



**Report of the Management Board from operations of
the ULMA CONSTRUCCION POLSKA S.A.
CAPITAL GROUP
for 6 months ended on 30 June 2011**

Description of the organization of the Capital Group

A of 30 June 2011, the ULMA Construcción Polska S.A. Capital Group ("the Group", "the Capital Group") was composed of the following entities:

- 1) ULMA Construcción Polska S.A. - **the parent company** of the ULMA Construcción Polska S.A. Capital Group which performs the managing and administrative function for the entire Group and is responsible for trading operations concerning the products and services offered by the Group on the domestic market and on selected foreign markets,
- 2) ULMA SYSTEM S.A. in liquidation - **a subsidiary company** being a production and overhaul centre of formwork systems and accessories thereto for the purposes of the Capital Group and for foreign markets.
On 31 May 2010, the Extraordinary General Meeting of Shareholders of ULMA System S.A. adopted a resolution of the Company's liquidation.
- 3) ULMA Opałubka Ukraina sp. z o.o. - **a subsidiary company** responsible for trading operations concerning the products and services offered by the Capital Group on the Ukrainian market,
- 4) ULMA Opałubka Kazachstan Sp. z o.o. - **a subsidiary company** responsible for trading operations concerning the products and services offered by the Capital Group on the Kazakh market,
- 5) ULMA Cofraje S.R.L. - **a subsidiary company** responsible for trading operations concerning the products and services offered by the Capital Group on the Romanian market.

The subsidiary companies are fully consolidated. The associated company is consolidated with the equity method.

Business objects of the Capital Group.

The ULMA Construcccion Polska S.A. Capital Group operates in the construction industry. The operations of the companies of the Capital Group consist in rental and sale of formwork systems and scaffoldings for construction of large buildings and engineering construction, performance of maintenance works and designs of applications of those systems, as well as production and overhauls of formwork systems and other accessories used in erecting formwork systems.

Registered offices, dates of establishment and registration of the members of the Capital Group.

- 1) ULMA Construcccion Polska S.A. with its registered office at ul. Klasyków 10 has been operating since 1 July 1995 pursuant to a resolution of the Extraordinary Shareholder Meeting transforming a limited liability company into a joint stock company (Notary Deed of 15 September 1995, Ref. A 5500/95), registered with the National Court Register of the Register of Entrepreneurs under KRS number 0000055818 by the District Court for the Capital City of Warsaw, 13th Commercial Division of the National Court Register,
- 2) ULMA System S.A. with its registered office in Starachowice at ul. Radomska 29 established on 11 July 2000 – Notary Deed Ref. A 2105/2000, registered by a decision of the District Court in Kielce, 10th Commercial Division in the Register of Entrepreneurs under KRS number: 0000054140.
On 31 May 2010, the Extraordinary General Meeting of Shareholders of ULMA System S.A. adopted a resolution of the Company's liquidation.
- 3) ULMA Opałubka Ukraina with its registered office in Kiev at Gnata Juri 9, registered on 18 July 2001 in the State Register of the Republic of Ukraine under the number 5878/01 (ID code 31563803),
- 4) ULMA Opałubka Kazachstan sp. z o.o. with its registered office in Astana, at Taszenowa 25, entered on 27 August 2010 in the Register of Business Entities of the Republic of Kazakhstan under the number 37635-1901-TOO (identification code 100840016085),
- 5) ULMA Cofraje S.R.L with its registered office in Bucharest at Chitilei 200, registered on 2.11.2007 with the Commercial Register of Romania under the number J23/2922.

Brief description of the Issuer's major achievements or failures in the concerned period, with the list of the most important events related to them and the list of factors and events, in particular untypical ones, which have significant influence on the achieved financial results

Market environment in Poland

As expected, in H1 2011 there was a significant increase in the construction and assembly production (by 20.8% in accordance with data of the Central Statistical Office) which resulted from intense execution of the previously concluded engineering contracts and the recovery in the large building construction.

