	**3 921**
Increase	74	-	74
Decrease – liquidation	(2)	(404)	(406)
As of 30 June 2010	**3 547**	**42**	**3 589**
ACCUMULATED AMORTIZATION			
As of 1 January 2010	**2 820**	**432**	**3 252**
Amortization for the period	189	4	193
Decrease – liquidation	(2)	(404)	(406)
As of 30 June 2010	**3 007**	**32**	**3 039**
NET VALUE:			
As of 30 June 2010	**540**	**10**	**550**
As of 1 January 2010	**655**	**14**	**669**

All amounts in PLN'000 unless otherwise specified

The amortization of the intangible assets was added to:

Item	6 months of 2011	12 months of 2010	6 months of 2010
Costs of sold products, goods and materials	42	120	77
Sales and marketing expenses	8	28	18
Overheads	86	177	98
Total	**136**	**325**	**193**

7. Financial instruments

	Balance sheet value			Fair value		
	30 June 2011	31 December 2010	30 June 2010	30 June 2011	31 December 2010	30 June 2010
Financial assets held for sale						
Cash	18 150	6 034	9 391	18 150	6 034	9 391
Receivables and loans granted						
Trade receivables and other receivables	96 345	76 317	69 534	96 345	76 317	69 534
Loans granted	960	-	-	960	-	-
Derivative instruments						
Financial instruments measured at fair value through profit and loss	48	178	1 307	48	178	1 307
Financial liabilities						
Variable interest rate loans	173 869	210 576	237 627	173 869	210 576	237 627
Trade liabilities and other liabilities	54 798	21 865	31 594	54 798	21 865	31 594

8. Interests in associated companies

name and legal status	registered office	business objects	Balance sheet value of interests	% of share capital held
ULMA Cofraje S.R.L.	Bucharest Romania	sale and rental of formwork, sale of building materials	1 514	30.00

Key data concerning the associated company.

	30 June 2011	31 December 2010	30 June 2010
Assets	13 720	14 555	16 219
Liabilities	5 789	6 055	6 203
Sales revenues	2 494	5 298	2 979
Net financial profit/(loss)	(717)	(2 090)	(850)

All amounts in PLN'000 unless otherwise specified

9. Other fixed assets

The other fixed assets cover the value of perpetual usufruct right of TPLN 4 316. The perpetual usufruct right expires on 5 December 2089.

10. Trade receivables and other receivables

	As of: 30 June 2011	31 December 2010	30 June 2010
Trade receivables from non-related parties	110 024	91 415	79 549
Revaluation write-down on trade receivables	(21 050)	(17 626)	(14 353)
Net trade receivables	*88 974*	*73 789*	*65 196*
Other receivables	2 517	84	156
Prepayments	1 111	880	1 264
Trade receivables from related parties	437	1 564	2 918
Total trade receivables and other receivables	**93 039**	**76 317**	**69 534**
including:			
Long-term portion	-	-	-
Short-term portion	93 039	76 317	69 534

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

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

The net amount of revaluation write-downs of receivables increased by the amount of receivables written off in the total amount of TPLN 3 071 (TPLN 679 in the analogous period of 2010) was recognized in the sales and marketing costs in the total income statement.

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

	6 months of 2011	12 months of 2010	6 months of 2010
Opening balance	**17 626**	**13 841**	**13 841**
Increase – revaluation write-downs of trade receivables	3 200	3 412	1 028
Increase – revaluation write-downs on delay interest	1 085	1 520	-
Exercise	(296)	(254)	(79)
Adjustment to earlier write-down	(323)	(1 027)	(1 015)
Foreign exchange gains/(loss)	(242)	134	578
Closing balance	**21 050**	**17 626**	**14 353**

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

All amounts in PLN'000 unless otherwise specified

11. Stocks

	As of: 30 June 2011	31 December 2010	30 June 2010
Materials	4 533	3 531	4 625
Semi-finished products and production in progress	-	1 738	2 911
Finished products	-	308	313
Goods	1 205	1 104	971
Gross value of stocks	**5 738**	**6 681**	**8 820**
Revaluation write-down on stocks	(340)	(891)	(564)
Net value of stocks	**5 398**	**5 790**	**8 256**

12. Cash and cash equivalents

	As of: 30 June 2011	31 December 2010	30 June 2010
Cash on hand and at bank	13 366	6 034	9 391
Short-term bank deposits	4 784	-	-
Total cash, including:	**18 150**	**6 034**	**9 391**
Cash with restricted availability	195	257	213

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

	As of: 30 June 2011	31 December 2010	30 June 2010
Cash and cash equivalents	18 150	6 034	9 391
Overdraft facility (Note 15)	-	(3 702)	(1 959)
Cash and cash equivalents evidences recognized in the cash flow statement	**18 150**	**2 332**	**7 432**

13. Share capital

	Number of shares	Nominal value of shares	Share premium	Total
As of 1 January 2010	**5 255 632**	**10 511**	**114 990**	**125 501**
- increase	-	-	-	-
- decrease	-	-	-	-
As of 31 December 2010	**5 255 632**	**10 511**	**114 990**	**125 501**
- increase	-	-	-	-
- decrease	-	-	-	-
As of 30 June 2011	**5 255 632**	**10 511**	**114 990**	**125 501**

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

All amounts in PLN'000 unless otherwise specified

As of 30 June 2011, the shareholding structure of the Company was as follows*):

	Share capital		**Votes at the General Meeting of Shareholders**	
	Number of shares	**%**	**Number of votes**	**%**
ULMA CyE, S. Coop	3 967 290	75.49	3 967 290	75.49
Aviva OFE BZ WBK S.A.	489 616	9.32	489 616	9.32
Small shareholders	798 726	15.19	798 726	15.19

*) Data based on the attendance list at the General Meeting of Shareholders of ULMA Construccion Polska S.A. of 16 June 2011.

14. Trade liabilities and other liabilities

	As of: 30 June 2011	31 December 2010	30 June 2010
Trade receivables towards non-related parties	24 555	17 431	17 351
Liabilities towards associated companies	16 190	1 862	10 499
Social insurance and other liabilities	11 616	6 831	5 509
Accrued expenses	5 205	2 323	3 105
Deferred income	-	-	30
Other liabilities	544	249	609
Dividend liabilities	8 304	-	-
Total trade liabilities and other liabilities	**66 414**	**28 696**	**37 103**
Including:			
Long-term portion	-	-	-
Short-term portion	66 414	28 696	37 103

15. Credits and loans

	As of: 30 June 2011	31 December 2010	30 June 2010
Long-term			
Bank loans	113 754	140 453	168 452
Total long-term loans	**113 754**	**140 453**	**168 452**
Short-term			
Overdraft facility (Note 12)	-	3 702	1 959
Bank loans	60 115	66 421	67 216
Total short-term loans	**60 115**	**70 123**	**69 175**

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

All amounts in PLN'000 unless otherwise specified

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

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

		As of:	
	30 June 2011	31 December 2010	30 June 2010
From 1 to 2 years	51 522	53 397	54 697
From 2 to 5 years	62 232	87 056	113 755
Over 5 years	-	-	-
Total long-term loans	**113 754**	**140 453**	**168 452**

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

	30 June 2011	31 December 2010	30 June 2010
Overdraft facility	5.16	5.88	5.85
Bank loans	5.87	5.74	5.95

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

		As of:	
	30 June 2011	31 December 2010	30 June 2010
With variable interest:			
- expiring within one year	23 000	4 298	6 041
- expiring after one year	5 000	10 000	-
Total credit limits which have not been drawn	**28 000**	**14 298**	**6 041**

16. Lease

a) Financial lease

The assets used under lease contracts, as presented in the table below, cover as of 30 June 2011 machines for cleaning formwork.

