CONSOLIDATED FINANCIAL STATEMENTS

CAPITAL GROUP ULMA Construccion Polska S.A.

For the 6 months' period ended on 30 June 2012 (not examined)

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 or ULMA POLSKA) 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.

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, 13th 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 Warsaw

• Company's Supervisory and Management Boards

Supervisory Board

Aitor Ayastuy Ayastuy	Chairman of the Supervisory Board
Lourdes Urzelai Ugarte	Deputy Chairwoman of the Supervisory Board
Ander Ollo Odriozola	Member of the Supervisory Board
Ernesto Maestre Escudero	Member of the Supervisory Board
Felix Esperesate Gutierrez	Member of the Supervisory Board
Rafał Alwasiak	Member of the Supervisory Board

Audit Committee

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

Management Board

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

- ## Statutory auditor

KPMG Audyt Sp. z o.o. spółka komandytowa
ul. Chłodna 51
00-867 Warsaw
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.

	Note	Status as on: 30 June 2012	31 December 2011	30 June 2011
ASSETS				
I. Fixed assets				
1. Tangible fixed assets	5.	332,542	374,209	392,687
2. Intangible assets	6.	831	1,060	479
3. Shares in affiliates	8.	923	1,162	1,514
4. Other fixed assets	9.	4,261	4,288	4,316
5. Long-term receivables		1,587	3,040	4,266
Total fixed assets		**340,144**	**383,759**	**403,262**
II. Working assets				
1. Inventories	11.	4,522	5,203	5,398
2. Trade and other receivables	10.	87,573	99,222	93,039
3. Current income tax receivables		46	574	55
4. Derivatives		-	-	48
5. Cash and cash equivalents	12.	47,527	18,983	18,150
Total working assets		**139,668**	**123,982**	**116,690**
Total assets		**479,812**	**507,741**	**519,952**
EQUITY AND LIABILITIES				
I. Equity				
1. Initial capital	13.	10,511	10,511	10,511
2. Reserve capital – share premium	13.	114,990	114,990	114,990
3. Currency exchange differences from consolidation		(2,931)	(2,967)	(4,982)
4. Retained profit, of which:		178,570	182,096	152,147
a. Net profit/(loss) for the financial period		*10,454*	*49,349*	*13,356*
Total equity		**301,140**	**304,630**	**272,666**
II. Liabilities				
1. Long-term liabilities				
a. Credits and loans	15.	62,232	87,056	113,754
b. Deferred income tax liabilities	17.	9,418	6,974	6,338
c. Long-term liabilities due to pension benefits	18.	114	114	77
d. Long-term liabilities due to finance lease	16.	199	286	350
Total long-term liabilities		**71,963**	**94,430**	**120,519**
2. Short-term liabilities				
a. Credits and loans	15.	53,914	56,784	60,115
b. Short-term liabilities due to pension benefits	18.	3	3	27
c. Deferred income tax liabilities		200	74	65
d. Short-term liabilities due to finance lease	16.	148	148	146
e. Derivatives		12	174	-
f. Trade and other liabilities	14.	52,432	51,498	66,414
Total short-term liabilities		**106,709**	**108,681**	**126,767**
Total liabilities		**178,672**	**203,111**	**247,286**
Total equity and liabilities		**479,812**	**507,741**	**519,952**

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

	Note	6 months of 2012	6 months of 2011
Revenues on sales	19.	128,316	121,889
Costs of sold products, goods and materials	20.	(97,444)	(90,506)
I. Gross profit on sales		**30,872**	**31,383**
Sales and marketing costs	20.	(5,574)	(4,391)
General administration costs	20.	(6,127)	(5,830)
Other operating revenues/(costs)	21.	(1,729)	1,146
II. Profit (loss) on operations		**17,442**	**22,308**
Financial income	22.	762	60
Financial expenses	22.	(4,759)	(6,044)
Net financial expenses		*(3,997)*	*(5,984)*
Share in (loss) of affiliates		(238)	(215)
III. Profit (loss) before income tax		**13,207**	**16,109**
Income tax	23.	(2,753)	(2,753)
IV. Net profit (loss) for the period		**10,454**	**13,356**
Other total income:			
FX differences from translation of foreign affiliates		(87)	(54)
FX differences related to net investment in a subsidiary		74	(451)
Income tax on other total income		49	(35)
V. Total income for the period		**10,490**	**12,816**
Net profit/(loss) for the period per owners from the parent company		10,454	13,356
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)		1.99	2.54

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

Specification:	Initial capital at nominal value	Surplus from the sales of shares above the par value	Currency exchange differences from consolidation	Retained profit	Total Equity
As on 1.01.2011	**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 on 31 December 2011	**10,511**	**114,990**	**(2,967)**	**182,096**	**304,630**
Total income in 1st half-year of 2012	-	-	36	10,454	10,490
Dividend - profit distribution for 2011	-	-	-	(13,980)	(13,980)
As on 30.06.2012	**10,511**	**114,990**	**(2,931)**	**178,570**	**301,140**

Specification:	Initial capital at nominal value	Surplus from the sales of shares above the par value	Currency exchange differences from consolidation	Retained profit	Total Equity
As on 1.01.2011	**10,511**	**114,990**	**(4,442)**	**147,095**	**268,154**
Total income in 1st half-year of 2011	-	-	(540)	13,356	12,816
Dividend - profit distribution for 2010	-	-	-	(8,304)	(8,304)
As on 30.06.2011	**10,511**	**114,990**	**(4,982)**	**152,147**	**272,666**

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

	Note	6 months 2012	6 months 2011
Cash flow on investing activity			
Net profit/(loss) for the financial period		**10,454**	**13,356**
Adjustments:			
- Income tax	23.	2,753	2,753
- Fixed assets depreciation	5.	43,391	39,576
- Intangible assets depreciation	6.	250	136
- Net value of scaffolding - fixed assets sold		8,083	4,061
- Interest costs		4,410	5,598
- Interest income		(684)	(60)
- Change in the value of shares in affiliates		238	219
- (Profit)/loss on goodwill changes due to financial instruments		(162)	129
- (Profit)/loss on currency exchange differences		21	254
- Change in the value of the provision for retirement benefits			-
Changes in working assets:			
- Inventory		681	392
- Trade and other receivables		13,063	(14,416)
- Trade and other liabilities		(6,811)	15,436
		75,687	**67,434**
Income tax paid		431	(111)
Net cash inflows from operating activities		**76,118**	**67,323**
Cash flow on operating activity			
Acquisition of tangible fixed assets		(10,047)	(18,984)
Income on sales of tangible fixed assets		41	7,265
Purchase of intangible assets		(21)	(101)
Loans granted		-	(957)
Interest received		687	60
Net cash expenditures on investing activity		**(9,340)**	**(12,717)**
Cash flow on financial activity			
Credits and loans received		199	-
Repayment of credit and loan facilities		(26,699)	(32,999)
Payments due to financial lease		(86)	(73)
Interest paid		(4,486)	(5,604)
Dividend paid		(6,044)	-
Net cash inflows/(expenditures) on financial activity		**(37,116)**	**(38,676)**
Net increase / (decrease) of cash and revolving facility		**29,662**	**15,930**
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		-	(112)
Cash, cash equivalents and revolving facilities as of the end of the period	**12.**	**47,527**	**18,150**

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Notes to consolidated financial statements

1. 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 6 months ended on 30 June 2012 was prepared in compliance with IAS 34 "Interim Financial Reporting".

As on 30 June 2012 there are no differences between the IFRS approved by the European Union and the IFRS published by the International Accounting Standards Board (IASB) which might have any impact on the financial statement of ULMA Construccion Polska S.A. Capital Group.

These statements were prepared in compliance with the historical cost principle, except for financial assets and liabilities (financial derivatives) 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 posted initially as a separate item of equity and disclosed in other total income, 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

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.

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

4. Currency exchange rates and inflation

	Mean PLN/UAH exchange rate published by the National Bank of Poland	Mean PLN/EUR exchange rate published by the National Bank of Poland	Mean PLN/KZT exchange rate published by the National Bank of Poland	Change of the PCI index published by the Central Statistical Office
30 June 2012	0.4221	4.2613	0.02278	4.0 %
31 December 2011	0.4255	4.4168	0.02263	4.3 %
30 June 2011	0.3444	3.9866	0.01905	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. Derivatives held by the Group cannot be classified as hedges, and therefore the result of their fair value valuation is charged to 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 financial result 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 income 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 and other fixed assets".

H) Intangible assets

1. 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

Initial 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" of the financial statement 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 net profits / (losses).
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 income 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.

2. Financial risk management and capital management

The business activity of the Group is exposed to many types of financial risk: foreign exchange risk, risk of changes in cash flow and fair value resulting from interest rate changes, credit risk and liquidity risk.

By implementing the risk management programme the Group tries to minimise the effects of the financial risk which have a negative impact on its financial results. In order to hedge certain types of risk the Group uses futures and forward contracts.

Foreign exchange risk

The Group operates internationally and it is exposed to the foreign exchange risk with respect to various currencies, in particular the euro. Foreign exchange risk applies to future commercial transactions (sale of products and goods and purchase of goods and services) and recognised assets and liabilities. The currency risk occurs when future commercial transactions, recognised assets and liabilities denominated in a currency different than the functional currency of the companies which belong to the Group.
The Group secures its net positions with currency forward contracts.

The table below presents the list of assets and liabilities of the Group denominated in euro and exposed to the foreign exchange risk. (in EUR '000)

	30 June 2012	31 December 2011	30 June 2011
Trade and other receivables	445	849	780
Cash	1,439	348	1,536
Loans granted	241	241	241
Currency futures and forward contracts	(1,921)	(1,476)	(601)
Total assets	**204**	**(38)**	**1,956**
Trade payables	1,401	1,272	5,563
Currency futures and forward contracts	(320)	(710)	(3,751)
Total liabilities	**1,081**	**562**	**1,812**

Sensitivity analysis carried out by the Group indicates that:

- if on 30 June 2012 the Polish złoty weakened/strengthened by 10% against the euro, with other parameters remaining unchanged, the consolidated net profit for the period of the last 6 months ended on 30 June 2012 would be PLN 509,000 lower/higher in relation to revaluation of cash, receivables, liabilities and futures and forward contracts denominated in euro,
- if on 31 December 2011 the Polish złoty weakened/strengthened by 10% against the euro, with other parameters remaining unchanged, the consolidated net profit for the period of the last 12 months ended on 31 December 2011 would be PLN 229,000 lower/higher in relation to revaluation of cash, receivables, liabilities and futures and forward contracts denominated in euro,
- if on 30 June 2011 the Polish złoty weakened/strengthened by 10% against the euro, with other parameters remaining unchanged, the consolidated net profit for the period of the last 6

months ended on 30 June 2011 would be PLN 20,000 lower/higher in relation to revaluation of cash, receivables, liabilities and futures and forward contracts denominated in euro.

Besides, under the Capital Group the parent company has granted to its subsidiary operating in Ukraine a loan in the amount of PLN 3,100,000. The loan is a part of the net investment of the parent company in the entity operating abroad and is denominated in a currency different than the functional currency of the parent company (that is the Polish złoty) or a subsidiary operating in Ukraine (that is the Ukrainian hryvnia). According to IAS 21 exchange rate differences resulting from converting the said loan and occurring in the separate financial statement of the parent company (as a result of converting the euro into the Polish złoty), as well as exchange rate differences resulting from converting the said loan and occurring in the separate financial statement of the subsidiary operating abroad (as a result of converting the loan from the euro into the Ukrainian hryvnia) are moved, in the consolidated financial statements of the Group, into a separate item of equity and recognised in other total income.

If the Polish złoty weakened/strengthened by 10% against the euro, with other parameters remaining unchanged, exchange rate differences recognised in a separate item of equity in relation to the said loan would increase/decrease the consolidated capital by PLN 690,000. If the Ukrainian hryvnia weakened/strengthened by 10% against the euro, with other parameters remaining unchanged, exchange rate differences recognised in a separate item of equity in relation to the said loan would decrease/increase the consolidated capital by PLN 773,000. Therefore, the simultaneous weakening/strengthening of the Polish złoty and the Ukrainian hryvnia against the euro would not have any significant impact on the consolidated equity.

Risk of changes in cash flow and fair value resulting from interest rate changes

Revenues and operating cash flow of the Group are not significantly exposed to the risk of interest rate changes.
In the case of the Group the risk of interest rate changes applies to long-term debt instruments (Note 15). Interest on the credits incurred by the Group is based on WIBOR 1M increased by the margin of the bank which exposes the Group at the risk of changes in cash flow caused by interest rate changes. The Group does not have any interest bearing financial instruments with a fixed interest rate, for which every change of the percentage curve would result in a change in fair value.

Sensitivity analysis carried out by the Group indicates that:

- if on 30 June 2012 interest rates were 100 base points higher, the consolidated net profit for the period of 6 months ended on 30 June 2012 would be PLN 465,000 lower as a result of the increase of the costs of external financing.
- if on 31 December 2011 interest rates were 100 base points higher, the consolidated net profit for the period of 12 months ended on 31 December 2011 would be PLN 1,157,000 lower as a result of the increase of external financing costs.
- if on 30 June 2011 interest rates were 100 base points higher, the consolidated net profit for the period of 6 months ended on 30 June 2011 would be PLN 706,000 lower as a result of the increase of the costs of external financing.

