CONSOLIDATED FINANCIAL STATEMENTS

of the
ULMA Construccion Polska S.A.
Capital Group

FOR THE PERIOD OF 12 MONTHS ENDED ON 31 DECEMBER, 2013

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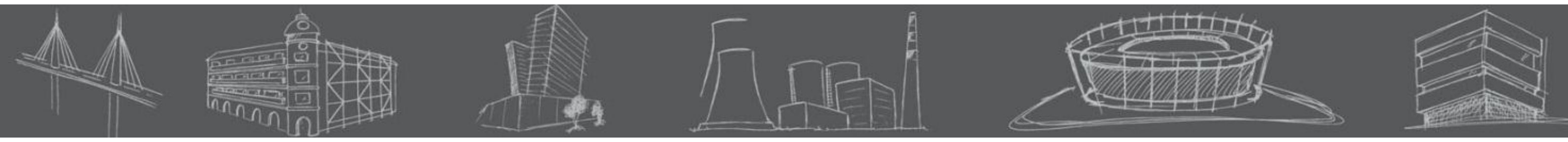
All amounts are stated in PLN '000, unless indicated otherwise



ULMA Construccion Polska S.A. CAPITAL GROUP

GENERAL INFORMATION

All amounts are stated in PLN '000, unless indicated otherwise

The Group's business

The business of ULMA Construccion Polska S.A. Capital Group (hereinafter referred to as the Group) consists in the following:

- lease and sale of scaffolding and formwork used in construction,
- preparation of commissioned designs related to the application of formwork and scaffolding,
- export of construction services performed by the Group's companies,
- sale of construction raw materials and accessories for concrete,
- transport, equipment and renovation activity, including sale and lease of construction machinery.

The parent entity ULMA Construccion Polska S.A. is a joint-stock company (the Company). The Company commenced its business activity on 14 February 1989 under the name of Bauma Sp. z o.o., in a form of a limited liability company (Spółka z o.o.) and was registered under the Rep. No. A.II – 2791. On 15 September 1995, it was converted into a joint-stock company, established by a notarial deed before notary Robert Dor at the Notarial Office in Warsaw, registered under Rep. No. A 5500/95. On 29 October 2001, the District Court in Warsaw, 13th Commercial Division of the National Court Register, entered the Company into the Register of Entrepreneurs under the National Court Register No. 0000055818. On 6 November 2006, the Extraordinary General Meeting of Shareholders, by way of Resolution no. 1, decided to change the Company's name from BAUMA S.A. to ULMA Construccion Polska S.A. The relevant entry into the National Court Register was made on 14 November 2006.

Registered seat

ULMA Construccion Polska S.A.
ul. Klasyków 10
03-115 Warszawa

New registered office valid since 1 March, 2013
Koszajec 50
05-840 Brwinów

Supervisory Board and Management Board

Aitor Ayastuy Ayastuy	Chairman of the Supervisory Board
Lourdes Urzelai Ugarte	Vice-Chairman of the Supervisory Board
Ander Ollo Odriozola	Member of the Supervisory Board
Iñaki Irizar Moyua	Member of the Supervisory Board
Félix Esperesate Gutiérrez	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

All amounts are stated in PLN '000, unless indicated otherwise

Management Board

Andrzej Kozłowski	President 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
Andrzej Sterczyński	Member of the Management Board

Statutory Auditor

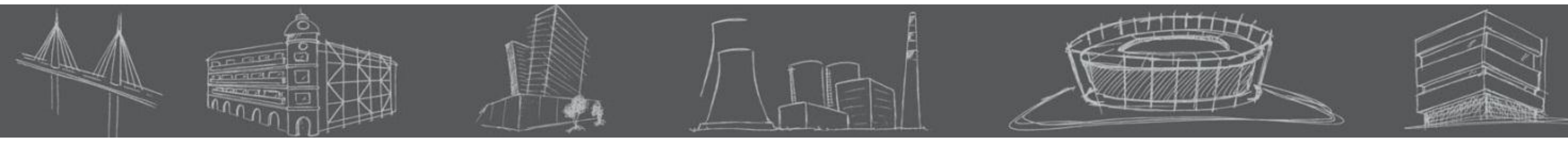
KPMG Audyt Sp. z o.o. spółka komandytowa
ul. Chłodna 51
00-867 Warszawa
The company is entered onto the list of entities authorized to audit financial statements under the no. 3546.

Banks

mBANK (former BRE Bank S.A.)
PEKAO S.A.
BNP PARIBAS Bank Polska S.A.
PKO Bank Polski S.A.
Banco de SABADEL (Spain)

Stock market quotations

The Company is quoted on the Warsaw Stock Exchange (“GPW”).
Ticker symbol on GPW: ULM



ULMA Construccion Polska S.A.
CAPITAL GROUP

CONSOLIDATED FINANCIAL STATEMENTS
for the period of 12 months of 2013

All amounts are stated in PLN '000, unless indicated otherwise

Consolidated statement of financial position

		As of:		
	Note	31 December, 2013		31 December, 2012
ASSETS				
I. Fixed assets				
1. Tangible fixed assets	5.	271 427		323 468
2. Intangible fixed assets	6.	578		787
3. Interests in associates	8.	280		792
4. Other non-current assets	9.	4 179		4 234
5. Long-term receivables	10.	921		992
Total fixed assets		**277 385**		**330 273**
II. Current assets				
1. Inventories	11.	6 807		5 978
2. Trade receivables and other receivables	10.	70 780		88 510
3. Current income tax receivables		492		86
4. Derivative instruments	7.	42		149
5. Cash and cash equivalents	12.	29 748		29 538
Total current assets		**107 869**		**124 261**
Total assets		**385 254**		**454 534**
SHAREHOLDERS' EQUITY AND PAYABLES				
I. Shareholders' equity				
1. Share capital	13.	10 511		10 511
2. Supplementary capital - surplus from the sale of shares at premium	13.	114 990		114 990
3. Foreign exchange differences from consolidation		(4 498)		(3 888)
4. Retained earnings, including:		178 125		188 543
a. Net profit/(loss) in the business period		*93*		*20 427*
Total shareholders' equity		**299 128**		**310 156**
II. Liabilities				
1. Long-term payables				
a. Credits and loans	15.	10 604		40 618
b. Deferred income tax liabilities	17.	9 228		11 197
c. Long-term payables related to retirement benefits	18.	136		102
d. Long-term payables related to financial leasing	16.	-		136
Total long-term payables		**19 968**		**52 053**
2. Short-term payables				
a. Credits and loans	15.	33 243		47 826
b. Short-term payables related to retirement benefits	18.	3		14
c. Short-term payables related to financial leasing	16.	139		147
d. Current income tax liabilities		1 439		655
e. Derivative instruments	7.	-		-
f. Trade payables and other payables	14.	31 334		43 683
Total short-term payables		**66 158**		**92 325**
Total payables		**86 126**		**144 378**

All amounts are stated in PLN '000, unless indicated otherwise

Total shareholders' equity and payables		**385 254**		**454 534**

Consolidated profit and loss statement and other comprehensive income

	Note	12 months of 2013	12 months of 2012
Revenues from sales	19.	209 471	259 393
Costs of sold goods, products and materials	20.	(183 126)	(195 711)
I. Gross profit on sales		**26 345**	**63 682**
Sales and marketing costs	20.	(8 026)	(16 742)
General management costs	20.	(14 793)	(13 120)
Other operating costs	21.	381	(1 216)
II. Profit at operating level		**3 907**	**32 604**
Financial revenues	22.	504	1 774
Financial costs	22.	(3 511)	(8 373)
Net financial revenues (costs)		*(3 007)*	*(6 599)*
Share in profits (losses) in associated companies		(507)	(368)
III. Profit before tax		**393**	**25 637**
Income tax	23.	(300)	(5 210)
IV. Net profit in the business period		**93**	**20 427**
Other comprehensive income:			
Foreign exchange differences from conversion of foreign subsidiaries		(506)	(499)
Foreign exchange differences related to net investment in subsidiary		(73)	(514)
Income tax related to other comprehensive income items		(31)	92
V. Total income for the business period		**(517)**	**19 506**
Net profit (loss) in the business period attributable to the owners of the parent entity	31.	93	20 427
Weighted average number of ordinary shares		5 255 632	5 255 632
Basic and diluted profit (loss) per share in the business period (in PLN per share)		0.02	3.89

All amounts are stated in PLN '000, unless indicated otherwise

Statement of changes in consolidated shareholders' equity

Specification	Share capital - nominal value	Surplus for the issue of shares at premium	Foreign exchange differences from consolidation	Retained earnings	Total shareholders' equity
As of 1 January, 2012	**10 511**	**114 990**	**(2 967)**	**182 096**	**304 630**
Comprehensive income in 2012	-	-	(921)	20 427	19 506
Dividend - profit sharing for 2011	-	-	-	(13 980)	(13 980)
As of 31 December, 2012	**10 511**	**114 990**	**(3 888)**	**188 543**	**310 156**
Comprehensive income in 2013	-	-	(610)	93	(517)
Dividend - profit sharing for 2012	-	-	-	(10 511)	(10 511)
As of 31 December, 2013	**10 511**	**114 990**	**(4 498)**	**178 125**	**299 128**

All amounts are stated in PLN '000, unless indicated otherwise

Consolidated cash flow statement

	Note	12 months of 2013		12 months of 2012
Net profit in the business period		**93**		**20 427**
Adjustments:				
- Income tax	23.	300		5 210
- Depreciation of tangible assets	5.	78 129		84 888
- Depreciation of intangible fixed assets	6.	552		486
- Net value of formwork –tangible assets - sold		11 110		13 356
- Interest expense		3 642		8 096
- Interest revenue		(488)		(1 654)
- Change in the value of shares in associated entities		512		370
- (Profit)/loss on changes in the fair value of financial instruments		107		(323)
- (Profit)/loss on foreign exchange differences		(312)		195
- Change in the value of provision for retirement benefits		24		(1)
Change in the balance of current assets:				
- Inventories		(829)		(775)
- Trade receivables and other receivables		17 735		12 678
- Trade payables and other payables		(10 805)		(1 294)
		99 770		**141 659**
Income tax paid		(1 920)		210
Net cash revenues from operating activities		**97 850**		**141 869**
Cash flow from investment activities				
Acquisition of tangible fixed assets		(39 734)		(48 961)
Revenue from the sale of tangible fixed assets		144		65
Acquisition of intangible fixed assets		(344)		(216)
Loans granted		(5 000)		-
Repayment of loans granted		5 000		-
Interest received		420		1 651
Net cash expenses from investment activities		(39 514)		(47 461)
Cash flow from financial activities				
Loans and credits obtained		2 002		-
Repayment of loans and credits		(46 438)		(54 133)
Payment related to financial leasing		(145)		(151)
Interest paid		(3 802)		(8 241)
Dividend paid		(10 511)		(20 024)
Net cash expenses from financial activities		(58 894)		(82 549)
Net increase / (decrease) in cash and overdraft facility		(558)		11 859
Cash and overdraft facility at the beginning of period		29 538		17 865
Foreign exchange (loss)/profit on the valuation of cash and overdraft facilities		768		(186)
Cash and overdraft facility at the end of period	12.	**29 748**		**29 538**

All amounts are stated in PLN '000, unless indicated otherwise

Notes to the Consolidated Financial Statements

1. Description of major accounting principles applied

The basic accounting principles applied during the preparation of these consolidated financial statements are presented below. The principles described herein were applied in all the periods presented on a continuous basis.

