EXTENDED CONSOLIDATED REPORT
of

CAPITAL GROUP
ULMA Construccion Polska S.A.

FOR THE FIRST QUARTER OF 2012

Unless specified otherwise, all the amounts are in PLN '000.

General information

- **Business activity**

The business activity of ULMA Construccion Polska S.A. Capital Group (hereinafter the Group) include:

- lease and sales of scaffolding and construction panels,
- design of panels and scaffolding application on commission,
- export of construction services provided by the Group companies,
- sales of construction materials and raw materials and accessories for concrete,
- transport, equipment and repair activity, including sales and lease of construction equipment.

The parent company, ULMA Construccion Polska S.A., is a joint-stock company (Company). It commenced its activity on 14 February 1989 under the company name Bauma Sp. z o.o., as a private limited liability company, and was registered in the Register No. A.II – 2791. On 15 September 1995, it was transformed into a joint-stock company incorporated by a notarial deed before Robert Dor, a notary public, in the Notary Public Office in Warsaw, registered under No. A 5500/95. On 29 October 2001, the District Court in Warsaw, 20th Commercial Division of the National Court Register, registered the Company in the Register of Entrepreneurs under the KRS number 0000242969. On 6 November 2006, the General Shareholders' Meeting, in its Resolution No. 1, decided to change the Company's name from BAUMA S.A. to ULMA Construccion Polska S.A. A relevant entry to the National Court Register was made on 14 November 2006.

- **Registered office**

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

- **Company's Supervisory and Management Boards**

Aitor Ayastuy Ayastuy	Chairman of the Supervisory Board
Lourdes Urzelai Ugarte	Deputy Chairperson of the Supervisory Board
Ander Ollo Odriozola	Member of the Supervisory Board
Ernesto Julian Maestre Escudero	Member of the Supervisory Board
Félix Esperesate Gutiérrez	Member of the Supervisory Board
Rafał Alwasiak	Member of the Supervisory Board

Audit Committee

Rafał Alwasiak	Committee Chairman
Aitor Ayastuy Ayastuy	Committee Member
Lourdes Urzelai Ugarte	Committee Member

Management Board

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

- **Statutory auditor**

KPMG Audyt Sp. z o.o. spółka komandytowa
ul. Chłodna 51
00-867 Warszawa
The Company is registered in the register of entities authorized to audit financial statements under the number 3546.

- **Banks**

BRE Bank S.A.,
PEKAO S.A.,
BNP PARIBAS Bank Polska S.A.
PKO Bank Polski S.A.

- **Stock exchange listings**

The Company is listed at the Warsaw Stock Exchange (”GPW").
GPW symbol: ULM.

ULMA Construccion Polska S.A. CAPITAL GROUP
CONSOLIDATED STATEMENT OF FINANCIAL POSITION

Unless specified otherwise, all the amounts are in PLN '000.

	Status as on:		
	31 March 2012	**31 December 2011**	**31 March 2011**
ASSETS			
I. Fixed assets (long-term)			
1. Tangible fixed assets	351,583	374,209	400,333
2. Intangible assets	942	1,060	506
3. Shares in affiliates	973	1,162	1,656
4. Other fixed assets	4,275	4,288	4,330
5. Long-term receivables	2,283	3,040	-
Total fixed assets (long-term)	**360,056**	**383,759**	**406,825**
II. Working assets (short-term)			
1. Inventory	5,045	5,203	5,766
2. Trade and other receivables	85,001	99,222	71,442
3. Deferred income tax receivables	588	574	28
4. Financial derivates	86	-	4
5. Cash and cash equivalents	35,965	18,983	5,879
Total working assets (short-term)	**126,685**	**123,982**	**83,119**
Total assets	**486,741**	**507,741**	**489,944**
EQUITY AND LIABILITIES			
I. Equity			
1. Initial capital	10,511	10,511	10,511
2. Reserve capital - share premium	114,990	114,990	114,990
3. Currency exchange differences from consolidation	(3,663)	(2,967)	(4,812)
4. Retained profit, of which:	186,639	182,096	147,806
a) Net profit for the financial period	*4,543*	*49,349*	*711*
Total equity	**308,477**	**304,630**	**268,495**
II. Liabilities			
1. Long-term liabilities			
a) Loans	74,450	87,056	127,104
b. Deferred income tax liabilities	7,989	6,974	3,770
c. Long-term liabilities due to pension benefits	114	114	77
d. Long-term liabilities due to finance lease	236	286	386
Total long-term liabilities	**82,789**	**94,430**	**131,337**
2. Short-term liabilities			
a. Loans	55,149	56,784	61,567
b. Short-term liabilities due to pension benefits	3	3	27
c. Short-term liabilities due to finance lease	148	148	146
d. Current income tax liabilities	115	74	1
e. Financial derivates	-	174	-
f. Trade and other liabilities	40,060	51,498	28,371
Total short-term liabilities	**95,475**	**108,681**	**90,112**
Total liabilities	**178,264**	**203,111**	**221,449**
Total equity and liabilities	**486,741**	**507,741**	**489,944**

ULMA Construccion Polska S.A. CAPITAL GROUP
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Unless specified otherwise, all the amounts are in PLN '000.

	Q1 2012, period from 01.01 to 31.03.2012	Q1 2011, period from 01.01 to 31.03.11
Revenues on sales	62,962	48 971
Costs of sold products, goods and materials	(50,194)	(40 521)
I. Gross profit on sales	**12,768**	**8,450**
Sales and marketing costs	(1,370)	(1,275)
General administration costs	(3,062)	(2,804)
Other operating expenses	(396)	(432)
II. Profit (loss) on operations	**7,940**	**3,939**
Financial incomes	172	17
Financial costs	(2,,159)	(3,092)
Net financial expenses	*(1,987)*	*(3,075)*
Share in profit (loss) of affiliates	(188)	(77)
III. Profit (loss) before income tax	**5,765**	**787**
Current portion of income tax	(121)	-
Deferred income tax	(1,101)	(76)
IV. Net profit/(loss) for the period	**4,543**	**711**
Other total income:		
FX differences from translation of foreign affiliates	(783)	(335)
Income tax on other total incomes	87	(35)
V. Total income for the period	**3,847**	**341**
Net profit (loss) for the period per owners from the parent company	4,543	711
Weighted average number of common shares	5,255,632	5,255,632
Basic and diluted profit (loss) per share in the period (in PLN per share)	0.86	0.14

Unless specified otherwise, all the amounts are in PLN '000.

Specification	Share capital at nominal value	Surplus from the sales of shares above the par value	Currency exchange differences from consolidation	Retained profit	Total Equity
As of 31.12.10	**10,511**	**114,990**	**(4,442)**	**147,095**	**268,154**
Total income in 2011	-	-	1,475	49,349	50,824
Dividend - profit distribution for 2010	-	-	-	(8,304)	(8,304)
Advance towards the dividend for 2011	-	-	-	(6,044)	(6,044)
As of 31.12.11	**10,511**	**114,990**	**(2,967)**	**182,096**	**304,630**
Total income in Q1 2012	-	-	(696)	4,543	3,847
As of 31.03.12	**10,511**	**114,990**	**(3,663)**	**186,639**	**308,477**

Specification	Share capital at nominal value	Surplus from the sales of shares above the par value	Currency exchange differences from consolidation	Retained profit	Total Equity
As of 31.12.10	**10,511**	**114,990**	**(4,442)**	**147,095**	**268,154**
Total income in Q1 2011	-	-	(370)	711	341
As of 31.03.11	**10,511**	**114,990**	**(4,812)**	**147,806**	**268,495**

Unless specified otherwise, all the amounts are in PLN '000.