The Group settles its trade liabilities in a timely manner and for this reason the revenues and operating cash flow of the Group are not exposed to any significant risk of interest rate changes, except for the generally understood commercial risk (e.g. increasing prices of delivery).

Credit risk

The item exposed to credit risk is the trade receivables item (Note no. 10).

The Group is not exposed to any significant concentration of credit sales risk. Due to a relatively large number of recipients of the Group's goods and services, there is no concentration of credit sales. Moreover, the Group applies the policy which considerably limits the sale of goods and services to the clients with negative history of discharge of liabilities. The implemented procedures of internal control which consist, among other things, in determining credit limits for individual clients depending on assessment of their financial standing and procedures of approving new clients let the Group considerably reduce the credit risk level.
The trade receivables with respect to which no loss of value has been found, represent 73.9% of the gross value of this group of financial assets, whereas non-outstanding trade receivables represent 56.8% of the value of the said group (as on 30 June 2011 these rates were 80.9% and 71.7%, respectively).
There are no financial assets the repayment terms and conditions of which have been renegotiated and the value of which would be impaired if there had been no negotiations.
Ageing analysis of the financial assets which are outstanding but the value of which has not been impaired is the following: (in PLN '000)

	30 June 2012	31 December 2011	30 June 2011
Arrears up to 30 days	14,310	15,364	11,888
Arrears from 31 to 90 days	12,567	7,198	6,141
Arrears from 91 to 180 days	4,975	4,156	4,614
Arrears from 181 to 360 days	3,901	5,652	5,600
Total assets	**35,753**	**32,370**	**28,243**

It was found that the value of the financial assets in the group of trade receivables and other receivables decreased by PLN 29,230,000 and that they were included in revaluation write-offs in 100%. For the purpose of establishing value impairment of individual components of financial assets the Group takes into account individual assessment of every client, in particular the assessment of such client's financial standing and securities held. The basic measures to secure recovery of receivables used by the Group include first of all insurance of receivables, both domestic and foreign ones, as well as blank promissory notes.

Liquidity risk

The liquidity risk management consists in maintaining a relevant level of cash, availability of financing owing to a sufficient amount of credit instruments granted to the Group and ability to close market positions. The Group maintains cash sufficient to satisfy any due liabilities and ensures the possibility of financing owing to the credit lines granted to it.
Over 95% of trade liabilities of the Group is payable within 2 months from the balance sheet date. The analysis of maturity of the bank loans incurred by the Group has been presented in note 15 of the Additional Information.

Working capital management

The working capital of individual companies of the ULMA Construccion Polska S.A. Capital Group is managed on the level of the Capital Group. The main purposes of capital management include ensuring a relevant level of operating liquidity and possibilities of implementation of investment projects of individual companies of the Group in accordance with approved budgets.

Dividend policy

The dividend policy adopted in the Group is also subordinated to the goals presented above. Every decision on payment of dividend is preceded by the analysis of current and development needs of every company of the Capital Group as a whole.

3. New accounting standards and interpretations of the International Financial Reporting Standards (IFRS) Interpretations Committee

The new Standards, changes to the Standards and Interpretations are not applicable yet to the interim periods ending on 30 June 2012 and have not been applied to the consolidated financial statements. The Group intends to apply them to the periods to which they are applicable for the first time.

The Standards and Interpretations approved by the EU, which have not become effective yet for the interim periods starting on or after 1 January 2012.

The Standards and Interpretations approved by the EU	Type of expected change in the accounting regulations	Possible impact on the financial statement	Effective date for the periods starting on or after the given date
Changes to IAS 1 *Presentation of Financial Statements: Presentation of Other Comprehensive Income Items*	The changes require that: • the entity present those components of other comprehensive income which may in the future be reclassified to profit or loss separately from those which will never be reclassified to profit or loss. If the components of other comprehensive income are presented before their related tax effects, then the aggregate amount of tax should be allocated to individual parts of other comprehensive income. • the title '*statement of comprehensive income*' be changed into '*statement of profit and loss and other comprehensive income*', other titles may also be used.	The Group does not expect that the change to the IAS 1 will have a considerable effect on the consolidated financial statements, owing to the specific character of Group's operation.	01 July 2012
IAS 19 (2011) Employee Benefits	The changes require that the actuarial gains and losses be recognised directly in other comprehensive income. • The changes eliminate the corridor method used in the past for recognising actuarial gains and losses and eliminate the possibility of recognising in profit and loss all the changes in the liabilities for defined benefits and in the employment benefit plan assets which, according to the requirements of IAS 19, is currently allowed. The changes also require that the expected return on the benefit plan assets recognised in the profit or loss be calculated by applying the discount rate used to discount the defined benefit obligation.	In the opinion of the Group these changes will not have a significant effect on the consolidated financial statements.	1 January 2013

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

The Standards and Interpretations pending for approval by the EU

The Standards and Interpretations pending for approval by the EU	Type of expected change in the accounting regulations	Possible impact on the financial statement	Effective date for the periods starting on or after the given date
Changes in the IFRS 1 *Sever Hyperinflation and Removal of Fixed Dates for First Time Adopters*	The changes provide an exemption which may be applied on the date of transition IFRS by the entities previously operating in the conditions of severe hyperinflation. This exemption allows the entity to valuate its assets and liabilities held before the functional currency normalisation date at fair value and use that fair value as the deemed cost of those assets and liabilities in the opening IFRS statement of financial position.	These changes do not apply to the consolidated financial statements of the Group.	01 July 2011
Changes to IAS 12 *Taxes – Deferred Income Tax: Future recovery of carrying amount of assets*	The change of 2010 introduces an exception to the currently applicable principles of valuation of the deferred tax defined in point 52 of IAS 12 based on the method of recovery. The exception applies to the deferred tax on the investment real estate valuated on the basis of the fair value model based on IAS 40 and introduces a presumption that the balance sheet value of those assets will be recovered only by their sale. The intentions of the management in this respect will be of no importance, unless the investment real estate is subject to amortisation and is kept under the business model the purpose of which will be to consume substantially all the economic benefits from a given component of assets over its life. This is the only case in which rejection of the said presumption will be possible.	The foregoing changes do not apply to the financial statement owing to the fact that the Group had no investment real estate valuated on the basis of the fair value model in accordance with the IAS 40.	1 January 2012
Changes in IFRS 7 *Financial Instruments: Disclosures –* Offsetting Financial Assets and Liabilities	The changes include new requirements with respect to the disclosures for financial assets and liabilities, which: • are compensated in the statement of financial position, or • are subject to framework contracts on set-off or other similar contracts.	In the opinion of the Group the changes to the Standard should not have any impact on the consolidated financial statements of the Group due to the fact that the Group does not apply set-off to the financial assets and liabilities held and has not concluded any framework contracts on set-off.	1 January 2013
IFRS 10 *Consolidated Financial Statements* and IAS 27 (2011) *Separate Financial Statements*	IFRS 10 provides for a new single model of control analysis with respect to all the entities into which an investment was made, including the entities which are currently, as JSP, under SIC-12. IFRS 10 introduces new requirements with respect to evaluation of control which differ from the previous requirements of IAS 27 (2008). In the new model of control the investor controls an investee when the investor (1) is exposed, or has rights, to variable returns from its involvement with the investee, (2) has the ability to affect those returns through its power over the investee and (3) there is a relation between the said power and returns. The new standard contains also the requirements with respect to disclosures and requirements with respect to preparation of consolidated financial statements. These requirements have been	In the opinion of the Group the new standard will have no effect on the consolidated financial statements of the Group as it is expected that the the evaluation of control over investees, conducted in accordance with the new standard will not change the conclusions regarding the level of control of the Group	1 January 2013

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

The Standards and Interpretations pending for approval by the EU	**Type of expected change in the accounting regulations**	**Possible impact on the financial statement**	**Effective date for the periods starting on or after the given date**
	transferred from IAS 27 (2008).	over these entities.	
IFRS 11 *Joint Arrangements*	IFRS 11 *Joint Arrangements* replaces the IFRS 31 *Interests in joint ventures.* IFRS 11 does not introduce any fundamental changes to the general definition of the common control transaction, although the definition of control and indirectly common control have changed when compared to IFRS 10. According to the new standard joint arrangements are divided into two types, for which the following models of recognition have been defined: • a joint operation is one whereby the jointly controlling parties, known as the joint operators, have rights to the assets, and obligations for the liabilities, relating to the operation. • a joint venture is one whereby the jointly controlling parties, known as the joint ventures, have rights to the net assets of the arrangement. IFRS 11 indeed excludes from the scope of IAS 31 those cases in which joint ventures, despite being separate entities, cannot, in fact, be separated. Such arrangements are treated similarly to jointly controlled assets/operations under IAS 31 and are described with the term joint operation. For other jointly controlled entities under IAS 31, now defined as joint ventures, the equity method is to be used. There is no possibility to apply proportionate consolidation.	The Group does not expect the IFRS 11 to have any significant impact on the consolidated financial statements, because the Group is not a party to any joint arrangements.	1 January 2013
IFRS 12 *Disclosures of Investments in Other Entities*	IFRS 12 contains additional disclosure requirements with respect to important opinions and assumptions for determining types of investments in an entity or arrangement, in subsidiaries, joint arrangements, associates and/or unconsolidated structured entities.	The Group expects the IFRS 12 not to have any significant effect on consolidated financial statements.	1 January 2013
IFRS *13 Fair Value Measurement*	IFRS 13 will replace the guidelines on fair value measurement included in individual standards with a single source of guidelines on fair value measurement. It defines the concept of fair value, determines the framework for valuation at fair value and defines the requirements with respect to disclosures for fair value measurements. IFRS 13 explains 'how' to establish fair value if it is required or permitted by other standards. IFRS 13 does not introduce any new requirements with respect to the valuation of assets or liabilities at fair value and does not eliminate the exceptions of impracticability of the valuation at fair value which currently exist in certain standards. The standard contains a detailed structure of disclosures which adds to the existing requirements the obligation to disclose the information which will help users of financial statements assess the valuation techniques and inputs used to develop those measurement at fair value and for recurring fair value measurements, which use unobservable data, impact of those valuation on the profit or loss other comprehensive income.	The Group expects the IFRS 13 not to have any significant impact on its consolidated financial statements, due to the fact that in the opinion of the management board the methods and assumptions currently used for the purpose of valuating the components of assets at fair value are consistent with IFRS 13. It is expected that at the moment of application of the new Standard the amount of required disclosures will increase; the Group, however, will	1 January 2013

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

The Standards and Interpretations pending for approval by the EU	**Type of expected change in the accounting regulations**	**Possible impact on the financial statement**	**Effective date for the periods starting on or after the given date**
		be unable to analyse the impact of this Standard on financial statements before its first application.	
IAS 28 (2011) *Investments in Associates and Joint Ventures*	In IAS 28 (2011) limited changes were introduced: • *Affiliates and joint ventures for sale.* IFRS 5 *Non-current Assets Held for Sale and Discontinued Operation* is applicable to the investment, or a portion of the investment, in an affiliate or joint venture which meets the criteria to be classified as held for sale. The retained portion of the investment which has not been classified as held for sale the equity method is to be used until the portion held for sale is sold. After it has been sold the retained portion of the investment is recognised with the use of the equity method, if the retained investment is still an investment in an affiliate or joint venture. • *Changes in the investments maintained in affiliates or joint ventures.* Previously, according to IAS 28 (2008) and IAS 31, the cessation of significant influence or joint control resulted in all instances in the necessity of re-valuation of the retained interest, even if the significant influence changed into joint control. The IAS 28 (2011) requires the retained investments not to be re-valuated again in such situations.	The Group expects that the changed Standards will have no significant impact on its consolidated financial statements since the Group has no investments in affiliates or joint ventures which the said changes might affect.	01 January 2013
Changes to IFRS 1 *First-time Adoption of International Financial Reporting Standards* Government Loans	The changes introduce a new exception to the retrospective application of other IFRSs. If an entity is going to adopt IFRSs for the first time, it may apply the measurement requirements of the financial instruments-related standards (IAS 39 or IFRS 9) with respect to government loans granted below the market rate of interest prospectively to the date of transition into IFRSs. Alternatively, the entity which is going to adopt IFRSs for the first time, it may chose to apply the measurement requirements for government loans retrospectively, if the information necessary for valuation was available at the time the loan was granted for the first time. The entity make this decision for each loan individually.	These changes do not apply to the consolidated financial statements of the Group.	01 January 2013
Changes to International Financial Reporting Standards 2009-2011	*Changes to International Financial Reporting Standards (2009-2011)* contain changes to 5 standards as well as the related changes to other standards and interpretations. The major changes refer to: • repeat application of IFRS 1 – the entity that had previously reported in accordance with IFRS which chooses not to use the IFRS 1 again should apply IFRS retrospectively, in	In the opinion of the Group the foregoing changes will not have any significant effect on the consolidated financial statements of the Group.	1 January 2013