A) Basis for preparation

This consolidated financial statements for the period of 12 months ended on 31 December, 2013 for ULMA Construccion Polska S.A. Capital Group, whose parent entity is ULMA Construccion Polska S.A. with its registered office in Warsaw, was prepared in accordance with the International Financial Reporting Standards (IFRS) approved by the European Union.

As of 31 December, 2013, there were no differences between the IFRS approved by the European Union and the IFRS published by the International Accounting Standards Board (IASB) recorded, which would have an impact on the financial statements of ULMA Construccion Polska S.A. Capital Group.

This statements was prepared in accordance with the historical cost principle, with the exception of assets and financial payables (derivative financial instruments) measured at fair value through profit and loss.

B) Consolidation

Subsidiaries are all entities (including special purpose vehicles), financial and operating policy of whose may be controlled by the Group; the Group usually has relevant capacity to control both financial and operating policy by holding the majority of the total votes in the decision-making bodies. To assess, whether the Group controls an entity whether not, the existence and impact of potential voting rights that may be exercised or converted in the given moment is considered. The subsidiaries are subject to full consolidation starting from the day of taking the control by the Group. Consolidation of such subsidiaries ceases on the date of termination of the control. The acquisition cost is determined as the fair value of the assets transferred, of the equity instruments issued and of the obligations contracted or accepted as of the exchange date. Identifiable assets acquired and payables, including contingent liabilities acquired as a result of the merger of business entities are measured initially at fair value as of the acquisition date, independently of the value of the potential non-controlling shares. Surplus of the acquisition cost over the fair value of the Group’s share in identifiable net assets acquired is carried as goodwill. If the acquisition cost is lower than the fair value of the net assets of the subsidiary acquired, the difference is recognized directly in the financial result.

Transactions, settlements and unrealized profits on transactions between the Group’s companies are eliminated. Unrealized losses are also subject to elimination, unless the transaction provides evidence of impairment of the asset transferred.

Foreign exchange differences arising on a cash item constituting a part of a net investment in an entity operating abroad are recognized initially under a separate item of shareholders’ equity and disclosed in other comprehensive income and upon net investment disposal they are recognized in the financial result.

The accounting principles applied by the subsidiaries were changed, where necessary, to ensure compliance with the accounting principles applied by the Group.

C) Measurement of items expressed in foreign currencies

1. Functional currency and presentation currency

The items included in the financial statements of the Group are measured in the currency of the primary economic environment in which a substantial part of the Group operates (functional currency). The functional currency of the parent entity is Polish Zloty (PLN), constituting also the presentation currency for the financial statements of the Group.

2. Transactions and balances

Transactions expressed in foreign currencies are converted into the functional currency at the exchange rate in force on the transaction date. Foreign exchange profits and losses related to settlement of such transactions and balance sheet valuation of cash payables and assets expressed in foreign currencies are recognized respectively in the financial result. Positive and negative foreign exchange differences related to investment and financial activities are included in financial costs.
Foreign exchange differences related to the performance and balance sheet valuation of trade settlements increase or decrease revenue or cost items with which they are operationally correlated.
The Group adopts the average exchange rate for the specific currency published by the National Bank of Poland as of the balance sheet date as the closing rate for that currency, used for the purpose of balance sheet valuation of cash payables and assets expressed in foreign currencies.

3. Foreign companies

Financial statements of companies belonging to the Capital Group whose functional currencies are different from the presentation currency are converted into the presentation currency as follows:

a) assets and liabilities are converted at the closing rate as of the balance sheet date,
b) revenues and costs in the statement of comprehensive income are converted separately for each business month at the closing rate as of the last day of that month,
c) all resulting foreign exchange differences are recognized as a separate item of shareholders' equity and disclosed in other comprehensive income.

4. Foreign exchange rates and inflation

	The average Polish zloty / Ukrainian hryvnia (UAH) exchange rate published by the National Bank of Poland	The average Polish zloty / Lithuanian litas (LTL) exchange rate published by the National Bank of Poland	The average Polish zloty / tenge (KZT) exchange rate published by the National Bank of Poland	The average Polish zloty / EUR exchange rate published by the National Bank of Poland	Change in the consumer goods and services index published by the Central Statistical Office of Poland
31 December, 2013	0.3706	1.2011	0.019530	4.1472	0.9%
31 December, 2012	0.3825	1.1840	0.020458	4.0882	3.7%

D) Financial instruments

The financial instruments disclosed in the statement of financial position include cash on hand and at banks, trade receivables and other receivables, financial assets disclosed at fair value and settled through

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profit or loss, financial assets available for sale, trade payables and other payables as well as loans and credit.
The methods of presentation and measurement of individual financial instruments are included in the points describing the adopted accounting principles below.
Derivative financial instruments are initially recognized at fair value as of the date of contract conclusion. Subsequently, their value is adjusted to reflect the current fair value. The derivative instruments held by the Group do not qualify as hedge accounting and therefore the result of their measurement to fair value is recognized in the financial result.
As of each balance sheet date, the Group evaluates, whether any circumstances constituting evidence of impairment of financial assets have arisen. If any such events occurred, the Group recognizes the accumulated loss, defined as the difference between the carrying value and the current fair value, in the financial result, reducing at the same time the carrying value of the relevant asset.

E) Tangible fixed assets

Tangible fixed assets, i.e. buildings, machinery and equipment used for manufacturing, delivery of products and performance of services or for management purposes, were measured as of the balance sheet date at acquisition price or production cost, less accumulated depreciation and impairment write-downs.

Later expenditures are recognized in the carrying value of the relevant asset or as a separate PP&E item (where applicable), only when probable that the Group will derive respective economic benefits and the cost of the relevant item can be reliably measured. Later expenditures not increasing the initial use value of the individual asset are charged to the costs of the period, in which they were incurred.

Lands owned by the Group are recognized at acquisition price and are not depreciated. Other property, plant & equipment items are amortized on a straight-line basis in order to spread their initial value less the potential end value over the time of their use for the individual generic groups.

The periods of use applied for the individual generic groups of PP&E are as follows (in years):

• buildings and structures	25 – 40
• investments in third party facilities	10
• plant and machinery	3 – 20
• equiment, formwork systems and other PP&E	3 – 7

The end value and the periods of use of the PP&E are checked as at every balance sheet date and adjusted, if necessary.

If the carrying value of a PP&E item exceeds the estimated recoverable amount, the carrying value is reduced to the recoverable amount (note 1I).

Profit and loss on the disposal of property, plant & equipment is determined by comparing the revenue from sale with the carrying value and recognized in the financial result.

F) Leasing – lessees (user's) accounting

Leasing of assets, at which a substantial part of the risk and benefits resulting from ownership actually continues to be borne or enjoyed by the lessor, is referred to as operational leasing. The lease payments charged to the Group in relation to operational leasing are charged to the financial result on a straight-line basis throughout the term of the lease agreement.

Leasing of tangible fixed assets, at which the Group assumes a substantial part of the risk and benefits derived from ownership, is referred to as financial leasing. Items under financial leasing are recognized in

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assets as of the starting date of the lease at the lower of the following amounts: the fair value of the leased item or the present value of the minimum lease payments. Lease payments made in the reporting period in the part related to the principal installments reduce the principal of the financial lease payable, while the remaining part, i.e. the interest, is charged to the financial costs of the period. Lease payments are divided into principal and interest in such a way as to obtain a fixed interest rate for each period with regard to the amount of the payable remaining to be repaid.
Tangible fixed assets under financial lease are disclosed in the statement of financial position on an equal basis with other tangible assets and are amortized in accordance with the same principles. If there is no reliable assurance that after the termination of the lease agreement, the Group will acquire the ownership right, the relevant assets are depreciated over the lease period or the time corresponding to their economic useful life, whichever is shorter.

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

Leasing is an agreement, under which the lessor (financing party) transfers, against a payment or a series of payments, to the lessee (user) the right to use a specific asset over a determined time. If the assets are given in operational lease, the relevant asset is disclosed in the statement of financial position according to its nature (type). Operational lease revenue is recognized over the lease period using the straight-line method.

H) Intangible assets

Software

Acquired software licenses are capitalized at the amount of the costs incurred to purchase and to prepare specific software for use. Capitalized costs are written down over the estimate time of use of the software amounting between 2 to 5 years.

I) Impairment of fixed assets

Fixed assets subject to depreciation are analyzed for impairment in the case of circumstances indicating the potential failure to realize the carrying value of tangible or intangible fixed assets held. The amounts of revaluation write-downs determine during the analysis (impairment test) reduce the carrying value of the asset they concern and they are charged to the costs of the period. Loss due to impairment is recognized in the amount, by which the carrying value of the asset exceeds the recoverable amount. The recoverable amount is the higher one of the following two amounts: fair value less the costs to sell, and use value (reflected by the present value of cash flow connected with the relevant asset). For the purposes of analysis for potential impairment, assets are grouped at the lowest level in relation to which cash flows occur that can be separately identified (cash-generating units). Non-financial assets other than goodwill impaired in the past are subject to review in relation to the potential reversal of the write-down as of each balance sheet date.