	Q1 2012, period from 01.01 to 31.03.2012	**Q1 2011, period from 01.01 to 31.03.11**
Cash flow on investing activity		
Net profit for the financial period	**4,543**	**711**
Adjustments:		
- Income tax	1,222	76
- Fixed assets depreciation	21,430	19,441
- Intangible assets depreciation	127	64
- Net value of scaffolding - fixed assets sold	4,191	1,850
- (Profit)/loss on goodwill changes due to financial instruments	(71)	251
- Interest received	(167)	(17)
- Interest costs	2,323	2,856
- (Profit)/loss on currency exchange differences	37	(51)
Change in working capital:		
- Inventory	158	24
- Trade and other receivables	14,907	918
- Trade and other liabilities	(6,386)	2,381
- Liability and other obligations provisions	-	-
	42,314	**28,504**
Income tax paid	(57)	(39)
Net cash flow on operations	**42,257**	**28,465**
Acquisition of tangible fixed assets	(2,835)	(3,946)
Incomes on sales of tangible fixed assets	6	96
Purchase of intangible assets	(11)	(72)
Loans granted	-	-
Interest received	185	17
Net cash flow on investment activity	**(2,655)**	**(3,905)**
Inflow from share issues		-
Credits and loans received	261	-
Repayment of credit and loan facilities	(13,349)	(18,999)
Payments due to financial lease	(50)	(36)
Interest paid	(2,367)	(2,851)
Dividend distribution	(6,044)	-
Net cash flow on financial activity	**(21,549)**	**(21,886)**
Net increase / (decrease) of cash and revolving facility	**18,053**	**2,674**
Cash, cash equivalents and revolving facilities as of the beginning of the period	17,865	2,332
(Loss)/Profit on currency exchange differences on valuation of cash and revolving facility	48	84
Cash, cash equivalents and revolving facilities as of the end of the period	**35,966**	**5,090**

Notes to consolidated financial statements

Description of key accounting principles

Basic accounting principles applied to the preparation of these consolidated financial statements have been presented below. The described principles were applied in all the presented periods consistently.

A) Basis for preparation

Consolidated financial statements of ULMA Construccion Polska S.A Capital Group, whose parent entity is ULMA Construccion Polska S.A. with its office in Warsaw, for the period of 3 months ended on 31 March 2012 was prepared in compliance with IAS 34 "Interim Financial Reporting"

These statements were prepared in compliance with the historical cost principle, except for financial assets and liabilities (financial derivates) valued at fair value through P&L

B) Consolidation

Subsidiary undertakings (including special purpose vehicles) are all undertakings with respect to which the Group is able to manage their financial and operating policy, which is usually accompanied by holding the majority of the total number of votes in the governing bodies. In assessing whether the Group controls a given undertaking, the existence and influence of potential voting rights which may be exercised or exchanged at the moment is taken into account. Subsidiary undertakings are subject to full consolidation from the date on which the Group takes over control of them. Consolidation ends on the date when the control ceases to exist. The acquisition cost is determined as a fair value of the transferred assets, issued capital instruments and obligations incurred or taken as of the exchange date, increased by costs directly attributable to acquisition. Identifiable acquired assets, as well as liabilities, including contingent liabilities taken over as a result of merger of business entities, are valued initially as on the acquisition date according to their fair value, regardless of the value of potential minority shares. The surplus of the take-over value over the fair value of the Group's shares in identifiable acquired net assets is reported as the company goodwill. If the take-over cost is lower than the net fair value of the asset of the acquired subsidiary, the difference is charged directly against the financial result.

Transactions, settlements, unrealised profit on transactions between Group companies are eliminated. Unrealised loss is also eliminated, unless the transaction provides evidence for the loss of value of a particular asset.
FX differences on cash positions being part of a net investment in an entity operating abroad are charged to the financial result in the individual financial statements of the entity preparing the consolidated statements or the entity operating abroad. In the consolidated statements such differences are posted initially as a separate item of share capital and disclosed in other total incomes, and once the net investment is disposed of are charged to the financial result.
The accounting principles applied by the subsidiaries have been changed wherever necessary in order to ensure compliance with the accounting principles applied by the Group.

C) Valuation of items in foreign currency

Unless specified otherwise, all the amounts are in PLN '000.

1. Functional currency and reporting currency

Particular items of the Group's financial statements s are valued in the currency of their basic business environment, in which the substantial part of the Group operates (functional currency). The functional currency of the parent company is Polish zloty, which is also the reporting currency in the Group's financial statements.

2. Transactions and balances

Transactions in foreign currencies as translated into the functional currency according to the rate effective as on the transaction date. FX profit and loss due to transaction settlement and balance sheet valuation of cash assets and liabilities in foreign currencies are charged accordingly to the financial result Both negative and positive FX differences under investment and financial activity are charged to financial costs.
FX differences on revaluation and balance sheet valuation of trade settlements increase or decrease revenues or cost items they are related to.
The Group assumes the mean exchange rate of a particular currency announced by the National Bank of Poland as of the balance sheet date as the closing exchange rate for such currency.

3. Foreign companies

Financial statements of companies from Capital Group whose functional currencies differ from the reporting currency are translated into the reporting currency in the following way:

a) assets and liabilities are translated according to the closing rate as of the balance sheet date,
b) revenues and costs in the total income statement are translated separately for each financial month according to the closing rate as of the last day of each month,
c) all the resultant FX differences are recognized as a separate item of equity and disclosed in other total income.

4. Currency exchange rates and inflation

	Mean PLN/UAH exchange rate published by the National Bank of Poland	Mean PLN/KZT exchange rate published by the National Bank of Poland	Mean PLN/EUR exchange rate published by the National Bank of Poland	Change of the PCI index published by the Central Statistical Office
31 March 2012	0.3889	0.021040	4.1616	4.1%
31 December 2011	0.4255	0.022638	4.4168	4.3%
31 March 2011	0.3562	0.019436	4.0119	3.8%

D) Financial instruments

Financial instruments disclosed in the statements include cash in hand and with banks, trade and other receivables, financial assets disclosed at fair value and settled through financial result, financial assets for sale, trade liabilities and other liabilities, as well as loans.
The adopted methods of presentation and valuation of particular financial instruments were included in items below which describe the adopted accounting principles.
Financial derivates are initially recognized in fair value as of the contract date. Subsequently their value is updated to the actual fair value. Derivates held by the Group cannot be classified as hedges, and therefore the result of their fair value valuation is recognized in the financial result.
As on the balance sheet date, the Group assesses if there are objective premises suggesting the impairment of financial assets. If such events occur, the Group recognizes them in the total

incomes as accumulated loss calculated as the difference between the balance sheet value and the current fair value, decreasing simultaneously the balance sheet value of a particular asset.

E) Tangible fixed assets

Tangible fixed assets comprising buildings, machinery and devices used for the purpose of production, delivery and products and provision of services for the purpose of management, were valued as of the balance sheet date according to the purchase price or production cost less accumulated depreciation and revaluation write down.

Further expenditures are recognized in the balance sheet value of a particular asset or as a separate fixed asset (when appropriate) only when it is probable that such expenditures will bring economic benefits for the Group and the cost of such item may be credibly measured. Further expenditures which do not increase the initial usable value of a given fixed asset are charged against the costs of the period in which they were incurred.

The land owned by the Group are disclosed according to the purchase price and are not depreciated. Other fixed assets are redeemed by a straight line method in order to divide their initial value less the potential end value during their usable period for particular groups by kind.
The usable periods applied to particular groups of fixed assets are the following (in years):

- buildings and structures	25 – 40
- investments in third party facilities	10
- plant and machinery	3 – 20
- equipment, scaffolding systems and other fixed assets	5 - 7

The verification of the fixed assets end value and usable periods is performed as of each balance sheet date and adjusted when necessary.

If the balance sheet value of a fixed asset is higher than its estimated realisable value, the balance sheet value is decreased to the realisable value level (note 1l).

Profit and loss due to disposal of fixed assets is determined by comparing the incomes on sales with their balance sheet value and are charged to the financial result.

F) Leasing - lessee's (beneficiary's) accounting

The lease of assets in which significant portion of risks and benefits arising of the ownership title remain with the lessor is classified as operational lease. Leasing fees the Group is charged with within operational leasing are charged to the financial result in on a straight line basis throughout the lease agreement period.

The lease of tangible fixed assets in the case of which the Group assumes significant portion of risks and benefits arising of the ownership title is classified as financial leasing. The financial lease object is recognized in assets as from the lease commencement date in the lower of the two following amounts: fair value of the leased asset or the present value of the minimum lease payments. Lease fees incurred in the reporting period in the portion pertaining to principal decrease the principal amount of liability due to financial leasing, while the remaining interest part is charged against the financial costs of the period. Leasing fees are divided into principal and

interest in such a way as to obtain a fixed interest rate for the period in relation to the outstanding principal.
Tangible fixed assets subject to financial leasing are disclosed in the financial report together with other financial assets and are depreciated in line with the same rules. If there is no sufficient certainty that following the end of the lease period the Group receives the ownership right, the assets are depreciated in a shorter of the two periods: lease period and the economic usability period.

