EXTENDED CONSOLIDATED REPORT

CAPITAL GROUP
ULMA Construccion Polska S.A.

FOR THE THIRD QUARTER OF 2012

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

General information

- **Business activity**

The object of the activity of ULMA Construccion Polska S.A. Capital Group (hereinafter referred to as the Group) includes:

- lease and sales of scaffolding and construction panels,
- designs of panels and scaffolding application on commission,
- export of construction services provided by the Group companies,
- sales of construction materials and raw materials and concrete accessories,
- 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 entry No. KRS 0000055818. 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 FINANCIAL POSITION REPORT

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

	Status as on:			
	30 September 2012	**30 June 2012**	**31 December 2011**	**30 September 2011**
ASSETS				
I. Fixed assets (long-term)				
1. Tangible fixed assets	329 454	332 542	374 209	392 922
2. Intangible assets	763	831	1 060	486
3. Investments in affiliates	883	923	1 162	1 368
4. Other fixed assets	4 247	4 261	4 288	3 705
5. Long-term receivables	997	1 587	3 040	4 302
Total fixed assets (long-term)	**336 344**	**340 144**	**383 759**	**402 783**
II. Working assets (short-term)				
1. Inventory	3 463	4 522	5 203	3 100
2. Trade and other receivables	92 491	87 573	99 222	100 803
3. Income tax receivables	62	46	574	81
4. Financial derivates	68	-	-	110
5. Cash and cash equivalents	34 416	47 527	18 983	16 427
Total working assets (short-term)	**130 500**	**139 668**	**123 982**	**120 521**
Total assets	**466 844**	**479 812**	**507 741**	**523 304**
EQUITY AND LIABILITIES				
I. Equity				
1. Share capital	10 511	10 511	10 511	10 511
2. Reserve capital - share premium	114 990	114 990	114 990	114 990
3. Currency exchange differences from consolidation	(3 542)	(2 931)	(2 967)	(3 405)
4. Retained profit, of which:	183 714	178 570	182 096	171 771
a) Net profit for the financial period	*15 598*	*10 454*	*49 349*	*32 980*
Total equity	**305 673**	**301 140**	**304 630**	**293 867**
II. Liabilities				
1. Long-term liabilities				
a. Loans	50 910	62 232	87 056	100 405
b. Deferred income tax liabilities	10 360	9 418	6 974	6 847
c. Long-term liabilities due to pension benefits	114	114	114	77
d. Long-term liabilities due to finance lease	162	199	286	312
Total long-term liabilities	**61 546**	**71 963**	**94 430**	**107 641**
2. Short-term liabilities				
a. Loans	54 934	53 914	56 784	61 513
b. Short-term liabilities due to pension benefits	3	3	3	27
c. Short-term liabilities due to finance lease	148	148	148	146
d. Current income tax liabilities	416	200	74	1 722
e. Financial derivates	-	12	174	-
f. Trade and other liabilities	44 124	52 432	51 498	58 388
Total short-term liabilities	**99 625**	**106 709**	**108 681**	**121 796**
Total liabilities	**161 171**	**178 672**	**203 111**	**229 437**
Total equity and liabilities	**466 844**	**479 812**	**507 741**	**523 304**

ULMA Construccion Polska S.A. CAPITAL GROUP
CONSOLIDATED FINANCIAL REPORT ON TOTAL INCOME

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

	Q3 2012, period from 01.07 to 30.09.2012	3 quarters of 2012 period from 1.01 to 30.09.2012	Q3 2011, period from 01.07 to 30.09.2011	3 quarters of 2011 period from 1.01 to 30.09.2011
Sales revenues	65 265	193 582	86 783	208 672
Costs of sold products, goods and materials	(48 577)	(146 021)	(53 944)	(144 450)
I. Gross profit on sales	**16 688**	**47 561**	**32 839**	**64 222**
Sales and marketing costs	(4 891)	(10 466)	(2 102)	(6 492)
General administration costs	(3 603)	(9 730)	(3 408)	(9 238)
Other operating expenses	(247)	(1 976)	(786)	359
II. Profit (loss) on operations	**7 947**	**25 389**	**26 543**	**48 851**
Financial income	564	1 326	96	156
Financial expenses	(1 991)	(6 750)	(2 418)	(8 462)
Net financial expenses	*(1 427)*	*(5 424)*	*(2 322)*	*(8 306)*
Share in profit (loss) of affiliates	(40)	(278)	(146)	(361)
III. Profit (loss) before income tax	**6 480**	**19 687**	**24 075**	**40 184**
Current portion of income tax	(359)	(620)	(4 130)	(4 237)
Deferred income tax	(977)	(3 469)	(321)	(2 967)
IV. Net profit (loss) for the period	**5 144**	**15 598**	**19 624**	**32 980**
Other total income:				
FX differences from translation of foreign affiliates	(644)	(657)	1 764	1 259
Income tax on other total incomes	33	82	(187)	(222)
V. Total income for the period	**4 533**	**15 023**	**21 201**	**34 017**
Net profit (loss) for the period per owners from the parent company	5 144	15 598	19 624	32 980
Weighted average number of common shares	5 255 632	5 255 632	5 255 632	5 255 632
Basic and diluted profit (loss) per share in the period (in PLN per share)	0.98	2.97	3.73	6.28