		As of:	
	30 June 2011	31 December 2010	30 June 2010
Initial value of leased tangible fixed assets	768	768	768
Depreciation	(115)	(77)	(38)
Net book value	**653**	**691**	**730**

The depreciation of leased fixed assets under concluded financial lease contracts during 6 months ended on 30 June 2011 amounted to TPLN 38, during 12 months ended on 31 December 2010 – TPLN 147, and in 6 months ended on 30 June 2010 – PLN 109.

As of:

All amounts in PLN'000 unless otherwise specified

	30 June 2011	31 December 2010	30 June 2010
Under 1 year	146	146	112
From 1 year to 5 years	350	423	533
Total amount of minimum lease fees by maturity:	**496**	**569**	**645**

	As of:		
	30 June 2011	31 December 2010	30 June 2010
Under 1 year	146	146	112
From 1 year to 5 years	350	423	533
Total current amount of minimum lease fees by maturity:	**496**	**569**	**645**

An analysis performed by the Group showed that the total value of minimum lease fees is not materially different from the total current amount 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 a margin,
- the lease contracts provide for a call option of the leased assets after the end of the lease term,
- the contractual provisions do not provide for any restrictions concerning additional indebtedness or additional lease contracts.

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:		
	30 June 2011	31 December 2010	30 June 2010
Under 1 year	9	18	18
From 1 year to 5 years	35	71	71
Over 5 years	645	1 318	1 317
Total	**689**	**1 407**	**1 406**

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

17. Deferred income tax

	As of:		
	30 June 2011	31 December 2010	30 June 2010
Deferred income tax assets	6 961	8 441	10 322
Deferred income tax liabilities	(13 299)	(12 099)	(10 658)
Balance sheet value of deferred income tax liability	**(6 338)**	**(3 658)**	**(336)**

All amounts in PLN'000 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	Measurement 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)	-	(30)	(45)	**(75)**
Charge to profit/(loss)	1 217	27	31	**1 275**
As of 30 June 2011	**13 277**	**2**	**20**	**13 299**

Deferred income tax assets

Item of temporary differences	Tax losses	Lease	Measurement of tangible fixed assets	Provisions for costs	Unrealized foreign exchange gains/ (loss)	Total
As of 1 January 2010	**5 505**	**18**	**1 503**	**1 312**	**233**	**8 571**
Recognition of profit/(loss)	56	-	3	1 074	370	**1 503**
Charge to profit/(loss)	-	(18)	(448)	(857)	(386)	**(1 709)**
Charge to equity	**-**	**-**	-	-	76	**76**
As of 31 December 2010	**5 561**	**-**	**1 058**	**1 529**	**293**	**8 441**
Recognition of profit/(loss)	-	-	7	977	79	**1 063**
Charge to profit/(loss)	(2 320)	-	-	(128)	(60)	**(2 508)**
Charge to equity	-	-	-	-	(35)	**(35)**
As of 30 June 2011	**3 241**	**-**	**1 065**	**2 378**	**277**	**6 961**

18. Liabilities under pension benefits

		As of:	
	30 June 2011	31 December 2010	30 June 2010
Financial statement liabilities under:			
Pension benefits	104	104	78
Total	**104**	**104**	**78**

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

All amounts in PLN'000 unless otherwise specified

	6 months of 2011	12 months of 2010	6 months of 2010
Allocation to provision for pension benefits	-	8	(24)
Interest expenses	-	5	-
Net actuarial profit and loss	-	13	-
Benefits paid	-	-	-
Redundancies/plan liquidation	-	(24)	
Total expensed amount of employee benefits	**-**	**2**	**(24)**

Change in balance sheet liabilities:

	6 months of 2011	12 months of 2010	6 months of 2010
Provision for pension benefits at the beginning of the period	104	102	102
Allocation to provision for pension benefits	-	8	(24)
Interest expenses	-	5	-
Net actuarial profit and loss	-	13	-
Benefits paid	-	-	-
Redundancies/plan liquidation	-	(24)	
Provision for pension benefits at the end of the period	**104**	**104**	**78**

19. Sales revenues

	6 months of 2011	6 months of 2010
Revenues from construction servicing	114 315	82 213
Revenues from sale of construction goods and materials	7 574	13 291
Total sales revenues	**121 889**	**95 504**

Sales revenues to the entity controlling the ULMA Construccion Polska S.A. Capital Group during 6 months ended on 30 June 2011 amounted to TPLN 176 (during 6 months ended on 30 June 2010 – TPLN 3 807).

20. Costs by type

	6 months of 2011	6 months of 2010
Depreciation of tangible fixed assets and amortization of intangible fixed assets	39 712	38 100
Costs of employee benefits (Note 20 a)	17 738	15 373
Consumption of raw materials, other materials and energy	6 843	9 050
Transportation services	8 076	6 007
Rental and lease services	4 718	4 029
Third party processing services	1 167	1 398
Overhaul and maintenance	1 749	723

All amounts in PLN'000 unless otherwise specified

Assembly services	1 150	3 235
Other third party services	7 526	5 789
Other expenses	5 591	3 518
Value of sold goods and materials	9 250	8 857
Total costs by type	**103 520**	**96 079**
Change in stocks of products and production in progress and costs of services for the entity's purposes	(2 793)	(5 781)
Sales and marketing expenses	(4 391)	(2 799)
Overheads	(5 830)	(5 424)
Costs of sold products, goods and materials	**90 506**	**82 075**

20 a) Costs of employee benefits

Salaries and severance pay	14 498	12 624
Social insurance and employee benefits	3 240	2 749
Total costs of employee benefits	**17 738**	**15 373**

All amounts in PLN'000 unless otherwise specified

21. Other operating income and expenses

21 a) Other operating income	6 months of 2011	6 months of 2010
Gains due to change in fair value of forward contracts	68	1 380
Compensation received – lost tangible fixed assets and current assets	156	32
Written-off liabilities	-	15
Sale of tangible fixed assets	12 877	161
Revaluation write-down on stocks	551	-
Reinvoices	145	609
Other income	150	203
Total other operating income	**13 947**	**2 400**

21 b) Other operating expenses	6 months of 2011	6 months of 2010
Loss due to change in fair value of forward contracts	(17)	(1 224)
Lost tangible fixed assets and current assets	(9)	(10)
Liquidation of tangible fixed assets	(12 610)	(1 691)
Reinvoices	(77)	(373)
Other expenses	(88)	(325)
Total other operating expenses	**(12 801)**	**(3 623)**