G) Leasing - lessor's (financing party's) accounting

Leasing is a contract under which the lessor (financing party) grants the lessee (beneficiary) the right to use a specific asset for an agreed period of time in exchange for a fee. If assets are used on the basis of operational lease, such asset is revealed in the financial report in line with its nature (type). Revenues under operational lease are recognized throughout the lease period in compliance with the straight line method.

Short-term operational lease is applicable to fixed assets belonging to the Group "Scaffolding systems".

H) Intangible assets

Software

Purchased licenses for computer software are capitalized in the costs for their purchase and preparation for the use of particular software. Capitalized costs are depreciated over the estimated software use period: 2-5 years.

I) Impairment of Fixed Assets

Depreciable fixed assets are analysed from the perspective of loss of value in case of occurrence of premises which suggest the possibility that the balance sheet value of tangible and intangible assets may not be realized. The amounts of revaluation write downs determined as a result of analysis decrease the balance sheet value of the asset they pertain to and are charged to the costs of the period. Impairment loss is recognized in the amount by which the balance sheet value of an asset exceeds its realisable value. The realisable value is the higher of the two following amounts: fair value less costs of sales and the usable value (reflected by the current value of cash flows related to such asset)> For the purpose of the impairment analysis, assets are grouped at the lowest level in relation to which there are identifiable separate cash flows (cash flow-generating centres) Non-financial assets other than goodwill, which were subject to impairment in the past are reviewed from the perspective of possible reversal of the write down on each balance sheet date.

J) Investments

Financial assets available for sale
Group's investments include the value of shares and stock in other entities than subsidiaries and affiliates. Investments in other entities are presented as financial assets for sale, since the Management Board does not intend to dispose of such investments in the period of the next 12 months. Investments are recognized initially in their fair value plus additional transaction costs. The increase of the investment value due to revaluation to fair value is charged to equity. The decrease of the investments values which have been previously increased, decrease the

revaluation capital. All the other decreases due to impairment are charged to financial result. Financial instruments available for sale whose fair value cannot be reliably determined (no active market for such instruments exists) are valued according to the financial instrument purchase costs less write downs.

K) Inventory

The inventory of raw materials, materials, semi-finished goods and finished products and purchased goods are valued as of the balance sheet date in the lower of the following: purchase price (manufacturing costs) and or realisable net sales price. The cost of finished goods and products in making includes design costs, the value of used raw materials, direct manwork, other direct costs and corresponding indirect costs (based on normal production capacity), but excluding external financing costs.

Net sales price is the price of sales in normal business activity, less estimated costs of manufacturing completion and variable costs which must be incurred to finalize the sales.
Outgoing inventories are valued in compliance with the FIFO principle, except for raw materials and materials for the production of scaffolding, in relation to which outgoing inventory is valued at mean purchase price.
If necessary, write-downs revaluating the obsolete, unsellable or defective inventories are made.

Semi-finished goods, goods in the making and finished goods comprising scaffolding and their components produced by the Group may be classified for sale or to fixed assets as elements for lease. The Group recognizes scaffolding as tangible fixed assets once introduced to the warehouse of goods for lease.

L) Trade and other receivables

Trade receivables are initially recognized in fair value and subsequently valued according to the depreciated cost method applying the effective interest rate and are decreased by impairment write-downs. Trade receivables classified as uncollectable are charged to costs once classified as such. If the Management Board finds it probable that the Group will not be able to collect receivables in the original amount, an impairment write-down is made. The write-down amount corresponds to the difference between the book value and the current value of expected future cash flows discounted by the effective interest rate. Changes to the value of impairment write-downs are charged to the financial result, against the sales and marketing costs in the period in which the change took place.

Prepayments

The item "Trade and other receivables" includes also capitalized amount of expenses incurred in a specific financial year, but pertaining to future reporting periods. Their value has been reliably determined and will cause influx of economic benefits in the future.

M) Cash and cash equivalents

Cash and cash equivalents are recognized in the statements in their fair value corresponding to the nominal value. The item comprises cash in hand and with banks, short-term investments characterized by high liquidity with initial maturity period not longer than three months.
Cash and cash equivalents shown in the cash flow statement comprise the above-mentioned cash and cash equivalents, less outstanding revolving facilities.
Revolving facilities are disclosed in the financial statements in the item obligations - short-term loans.

N) Capitals

Share capital

Common shares are classified as equity. Share capital is disclosed according to the par value of shares. Share premium less costs directly related to the issue of new shares is disclosed as the reserve capital.

Retained profit

The item "Retained profit" comprises accumulated, retained profit and loss generated by the Group in previous reporting periods and the financial result from the current financial year.

O) Loans

Loans are recognized initially in their fair value less transaction costs. Next, bank loans are valued at adjusted cost of acquisition (amortised cost) using the effective interest rate.
Credit and loan facilities are classified as short-term liabilities, unless the Group has an unconditional right to postpone the repayment for the period of at least 12 months from the balance date.

P) Provisions

Provisions are established for existing liabilities of the Group (legal or arising from common law) resulting from past events, if there is probability that it will be necessary to spend the Group's resources in order to satisfy such obligation and if its estimated value may be reliably determined.

Q) Accruals

The item "Trade and other liabilities" of the Group's statements comprises:

reliably estimated value of costs incurred in the reporting period, for which the suppliers have not issued invoices as until the balance sheet date. The period and manner of settlement is justified by the nature of settled costs, applying the prudence principle.

- accrued income including in particular the equivalent of payments received from or payable by the business partners for performances to be made in future reporting periods,

R) Significant accounting estimates and valuations

To prepare the financial statements in compliance with the International Financial Reporting Standards the Management Board makes certain accounting estimates, taking into account its own knowledge and estimates referring to the future changes to the analysed values. Actual values may differ from the estimated ones. The balance sheet value of tangible assets is determined with the use of estimates concerning the usability periods of particular fixed asset groups. The assumed usability periods of tangible fixed assets are verified periodically on the basis of analyses carried out by the Group.
Receivables are verified from the perspective of impairment in case of premises suggesting their uncollectibility. In this case, the value of write-downs on receivables is specified on the basis of estimates prepared by the Group.

S) Revenues

Revenues include fair value of revenues on sales of products, goods and services less VAT, rebates and discounts.
The Group recognizes revenues on sales once the amount of revenues may be credibly measured, it is probable that the entity will obtain economic benefits in the future and that the specific criteria for each type of the Group's activity described below have been met.

1. Revenues from sales of products and goods

Revenues on sales of goods and products are recognized if significant risks and benefits resulting from ownership of goods or products have been transferred to the buyer and if the amount of sales revenue can be reliably estimated and collectability of receivables is sufficiently certain.
This category includes also revenues on sales of scaffolding systems classified as tangible fixed assets. The result on sales of other tangible fixed assets are recognized in other operating costs.
In the case of domestic sales, sales of goods or products takes place when products or goods are released to the buyer from a Group's warehouse. In the case of export and Intercommunity Delivery of Goods, revenues are recognized depending on the delivery terms and conditions specified in compliance with Incoterms 2000 and agreed in the performed contract. For FCA (or EXW) contracts, revenues on sales are recognized once products or goods are released to the buyer from a Group's warehouse. For CPT and CIP contracts, revenues on sales of products and goods are recognized on the date of delivery confirmation by the buyer.

2. Revenues on sales of services

Revenues on sales of services pertain primarily to the lease of construction shuttering.
Revenues on sales of services are recognized in the period in which the service was provided, on the basis of the degree of advancement of a specific transaction specified as the relation of actually performed works to total works if:

- the amount of incomes may be valued in a reliable way,
- it is likely that the entity will obtain economic benefits due to the transaction,
- the degree of transaction performance as of the date when the revenues are recognized may be credibly determined,
- costs incurred in connection with the transaction and the costs of transaction completion may be credibly valued

3. Interest

Revenues due to interest are recognized on the accruals basis with the use of the effective interest rate method. These revenues pertain to fees for the use of cash by the Group companies. In case of receivables impairment, the Group decreases its balance sheet value to realisable value corresponding to the estimated future cash flows discounted by the initial effective interest rate of the instrument, and subsequently settles the discount amount in relation to the revenues due to interest.