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The Standards and Interpretations pending for approval by the EU	**Type of expected change in the accounting regulations**	**Possible impact on the financial statement**	**Effective date for the periods starting on or after the given date**
	accordance with IAS 8, as if it has never ceased to apply IFRS; • clarification that the entity applying IFRSs for the first time and using the financing cost exemption should not convert the costs of financing activated in accordance with the previously applied accounting regulations and should recognise the costs of financing incurred as on or after the date of transition into IFRSs (or at earlier date, as permitted pursuant to IAS 23) in accordance with IAS 23; • clarification that one, directly preceding reference period is required in a complete financial statement; however, if additional comparative data are presented, relevant clarification information should be provided with such data, consistent with IFRSs; • clarification that the opening statement of financial position is required only if the change of accounting policy, retrospective restatement or reclassification have a significant impact on the information presented in such a statement of financial position and that apart from the disclosures required under IAS 8 other clarification information concerning the opening statement of financial position is not required; • detailed information on the classification and recognition in accounting of spare parts and service equipment; • elimination of any discrepancies between IAS 32 and IAS 12 in the scope of payment of profits to the holders of capital instruments and transaction costs related to capital instruments by clarifying that with respect to the income tax related to these transactions the IAS 12 is applicable; • adding a requirement to disclose the value of total assets and liabilities for individual reporting segments in the interim financial information.		
Temporary guidelines (Changes to IFRS 10, IFRS 11 and IFRS 12)	For the entities which present only one period with comparative data, the changes: • simplify the process of application of IFRS 10 by introducing the requirement of verification of the necessity of entities consolidation only at the beginning of the year in which IFRS 10 is applied for the first time;	In the opinion of the Group the Temporary Guidelines will not have any significant effect on the consolidated financial statements of the Group.	1 January 2013

The Standards and Interpretations pending for approval by the EU	**Type of expected change in the accounting regulations**	**Possible impact on the financial statement**	**Effective date for the periods starting on or after the given date**
	• remove the requirement to disclose the impact of changes in the accounting policy for the year in which the standards were applied; this requirement remains unchanged for the directly preceding year; • require that the disclosures applicable to unconsolidated structured entities be presented only prospectively. In the case of entities which voluntarily present additional comparative data, only the data for the period directly preceding the year of first-time application of standards require to be restated.		
IFRS Interpretations Committee 20: *Stripping costs moved on the stage of production in the opencast mine*	The interpretation contains requirements with respect to recognition of the stripping costs incurred on the stage of production, and valuation of the stripping-related assets at, and after initial recognition.	The Group expects the Interpretation not to have any impact on its consolidated financial statements since the Group does not conduct any stripping-related operations.	1 January 2013
Changes in IFRS 32 *Financial Instruments: Presentation* – Offsetting Financial Assets and Liabilities	The changes do not introduce any new principles of offsetting financial assets and liabilities; They do, however, clarify the offsetting criteria in order to eliminate any inconsistencies in their application. The changes clarify that the entity has a legally enforceable right to set off the recognised amounts if the said right: • is not contingent on the occurrence of a future event; and • is enforceable both in a standard course of operation and in the case of failure to perform the contract, insolvency or bankruptcy of the entity and of all the third parties.	In the opinion of the Group the changed Standard should not have any impact on its consolidated financial statements due to the fact that the Group does not apply set-off to the financial assets and liabilities held and has not concluded any framework contracts on set-off.	1 January 2014
IFRS 9 *Financial Instruments (2009)*	This new Standard replaces the guidelines of the IAS 39 *Financial Instruments: Recognition and Measurement* on classification and measurement of financial assets. The Standard eliminates the following categories currently found in IAS 39: held-to-maturity, available-for-sale and loans and receivables. On initial recognition the financial assets will be classified into one of two categories: • financial assets measured at amortised cost; or	In the opinion of the Group the new Standard should not have any significant effect on its consolidated financial statements. Due to the specific character of Group's operation and the type of financial assets held, the principles of classification and measurement of	1 January 2015

The Standards and Interpretations pending for approval by the EU	Type of expected change in the accounting regulations	Possible impact on the financial statement	Effective date for the periods starting on or after the given date
	• financial assets measured at fair value. The component of financial assets is measured at amortised cost if the following two conditions are met: • assets are held under the business model the purpose of which is to maintain the assets in order to receive cash flows resulting from the contract; and, • its contractual provisions result in cash flows, on specific dates, which are only the payment of principal and interest on the unpaid part of the principal. The profits and losses on valuation of financial assets measured at fair value are recognised in profit or loss of the current period, except for the situation when the investment in a capital instrument is not held for trading. IFRS 9 provides the entity with a possibility to make an irrevocable election at initial recognition to measure such financial instruments at fair value through other comprehensive income. Such election can be made for separately for every instrument. The values recognised in other comprehensive income cannot in subsequent periods be reclassified into the profit and loss statement.	the Group's financial assets should not change as a result of application of IFRS 9.	
Changes to IFRS 9 *Financial Instruments* (2010)	Changes to IFRS 9 of 2010 change the guidelines presented in IAS 39 *Financial Instruments: Recognition and Measurement* on classification and measurement of financial instruments and exclusion of financial assets and financial obligations. The Standards keeps almost all the previous requirements of IAS 39 with respect to classification and measurement of financial liabilities and exclusion of financial assets and financial liabilities. The Standard requires that the change of fair value related to the change of credit risk of the financial liability designated at initial recognition as measured at fair value through profit or loss be presented under other comprehensive income. Only the part of the profit or loss remaining after measurement to fair values is to be recognised in the profit or loss of the current period. Should, however, application of this requirement result in the lack of matching of revenues and costs the entire change of fair value would be recognised in the profit or loss of the current period. The values presented in other comprehensive income are not reclassified in subsequent periods to profit or loss of the current period. They can be, however, reclassified under equity capital. According to IFRS 9 the derivatives related to unquoted capital instruments and which must be regulated by provision of non-listed capital instruments the value of which cannot be established in a reliable way, should be measured at fair value.	The Group expects that changes to IFRS 9 (2010) will not have any significant impact on its financial statements in the future. Due to the specific character of Group's operation and the type of financial liabilities held, it is expected that the principles of classification and measurement of the Group's financial liabilities will not change as a result of application of IFRS 9.	1 January 2015

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

The Standards and Interpretations pending for approval by the EU	**Type of expected change in the accounting regulations**	**Possible impact on the financial statement**	**Effective date for the periods starting on or after the given date**
Changes to IFRS 9 *Financial Instruments* and IFRS 7 *Financial Instruments: Disclosures*	These changes amend the requirements concerning disclosures and restatement of the comparative data which refer to the initial application of IFRS 9 *Financial Instruments* (2009) and IFRS 9 *Financial Instruments* (2010). The changes to IFRS 7 require the details on the effects of initial application of IFRS 9 to be disclosed when the entity does not restate any comparative information in accordance with the requirements of the changed IFRS 9. If the entity applies IFRS 9 by 1 January 2013 or later, than restatement of comparative data is not required for the periods before the date of initial application. If the entity applies IFRS 9 earlier, in 2012, then it will have a possibility to restate the comparative data or to present additional disclosures, in accordance with the requirements of the changed IFRS 7. If the entity applies IFRS 9 earlier, before 2012, then it will not be obliged to restate the comparative data or to present additional disclosures, required pursuant to the changed IFRS 7.	According to expectations at the time of initial application the changed Standard will not have any significant impact on the consolidated financial statements of the Group. Classification and measurement of financial assets of the Group will not change in relation to IFRS 9 owing to the character of the Group's operation and the type of financial instruments the Group holds. It is expected that at the moment of application of the changed Standard the amount of required disclosures will increase; the Group, however, will be unable to analyse the impact of this Standard on financial statements before its first application.	1 January 2015

4. Information on the segments of operation

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 Group and other construction materials.

Information on segments is measured in accordance with the principles defined in the accounting policy.

There are no instances of client concentration in the Group.

Results per segments are the following:

6 months ended on 30 June 2012

Item description	Servicing construction sites	Sales of construction materials	Capital Group
Total sales revenues	114,527	19,583	134,110
Sales between segments	(247)	(5,547)	(5,794)
Revenues on sales	**114,280**	**14,036**	**128,316**
Operating expenses less depreciation	(56,909)	(10,324)	(67,233)
EBITDA	**57,371**	**3,712**	**61,083**
Depreciation / amortisation	(42,891)	(750)	(43,641)
Profit on operating activity (EBIT)	**14,480**	**2,962**	**17,442**

6 months ended on 30 June 2011

Item description	Servicing construction sites	Sales of construction materials	Capital Group
Total sales revenues	114,566	15,533	130,099
Sales between segments	(251)	(7,959)	(8,210)
Revenues on sales	**114,315**	**7,574**	**121,889**
Operating expenses less depreciation	(55,540)	(4,329)	(59,869)
EBITDA	**58,775**	**3,245**	**62,020**
Depreciation / amortisation	(39,428)	(284)	(39,712)
Profit on operating activity (EBIT)	**19,347**	**2,961**	**22,308**

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

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

	6 months of 2012	6 months of 2011
Profit (loss) on operations per segment	**17,442**	**22,308**
Interest income	684	60
Other financial income	78	-
Interest expense	(4,410)	(5,598)
Other financial expenses	(349)	(446)
Share in profit of affiliated entities	(238)	(215)
Profit (loss) before income tax	**13,207**	**16,109**
Income tax	(2,753)	(2,753)
Net profit (loss)	**10,454**	**13,356**

Assets assigned to individual segments are presented in the table below.

Item description	Servicing construction sites	Sales of construction materials	Not assigned	Capital Group
As on 30 June 2012	334,233	10,315	135,264	479,812
As on 31 December 2011	391,619	6,884	109,238	507,741
As on 30 June 2011	401,539	6,780	111,633	519,952

Reconciliation of the assets of individual segments with total assets of the Group is presented below. The Group does not allocate liabilities to individual segments.

Item description	30 June 2012	31 December 2011	30 June 2011
Segments' assets	344,548	398,503	408,319
Non-allocated tangible fixed assets	75,261	76,196	79,261
Non-allocated intangible assets	773	978	395
Investments in affiliates	923	1,162	1,514
Other fixed assets	4,261	4,288	4,316
Long-term receivables	1,587	3,040	4,266
Tax and other receivables	4,932	4,591	3,683
Derivatives	-	-	48
Cash and cash equivalents	47,527	18,983	18,150
Total assets	**479,812**	**507,741**	**519,952**

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

5. Tangible fixed assets

Table of changes in tangible fixed assets in the period from 01 January 2011 to 30 June 2012.

	Land, buildings and structures	Technical equipment, machines and means of transport	Scaffolding systems	Other fixed assets	Fixed assets under construction	Total tangible fixed assets
GROSS VALUE						
As on 1.01.2011	**89,342**	**15,799**	**529,020**	**2,962**	**1,876**	**638,999**
Increases due to purchases	50	878	58,225	248	1,980	61,381
Increases – inventory surpluses, reclassifications	-	-	5,652	440	(1,876)	4,216
Decreases – sales	(9,286)	(8,516)	(21,154)	(448)	-	(39,404)
Decreases – liquidations, shortages and reclassifications	(3)	(61)	(14,213)	(602)	-	(14,879)
FX differences	17	51	2,098	28	-	2,194
As on 31 December 2011	**80,120**	**8,151**	**559,628**	**2,628**	**1,980**	**652,507**
Increases due to purchases	-	342	8,363	74	2,807	11,586
Increases – inventory surpluses, reclassifications	-	36	282	-	(1,980)	(1,662)
Decreases – sales	(768)	(222)	(16,996)	(2)	-	(17,988)
Decreases – liquidations, shortages and reclassifications	-	(78)	(7,518)	(37)	-	(7,633)
FX differences	(1)	(3)	(144)	(2)	-	(150)
As on 30.06.2012	**79,351**	**8,226**	**543,615**	**2,661**	**2,807**	**636,660**
ACCUMULATED AMORTISATION						
As on 1.01.2011	**7,772**	**8,720**	**203,689**	**1,945**	**-**	**222,126**
Amortisation for the period	2,070	1,045	79,155	477	-	82,747
Decreases – sales	(1,688)	(4,874)	(12,879)	(372)	-	(19,813)
Decreases – liquidations, reclassifications	-	(55)	(7,768)	(146)	-	(7,969)
FX differences	5	34	1,149	19	-	1,207
As on 31 December 2011	**8,159**	**4,870**	**263,346**	**1,923**	**-**	**278,298**
Amortisation for the period	981	455	41,757	198		43,391
Decreases – sales	(178)	(223)	(10,754)	(1)		(11,156)
Decreases – liquidations, reclassifications	-	(27)	(6,340)	(26)		(6,393)
FX differences	-	(1)	(21)	-		(22)
As on 30.06.2012	**8,962**	**5,074**	**287,988**	**2,094**		**304,118**
NET VALUE:						
As on 30 June 2012	**70,389**	**3,152**	**255,627**	**567**	**2,807**	**332,542**
As on 31 December 2011	**71,961**	**3,281**	**296,282**	**705**	**1,980**	**374,209**
As on 1 January 2011	**81,570**	**7,079**	**325,331**	**1,017**	**1,876**	**416,873**

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

Table of changes in tangible fixed assets in the period from 1 January 2011 to 30 June 2011.