J) Investments

Available-for-sale financial assets

The investments of the Group cover the value of interests and shares in entities other than subsidiaries and associated undertakings. Investments in other entities are presented as financial assets available for sale, since the Management Board does not intend to dispose of such investments within the next 12 months. The investments are initially recognized at fair value plus additional transaction costs. Increases in the value of investments related to revaluation to fair value are taken to equity. Decreases in the value of investments, in relation to which increases were made at earlier date, reduce the revaluation capital. All other decreases resulting from impairment are charged to the financial result. In the case of available-for-sale financial instruments, whose fair value cannot be reliably determined (no active market exists for such instruments), valuation is performed at the cost of acquisition of the financial instrument less revaluation write-downs.

K) Inventories

Inventories of raw materials, other materials, semi-finished products and finished products as well as purchased goods are measured as at the balance sheet date at the lower of the following amounts: the acquisition price (production cost) or possible to acquire net selling price. The cost of finished goods and work in progress includes design cost, the value of raw materials used, direct labour costs, other direct costs and the corresponding departmental manufacturing costs (based on normal production capacities), however without the costs of third party financing.

The net selling price is the price of sale performed during normal economic activity, less the estimated costs of completion of production and the variable costs which have to be incurred to perform the sale effectively.
Inventory depletion is always measured in accordance with the “first in, first out” (FIFO) principle, with the exception of raw materials and materials used to produce formwork, depletion of which is measured at the weighted average purchase prices.
Revaluation write-downs are made on obsolete, unsellable and defective inventories in applicable cases.

Semi-finished products, work in progress and finished goods including formwork and their components produced by the Group may be held for sale or included in property, plant & equipment as items held for lease. The Group recognizes formwork as tangible fixed assets at the moment of entry of the goods held for lease in the warehouse.

L) Trade receivables and other receivables

Trade receivables are recognized initially at fair value and subsequently measured using the depreciated cost method, applying the effective percentage rate and reduced by impairment write-downs. Trade receivables regarded as uncollectible are charged to costs at the moment of stating them uncollectible.. If the Management Board considers that the Group will not be able to recover the amounts due at their original value as probable, an impairment write-down is made. The write-down amount corresponds to the difference between the book value and the present value of the expected future cash flows, discounted by the effective interest rate. Changes in the value of revaluation write-downs on trade receivables are recognized in the financial result, charged to sales and marketing costs, in the period in which the change took place.

Prepayments and accrued income

The capitalized amount of expenses incurred in the relevant business year and related to the following reporting periods is also disclosed under the item “Trade receivables and other receivables” of the statement of financial position. Their value was reliably determined and these will cause an inflow of economic benefits in the future.

M) Cash and cash equivalents

Cash and cash equivalents are recognized in the statement of financial position at fair value corresponding to the nominal value. These include cash on hand and at banks, other short-term investments with a high degree of liquidity with original maturities not exceeding three months.

Balance of cash and cash equivalents disclosed in the cash flow statement includes cash referred to the above and its equivalents, less outstanding overdraft amounts.
Overdraft facilities are disclosed in the statement of financial position under payables – short-term loans and credits.

N) Capital

Share capital

Ordinary shares are classified as equity. Share capital is disclosed at the nominal value of the shares. Surplus from the issue of shares at premium less costs directly related to the issue of the new shares is disclosed as supplementary capital.

Retained earnings

In the statement of financial position, the retained earnings item includes accumulated retained profits and losses of the Group from the previous business periods and the financial result of the current business year.

O) Credits and loans

Credits and loans are initially recognized at fair value, less the transaction costs incurred. In the subsequent periods, loans and credits are measured at the adjusted acquisition price (depreciated cost), applying the effective interest rate.
Credits and loans are recognized in short-term payables, unless the Group has the unconditional right to defer the repayment of the debt by at least 12 months following the balance sheet date.

P) Provisions

Provisions are created for the Group's existing obligations (under statute or common law) resulting from past events, provided that the probability that the Group's resources will have to be spent in order to fulfill that obligation occurs, and if its estimated value can be determined in reliable manner.

Q) Accruals and deferred income

The Group discloses the following under the item "Trade payables and other payables" in the statement of financial position:

- reliably estimated values of the costs incurred in the relevant reporting period, not invoiced by the suppliers until the balance sheet date. The time and manner of settlement depends on the nature of the accruals;
- deferred income, including in particular the equivalent of funds obtained or due from contracting parties in relation to performance taking place in subsequent reporting periods.

R) Significant accounting estimates

In the course of preparation of this financial statements in accordance with the International Financial Reporting Standards, the Management Board performs specific accounting estimates and takes its own knowledge and estimates in relation to expected changes in the analyzed figures into account. The actual figures may differ from the estimates. The carrying value of tangible fixed assets is determined on the basis of estimates concerning the useful life of individual groups of property, plant & equipment. The useful life periods assumed for tangible fixed assets are subject to periodic review on the basis of analyses performed by the Group.

Receivables are reviewed for impairment, provided the occurrence of circumstances suggesting that they may be uncollectible. In that case, the revaluation write-downs are determined on the basis of estimated prepared by the Group.

S) Revenues

Revenues include the fair value of revenue from the sale of products and services, less goods and services tax (VAT), discounts and reductions.
The Group recognizes the revenue from sales, in the cases, in which: the amount of revenue can be reliably measured; it is likely that the entity will obtain economic benefits in the future; and, the specific criteria described below have been met for all kinds of the Group's activity.

1. Revenues from the sale of products and goods

Revenue from the sale of goods and products is recognized, provided that the significant risk and benefits resulting from the right of ownership of goods and products were transferred to the buyer and when the amount of revenue can be measured reliably, and collectability of receivables is sufficiently certain.
This category also includes revenue from the sale of formwork systems, recognized as tangible fixed assets. The result from sale of other tangible fixed assets is recognized in other net profit/(loss).

In the case of domestic sales, the moment of recognizing the revenue from the sale of products or goods is the time of release of the products or goods to the buyer from the Group's warehouse. In the case of export sale and intra-Community supply of goods, the moment of recognizing the revenue depends on the delivery conditions determined in accordance with Incoterms 2000, included in the performed contract. In the case of contracts concluded under FCA (or EXW) conditions, the moment when revenue from sale is recognized is the moment of release of the products or goods to the recipient from the Group's warehouse. In the case of contracts concluded under CPT and CIP conditions, the revenue from the sale of products and goods is recognized as of the date of confirmation of receipt of the delivery by the customer.

2. Revenues from the sale of services

Revenue from the sale of services concerns mainly construction formwork leasing services.
Revenue from the sale of services is recognized in the period in which the services were rendered, depending on the completion status of the individual transaction, determined on the basis of the ratio of the work actually performed to all the services to be performed, provided that:

- revenue amount can be measured reliably;
- it is likely that the entity will acquire economic benefits from the transaction performed,
- completion status of the transaction as at the revenue recognition date can be determined reliably,
- costs incurred in relation to the transaction and to its completion can be measured reliably.

3. Interest

Interest revenue is recognized on accrual basis, using the effective interest rate method. Such revenue refers to the money paid for using cash by the companies belonging to the Group. If a receivable is impaired, the Group reduces its carrying value to the recoverable amount equal to the estimated future cash flows discounted at the initial effective interest rate of the instrument. Then the discount amount is gradually settled in correspondence with the interest revenues.

4. Dividends

Revenue from dividend is recognized at the moment of acquisition of the right to obtain the payment.

T) Deferred income tax

Deferred income tax assets and liabilities resulting from temporary differences between the tax value of assets and liabilities and their carrying value in the consolidated financial statements are recognized using the balance sheet method. In the cases in which, however, the deferred income tax arose due to the initial recognition of an asset or liability within a transaction other than a merger of business entities, not affecting the financial result or the tax income (loss), such deferred income tax is not disclosed. Deferred income tax is determined using the tax rates (and in accordance with the tax regulations) legally or actually in force as of the balance sheet date, expected to be in force at the moment of realization of the relevant deferred income tax assets or payment of the deferred income tax liabilities.

Deferred income tax assets are recognized, if it is likely, that taxable income will be achieved in the future which will make it possible to utilize the temporary differences.

Deferred income tax assets and liabilities are set off, provided the existence of a legally enforceable right to set off current tax assets against current tax liabilities, and if the entity intends to pay the tax in the net amount or realize the receivables and settle the payable at the same time.

The Capital Group has a capacity to control the dates of reversal of all temporary differences related to investments in subsidiary entities, associated units and divisions and investments in joint initiatives, towards which the deferred income tax has not been recognized and it is likely that these temporary differences are not going to reverse in foreseeable future.

U) Employee benefits

Retirement allowance

The benefits related to the retirement allowance are due, provided that the employee acquires a right to such retirement benefit pursuant to the Labour Code. The amount of the retirement allowance due to the employee acquiring retirement rights is calculated in the amount of additional remuneration for one month, calculated in the same manner as the equivalent for leave. The Group recognizes the provisions for retirement allowance. The value of the relevant payable is calculated every year by independent actuaries.
The basis for calculating the provision for the employee is the predicted amount of the retirement allowance or pension allowance, which the Group undertakes to pay on the basis of the Terms & Conditions. The amount calculated in the above manner is discounted actuarially as of the balance sheet date. The discounted amount is reduced by the amounts of annual deductions for the provision, discounted actuarially as of the same date, made in order to increase the provision for the employee. The actuarial discount is the product of multiplying the financial discount by the probability that the specific person will work until retirement age at the Group. According to IAS 19, the financial discount rate used to calculate the present value of payables related to employee benefits was determined on the basis of the market return rates on treasury bonds, currency and term of which are consistent with the currency and estimated date of payment of the employee benefits.

2. Financial risk management

The activity of the Group is exposed to various kinds of financial risk: foreign exchange risk, risk of change in cash flows and fair value as a result of interest rate changes, credit risk and liquidity risk.

By the management programme, the Group seeks to minimize the effects of financial risks having a negative impact on the Group's financial results. The Group uses forward contracts in order to secure itself against certain risks.