4. Dividend

Dividend revenues are recognised when the shareholder's right to receive dividend is established.

T) Deferred income tax

Deferred income tax assets and liabilities arising of temporary differences between the tax value of assets and liabilities and the balance sheet value in the consolidated financial statements recognised by the balance sheet method. However, if deferred tax results from the initial recognition of an asset or liability in other transaction than merger of business units which has no impact on financial result or tax income (loss), it is not recognized. Deferred income tax is determined applying the tax rates (and provisions) legally or actually binding as of the balance sheet date which, according to expectations, will be in force at the time of realising relevant deferred income tax assets or payment of deferred income tax liabilities.

Deferred income tax assets are recognized if there is probability of obtaining future taxable income which will make it possible to utilize temporary differences.

Deferred income tax assets and liabilities are set off against each other if it is legally admissible to compensate current tax assets and liabilities and if the entity intends to pay the net amount of tax or settle the receivables and liabilities at the same time.

U) Employee benefits

Retirement payments

Retirement benefits become payable once the employee gains the right to pension pursuant to the Labour Code. The amount of the retirement benefit payable to the employee who obtains the right to pension is calculated in the amount of an additional salary per one month calculated in the same way as holiday leave equivalent. Group recognizes provisions for retirement benefits. The value such liability is calculated each year by independent actuaries.
The provision for the employee is calculated on the basis of the estimated amount of the retirement benefit or disability benefit the Group undertakes to pay on the basis of the Regulations. The amount calculated in this way is subject to actuarial discount as of the balance date. The discounted amount is decreased by the amounts of allocated annually to this provision and subject to actuarial discount, made to increase the provision per employee. The actuarial discount is the product of the financial discount and the probability that a specific person will work for the Group until obtaining the right to pension. Pursuant to IAS 19, the financial discount rate applicable to the calculation of current value of liabilities due to employee benefits was established on the basis of market rates of treasury bonds whose currency and maturity correspond to the currency and estimated maturity of liabilities due to employment benefits.

Additional information to the quarterly report

Brief description of issuer's significant successes or failures in the period of the report, specifying relevant major events and the description of factors and events, in particular untypical ones, with significant impact on the financial results

Market environment in Poland

IN Q1 moderate economic growth was recorded, though in March weaker growth dynamics was observed in many areas. According to the Central Statistical Office (GUS) and construction and assembly production, despite the slow-down in construction works in February due to harsh winter, increased in the analysed period by 14.9% in fixed prices (16,2% in current prices). What is more, for the first time in a longer period a clear reversal of the sectoral growth dynamics was recorded. The highest growth indicator levels in relation to the analogue period of the previous year pertained to **residential buildings** category (+27.5%). These good results resulted mostly from the construction works performed at the last stage of the investment process, since in the analysed period as many as 31.9% more flats were rendered for use. Individual investors were responsible for the biggest share of housing resources, while the developers recorded the highest dynamics when it comes to obtaining building permits (increase by 18.9%) and commencing new flat construction (increase by 15.2%).
Indicators observed in the **non-residential construction sector** also confirm relatively good situation in the area - the growth dynamics was 19.3%, which was mostly motivated by investments in the hotel and office sectors, where this ratio exceeded 30%.
The lowest growth rate (10.5%) was recorded in the **civil engineering structures category.** A particularly noticeable dynamics decrease pertains to the sales of construction and assembly production for the construction of roads and motorways: to the level of 9.6%. The results of the railway construction, currently aspiring to the main drive behind the engineering sectors, are much better: the growth dynamics reached the impressive level +142.2%. However, due to much lower volume of works in relation to the road construction, these indicators do not have a significant impact on the entire sector dynamics.

Despite high growth dynamics in the entire sector, general outlook for the construction business was still negative in the analysed period. Some reasons for this cautious assessment of the market by the entrepreneurs include high uncertainty as to the implementation of the biggest investment projects, decreasing margins and increasing debt of construction companies and the increased rate of bankruptcies (by 68% in Q1 according to Coface).

Market environment abroad

Economic situation in Ukraine decreased in Q1 2012, which was manifested in lower business in the construction sector and further deterioration of the payment practices of enterprises.
In Kazakhstan the dynamics of construction production remained unchanged, mostly due to the continuation of government investments in transport and industrial construction

Operating profitability

Unless specified otherwise, all the amounts are in PLN '000.

In Q1 2012 the Capital Group obtained positive result on operating activity, in the amount of PLN 7,940,000 in comparison to PLN 3,939,999 in the analogue period of the previous year (increase by PLN 4,001,000).

This result on operating activity resulted from higher - in comparison to the analogue period of the previous year - revenues on basic activity of the Capital Group, i.e. lease of shuttering and scaffolding systems.

At the same time, in Q1 2012 the Capital Group generated higher revenues on the sales of shuttering and scaffolding systems than in the analogue period in the previous year, due to:

- exports, mostly in Kazakhstan
- and final settlements of construction projects executed in Poland.

The biggest item among operating costs by type are depreciation write-downs related to the Group's assets (mostly shuttering and scaffolding systems and the Logistics Centres in Poznań and Jaworzno). The amount of depreciation write-downs in Q1 2012 increased by 10.5% in comparison to the analogue period of the previous year.

Basic values related to EBIT (operating profit) and EBITDA (operating profit + depreciation) in the analysed periods were the following:

	Q1 2012	2011	Q1 2011
Sales	62,962	294,490	48,971
EBIT	7,940	72,508	3,939
% for sale	12,61	24,62	8,04
Depreciation	21,557	83,060	19,505
EBITDA	29,497	155,568	23,444
% for sale	46.85	52.82	47.87

In Q1 2012 Capital Group recorded absolute EBITDA increase by PLN 6,053,000 in comparison to the level achieved in Q1 2011. EBITDA profitability (EBITDA as % of sales) was 46.85% in comparison to 47.87% in the analogue period of the previous year.

The attainment of this level of EBITDA profitability ratio, given significant increase of the revenues on sales, may be explained by differences in the structure of revenues in Q1 2012 in comparison to the analogue period of the previous year. In the discussed period, the increase of revenues on sales was mostly due to trade activity, which, as a rule, is less profitable than the activity of the Capital Group in the area of lease of shuttering and scaffolding systems.

What is more, the capacity of the Group to maintain the EBITDA profitability at the level comparable with the result from the previous period is also a result of cost discipline.

Definition of Capital Group's exposure to currency risk

The Capital Group companies are exposed to currency risk on dates of actual cash flows, which the Group tries to mitigate in the following way:

- by mutual compensation of liabilities and receivables in the same foreign currency and with the same maturity period,

Unless specified otherwise, all the amounts are in PLN '000.

- by activity on the FX market (acquisition and sales of currencies in which parallel liabilities or receivables are expressed),
- by activity on the futures market and concluding Non-Delivery Forward (NFD) contracts.

All the NDF instruments held by the Capital Group are acquired only for the purposes of hedge against the FX risk and are not of asymmetric nature.

The Capital Group does not apply the so-called "hedge accounting", and therefore the results from hedge transaction execution and valuation (positive and negative) are charged to the result for the period.

Basic values concerning NDF contracts concluded by the Group are the following:

a) recognized in the financial statements

	31 March 2012	31 December 2011	31 March 2011
Assets due to NDF valuation as of the balance sheet date	86	-	4
Liabilities due to NDF valuation as of the balance sheet date	-	174	-

b) recognised in the total income statement

	Q1 2012	Q1 2011
Result for the period due to realisation of previously concluded NDF contracts - (item: other operating expenses)	-	(17)
Result for the period due to NDF contracts valuation as of the balance sheet date - (item: other operating expenses)	(151)	(9)
Result for the period due to realisation of previously concluded NDF contracts - financial activity	-	-
Result for the period due to NDF contracts valuation as of the balance sheet date - financial activity	(109)	-
Total result for the period due to NDF contracts	**(260)**	**(26)**

Results of hedge transactions mitigate to a high extent the currency risk the Capital Group is exposed to.