	Land, buildings and structures	Technical equipment, machines and means of transport	Scaffolding systems	Other fixed assets	Fixed assets under construction	Total tangible fixed assets
GROSS VALUE						
As on 1 January 2011	**89,342**	**15,799**	**529,020**	**2,962**	**1,876**	**638,999**
Increases due to purchases	36	492	32,269	90	1,897	34,784
Increases – inventory surpluses, reclassifications	-	-	246	332	-	578
Decreases – sales	(9,286)	(8,088)	(10,877)	(430)	-	(28,681)
Decreases – liquidations, shortages and reclassifications	(2)	(22)	(6,031)	(380)	-	(6,435)
FX differences	(9)	(27)	(1,094)	(15)	-	(1,145)
As on 30 June 2011	**80,081**	**8,154**	**543,533**	**2,559**	**3,773**	**638,100**
ACCUMULATED AMORTISATION						
As on 1 January 2011	**7,772**	**8,720**	**203,689**	**1,945**	**-**	**222,126**
Amortisation for the period	1,092	574	37,686	224	-	39,576
Decreases – sales	(1,688)	(4,522)	(6,486)	(356)	-	(13,052)
Decreases – liquidations, reclassifications	-	(22)	(2,652)	(44)	-	(2,718)
FX differences	(2)	(15)	(495)	(7)	-	(519)
As on 30.06.2011	**7,174**	**4,735**	**231,742**	**1,762**		**245,413**
NET VALUE:						
As on 30 June 2011	**72,907**	**3,419**	**311,791**	**797**	**3,773**	**392,687**
As on 01 January 2011	**81,570**	**7,079**	**325,331**	**1,017**	**1,876**	**416,873**

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

Depreciation write-downs of tangible fixed assets increased:

Specification:	6 months of 2012	12 months of 2011	6 months of 2011
Costs of sold products, goods and materials	43,270	82,369	39,350
Sales and marketing costs	7	20	8
General administration costs	114	358	218
Total	**43,391**	**82,747**	**39,576**

Bank credit lines as on 30 June 2012 are secured by tangible fixed assets (scaffolding) up to the amount of PLN 293,153,000. As on 31 December 2011 the security amounted to PLN 302,256,000 (30 June 2011: PLN 302,256,000).
The net value of tangible fixed assets used on the basis of finance lease contracts is, as on 30 June 2012, PLN 576,000 (as on 31 December 2011: PLN 614,000, and as on 30 June 2011: PLN 653,000)

6. Intangible assets

Table of changes in intangible assets in the period from 1 January 2011 to 30 June 2012.

	Licenses and software	Other – developed internally	Total intangible assets
GROSS VALUE			
As on 1.01.2011	**3,482**	**44**	**3,526**
Increases	876	-	876
Decreases – sale	(154)	(3)	(157)
FX differences	1	1	2
As on 31 December 2011	**4,205**	**42**	**4,247**
Increases	22	-	22
Decreases – liquidation	(2)	-	(2)
FX differences	-	-	-
As on 30.06.2012	**4,225**	**42**	**4,267**
ACCUMULATED AMORTISATION			
As on 1.01.2011	**2,990**	**35**	**3,025**
Amortisation for the period	306	7	313
Decreases – sale	(149)	(3)	(152)
FX differences	1	-	1
As on 31 December 2011	**3,148**	**39**	**3,187**
Amortisation for the period	250	-	250
Decreases – liquidation	(1)	-	(1)
FX differences	-	-	-
As on 30.06.2012	**3,397**	**39**	**3,436**
NET VALUE:			
As on 30 June 2012	**828**	**3**	**831**
As on 31 December 2011	**1,057**	**3**	**1,060**
As on 01 January 2011	**492**	**9**	**501**

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

Table of changes in intangible assets in the period from 1 January 2011 to 30 June 2011.

	Licenses and software	Other – developed internally	Total intangible assets
GROSS VALUE			
As on 1.01.2011	**3,482**	**44**	**3,526**
Increases	120	-	120
Decreases – liquidation	(155)	(3)	(158)
As on 30.06.2011	**3,447**	**41**	**3,488**
ACCUMULATED AMORTISATION			
As on 1.01.2011	**2,990**	**35**	**3,025**
Amortisation for the period	132	4	136
Decreases – liquidation	(149)	(3)	(152)
As on 30.06.2011	**2,973**	**36**	**3,009**
NET VALUE:			
As on 30 June 2011	**474**	**5**	**479**
As on 01 January 2011	**492**	**9**	**501**

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

The depreciation write-downs of intangible assets increased:

Specification:	6 months of 2012	12 months of 2011	6 months of 2011
Costs of sold products, goods and materials	57	102	42
Sales and marketing costs	-	10	8
General administration costs	193	201	86
Total	**250**	**313**	**136**

7. Financial instruments

	Carrying value			**Fair value**		
	30 June 2012	31 December 2011	30 June 2011	30 June 2012	31 December 2011	30 June 2011
Financial assets available for sale						
Cash	47,527	18,983	18,150	47,527	18,983	18,150
Receivables and loans granted						
Trade and other receivables	88,126	101,188	96,345	88,126	101,188	96,345
Loans granted	1,034	1,074	960	1,034	1,074	960
Derivatives						
Financial instruments measured at fair value through profit or loss	-	-	48	-	-	48
Financial liabilities						
Credits bearing variable interest rates	116,146	143,840	173,869	116,146	143,840	173,869
Trade and other liabilities	43,123	41,661	54,798	43,123	41,661	54,798
Derivatives						
Financial instruments measured at fair value through profit or loss	12	174	-	12	174	-

8. Shares in affiliates

name of the entity, including legal form	registered office	scope of business activity	Balance sheet value of shares	% of initial capital owned
ULMA Cofraje S.R.L.	Bucharest Romania	sales and lease of shuttering, sales of construction materials	923	30.00

Basic information on the affiliate.

	30 June 2012	31 December 2011	30 June 2011
Assets	11,539	13,061	13,720
Liabilities	5,394	5,661	5,789

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

Revenues on sales	2,340	5,212	2,494
Net profit	(793)	(1,888)	(717)

9. Other fixed assets

Other fixed assets include the value of the right of perpetual usufruct of lands in the amount of PLN 4,261,000. The right of perpetual usufruct of lands expires on 5 December 2089.

10. Trade and other receivables

	Status as on:		
	30 June 2012	31 December 2011	30 June 2011
Trade receivables from non-affiliated entities	111,429	120,333	110,024
Write-downs on trade receivables	(29,230)	(26,242)	(21,050)
Net trade receivables	*82,199*	*94,091*	*88,974*
Other receivables	4,388	5,304	5,823
Prepayments	1,052	679	1,111
Trade receivables from affiliated entities	487	1,114	437
Loan receivables	1,034	1,074	960
Total trade and other receivables	**89,160**	**102,262**	**97,305**
including:			
Long-term part	1,587	3,040	4,266
Short-term part	87,573	99,222	93,039

On the basis of the conducted analyses the Group has assessed that the balance sheet value of individual receivables presented in these consolidated financial statements is close to the fair value of these receivables.
There is no concentration of credit risk arising from trade receivables because the Group has a large number of clients.
The net value of write-downs on receivables increased by the amounts of the written-off receivables in the total amount of PLN 4,029,000 (PLN 3,071,000 in the corresponding period of 2011) was recognised in the costs of sales and marketing in the consolidated income statement.

Changes in write-downs on trade receivables and other receivables are the following:

	6 months of 2012	12 months of 2011	6 months of 2011
Opening balance	**26,242**	**17,626**	**17,626**
Increases – write-downs on trade receivables	5,493	7,299	3,200
Increases – write-downs on the interest on delay	18	1,833	1,085
Implementation	(1,564)	(454)	(296)
Adjustment of the previous write-down	(504)	(597)	(323)
FX differences	(455)	535	(242)
Closing balance	**29,230**	**26,242**	**21,050**

All the write-downs on receivables apply to short-term receivables.

11. Inventories

	Status as on:		
	30 June 2012	31 December	30 June 2011

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

		2011	
Materials	3,915	4,570	4,533
Semi-finished products and work in progress	-	-	-
Finished products	-	-	-
Goods	947	973	1,205
Gross value of inventories	**4,862**	**5,543**	**5,738**
Write-downs on the value of inventories	(340)	(340)	(340)
Net value of inventories	**4,522**	**5,203**	**5,398**

12. Cash and cash equivalents

		Status as on:	
	30 June 2012	31 December 2011	30 June 2011
Cash in hand and at bank	44,587	17,746	13,366
Short-term bank deposits	2,940	1,237	4,784
Total cash, including:	**47,527**	**18,983**	**18,150**
Restricted cash	63	433	195

For the purposes of the cash flow statement, cash and overdraft include:

		Status as on:	
	30 June 2012	31 December 2011	30 June 2011
Cash and cash equivalents	47,527	18,983	18,150
Overdraft (note 15)	-	(1,118)	-
Cash and cash equivalents recognised in the cash flow statement	**47,527**	**17,865**	**18,150**

13. Initial capital

	Number of shares	Nominal value of shares	Surplus from the sales of shares above the par value	Total
As on 1.01.2011	**5,255,632**	**10,511**	**114,990**	**125,501**
increases	-	-	-	-
- decreases	-	-	-	-
As on 31 December 2011	**5,255,632**	**10,511**	**114,990**	**125,501**
increases	-	-	-	-
- decreases	-	-	-	-
As on 30.06.2012	**5,255,632**	**10,511**	**114,990**	**125,501**

All shares are ordinary bearer shares with the nominal value of PLN 2.00. All shares are paid up.

As on 30 June 2012 the Company's shareholder structure is the following[*)]:

	Initial capital		**Votes in the GSM**	
	Number of shares	**%**	**Number of votes**	**%**

ULMA CyE, S. Coop	3,967,290	75.49	3,967,290	75.49
Aviva OFE BZ WBK S.A.	460,000	8.75	460,000	8.75
Free float	828,342	15.76	828,342	15.76

*) Data based on the list of participants of the GSM of ULMA Construccion Polska S.A. of 22.06.2012

14. Trade and other liabilities

	Status as on:		
	30 June 2012	31 December 2011	30 June 2011
Trade liabilities towards unrelated entities	17,301	19,888	24,555
Liabilities towards related entities	2,932	3,338	16,190
Liabilities arising from social insurance and other obligations	9,309	9,837	11,616
Accruals	8,416	12,196	5,205
Deferred income	4	4	-
Other liabilities	490	191	544
Dividend liabilities – related entities	10,553	4,562	6,268
Dividend liabilities – other entities	3,427	1,482	2,036
Total trade and other liabilities	**52,432**	**51,498**	**66,414**
Including:			
Long-term part	-	-	-
Short-term part	52,432	51,498	66,414

15. Credits and loans

	Status as on:		
	30 June 2012	31 December 2011	30 June 2011
Long-term			
Bank loans	62,232	87,056	113,754
Total long-term credits	**62,232**	**87,056**	**113,754**
Short-term			
Overdraft (note 12)	-	1,118	-
Bank loans	53,914	55,666	60,115
Total short-term credits	**53,914**	**56,784**	**60,115**

Bank credits are secured by scaffolding (registered pledges and transfer of title contracts). Additional collaterals include blank promissory notes and corporate guarantees.

Interest on bank credits is charged monthly based on the current WIBOR rate increased by the margin specified in individual credit contracts.

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

The structure of long-term credits by maturity dates is the following:

	Status as on:		
	30 June 2012	31 December 2011	30 June 2011
1 to 2 years	37,980	46,438	51,522
2 to 5 years	24,252	40,618	62,232
Above 5 years	-	-	-
Total long-term credits	**62,232**	**87,056**	**113,754**

Effective interest rates on the balance sheet date were the following:

	30 June 2012	31 December 2011	30 June 2011
Overdraft	-	5.04	5.16
Bank loans	6.76	6.13	5.87

The Group has the following, unused credit limits granted to it:

	Status as on:		
	30 June 2012	31 December 2011	30 June 2011
Based on variable interest:			
- expiring within one year	18,000	6,883	23,000
- expiring after one year	10,500	15,000	5,000
Total unused credit limits	**28,500**	**21,883**	**28,000**

16. Lease

a) Finance lease

The assets used based on finance lease contracts as on 30.06.2012 include the scaffolding cleaning machines.

	Status as on:		
	30 June 2012	31 December 2011	30 June 2011
The initial value of the leased tangible fixed assets	768	768	768
Depreciation	(192)	(154)	(115)
Net book value	**576**	**614**	**653**

Amortisation of tangible fixed assets used pursuant to finance lease contracts in the 6 months' period ended on 30 June 2012 amounted to PLN 38,000, in the 12 months' period ended on 31 December 2011 – to PLN 77,000 and in the 6 months' period ended on 30 June 2011 – to PLN 38,000.