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 at 31.12.2010	**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 at 31.12.2011	**10 511**	**114 990**	**(2 967)**	**182 096**	**304 630**
Total income in 3 quarters of 2012	-	-	(575)	15 598	15 023
Dividend - profit distribution for 2011			-	(13 980)	(13 980)
As at 30.09.2012	**10 511**	**114 990**	**(3 542)**	**183 714**	**305 673**

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 at 31.12.2010	**10 511**	**114 990**	**(4 442)**	**147 095**	**268 154**
Total income in 3 quarters of 2011	-	-	1 037	32 980	34 017
Dividend - profit distribution for 2010	-	-	-	(8 304)	(8 304)
As at 30.09.2011	**10 511**	**114 990**	**(3 405)**	**171 771**	**293 867**

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

	Q3 2012, period from 01.07 to 30.09.2012	3 quarters of 2012 period from 1.01 to 30.09.2012	Q3 2011, period from 01.07 to 30.09.2011	3 quarters of 2011 period from 1.01 to 30.09.2011
Cash flow on operations				
Net profit for the financial period	**5 144**	**15 598**	**19 624**	**32 980**
Adjustments:				
- Income tax	1 337	4 089	4 451	7 204
- Fixed assets depreciation	21 018	64 408	21 207	60 783
- Intangible assets depreciation	117	367	72	208
- Net value of scaffolding - fixed assets sold	3 440	11 763	2 289	6 569
- (Profit)/loss on goodwill changes due to financial instruments	(80)	(242)	(61)	68
- Interest received	(524)	(1 209)	(96)	(156)
- Interest costs	1 949	6 359	2 774	8 373
- (Profit)/loss on currency exchange differences	182	204	(268)	(14)
Change in working capital:				
- Inventory	1 059	1 740	2 298	2 690
- Trade and other receivables	(4 365)	8 698	(7 764)	(24 486)
- Trade and other liabilities	2 877	(3 934)	1 660	17 095
- Liability and other obligations provisions	-	-	-	-
	32 154	**107 841**	**46 186**	111 314
Income tax paid	(159)	272	(2 498)	(2 608)
Net cash flow on operations	**31 995**	**108 113**	**43 688**	**108 706**
Acquisition of tangible fixed assets	(19 215)	(29 262)	(31 917)	(50 901)
Incomes on sales of tangible fixed assets	17	59	784	10 355
Purchase of intangible assets	(51)	(73)	(94)	(195)
Loans granted	-	-	-	(957)
Interest received	470	1 157	87	147
Net cash flow on investment activity	**(18 779)**	**(28 119)**	**(31 140)**	**(41 551)**
Inflow from share issues	-	-	-	-
Credits and loans received	-	-	1 249	1 249
Repayment of credit and loan facilities	(12 587)	(39 086)	(13 999)	(46 999)
Payments due to financial lease	(37)	(124)	(37)	(110)
Interest paid	(1 845)	(6 331)	(2 786)	(8 390)
Dividend distribution	(13 980)	(20 024)	-	-
Net cash flow on financial activity	**(28 449)**	**(65 565)**	**(15 573)**	**(54 250)**
Net increase / (decrease) of cash and revolving facility	**(15 233)**	**14 429**	**(3 025)**	**12 905**
Cash, cash equivalents and revolving facilities as of the beginning of the period	47 527	17 865	18 150	2 332
(Loss)/Profit on currency exchange differences on valuation of cash and revolving facility	(58)	(58)	669	557
Cash, cash equivalents and revolving facilities as of the end of the period	**32 236**	**32 236**	**15 794**	**15 794**

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 the 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 9 months ended on 30 September 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
30 September 2012	0.3920	0.021431	4.1138	4.0%
31 December 2011	0.4255	0.022638	4.4168	4.3%
30 September 2011	0.4076	0.02192	4.4112	4.2%

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 derivatives 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	4 – 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. Initial 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. Dividends

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 atypical ones, with significant impact on the financial results