Apart from economic effects pertaining to the settlement and valuation of hedging contracts (NDF) other operating activity includes also economic effects related to the customization of shuttering system elements to individual customer's needs and general effects of assets management (negative and positive count results and provisions for impairment of inventory). In Q1 2012, the costs of the foregoing amounted to PLN 576,000 in comparison to PLN 648,000 in the analogue period of 2011.

<u>Financial costs and other total income</u>

The Capital Group uses bank loans to finance investments related to the purchase of products for lease (i.e. shuttering and scaffolding systems).

Unless specified otherwise, all the amounts are in PLN '000.

The (short and long-term) loan balance, together with interest calculated as until the balance sheet date as of 31 March 2012 amounted to PLN 129,599,999 in comparison to PLN 188,671,000 on 31 March 2011.

As a consequence of the decrease of the balance of loans, financial costs related to the interest on loans decreased and in Q1 2012 amounted to PLN 2,314,000 in comparison to PLN 2,847,000 in the analogue period of the previous year (decrease by 18.7%).

Net profit

After taxation, Capital Group obtained in Q1 2012 positive financial result in the amount of PLN 4,533,000 in comparison to PLN 711,000 of net financial result in the analogue period of the previous year.

Cash flows

The table below presents the Group's abbreviated cash flow statement for the analysed periods:

	Q1 2012	Q1 2011
Net profit (loss)	4,543	711
Depreciation	21,557	19,505
Total financial surplus	26,100	20,216
Other elements of net operating cash flow	16,157	8,249
Net cash flow on operations	42,257	28,465
Net cash flow on investment activity	(2,655)	(3,905)
Net cash flow on financial activity	(21,549)	(21,886)
Net cash flow	18,053	2,674

Cash flow from operating activities

In Q1 2012 Capital Group generated positive cash flow (net profit + depreciation), which amounted to PLN 26,100,000.

In the same period cash flows on operating activity, in the amount of PLN 42,257,000 in comparison to PLN 28,465,000 in the analogue period of the previous year (increase by PLN 13,792,000).

From the perspective of working assets management, Q1 2012, similarly to 2011, was characterised by payment gridlocks.
Many general contractors performing motorway contracts in Poland recently faced liquidity problems. It resulted from the necessity to finance motorway construction works, frequently, with low profitability, throughout the period of execution of particular milestones. In the last months press and TV have informed a number of times about liquidity problems of some construction companies construction certain sections of A1, A2 and A4 motorways.

This situation on the market had its impact on the results achieved by the Capital Group, including the receivables turnover ratio. Nevertheless, various activities mitigating the commercial risk allowed the Capital Group to minimize the effects of those phenomena and keep the receivables turnover ratio at the level similar to the one obtained in the analogue period of the previous year.

What is more, Capital Group continuously tries to limit the risk related to receivables by applying internal procedures and rules on identification, measurement and monitoring of the financial and liquidity situation of the Group's customers at the point of commencing and during the cooperation.

<u>Cash flow from investing activities</u>

In Q1 2012 the Capital Group made relatively small investment acquisitions, mostly to supplement its portfolio of offered products (shuttering and scaffolding systems). As a result, the investment expenses in Q1 2012 related to the acquisition of tangible fixed assets amounted to PLN 2,835,000.

<u>Financing cash flow</u>

In Q1 2012, in line with the repayment schedules resulting from loan agreements concluded by the Group, the Group repaid the instalments of bank loans incurred in previous years. Such expenses amounted to PLN 13,349,000. In the analogue period of the previous year the Group repaid loan instalments to a total amount of PLN 18,999,000. What is more, in Q1 2012 the Group paid out dividend advance from the profit generated in 2011 in the amount of PLN 6,044,000. Consequently, in Q1 2012 the excess of expenses above the incomes on financial activity amounted to PLN 21,549,000 in comparison to PLN 21,886,000 of excess of expenses above incomes in the analogue period of 2011.

In consequence of the above, in Q1 2012 the level of Group's cash and revolving facility increased by PLN 18,053,000 to PLN 35,966,000 as of 31 March 2012.

Information regarding seasonal or cyclical character of the Issuer's activity in the discussed period

Construction business is characterised by high seasonality, which has direct impact on the revenues on sales of products and services of ULMA Construccion Polska S.A. Capital Group. Particularly unfavourable weather conditions and frequent delays in execution of budget investments usually occur in Q1. Usually these factors improve in subsequent quarters.

Information about the issue, redemption and repayment of debt and equity securities

In Q1 2012 there were no operations of that type.

Information concerning the dividend paid (or declared), in aggregate and calculated per share, divided into ordinary and preferred shares

On 16 June 2011, General Shareholders' Meeting adopted a resolution on payment of dividend in the amount of PLN 8,303,898.56 (PLN 1.58 per share) from the profit generated in 2010. Pursuant to this resolution, the date for determination of the right to dividend was 5 July 2011, and the dividend was paid on 30 November 2011.

By its resolution of 28 November 2011, the management board of ULMA Construccion Polska S.A. made a decision to make an advance payment towards the divided from net profit for 2011 in the total amount of PLN 6,043,976.80, i.e. in the gross amount of PLN 1.15

Unless specified otherwise, all the amounts are in PLN '000.

per share. Pursuant to this resolution, the date for determination of the right to dividend was 27 December 2011, and the dividend was paid on 4 January 2012.

Events occurring after the day at which the abridged quarterly financial statements were prepared, which were not covered by these statements which may significantly influence the Issuer's future financial of ULMA Construccion Polska S.A. Capital Group

Despite high effectiveness of hedging measures mitigating the FX risk, net result on such transactions is subject to volatility of foreign currency exchange rates. This pertains in particular to transactions hedging the FX risk arising of the balance of internal loan extended by Ulma Construccion Polska S.A. to its subsidiary, Ulma Opalubka Ukraine sp. z o.o.
In consequence, the volatility of the EUR/PLN rate continues to have impact of Total Income obtained by the Capital Group.

Information on changes in contingent liabilities or contingent assets, occurring following the end of the previous financial year

No changes to continent liabilities and contingent assets have taken place as from the end of the last financial year.

Information on revenues and results per sectoral and geographic areas, specified in compliance with IAS, according to the basic division

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

- servicing construction works - a sector covering the lease of shuttering and scaffolding system with broadly understood logistic service and settlement of the construction at the end of the contract,
- sales of construction materials - a sector covering the sales of shuttering systems classified as fixed assets or working assets (products and goods) of the Capital Group and other construction materials.

Results per segments were the following:

Q1 2012 - the 3 months' period ended on 31 March 2012

Item description	Servicing construction sites	Sales of construction materials	Capital Group
Total sales revenues	56,221	8,030	64,251
Sales between segments	-	(1,289)	(1,289)
Revenues on sales	**56,221**	**6,741**	**62,962**
Operating expenses less depreciation	(27,516)	(5,949)	(33,465)
EBITDA	**28,705**	**792**	**29,497**
Depreciation	(21,449)	(108)	(21,557)
Profit on operating activity (EBIT)	**7,256**	**684**	**7,940**

Q1 2011 - the 3 months' period ended on 31 March 2011

Item description	Servicing construction sites	Sales of construction materials	Capital Group
Total sales revenues	47,142	2,864	50,006
Sales between segments	(75)	(960)	(1,035)
Revenues on sales	**47,067**	**1,904**	**48,971**
Operating expenses less depreciation	(24,667)	(860)	(25,527)
EBITDA	**22,400**	**1,044**	**23,444**
Depreciation	(19,401)	(104)	(19,505)
Profit (loss) on operations EBIT	**2,999**	**940**	**3,939**

Profit(loss) reconciliation with the net financial result of the Group has been presented below.