The construction and housing production growth dynamics in **the housing sector** amounted to +6.1%, and it was achieved primarily in the segment of developer's buildings (+32.6%). However, in this segment a slightly lower number of flats whose construction had been commenced was recorded as compared to the analogous period, which may be due e.g. to caution resulting from the record supply of flats already available for sale.

Positive construction production growth dynamics was also observed in all the subsectors of **the non-housing construction**. The growth in the entire sector in H1 2011 amounted to 13.6%. An upward tendency was recorded also in the investment market. In accordance with a DTZ's report, within the first 6 months of the year, EUR 1.1 billion was invested in the Polish commercial real estate market, which accounts for almost 60% of all closed transactions. The best real estates from the commercial and office sectors enjoyed the greatest interest among investors.

In **the engineering sector**, the value of the construction and assembly production increased in H1 2011 by 39.6% (as compared to 26.1% in Q1), whereby in the subsectors of the greatest importance to the Company: road and motorway construction, as well as construction of bridges, overpasses and flyovers those increases were even higher, and amounted to, respectively: 46.6% and 57.2%.

However, the high growth dynamics in the construction sector in H1 2011 was not reflected yet in the overall business outlook indicators as regards construction. In H2 2011, those indicators were no longer negative, still values between 0-5 points indicate entrepreneurs' caution as regards market evaluation, resulting primarily from increasing prices of construction materials, high payroll costs and low margins.

Market environment abroad

In Ukraine, a 14.5% increase in the value of construction works was recorded in H1 2011, which – as compared to the positive 6.8% dynamics in Q1 2011 - points to a constant improvement as regards the condition of the construction market after an over 2-year period of a deep crisis.

In Kazakhstan, construction production in the analysed period increased by 4.1%.

Sales revenues

In H1 2011, the Capital Group generated total sales revenues of TPLN 121 889, as compared to TPLN 95 504 generated in the analogous period in the preceding year (an increase by 28%).

The increase in sales revenues concerns primarily the basic objects of the Capital Group, i.e. sale and rental of formwork systems and scaffoldings. Total revenues generated from such operations amounted in H1 2011 to TPLN 114 315, as compared to TPLN 82 213 generated in the analogous period in the preceding year (an increase by TPLN 32 102, i.e. 39%).

The increase in revenues of the Capital Group followed the good construction outlook in Poland. In H1 2011, execution of numerous contracts won within the engineering construction, in particular in Q3 and Q4 2011 was commenced. Some of those contracts entered dynamically the implementation phase in Q2 2011, as reflected in a substantial increase in sales revenues of the Capital Group, as compared to the levels recorded in the previous periods, even after elimination of the seasonality effect caused by winter.

A significant improvement as far as the construction outlook (including the housing segment) is concerned can also be observed this year in the large building segment, as compared to the analogous period in 2010.

Apparently increasing unit prices of offered products and services following an increase in prices of construction materials, as compared to the previous periods, are another important factor being a consequence of the better outlook in the market environment in 2011.

In H1 2011, the Capital Group generated TPLN 6 646 of total revenues from commercial operations pursued on the eastern markets (*i.e. operations executed via the branches in Kazakhstan established by the Group or via a group of intermediaries in such countries as Russia, Bulgaria, etc.*) These revenues were higher by TPLN 1 851, i.e. 39% as compared to the data for the analogous period in the previous year.

The amount of the aforementioned sales revenues was influenced primarily by export to Ukraine and Kazakhstan where apparent symptoms of recovery in the construction market may be observed.

Operating profitability

In H1 2011, the Capital Group generated a profit on operating activity in the amount of TPLN 22 308, as compared to TPLN 3 983 in the analogous period of the previous year (an increase by TPLN 18 325.)

The aforementioned operating result was affected positively by higher revenues from the basic objects of the Capital Group, i.e. rental of formwork systems and scaffoldings, as compared to those generated in the analogous period of the preceding year.