Market environment in Poland

Q3 2012 brought further slowdown of economic growth and slump in industry and construction. With EURO 2012 over, there is no longer pressure for implementation of infrastructural projects and since last June construction and assembly production saw negative dynamics yoy although after three quarters of 2012 the cumulated value of this indicator compared to the corresponding period in 2011 was still positive (+1.8%).
According to the Central Statistical Office in Q1-Q3 of 2012 the greatest growth dynamics in the construction industry could be noted in the segment of **residential construction** (+18%), mainly owing to the apartments delivered in that period. Compared to the corresponding period of the previous year, the number of apartments for sale or lease rose as much as by 40.9%. However, this ratio turned out to be much less favourable for the number of construction permits obtained (-8.8%) and number of apartments whose construction was started (-0.2%), which will have a negative impact on the market segment in the upcoming months. After three quarters the **non-residential construction sector** rose by 10.5%, and the highest increase was recorded in hotel construction (+28.2%) and office construction (+26,9%). However, in the analysed period further slump in the construction and assembly production in the **engineering sector** was observed (-5.8%), particularly in the construction of roads, sport facilities and ecologic construction. The most dynamic increase was observed in the railway sector, while market players have growing expectations for new public tenders in the energy sector.
Due to considerably lower number of new projects for implementation and very low (or even negative) profitability of contracts, especially contracts for the major infrastructural investments, the financial situation of most construction companies significantly deteriorated in the analysed period. As a result of growing payment backlocks and overdue payments for subcontractors and subsuppliers in the period January-September 2012, 147 construction companies went bankrupt (according to Coface, +37% compared to the corresponding period of the previous year). Cyclical research on the general indicator of the economic situation by the Central Statistical Office (GUS) also suggests rather pessimistic sentiments in the sector.

Market environment abroad

In Kazakhstan, the construction market increased in the analysed period only by 2.3%, but ambitious government investment programmes let analysts assume that the indicator may noticeably improve already in the next few months. Since last year the Capital Group operating on that market has been a leader in offering the lease of scaffolding, and has been encouraging contracting companies with which it cooperates in Poland to engage in offering complementary construction services. Furthermore, the Capital Group intends to use the experience gained in Kazakhstan to successfully enter other eastern markets.
The situation in Ukraine is less promising, with a decrease in the construction production in Q1-Q3 by 9.1%, compared by -1.9% dynamics in H1 2012. This may be an indication of the beginnings of recession following the completion of major investments connected with EURO 2012.
The Capital Group has much greater expectations for its investments in Lithuania, with its subsidiary entering the market in April 2012. The Baltic States are a mature and currently very dynamic

market, where at the time of the recent economic crisis the available potential for shuttering was significantly limited because of the competition duopoly.

Operating profitability

In Q1-Q3 2012 the Capital Group obtained positive result on operating activity, in the amount of PLN 25,389,000 in comparison to PLN 48,851,000 in the analogue period of the previous year (decrease by PLN 23,462,000).

The above result on operating activity was influenced by lower revenues from the lease of shuttering and scaffolding systems posted by the Capital Group in the analysed period compared to the previous year and a drop in unit prices for the services offered. However, it should be noted that the revenues generated in the previous year (notably in Q3) were high owing to exceptionally positive market conditions mainly in the engineering segment, which this year has been affected by the economic crisis.

At the same time, increasing revenues from export activities (mainly Kazakhstan) enabled the Group in the Q1-Q3 2012 to minimise the negative effects of unfavourable conditions on the domestic market.

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-Q3 2012 increased by 6.8% 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	Q2 2012	Q3 2012	Q1-Q3 2012	2011	Q1-Q3 2011
Sales	62 962	65 355	65 265	193 582	294 490	208 672
EBIT	7 940	9 502	7 947	25 389	72 508	48 851
% for sale	12.61	14.54	12.18	13.12	24.62	23.41
Depreciation	21 557	22 083	21 135	64 775	83 060	60 991
EBITDA	29 497	31 585	29 082	90 164	155 568	109 842
% for sale	46.85	48.33	44.56	46.58	52.82	52.64

In Q1-Q3 2012 the Capital Group recorded a decrease in EBITDA in absolute terms by PLN 19,678,00 compared to the level obtained in Q1-Q3 2011. EBITDA profitability (EBITDA as % of sales) was 46.58% in comparison to 52.64% in the analogue period of the previous year

Apart from the deteriorated situation in the construction sector, the value of EBITDA in the analysed period was affected by the necessity to post revaluation write-downs. In Q1-Q3 2012 their value was higher than in the corresponding period of the previous year by PLN 3,534,000. They resulted from one-off events connected with bankruptcies of large construction entities implementing road contracts. Most of the contracts were implemented by consortiums, which provides for the possibility of claiming by the Capital Group the resulting receivables from other members of the consortiums obliged to pay their liabilities under joint and several guarantees.

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,
- 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.

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-Q3 2012 the costs of the foregoing amounted to PLN 1,937,000 in comparison to PLN 2,349,000 in the analogue period of 2011.

Financial costs and other total income

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

The (short and long-term) loan balance, together with interest calculated as until the balance sheet date as of 30 September 2012 amounted to PLN 105,844,000 in comparison to PLN 161,918,000 as at 30 September 2011.

As a consequence of the decrease of the balance of loans, financial costs related to the interest on loans decreased and in Q1-Q3 2012 amounted to PLN 6,335,000 in comparison to PLN 8,342,000 in the analogue period of the previous year (decrease by 24.1%).

