

## **To Shareholders of the ULMA Construcción Polska S.A. Capital Group**

In 2012, the share of exports in the total sales revenues of the Group was ca. 13% compared to 5.6% in 2011. Our products were delivered to Kazakhstan, Ukraine, Kaliningrad, Romania, the Czech Republic, Germany and Spain.

In June 2012, we launched a subsidiary - ULMA Construcción BALTIC, whose area of operation includes Pribaltica – a dynamic market in which a twofold increase in the number of building permits for residential construction was recorded in 2012, and subsequent investments were launched in the infrastructure segment.

In 2012, the Group generated total sales revenues in the amount of PLN 259 million compared to PLN 294 million in the same period of the previous year. The decrease in revenues concerned primarily the basic objects of the Group, i.e. rental of formwork systems and scaffolding – mainly in the Polish market. The net financial result of the Group for 2012 was PLN 20 million compared to PLN 49 million in 2011.

The amount of these sales revenues was influenced primarily by export to Kazakhstan, where the economic situation is favourable for construction, and the country's investment plans related to construction are promising due to entrusting Ästana the organization of Expo 2017.

The situation in Ukraine, where in 2012 there was a decline in construction output and a deepening downturn after the implementation of major investments related to EURO 2012, is less promising. A chance of revival in the industry is seen in the "Polish Investments" government program adopted in September 2012.

The growth dynamics of the Group is bound to be affected in the near future by instability in the financial markets, likely to be reflected in propensity to invest and attracting funding for new construction projects.

However, a broad portfolio of products and services offered by the companies of the ULMA Capital Group, enabling comprehensive support for investments in all sectors of the construction market, encouraged the Management Board of the Group to carry out our geographical diversification and increase the Company's trading activity in the markets of third countries, which will hopefully allow us to compensate any shortfalls arising from the present difficult situation in the Polish construction market.

Passing the report on the operations of the ULMA Construcción Polska S.A. Capital Group, I would like to thank you for your trust, and express my appreciation and gratitude to the employees of all the companies of the Group for their commitment in the accomplishment of assigned tasks.

With kind regards

*Andrzej Kozłowski*

*President of the Management Board of ULMA Construcción Polska S.A.*