All amounts in PLN'000 unless otherwise specified

22. Financial income and expenses

22 a) Financial income

	6 months of 2011	6 months of 2010
Interest on cash on bank accounts	60	131
Gains due to change in fair value of forward contracts under financial operations	-	74
Total financial income	**60**	**205**

22 b) Financial expenses

Interest expenses:		
- bank credits	(5 578)	(7 314)
- lease	(17)	(22)
- other – delay interest	(3)	-
	(5 598)	**(7 336)**
Foreign exchange gains/(loss)	(247)	639
Costs of obtaining a credit	(91)	(38)
Other	(108)	(59)
Total financial expenses	**(6 044)**	**(6 794)**

22 c) Foreign currency exchange gains/(loss)

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

	6 months of 2011	6 months of 2010
Sales revenues	(133)	(265)
Costs of sold products, goods and materials	(1)	(158)
Financial expenses	(247)	639
Total foreign exchange gains/(loss)	**(381)**	**216**

All amounts in PLN'000 unless otherwise specified

23. Income tax

	6 months of 2011	6 months of 2010
Current tax	(108)	(147)
Deferred tax (Note 17)	(2 645)	433
Total income tax	**(2 753)**	**286**

The difference between the corporate income tax on the Group's gross profit and the theoretical amount that would have been generated if a weighted average tax rate applicable to the profit of consolidated companies had been applied is as follows:

	6 months of 2011	6 months of 2010
Gross profit/(loss)	**16 109**	**(2 861)**
Tax calculated at the applicable rates (19% for Poland, 25% for Ukraine, 20% for Kazakhstan)	3 057	(478)
Non taxable income	(79)	(863)
Non-tax deductible expenses	(190)	1 075
Other	(35)	(20)
Corporate income tax	**2 753**	**(286)**
Effective interest rate	17,1%	-

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

24. Dividend per share

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

25. Contingent items

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

The Agreement was concluded for the period of 10 years. The current credit period expires on 30 May 2012.

As of the balance sheet date, ULMA Construccion Polska S.A. did not draw the above-mentioned guarantee line.

26. Investment liabilities

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

27. Measurement of financial instruments at fair value

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

28. Events after the balance sheet date

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

29. Transactions concluded with related entities

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

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

Parent company:

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

Subsidiary companies:

- ULMA System S.A. in liquidation with its registered office in Starachowice at ul. Radomska 29 established on 11 July 2000 – Notary Deed Ref. A 2105/2000. The company was registered by a decision of the District Court in Kielce, 10th Commercial Division in the Register of Entrepreneurs under number KRS 0000054140. The business objects of the Company include manufacturing of metal products and structures. The Issuer's share in the capital and the total number of votes is 100%.
  On 31 May 2010, the Extraordinary General Meeting of Shareholders of ULMA System S.A. adopted a resolution of the Company's liquidation.

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

All amounts in PLN'000 unless otherwise specified

- On 27 August 2010, a subsidiary company ULMA Opałubka Kazachstan sp. z o.o. with its registered office in Astana, at Taszenowa 25 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. The Issuer's share in the capital and the total number of votes is 100%.

Associated company:

ULMA Cofraje SRL with its registered office in Bucharest at Chitilei 200 was established on 9 October 2007. It is registered with the National Office of Commercial Register in Bucharest under number 22679140. The Company's business object consists in rental and sale of construction scaffolding and formwork, including 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 subsidiary companies are fully consolidated, while the associated entity is consolidated with the equity method.

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

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

Balances on the accounts as of the balance sheet date	**As of:** 30 June 2011	30 June 2010
Receivables of ULMA Construccion Polska S.A. from companies of the Group	262	2 515
Liabilities of ULMA Construccion Polska S.A. towards companies of the Group	16 190	10 139
Receivables of ULMA System S.A. in liquidation from companies of the Group	175	403
Liabilities of ULMA System S.A. in liquidation towards companies of the Group	-	360

Sales and purchases from companies of the Group	6 months of 2011	6 months of 2010
Sales of ULMA Construccion Polska S.A. to companies of the Group	303	2 754
Purchases of ULMA Construccion Polska S.A. from companies of the Group	20 247	20 172
Sales of ULMA System S.A. in liquidation to companies of the Group	176	2 925
Purchases of ULMA System S.A. in liquidation from companies of the Group	-	-

All amounts in PLN'000 unless otherwise specified

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

	6 months of 2011	6 months of 2010
ULMA Construccion Polska S.A. the Management Board		
Andrzej Kozłowski	622	385
Andrzej Sterczyński	242	180
Krzysztof Orzełowski	241	168
ULMA Construccion Polska S.A – the Supervisory Board		
Rafał Alwasiak	27	8
Ulma System S.A. in liquidation		
Stanisław Siwik	126	140
ULMA Opałubka Ukraina		
Victoriya Ryabinina	109	133
Dmitriv Lyakhovetskiy	64	42
Denys Kvachuk	42	42

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

31. Profit per share

Basic profit/(loss) per share is calculated as the quotient of profit distributable among shareholders of the Company and the weighted average number of ordinary shares during the year.

	6 months of 2011	6 months of 2010
Profit/(loss) allocable to shareholders of the parent company	13 356	(2 575)
Number of ordinary shares as of the balance sheet date	5 255 632	5 255 632
Weighted average number of ordinary shares	5 255 632	5 255 632
Primary profit per share (in PLN per share)	2.54	(0.49)
Diluted profit/(loss) per share (in PLN per share)	2.54	(0.49)

32. Translation of selected financial data into EUR

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

ITEM	in TPLN 6 months of 2011	in TPLN 6 months of 2010	in TEUR 6 months of 2011	in TEUR 6 months of 2010
Net revenues from sale of products, goods and materials	121 889	95 504	30 723	23 851
Operating profit/(loss)	22 308	3 983	5 623	995
Gross profit/(loss)	16 109	(2 861)	4 060	(715)
Net profit/(loss)	13 356	(2 575)	3 366	(643)
Net operating cash flow	67 323	46 597	16 970	11 637
Net cash flow from investments	(12 717)	(48 539)	(3 206)	(12 122)
Net cash flow from financing activities	(38 676)	(10 689)	(9 749)	(2 669)
Net cash flow	15 930	(12 631)	4 015	(3 154)
Diluted profit/(loss) per share	2.54	(0.49)	0.64	(0.12)
Profit/(loss) per ordinary share (in PLN/EUR)	2.54	(0.49)	0.64	(0.12)

	in TPLN 30 June 2011	in TPLN 31 December 2010	in TEUR 30 June 2011	in TEUR 31 December 2010
Total assets	519 952	511 769	130 425	129 224
Liabilities	247 286	243 615	62 029	61 514
Long-term liabilities	120 519	144 611	30 231	36 515
Short-term liabilities	126 767	99 004	31 798	24 999
Equity	272 666	268 154	68 396	67 710
Share capital	10 511	10 511	2 637	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)	51.88	51.02	13.01	12.88

The specific asset and equity, as well as liability items were translated into EUR at the average rates of exchange announced by the President of the National Bank of Poland prevailing as of the balance sheet date. The EUR average rate as of 30 June 2011 was PLN 3.9866, and as of 31 December 2010 – PLN 3.9603.