Net profit

After taxation, Capital Group obtained in Q1-Q3 2012 positive financial result in the amount of PLN 15,598,000 in comparison to PLN 32,980,000 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-Q3 2012	Q1-Q3 2011
Net profit (loss)	15 598	32 980
Depreciation	64 775	60 991
Total financial surplus	80 373	93 971

Other elements of net operating cash flow	27 740	14 735
Net cash flow on operations	108 113	108 706
Net cash flow on investment activity	(28 119)	(41 551)
Net cash flow on financial activity	(65 565)	(54 250)
Net cash flow	14 429	12 905

Cash flow from operating activities

In Q1-Q3 2012 Capital Group generated positive cash flow (net profit + depreciation), which amounted to PLN 80,373,000.

In the same period cash flows on operating activity amounted to PLN 108,113,000. The result is satisfactory, as the Capital Group generated cash flows on operating activity at a similar level as in 2011 despite that the period Q1-Q3 2012 brought payment backlocks, and many general contracting companies implementing motorway contracts in Poland recently faced liquidity problems, which in many cases resulted in their bankruptcies.

Cash flow from investing activities

In Q1-Q3 2012 the Capital Group made investment outlays connected with the construction of its Headquarters and Logistics Centre in Koszajec, Brwinów district near Warsaw, and investment purchases to supplement the portfolio of offered products (shuttering and scaffolding systems). As a result, the investment expenses in Q1-Q3 2012 related to the acquisition of tangible fixed assets amounted to PLN 29,262,000, including PLN 12,686,000 due to the construction of Logistics Centre.

Financing cash flow

In Q1-Q3 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 39,086,000. In the corresponding period of the previous year the Group repaid the instalments of bank loans incurred in the total amount of PLN 46,999,000. What is more, in Q1-Q3 2012 the Group paid out dividend advance from the profit generated in 2011 in the amount of PLN 20,024,000. Consequently, in the above period Q1-Q3 2012 the excess of expenses above the incomes on financial activity amounted to PLN 65,565,000 in comparison to PLN 54,250,000 of the excess of expenses above incomes in the analogue period of 2011.

In consequence of the above, in Q1-Q3 2012 the level of Group's cash and current account revolving facility increased by PLN 14,429,000 to PLN 32,236,000 as of 30 September 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-Q3 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.

On 22 June 2012 the General Shareholders Meeting adopted a Resolution pursuant to which part of the Company's net profit for the financial year 2011, in the amount of PLN 20,023,957.92, will be allocated for disbursement to Company's shareholders as dividend.
Pursuant to the Management Board Resolution No. 5/2011 of 28 November 2011, the Company paid an advance payment to be credited to the expected dividend to the shareholders in the financial year 2011 in the amount of PLN 6,043,976.80.
Pursuant to the above resolution of the GSM, the payment of the remaining part of the dividend, in the amount of PLN 13,979,981.12, was made on 10 September 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 and USD/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:

Q3 2012 – period of 3 months ended on 30 September 2012

Item description	Servicing construction sites	Sales of construction materials	Capital Group
Total sales revenues	59 423	8 684	68 107
Sales between segments	(167)	(2 675)	(2 842)
Sales revenues	**59 256**	**6 009**	**65 265**
Operating expenses less depreciation	(31 765)	(4 418)	(36 183)
EBITDA	**27 491**	**1 591**	**29 082**
Depreciation	(20 825)	(310)	(21 135)
Profit on operating activity (EBIT)	**6 666**	**1 281**	**7 947**

Q1-Q3 2012 – period of 9 months ended on 30 September 2012

Item description	Servicing construction sites	Sales of construction materials	Capital Group
Total sales revenues	173 950	28 268	202 218
Sales between segments	(414)	(8 222)	(8 636)
Sales revenues	**173 536**	**20 046**	**193 582**
Operating expenses less depreciation	(88 675)	(14 743)	(103 418)
EBITDA	**84 861**	**5 303**	**90 164**
Depreciation	(63 715)	(1 060)	(64 775)
Profit on operating activity (EBIT)	**21 146**	**4 243**	**25 389**

Q3 2011 – period of 3 months ended on 30 September 2011

Item description	Servicing construction sites	Sales of construction materials	Capital Group
Total sales revenues	81 976	6 074	88 050
Sales between segments	(28)	(1 239)	(1 267)
Sales revenues	**81 948**	**4 835**	**86 783**
Operating expenses less depreciation	(34 928)	(4 033)	(38 961)
EBITDA	**47 020**	**802**	**47 822**
Depreciation	(21 217)	(62)	(21 279)
Profit (loss) on operations EBIT	**25 803**	**740**	**26 543**

Q1-Q3 2011 – period of 9 months ended on 30 September 2011

Item description	Servicing construction sites	Sales of construction materials	Capital Group
Total sales revenues	196 541	21 607	218 148
Sales between segments	(278)	(9 198)	(9 476)
Sales revenues	**196 263**	**12 409**	**208 672**
Operating expenses less depreciation	(90 469)	(8 361)	(98 830)
EBITDA	**105 794**	**4 048**	**109 842**
Depreciation	(60 644)	(347)	(60 991)
Profit (loss) on operations EBIT	**45 150**	**3 701**	**48 851**

Profit(loss) reconciliation with the net profit or loss of the Group has been presented below.

