

ULMA Construccion Polska S.A.

Opinion and Report of the Independent Auditor Financial Year ended 31 December 2012

The opinion contains 2 pages
The supplementary report contains 9 pages
Opinion of the independent auditor
and supplementary report on the audit
of the separate financial statements
for the financial year ended
31 December 2012

OPINION OF THE INDEPENDENT AUDITOR



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

OPINION OF THE INDEPENDENT AUDITOR

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

Opinion on the Separate Financial Statements

We have audited the accompanying separate financial statements of ULMA Construccion Polska S.A., with its registered office in Koszajec 50 ("the Company"), which comprise the separate statement of financial position as at 31 December 2012, the separate statement of profit and loss and other comprehensive income, the separate statement of changes in equity and the separate statement of cash flows for the year then ended and notes to the financial statements, comprising a summary of significant accounting policies and other explanatory information.

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

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

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

Auditor's Responsibility

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



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

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

Opinion

In our opinion, the accompanying separate financial statements of ULMA Construccion Polska S.A. have been prepared and present fairly, in all material respects, the unconsolidated financial position of the Company as at 31 December 2012 and its unconsolidated financial performance and its unconsolidated cash flows for the year then ended, in accordance with International Financial Reporting Standards as adopted by the European Union, are in compliance with the respective regulations and the provisions of the Company's articles of association that apply to the Company's separate financial statements and have been prepared from accounting records, that, in all material respects, have been properly maintained.

Specified Comments on Other Legal and Regulatory Requirements

Report on the Company's Activities

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

On behalf of KPMG Audyt Spółka z ograniczoną odpowiedzialnością sp.k. Registration No. 3546 Chłodna 51 Street 00-867 Warsaw

Signed on the Polish original

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

12 March 2013

REPORT OF THE INDEPENDENT AUDITOR



ULMA Construccion Polska S.A.

Supplementary report on the audit of the separate financial statements Financial Year ended 31 December 2012

The supplementary report contains 9 pages
The supplementary report on the audit
of the separate financial statements
for the financial year ended
31 December 2012



ULMA Construccion Polska S.A.

The supplementary report on the audit of the separate financial statements for the financial year ended 31 December 2012

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1. General

1.1. General information about the Company

1.1.1. Company name

ULMA Construccion Polska S.A.

1.1.2. Registered office

Koszajec 50 05-840 Brwinów

On 1 March 2013 the Company changed its registered office from Klasyków 10 Street, 03-115 Warsaw to Koszajec 50, 05-840 Brwinów. The change was registered in the National Court Register on 1 March 2013.

1.1.3. Registration in the National Court Register

Registration court: District Court for the Capital City of Warsaw in Warsaw,

XIII Commercial Department of the National Court

Register

Date: 29 October 2001

Registration number: KRS 0000055818

Share capital as at

the balance sheet date: PLN 10,511,264.00

1.1.4. Management of the Company

The Management Board is responsible for management of the Company.

As at 31 December 2012, the Management Board of the Company was comprised of the following members:

Andrzej Kozłowski

 Krzysztof Orzełowski
 José Ramón Anduaga Aguirre
 President of the Management Board,
 Member of the Management Board,
 Member of the Management Board,

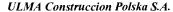
José Irizar Lasa – Member of the Management Board,
 Andrzej Piotr Sterczyński – Member of the Management Board.

1.2. Auditor information

1.2.1. Key Certified Auditor information

Name and surname: Monika Bartoszewicz

Registration number: 10268





1.2.2. Audit Firm information

Name: KPMG Audyt Spółka z ograniczoną odpowiedzialnością sp.k.

Address of registered Chłodna 51 Street, 00-867 Warsaw

office:

Registration number: KRS 0000339379

Registration court: District Court for the Capital City of Warsaw in Warsaw,

XII Commercial Department of the National Court Register

NIP number: 527-26-15-362

KPMG Audyt Spółka z ograniczoną odpowiedzialnością sp.k. is entered in the register of audit firms under number 3546, maintained by the National Council of Certified Auditors.

1.3. Prior period financial statements

The separate financial statements for the financial year ended 31 December 2011 were audited by KPMG Audyt Spółka z ograniczoną odpowiedzialnością sp.k. and received an unqualified opinion.

The separate financial statements were approved at the General Meeting on 22 June 2012 where it was resolved to distribute the net profit for the prior financial year of PLN 51,279,620.02 as follows:

- PLN 20,023,957.92 to be paid as a dividend,
- PLN 31,255,662.10 to reserve capital.

The separate financial statements were submitted to the Registry Court on 25 June 2012 and were published in Monitor Polski B No. 2081 on 14 September 2012.

1.4. Audit scope and responsibilities

This report was prepared for the General Meeting of ULMA Construccion Polska S.A. with its registered office in Koszajec 50 and relates to the separate financial statements comprising: the separate statement of financial position as at 31 December 2012, the separate statement of profit and loss and other comprehensive income, the separate statement of changes in equity and the separate statement of cash flows for the year then ended and notes to the financial statements, comprising a summary of significant accounting policies and other explanatory information.

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

The separate financial statements have been audited in accordance with the contract dated 29 June 2012, concluded on the basis of the resolution of the Supervisory Board dated 6 April 2012 on the appointment of the auditor.

We conducted the audit in accordance with section 7 of the Accounting Act dated 29 September 1994 (Official Journal from 2009, No. 152, item 1223 with amendments) ("the Accounting Act"), National Standards on Auditing issued by the National Council of Certified Auditors and International Standards on Auditing.





We audited the separate financial statements at the Company during the period from 17 December 2012 to 21 December 2012 and from 4 February 2013 to 15 February 2013.