Foreign exchange risk

The Group conducts international activity and is exposed to the risk of changing exchange rates of various currencies, including in particular euro. Foreign exchange risk concerns future commercial transactions (sale of goods and products and purchase of goods and services) as well as the assets and liabilities recognized. Foreign exchange risk arises, when future commercial transactions and the assets and liabilities recognized are expressed in a currency different than the functional currency of the companies, which are part of the Group.
The Group hedges net positions using external forward currency contracts.
The table below contains a list of the Group's assets and liabilities expressed in EUR, exposed to foreign exchange risk. (in EUR '000)

	31 December, 2013	31 December, 2012
Trade receivables	1 027	618
Cash	520	241
Loans granted	221	1 665
Forward currency contracts	(431)	(666)
Total assets	**1 337**	**1 858**
Trade payables	1 195	1 748
Forward currency contracts	-	-
Total payables	**1 195**	**1 748**

The sensitivity analysis performed by the Group demonstrates that:

- as of 31 December, 2013, if the Polish Zloty depreciated/appreciated by 10% against the euro, with the other parameters remaining unchanged, consolidated net profit for the period of 12 months ended on 31 December, 2013 would be lower/higher by PLN 292,000 in relation to the revaluation of cash, receivables, payables and currency contracts expressed in EUR;
- as of 31 December 2012, if the Polish zloty depreciated/appreciated by 10% against the euro, with the other parameters remaining unchanged, consolidated net profit for the period of 12 months ended on 31 December 2012 would be lower/higher by PLN 266,000 in relation to the revaluation of cash, receivables, payables and currency contracts expressed in EUR

In addition, within the Capital Group, the parent entity granted loans to the subsidiaries of the total value as of the balance sheet day of EUR 2 900,000. These loans constitute a part of net investment of the parent entity in the subsidiary operating abroad and is expressed in the currency other than the functional currency of the parent entity (Polish Zloty) or subsidiary operating abroad (Ukrainian hryvnia or Lithuanian litas). According to IAS 21 foreign exchange differences occurred when converting this loan and recognized in the individual financial statements of the parent entity (for conversion of loan recognized in the individual financial statement of the subsidiary operating abroad (for conversion of loan from Euro into from Euro to Polish Zloty) as well as the foreign exchange differences occurred due to conversion of this loan from Euro into Ukrainian hryvnia or Lithuanian litas) in the consolidated financial statements of the Group are transferred to a separate share capital item and recognized in the other total income.

If the Polish zloty depreciated/appreciated by 10% against the euro, with the other parameters remaining unchanged, foreign exchange differences recognized in the separate item of share capital in relation to the above loan would decrease/increase the consolidated share capital by PLN 974,000.

Risk of change in cash flows and fair value as a result of interest rate changes

Revenues and cash flows from the Group's operating activities are not exposed to a significant extent to the risk of interest rate change.
The interest rate change risk in the case of the Group concerns long-term debt instruments (Note 15). The interest rates of credit taken by the Group is based on the 1M WIBOR rate plus the bank's margin, exposing the Group to the risk of change in cash flows as a result of changing interest rates. The Group holds no financial instruments bearing a fixed interest rate, for which any change in the percentage curve would cause a change in fair value.

The sensitivity analysis performed by the Group demonstrates that:

- as of 31 December, 2013, if the interest rates were higher by 100 base points, the consolidated net profit for the period of 12 months ended on 31 December, 2013 would be lower by PLN 365,000 as a result of the increase in the costs of external financing;
- as of 31 December 2012, if the interest rates were higher by 100 base points, the consolidated net profit for the period of 12 months ended on 31 December 2012 would be lower by PLN 719,000 as a result of the increase in the costs of external financing.

The Group pays its trade payables in due time and consequently revenue and cash flows from the Group's operating activities are not significantly exposed to the interest rate change risk.

Credit risk

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

The Group is not exposed to significant concentration of risk related to credit sale. There is no concentration of credit sales due to the relatively high number of recipients of the Group's services and goods. The Group also applies a policy which significantly reduces the sale of services and goods to customers with an inappropriate history of debt repayment. The internal control procedures in place which consist, among other things, in setting credit limits for individual customers depending on an assessment of their financial condition, and the procedures of acceptance of new customers allow the Group to reduce the level of its credit risk to a significant extent.

Trade receivables in whose case no impairment was found account for 65.2% of the gross value of that group of financial assets, with 44.8% of the value of that group corresponding to trade receivables which are not outstanding (in 2012, the rates were respectively 72.2% and 52.3%).
No financial assets exist for which repayment conditions were renegotiated and with regard to which impairment would have to be determined if there were no renegotiations.
An aging analysis of financial assets which are outstanding, but for which impairment has not yet taken place, gives the following results (in PLN '000):

	31 December, 2013	31 December, 2012
Outstanding by up to 30 days	8 889	10 308
Outstanding by 31 to 90 days	5 509	10 716

Outstanding by 91 to 180 days		7 717		10 327
Outstanding by 181 to 360 days		4 658		9 114
Outstanding by more than 360		11 264		-
Total assets		38 037		40 465

Impairment was determined in the case of financial assets in the trade receivables and other receivables group with a value of PLN 36,808,000, and they were written-down by 100%. During determination of the impairment of individual financial assets, the Group evaluates each customer individually, looking mainly at their financial standing and the security they have in place. As a basic means used in order to secure debt recovery, the Group uses mainly blank promissory notes and insurance of receivables for eastern markets.

With regard to financial assets presented in the table above, being outstanding financial assets, for which however no impairment occurred, the Capital Group recovered PLN 5,769,000 of VAT as of the balance sheet date, applying so called VAT relief on bad debts, which were disclosed in the trade receivables and other receivables.

Liquidity risk

Liquidity risk management assumes that a suitable level of cash will be maintained, as well as availability of financing owing to a sufficient amount of credit instruments granted and the ability to close market positions. The Group holds sufficient cash resources to pay its liabilities which are due and guarantees potential financing on the basis of the credit facilities granted.
Over 90% of the Group's trade payables are due within 2 months of the balance sheet date. A maturity analysis of the Group's bank credits is presented in Note 15 Additional Information.

Working capital management

Working capital of the individual companies within the ULMA Construccion Polska S.A. Capital Group is managed at the Capital Group level. The main goals of capital management are guaranteeing a suitable level of operational liquidity and the possibility of implementing investment plans of the individual Group companies in accordance with the approved budgets.

Dividend policy

The dividend policy adopted at the Group is also subordinated to the goals indicated above. Decisions on the payment of dividend are preceded each time by an analysis of the current needs and of needs related to development of each of the companies and of the Capital Group as a whole.

All amounts are stated in PLN '000, unless indicated otherwise

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

The new Standards, amendments to Standards and Interpretations presented below are not yet binding for the annual periods ending on 31 December, 2013 and they were not applied in the financial statements. The Group intends to apply them to the periods for which they are binding for the first time.

EU-approved standards and interpretations which have not entered into force yet for annual periods starting ending on 31 December, 2013.

EU-approved Standards and Interpretations	Type of predicted change in the accounting principles	Potential impact on the financial statements	Date of entry into force for periods commencing on and later than
IFRS 10 *Consolidated Financial Statements*	IFRS 10 envisages one new control analysis model with regard to all investees, including entities which are currently covered by SIC-12 as special purpose entities. IFRS 10 introduces new requirements concerning control evaluation, differing from the existing requirements under IAS 27 (2008). In the new control model, the investor controls the investee if: (1) he is exposed to or has the right to variable return on participation in that entity, (2) it is possible for him to influence such return due to the power he has over the investee and (3) there is a relationship between that power and the return. The new standard also contains disclosure requirements and requirements related to the preparation of consolidated financial statements. Those requirements were transferred from IAS 27 (2008). .	The Group expects that the new standard will not impact its consolidated financial statements, since the evaluation of control of investees performed in accordance with the new standard is not expected to change the findings as to the level of control the Group has of such entities.	1 January, 2014
IFRS 11 *Joint arrangements*	IFRS 11 *Joint Arrangements* replaces IAS 31 *Interests in Joint Ventures.* IFRS 11 does not introduce substantial changes to the general definition of arrangements under common control, although the definition of control and, indirectly, of joint control changed in relation to IFRS 10. In accordance to the new standard, joint arrangements are divided into two types, for which the following recognition models were defined: • a joint operation is a joint arrangement whereby the parties that have joint control of the arrangement, called joint operators, have rights to the assets, and obligations for the liabilities,	The Group does not expect IFRS 11 to have a significant impact on the consolidated financial statements, since it is presumed that the assessment of joint arrangements performed in compliance with the given standards will not change the manner of recognizing the existing joint arrangements.	1 January, 2014

All amounts are stated in PLN '000, unless indicated otherwise

EU-approved Standards and Interpretations	Type of predicted change in the accounting principles	Potential impact on the financial statements	Date of entry into force for periods commencing on and later than
	relating to the arrangement. • a joint venture is a joint arrangement whereby the parties that have joint control of the arrangement, called joint venturers, have rights to the net assets of the arrangement. IFRS 11 actually excludes from the scope of IAS 31 the cases in which joint ventures, despite their existence in the form of separate entities, may not be actually separated. Such arrangements are treated similarly to assets/activities under joint control according to IAS 31 and they are described as joint operations. The equity method should now be applied to other entities under joint control according to IAS 31, now described as joint ventures. It is impossible to use proportional consolidation.		
IFRS 12 *Disclosure of Interests in Other Entities*	IFRS 12 includes additional requirements related to the disclosure of information concerning significant judgments exercised to determine the nature of interests held in other entities, joint contractual arrangements, associated entities and/or unconsolidated structured entities.	The Group does not expect IFRS 12 to have a significant impact on the consolidated financial statements.	1 January, 2014
Amendments to IFRS 10, IFRS 11 and IFRS 12: Consolidated Financial Statements, Joint Arrangements, Disclosure of Interests in Other Entities	The amendments: • define the date of initial application of IFRS 10 as the start of the annual reporting period when the standard was applied for the first time (i.e. 1 January 2013, unless applied earlier). As of that date, the entity checks whether judgment has changed with regard to the need to consolidate investments in other entities it holds; • limit the requirement to restate comparative information to the period immediately preceding the date of first application, which applies to all the standards discussed. Entities which voluntarily present comparative data for more than one period may leave additional comparative periods without being restated;	The Group does not expect the Amendments to have a significant impact on the consolidated financial statements.	1 January, 2014