	Q1 2012, period from 01.01 to 31.03.2012	**Q1 2011, period from 01.01 to 31.03.11**
Profit (loss) on operations per segment	**7,940**	**3,939**
Interest income	167	17
Other financial income	5	-
Interest expense	(2,314)	(2,856)
Other financial expenses	155	(236)
Share in profit of affiliated entities	(188)	(77)
Profit (loss) before income tax	**5,765**	**787**
Income tax	(1,222)	(76)
Net profit (loss)	**4,543**	**711**

Translation of selected financial data into EUR

ITEM	**in PLN '000**		**in EUR '000**	
	Q1 2012, from 01.01 to 31.03.2012	**Q1 2011, from 01.01 to 31.03.11**	**Q1 2012, from 01.01 to 31.03.2012**	**Q1 2011, from 01.01 to 31.03.11**
Net incomes on sales of products, goods and materials	62,962	48,971	15,081	12,322
Result on operations	7,940	3,939	1,902	991
Profit before taxation	5,765	787	1,380	198
Net result	4,543	711	1,088	179
Net cash flow on operations	42,257	28,465	10,121	7,162
Net cash flow on investment activity	(2,655)	(3,905)	(636)	(983)
Net cash flow on financial	(21,549)	(21,886)	(5,161)	(5,507)

Unless specified otherwise, all the amounts are in PLN '000.

activity				
Net cash flow	18,053	2,674	4,324	673
Diluted profit per common share (in PLN/EUR)	0.86	0.14	0.21	0.03
Basic profit per common share (in PLN/EUR)	0.86	0.14	0.21	0.03
	31.03.12	**31.12.11**	**31.03.12**	**31.12.11**
Total assets	486,741	507,741	116,960	114,957
Liabilities	178,264	203,111	42,835	45,986
Long-term liabilities	82,789	94,430	19,893	21,380
Short-term liabilities	95,475	108,681	22,942	24,606
Equity	308,477	304,630	74,125	68,971
Share capital	10,511	10,511	2,526	2,380
Weighted average number of shares	5,255,632	5,255,632	5,255,632	5,255,632
Number of shares as at the balance-sheet date	5,255,632	5,255,632	5,255,632	5,255,632
Book value per share (in PLN/EUR)	58.69	57.96	14.10	13.12

Particular items of assets, equity and liabilities have been converted to EUR applying the mean exchange rates announced by the President of the National Bank of Poland, in force as of the balance sheet date. The mean EUR exchange rate on 31 March 2012 was PLN 4.1616, while on 31 December 2011 - PLN 4.4168.

The rate applied to the total revenues report items and the cash flow statement was the arithmetic mean of exchange rates effective on the last day of each month in the specified period, i.,e. data for the period 01.01. - 31.03.2012 translated according to the rate = 4.1750 PLN/EUR, data for the analogue period of 2011 were translated according to the rate = 3.9742 PLN/EUR.

Organisation of the ULMA Construccion Polska S.A. Capital Group with details of consolidated entities

The Group is controlled by ULMA C y E, S. Coop. with its office in Spain which, as of the status on 31 March 2012, held 75.49% of the Company's shares. The remaining 24.51% shares were held by many shareholders.

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

Parent entity:

- ULMA Construccion Polska S.A., a company incorporated under the Polish law, with its registered office in Warsaw, ul. Klasyków 10. On 15.09.1995 on the basis of the Resolution of the Shareholders Meeting it was transformed from a private limited liability company into a joint-stock company (Notarial Deed of 15.09.1995, Register A 5500/95). It was registered in the Register of Entrepreneurs by the District Court for the capital city of Warsaw, 20th Commercial Division of the National Court Register under no. KRS 0000055818.

Subsidiaries:

- ULMA Opałubka Ukraine sp. z o.o. with its registered office in Kiev, Grata Juri 9, incorporated on 18.07.2001. It was registered in the Sviatoshyn Branch of State Administration for the city of Kiev under no. 5878/01 and was assigned the id. no.

31563803. The company operates in the area and sales and lease of shuttering, sales of construction materials. The issuer holds 100% in the capital and total number of votes of the company.

- ULMA Opałubka Kazakhstan sp. z o.o. registered office in Astan, Taszenowa 25. Its strategic purpose will be the development of the basic activity of the Capital Group, i.e. lease of shuttering and scaffolding systems and dissemination of knowledge in the area of application of the shuttering technology to the construction process in Kazakhstan. The issuer holds 100% in the capital and total number of votes of the company.

Affiliate:

- ULMA Cofraje SRL with its office in Bucharest, Chitilei 200, incorporated on 9.10.2007. It is registered in the National Trade Register Office in Bucharest under no. 22679140. The Company operates on the area of lease and sales of shuttering and scaffolding, also on the basis of leasing. The issuer holds 30% in the capital and total number of votes of the company.

Subsidiaries are consolidated with the use of the full method, while the affiliated with the use of the equity method.

Effects of changes in the structure of business undertaking, including those resulting from combination of business undertakings, acquisition or disposal of Capital Group undertakings, long-term investments, division, restructuring and discontinuation of operations

Inb future periods, the incorporation of the subsidiary, ULMA Opałubka Kazakhstan in Kazakhstan will involve costs and expenses on the part of the Capital Group, in connection with supplementation of the logistic and trade structures in that country.

Position of the Management Board regarding the possibility to achieve previously published forecasts for the given year, in light of the results presented in the quarterly report in relation to the forecasted results

ULMA Construccion Polska S.A. Capital Group does not publish forecasted results.

Shareholders holding, directly or indirectly through subsidiary entities, at least 5% of the total number of votes at the general shareholders meeting of ULMA Construccion Polska S.A. as at the date of providing the quarterly report, and the number of shares held by such entities, the percentage share in the share capital, the number of resulting votes and changes in the structure of ownership of significant blocks of shares of ULMA Construccion Polska S.A. over the period from providing the previous quarterly report.

As of the date of submitting this quarterly report, shareholders holding more than 5% of the total number of votes include:

- ULMA C y E S, Coop. (Spain) holding directly 3,967,290 shares in ULMA Construccion Polska S.A., which account for 75.49% of shares in the Company's share capital and entitle to 3,967,290 votes at the general meting, which accounts for 75.49% of the total number of votes.

- Aviva Otwarty Fundusz Emerytalny Aviva BZ WBK holding directly 516,739 shares in ULMA Construccion Polska S.A., which account for 9.83% of shares in the Company's share capital and entitle to 516,739 votes at the general meting, which accounts for 9.83% of the total number of votes.

As from the date of submitting of the previous report, there have been no changes to the ownership structure of significant blocks of shares in ULMA Construccion Polska S.A.

Changes in the shareholding of shares in ULMA Construccion Polska S.A. or rights (options) thereto held by persons managing and supervising the Issuer, in accordance with information held by ULMA Construccion Polska S.A, over the period from providing the previous quarterly report.

According to the information held by ULMA Construccion Polska S.A, in the period from the date of submitting the previous report there were no changes to the shareholding of ULMA Construccion Polska S.A. shares or rights thereto (options) by the persons specified above. None of the persons managing and supervision ULMA Construccion Polska S.A. holds any shares of the issuer.

Proceedings pending in courts, arbitration bodies or public administration bodies, taking into account the information concerning:

a) **proceedings relating to liabilities or receivables of ULMA Construccion Polska S.A. or its subsidiary with the value at least equal to 10% of equity of ULMA Construccion Polska S.A., specifying: object of the proceedings, value of the dispute, date of commencement of the proceedings, parties to the proceedings and the position of the Company**
b) **two or more proceedings relating to liabilities or receivables with total value corresponding to at least 10% of equity of ULMA Construccion Polska S.A., specifying total value of such proceedings for liabilities and receivables separately and describing the position of the Company in the case, and, in reference to the biggest proceedings in the groups of liabilities and receivables - specifying their object, the value of the dispute, date of commencement of the proceedings and parties thereto**

In the reporting period no proceedings were instituted in relation to ULMA Construccion Polska S.A. or its subsidiaries with the value exceeding 10% of equity.

<u>Proceedings concerning receivables of ULMA Construccion Polska S.A. as of 31-03-2012:</u>

In the reporting period no proceedings were instituted in relation to ULMA Construccion Polska S.A. or its subsidiaries with the value exceeding 10% of equity.

Proceedings concerning receivables of ULMA Construccion Polska S.A.:
ULMA Construccion Polska S.A. has 92 proceedings concerning receivables pending before courts - their total value is PLN 15,081,000. Of all proceedings before courts, ULMA Construccion Polska S.A. runs 53 bankruptcy proceedings to a total amount of PLN 9,913,000.