The highest item among costs by type related to operations (approximately 38% recorded in H1 2011) are depreciation write-offs related to the Group's assets (mainly formwork and scaffolding systems, as well as Logistic Centers).

Key items related to EBIT (operating profit) and EBITDA (operating profit + depreciation/amortization) in the analysed periods are as follows:

	Q1 2011	Q2 2011	H1 2011	H1 2010
Sales	48 971	72 918	121 889	95 504
EBIT	3 939	18 369	22 308	3 983
% of sales	8.04	25.19	18.30	4.17
Amortization/depreciation	19 505	20 207	39 712	38 100
EBITDA	23 444	38 576	62 020	42 083
% of sales	47.87	52.91	50.88	44.06

In H1 2011, the Capital Group recorded an increase in EBITDA – in the absolute terms – of TPLN 19 937 (i.e. by 47%) - EBITDA profitability (EBITDA as a % of sales) amounted to approximately 51% as compared to approximately 44% in the analogous period of the previous year.

In Q1 2011, the Capital Group incurred higher costs of preparation of products to be used in within construction projects commenced at that period (particularly costs of overhauls) and higher transportation costs as compared to the analogous period of the preceding year.

Overhaul activities as regards preparing products to be used within new construction projects reflect tendencies in construction and the effect of seasonality. This means that their intensity falls usually in Q1 and Q2 of calendar year.

As a result of a review of matters related to doubtful receivables carried out in H1 2011, the Capital Group created additional revaluation write-downs of receivables, which resulted in increased sales expenses.

The aforementioned cost drivers were successfully offset through:

- an increase in the revenues from the basic business object of the Group, i.e. rental of formwork systems and scaffoldings, which has a positive effect on the degree of covering the expenses of operations, which due to their specific nature are fixed costs,
- increasing unit prices for the offered services resulting from a better outlook in construction,
- logistics cost reductions achieved in the previous periods which led to a further improvement to the effectiveness and efficiency of logistics and warehousing processes.

As a result, an improvement as regards EBITDA (in absolute terms) as compared to the analogous period of the previous year was recorded in H1 2011.

In H2 2011, the Capital Group sold assets owned by its subsidiary ULMA System S.A. in liquidation. Nearly all assets of that subsidiary company were liquidated, and the positive results of those measures were recognized in other operating income.

The final liquidation (deregistration) of ULMA System S.A. in liquidation is expected in Q3 2011.

Transactions hedging against currency exchange risk

The companies of the Capital Group purchase products which are traded and are the subject matter of services (formwork systems and accessories thereto, as well as scaffoldings) from the parent company in Spain, from the production company (a subsidiary company) Ulma System S.A. in Starachowice (final batches of orders placed previously) and from other external companies.

As part of its commercial activity, the Capital Group is active in export markets, especially in Ukraine, where economic activity is pursued through its subsidiary, Ulma Opałubka Ukraina sp. z o.o.

As a result, the companies of the Capital Group are exposed to currency exchange risk which the Capital Group seeks to mitigate through entering Non Delivery Forward (NDF) contracts.

All NDF instruments held by the Capital Group are concluded exclusively for the purposes of measures hedging against currency exchange risk and are not asymmetric.

The Capital Group does not apply hedge accounting, hence the results of realization and measurement of hedging transactions (positive and negative) are posted to the result for a given period.

The basic figures concerning NDF contracts concluded by the Group are as follows:

a) recognized in the statement of financial situation

	30 June 2011	31 December 2010	30 June 2010
Assets under measurement of NDF contracts as of the balance sheet date	48	178	1 307
Liabilities under measurement of NDF contracts as of the balance sheet date	-	-	-

b) recognized in the total income statement

	30 June 2011	30 June 2010
Result of the period due to realization of the previously concluded NDF contracts – (other operating expenses item)	14	(158)
Result of measurement of NDF contracts as of the balance sheet date – (other operating expenses item)	37	314
Result of the period due to measurement of NDF contracts as of the balance sheet date – financing activities	-	74
Total result of the period due to NDF contracts	51	230

The results of hedging transaction achieved in H1 2011 neutralize to a large extent foreign exchange risk the Capital Group is exposed to.