All amounts are stated in PLN '000, unless indicated otherwise

EU-approved Standards and Interpretations	Type of predicted change in the accounting principles	Potential impact on the financial statements	Date of entry into force for periods commencing on and later than
	• require disclosure of the impact of the change in the accounting policy for the period immediately preceding the date of first application (i.e. disclosure of the impact of the amendments on the current period is not required); • remove the requirement to state comparative data with reference to disclosures concerning unconsolidated structured entities, for any period preceding the annual period in which IFRS 12 was applied for the first time.		
IAS 28 (2011) *Investments in Associates and Joint Ventures*	Limited amendments were made to IAS 28 (2011): • *Associates and joint ventures held for sale* IFRS 5 *Non-current Assets Held for Sale and Discontinued Operations* is applied to an investment, or a portion of an investment, in an associate or a joint venture that meets the criteria to be classified as held for sale. Any retained portion of an investment that has not been classified as held for sale shall be accounted for using the equity method until disposal of the portion that is classified as held for sale takes place. After the disposal takes place, the equity method is applied to the retained portion of the investment if the retained interest continues to be an associate or a joint venture. • *Changes to investments in associates and joint ventures* Previously, according to IAS 28 (2008) and IAS 31, if significant influence or joint control ceased to exist, this caused in all cases the need for re-measurement of the retained interests, even in the case in which the significant influence was transformed into joint control. IAS 28 (2011) requires that retained investments should not be re-measured in such cases.	The Group does not expect the amended Standard to have a significant impact on its consolidated financial statements, because it does not hold any investments in associates or joint ventures which would be affected by the above changes.	1 January, 2014
Amendments to IAS 32 *Financial Instruments:*	The amendments do not introduce new principles related to financial asset and liability offsetting; they do, however, explain the criteria related to set-offs, with the aim of removing inconsistencies	The Group does not expect the amended Standard to have an impact on its consolidated financial statements, because it does not set off financial assets and liabilities held, nor did it	1 January, 2014

All amounts are stated in PLN '000, unless indicated otherwise

EU-approved Standards and Interpretations	Type of predicted change in the accounting principles	Potential impact on the financial statements	Date of entry into force for periods commencing on and later than
Presentation – Offsetting Financial Assets and Financial Liabilities	in their application. The amendments explain that the entity has a legally enforceable right of set-off, if such right: • is not contingent on a future event; and • it is enforceable in all of the following circumstances: the normal course of business, the event of default, the event of insolvency or bankruptcy of the entity and all of the counterparties.	conclude any framework agreements concerning set-offs.	
Investment Entities (Amendments to IFRS 10, IFRS 12 and IAS 27)	The amendments provide for an exemption from the consolidation requirement under IFRS 10 and require eligible investment entities to measure their investments in controlled entities – as well as in associates and joint ventures – at fair value through profit and loss, instead of accounting for them by consolidation. The exemption from consolidation is mandatory (i.e. not voluntary), with the exception of subsidiaries considered to be integrated with the investment activity of the relevant investment entity, which continue to be subject to consolidation. An investment entity is considered to mean an entity which meets all the key criteria included in the definition of an investment entity. It is therefore an entity which: 1. obtains funds from investors for the purpose of providing those investors with investment management services; 2. commits to the investors that its business purpose is to invest funds solely for returns from capital appreciation, investment income or both; and 3. measures and evaluates the performance of substantially all of its investments on a fair value basis. The amendments also lay down requirements for investment entities with regard to disclosures.	The Group does not expect the Amendments to the standards to have a significant impact on the Group's consolidated financial statements, because the Parent Entity does not meet the criteria for being recognized as an investment entity.	1 January, 2014

EU-approved Standards and Interpretations	Type of predicted change in the accounting principles	Potential impact on the financial statements	Date of entry into force for periods commencing on and later than
Novation of derivatives and further application of hedge accounting (Amendments to IAS 39 *Financial Instruments; Recognition and Measurement)*	The amendments enable further application of hedge accounting in the case, in which a derivative indicated as hedging is subject to novation (i.e. renewal) under the legislation to settle with the clearing chamber (central contractor), provided that the following conditions are met: • novation is required by law, • clearing chamber becomes a new party to the transaction for each initial parties to the contract on derivative and • amendments to the terms and conditions of derivative are limited to the amendments necessary to change the parties to the agreement.	The Group does not expect the Amendments, at the moment of initial application, to have a significant impact on the Group's consolidated financial statements.	1 January, 2014
Disclosure of the recoverable amount in relation to non-financial assets (Amendments to IAS 36 *Impairment of assets*)	According to the amendments, the recoverable amount should be disclosed only for the individual assets (including goodwill) or cash generating units, for which impairment was recognized or reversed in a given period. The amendments introduce also the requirement of recognizing the following additional disclosures, when impairment of asset (including goodwill) or cash generating unit was recognized or reversed in a given period and the recoverable amount was determined based on goodwill less costs of disposal: • the level of the fair value hierarchy according to the IFRS 13 *Fair Value Measurement,* to which a given fair value estimate was assigned; • for measurements at fair value of 'Level 2' and 'Level 3' of the fair value hierarchy, description of the applied measurement techniques and possible changes to these techniques along with the reasons thereof;	The Group does not expect the Amendments to have a significant impact on the Group's consolidated financial statements	1 January, 2014

EU-approved Standards and Interpretations	Type of predicted change in the accounting principles	Potential impact on the financial statements	Date of entry into force for periods commencing on and later than
	• for measurements at fair value classified to 'Level 2' and 'Level 3' of the fair value hierarchy, description of key assumptions (i.e. assumptions, to which the recoverable amount is the most sensitive) used for determining the fair value less costs of disposal. In the case in which the fair value less by costs of disposal was determined based on the present value estimate, discount rates used for the current and previous period should be also disclosed.		

Standards and interpretations awaiting the EU approval as of 31 December, 2013

Standards and interpretations awaiting the EU approval	Type of predicted change in the accounting principles	Potential impact on the financial statements	Date of entry into force for periods starting on and later than
IFRS 9 *Financial Instruments (2009)*	The new Standard replaces the guidelines included in IAS 39 *Financial Instruments: Recognition and Measurement*, in relation to classification and measurement of financial assets. The Standard eliminates the categories currently present in IAS 39: held to maturity, available for sale and loans and receivables. On initial recognition, financial assets will be classified into one of the two categories: • financial assets measured at depreciated cost; or • financial assets measured at fair value. A financial asset is measured at depreciated cost if the following two conditions have been met: • the asset is held within a business model whose objective is to	The Group does not expect the new Standard to have a significant impact on its consolidated financial statements. Due to the specific nature of the Group's activity and to the type of financial assets held, the principles of classification and measurement of the Group's financial assets should not change as a result of application of IFRS 9.	Available for application (no date of mandatory application)

All amounts are stated in PLN '000, unless indicated otherwise

Standards and interpretations awaiting the EU approval	Type of predicted change in the accounting principles	Potential impact on the financial statements	Date of entry into force for periods starting on and later than
	collect the contractual cash flows; and • its contractual conditions cause the generation of cash flows at specific times that are solely payments of principal and interest on the principal amount outstanding. Profit and loss on the measurement of financial assets measured at fair value are recognized in the financial result for the current period, with the exception of cases when the investment in the equity instrument is not held for trading. IFRS 9 provides for the possibility of making an irrevocable election at initial recognition to measure such financial instruments at fair value through other comprehensive income. This election may be made for each instrument separately. Items recognized in other comprehensive income may not be reclassified into profit or loss in later periods.		
Amendments to IFRS 9 *Financial Instruments* (2010)	The amendments to IFRS 9 of 2010 amend the guidelines included in IAS 39 *Financial Instruments: Recognition and Measurement*, in relation to classification and measurement of financial liabilities and the exclusion of financial assets and liabilities. The standard keeps nearly all the existing requirements under IAS 39 related to the classification and measurement of financial liabilities and the exclusion of financial assets and liabilities. The standard requires that the change in fair value related to the change in credit risk for a financial liability designated as measured at fair value through profit or loss on initial recognition should be presented in other comprehensive income. Only the remaining portion of the profit or loss from measurement to fair value should be recognized in the profit or loss for the current period. If, however, application of this requirement were to lead to non-compliance with the matching principle, the entire change in fair value would be recognized in profit or loss for the current period. Items presented in other comprehensive income are not reclassified in later periods to profit or loss for the current period. These may, however, be reclassified within the shareholders' equity.	The Group does not expect the amendments to IFRS 9 (2010) to have a significant impact on its financial statements in the future. It is expected that, due to the specific nature of the Group's activity and to the type of financial liabilities it has, the principles of classification and measurement of the Group's financial liabilities will not change as a result of application of IFRS 9.	Available for application (no date of mandatory application)

Standards and interpretations awaiting the EU approval	Type of predicted change in the accounting principles	Potential impact on the financial statements	Date of entry into force for periods starting on and later than
	In accordance with IFRS 9, derivative financial instruments which are related to unquoted equity instruments and which must be settled by the delivery of unquoted equity instruments, whose value cannot be reliably determined, should be measured at fair value.		
Amendments to IFRS 9 *Financial Instruments* and to IFRS 7 *Financial Instruments: Disclosures*	These amendments change the requirements related to disclosures and to restatement of comparative data concerning the initial application of IFRS 9 *Financial Instruments* (2009) and IFRS 9 *Financial Instruments* (2010). The amendments to IFRS 7 require disclosure of details concerning the consequences of initial application of IFRS 9 in the case in which the entity does not restate the comparative data in accordance with the requirements of the amended IFRS 9. If the entity applies IFRS 9 starting from 1 January 2013 or later, the restatement of comparative data is not required for periods preceding the date of initial application. If the entity applies IFRS 9 earlier in 2012, it may choose whether to restate the comparative data or to present additional disclosures in accordance with the requirements of the amended IFRS 7. If the entity applies IFRS 9 earlier before 2012, it will not be obliged to restate comparative data or to present any additional disclosures required by the amended IFRS 7.	The amended Standard is not expected to have a significant impact on the Group's consolidated financial statements at the moment of initial application. Classification and measurement of the Group's financial assets will not change in relation to IFRS 9 due to the nature of the Group's activity and the type of financial instruments it holds. The number of required disclosures is expected to increase upon application of the amended Standard, but until the moment of first application of that Standard, the Group is incapable of analyzing its impact on the financial statements.	Available for application (no date of mandatory application)
Interpretation of IFRIC 21 *Levies*	The interpretation provides guidelines in the scope of identifying the obligating events, causing a liability to pay a levy and the moment of recognizing such liability. According to the interpretation, the obligating event is the event resulting from applicable legislation, resulting in arising of a liability to pay a levy and necessary recognition in the financial statements. The liability for levy is recognized gradually in the event, in the obligating event arises within a certain period of time. In the event, in which the obligating event is achievement of the minimum threshold of activity, the liability is recognized at the	The Group does not expect the Amendments, at the moment of initial application, to have a significant impact on the Group's consolidated financial statements, since it causes no change to the accounting policy of the Group in the area of levies.	1 January, 2014