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

	Status as on: 30 June 2012	31 December 2011	30 June 2011
Below one year	148	148	146
From 1 year up to 5 years	199	286	350
Total amount of minimum lease payments by time to maturity:	**347**	**434**	**496**

	Status as on: 30 June 2012	31 December 2011	30 June 2011
Below one year	148	148	146
From 1 year up to 5 years	199	286	350
Total amount of the current value of minimum lease payments by time to maturity:	**347**	**434**	**496**

The analysis conducted by the Group indicated that the total amount of minimum lease payments does not differ significantly from the total amount of current value of these payments.

Important provisions of lease contracts

- the lease period is usually 5 years long,
- the amount of conditional lease payment is established on the basis of WIBOR increased by the bank margin,
- lease contracts include the option to buy the lease object at lease-end,
- contractual provisions do not provide for any restrictions with respect to additional debt or additional lease contracts.

b) Operating lease

The right of perpetual usufruct of lands acquired by purchase has been classified into operating lease contracts.

The total amount of future minimum payments for the right of perpetual usufruct of lands is:

	Status as on: 30 June 2012	31 December 2011	30 June 2011
Below one year	9	9	9
From 1 year up to 5 years	35	35	35
Above 5 years	636	645	645
Total	**680**	**689**	**689**

Pursuant to the contract the right of perpetual usufruct of lands expires on 5 December 2089.

17. Deferred income tax

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

	Status as on: 30 June 2012	31 December 2011	30 June 2011
Deferred income tax assets	6,049	7,789	6,961
Deferred income tax liabilities	(15,467)	(14,763)	(13,299)
Balance sheet value of deferred income tax liability	**(9,418)**	**(6,974)**	**(6,338)**

Changes in deferred income tax assets and liabilities in the course of the year (before taking into account their set-off under a single jurisdiction) are the following:

Deferred income tax liabilities

Temporary differences title	Valuation of tangible fixed assets	Unrealised foreign exchange differences	Other	Total
As on 1.01.2011	**12,060**	**5**	**34**	**12,099**
Recognition of profit or loss	-	(70)	(132)	**(202)**
Charges on profit or loss	2,636	104	126	**2,866**
As on 31 December 2011	**14,696**	**39**	**28**	**14,763**
Recognition of profit or loss	(106)	(107)	(81)	**(294)**
Charges on profit or loss	832	86	80	**998**
As on 30.06.2012	**15,422**	**18**	**27**	**15,467**

Deferred income tax assets

Temporary differences title	Tax losses	Lease	Valuation of tangible fixed assets	Provisions for costs	Unrealised foreign exchange differences	Total
As on 1.01.2011	**5,561**	**-**	**1,058**	**1,529**	**293**	**8,441**
Recognition of profit or loss	-	-	29	3,230	190	**3,449**
Charges on profit or loss	(2,784)	-	(9)	(904)	(179)	**(3,876)**
Recognition in equity	**-**	**-**	-		(225)	**(225)**
As on 31 December 2011	**2,777**	**-**	**1,078**	**3,855**	**79**	**7,789**
Recognition of profit or loss	-	-	50	1,146	177	**1,373**
Charges on profit or loss	(1,260)	-	(44)	(1,686)	(172)	**(3,162)**
Recognition in equity	-	-	-	-	49	**49**
As on 30.06.2012	**1,517**	**-**	**1,084**	**3,315**	**133**	**6,049**

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

18. Pension benefits

	Status as on: 30 June 2012	31 December 2011	30 June 2011
The liabilities, included in the statement of financial position, arising from:			
Pension benefits	117	117	104
Total	**117**	**117**	**104**

The Group conducts the actuarial valuation of pension benefits provision at the end of every financial year.

	6 months of 2012	12 months 2011	6 months 2011
Amounts allocated to pension benefits provision	-	7	-
Interest expense	-	5	-
Actuarial profit and loss, net	-	25	-
Benefits paid	-	(24)	-
Plan reduction/liquidation	-	-	
Recognised in total in employment benefit costs	**-**	**13**	**-**

Change in balance sheet liability:

	6 months of 2012	12 months 2011	6 months 2011
Opening balance of pension benefits provision	117	104	104
Amounts allocated to pension benefits provision	-	7	-
Interest expense	-	5	-
Actuarial profit and loss, net	-	25	-
Benefits paid	-	(24)	-
Plan reduction/liquidation	-	-	-
Closing balance of pension benefits provision	**117**	**117**	**104**

19. Revenues on sales

	6 months 2012	6 months 2011
Sales revenue from construction site services	114,280	114,315
Revenue from sales of construction goods and materials	14,036	7,574
Total sales revenues	**128,316**	**121,889**

Sales revenues to the entity which controls the ULMA Construccion Polska S.A. Capital Group in the 6 month's period ended on 30 June 2012 amounted to PLN 2,357,000 (in the 6 months' period ended on 30 June 2011 – PLN 176,000).

20. Costs by type

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

	6 months 2012	6 months 2011
Amortisation of tangible fixed assets and intangible assets	43,641	39,712
Costs of employment benefits (note 20 a)	16,385	17,738
Consumption of raw materials, auxiliary materials and energy	7,654	6,843
Transport services	9,590	8,076
Rental and tenancy services	5,602	4,718
Outsourced services	-	1,167
Overhauls and maintenance	2,121	1,749
Assembly services	432	1,150
Other outsourced services	9,392	7,526
Other costs	6,406	5,591
Value of goods and materials sold	7,937	9,250
Total costs by type	**109,160**	**103,520**
Changes in the products and pro-in-progress and costs of services for own needs	(15)	(2,793)
Sales and marketing costs	(5,574)	(4,391)
Overheads	(6,127)	(5,830)
Costs of sold products, goods and materials	**97,444**	**90,506**

20 a) Costs of employment benefits

Costs of salaries and costs of termination of employment benefits	13,284	14,498
Costs of social insurance and employee benefits	3,101	3,240
Total costs of employment benefits	**16,385**	**17,738**

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

21. Other operating revenues and costs

21 a) Other operating revenues

	6 months 2012	6 months 2011
Profit on the change of fair value of forward contracts	62	68
Received indemnity – lost components of tangible fixed assets and working assets	55	156
Written-off liabilities	13	-
Sale of components of tangible fixed assets	42	12,877
Write-downs on the value of inventories	-	551
Provisions for expected losses – release	550	-
Reinvoices	187	145
Other revenue	6	150
Other operating revenues in total	**915**	**13,947**

21 b) Other operating costs

	6 months 2012	6 months 2011
Physical count shortages	(87)	
Loss on the change of fair value of forward contracts	-	(17)
Lost components of tangible fixed assets and working assets	-	(9)
Elimination of tangible fixed assets	(1,781)	(12,610)
Reinvoices	-	(77)
Provisions for expected losses	(440)	-
Other costs	(336)	(88)
Other operating costs in total	**(2,644)**	**(12,801)**

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

22. Financial revenues and costs

22 a) Financial revenue

	6 months 2012	6 months 2011
Interest on funds in the bank account	668	60
Interest on loan	16	-
Profit on the change of fair value of forward contracts of the financial activity	78	-
Total financial income	**762**	**60**

22 b) Financial expenses

	6 months 2012	6 months 2011
Interest costs:		
- bank credits	(4,394)	(5,578)
- lease	(15)	(17)
- other - for delay in payment of liabilities	(1)	(3)
	(4,410)	**(5,598)**
FX differences	(223)	(247)
Costs of loan acquisition	(52)	(91)
Other	(74)	(108)
Total financial expenses	**(4,759)**	**(6,044)**

22 c) FX profit/loss

Below, the impact of exchange rate differences on the financial result of ULMA Construccion Polska S.A. Group is presented:

	6 months 2012	6 months 2011
Revenues on sales	(125)	(133)
Costs of sold products, goods and materials	265	(1)
Financial expenses	(223)	(247)
Total FX profit (loss)	**(83)**	**(381)**

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

23. Income tax

	6 months 2012	6 months 2011
Current income tax	(261)	(108)
Deferred tax (note 17)	(2,492)	(2,645)
Total income tax	**(2,753)**	**(2,753)**

Income tax on the pre-tax profit of the Group differs in the following way from the theoretical amount which the Group would have gained if it had used the weighted average tax rate applicable to the profits of consolidated companies:

	6 months 2012	6 months 2011
Profit (loss) before tax	**13,207**	**16,109**
Tax calculated based on applicable rates (19% for Poland, 23% for Ukraine and 20% for Kazakhstan)	2,528	3,057
Revenues not subject to taxation	(40)	(79)
Non-tax-deductible expenses	265	(190)
Other	-	(35)
Charges on the profit or loss due to income tax	**2,753**	**2,753**
Effective taxation rate	20.8 %	17.1 %

Tax authorities may control accounting books and tax settlements within 5 years following the end of the year, in which tax returns were submitted, and charge the Group Company with additional tax together with penalty interest. In the opinion of the Management Board no circumstances exist indicating the possible occurrence of any essential liabilities in consideration thereof.

24. Dividend per share

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**,** the remaining part of the divided for the financial year 2011 is PLN 13,979,981.12.
Pursuant to this resolution of GSM, the date for determination of the right to dividend is 21 August 2012, and the dividend will be paid on 10 September 2012.

25. Conditional items

As at the balance sheet date the Group had a contract concluded on 27 September 2010 between ULMA Construccion Polska S.A. and FORTIS BANK POLSKA S.A. on the credit limit in the amount of PLN 2,000,000 under which the following types of bank guarantees can be granted:
1. bid bond,

2. performance bond,
3. advance payment guarantee,
4. payment guarantee.

The contract was concluded for a 10-year period. The current crediting until 31 August 2012.
As at the balance sheet date ULMA Construccion Polska S.A. was not using the said guarantee line.

26. Investment obligations

As on the balance sheet date there are no future investment liabilities in ULMA Construccion Polska S.A. Capital Group incurred but not recognised yet in the statement of financial position.
Future operating lease liabilities (*where the Group company is the lessee)* are presented in Note 16b.

27. Valuation of financial instruments at fair value

On the basis of the conducted analyses the Group assessed that the balance sheet value of individual financial instruments presented in these consolidated financial statements is close to fair values of these instruments.

28. Events after the balance sheet date

After the balance sheet date there were no events which might significantly affect the presented consolidated financial statements.

29. Transactions with related entities

The Group is controlled by ULMA C y E, S. Coop. with its office in Spain which holds 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. with its registered office in Warsaw

Subsidiaries:

- ULMA Opałubka Ukraine with its registered office in Kiev, Gnata Juri 9, was established 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.

- On 27.08.2010 ULMA Opałubka Kazakhstan sp. z o.o., a subsidiary, was established with its 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.

- On 27 April 2012 a subsidiary, „ULMA Construcction BALTIC" with its registered office in Vilnius, Pylimo 41-12. The Company will operate in the area of lease of scaffolding and shuttering, wholesale and retail sale of scaffolding and shuttering, sale and lease of other construction equipment 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 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. The remaining 70% of share in the Company's capital belongs to the entity which controls the Group: ULMA C y E, S. Coop. with its registered office in Spain.

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

Transactions concluded by the companies of the ULMA Construccion Polska S.A. Capital Group 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.

Figures related to the transactions made by ULMA Construccion Polska S.A. Capital Group entities with the entities of the ULMA C y E, S. Coop. Group:

Settlement balance as at the balance-sheet date	**Status as on**	
	30 June 2012	30 June 2011
Receivables of ULMA Construccion Polska S.A. from Group entities	487	262
Liabilities of ULMA Construccion Polska S.A. towards Group entities	2,932	16,190
Receivables of ULMA System S.A. under liquidation from Group entities	-	175
Loan receivables – ULMA Cofraje s.r.l. Romania (EUR '000)	241	241
Receivables under interest on the loan (EUR '000)	2	-
Dividend liabilities for 2011	10,553	6,268

Sales and purchases from Group entities	6 months 2012	6 months of 2011
Sales of ULMA Construccion Polska S.A. to Group entities	2,614	303
Purchases of ULMA Construccion Polska S.A. from Group entities	5,001	20,247
Sale of ULMA System S.A. under liquidation from Group entities	-	176
Interest and loan income	16	-

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

30. Remuneration for the Members of the Management Board and Supervisory Board

	6 months 2012	6 months 2011
ULMA Construccion Polska S.A – Management Board		
Andrzej Kozłowski	1,188	622
Andrzej Sterczyński	410	242
Krzysztof Orzełowski	393	241
ULMA Construccion Polska S.A – Supervisory Board		
Rafał Alwasiak	27	27
Ima System S.A. under liquidation		
Stanisław Siwik	-	126
ULMA Opałubka Ukraine		
Victoriya Ryabinina	-	109
Dmitriv Lyakhovetskiy	117	64
Denys Kvachuk	69	42
ULMA Opałubka Kazakhstan		
Ewa Giersz	63	-

Other Members of the Management Board and Members of the Supervisory Board do not receive remuneration.