Financial expenses and other total income

The Capital Group uses bank credits to finance investments related to purchase of products for rent (i.e. formwork systems and scaffoldings).

The balance on bank credits (short- and medium-term) with interest accrued until the balance sheet date as of 30 June 2011 amounted to TPLN 173 869, as compared to TPLN 237 627 as of 30 June 2010.

As a result of a decrease in the balance of credits there was a decrease in financial expenses related to interest on credits, which amounted in H1 2011 to TPLN 5 578, as compared to TPLN 7 314 in the analogous period of the previous year (a decrease by 24%).

In Q4 2008, restructuring of intra-group trade settlements between the subsidiary companies was performed. As a result of those measures, the parent company - Ulma Construcccion Polska S.A. granted its daughter company - Ulma Opalubka Ukraina sp. z o.o. an internal loan in the amount of TEUR 3 100.

Compliant with the International Accounting Standards (IAS 21) this loan is "a net investment in a foreign entity", hence any FX gains/(loss) resulting thereof are recognized in "statement of changes in the consolidated equity" and in "other total income".

In H1 2011, the total value of FX gains/(loss) included in the aforementioned statements was negative and amounted to TPLN (504) out of which FX gains/(loss) related to the aforementioned "net investment in foreign entity" account for TPLN (451), and FX gains/(loss) resulting from translation of the financial statements of a foreign company account for TPLN (19).

Foreign currency exchange risk related with the aforementioned internal loan within EUR-UAH exposure is hedged in Ukraine (the Ukrainian Hryvnia) in a natural manner through application of price lists denominated in EUR in relations with external customers in Ukraine. However, the effectiveness of those hedging measures is hard to assess due to the scale and the unpredictability of UAH-EUR rate volatility, which is often a one-off administrative decision.

Net profit

Following deduction of corporate income tax the Capital Group generated in H1 2011 a positive net financial result in the amount of TPLN 13 356, as compared to the negative net result in the analogous period of the previous year in the amount of TPLN (2 575).

Cash flow

An abbreviated cash flow statement of the Group for the analysed periods is presented in the table below:

	6 months of 2011	12 months of 2010	6 months of 2010
Net profit/(loss)	13 356	10 231	(2 575)
Amortization/depreciation	39 712	76 871	38 100
Total cash surplus	53 068	87 102	35 525
Other operating cash flow	14 255	23 118	11 072
Net operating cash flow	67 323	110 220	46 597
Net cash flow from investments	(12 717)	(81 946)	(48 539)
Net cash flow from financing activities	(38 676)	(45 729)	(10 689)
Net cash flow	15 930	(17 455)	(12 631)

Operating cash flow

In H1 2011, the Capital Group generated a financial surplus (net profit + depreciation/amortization) in the amount of TPLN 53 068.

At the same time, operating cash flow amounted to TPLN 67 323, as compared to TPLN 46 597 in the analogous period of the previous year (an increase by TPLN 20 726.)

From the perspective of current asset management, H1 2011 was characterized, similarly to 2010, by payment backlogs and slower receivable inflow. The slower receivable inflow is also affected to a large extent by changes to the structure of the Capital Group's customers, since as a result of increasing in 2011 sales revenues generated in the engineering segment, a significant part thereof is generated by large capital groups acting in the general constructor market whose contractual terms and conditions are characterized by later deadlines for payment of receivables.