Standards and interpretations awaiting the EU approval	Type of predicted change in the accounting principles	Potential impact on the financial statements	Date of entry into force for periods starting on and later than
	moment of achievement of such threshold. The interpretation explains that the fact that the unit is economically obliged to continue the activity in the subsequent period causes no customarily expected obligation to pay a levy, which result from future business activity.		
Amendment to IAS 19 *Employee Benefits* entitled *Defined Benefit Plans: Employee Contributions*	The amendment concerns the contributions paid to the benefit programmes by the employees or third parties. The aim of amendments is simplification of recognizing the contributions not depending from the employment duration e.g. employee contributions defined as fixed percentage value of remuneration.	The Group does not expect the Amendments, at the moment of initial application, to have a significant impact on the Group's consolidated financial statements, since the Group has no contributions under the defined benefit plans.	1 July, 2014
Amendments to IFRS 2010-2012	Annual improvements to IFRS 2010-2012 contain 8 amendments to 7 standards, with applicable amendments to the other standards and interpretations. Main amendments: • explain the definition of 'vesting conditions' provided in Appendix A to the IFRS 2 *Share-based Payment*, by distinguishing the definition of performance conditions and service conditions; • explain certain aspects of contingent payment in business acquisition transactions; • amend paragraph 22 of the IFRS 8 *Operational Segments*, to introduce the requirement of disclosing by the entities of the factors contributing to identification of the reporting segments during aggregation of operational segments of the entity. This amendment aims at complementing current requirements on disclosures set forth in Paragraph 22(a) of the IFRS 8;	The Group does not expect the Amendments to have a significant impact on the Group's consolidated financial statements.	1 July 2014

Standards and interpretations awaiting the EU approval	Type of predicted change in the accounting principles	Potential impact on the financial statements	Date of entry into force for periods starting on and later than
	• amend Paragraph 28(c) of the IFRS 8 *Operational Segments,* to explain that the reconciliation of the total of reportable segment assets to the entity's total assets, if the reconciliation is reported to the chief operating decision maker. This amendment is coherent with the requirements set forth in paragraphs 23 and 28(d) of the IFRS 8; • explain the justification of the IASB of revoking the paragraph B5.4.12 from IFRS 9 *Financial Instruments* and paragraph OS79 from IAS 39 *Financial Instruments; Recognition and Measurement* as the amendments resulting from IFRS 13 *Fair Value Measurement*; • explain the requirements on the revaluation model from IAS 16 *Tangible fixed assets* and IAS 38 *Intangible assets,* to refer to the reported doubts in determining the depreciation/amortization as of the day of revaluation; • establish the entity that provides key management personnel services for the entity and its related party.		
Amendments to IFRS 2011-2013	Annual improvements to IFRS 2011-2013 contain 4 amendments, with applicable amendments to the other standards and interpretations. Main amendments: • explain the meaning of the expression 'each IFRS effective at the end of its first IFRS reporting period', used in paragraph 7 in the IFRS 1 *First-time Adoption of International Financial Reporting Standards*; • the amendments explain that the scope exception, set forth in paragraph 2(a) in IFRS 3 *Business Combinations*:	The Group does not expect the Amendments to have a significant impact on the Group's consolidated financial statements.	1 July, 2014

All amounts are stated in PLN '000, unless indicated otherwise

Standards and interpretations awaiting the EU approval	Type of predicted change in the accounting principles	Potential impact on the financial statements	Date of entry into force for periods starting on and later than
	- excludes all joint arrangements, as defined in IFRS 11 *Joint Arrangements,* from the scope of IFRS 3; and - applies only to the accounting in the financial statements of the joint arrangement or ventures. • explain that the portfolio exception, set forth in paragraph 48 of the IFRS 13 applies to all contracts under the scope of IAS 39 *Financial Instruments; Recognition and Measurement* or IFRS 9 *Financial Instruments,* regardless of the fact whether these meet the definition of financial assets or liabilities provided for in IAS 32 *Financial Instruments: Presentation.* • explain that to the determination whether the purchase of investment property is the determine if the purchase of an asset, group of assets or business combination under IFRS 3 it is required to apply a judgment based on the guidelines set forth in IFRS 3.		

All amounts are stated in PLN '000, unless indicated otherwise

4. Information concerning segments of activity

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

- construction site services – a segment comprising lease of formwork systems and scaffolding along with widely understood logistic services and settlement of the construction site at the end of the contract,
- sale of construction materials – a segment comprising the sale of formwork systems, constituting tangible fixed assets (property, plant and equipment) as well as current assets (products and services) of the Group as well as of other construction materials.

Information concerning the segments is measured in accordance with the principles presented in the accounting policy.

No cases of customer concentration occur within the Group.

The results of the individual segments are as follows:

Period of 12 months ended on 31 December, 2013

Item description	Construction site services	Sale of construction materials	Capital Group
Total revenues from sales	174 174	63 999	238 173
Sale between segments	(1 027)	(27 675)	(28 702)
Revenues from sales	**173 147**	**36 324**	**209 471**
Operating costs without depreciation	(91 832)	(35 051)	(126 883)
EBITDA	**81 315**	**1 273**	**82 588**
Depreciation	(76 581)	(2 100)	(78 681)
Profit (loss) at operational level - EBIT	**4 734**	**(827)**	**3 907**

Period of 12 months ended on 31 December, 2012

Item description	Construction site services	Sale of construction materials	Capital Group
Total revenues from sales	229 757	43 970	273 727
Sale between segments	(1 048)	(13 286)	(14 334)
Revenues from sales	**228 709**	**30 684**	**259 393**
Operating costs without depreciation	(119 372)	(22 043)	(141 415)
EBITDA	**109 337**	**8 641**	**117 978**
Depreciation	(84 080)	(1 294)	(85 374)
Profit (loss) at operational level - EBIT	**25 257**	**7 347**	**32 604**

Reconciliation of profit (loss) at operational level [EBIT] to the Group's net financial result is presented below.

All amounts are stated in PLN '000, unless indicated otherwise

	12 months, 2013	12 months, 2012
Segment EBIT	**3 907**	**32 604**
Interest revenues	488	1 655
Other financial revenues	16	119
Interest expenses	(3 642)	(8 096)
Other financial costs	131	(277)
Share in the results of associates	(507)	(368)
Profit (loss) before taxes	**393**	**25 637**
Income tax	(300)	(5 210)
Net profit (loss)	**93**	**20 427**

The assets allocated to the individual segments are presented in the table below.

Item description	Constructio n site services	Sale of construction materials	Unallocated items	Capital group
As of 13 December, 2013	233 074	15 884	136 296	385 254
As of 31 December, 2012	304 421	12 041	138 072	454 534

Reconciliation of the segment assets to the Group's total assets is presented below. The Group allocates no liabilities to individual segments.

Item description	31 December, 2013	31 December, 2012
Segment assets	248 958	316 462
Unallocated tangible fixed assets	98 150	97 818
Unallocated intangible fixed assets	571	762
Investments in associate	280	792
Other non-current assets	4 179	4 234
Tax receivables and other receivables	3 326	4 779
Derivative instruments	42	149
Cash and cash equivalents	29 748	29 538
Total assets	**385 254**	**454 534**

5. Tangible fixed assets

All amounts are stated in PLN '000, unless indicated otherwise

Table of movements in tangible fixed assets between 1 January, 2012 and 31 December, 2013

	Lands, buildings and structures	Plant, machinery and means of transport	Formwork systems	Other property, plant & equipment	PP&E under construction	Total tangible fixed assets
Gross value						
As of 1 January, 2012	**80 120**	**8 151**	**559 628**	**2 628**	**1 980**	**652 507**
Increase due to purchase	6 191	992	21 841	140	19 889	49 053
Increase - inventory surplus, reclassification	-	36	3 291	3	(1978)	1 352
Decrease - sale	(768)	(508)	(36 307)	(4)	-	(37 587)
Decrease - liquidation, shortage and reclassification	-	(151)	(16 260)	(118)	(2)	(16 531)
Foreign exchange differences	(13)	(41)	(1 852)	(26)	-	(1 932)
As of 31 December, 2012	**85 530**	**8 479**	**530 341**	**2 623**	**19 889**	**646 862**
Increase due to purchase	21 665	2 256	25 421	664	870	50 876
Increase - inventory surplus, reclassification	-	4	4 171	6	(19 889)	(15 708)
Decrease - sale	(152)	(236)	(24 153)	(145)	-	(24 686)
Decrease - liquidation, shortage and reclassification	(1 376)	(105)	(14 563)	(171)	-	(16 215)
Foreign exchange differences	(4)	(25)	(567)	(7)	-	(603)
As of 31 December, 2013	**105 663**	**10 373**	**520 650**	**2 970**	**870**	**640 526**
ACCUMULATED DEPRECIATION						
As of 1 January 2012	**8 159**	**4 870**	**263 346**	**1 923**	**-**	**278 298**
Depreciation for the period	1 951	855	81 714	368	-	84 888
Decrease - sale	(178)	(507)	(24 837)	(1)	-	(25 523)
Decrease - liquidation, shortage and reclassification	-	(96)	(13 512)	(103)	-	(13 711)
Foreign exchange differences	(4)	(27)	(992)	(17)	-	(1 040)
As of 31 December, 2012	**9 928**	**5 095**	**305 719**	**2 170**		**322 912**
Depreciation for the period	2 727	1 042	73 753	607		78 129
Decrease - sale	(98)	(192)	(17 583)	(140)		(18 013)
Decrease - liquidation, shortage and reclassification	(1 336)	(95)	(11 915)	(166)		(13 512)
Foreign exchange differences	(2)	(14)	(395)	(6)		(417)
As of 31 December, 2013	**11 219**	**5 836**	**349 579**	**2 465**		**369 099**
REVALUATION WRITE-DOWN						
As of 1 January 2012	**-**	**-**	**-**	**-**	**-**	**-**
Increase	-	-	482	-	-	482
As of 1 January 2013	**-**	**-**	**482**	**-**	**-**	**482**
Decrease	-	-	(482)	-	-	(482)
As of 31 December, 2013	**-**	**-**	**-**	**-**	**-**	**-**
NET VALUE:						
As of 31 December, 2013	**94 444**	**4 537**	**171 071**	**505**	**870**	**271 427**
As of 31 December, 2012	**75 602**	**3 384**	**224 140**	**453**	**19 889**	**323 468**
As of 1 January 2012	**71 961**	**3 281**	**296 282**	**705**	**1 980**	**374 209**