31. Profit per share

Basic profit (loss) per share is calculated as a quotient of the profit per shareholders of the Company and the weighted average number of ordinary shares in the course of the year.

	6 months 2012	6 months 2011
Profit/(loss) per shareholders of the parent company	10,454	13,356
Number of ordinary shares as at the balance-sheet date	5,255,632	5,255,632
Weighted average number of common shares	5,255,632	5,255,632
Basic profit/(loss) per share (in PLN per share)	1.99	2.54
Diluted profit/(loss) per share (in PLN per share)	1.99	2.54

32. Translation of selected financial data into EUR

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

SPECIFICATION	in PLN '000 6 months of 2012	in PLN '000 6 months of 2011	in EUR '000 6 months of 2012	in EUR '000 6 months of 2011
Net income on sales of products, goods and materials	128,316	121,889	30,374	30,723
Operating profit (loss)	17,442	22,308	4,129	5,623
Gross profit (loss)	13,207	16,109	3,126	4,060
Net profit (loss)	10,454	13,356	2,475	3,366
Net cash flow on operations	76,118	67,323	18,018	16,970
Net cash flow on investment activity	(9,340)	(12,717)	(2,211)	(3,206)
Net cash flows on financial activity	(37,116)	(38,676)	(8,786)	(9,749)
Net cash flow	29,662	15,930	7,021	4,015
Diluted profit / (loss) per share	1.99	2.54	0.47	0.64
Profit (loss) per one ordinary share (in PLN/EUR)	1.99	2.54	0.47	0.64
	in PLN '000		**in thou. EUR**	
	30 June 2012	31 December 2011	30 June 2012	31 December 2011
Total assets	479,812	507,741	112,598	114,957
Liabilities	178,672	203,111	41,929	45,986
Long-term liabilities	71,963	94,430	16,888	21,380
Short-term liabilities	106,709	108,681	25,041	24,606
Equity	301,140	304,630	70,669	68,971
Initial capital	10,511	10,511	2,467	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)	57.30	57.96	13.45	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 30 June 2012 was PLN 4.2613, 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. - 30.06.2012 translated according to the rate = 4.2246 PLN/EUR, data for the analogue period of 2011 were translated according to the rate = 3.9673 PLN/EUR.

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

Andrzej Kozłowski, President of the Management Board ....

Andrzej Sterczyński, Member of the Management Board ....

Krzysztof Orzełowski, Member of the Management Board ....

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

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

Signature of the person appointed to keep accounting books

Henryka Padzik, Chief Accountant ………………………………………

Warsaw, 17 August 2012

FINANCIAL STATEMENTS

ULMA Construccion Polska S.A.

For the 6 months' period ended on 30 June 2012

(not examined)

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

General information

• Business activity

ULMA Construccion Polska S.A. operates in the area of:

- lease and sales of scaffolding and construction panels,
- designs of panels and scaffolding application on commission,
- export of construction services,
- sales of construction materials and raw materials and concrete accessories.

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, 13th Commercial Division of the National Court Register, registered the Company in the Register of Entrepreneurs under entry no. KRS 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.
ul. Klasyków 10
03-115 Warsaw

• Company's Supervisory and Management Boards

<u>Supervisory Board</u>

Aitor Ayastuy Ayastuy	Chairman of the Supervisory Board
Lourdes Urzelai Ugarte	Deputy Chairwoman of the Supervisory Board
Ander Ollo Odriozola	Member of the Supervisory Board
Ernesto Maestre Escudero	Member of the Supervisory Board
Felix Esperesate Gutierrez	Member of the Supervisory Board
Rafał Alwasiak	Member of the Supervisory Board

<u>Audit Committee</u>

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

Management Board

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

- **Statutory auditor**

KPMG Audyt Sp. z o.o. spółka komandytowa
ul. Chłodna 51
00-867 Warsaw
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

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

	Note	30 June 2012	Status as on: 31 December 2011	30 June 2011
ASSETS				
I. Fixed assets				
1. Tangible fixed assets	2.	334,112	377,907	399,091
2. Intangible assets	3.	783	1,026	449
3. Investments in subsidiaries and affiliates	5.	8,960	8,818	13,669
4. Other fixed assets	6.	4,261	4,288	4,316
5. Long-term receivables		10,109	11,388	13,515
Total fixed assets		**358,225**	**403,427**	**431,040**
II. Working assets				
1. Inventories	8.	3,643	4,148	6,406
2. Trade and other receivables	7.	87,102	98,416	91,223
3. Current income tax receivables		46	574	55
4. Derivatives		-	-	49
5. Cash and cash equivalents	9.	45,417	18,563	10,815
Total working assets		**136,208**	**121,701**	**108,548**
Total assets		**494,433**	**525,128**	**539,588**
EQUITY AND LIABILITIES				
I. Equity				
1. Initial capital	10.	10,511	10,511	10,511
2. Reserve capital – share premium	10.	114,990	114,990	114,990
3. Retained profit, of which:		192,330	197,654	162,881
a. Net profit for the financial period		*8,656*	*51,280*	*10,463*
Total equity		**317,831**	**323,155**	**288,382**
II. Liabilities				
1. Long-term liabilities				
a. Credits and loans	12.	62,232	87,056	113,754
b. Deferred income tax liabilities	14.	10,502	8,053	7,403
c. Long-term liabilities due to pension benefits	15.	114	114	77
d. Long-term liabilities due to finance lease	13.	199	285	350
Total long-term liabilities		**73,047**	**95,508**	**121,584**
2. Short-term liabilities				
a. Credits and loans	12.	52,226	55,295	60,115
b. Current income tax liabilities		-	-	-
c. Short-term liabilities due to pension benefits	15.	3	3	27
d. Short-term liabilities due to finance lease	13.	148	148	146
e. Derivatives		12	174	-
f. Trade and other liabilities	11.	51,166	50,845	69,334
Total short-term liabilities		**103,555**	**106,465**	**129,622**
Total liabilities		**176,602**	**201,973**	**251,206**
Total equity and liabilities		**494,433**	**525,128**	**539,588**

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

	Note	6 months of 2012	6 months of 2011
Revenues on sales	16.	124,010	118,249
Costs of sold products, goods and materials	17.	(97,554)	(89,819)
I. Gross profit on sales		**26,456**	**28,430**
Sales and marketing costs	17.	(4,881)	(4,098)
General administration costs	17.	(5,618)	(5,237)
Other operating expenses	18.	(1,384)	(967)
II. Profit on operating activity		**14,573**	**18,128**
Financial income	19.	1,217	705
Financial expenses	19.	(4,685)	(5,684)
Net financial revenue / (expenses)		*(3,468)*	*(4,979)*
III. Profit before tax		**11,105**	**13,149**
Income tax	20.	(2,449)	(2,686)
IV. Net profit for the financial period		**8,656**	**10,463**
Other total income:		-	-
V. Total income for the period		**8,656**	**10,463**

Weighted average number of common shares		5,255,632	5,255,632
Basic and diluted profit per share in the period (in PLN per share)	22.	1.65	1.99

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

Specification:	Initial capital at nominal value	Surplus from the sales of shares above the par value	Retained profit	Total Equity
As on 1.01.2011	**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 on 31 December 2011	**10,511**	**114,990**	**197,654**	**323,155**
Total net income in 1st half-year of 2012	-	-	8,656	**8,656**
Dividend - profit distribution for 2011	-	-	(13,980)	**(13,980)**
As on 30.06.2012	**10,511**	**114,990**	**192,330**	**317,831**

Specification:	Initial capital at nominal value	Surplus from the sales of shares above the par value	Retained profit	Total Equity
As on 1.01.2011	**10,511**	**114,990**	**160,722**	**286,223**
Total net income in 1st half-year of 2011	-	-	10,463	**10,463**
Dividend - profit distribution for 2010	-	-	(8,304)	**(8,304)**
As on 30.06.2011	**10,511**	**114,990**	**162,881**	**288,382**

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

	Note	6 months 2012	6 months 2011
Cash flow on investing activity			
Net profit for the financial period		**8,656**	**10,463**
Adjustments:			
- Income tax	20.	2,449	2,686
- Fixed assets depreciation	2.	44,392	40,813
- Intangible assets depreciation	3.	247	133
- Net value of scaffolding - fixed assets sold		7,334	5,452
- (Profit)/loss on goodwill changes due to financial instruments		(162)	129
- Interest and dividend income		(1,139)	(705)
- Interest costs		4,319	5,598
- (Profit) on currency exchange differences		254	(265)
Changes in working assets:			
- Inventory		505	(515)
- Trade and other receivables		12,728	(20,931)
- Trade and other liabilities		(7,424)	17,918
		72,159	**60,776**
Income tax paid		528	(55)
Net cash inflows from operating activities		**72,687**	**60,721**
Cash flow on operating activity			
Acquisition of tangible fixed assets		(8,136)	(17,087)
Income on sales of tangible fixed assets		41	56
Purchase of intangible assets		(4)	(102)
Inflows from repayment of loans		447	4,513
Loans granted		(877)	(1,197)
Dividend received		-	-
Interest received		1,141	706
Acquisition of shares in subsidiaries		(142)	-
Net cash expenditures on investing activity		**(7,530)**	**(13,111)**
Cash flow on financial activity			
Credits and loans received		-	-
Repayment of credit and loan facilities		(26,699)	(32,999)
Payments due to financial lease		(87)	(73)
Interest paid		(4,395)	(5,604)
Dividend paid		(6,044)	-
Net cash inflows on financial activity		**(37,225)**	**(38,676)**
Net increase / (decrease) of cash and revolving facility		**27,932**	**8,934**
Cash, cash equivalents and revolving facilities as of the beginning of the period		17,446	1,803
Profit on currency exchange differences on valuation of cash and revolving facility		39	78
Cash, cash equivalents and revolving facilities as of the end of the period	**9.**	**45,417**	**10,815**

Notes to the financial statement

1. Description of key accounting principles

This condensed interim separate financial statement of ULMA Construccion Polska S.A. for the period of 6 months ended on 30 June 2012 was prepared in accordance with IAS 34 ‘Interim financial reporting’.
The basic accounting principles applied to the preparation of these separate condensed financial statements are compliant with the accounting principles adopted by the Group and presented in the interim consolidated financial statements prepared for the 6-months' period ended on 30 June 2012. Accounting principles applied to the separate financial statements and not presented in the consolidated financial statements are presented below.

Investments in subsidiaries and affiliates

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 income or costs of the reporting period in which the change took place.

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

2. Tangible fixed assets

Table of changes in tangible fixed assets in the period from 01 January 2011 to 30 June 2012.

	Land, buildings and structures	Technical equipment, machines and means of transport	Scaffolding systems	Other fixed assets	Fixed assets under construction	Total tangible fixed assets
GROSS VALUE						
As on 1.01.2011	**79,941**	**7,654**	**550,645**	**2,339**	**1,876**	**642,455**
Increases due to purchases	46	821	57,358	219	1,978	60,422
Increases – inventory surpluses, reclassifications	-	-	5,373	440	(1,876)	3,937
Decreases – sales	-	(677)	(21,193)	(20)	-	(21,890)
Decreases – liquidations, inventory shortages	-	(59)	(14,212)	(604)	-	(14,875)
As on 31 December 2011	**79,987**	**7,739**	**577,971**	**2,374**	**1,978**	**670,049**
Increases due to purchases	-	301	6,593	50	2,807	9,751
Increases – inventory surpluses, reclassifications	-	-	118	-	(1,978)	(1,860)
Decreases – sales	(769)	(222)	(16,977)	(1)	-	(17,969)
Decreases – liquidations, inventory shortages	-	(41)	(6,322)	(37)	-	(6,400)
As on 30.06.2012	**79,218**	**7,777**	**561,383**	**2,386**	**2,807**	**653,571**
ACCUMULATED AMORTISATION						
As on 1.01.2011	**6,163**	**4,338**	**217,200**	**1,491**	**-**	**229,192**
Amortisation for the period	1,954	947	81,639	440	-	84,980
Decreases – sales	-	(605)	(13,440)	(17)	-	(14,062)
Decreases – liquidations, inventory shortages	-	(55)	(7,767)	(146)	-	(7,968)
As on 31 December 2011	**8,117**	**4,625**	**277,632**	**1,768**	**-**	**292,142**
Amortisation for the period	977	430	42,802	183	-	44,392
Decreases – sales	(178)	(222)	(11,135)	(1)	-	(11,536)
Decreases – liquidations, inventory shortages	-	(27)	(5,485)	(27)	-	(5,539)
As on 30.06.2012	**8,916**	**4,806**	**303,814**	**1,923**	**-**	**319,459**
NET VALUE:						
As on 30 June 2012	**70,302**	**2,971**	**257,569**	**463**	**2,807**	**334,112**
As on 31 December 2011	**71,870**	**3,114**	**300,339**	**606**	**1,978**	**377,907**
As on 01 January 2011	**73,778**	**3,316**	**333,445**	**848**	**1,876**	**413,263**

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

Table of changes in tangible fixed assets in the period from 1 January to 30 June 2011.