	30 June 2011	31 December 2010	30 June 2010
1. Net trade receivables (without VAT)	73 287	62 794	56 762
2. Sales revenues for 12 months following the balance sheet date	241 736	215 351	187 076
3. Number of days	365	365	365
4. Rotation ratio (1*3/2)	111	106	111

The Capital Group seeks to mitigate the risk of receivable inflow through effective implementation of internal procedures and principles for identification, measurement and monitoring of the financial standing and liquidity of customers of the Capital Group at the time of commencement of cooperation and when it is progress.

It should be noted that the deterioration in the rotation rate is also determined by sales revenues in the periods covered by the analysis. The amount of receivables as of the balance sheet is affected to the greatest extent by sales revenues recognized in the last two months before the balance sheet date. A better outlook in the construction market resulted in the fact that sales revenues in the last two months before the balance sheet date accounted for 22% of sales revenues generated in the period assumed for calculation of the rotation ratio as of 30 June 2011. In the other presented periods, sales revenues for the last two months accounted for 18% and 21%, respectively, of revenues for the period of 12 months before the balance sheet date.

Cash flow from investments

In H1 2011, the Capital Group made capital expenditures in order to supplement the portfolio of offered products (in particular formwork systems for the purposes of engineering construction and scaffoldings). As a result, investment expenditures incurred for this purpose in the analysed period amounted to TPLN 18 291, as compared to TPLN 47 661 in the corresponding period of 2010.

Cash flow from financing activities

In H1 2011, cash flows from financing activities amounted to TPLN (38 676), as compared to TPLN (10 689) in the corresponding period of 2010.

As has already been mentioned, the Capital Group uses bank credits to finance investments related to purchase of products for rent. In 2011, the Group did not enter into new credit agreements with the Banks. In H1 2010, the financial inflow arising from the launch of credit tranches amounted to TPLN 15 294. Expenses incurred in H1 2011 by the Group due to repayment of credit instalments amounted to TPLN 32 999 (in the analogous period of the previous year - TPLN 19 079.)

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	121 889	95 504	30 723	23 851
Operating profit	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		in TEUR	
	30 June 2011	31 December 2010	30 June 2011	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 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.

Information concerning seasonal or cyclical nature of the Issuer's operations within the presented period

Construction works are characterized by high seasonality which is directly reflected in revenues from sale of products and services of the ULMA Construcción Polska Capital Group S.A. Particularly unfavourable weather conditions and frequent delays in execution of budget investments occur usually in the first quarter of the year. An improvement as regards the discussed factors occurs usually in the subsequent quarters, while the peak season in the construction industry is usually in Q3 of the calendar year.

These phenomena contribute also to the effect of seasonality within the process of overhaul of products held by the Capital Group (formwork systems and scaffoldings). The greatest part of those works falls in the construction season, i.e. Q2 and Q3 of the year.

Information concerning issue, redemption and repayment of debt and equity securities

In H1 2011, there were no operations of that type.

Information concerning disbursed (or declared) dividend, in total and per share, by ordinary and privileged shares

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.

Events that took place after the date for which these abridged quarterly financial statements were prepared that were not provided for in these statements, which may materially affect the future financial results of the ULMA Construcción Polska S.A. Capital Group

Future results of the ULMA Construcción Polska S.A. Capital Group may be affected by the recently observed volatility of EUR/PLN, as well as that of UAH/EUR exchange rates. Currency exchange fluctuations as regards the aforementioned pairs of currencies result in occurrence of FX gains/(loss) recognized in the total income statement.

Information concerning changes in contingent liabilities or contingent assets which occurred after the end of the last financial year

No changes in contingent liabilities and contingent assets occurred after the end of the last financial year.

Details of consequences of changes to the structure of the business entity e.g. as a result of business combinations, take-over or sale of the companies of the Capital Group, long-term investments, split, restructuring and discontinued operations

In Q2 2011, the assets of the subsidiary company - Ulma System in liquidation were sold, and the economic consequences of those transactions were recognized in the other operating activity.

Position of the Management Board as regards the possibility of realization of the previously published result forecasts for a given year in the light of the results presented in the quarterly report in comparison with the forecast results

The Capital Group does not publish any forecasts concerning the Group's financial results.