All amounts are stated in PLN '000, unless indicated otherwise

The depreciation charge on tangible fixed assets increased by:

Specification	12 months of 2013	12 months of 2012
Costs of sold goods, products and materials	76 629	84 664
Sales and marketing costs	10	14
General management costs	1 490	210
Total	**78 129**	**84 888**

Bank credit facilities as of 31 December, 2013 are secured by tangible fixed assets (formwork). Security value under the pledge agreements concluded as of signing the credit agreements is PLN 270,151,000. As of 31 December, 2012 the security amounted to PLN 293,153,000.
The net value of the tangible fixed assets used under financial leasing agreements amounts to, as of 31 December, 2013, PLN 461,000 and as of 31 December, 2012 - PLN 538,000.

6. Intangible fixed assets

Table of movements in intangible fixed assets between 1 January 2012 and31 December, 2013

	Licenses and software	Other	Total intangible assets
GROSS VALUE			
As of 1 January, 2012	**4 205**	**42**	**4 247**
Increase	216	-	216
Decrease - disposal	(1)	-	(1)
Foreign exchange differences	(4)	-	(4)
As of 31 December, 2012	**4 416**	**42**	**4 458**
Increase	344	-	344
Decrease - disposal	(40)	-	(40)
Foreign exchange differences	(2)	-	(2)
As of 31 December, 2013	**4 718**	**42**	**4 760**
ACCUMULATED DEPRECIATION			
As of 1 January, 2012	**3 148**	**39**	**3 187**
Depreciation for the period	485	1	486
Decrease - disposal	(1)	-	(1)
Foreign exchange differences	(1)	-	(1)
As of 31 December, 2012	**3 631**	**40**	**3 671**
Depreciation for the period	551	1	552
Decrease - disposal	(40)	-	(40)
Foreign exchange differences	(1)	-	(1)
As of 31 December, 2013	**4 141**	**41**	**4 182**
NET VALUE:			
As of 31 December, 2013	**577**	**1**	**578**
As of 31 December, 2012	**785**	**2**	**787**
As of 1 January 2012	**1 057**	**3**	**1 060**

All amounts are stated in PLN '000, unless indicated otherwise

The depreciation charge on tangible fixed assets increased by:

Specification	12 months of 2013	12 months of 2012
Costs of sold goods, products and materials	46	107
Sales and marketing costs	-	-
General management costs	506	379
Total	**552**	**486**

7. Financial instruments

	Carrying amount		Fair value		Fair value hierarchy
	31 December, 2013	31 December, 2012	31 December, 2013	31 December, 2012	
Financial assets held for trading					
Cash	29 748	29 538	29 748	29 538	-
Receivables and loans granted					
Trade receivables and other receivables	70 780	88 510	70 780	88 510	-
Loans granted	921	992	921	992	-
Derivative instruments					
Financial instruments measured at fair value through profit or loss	42	149	42	149	level 3
Financial payables					
Credit with variable interest rates	43 847	88 444	43 847	88 444	-
Trade payables and other payables	22 196	38 099	22 196	38 099	-

Level 3: Derivative instruments recognized in the statement of financial position concern the contracts for defined period of time for purchase/sale of currency. Fair value of instruments as of the balance sheet date is determined on the basis of the exchange rate on the maturity specified by the bank, in which the instrument was purchased individually for each concluded contract.

All amounts are stated in PLN '000, unless indicated otherwise

8. Interests in associates

name (business name) of the entity, with an indication of the legal form	Seat	Scope of business	Carrying value of interests	% of share capital held
ULMA Cofraje S.R.L.	Bucharest Romania	sale and lease of formwork, sale of construction materials	280	30.00

Basic data concerning the associated:

	31 December, 2013	31 December, 2012
Assets	9 840	10 629
Liabilities	5 263	5 176
Revenues from sales	1 850	5 138
Net financial result	(1 173)	(1 226)

9. Other non-current assets

Other non-current assets include the right of perpetual usufruct of land in the amount of PLN 4,179,000. The right of perpetual usufruct of land expires on 5 December 2089.

10. Trade receivables and other receivables

	As of:	
	31 December, 2013	31 December, 2012
Trade receivables from unrelated entities	103 844	116 961
Revaluation write-down on trade receivables	(36 808)	(32 686)
Trade-receivables - net	*67 036*	*84 275*
Other receivables	1 396	2 755
Prepayments and accrued income	517	946
Trade receivables from related entities	1 831	534
Loan receivables	921	992
Total trade receivables and other receivables	**71 701**	**89 502**
including:		
Long-term portion	921	992

All amounts are stated in PLN '000, unless indicated otherwise

Short-term portion	70 780	88 510

On the basis of analyses performed the Group determined that the carrying value of individual receivables presented in these consolidated financial statements was similar to the fair value of those receivables.

There is no concentration of credit risk related to trade receivables due to large number of customers hold by the Group.

The net value of revaluation write-downs on receivables increased by the amounts of receivables written off in the total amount of PLN 4,662,000 (PLN 13,243,000 in 2012) was recognized in sales and marketing costs.

Changes in revaluation write-downs on trade receivables and other receivables were as follows:

	12 months of 2013	12 months of 2012
As of beginning of period	**32 686**	**26 242**
Increase - revaluation write-downs on trade receivables	4 916	14 890
Increase - revaluation write-downs on late payments	-	18
Realization	(104)	(4 920)
Adjustment to earlier write-down	(337)	(1 968)
Foreign exchange differences	(353)	(1 576)
As of end of period	**36 808**	**32 686**

All revaluation write-downs on receivables concern short-term receivables.

11. Inventories

	As of:	
	31 December, 2013	31 December, 2012
Materials	4 263	5 062
Goods	2 884	1 256
Gross value of inventories	**7 147**	**6 318**
Revaluation write-down on inventories	(340)	(340)
Net value of inventories	**6 807**	**5 978**

12. Cash and cash equivalents

All amounts are stated in PLN '000, unless indicated otherwise

	As of:	
	31 December, 2013	31 December, 2012
Cash on hand and at banks	29 748	22 970
Short-term bank deposits	-	6 568
Total cash, including:	**29 748**	**29 538**
Cash with limited availability	156	362

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

	As of:	
	31 December, 2013	31 December, 2012
Cash and cash equivalents	29 748	29 538
Overdraft facility (note 15)	-	-
Cash and cash equivalents disclosed in the cash flow statement	**29 748**	**29 538**

13. Share capital

	Number of shares	Nominal value of share	Surplus from the issue of shares at premium	Total
As of 1 January, 2011	**5 255 632**	**10 511**	**114 990**	**125 501**
- Increase	-	-	-	-
- Decrease	-	-	-	-
As of 31 December, 2011	**5 255 632**	**10 511**	**114 990**	**125 501**
- Increase	-	-	-	-
- Decrease	-	-	-	-
As of 31 December, 2012	**5 255 632**	**10 511**	**114 990**	**125 501**

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

As of 31 December, 2013 the shareholding structure of the Company is as follows:

	Share capital		Votes at the General Meeting of Shareholders	
	Number of shares	%	Number of votes	%
ULMA CyE, S. Coop	3 967 290	75.49	3 967 290	75.49
OFE Aviva BZ WBK	466 679	8.88	466 679	8.88
Free float	821 663	15.63	821 663	15.63

All amounts are stated in PLN '000, unless indicated otherwise

14. Trade payables and other payables

	As of:	
	31 December, 2013	31 December, 2012
Trade payables towards unrelated entities	16 700	26 955
Payables towards related entities	2 706	3 919
Payables related to social insurance and other levies	9 138	5 584
Deferred income (passive costs)	2 547	7 087
Deferred income (passive revenues)	1	-
Other payables	242	138
Total trade payables and other payables	**31 334**	**43 683**
including:		
Long-term portion	-	-
Short-term portion	31 334	43 683

15. Credits and loans

	As of:	
Long-term	31 December, 2013	31 December, 2012
Bank credit	10 604	40 618
Total long-term credit	**10 604**	**40 618**
	As of:	
Short-term	31 December, 2013	31 December, 2012
Overdraft facility (note 12)	-	-
Bank credit	33 243	47 826
Total short-term credit	**33 243**	**47 826**

The bank credit facilities are secured by formwork (registered pledges and conveyance of ownership agreements) according to information included in note 5. Additional security is provided by blank promissory notes and corporate guarantees.

The interest rates on bank credit is calculated in monthly periods and based on the current WIBOR rate increased by the margin determined in the individual credit agreements.

Long-term credit structure by maturity is as follows:

All amounts are stated in PLN '000, unless indicated otherwise

	As of:	
	31 December, 2013	31 December, 2012
1 to 2 years	10 604	30 014
2 to 5 years	-	10 604
Over 5 years	-	-
Total long-term credit	**10 604**	**40 618**

The effective interest rates as of the balance sheet date were as follows:

	31 December, 2013	31 December, 2012
Overdraft facility	-	-
Bank credit	5.13	6.68

The Group has the following unused credit limits available, which were granted to the Group:

	As of:	
	31 December, 2013	31 December, 2012
With variable interest rate:		
- expiring within one year	6 000	13 000
- expiring after one year	-	15 000
Total unused credit limit	**6 000**	**28 000**

16. Leasing

a) Financial leasing

Assets used under financial leasing agreements listed in the table below include formwork cleaning machines.