	Land, buildings and structures	Technical equipment, machines and means of transport	Scaffolding systems	Other fixed assets	Fixed assets under construction	Total tangible fixed assets
GROSS VALUE						
As on 1.01.2011	**79,941**	**7,654**	**550,645**	**2,339**	**1,876**	**642,455**
Increases due to purchases	36	426	31,551	84	1,897	33,994
Increases – inventory surpluses, reclassifications	-	-	206	332	-	538
Decreases – sales	-	(292)	(10,828)	(2)	-	(11,122)
Decreases – liquidations, inventory shortages	-	(21)	(6,031)	(382)	-	(6,434)
As on 30.06.2011	**79,977**	**7,767**	**565,543**	**2,371**	**3,773**	**659,431**
ACCUMULATED AMORTISATION						
As on 1.01.2011	**6,163**	**4,338**	**217,200**	**1,491**	**-**	**229,192**
Amortisation for the period	977	502	39,128	206	-	40,813
Decreases – sales	-	(281)	(6,667)	(1)	-	(6,949)
Decreases – liquidations, inventory shortages	-	(21)	(2,652)	(43)	-	(2,716)
As on 30.06.2011	**7,140**	**4,538**	**247,009**	**1,653**	**-**	**260,340**
NET VALUE:						
As on 30 June 2011	**72,837**	**3,229**	**318,534**	**718**	**3,773**	**399,091**
As on 01 January 2011	**73,778**	**3,316**	**333,445**	**848**	**1,876**	**413,263**

Bank credit lines as on 30 June 2012 are secured by fixed assets (scaffolding) up to the amount of PLN 293,153,000. As on 31 December 2011 the security amounted to PLN 302,256,000 (30 June 2011: PLN 302,256,000).
The net value of tangible fixed assets used on the basis of finance lease contracts is, as on 30 June 2012, PLN 576,000 (as on 31 December 2011: PLN 614,000, and as on 30 June 2011: PLN 653,000).

Depreciation write-downs of tangible fixed assets increased:

Specification:	6 months of 2012	12 months 2011	6 months 2011
Costs of sold products, goods and materials	44,294	84,676	40,646
Sales and marketing costs	7	21	8
General administration costs	91	283	159
Total	**44,392**	**84,980**	**40,813**

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

3. Intangible assets

Table of changes in intangible assets in the period from 1 January 2011 to 30 June 2012.

	Licenses and software	Other	Total intangible assets
GROSS VALUE			
As on 1.01.2011	**3,374**	**37**	**3,411**
Increases	853	-	853
Decreases – sale	(58)	-	(58)
As on 31 December 2011	**4,169**	**37**	**4,206**
Increases	4	-	4
Decreases – sale, liquidation	(1)	-	(1)
As on 30.06.2012	**4,172**	**37**	**4,209**
ACCUMULATED AMORTISATION			
As on 1.01.2011	**2,899**	**31**	**2,930**
Amortisation for the period	302	6	308
Decreases – sale	(58)	-	(58)
As on 31 December 2011	**3,143**	**37**	**3,180**
Amortisation for the period	247	-	247
Decreases – sale, liquidation	(1)	-	(1)
As on 30.06.2012	**3,389**	**37**	**3,426**
NET VALUE:			
As on 30 June 2012	**783**	**-**	**783**
As on 31 December 2011	**1,026**	**-**	**1,026**
As on 01 January 2011	**475**	**6**	**481**

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

Table of changes in intangible assets in the period from 1 January to 30 June 2011.

	Licenses and software	Other	Total intangible assets
GROSS VALUE			
As on 1.01.2011	**3,374**	**37**	**3,411**
Increases	102	-	102
Decreases – sale	(58)	-	(58)
As on 30.06.2011	**3,418**	**37**	**3,455**
ACCUMULATED AMORTISATION			
As on 1.01.2011	**2,899**	**31**	**2,930**
Amortisation for the period	129	4	133
Decreases – sale	(57)	-	(57)
As on 30.06.2011	**2,971**	**35**	**3,006**
NET VALUE:			
As on 30 June 2011	**447**	**2**	**449**
As on 01 January 2011	**475**	**6**	**481**

The depreciation write-downs of intangible assets increased:

Specification:	6 months of 2012	12 months 2011	6 months 2011
Costs of sold products, goods and materials	57	101	40
Sales and marketing costs	-	10	9
General administration costs	190	197	84
Total	**247**	**308**	**133**

4. Financial instruments

	Carrying value			**Fair value**		
	30 June 2012	31 December 2011	30 June 2011	30 June 2012	31 December 2011	30 June 2011
Financial assets available for sale						
Cash	45,417	18,563	10,815	45,417	18,563	10,815
Receivables and loans granted						
Trade and other receivables	87,654	100,383	94,529	87,654	100,383	94,529
Loans granted	9,557	9,421	10,209	9,557	9,421	10,209

Carrying value **Fair value**

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

	30 June 2012	31 December 2011	30 June 2011	30 June 2012	31 December 2011	30 June 2011
Derivatives						
Financial instruments measured at fair value through profit or loss	-	-	49	-	-	49
Financial liabilities						
Credits bearing variable interest rates	114,458	142,351	173,869	114,458	142,351	173,869
Trade and other liabilities	41,965	41,054	60,771	41,965	41,054	60,771
Derivatives						
Financial instruments measured at fair value through profit or loss	12	174		12	174	

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

5. Investments in subsidiaries and affiliates

As on 30 June 2012

Item	Name of entity	Registered office	Scope of business activity	Character of the relation	Date of taking up control	Value of interests by purchase price	Revaluation write-downs	Balance sheet value of shares/interests	Percentage of share capital owned	Share in total number of votes at general meeting
1	ULMA Opałubka Ukraine	Ukraine	sales and lease of shuttering, sales of construction materials	subsidiary	18.07.2001	5,818	-	5,818	100	100
2	ULMA Cofraje	Romania	sales and lease of shuttering, sales of construction materials	affiliate	02.11.2007	2,917	-	2,917	30	30
3.	ULMA Opałubka Kazakhstan	Kazakhstan	sales and lease of shuttering, sales of construction materials	subsidiary	27.08.2010	84	-	84	100	100
4.	ULMA Construcction BALTIC	Lithuania	sales and lease of shuttering, sales of construction materials	subsidiary	27.04.2012	141	-	141	100	100
						8,960	**-**	**8,960**		

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

6. Other fixed assets

Other fixed assets include the value of the right of perpetual usufruct of lands in the amount of PLN 4,261,000. The right of perpetual usufruct of lands was acquired by the Company in 2007 and expires on 5 December 2089.

7. Trade and other receivables

	Status as on: 30 June 2012	31 December 2011	30 June 2011
Trade receivables from non-affiliated entities	103,492	112,820	104,345
Write-downs on trade receivables	(23,852)	(21,102)	(17,816)
Net trade receivables	*79,640*	*91,718*	*86,529*
Other receivables	3,834	5,087	5,669
Prepayments	1,047	671	1,090
Trade receivables from affiliated entities	3,133	2,907	1,241
Loans granted	9,557	9,421	10,209
Total trade and other receivables	**97,211**	**109,804**	**104,738**
including:			
Long-term part	10,109	11,388	13,515
Short-term part	87,102	98,416	91,223

On the basis of the conducted analyses the Company has assessed that the balance sheet value of individual receivables presented in this financial statement is close to the fair values of these receivables.

There is no concentration of credit risk arising from trade receivables because the Company has a large number of clients.

The net value of write-downs on receivables increased by the amounts of the written-off receivables in the total amount of PLN 3,336,000 (PLN 2,794,000) in the corresponding period of 2011) was recognised in the costs of sales and marketing in the consolidated income statement.

Changes in write-downs on trade receivables and other receivables are the following:

	6 months of 2012	12 months 2011	6 months of 2011
Opening balance	**21,102**	**14,426**	**14,426**
Increases – write-downs on trade receivables	4,800	5,894	2,923
Increases – write-downs on the interest on delay	18	1,833	1,085
Implementation	(1,564)	(454)	(296)
Adjustment of the previous write-down	(504)	(597)	(322)
Closing balance	**23,852**	**21,102**	**17,816**

All the write-downs on receivables apply to short-term receivables.

8. Inventories

Status as on:

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

	30 June 2012	31 December 2011	30 June 2011
Materials	2,872	3,530	3,976
Goods	1,111	958	2,770
Gross value of inventories	**3,983**	**4,488**	**6,746**
Write-downs on the value of inventories	(340)	(340)	(340)
Net value of inventories	**3,643**	**4,148**	**6,406**

9. Cash and cash equivalents

		Status as on:	
	30 June 2012	31 December 2011	30 June 2011
Cash in hand and at bank	42,477	17,326	6,031
Short-term bank deposits	2,940	1,237	4,784
Total cash, including:	**45,417**	**18,563**	**10,815**
Restricted cash	63	433	195

For the purposes of the cash flow statement, cash and overdraft include:

		Status as on:	
	30 June 2012	31 December 2011	30 June 2011
Cash and cash equivalents	45,417	18,563	10,815
Overdraft (note 12)	-	(1,117)	-
Cash and cash equivalents recognised in the cash flow statement	**45,417**	**17,446**	**10,815**

10. Initial capital

	Number of shares	Nominal value of shares	Surplus from the sales of shares above the par value	Total
As on 1.01.2011	**5,255,632**	**10,511**	**114,990**	**125,501**
increases	-	-	-	-
- decreases	-	-	-	-
As on 31 December 2011	**5,255,632**	**10,511**	**114,990**	**125,501**
increases	-	-	-	-
- decreases	-	-	-	-
As on 30.06.2012	**5,255,632**	**10,511**	**114,990**	**125,501**

All shares are ordinary bearer shares with the nominal value of PLN 2.00. All shares are paid up.

As on 30 June 2012 the Company's shareholder structure is the following[*)]:

	Initial capital		**Votes in the GSM**	
	Number of shares	**%**	**Number of votes**	**%**
ULMA CyE, S. Coop	3,967,290	75.49	3,967,290	75.49

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

Aviva OFE BZ WBK S.A.	460,000	8.75	460,000	8.75
Free float	828,342	15.76	828,342	15.76

*) Data based on the list of participants of the GSM of ULMA Construccion Polska S.A. of 22.06.2012

11. Trade and other liabilities

	Status as on:		
	30 June 2012	31 December 2011	30 June 2011
Trade liabilities towards unrelated entities	16,292	19,514	23,710
Liabilities towards related entities	2,932	3,338	23,052
Liabilities arising from social insurance and other obligations	9,201	9,791	8,563
Accruals	8,343	12,005	5,200
Deferred income	3	3	-
Other liabilities	415	150	505
Dividend liabilities – related entities	10,553	4,562	6,268
Dividend liabilities – related entities	3,427	1,482	2,036
Total trade and other liabilities	**51,166**	**50,845**	**69,334**
including:			
Long-term part	-	-	-
Short-term part	51,166	50,845	69,334

12. Credits and loans

	Status as on:		
	30 June 2012	31 December 2011	30 June 2011
Long-term			
Bank loans	62,232	87,056	113,754
Total long-term credits	**62,232**	**87,056**	**113,754**

	Status as on:		
	30 June 2012	31 December 2011	30 June 2011
Short-term			
Overdraft (note 9)	-	1,117	-
Bank loans	52,226	54,178	60,115
Total short-term credits	**52,226**	**55,295**	**60,115**

Bank credits are secured by tangible fixed assets – scaffoldings (registered pledges). Additional collaterals include blank promissory notes.
Interest on bank credits is charged monthly based on the current WIBOR rate increased by the margin specified in individual credit contracts.

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

Maturity structure of long-term credits:

	30 June 2012	31 December 2011	30 June 2011
1 to 2 years	37,980	46,438	51,522
2 to 5 years	24,252	40,618	62,232
Above 5 years	-	-	-
Total long-term credits	**62,232**	**87,056**	**113,754**

Effective interest rates on the balance sheet date were the following:

	30 June 2012	31 December 2011	30 June 2011
Overdraft	-	5.04	5.16
Bank loans	6.76	6.13	5.87

The Company has the following, unused credit limits granted to it:

	30 June 2012	31 December 2011	30 June 2011
Based on variable interest:			
- expiring within one year	18,000	6,883	23,000
- expiring after one year	10,500	15,000	5,000
Total unused credit limits	**28,500**	**21,883**	**28,000**

13. Lease

13 a) Finance lease

The assets included in the table below and used pursuant to finance lease contracts include forklifts and shuttering cleaning machines.

		Status as on:	
	30 June 2012	31 December 2011	30 June 2011
The initial value of the leased tangible fixed assets	768	768	768
Depreciation	(192)	(154)	(115)
Net book value	**576**	**614**	**653**

Amortisation of tangible fixed assets used pursuant to finance lease contracts in the 6 months' period ended on 30 June 2012 amounted to PLN 38,000, in the 12 months' period ended on 31 December 2011 – to PLN 77,000 and in the 6 months' period ended on 30 June 2011 – to PLN 38,000.