Details of shareholders holding directly or indirectly by the subsidiary companies the minimum of 5% of the total number of votes at the General Meeting of Shareholders of ULMA Construcción Polska S.A. as of the date of passing the report, with details of the number of shares held by such shareholders, their percentage interest in the share capital, the number of votes at the General Meeting

and details of changes to the ownership structure of significant blocks of shares of ULMA Construcción Polska S.A. within the period from passing the previous report

As of the date of passing this quarterly report, there are the following shareholders holding over 5% of the total number of votes:

- ULMA C y E S, Coop. (Spain) holding directly 3 967 290 shares of ULMA Construcción Polska S.A., equivalent to 75.49% in the Company's share capital and entitling to 3 967 290 votes at the General Meeting, equivalent to 75.49% of the total number of votes.
- Aviva Otwarty Fundusz Emerytalny Aviva BZ WBK holding directly 489 616 shares of ULMA Construcción Polska S.A., equivalent to 9.32% in the Company's share capital and entitling to 489 616 votes at the General Meeting, equivalent to 9.32% of the total number of votes.

In the period from submission of the previous report, there were no changes to the ownership structure of significant blocks of shares of ULMA Construcción Polska S.A.

Details of changes to the ownership structure of shares of ULMA Construcción Polska S.A. or entitlement to thereto (options) by the Issuer's managing and supervising persons, in accordance with the information held by ULMA Construcción Polska S.A. within the period from passing the previous report

In accordance with the information held by ULMA Construcción Polska S. A. within the period from passing the previous report there were no changes to the shares of ULMA Construcción Polska S.A. or entitlement thereto (options) held by the aforementioned persons. No managing or supervising person of ULMA Construcción Polska S.A. holds the Issuer's shares.

Identification of court proceedings, arbitration or administrative proceedings with the following details:

- a) proceedings concerning liabilities or receivables of ULMA Construcción Polska S.A. or a subsidiary thereof with minimum value equivalent to 10% of the equity of ULMA Construcción Polska S.A. with details of: subject of the proceedings, value of dispute, commencement date of the proceedings, parties to the proceedings and position of the Company***
- b) two or more proceedings concerning liabilities and receivables the total value of which is equivalent to minimum 10% of the equity of ULMA Construcción Polska S.A. with details of the total value of the proceedings, separately for liabilities and receivables, along with the position of the Company in that regard, and – in reference to the largest proceedings in the group of liabilities and receivables – with details of the subject, value of dispute, commencement date of the proceedings and parties to the proceedings***

Proceedings concerning liabilities of ULMA Construcción Polska S.A. as of 30 June 2011:

During the period covered by the report, no proceedings were initiated against ULMA Construcción Polska S.A. or subsidiaries thereof with a value in excess of 10% of their equity.

Proceedings concerning receivables of ULMA Construcción Polska S.A.:

ULMA Construcción Polska S.A. is carrying out 96 court proceedings concerning receivables – their total amount is TPLN 12 390. As regards proceedings pending at court ULMA Construcción Polska S.A. is carrying out 58 bankruptcy proceedings in the total amount of TPLN 9 826.
List of major proceedings related to receivables conducted by ULMA Construcción Polska S.A.

Debtor	Value of dispute in TPLN	Proceeding commencement date
PRIB EKO PRZEM SP. Z O.O.	1 096	17-03-2010 - bankruptcy
MPRD S.A.	824	08.12.2006 – bankruptcy
BIP GROUP	792	24-04-2009 – bankruptcy
LPBO S.A.	762	23-03-2009 – bankruptcy
FENIX SP. Z O.O.	696	29-10-2010 - enforced collection
IMA BUD DEVELOPMENT SP. Z O.O.	592	20-11-2007 - enforced collection
DOMKAR-BUDOWNICTWO	974	10-11-2010 - enforced collection
MAXER S.A.	466	28-04-2006 – bankruptcy
Krupiński Construction Sp. z o.o.	552	05.12.2006 - enforced collection
PAWERBUD SP. Z O.O.	1 154	24-05-2011 – bankruptcy
ABRAMOWICZ BUDOWNICTWO SP. Z O.O.	434	10-05-2011 - enforced collection
total	8 342	

During the period covered by the report, no proceedings were initiated against ULMA Construcción Polska S.A. or subsidiaries thereof with a value in excess of 10% of their equity.