While translating the items of the statement of total income and cash flow statement items, a rate being the arithmetic mean of the rates prevailing as of the last day of each month in a given period was applied. For the period 1 January – 30 June 2011 this rate was 3.9673 PLN/EUR, while the data for the analogous period in 2010 were translated at the rate 4.0042 PLN/EUR.

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

Andrzej Kozłowski, President of the Management Board …..

Andrzej Sterczyński, Member of the Management Board …..

Krzysztof Orzełowski, Member of the Management Board …..

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

José Ramón Anduaga Aguirre, Member of the Management Board …..................................

Signature of the person responsible for bookkeeping

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

Warsaw, 17 August 2011

FINANCIAL STATEMENTS OF

ULMA Construccion Polska S.A.

For the period of 6 months ended on 30 June 2011

(unaudited)

All amounts in PLN'000 unless otherwise specified

General information

• Business objects

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

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

ULMA Construccion Polska S.A. is a joint-stock company (the Company). The Company started operation on 14 February 1989 under the business name Bauma Sp. z o.o. as a limited liability company (z o.o.) and was registered in Rep. A.II – 2791. On 15 September 1995, it was transformed into a joint stock company by force of a notary deed before the notary Robert Dor in the Notary Office in Warsaw and registered in Rep. No. A 5500/95. On 29 October 2001, the District Court in Warsaw, 13th Commercial Department of the National Court Register entered the Company into the National Court Register under KRS number: 0000055818. On 6 November 2006, the Extraordinary Shareholders Meeting, in its Resolution No. 1, decided to change the name of the Company from BAUMA S.A. to ULMA Construccion Polska S.A. The relevant entry into the National Court Register was made on 14 November 2006.

• Registered office

ULMA Construccion Polska S.A.
ul. Klasyków 10
03-115 Warszawa

• Supervisory Board and Management Board of the Company

The Supervisory Board

Aitor Ayastuy Ayastuy	Chairperson of the Supervisory Board
Lourdes Urzelai Ugarte	Vice Chairperson of the Supervisory Board
Ander Ollo Odriozola	Member of the Supervisory Board
Ernesto Maestre Escudero	Member of the Supervisory Board
Felix Esperesate Gutierrez	Member of the Supervisory Board
Rafał Alwasiak	Member of the Supervisory Board

The Audit Committee

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

The Management Board

Andrzej Kozłowski	President of the Management Board
Andrzej Sterczyński	Member of the Management Board
Krzysztof Orzełowski	Member of the Management Board
José Ramón Anduaga Aguirre	Member of the Management Board
José Irizar Lasa	Member of the Management Board

- **Auditor**

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

- **Banks**

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

- **Listing**

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

ULMA Construccion Polska S.A.
STATEMENT OF FINANCIAL POSITION
All amounts in PLN'000 unless otherwise specified

	Note	As of: 30 June 2011	31 December 2010	30 June 2010
ASSETS				
I. Fixed assets				
1. Tangible fixed assets	2.	399 091	413 263	433 214
2. Intangible fixed assets	3.	449	481	541
3. Investments in subsidiary and associated companies	5.	13 669	13 669	13 585
4. Other fixed assets	6.	4 316	4 344	4 371
5. Long-term receivables		13 515	10 554	11 920
Total fixed assets		**431 040**	**442 311**	**463 631**
II. Current assets				
1. Stocks	8.	6 406	5 891	7 537
2. Trade receivables and other receivables	7.	91 223	76 383	67 792
3. Current income tax receivables		55	-	123
4. Derivative instruments		49	177	1 307
5. Cash and cash equivalents	9.	10 815	5 505	9 016
Total current assets		**108 548**	**87 956**	**85 775**
Total assets		**539 588**	**530 267**	**549 406**
EQUITY AND LIABILITIES				
I. Equity				
1. Share capital	10.	10 511	10 511	10 511
2. Supplementary capital – share premium	10.	114 990	114 990	114 990
3. Retained profit, including:		162 881	160 722	149 908
a. Net profit for the financial period		*10 463*	*27 776*	*16 962*
Total equity		**288 382**	**286 223**	**275 409**
II. Liabilities				
1. Long-term liabilities				
a. Credits and loans	12.	113 754	140 453	168 452
b. Deferred income tax liabilities	14.	7 403	4 716	1 823
c. Long-term liabilities under pension benefits	15.	77	77	55
d. Long-term liabilities under financial lease	13.	350	423	533
Total long-term liabilities		**121 584**	**145 669**	**170 863**
2. Short-term liabilities				
a. Credits and loans	12.	60 115	70 123	69 175
b. Current income tax liabilities		-	-	-
c. Short-term liabilities under pension benefits	15.	27	27	23
d. Short-term liabilities under financial lease	13.	146	146	112
e. Derivative instruments		-	-	-
f. Trade liabilities and other liabilities	11.	69 334	28 079	33 824
Total short-term liabilities		**129 622**	**98 375**	**103 134**
Total liabilities		**251 206**	**244 044**	**273 997**
Total equity and liabilities		**539 588**	**530 267**	**549 406**

All amounts in PLN'000 unless otherwise specified

	Note	6 months of 2011	6 months of 2010
Sales revenues	16.	118 249	90 375
Costs of sold products, goods and materials	17.	(89 819)	(79 448)
I. Gross profit on sales		**28 430**	**10 927**
Sales and marketing expenses	17.	(4 098)	(2 364)
Overheads	17.	(5 237)	(4 752)
Other operating expenses	18.	(967)	(1 088)
II. Operating profit/(loss)		**18 128**	**2 723**
Financial income	19.	705	20 858
Financial expenses	19.	(5 684)	(7 047)
Net financial income/(expenses)		*(4 978)*	*13 811*
III. Gross profit/(loss)		**13 149**	**16 534**
Income tax	20.	(2 686)	428
IV. Net profit for the period		**10 463**	**16 962**
Other total income:		-	-
V. Total income for the financial period		**10 463**	**16 962**

Weighted average number of ordinary shares		5 255 632	5 255 632
Basic and diluted profit/(loss) per share in the financial period (in PLN per share)	24.	1.99	3.23

All amounts in PLN'000 unless otherwise specified

Item	Share capital at nominal value	Share premium	Retained profits	Total equity
As of 31 December 2009	**10 511**	**114 990**	**132 946**	**258 447**
Total net income in 2010	-	-	27 776	**27 776**
As of 31 December 2010	**10 511**	**114 990**	**160 722**	**286 223**
Total net income in H1 2011	-	-	10 463	**10 463**
Distribution of profit for 2010 (dividend)	-	-	(8 304)	**(8 304)**
As of 30 June 2011	**10 511**	**114 990**	**162 881**	**288 382**