		Status as on:	
	30 June 2012	31 December 2011	30 June 2011

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

Below one year	148	148	146
From 1 year up to 5 years	199	285	350
Total amount of minimum lease payments by time to maturity:	**347**	**433**	**496**

	Status as on:		
	30 June 2012	31 December 2011	30 June 2011
Below one year	148	148	146
From 1 year up to 5 years	199	285	350
Total amount of the current value of minimum lease payments by time to maturity:	**347**	**433**	**496**

The analysis conducted by the Company indicated that the total amount of minimum lease payments does not differ significantly from the total amount of current value of these payments.

Important provisions of lease contracts

- the lease period is usually 5 years long,
- the amount of conditional lease payment is established on the basis of WIBOR increased by the bank margin,
- lease contracts include the option to buy the lease object at lease-end,
- contractual provisions do not provide for any restrictions with respect to additional debt or additional lease contracts,

13 b) Operating lease

The right of perpetual usufruct of lands acquired by purchase has been classified into operating lease contracts.

The total amount of future minimum payments for the right of perpetual usufruct of lands is:

	Status as on:		
	30 June 2012	31 December 2011	
Below one year	9	9	9
From 1 year up to 5 years	35	35	35
Above 5 years	636	645	645
Total	**680**	**689**	**689**

Pursuant to the contract the right of perpetual usufruct of lands expires on 5 December 2089.

14. Deferred income tax

	Status as on:		
	30 June 2012	31 December 2011	30 June 2011

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

Deferred income tax assets	4,965	6,710	5,897
Deferred income tax liabilities	(15,467)	(14,763)	(13,300)
Balance sheet value of deferred income tax liability	**(10,502)**	**(8,053)**	**(7,403)**

Changes in deferred income tax assets and liabilities in the course of the year (before taking into account their set-off under a single jurisdiction) are the following:

Deferred income tax liabilities

Temporary differences title	Valuation of tangible fixed assets.	Unrealised foreign exchange differences	Other	Total
As on 1.01.2011	**12,060**	**5**	**34**	**12,099**
Recognition of profit or loss	-	(70)	(132)	**(202)**
Charges on profit or loss	2,636	104	126	**2,866**
As on 31 December 2011	**14,696**	**39**	**28**	**14,763**
Recognition of profit or loss	(106)	(107)	(81)	**(294)**
Charges on profit or loss	832	86	80	**998**
As on 30.06.2012	**15,422**	**18**	**27**	**15,467**

Deferred income tax assets

Temporary differences title	Tax losses	Lease	Provisions for costs	Unrealised foreign exchange differences	Total
As on 1.01.2011	**5,561**	**-**	**1,528**	**294**	**7,383**
Recognition of profit or loss	-	-	3,230	350	**3,580**
Charges on profit or loss	(2,784)	-	(904)	(565)	**(4,253)**
As on 31 December 2011	**2,777**	**-**	**3,854**	**79**	**6,710**
Recognition of profit or loss	-	-	1,147	227	**1,374**
Charges on profit or loss	(1,260)	-	(1,686)	(173)	**(3,119)**
As on 30.06.2012	**1,517**	**-**	**3,315**	**133**	**4,965**

15. Pension benefits

	30 June 2012	31 December 2011	30 June 2011
The liabilities, included in the statement of financial position, arising from:			

Pension benefits	117	117	104
	117	**117**	**104**

The Company conducts the actuarial valuation of pension benefits provision at the end of every financial year.

	6 months of 2012	12 months of 2011	6 months of 2011
Amounts allocated to pension benefits provision	-	7	-
Interest expense	-	5	-
Actuarial profit and loss, net	-	25	-
Benefits paid	-	(24)	-
Recognised in total in employment benefit costs	**-**	**13**	**-**

Change in balance sheet liability:

	6 months of 2012	12 months of 2011	6 months of 2011
Opening balance of pension benefits provision	117	104	104
Amounts allocated to pension benefits provision	-	7	-
Interest expense	-	5	-
Actuarial profit and loss, net	-	25	-
Benefits paid	-	(24)	-
Closing balance of pension benefits provision	**117**	**117**	**104**

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

16. Revenues on sales

	6 months of 2012	6 months of 2011
Sales revenue from construction site services	110,312	110,348
Revenue from sales of construction goods and materials	13,698	7,901
Total sales revenues	**124,010**	**118,249**

17. Costs by type

	6 months of 2012	6 months of 2011
Amortisation of tangible fixed assets and intangible assets	44,639	40,946
Costs of employment benefits (note 17 a)	15,349	16,694
Consumption of raw materials, materials and energy	7,408	6,496
Transport services	9,544	8,018
Rental and tenancy services	5,106	4,377
Overhaul services	2,121	1,966
Assembly services	432	1,150
Other outsourced services	9,006	7,124
Other costs	5,532	4,946
Value of goods, materials and scaffoldings sold (components of fixed assets)	8,931	7,442
Total costs by type	**108,068**	**99,159**
Costs of services for own needs	(15)	(5)
Sales and marketing costs	(4,881)	(4,098)
General administration costs	(5,618)	(5,237)
Costs of sold products, goods and materials	**97,554**	**89,819**

17 a) Costs of employment benefits

Costs of salaries and costs of termination of employment benefits	12,492	13,663
Costs of social insurance and employee benefits	2,857	3,031
Total costs of employment benefits	**15,349**	**16,694**

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

18. Other operating revenues and costs

18 a) Other operating revenues

	6 months of 2012	6 months of 2011
Profit on the change of fair value of forward contracts	62	68
Received indemnity – lost components of tangible fixed assets and working assets	53	156
Written-off liabilities	13	-
Sale of components of tangible fixed assets	42	56
Reinvoices	187	245
Provisions for expected losses – release	550	-
Other revenue	3	5
Other operating revenues in total	**910**	**530**

18 b) Other operating costs

	6 months of 2012	6 months of 2011
Loss on the change of fair value of forward contracts	-	(17)
Lost components of tangible fixed assets and working assets	-	(9)
Elimination of tangible fixed assets	(1,518)	(1,378)
Reinvoices	-	(89)
Provisions for expected losses	(440)	-
Other costs	(336)	(4)
Other operating costs in total	**(2,294)**	**(1,497)**

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

19. Financial revenues and costs

19 a) Financial revenue	6 months of 2012	6 months of 2011
Interest income:		
- loans granted	473	659
- on funds in the bank account	666	46
Profit on the change of fair value of forward contracts of the financial activity	78	-
Total financial income	**1,217**	**705**

19 b) Financial expenses		
Interest costs:		
- bank credits	(4,303)	(5,578)
- lease	(15)	(17)
- for delay in payment of liabilities	(1)	(3)
	(4,319)	**(5,598)**
FX differences	(240)	113
Costs of loan acquisition	(53)	(91)
Other	(73)	(108)
Total financial expenses	**(4,685)**	**(5,684)**

20. Income tax

	6 months of 2012	6 months of 2011
Current income tax	-	-
Deferred tax (note 14)	(2,449)	(2,686)
Total income tax	**(2,449)**	**(2,686)**

Income tax on the pre-tax gross profit of the Company differs from the theoretical amount which would have been achieved by using the applicable tax rate on pre-tax profit in the following way:

	6 months of 2012	6 months of 2011
Profit before taxation	**11,105**	**13,149**
Tax calculated in accordance with applicable rates (19%)	2,110	2,498
Revenues not subject to taxation	(40)	(79)
Non-tax-deductible expenses	379	267
Charges on the profit or loss due to income tax	**2,449**	**2,686**
Effective tax rate	**22.0 %**	**20.4 %**

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

Tax authorities may control accounting books and tax settlements within 5 years following the end of a year, in which tax returns were submitted, and charge the Company with additional tax together with penalty interest. In the opinion of the Management Board no circumstances exist indicating the possible occurrence of any essential liabilities in consideration thereof.

21. Valuation of financial instruments at fair value

On the basis of the conducted analyses the Company has assessed that the balance sheet value of individual financial instruments presented in this financial statement is close to fair values of these instruments.

22. Profit per share

Basic profit per share is calculated as a quotient of the profit per shareholders of the Company and the weighted average number of ordinary shares in the course of the year.

	6 months of 2012	6 months of 2011
Profit per shareholders of the parent company	8,656	10,463
Number of ordinary shares as at the balance-sheet date	5,255,632	5,255,632
Weighted average number of common shares	5,255,632	5,255,632
Basic profit per share (in PLN per share)	1.65	1.99
Diluted profit per share (in PLN per share)	1.65	1.99

23. Conditional items

As at the balance sheet date the Group had a contract concluded on 27 September 2010 between ULMA Construccion Polska S.A. and FORTIS BANK POLSKA S.A. on the credit limit in the amount of PLN 2,000,000 under which the following types of bank guarantees can be granted:
1. bid bond,
2. performance bond,
3. advance payment guarantee,
4. payment guarantee.

The contract was concluded for a 10-year period. The current crediting until 31 August 2012.
As at the balance sheet date ULMA Construccion Polska S.A. was not using the said guarantee line.

24. Events after the balance sheet date

After the balance sheet date there were no events which might significantly affect the presented financial statement.

25. Transactions with related entities

The Group is controlled by ULMA C y E, S. Coop with its registered office in Spain which holds 75.49% of 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. with its registered office in Warsaw

Subsidiaries:

- ULMA Opałubka Ukraine with its registered office in Kiev, Gnata Juri 9, was established 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.

- On 27.08.2010 ULMA Opałubka Kazakhstan sp. z o.o., a subsidiary, was established with its 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.

- On 27 April 2012 a subsidiary, „ULMA Construcction BALTIC" with its registered office in Vilnius, Pylimo 41-12. The Company will operate in the area of lease of scaffolding and shuttering, wholesale and retail sale of scaffolding and shuttering, sale and lease of other construction equipment 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 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. The remaining 70% of share in the Company's capital belongs to the entity which controls the Group: ULMA C y E, S. Coop. with its registered office in Spain.

Transactions concluded by ULMA Construccion Polska S.A. 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.

Figures related to the transactions made by ULMA Construccion Polska S.A. with related entities which belong to the ULMA C y E, S. Coop Capital Group.

Settlement balance as at the balance-sheet date	**Status as on** 30 June 2012	30 June 2011
Receivables of ULMA Construccion Polska S.A. from Group entities	3,133	1,241
Liabilities of ULMA Construccion Polska S.A. towards Group entities	2,932	23,052
Liabilities from dividends	10,553	6,268

Sales and purchases from Group entities	6 months 2012	6 months of 2011
Sales of ULMA Construccion Polska S.A. to Group entities	5,791	2,420
Purchases of ULMA Construccion Polska S.A. from Group entities	5,001	26,634

Loans, interest, dividends	6 months 2012	6 months of 2011
Loans granted by ULMA Construccion Polska S.A. to Group entities in EUR '000	250	241
Loans repaid by Group entities – in EUR '000	140	345
Revenues from the interests on the loans granted to Group entities – in EUR '000	112	139
Loans granted by ULMA Construccion Polska S.A. to Group entities in PLN '000	-	240
Revenues from the interests on the loans granted to Group entities – in PLN '000	-	110
Loans repaid by Group entities – in PLN '000	-	3,025

26. Translation of selected financial data into EUR

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

	in PLN '000		in thou. EUR	
SPECIFICATION	6 months of 2012	6 months of 2011	6 months of 2012	6 months of 2011
Net income on sales of products, goods and materials	124,010	118,249	29,355	29,806
Operating profit (loss)	14,573	18,128	3,450	4,569
Gross profit (loss)	11,105	13,149	2,629	3,314
Net profit (loss)	8,656	10,463	2,049	2,637
Net cash flow on operations	72,687	60,721	17,206	15,305
Net cash flow on investment activity	(7,530)	(13,111)	(1,782)	(3,305)
Net cash flows on financial activity	(37,225)	(38,676)	(8,811)	(9,749)
Net cash flow	27,932	8,934	6,612	2,252
Diluted profit per common share (in PLN/EUR)	1.65	1.99	0.39	0.50
Basic profit per common share (in PLN/EUR)	1.65	1.99	0.39	0.50

	in PLN '000		in thou. EUR	
	30 June 2012	31 December 2011	30 June 2012	31 December 2011
Total assets	494,433	525,128	116,029	118,893
Liabilities	176,602	201,973	41,443	45,728
Long-term liabilities	73,047	95,508	17,142	21,624
Short-term liabilities	103,555	106,465	24,301	24,104
Equity	317,831	323,155	74,586	73,165
Initial capital	10,511	10,511	2,467	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)	60.47	61.49	14.19	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 30 June 2012 was PLN 4.2613, 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. - 30.06.2012 translated according to the rate = 4.2246 PLN/EUR, data for the analogue period of 2011 were translated according to the rate = 3.9673 PLN/EUR.

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

Andrzej Kozłowski, President of the Management Board ....

Andrzej Sterczyński, Member of the Management Board ....

Krzysztof Orzełowski, Member of the Management Board ....

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

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

Signature of the person appointed to keep accounting books

Henryka Padzik, Chief Accountant ………………………………………

Warsaw, 17 August 2012