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

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

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

All required statements, explanations and information were provided to us by Management of the Company and all our requests for additional documents and information necessary for expressing our opinion and preparing the report have been fulfilled.

The scope of the work planned and performed has not been limited in any way. The method and scope of our audit is detailed in working papers prepared by us and retained in the offices of the Audit Firm.

The Key Certified Auditor and the Audit Firm fulfill the independence requirements as described in Art. 56 points 3 and 4 of the Act on Certified Auditors and Their Self-Government, Audit Firms and Public Oversight dated 7 May 2009 (Official Journal from 2009, No. 77, item 649 with amendments).



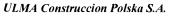
2. Financial analysis of the Company

2.1. Summary analysis of the separate financial statements

2.1.1. Separate statement of financial position

ASSETS	31.12.2012 PLN '000	% of total	31.12.2011 PLN '000	% of total
Non-current assets				
Property, plant and equipment	323,669	69.4	377,907	72.0
Intangible assets	720	0.2	1,026	0.2
Investment in associates	8,960	1.9	8,818	1.7
Other non-current assets	4,233	0.9	4,288	0.8
Long-term receivables	8,153	1.8	11,388	2.2
Total non-current assets	345,735	74.2	403,427	76.8
Current assets				
Inventories	4,561	1.0	4,148	0.8
Trade and other receivables	87,499	18.8	98,416	18.7
Income tax receivable	86	-	574	0.1
Derivatives	149	-	-	-
Cash and cash equivalents	28,168	6.0	18,563	3.5
Total current assets	120,463	25.8	121,701	23.2
TOTAL ASSETS	466,198	100.0	525,128	100.0

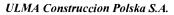
EQUITY AND LIABILITIES	31.12.2012 PLN '000	% of total	31.12.2011 PLN '000	% of total	
Equity					
Share capital	10,511	2.2	10,511	2.0	
Share premium	114,990	24.7	114,990	21.9	
Retained earnings, including:	197,781	42.4	197,654	37.6	
Net profit for the year	14,107	3.0	51,280	9.8	
Total equity	323,282	69.3	323,155	61.5	
Liabilities					
Credit and loans	40,618	8.7	87,056	16.6	
Deffered tax liabilities	12,486	2.7	8,053	1.5	
Provisions for retirement and similar benefits	102	-	114	-	
Long-term leasing liabilities	136	0.1	285	0.1	
Total non-current liabilities	53,342	11.5	95,508	18.2	
Credit and loans	46,678	10.0	55,295	10.6	
Short-term retirement liabilities	14	-	3	-	
Income tax payable	50	-	-	-	
Short-term leasing liabilities	147	-	148	-	
Derivatives	-	-	174		
Trade and other payables	42,685	9.2	50,845	9.7	
Total current liabilities	89,574	19.2	106,465	20.3	
Total liabilities	142,916	30.7	201,973	38.4	
TOTAL EQUITY AND LIABILITIES	466,198	100.0	525,128	100.0	





2.1.2. Separate statement of profit and loss and other comprehensive income

	1.01.2012 - 31.12.2012	% of total sales	1.01.2011 - 31.12.2011	% of total sales
	PLN '000		PLN '000	
CONTINUING OPERATION				
Revenue	246,626	100.0	286,859	100.0
Cost of products, merchandises and raw materials sold	(193,917)	78.6	(197,971)	69.0
Gross prafit on sales	52,709	21.4	88,888	31.0
Sales and marketing costs	(15,675)	6.4	(9,011)	3.1
General and administrative expenses	(11,213)	4.5	(12,312)	4.3
Other operating expenses	(1,139)	0.5	(1,898)	0.7
Results from operating activities	24,682	10.0	65,667	22.9
Finance income	2,640	1.0	7,087	2.5
Finance expenses	(8,732)	3.5	(10,107)	3.5
Net finance income/expense	(6,092)	2.5	(3,020)	1.0
Profit before tax	18,590	7.5	62,647	21.9
Income tax expense	(4,483)	1.8	(11,367)	4.0
Profit for the period	14,107	5.7	51,280	17.9
Total comprehensive income for the period	14,107	5,7	51,280	17.9
Weighted average number of ordinary shares	5,255,632		5,255,632	
Basic and diluted earnings per sharefor the period (PLN)	2.68		9.76	

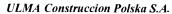




2.2. Selected financial ratios

		2012	2011	2010
1.	Return on sales			
	profit for the period x 100%	5.7%	17.9%	13.5%
	revenue			
2.	Return on equity			
	profit for the period x 100%	4.6%	18.9%	10.7%
	equity - profit for the period			
3.	Debtors' days			
	average trade receivables (gross) x 365 days	169 days	129 days	136 days
	revenue			
4.	Debt ratio			
	liabilities x 100%	30.7%	38.5%	46.0%
	equity and liabilities			
5.	Current ratio			
	current assets	1,3	1.1	0.9
	current liabilities			

- Revenue includes revenue from sales of finished products, merchandise and raw materials.
- Average trade receivables represent the average of trade receivables at the beginning and at the end of the period, with no deduction made for allowances.





3. Detailed report

3.1. Accounting system

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

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

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

The Company performed a physical verification of its assets in accordance with the requirements and time frame specified in Art. 26 of the Accounting Act, and reconciled and recorded the result thereof in the accounting records.

3.2. Notes to the separate financial statements

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

3.3. Report on the Company's activities

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

On behalf of KPMG Audyt Spółka z ograniczoną odpowiedzialnością sp.k. Registration No. 3546 Chłodna 51 Street 00-867 Warsaw

Signed on the Polish original

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

12 March 2013