Item	Share capital at nominal value	Share premium	Retained profits	Total equity
As of 31 December 2009	**10 511**	**114 990**	**132 946**	**258 447**
Total net income in H1 2010	-	-	16 962	**16 962**
As of 30 June 2011	**10 511**	**114 990**	**149 908**	**275 409**

All amounts in PLN'000 unless otherwise specified

	Note	6 months of 2011	6 months of 2010
Operating cash flow			
Net profit for the financial period		**10 463**	**16 962**
Adjustments:			
- Income tax	20.	2 686	(428)
- Depreciation of fixed assets	2.	40 813	38 509
- Amortization of intangible fixed assets	5.	133	188
- Net value of sold formworks – fixed assets		5 452	5 771
- (Gains)/loss from changes in fair value of financial instruments		129	(461)
- Interest and dividend revenues		(705)	(20 784)
- Interest expenses		5 598	7 336
- (Gains)/loss from foreign currency exchange differences		(265)	(442)
Changes in current assets:			
- Stocks		(515)	(5 701)
- Trade receivables and other receivables		(20 931)	(10 407)
- Trade liabilities and other liabilities		17 918	2 735
		60 776	**33 278**
Income tax paid		(55)	(36)
Net operating cash inflow		**60 721**	**33 242**
Cash flow from investments			
Acquisition of tangible fixed assets		(17 087)	(53 733)
Inflow from sale of tangible fixed assets		56	90
Acquisition of intangible fixed assets		(102)	(73)
Inflow from repayments of loans		4 513	921
Loans granted		(1 197)	(1 600)
Dividend received		-	20 000
Interest received		706	1 126
Net cash outflow from investments		**(13 111)**	**(33 269)**
Cash flow from financing activities			
Credits and loans received		-	15 294
Repayment of credits and loans		(32 999)	(19 079)
Payments under financial lease		(73)	(165)
Interest paid		(5 604)	(6 739)
Net cash inflow from financing activities		**(38 676)**	**(10 689)**
Net increase/(decrease) in cash and overdraft facility		**8 934**	**(10 716)**
Opening cash and overdraft facility		1 803	17 436
FX gains due to measurement of cash and overdraft facility		78	337
Closing cash and overdraft facility	**9.**	**10 815**	**7 057**

Notes to the financial statements

1. Description of key accounting principles

These interim abridged non-consolidated financial statements of ULMA Construccion Polska S.A. for the period of 6 months ended on 30 June 2011 were drawn up compliant with IAS 34 "Interim Financial Reporting".
The key accounting principles used in the preparation of these abridged interim non-consolidated financial statements are compliant with the accounting policy adopted by the Group, which have been presented in the interim consolidated financial statements prepared for the period of 6 months ended on 30 June 2011. The accounting principles applied in the non-consolidated financial statements which have not been presented in the consolidated financial statements have been presented below.

Investments in subsidiary and associated companies

Investments in subsidiary and associated companies are recognized in accordance with the historical cost principle adjusted by revaluation write-downs. The effects of revaluation write-downs on investments in subsidiary companies are recognized as financial revenues or expenses for the reporting period in which the change occurred.

All amounts in PLN'000 unless otherwise specified

2. Tangible fixed assets

Changes in tangible fixed assets from 1 January 2010 to 30 June 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 - sale	-	(464)	(19 141)	(5)	-	(19 610)
Decrease - liquidations, inventory shortages	(182)	(221)	(17 541)	(1 169)	-	(19 113)
As of 31 December 2010	**79 941**	**7 654**	**550 645**	**2 339**	**1 876**	**642 455**
Increase due to purchase	36	426	31 551	84	1 897	33 994
Increase - inventory surplus, reclassifications	-	-	206	332	-	538
Decrease - sale	-	(292)	(10 828)	(2)	-	(11 122)
Decrease - liquidations, inventory shortages	-	(21)	(6 031)	(382)	-	(6 434)
As of 30 June 2011	**79 977**	**7 767**	**565 543**	**2 371**	**3 773**	**659 431**
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 - sale	-	(459)	(10 265)	(5)	-	(10 729)
Decrease - liquidations, inventory shortages	(51)	(52)	(8 135)	(43)	-	(8 281)
As of 31 December 2010	**6 163**	**4 338**	**217 200**	**1 491**	**-**	**229 192**
Amortization for the period	977	502	39 128	206	-	40 813
Decrease - sales	-	(281)	(6 667)	(1)	-	(6 949)
Decrease - liquidations, inventory shortages	-	(21)	(2 652)	(43)	-	(2 716)
As of 30 June 2011	**7 140**	**4 538**	**247 009**	**1 653**	**-**	**260 340**
NET VALUE:						
As of 30 June 2011	**72 837**	**3 229**	**318 534**	**718**	**3 773**	**399 091**
As of 31 December 2010	**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**

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

All amounts in PLN'000 unless otherwise specified

	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	107	439	38 462	108	2 357	41 473
Decrease – inventory surplus, reclassifications	-	1 001	283	4	-	1 288
Decrease - sale	-	(230)	(10 754)	(2)	-	(10 986)
Decrease - liquidations, inventory shortages	(182)	(167)	(5 945)	(882)	(2 169)	(9 345)
As of 30 June 2010	**79 887**	**7 627**	**540 913**	**2 238**	**2 357**	**633 022**
ACCUMULATED AMORTIZATION						
As of 1 January 2010	**4 170**	**3 776**	**160 763**	**1 141**	**-**	**169 850**
Amortization for the period	1 041	574	36 704	190	-	38 509
Decrease - sale	-	(226)	(5 974)	(1)	-	(6 201)
Decrease - liquidations, inventory shortages	(51)	2	(2 274)	(27)	-	(2 350)
As of 30 June 2010	**5 160**	**4 126**	**189 219**	**1 303**	**-**	**199 808**
NET VALUE:						
As of 30 June 2010	**74 727**	**3 501**	**351 694**	**935**	**2 357**	**433 214**
As of 1 January 2010	**75 792**	**2 808**	**358 104**	**1 869**	**2 169**	**440 742**

As of 30 June 2011, bank credit lines were secured on fixed assets (formwork) up to TPLN 302 256. As of 31 December 2010, the collateral amount was TPLN 302 056 (30 June 2010 - TPLN 290 056).
The net value of tangible fixed assets used pursuant to financial lease contracts as of 30 June 2011 was TPLN 653 (as of 31 December 2010 - 691 thousand, and as of 30 June 2010 - TPLN 730).