	Q3 2012, period from 01.07 to 30.09.2012	**3 quarters of 2012 period from 1.01 to 30.09.2012**	**Q3 2011, period from 01.07 to 30.09.2011**	**3 quarters of 2011 period from 1.01 to 30.09.2011**
Profit (loss) on operations per segment	**7 947**	**25 389**	**26 543**	**48 851**
Interest income	524	1 208	96	156
Other financial income	40	118	-	-
Interest expense	(1 949)	(6 359)	(2 774)	(8 372)
Other financial expenses	(42)	(391)	356	(90)
Share in profit of affiliated entities	(40)	(278)	(146)	(361)
Profit (loss) before income tax	**6 480**	**19 687**	**24 075**	**40 184**
Income tax	(1 336)	(4 089)	(4 451)	(7 204)
Net profit (loss)	**5 144**	**15 598**	**19 624**	**32 980**

Translation of selected financial data into EUR

	in PLN ‘000		**in EUR ‘000**	
SPECIFICATION	**Q1-Q3 2012 period from 1.01 to 30.09.2012**	**Q1-Q3 2011 period from 1.01 to 30.09.**	**Q1-Q3 2012 period from 1.01 to 30.09.2012**	**Q1-Q3 2011 period from 1.01 to 30.09.**
Net income on sales of products, goods and materials	193 582	208 672	46 148	51 634
Result on operations	25 389	48 851	6 052	12 088
Profit before taxation	19 687	40 184	4 693	9 943
Net result	15 598	32 980	3 718	8 161
Net cash flow on operations	108 113	108 706	25 773	26 899
Net cash flow on investment activity	(28 119)	(41 551)	(6 703)	(10 282)
Net cash flow on financial activity	(65 565)	(54 250)	(15 630)	(13 424)

Net cash flow	14 429	12 905	3 440	3 193
Diluted profit per common share (in PLN/EUR)	2.97	6.28	0.71	1.55
Basic profit per common share (in PLN/EUR)	2.97	6.28	0.71	1.55

	30.09.2012	31.12.2011	30.09.2012	31.12.2011
Total assets	466 844	507 741	113 482	114 957
Liabilities	161 171	203 111	39 178	45 986
Long-term liabilities	61 546	94 430	14 961	21 380
Short-term liabilities	99 625	108 681	24 217	24 606
Equity	305 673	304 630	74 304	68 971
Share capital	10 511	10 511	2 555	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)	58.16	57.96	14.14	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 on the balance sheet date. The mean EUR exchange rate on 30 September 2012 was PLN 4.1138, 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 1.01 – 30.09.2012 translated according to the rate = 4.1948 PLN/EUR, data for the analogue period of 2011 were translated according to the rate = 4.0413 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 30 September 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 Ukraina 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 Kazachstan sp. z o.o. with its registered office in Astana, 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.

- On 27 April 2012 a subsidiary, „ULMA Construcction BALTIC" with its registered office in Vilnius, ul. Pylimo 41-12. The Company's activity will consist in: lease of construction scaffolding and shuttering, wholesale and retail sale of scaffolding and shuttering, sale and lease of other construction devices and other commercial activities. The issuer holds 100% in the capital and total number of votes of the company.

Affiliate:

- ULMA Cofraje SRL with its registered office in Bucharest, ul. Chitilei 200, incorporated on 9.10.2007. It is registered in the National Trade Register Office in Bucharest under no. 22679140. The Company operates in the area of lease and sale 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

The expansion of commercial activities in Kazakhstan by the subsidiary ULMA Opałubka Kazakhstan and in Lithuania by the subsidiary ULMA Construcction BALTIC Kazakhstan will involve costs and expenses on the part of the Capital Group, in connection with supplementation of the logistic and trade structures in those countries.

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 meeting, which accounts for 75.49% of the total number of votes.
- Aviva Otwarty Fundusz Emerytalny Aviva BZ WBK holding directly 466,679 shares in ULMA Construccion Polska S.A., which account for 8.88% of shares in the Company's share capital and entitle to 466,679 votes at the general meeting, which accounts for 8.88% 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.

ULMA Construccion Polska S.A. is engaged in 105 court proceedings involving receivables (as at 30 September 2012) in the total amount of PLN 31,537,000. These cases include court proceedings for which the court has not issued so far an enforcement order with a writ of execution (legally binding payment order), and receivables from debtors to whom the court has issued a bankruptcy order, with both options – arrangement bankruptcy or liquidation bankruptcy.
None of the court cases pursued by ULMA Construccion Polska S.A. involves a value higher than 10% of its equity.