<u>The list of major proceedings concerning receivables of ULMA Construccion Polska S.A.</u>

Debtor	Value of the dispute in PLN '000	Proceedings instituted on

Unless specified otherwise, all the amounts are in PLN '000.

PRIB EKO PRZEM SP. Z O.O.	1 096	17-03-2010 – bankruptcy, enforcement instituted against Management Board members
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	30-11-2011 – bankruptcy
IMA BUD DEVELOPMENT SP. Z O.O.	592	20-11-2007 - enforcement
DOMKAR-BUDOWNICTWO	974	10-11-2010 - enforcement
MAXER S.A.	466	28.04.06 – bankruptcy
Krupiński Construction Sp. z o.o.	552	05.12.2006 – enforcement
PAWERBUD SP. Z O.O.	1,154	24.05.11 – bankruptcy
MH-BUD MEUŚ	648	06-08-2011 - enforcement
PHU POLKON SP. Z O.O.	715	26-09-2011 - court payment order
ABRAMOWICZ BUDOWNICTWO SP. Z O.O.	434,	22-09-2011 – bankruptcy
CHINA OVERSEAS ENGINEERING	2,040	17-01-2012 - court payment order
Total	**11,745**	

Information about ULMA Construccion Polska S.A. or its subsidiary undertaking concluding one or more transactions with related entities, if they are material on a single or aggregate basis and were concluded on the terms other than at an arm's length, with specification of their value and:

a) information about the entity with whom the transaction was concluded,
b) information on relations of ULMA Construccion Polska S.A. or its subsidiary with the entity being a party to the transaction,
c) information about the transaction object,
d) significant terms and conditions of the transaction, including in particular the financial conditions and specification of special terms and conditions, typical of the contract which depart from terms and conditions commonly applied in such contracts,
e) other information of such transactions, if necessary to understand the issuer's situation in terms of assets, financial standing and financial result,
f) all changes to the transactions with affiliates described in the last annual report which could have a significant impact on the issuer's assets, financial standing and financial result.

Transactions concluded in Q1 2012 by ULMA Construccion Polska S.A. and its subsidiaries with affiliates were of typical and routine nature, were concluded at an arm's length basis, and their nature and conditions resulted from running ongoing operations.
The most significant transactions involved the acquisition of shuttering and lease services concerning shuttering systems by ULMA Construccion Polska S.A. from ULMA C y E, S. Coop. with the value of PLN 1,470,000.
In the period of the last 12 months (from 1.04.2011 to 31.03.2012) the value of these transactions amounted to PLN 32,440,000.

Information about the ULMA Construccion Polska S.A. or its subsidiary undertaking advancing suretyship for a loan or credit facility or providing a guarantee – in aggregate to one entity or a subsidiary undertaking of such entity, if the total value of the existing suretyships or guarantees is equivalent to 10% of the shareholders' equity of the ULMA Construccion Polska S.A., specifying:

a) name of the entity to whom surety or guarantees were provided,
b) total value of loans secured or guaranteed in full or in a specified part,
c) period for which the sureties or guarantees were provided,
d) financial terms and conditions on which the sureties or guarantees were provided, specifying the remuneration of ULMA Construccion Polska S.A. or its subsidiary for provision of sureties or guarantees,
e) the nature of connections between ULMA Construccion Polska S.A. and the entity which incurred loans.

In 2008 ULMA Construccion Polska S.A. granted an investment loan to its subsidiary, ULMA Opałubka Ukraine sp. z o.o., in the amount of EUR 3,100,000 and fixed interest rate at the market level. On the basis of the annex of 15.09.2011, the date for loan repayment was agreed as 25 December 2015. As of 31.March 2012, the debt of ULMA Opałubka Ukraine sp. z o.o. due to the loan amounts to EUR 1,790,000.

In 2011 ULMA Construccion Polska S.A. extended to its affiliate ULMA Cofraje srl Romania a long-term loan in the amount of EUR 241,000. The loan was extended on arm's length basis until 31 May 2013.

In 2012 ULMA Construccion Polska S.A. extended to its subsidiary, ULMA Opałubka Kazakhstan, a long-term loan in the amount of EUR 300,000. The loan was extended on arm's length basis until 14 February 2015. As of 31 March 2012, the debt of ULMA Opałubka Kazakhstan due to the loan amounts to EUR 250,000.

Other information, which according to ULMA Construccion Polska S.A. Group is significant for assessment of the personnel, property or financial situation, financial results and changes thereof, as well as information which is significant for assessment of the capacity of liabilities fulfilment to the ULMA Construccion Polska S.A. Group.

Apart from the events described above, there were no other major events in Q1 2012. Moreover, the Management Board of ULMA Construccion Polska S.A. is not aware of any information important for the assessment of the Company's staff, assets, financial standing, financing results and changes thereto, as well as the assessment of the Capital Group's ability to satisfy its obligations.

Factors which, in the opinion of ULMA Construccion Polska S.A., will affect results of ULMA Construccion Polska S.A. Capital Group at least in the next quarter

Market in Poland

Weaker growth dynamics on the construction market is expected in the next months.

IN Q1 2012 a noticeable decrease of interest in mortgage loans was observed. Although the Ministry of Transport, Construction and Maritime Economy is working on a programme which is to substitute "Rodzina na swoim" scheme currently being extinguished, the new plan could contribute to the increased demand for new flats only from the second half of 2013.

Stabilisation of the construction and housing production is the maximum forecast also for the housing sector.

With it comes to the civil engineering construction market, one should expect decreased growth dynamics, as a consequence of a significant decrease of the number of new road contracts. Although the Road and Motorway Authority (GDDKiA) intends to spend a record amount of PLN 29 bn for road construction in 2012, impressive revenues of construction companies will not correspond to contract profitability which, in most cases, amounts to zero or is negative. It is partly a result of the lowest price being the most important selection criterion in the Polish tenders, the increase of the prices of fuels and the construction materials (including aggregate, concrete and steel).

Due to the low margins, referred to above and a slow, but significant decrease of orders in the road construction sector, many entities, especially the whose portfolio is not sufficiently diversified, may find it difficult to survive on the market. In the view of the foregoing, ULMA Group focuses its activities on detailed monitoring of planned investments in industry and investing, inter alia, in the development of self-lifting and radial systems, applicable to construction of high buildings and special structures in industry.

Export markets

The forecasts for the construction sector in Ukraine (BUILDECON) for the 1st half of 2012 assume that the current growth dynamics will be at least maintained, due to the completion of EURO 2012 projects.

In Kazakhstan, the analysts (PMR) forecast the growth of the sector dynamics to approx. 9%, mostly due to government investments into the development of road and aviation infrastructure, ambitious projects in the industrial construction sector, as well as "defrosted" and new investments into office buildings.

Capital Group will continue to intensify its trade activities on the export markets

CONDENSED SEPARATE FINANCIAL STATEMENTS

ULMA Construccion Polska S.A.

FOR THE FIRST QUARTER OF 2012

ULMA Construccion Polska S.A.
STATEMENT OF FINANCIAL POSITION

Unless specified otherwise, all the amounts are in PLN '000.