The depreciation of the tangible fixed assets was added to:

Item	6 months of 2011	12 months of 2010	6 months of 2010
Costs of sold products, goods and materials	40 646	77 865	38 242
Sales and marketing expenses	8	16	8
Overheads	159	471	259
Total	**40 813**	**78 352**	**38 509**

All amounts in PLN'000 unless otherwise specified

3. Intangible fixed assets

Changes in intangible fixed assets in the period from 1 January 2010 to 30 June 2011

	Licences and software	Other	Total intangible assets
GROSS VALUE			
As of 1 January 2010	**3 378**	**37**	**3 415**
Increase	145	-	145
Decrease – sale	(149)	-	(149)
As of 31 December 2010	**3 374**	**37**	**3 411**
Increase	102	-	102
Decrease – disposal, liquidation	(58)	-	(58)
As of 30 June 2011	**3 418**	**37**	**3 455**
ACCUMULATED AMORTIZATION			
As of 1 January 2010	**2 735**	**24**	**2 759**
Amortization for the period	312	7	319
Decrease – sale	(148)	-	(148)
As of 31 December 2010	**2 899**	**31**	**2 930**
Amortization for the period	129	4	133
Decrease – disposal, liquidation	(57)	-	(57)
As of 30 June 2011	**2 971**	**35**	**3 006**
NET VALUE:			
As of 30 June 2011	**447**	**2**	**449**
As of 31 December 2010	**475**	**6**	**481**
As of 1 January 2010	**643**	**13**	**656**

All amounts in PLN'000 unless otherwise specified

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

	Licences and software	Other	Total intangible fixed assets
GROSS VALUE			
As of 1 January 2010	**3 378**	**37**	**3 415**
Increase	74	-	74
Decrease - sale	(2)	-	(2)
As of 30 June 2010	**3 450**	**37**	**3 487**
ACCUMULATED AMORTIZATION			
As of 1 January 2010	**2 735**	**24**	**2 759**
Amortization for the period	184	4	188
Decrease - sale	(1)	-	(1)
As of 30 June 2010	**2 918**	**28**	**2 946**
NET VALUE:			
As of 30 June 2010	**532**	**9**	**541**
As of 1 January 2010	**643**	**13**	**656**

The amortization of the intangible fixed assets was added to:

Item	6 months of 2011	12 months of 2010	6 months of 2010
Costs of sold products, goods and materials	40	120	77
Sales and marketing expenses	9	29	18
Overheads	84	170	93
Total	**133**	**319**	**188**

4. Financial instruments

	Balance sheet value			**Fair value**		
	30 June 2011	31 December 2010	30 June 2010	30 June 2011	31 December 2010	30 June 2010
Financial assets held for sale						
Cash	10 815	5 505	9 016	10 815	5 505	9 016
Receivables and loans granted						
Trade receivables and other receivables	94 529	73 598	66 192	94 529	73 598	66 192
Loans granted	10 209	13 339	13 520	10 209	13 339	13 520

All amounts in PLN'000 unless otherwise specified

	Balance sheet value			Fair value		
	30 June 2011	31 December 2010	30 June 2010	30 June 2011	31 December 2010	30 June 2010
Derivative instruments						
Financial instruments measured at fair value through profit and loss	49	177	1 307	49	177	1 307
Financial liabilities						
Variable interest rate loans	173 869	210 576	237 627	173 869	210 576	237 627
Trade liabilities and other liabilities	60 771	21 470	28 699	60 771	21 470	28 699

All amounts in PLN'000 unless otherwise specified

5. Investments in subsidiary and associated companies

As of 30 June 2011

No.	Company's name	Registered office	Business objects	Relationship character	Acquisition date	Interest value by acquisition price	Revaluation write-downs	Balance sheet value of shares/interests	Percentage of share capital held	Share in the total number of votes at the general meeting
1	ULMA System S.A. in liquidation	Starachowice	manufacture of metal products and structures	subsidiary company	11.07.2000	4 850	-	4 850	100	100
2	ULMA Opałubka Ukraina	Ukraine	sale and rental of formwork, sale of construction materials	subsidiary company	18.07.2001	5 818	-	5 818	100	100
3.	ULMA Cofraje	Romania	sale and rental of formwork, sale of construction materials	associated company	02.11.2007	2 917	-	2 917	30	30
4.	ULMA Opałubka Kazachstan	Kazakhstan	sale and rental of formwork, sale of construction materials	subsidiary company	27.08.2010	84	-	84	100	100
						13 669	**-**	**13 669**		

All amounts in PLN'000 unless otherwise specified

6. Other fixed assets

The other fixed assets cover the value of perpetual usufruct right of TPLN 4 316. The perpetual usufruct right was acquired by the Company in 2007 and shall expire on 5 December 2089.

7. Trade receivables and other receivables

	As of: 30 June 2011	31 December 2010	30 June 2010
Trade receivables from non-related parties	104 345	85 489	73 501
Revaluation write-down on trade receivables	(17 816)	(14 426)	(11 021)
Net trade receivables	*86 529*	*71 063*	*62 480*
Other receivables	2 363	46	79
Prepayments	1 090	805	1 106
Trade receivables from related parties	1 241	1 684	2 527
Loans granted	-	2 785	1 600
Total trade receivables and other receivables	**91 223**	**76 383**	**67 792**
including:			
Long-term portion	-	-	-
Short-term portion	91 223	76 383	67 792

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

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

The net amount of revaluation write-downs of receivables increased with the amount of receivables written off in the total amount of TPLN 2 794 (TPLN 385 in the analogous period of 2010) was recognized in the sales and marketing expenses in the total income statement.

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

	6 months of 2011	12 months of 2010	6 months of 2010
Opening balance	**14 426**	**11 382**	**11 382**
Increase – revaluation write-downs of trade receivables	2 923	2 805	733
Increase – revaluation write-downs on delay interest	1 085	1 520	-
Exercise	(296)	(254)	(79)
Adjustment to earlier write-down	(322)	(1 027)	(1 015)
Closing balance	**17 816**	**14 426**	**11 021**

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

8. Stocks

All amounts in PLN'000 unless otherwise specified

	As of:		
	30 June 2011	31 December 2010	30 June 2010
Materials	3 976	470	525
Goods	2 770	1 943	1 695
Advances payments for deliveries	-	3 818	5 561
Gross value of stocks	**6 746**	**6 231**	**7 781**
Revaluation write-down on stocks	(340)	(340)	(244)
Net value of stocks	**6 406**	**5 891**	**7 537**

9. Cash and cash equivalents

	As of:		
	30 June 2011	31 December 2010	30 June 2010
Cash on hand and at bank	6 031	5 505	9 016
Short-term bank deposits	4 784	-	-
Total cash, including:	**10 815**	**5 505**	**9 016**
Cash with restricted availability	195	257	165

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

	As of:		
	30 June 2011	31 December 2010	30 June 2010
Cash and cash equivalents	10 815	5 505	9 016
Overdraft facility (Note 12)	-	(3 702)	(1 959)
Cash and cash equivalents evidences recognized in the cash flow statement	**10 815**	**1 803**	**7 057**

10. 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 30 June 2011	**5 255 632**	**10 511**	**114 990**	**125 501**

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

As of 30 June 2011, the shareholding structure of the Company was as follows*):

	Share capital	Votes at the General Meeting of Shareholders

	Number of shares	%	Number of votes	%
ULMA CyE, S. Coop	3 967 290	75.49	3 967 290	75.49
Aviva OFE BZ WBK S.A.	489 616	9.32	489 616	9.32
Small shareholders	798 726	15.19	798 726	15.19

*) Data based on the attendance list at the General Meeting of Shareholders of ULMA Construccion Polska S.A. of 16 June 2011.