Particular groups of court proceedings are listed in the table below:

Specification	Number of proceedings	Total receivables due as at 30.09.2012	Current status of the case
court proceedings	**44**	**10 019**	
Including 5 largest cases			
SIAC CONSTRUCTION LIMITED		4 357	The debtor was sued for default in payment as member of the Hydrobudowa Polska S.A. consortium for the construction of A4 motorway (Dębica-Rzeszów). The proceedings also concern receivables due from Hydrobudowa Polska S.A. due to the above motorway construction.
MAX BOGL SP. Z O.O.		1 290	The dispute is to be resolved through mediation.
P.H.U. POLKON SP. Z O.O.		715	Proceedings against the debtor and guarantor.
PUH MARWEL D.MARCHEWKA		477	An enforcement order with a writ of execution is expected to be issued by the court.
PPU AGORA Sp. z o.o.		294	An enforcement order with a writ of execution is expected to be issued by the court.
	all of the above in total	**7 105**	71% in the total number
bankruptcy proceedings	**61**	**21 518**	
Including 5 largest cases			
HYDROBUDOWA POLSKA SA		6 602	Receivables notified to the receiver in bankruptcy include amounts due from the debtor for all implemented contracts, including the construction of A4 motorway (Dębica-Rzeszów), implemented by the debtor under consortium with SIAC Construction ltd.
RADKO SP. Z O.O.		4 358	Regardless of the notified receivables, proceedings for payment against guarantors (the debtor’s management board) are pending
PAWERBUD SP.Z O.O.		1 154	Receivables notified to the receiver.
MPRD		824	Receivables notified to the receiver.
GRUPA BIP SP. Z O.O.		792	Receivables notified to the receiver.
LPBO S.A.		762	Receivables notified to the receiver.
	all of the above in total	**13 667**	64% in the total number

The above value are revaluation write-downs in line with the policy applicable in the Capital Group based on individually estimated chances for recovering the receivables due.

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-Q3 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 9,396,000.
In the period of the last 12 months (from 1.10.2011 to 30.09.2012) the value of these transactions amounted to PLN 13,361,000.

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 September 2012, the debt of ULMA Opałubka Ukraine due to the loan amounts to EUR 1,470,000.

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 2014.

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 30 September 2012, the debt of ULMA Opałubka Kazakhstan due to the loan amounts to EUR 210,000.

In 2012 ULMA Construccion Polska S.A. extended to its subsidiary, ULMA Constructtion BALTIC, a long-term loan in the amount of EUR 65,000 The loan was extended on arm's length basis until 30 June 2015.

ULMA Construccion Polska S.A. granted a guarantee for a short-term revolving credit line amounting to UAH 9.5 million taken out by its subsidiary ULMA Opałubka Ukraina Sp. z o.o. at JSC UkrSibbank. The loan's maturity date falls on 23.08.2013.

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 Q3 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

In Poland, the construction sector has a great potential and still unsatisfied demand for services. However, until 2014 (i.e. the year when new perspectives for the EU funds will become available) there will not be so much political pressure as in the current year to keep the dynamics of the implementation of projects, especially infrastructural ones – therefore a significant decrease in the order portfolio is expected in that sector.
In the next months a decrease in residential construction should also be expected, as the situation on the labour market has been deteriorating and a decrease in disposable income is expected. The current, record-breaking demand for apartments combined with significant costs and limited availability of mortgage loans is not conducive to starting new residential investments.
In the case of non-residential construction sector, data on construction permits and started constructions are quite optimistic. However, the current economic slowdown and anticipated further deterioration of the country's economic situation are likely to result in weakened activity also in this sector.
Having in mind the aforementioned economic crisis, the expected subsidies from the EU as well as the government priorities, construction companies focus today mostly on investments in railway infrastructure and the energy sector. There is no doubt that such projects can be implemented only by bigger specialised entities, willing to cooperate with equally specialised subcontractors. In the view of the foregoing, ULMA Group focuses its activities on detailed monitoring of planned investments and investing, inter alia, in the development of self-lifting and radial systems, used in the construction of high buildings and special structures in the industrial and commercial sectors.

Internal factors influencing further development of the Capital Group include:

- wide portfolio of products and services, enabling comprehensive implementation of investments in all sectors of the construction market, with a special focus on the following sectors: construction of roads and bridges, energy sector construction, ecological construction, and construction of high buildings,
- obtaining, in December 2011, of a certificate confirming the fulfilment of the requirements of The Health and Safety at Work System Management in line with PN-N-18001:2004 standard. Having obtained this certificate, the Capital Group conducts its activities based on the Integrated Quality Management System ISO 9001, PN-N18001, covering comprehensive construction works in the scope of lease of shuttering and scaffolding, including design of optimum sets and their use,
- obtaining, in May 2012, a Certificate for the safety mark “B” for the BRIO scaffolding system,
- growing portfolio of reference facilities implemented in Poland by the Capital Group with the use of advanced construction panel technologies (self-lifting system and sliding method),
- Expansion into new foreign markets (Kazakhstan and the Baltic States).

External factors likely to have a significant influence in the near future, both positive and negative, on the Group’s development dynamics include:

- gradually decreasing number of contracts in the road construction in Poland and the resulting need to adapt the design potential and product portfolio to the changing structure of the market, with a special consideration for industrial, energy and ecological construction, fiercer competition in the industry, decrease in the margins of contracting companies, growing payment backlocks (and in consequence increasing bankruptcy risk of general contracting companies) and pressure to cut prices among suppliers of construction panels, unstable situation in financial markets which can mean difficulties in obtaining financing for new construction projects.