Information on conclusion by ULMA Construcción Polska S.A. or a subsidiary thereof and associated companies of one or more transactions provided the value of those transactions (total value of all the transactions concluded from the beginning of the financial year) is in excess of the equivalent of EUR 500 000 denominated in PLN – if they are not typical and routine transactions concluded on an arm's length basis by and between associated companies, and their nature and the terms and conditions result from the current operating activity pursued by ULMA Construcción Polska S.A. or a subsidiary thereof, with details of their total value, and - in reference to the agreement of the highest value – with information on: the name of the entity with which a given transaction was concluded,

- b) relationships of ULMA Construcción Polska S.A. or a subsidiary thereof with the entity which is a party to a given transaction,*
- c) the subject matter of a given transaction,*
- d) material transaction terms and conditions, with particular consideration of financial terms and conditions with details of specific terms and conditions determined by the parties, characteristic for a given agreement, in particular those that differ from terms and conditions commonly applied to that type of agreements,*

Transactions concluded in H1 2011 by ULMA Construcción Polska S.A. with subsidiaries thereof were typical and routine, were concluded on an arm's length basis, and their nature and terms and conditions resulted from the current operating activity.

The major transactions included purchase of formwork and overhaul services related to formwork systems made by ULMA Construcción Polska S.A. from ULMA System S.A. in liquidation for TPLN 6 387 and purchases of formwork from ULMA C y E, S. Coop. for TPLN 19 875.

Information on granting by ULMA Construcción Polska S.A. or a subsidiary thereof loan warranties or on granting a guarantee – jointly to one entity or a subsidiary thereof if the total value of the granted warranties or guarantees is equivalent to the minimum of 10% of equity of ULMA Construcción Polska S.A. with details of:

- a) the name (company) of the entity to which the warranties or guarantees were granted,***
 - b) the total amount of credits or loans which were guaranteed in total or in part,***
 - c) the period for which the warranties or guarantees were granted,***
 - d) the financial terms and conditions on which the warranties or guarantees were granted, with details of remuneration of ULMA Construcción Polska S.A. or a subsidiary thereof for granting the warranties or guarantees,***
- the nature of relationships between ULMA Construcción Polska S.A. with the entity which incurred the credit or loan.***

No operations of that type occurred in the analysed period.

Other information which is relevant according to the ULMA Construcción Polska S.A. Capital Group to evaluation of its personnel and financial situation, its financial result and changes thereto, as well as information which is material as regards evaluation of possibilities of meeting its liabilities by the ULMA Construcción Polska S.A. Capital Group

In H1 2011, there were no major events except for those referred to above.

The Management Board of ULMA Construcción Polska S.A. is not aware of any other information which would be material as regards evaluation of its personnel and financial situation, its financial result and changes thereto, and as regards evaluation of possibilities of meeting liabilities by companies of the Capital Group.

Indication of factors which will affect according to ULMA Construcción Polska S.A. the results achieved by the ULMA Construcción Polska S.A. Capital Group within the remaining months of 2011

Competition and construction market downturn risk

Market in Poland

In H1 2011, construction was the fastest growing sector of the economy (growth by 20.8% as compared to 9.4% in industry), mainly due to an unprecedented accumulation of works in the road sector. A gradual slowdown in such intense growth dynamics in the sector is expected to begin in H2 2011. Due to delays in the implementation of the road and motorway construction programme, as well as to the announced continuation of investments in local roads, the road market should enter, however, smoothly a period of lower expenditures. Furthermore, the difficult situation in the road sector should be gradually offset by an expected increase in investments in the power energy sector.