11. Trade liabilities and other liabilities

	As of:		
	30 June 2011	31 December 2010	30 June 2010
Trade receivables towards non-related parties	23 710	16 881	15 117
Liabilities towards associated companies	23 052	2 058	10 535
Social insurance and other liabilities	8 563	6 609	5 125
Accrued expenses	5 200	2 313	2 519
Deferred income	-	-	29
Other liabilities	505	218	499
Dividend liabilities	8 304	-	-
Total trade liabilities and other liabilities	**69 334**	**28 079**	**33 824**
including:			
Long-term portion	-	-	-
Short-term portion	69 334	28 079	33 824

12. Credits and loans

	As of:		
	30 June 2011	31 December 2010	30 June 2010
Long-term			
Bank credits	113 754	140 453	168 452
Total long-term credits	**113 754**	**140 453**	**168 452**

	As of:		
	30 June 2011	31 December 2010	30 June 2010
Short-term			
Overdraft facility (Note 9)	-	3 702	1 959
Bank credits	60 115	66 421	67 216
Total short-term credits	**60 115**	**70 123**	**69 175**

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

All amounts in PLN'000 unless otherwise specified

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

Structure of maturity of long-term credits:

	30 June 2011	31 December 2010	30 June 2010
From 1 to 2 years	51 522	53 397	54 697
From 2 to 5 years	62 232	87 056	113 755
Over 5 years	-	-	-
Total long-term credits	**113 754**	**140 453**	**168 452**

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

	30 June 2011	31 December 2010	30 June 2010
Overdraft facility	5.16	5.88	5.85
Bank credits	5.87	5.74	5.95

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

	30 June 2011	31 December 2010	30 June 2010
With variable interest:			
- expiring within one year	23 000	4 298	6 041
- expiring after one year	5 000	10 000	-
Total credit limits which have not been drawn	**28 000**	**14 298**	**6 041**

13. Lease

13 a) Financial lease

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

		As of:	
	30 June 2011	31 December 2010	30 June 2010
Initial value of leased tangible fixed assets	768	768	768
Depreciation	(115)	(77)	(38)
Net book value	**653**	**691**	**730**

The depreciation of leased fixed assets under concluded financial lease contracts during 6 months ended on 30 June 2011 amounted to TPLN 38, during 12 months ended on 31 December 2010 – TPLN 147, and in 6 months ended on 30 June 2010 – TPLN 109.

		As of:	
	30 June 2011	31 December 2010	30 June 2010

All amounts in PLN'000 unless otherwise specified

Under 1 year	146	146	112
From 1 year to 5 years	350	423	533
Total amount of minimum lease fees by maturity:	**496**	**569**	**645**

	As of: 30 June 2011	31 December 2010	30 June 2010
Under 1 year	146	146	112
From 1 year to 5 years	350	423	533
Total current amount of minimum lease fees by maturity:	**496**	**569**	**645**

An analysis performed by the Company showed that the total value of minimum lease fees is not materially different from the total current amount 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 a margin,
- the lease contracts provide for a call option of the leased assets after the end of the lease term,
- the contractual provisions do not provide for any restrictions concerning additional indebtedness or additional lease contracts.

13 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: 30 June 2011	31 December 2010	30 June 2010
Under 1 year	9	9	9
From 1 year to 5 years	35	35	35
Over 5 years	645	654	645
Total	**689**	**698**	**689**

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

14. Deferred tax

	As of: 30 June 2011	31 December 2010	30 June 2010
Deferred income tax assets	5 897	7 383	8 835

All amounts in PLN'000 unless otherwise specified

Deferred income tax liabilities	(13 300)	(12 099)	(10 658)
Balance sheet value of deferred income tax liability	**(7 403)**	**(4 716)**	**(1 823)**

Changes in 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	Measurement 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)	-	(30)	(45)	**(75)**
Charge to profit/(loss)	1 218	27	31	**1 276**
As of 30 June 2011	**13 278**	**2**	**20**	**13 300**

Deferred income tax assets

Item of temporary differences	Tax losses	Lease	Provisions for costs	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)	-	-	978	79	**1 057**
Charge to profit/(loss)	(2 320)	-	(128)	(95)	**(2 543)**
As of 30 June 2011	**3 241**	**-**	**2 378**	**278**	**5 897**

15. Liabilities under pension benefits

	30 June 2011	31 December 2010	30 June 2010
Financial statement liabilities under:			
Pension benefits	104	104	78
	104	**104**	**78**

All amounts in PLN'000 unless otherwise specified

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

	6 months of 2011	12 months of 2010	6 months of 2010
Allocation to provision for pension benefits	-	8	-
Interest expenses	-	5	-
Net actuarial profit and loss	-	13	-
Benefits paid	-	-	-
Total expensed amount of employee benefits	**-**	**26**	**-**

Change in balance sheet liabilities:

	6 months of 2011	12 months of 2010	6 months of 2010
Provision for pension benefits at the beginning of the period	104	78	78
Allocation to provision for pension benefits	-	8	-
Interest expenses	-	5	-
Net actuarial profit and loss	-	13	-
Benefits paid	-	-	-
Provision for pension benefits at the end of the period	**104**	**104**	**78**

All amounts in PLN'000 unless otherwise specified

16. Sales revenues

	6 months of 2011	6 months of 2010
Revenues from construction servicing	110 348	79 496
Revenues from sale of construction goods and materials	7 901	10 879
Total sales revenues	**118 249**	**90 375**

17. Costs by type

	6 months of 2011	6 months of 2010
Depreciation of tangible fixed assets and amortization of intangible assets	40 946	38 697
Costs of employee benefits (Note 17a)	16 694	12 817
Consumption of raw materials, other materials and energy	6 496	4 000
Transportation services	8 018	5 727
Rental and lease services	4 377	3 579
Overhaul services	1 966	2 406
Assembly services	1 150	3 235
Other third party services	7 124	5 495
Other expenses	4 946	2 864
Value of sold goods, materials and formwork (fixed assets)	7 442	7 744
Total costs by type	**99 159**	**86 564**
Cost of renditions for the entity's own purposes	(5)	-
Sales and marketing expenses	(4 098)	(2 364)
Overheads	(5 237)	(4 752)
Costs of sold products, goods and materials	**89 819**	**79 448**

17 a) Costs of employee benefits

Salaries and severance pay	13 663	10 525
Social insurance and employee benefits	3 031	2 292
Total costs of employee benefits	**16 694**	**12 817**

All amounts in PLN'000 unless otherwise specified

18. Other operating income and expenses

18 a) Other operating income

	6 months of 2011	6 months of 2010
Gains due to change in fair value of forward contracts	68	1 375
Compensation received – lost tangible fixed assets and current assets	156	18
Written-off liabilities	-	15
Sale of tangible fixed assets	56	90
Reinvoices	245	546
Other income	5	165
Total other operating income	**530**	**2 209**