INDIVIDUAL ABBREVIATED FINANCIAL STATEMENTS

ULMA Construccion Polska S.A.

FOR THE THIRD QUARTER OF 2012

ULMA Construccion Polska S.A.
FINANCIAL POSITION REPORT

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

	Status as on:			
	30 September 2012	**30 June 2012**	**31 December 2011**	**30 September 2011**
ASSETS				
I. Fixed assets (long-term)				
1. Tangible fixed assets	330 220	334 112	377 907	396 402
2. Intangible assets	700	783	1 026	452
3. Investments in subsidiaries and affiliates	8 960	8 960	8 818	13 669
4. Trade and other receivables	8 232	4 261	4 288	4 302
5. Other fixed assets	4 247	10 109	11 388	12 527
Total fixed assets (long-term)	**352 359**	**358 225**	**403 427**	**427 352**
II. Working assets (short-term)				
1. Inventory	3 423	3 643	4 148	4 041
2. Trade and other receivables	94 478	87 102	98 416	98 290
3. Current income tax receivables	62	46	574	81
4. Financial derivates	68	-	-	110
5. Cash and cash equivalents	32 675	45 417	18 563	7 369
Total working assets (short-term)	**130 706**	**136 208**	**121 701**	**109 891**
Total assets	**483 065**	**494 433**	**525 128**	**537 243**
EQUITY AND LIABILITIES				
I. Equity				
1. Share capital	10 511	10 511	10 511	10 511
2. Reserve capital - share premium	114 990	114 990	114 990	114 990
3. Retained profit, of which:	196 115	192 330	197 654	181 538
a) Net profit for the financial period	*12 441*	*8 656*	*51 280*	*29 120*
Total equity	**321 616**	**317 831**	**323 155**	**307 039**
II. Liabilities				
1. Long-term liabilities				
a. Loans	50 910	62 232	87 056	100 405
b. Deferred income tax liabilities	11 674	10 502	8 053	7 942
c. Long-term liabilities due to pension benefits	114	114	114	77
d. Long-term liabilities due to finance lease	162	199	285	312
Total long-term liabilities	**62 860**	**73 047**	**95 508**	**108 736**
2. Short-term liabilities				
a. Loans	54 934	52 226	55 295	60 086
b. Short-term liabilities due to pension benefits	3	3	3	27
c. Short-term liabilities due to finance lease	148	148	148	146
d. Current income tax liabilities	-	-	-	1 672
e. Derivatives	-	12	174	
f. Trade and other liabilities	43 504	51 166	50 845	59 537
Total short-term liabilities	**98 589**	**103 555**	**106 465**	**121 468**
Total liabilities	**161 449**	**176 602**	**201 973**	**230 204**
Total equity and liabilities	**483 065**	**494 433**	**525 128**	**537 243**

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

	Q3 2012, period from 01.07 to 30.09.2012	3 quarters of 2012 period from 1.01 to 30.09.2012	Q3 2011, period from 01.07 to 30.09.2011	3 quarters of 2011 period from 1.01 to 30.09.2011
Sales revenues	61 427	185 437	84 924	203 174
Costs of sold products, goods and materials	(47 971)	(145 524)	(54 628)	(144 448)
I. Gross profit on sales	**13 456**	**39 913**	**30 296**	**58 726**
Sales and marketing costs	(4 187)	(9 068)	(1 949)	(6 047)
General administration costs	(2 928)	(8 547)	(3 027)	(8 264)
Other operating expenses	131	(1 253)	(840)	(1 807)
II. Operating profit	**6 472**	**21 045**	**24 480**	**42 608**
Financial income	775	1 992	316	1 021
Financial expenses	(2 290)	(6 975)	(1 552)	(7 236)
Net financial expenses	*(1 515)*	*(4 983)*	*(1 237)*	*(6 215)*
III. Profit before income tax	**4 957**	**16 062**	**23 244**	**36 393**
Current portion of income tax	-	-	(4 048)	(4 048)
Deferred income tax	(1 172)	(3 621)	(539)	(3 225)
IV. Net profit for the financial period	**3 785**	**12 441**	**18 657**	**29 120**
Other total income	-	-	-	-
V. Total income for the period	**3 785**	**12 441**	**18 657**	**29 120**
Weighted average number of common shares	5 255 632	5 255 632	5 255 632	5 255 632
Basic and diluted profit (loss) per share in the period (in PLN per share)	0.72	2.37	3.55	5.54

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 at 31.12.2010	**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 at 31.12.2011	**10 511**	**114 990**	**197 654**	**323 155**
Total net income in Q1-Q3 2012	-	-	12 441	**12 441**
Dividend - profit distribution for 2011		-	(13 980)	**(13 980)**
As at 30.09.2012	**10 511**	**114 990**	**196 115**	**321 616**

Specification	Share capital at nominal value	Surplus from the sales of shares above the par value	Retained profit	Total equity
As at 31.12.2010	**10 511**	**114 990**	**160 722**	**286 223**
Total net income in Q1-Q3 2011	-	-	29 120	**29 120**
Profit distribution for 2010	-	-	(8 304)	**(8 304)**
As at 30.09.2011	**10 511**	**114 990**	**181 538**	**307 039**