	Status as on:		
	31 March 2012	**31 December 2011**	**31 March 2011**
ASSETS			
I. Fixed assets (long-term)			
1. Tangible fixed assets	356,397	377,907	396,727
2. Intangible assets	904	1,026	488
3. Investments in subsidiary and affiliated undertakings	8,819	8,818	13,669
4. Other fixed assets	4,275	4,288	4,330
5. Long-term receivables	10,773	11,388	9,909
Total fixed assets (long-term)	**381,168**	**403,427**	**425,123**
II. Working assets (short-term)			
1. Inventory	4,190	4,148	5,722
2. Trade and other receivables	83,898	98,416	71,970
3. Current income tax receivables	588	574	28
4. Financial derivates	86	-	4
5. Cash and cash equivalents	34,108	18,563	5,249
Total working assets (short-term)	**122,870**	**121,701**	**82,973**
Total assets	**504,038**	**525,128**	**508,096**
EQUITY AND LIABILITIES			
I. Equity			
1. Initial capital	10,511	10,511	10,511
2. Reserve capital - share premium	114,990	114,990	114,990
3. Retained profit, of which:	201,875	197,654	160,731
a) Net profit for the financial period	*4,221*	*51,280*	*9*
Total equity	**327,376**	**323,155**	**286,232**
II. Liabilities			
1. Long-term liabilities			
a. Loans	74,450	87,056	127,104
b. Deferred income tax liabilities	9,215	8,053	4,837
c. Long-term liabilities due to pension benefits	114	114	77
d. Long-term liabilities due to finance lease	236	285	386
Total long-term liabilities	**84,015**	**95,508**	**132,404**
2. Short-term liabilities			
a. Loans	53,399	55,295	61,567
b. Short-term liabilities due to pension benefits	3	3	27
c. Short-term liabilities due to finance lease	148	148	146
d. Current income tax liabilities	-	-	-
e. Derivatives	-	174	-
f. Trade and other liabilities	39,097	50,845	27,720
Total short-term liabilities	**92,647**	**106,465**	**89,460**
Total liabilities	**176,662**	**201,973**	**221,864**
Total equity and liabilities	**504,038**	**525,128**	**508,096**

ULMA Construccion Polska S.A.
STATEMENT OF COMPREHENSIVE INCOME

Unless specified otherwise, all the amounts are in PLN '000.

	Q1 2012, period from 01.01 to 31.03.2012	Q1 2011, period from 01.01 to 31.03.11
Revenues on sales	60,646	46,978
Costs of sold products, goods and materials	(48,870)	(40,477)
I. Gross profit on sales	**11,776**	**6,501**
Sales and marketing costs	(1,163)	(1,165)
General administration costs	(2,847)	(2,573)
Other operating expenses	(87)	(185)
II. Operating profit (loss	**7,679**	**2,578**
Financial incomes	380	348
Financial costs	(2,676)	(2,796)
Net financial expenses	*(2,296)*	*(2,448)*
III. Profit (loss) before income tax	**5,383**	**130**
Current portion of income tax	-	-
Deferred income tax	(1,162)	(121)
IV. Net profit/(loss) for the period	**4,221**	**9**
Other total income	-	-
V. Total income for the period	**4,221**	**9**
Weighted average number of common shares	5,255,632	5,255,732
Basic and diluted profit (loss) per share in the period (in PLN per share)	0.80	-

Unless specified otherwise, all the amounts are in PLN '000.

Specification:	Share capital at nominal value	Surplus from the sales of shares above the par value	Retained profit	Total Equity
As of 31.12.10	**10,511**	**114,990**	**160,722**	**286,223**
Total net income in 2011	-	-	51,280	**51,280**
Dividend - profit distribution for 2010	-	-	(8,304)	**(8,304)**
Advance towards divided for 2011	-	-	(6,044)	**(6,044)**
As of 31.12.11	**10,511**	**114,990**	**197,654**	**323,155**
Total net income in Q1 2012	-	-	4,221	**4,221**
As of 31.03.12	**10,511**	**114,990**	**201,875**	**327,376**

Specification:	Share capital at nominal value	Surplus from the sales of shares above the par value	Retained profit	Total Equity
As of 31.12.10	**10,511**	**114,990**	**160,722**	**286,223**
Total net income in Q1 2011	-	-	9	**9**
As of 31.03.11	**10,511**	**114,990**	**160,731**	**286,232**

ULMA Construccion Polska S.A.
CASH FLOW STATEMENT

Unless specified otherwise, all the amounts are in PLN '000.

	Q1 2012, period from 01.01 to 31.03.2012	Q1 2011, period from 01.01 to 31.03.11
Cash flow on investing activity		
Net profit for the financial period	**4,221**	**9**
Adjustments:		
- Income tax	1,162	121
- Fixed assets depreciation	21,448	20,053
- Amortisation of intangible assets	126	64
- Net value of scaffolding - fixed assets sold	3,872	1,570
- (Profit)/loss on goodwill changes due to financial instruments	(260)	174
- Interest and dividend income	(374)	(348)
- Interest costs	2,267	2,856
- FX (profit)/ loss	415	(269)
- Liability and other obligations provisions	-	-
Change in working capital:		
- Inventory	(42)	169
- Trade and other receivables	15,204	4,653
- Trade and other liabilities	(6,697)	(1,479)
	41,342	**27,573**
Income tax paid	(15)	(28)
Net cash flow on operations	**41,327**	**27,545**
Cash flow on operating activity		
Acquisition of tangible fixed assets	(2,809)	(4,006)
Incomes on sales of tangible fixed assets	6	54
Purchase of intangible assets	(5)	(72)
Loans granted	(1,044)	(240)
Repayment of loans granted	447	830
Dividend received	-	-
Acquisition of shares in a subsidiary or affiliate	-	-
Interest received	384	348
Net cash flow on investment activity	**(3,021)**	**(3,086)**
Cash flow on financial activity		
Credits and loans received	-	-
Repayment of credit and loan facilities	(13,349)	(18,999)
Payments due to financial lease	(50)	(36)
Interest paid	(2,303)	(2,851)
Dividend paid	(6,044)	-
Net cash flow on financial activity	**(21,746)**	**(21,886)**
Net increase / (decrease) of cash and revolving facility	**16,560**	**2,573**
Cash, cash equivalents and revolving facilities as of the beginning of the period	17,446	1,803
(Loss)/Profit on currency exchange differences on valuation of cash and revolving facility	101	83
Cash, cash equivalents and revolving facilities as of the end of the period	**34,107**	**4,459**

Notes to the interim individual financial statements

1. Description of key accounting principles

Basic accounting principles applied to the preparation of these individual financial statements are compliant with the accounting principles adopted by the Group and presented in the consolidated financial statements which constitutes an integral part of this report. Accounting principles applied to the individual financial statements and not presented in the consolidated financial statements are presented below.

a) Investments in subsidiary and affiliated undertakings

Investments in subsidiaries and affiliates are recognized according to the historical adjusted by revaluation. The effects of the revaluation of investments in subsidiaries are classified as financial incomes or costs of the reporting period in which the change took place.

Translation of selected financial data into EUR

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

ITEM	in PLN '000		in EUR '000	
	Q1 2012, from 01.01 to 31.03.2012	**Q1 2011, from 01.01 to 31.03.11**	**Q1 2012, from 01.01 to 31.03.2012**	**Q1 2011, from 01.01 to 31.03.11**
Net incomes on sales of products, goods and materials	60,646	46,978	14,526	11,821
Result on operations	7,679	2,578	1,839	649
Gross result	5,383	130	1,289	33
Net result	4,221	9	1,011	2
Net cash flow on operations	41,327	27,545	9,899	6,931
Net cash flow on investment activity	(3,021)	(3,086)	(724)	(777)
Net cash flow on financial activity	(21,746)	(21,886)	(5,208)	(5,507)
Net cash flow	16,560	2,573	3,967	647
Basic profit per common share (in PLN/EUR)	0.80	-	0.19	-
Diluted profit per common share (in PLN/EUR)	0.80	-	0.19	-
	31.03.12	**31.12.11**	**31.03.12**	**31.12.11**
Total assets	504,038	525,128	121,116	118,893
Liabilities	176,662	201,973	42,450	45,728
Long-term liabilities	84,015	95,508	20,188	21,624
Short-term liabilities	92,647	106,465	22,262	24,104
Equity	327,376	323,155	78,666	73,165
Share capital	10,511	10,511	2,526	2,380
Weighted average number of shares	5,255,632	5,255,632	5,255,632	5,255,632
Number of shares as at the balance-sheet date	5,255,632	5,255,632	5,255,632	5,255,632
Book value per share (in PLN/EUR)	62.29	61.49	14.97	13.92

Particular items of assets, equity and liabilities have been converted to EUR applying the mean exchange rates announced by the President of the National Bank of Poland, in force as of the balance sheet date. The mean EUR exchange rate on 31 March 2012 was PLN 4.1616, while on 31 December 2011 - PLN 4.4168.

The rate applied to the total revenues report items and the cash flow statement was the arithmetic mean of exchange rates effective on the last day of each month in the specified period, i.e. data for the period 01.01. - 31.03.2012 translated according to the rate = 4.1750 PLN/EUR, data for the analogue period of 2011 were translated according to the rate = 3.9742 PLN/EUR.