18 b) Other operating expenses

	6 months of 2011	6 months of 2010
Loss due to change in fair value of forward contracts	(17)	(1 152)
Lost tangible fixed assets and current assets	(9)	-
Liquidation of tangible fixed assets	(1 378)	(1 632)
Reinvoices	(89)	(393)
Other expenses	(4)	(120)
Total other operating expenses	**(1 497)**	**(3 297)**

19. Financial income and expenses

19 a) Financial income

	6 months of 2011	6 months of 2010
Interest revenue:		
- loans granted	659	665
- on cash on bank accounts	46	119
Gains due to change in fair value of forward contracts under financing activity	-	74
Dividend received	-	20 000
Total financial income	**705**	**20 858**

19 b) Financial expenses

Interest expenses:

All amounts in PLN'000 unless otherwise specified

- bank credits	(5 578)	(7 314)
- lease	(17)	(22)
- delay	(3)	-
	(5 598)	**(7 336)**
Foreign exchange gains/(loss)	113	386
Costs of obtaining a credit	(91)	(38)
Other	(108)	(59)
Total financial expenses	**(5 684)**	**(7 047)**

20. Income tax

	6 months of 2011	6 months of 2010
Current tax	-	-
Deferred tax (Note 14)	(2 686)	428
Total income tax	**(2 686)**	**428**

The difference between the corporate tax on Company's gross income and the theoretical amount that would have been generated if the effective tax rate applicable to the gross profit had been applied is as follows:

	6 months of 2011	6 months of 2010
Gross profit/(loss)	**13 149**	**16 534**
Tax calculated at the applicable rates (19%)	2 498	3 141
Non-taxable income	(79)	(4 044)
Non-tax deductible expenses	267	475
Corporate income tax	**2 686**	**(428)**
Effective tax rate	**20.4%**	**-**

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

21. Measurement of financial instruments at fair value

On the basis of 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.

22. Profit per share

All amounts in PLN'000 unless otherwise specified

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

	6 months of 2011	6 months of 2010
Profit allocable to shareholders of the parent company	10 463	16 962
Number of ordinary shares as of the balance sheet date	5 255 632	5 255 632
Weighted average number of ordinary shares	5 255 632	5 255 632
Primary profit per share (in PLN per share)	1.99	3.23
Diluted profit per share (in PLN per share)	1.99	3.23

23. Contingent items

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

The Agreement was concluded for the period of 10 years. The current credit period expires on 30 May 2012.
As of the balance sheet date, ULMA Construccion Polska S.A. did not draw the above-mentioned guarantee line.

24. Events after the balance sheet date

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

25. Transactions concluded with related parties

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

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

Parent company:

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

Subsidiary companies:

- ULMA System S.A. in liquidation with its registered office in Starachowice at ul. Radomska 29 established on 11 July 2000 – Notary Deed Ref. A 2105/2000. The company was registered by a decision of the District Court in Kielce, 10th Commercial Division in the Register of Entrepreneurs under number KRS 0000054140. The business objects of the Company include manufacturing of metal products and structures. The Issuer's share in the capital and the total number of votes is 100%.
  On 31 May 2010, the Extraordinary General Meeting of Shareholders of ULMA System S.A. adopted a resolution of the Company's liquidation.

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

- On 27 August 2010, a subsidiary company ULMA Opałubka Kazachstan sp. z o.o. with its registered office in Astana, at Taszenowa 25 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. The Issuer's share in the capital and the total number of votes is 100%.

Associated company:

ULMA Cofraje SRL with its registered office in Bucharest at Chitilei 200 was established on 9 October 2007. It is registered with the National Office of Commercial Register in Bucharest under number 22679140. The Company's business object consists in rental and sale of construction scaffolding and formwork, including 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 by ULMA Construccion Polska S.A. with its related parties were typical and routine, and their nature and terms and conditions resulted from their current operations.

Details of the transactions concluded by ULMA Construccion Polska S.A. with associated companies belonging to the ULMA C y E, S. Coop. Capital Group.

Balances on the accounts as of the balance sheet date	**As of:** 30 June 2011	30 June 2010
Receivables of ULMA Construccion Polska S.A. from companies of the Group	1 241	2 527
Liabilities of ULMA Construccion Polska S.A. towards companies of the Group	23 052	10 535
Sales and purchases from companies of the Group	6 months of 2011	6 months of 2010
Sales of ULMA Construccion Polska S.A. to companies of the Group	2 420	3 120
Purchases of ULMA Construccion Polska S.A. from companies of the Group	26 634	31 801
Loans, interest, dividend	6 months of 2011	6 months of 2010
Loans granted by ULMA Construccion Polska S.A to the companies of the Group	241	-
Loans repaid by companies of the Group - in TEUR	345	225
Interest revenue on loans granted to companies of the Group - in TEUR	139	249
Loans granted by ULMA Construccion S.A. to companies of the Group – in TPLN	240	1 600
Interest revenue on loans granted to companies of the Group - in TPLN	110	3
Loans repaid by companies of the Group - in TPLN	3 025	-
Dividend received from companies of the Group	-	20 000

26. 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	
	6 months of 2011	6 months of 2010	6 months of 2011	6 months of 2010
Net revenues from sales of products, goods and materials	118 249	90 375	29 806	22 570
Operating profit/(loss)	18 128	2 723	4 569	680
Gross profit/(loss)	13 149	16 534	3 314	4 129
Net profit/(loss)	10 463	16 962	2 637	4 236
Net operating cash flow	60 721	33 242	15 305	8 302
Net cash flow from investments	(13 111)	(33 269)	(3 305)	(8 308)
Net cash flow from financing activities	(38 676)	(10 689)	(9 749)	(2 669)
Net cash flow	8 934	(10 716)	2 252	(2 676)
Diluted profit per ordinary share (PLN/EUR)	1.99	3.23	0.50	0.81
Basic profit per ordinary share (PLN/EUR)	1.99	3.23	0.50	0.81

	in TPLN		in TEUR	
	30 June 2011	31 December 2010	30 June 2011	31 December 2010
Total assets	539 588	530 267	135 350	133 896
Liabilities	251 206	244 044	63 013	61 623
Long-term liabilities	121 584	145 669	30 498	36 782
Short-term liabilities	129 622	98 375	32 515	24 840
Equity	288 382	286 223	72 338	72 273
Share capital	10 511	10 511	2 636	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)	54.87	54.46	13.76	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 exchange rate as of 30 June 2011 was PLN 3.9866, and as of 31 December 2010 – PLN 3.9603.

While translating the items of the statement of total income and cash flow statement items, a rate being the arithmetic mean of the rates prevailing as of the last day of each month in a given period was applied. For the period 1 January – 30 June 2011 this rate was 3.9673 PLN/EUR, while the data for the analogous period in 2010 were translated at the rate 4.0042 PLN/EUR.

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

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

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

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

José Irizar Lasa, Member of the Management Board..

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

Signature of the person responsible for bookkeeping

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

Warsaw, 17 August 2011