ULMA Construccion Polska S.A.
CASH FLOW STATEMENT

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

	Q3 2012, period from 01.07 to 30.09.2012	3 quarters of 2012 period from 1.01 to 30.09.2012	Q3 2011, period from 01.07 to 30.09.2011	3 quarters of 2011 period from 1.01 to 30.09.2011
Cash flow on operations				
Net profit for the financial period	**3 785**	**12 441**	**18 657**	**29 120**
Adjustments:				
- Income tax	1 172	3 621	4 587	7 273
- Fixed assets depreciation	21 333	65 725	21 830	62 642
- Amortisation of intangible assets	114	361	71	204
- Net value of scaffolding - fixed assets sold	2 021	9 355	2 137	7 588
- (Profit)/loss on goodwill changes due to financial instruments	(80)	(243)	(61)	69
- Interest and dividend income	(735)	(1 874)	(316)	(1 021)
- Interest costs	1 890	6 209	2 774	8 372
- FX (profit)/ loss	255	509	(1 384)	(1 649)
- Liability and other obligations provisions	-	-	-	-
Change in working capital:				
- Inventory	220	725	2 365	1 850
- Trade and other receivables	(6 824)	5 904	(6 393)	(27 324)
- Trade and other liabilities	3 469	(3 954)	4 112	19 724
	26 620	**98 779**	**48 379**	**106 848**
Income tax paid	(16)	512	(2 401)	(2 456)
Net cash flow on operations	**26 604**	**99 291**	**45 978**	**104 392**
Cash flow on investing activity				
Acquisition of tangible fixed assets	(16 618)	(24 754)	(35 281)	(50 061)
Incomes on sales of tangible fixed assets	17	59	106	162
Purchase of intangible assets	(31)	(35)	(74)	(176)
Loans granted	(269)	(1 146)	-	(1 197)
Repayment of loans granted	1 429	1 875	1 411	5 924
Acquisition of shares in a subsidiary or affiliate	-	(142)	-	-
Interest received	682	1 823	306	1 011
Net cash flow on investment activity	**(14 790)**	**(22 320)**	**(33 532)**	**(44 337)**
Cash flow on financial activity	-			
Credits and loans received	-	-	-	-
Repayment of credit and loan facilities	(10 898)	(37 597)	(13 999)	(46 998)
Payments due to financial lease	(37)	(124)	(37)	(110)
Interest paid	(1 787)	(6 181)	(2 787)	(8 390)
Dividend paid	(13 980)	(20 024)		
Net cash flow on financial activity	**(26 702)**	**(63 926)**	**(16 823)**	**(55 498)**
Net increase / (decrease) of cash and revolving facility	**(14 888)**	**13 045**	**(4 377)**	**4 557**
Cash, cash equivalents and revolving facilities as of the beginning of the period	45 417	17 446	10 815	1 803
(Loss)/Profit on currency exchange differences on valuation of cash and revolving facility	(34)	4	298	376
Cash, cash equivalents and revolving facilities as of the end of the period	**30 495**	**30 495**	**6 736**	**6 736**

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:

SPECIFICATION	in PLN '000		in EUR '000	
	Q1-Q3 2012 period from 1.01 to 30.09.2012	**Q1-Q3 2011 period from 1.01 to 30.09.**	**Q1-Q3 2012 period from 1.01 to 30.09.2012**	**Q1-Q3 2011 period from 1.01 to 30.09.**
Net income on sales of products, goods and materials	185 437	203 174	44 206	50 274
Result on operations	21 045	42 608	5 017	10 543
Gross result	16 062	36 393	3 829	9 005
Net result	12 441	29 120	2 966	7 205
Net cash flow on operations	99 291	104 392	23 670	25 831
Net cash flow on investment activity	(22 320)	(44 337)	(5 321)	(10 971)
Net cash flow on financial activity	(63 926)	(55 498)	(15 239)	(13 732)
Net cash flow	13 045	4 557	3 110	1 128
Basic profit per common share (in PLN/EUR)	2.37	5.54	0.56	1.37
Diluted profit per common share (in PLN/EUR)	2.37	5.54	0.56	1.37
	30.09.2012	**31.12.2011**	**30.09.2012**	**31.12.2011**
Total assets	483 065	525 128	117 425	118 893
Liabilities	161 449	201 973	39 246	45 728
Long-term liabilities	62 860	95 508	15 280	21 624
Short-term liabilities	98 589	106 465	23 966	24 104
Equity	321 616	323 155	78 180	73 165
Share capital	10 511	10 511	2 555	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)	61.19	61.49	14.87	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 on the balance sheet date. The mean EUR exchange rate on 30 September 2012 was PLN 4.1138, 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 1.01 – 30.09.2012 translated according to the rate = 4.1948 PLN/EUR, data for the analogue period of 2011 were translated according to the rate = 4.0413 PLN/EUR.