Given the aforementioned changes to the structure of the market in the longer term, the Company is now investing primarily in the development of universal systems and occupational safety solutions used in various sectors of the construction industry, including services related to industrial construction or the increasingly more demanding commercial sector.

Export markets

Forecasts as regards the economic development in Ukraine for 2011 assume further progression of the upward tendency: in July this year, the EBRD increased the GDP growth forecast for 2011 from 4.5% to 5%. The finalization of projects related to the construction of the infrastructure for EURO 2012 and the resumption of investments in the housing sector should contribute to an improvement as regards the construction market in the near term. Furthermore, in July this year, the Cabinet of Ministers of Ukraine announced plans to expand in the several years the subway line in 4 major Ukrainian cities, as well as express roads and motorways ways linking different regions of the country.

Development programmes for the period until 2020 adopted in Kazakhstan allow us to hope for a noticeable recovery in the construction market. These plans provide for e.g. construction of new cement plants, water power stations, agricultural and tourist complexes, several road corridors, as well as rail and port infrastructure.

Investor relations

In order to promote correct investor relations, the Group appointed a person responsible for contacts with the Stock Exchange, the Financial Supervision Authority and shareholders.

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Statement by the Management Board of the Parent Company

The consolidated financial statements of the ULMA Construcción Polska S.A. Capital Group for 6 months ended on 30 June 2011 and these abridged financial statements of ULMA Construcción Polska S.A. were approved by the Management Board of ULMA Construcción Polska S.A. on 17 August 2011.

The consolidated and non-consolidated financial statements for 6 months ended on 30 June 2011 were prepared in order to present the economic and financial condition, as well as the results of operations of the ULMA Construcción Polska S.A. Capital Group and the Group's parent company.

The consolidated and non-consolidated financial statements for the period of 6 months ended on 30 June 2011 were prepared compliant with International Financial Reporting Standards (IFRS) – "Interim Financial Reporting".

The consolidated financial statements of the ULMA Construcción Polska S.A. Capital Group for 6 months ended on 30 June 2011 include:

- consolidated statement of financial position
- consolidated total income statement
- statement of changes in consolidated equity
- consolidated cash flow account
- additional information.

The abridged non-consolidated financial statements of the ULMA Construcción Polska S.A. for the period of 6 months ended on 30 June 2011 include:

- statement of financial position
- total income statement
- statement of changes in equity
- cash flow account
- additional information.

To our best knowledge, the consolidated financial statements of the ULMA Construcción Polska S.A. Capital Group for 6 months ended on 30 June 2011 and the consolidated comparable data, as well as the non-consolidated financial statements of ULMA Construcción Polska S.A. for 6 months ended on 30 June 2011, as well as comparable data were prepared in accordance with applicable accounting standards, and they reflect in a true, reliable and clear manner the economic and financial condition, as well as the financial profit/(loss) of the ULMA Construcción Polska S.A. Capital Group and its parent company, and the report of the Management Board from the operations of the ULMA Construcción Polska S.A. Capital Group for 6 months of 2011 contains a true view of the Group's development and achievements, including details of major hazards and risks.

The entity authorized to audit financial statements which reviewed the consolidated financial statements of the ULMA Construcción Polska S.A. Capital Group, as well as the non-consolidated financial statements of the parent company for 6 months ended on 30 June 2011 was selected in compliance with the applicable regulations. The entity and the expert auditors who reviewed the financial statements meet the requirements to issue an impartial and independent opinion on the audited statements in accordance with the applicable national regulations.

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

Andrzej Kozłowski, President of the Management Board

Andrzej Sterczyński, Member of the Management Board

Krzysztof Orzełowski, Member of the Management Board

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

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

Warsaw, 17 August 2011