	As of:	
	31 December, 2013	31 December, 2012
Initial value of leased tangible fixed assets	768	768
Amortization	(307)	(230)
Net book value	**461**	**538**

Depreciation of tangible fixed assets used on the basis of financial leasing agreements concluded in the period of 12 months ended on 31 December, 2012 amounted to PLN 76,000, whereas in the period of 12 months ended on 31 December, 2011 - PLN 77,000.

All amounts are stated in PLN '000, unless indicated otherwise

	As of:	
	31 December, 2013	31 December, 2012
Less than one year	139	147
1 to 5 years	-	136
Total amount of minimum lease payments by maturity period	**139**	**283**

	As of:	
	31 December, 2013	31 December, 2012
Less than one year	139	147
1 to 5 years	-	136
Total amount of minimum lease payments by maturity period	**139**	**283**

An analysis performed by the Group demonstrated that the total amount of minimum lease payments did not differ significantly from the total present value of these payments.

Significant provisions of leasing agreements

- the leasing period is usually 5 years,
- the basis for determining the amount of contingent lease payments is WIBOR plus the bank's margin,
- the leasing agreements include the option of purchase of the leased item after the end of the contractual term,
- no limitations result from the contractual provisions concerning additional debt or additional leasing agreements.

b) Operational leasing

Right of perpetual usufruct of land acquired by way of purchase was included in operational leasing agreements.
Total amount of minimum future payments related to the right of perpetual usufruct of land is as follows:

	As of:	
	31 December, 2013	31 December, 2012
Less than one year	9	9
1 to 5 years	35	35
Over 5 years	628	636
Total	**672**	**680**

The right of perpetual usufruct of land expires, pursuant to the agreement, on 5 December, 2089.

17. Deferred income tax

All amounts are stated in PLN '000, unless indicated otherwise

	As of:	
	31 December, 2013	31 December, 2012
Deferred income tax assets:	5 417	4 941
Deferred income tax liabilities:	(14 645)	(16 138)
Carrying value of deferred income tax liabilities	**(9 228)**	**(11 197)**

Movements in deferred income tax liabilities during the year (before their set-off within a single jurisdiction) are as follows:

Deferred income tax liabilities

Reason for temporary differences	Valuation of tangible fixed assets	Unrealized foreign exchange differences	Other	Total
As of 1.01.2012	**14 696**	**39**	**28**	**14 763**
Credited to profit/loss	(161)	(182)	(155)	**(498)**
Debited to profit/loss	1 555	160	158	**1 873**
As of 31.12.2012	**16 090**	**17**	**31**	**16 138**
Credited to profit/loss	(1 492)	(184)	(160)	**(1 836)**
Debited to profit/loss	-	191	152	**343**
As of 31.12.2013	**14 598**	**24**	**23**	**14 645**

Deferred income tax assets

All amounts are stated in PLN '000, unless indicated otherwise

Reason for temporary differences	Tax losses	Valuation of tangible fixed assets	Provisions for costs	Unrealized foreign exchange differences	Total
As of 1.01.2012	**2 777**	**1 078**	**3 855**	**79**	**7 789**
Credited to profit/loss	77	134	2 324	214	**2 749**
Debited to profit/loss	(2 777)	-	(2 738)	(174)	**(5 689)**
Taken to equity	-	-	-	92	**92**
As of 31.12.2012	**77**	**1 212**	**3 441**	**211**	**4 941**
Credited to profit/loss	-	1 217	1 033	210	**2 460**
Debited to profit/loss	(77)	(145)	(1 501)	(230)	**(1 953)**
Taken to equity	-	-	-	(31)	**(31)**
As of 31.12.2013	**-**	**2 284**	**2 973**	**160**	**5 417**

18. Payables related to retirement benefits

	As of:	
	31 December, 2013	31 December, 2012
Liabilities recognized in the statement of financial position, related to:		
Retirement benefits	139	116
Total	**139**	**116**

The Group performs actuarial measurement of the provision for retirement benefits at the end of each business year.

	12 months of 2013	12 months of 2012
Deduction for retirement benefit provision	8	10
Interest expense	5	7
Actuarial profit and loss, net	19	(18)
Paid benefits	(9)	-
Total recognized in employee benefit costs	**23**	**(1)**

Movement in balance sheet liability:

	12 months of 2013	12 months of 2012

All amounts are stated in PLN '000, unless indicated otherwise

Retirement benefit provision at the beginning of the period	116	117
Deduction for retirement benefit provision	8	10
Interest expense	5	7
Actuarial profit and loss, net	19	(18)
Paid benefits	(9)	-
Retirement benefit provision at the end of the period	**139**	**116**

19. Revenues from sales

	12 months of 2013	12 months of 2012
Revenues from sales related to construction site services	173 148	228 709
Revenues from the sale of goods and construction materials	36 323	30 684
Total revenues from sales	**209 471**	**259 393**

Revenues from sales to the entity exercising control over the ULMA Construccion Polska S.A. Capital Group in the period of 12 months ended on 31 December, 2013, amounted to PLN 2,932,000 (in 2012 - PLN 2,410,000

20. Costs by type

	12 months of 2013	12 months of 2012
Depreciation of tangible and intangible fixed assets	78 681	85 374
Employee benefit costs (note 20 a)	30 895	32 984
Consumption of raw materials, auxiliary materials and energy	14 837	15 580
Transport services	12 864	18 991
Lease and rental services	12 604	11 949
Repair and maintenance	4 503	4 436
Installation services	1 089	834
Other third party services	20 324	19 672
Other costs	10 618	18 587
Value of sold goods and materials	19 530	17 183
Total costs by type	**205 945**	**225 590**
Movements in products and work in progress and costs of performance for the entity's own purposes	-	(17)
Sales and marketing costs	(8 026)	(16 742)
Management costs	(14 793)	(13 120)
Costs of sold goods, products and materials	**183 126**	**195 711**

20 a) Employee benefit costs		
Costs of remuneration and costs of termination benefits	25 132	27 080
Costs of social insurance and other benefits for the employees	5 763	5 904
Total costs of employee benefits	**30 895**	**32 985**

21. Other operating revenues and costs

All amounts are stated in PLN '000, unless indicated otherwise

21 a) Other operating revenues	12 months of 2013	12 months of 2012
Inventory surplus	941	1 374
Profit on the change in fair value of forward contracts	173	600
Compensation obtained – lost current and non-current assets	75	170
Liabilities written off	9	13
Sale of tangible fixed assets	166	71
Provisions for expected losses – released	482	550
Re-invoicing	441	320
Other revenues	240	17
Total other operating revenues	**2 527**	**3 115**

21 b) Other operating costs	12 months of 2013	12 months of 2012
Inventory shortage	(476)	(766)
Loss on the change in fair value of forward contracts	(167)	-
Liquidation of tangible fixed assets	(1 172)	(1 937)
Provisions for expected losses	(287)	(1 282)
Other costs	(44)	(346)
Total other operating costs	**(2 146)**	**(4 331)**

22. Financial revenues and costs

22 a) Financial revenues	12 months of 2013	12 months of 2012
Interest on funds in bank account	454	1 625
Interest on loan	34	30
Profit on the change in fair value of forward contracts – financial activity	16	119
Total financial revenues	**504**	**1 774**

22 b) Financial costs		
Interest expense:		
- bank credit	(3 619)	(8 066)
- leasing	(14)	(27)
- other - related to late payment of liabilities	(9)	(3)
	(3 642)	**(8 096)**
Foreign exchange differences	247	(95)
Credit acquisition costs	(76)	(108)
Bank Guarantee Fund	(40)	(74)
Total financial costs	**(3 511)**	**(8 373)**

All amounts are stated in PLN '000, unless indicated otherwise

22 c) Foreign exchange profit/loss

The impact of foreign exchange differences on the financial result of ULMA Construccion Polska S.A. Group is presented below::

	12 months of 2013	12 months of 2012
Revenues from sales	(279)	(611)
Costs of sold goods, products ad materials	(231)	2
Financial costs	247	(95)
Total foreign exchange profit (loss)	**(263)**	**(704)**

23. Income tax

	12 months of 2013	12 months of 2012
Current tax	(2 300)	(896)
Deferred tax (note)	2 000	(4 314)
Total income tax	**(300)**	**(5 210)**

The income tax on the Group's profit before taxation differs in the following manner from the theoretical amount, which would be obtained by applying the weighted average rate of tax applicable to the profits of consolidated companies:

	12 months of 2013	12 months of 2012
Profit before taxes	**393**	**25 637**
Tax calculated in accordance with the applicable rates (19% for Poland, 23% for the Ukraine and 20% for Kazakhstan and 15% for Lithuania)	(302)	4 954
Non-taxable income	(447)	(965)
Non-deductible costs	1 080	1 129
Deferred tax liabilities on share capital	(31)	92
Income tax charged to profit/loss	**300**	**5 210**

Tax authorities may audit the books of account and tax settlements within 5 years of the end of the year, in which tax declarations were filed (in Ukraine: within 3 years) and charge additional tax to the Companies from the Group, along with penalty interest. In the Management Board's opinion, there are no circumstances suggesting that significant liabilities might arise in relation to the above.

24. Dividend per share

All amounts are stated in PLN '000, unless indicated otherwise

The General Meeting of Shareholders held on 18 June 2013 adopted a resolution to allocate part of the Company’s net profit for the business year 2012 in the amount of PLN 10,511,264 to be paid to the Company’s shareholders as dividend.
In accordance with the above resolution of the General Meeting, the record date was 1 July 2013, and the dividend was paid on 12 July 2013.

25. Contingent items

On request of the ULMA Construccion Polska S.A., mBANK granted one of the Company’s clients with performance bond for lease agreement, expiring on 16.10.2016, and its amount will remain unchanged for the entire duration.
As of the balance sheet date, the amount of granted performance bond is PLN 1,904,000.

26. Investment obligations (off-balance)

There are no future investment obligations at the ULMA Construccion Polska S.A. Capital Group incurred as of the balance sheet date, but not yet recognized in the statement of financial position.
Future operational leasing obligations (*in which the company of the Group acts as the lessee)* are presented in Note □b.

27. Measurement of financial instruments at fair value

On the basis of analyses performed, the Group determined that the carrying value of individual financial instruments presented in these consolidated financial statements was similar to the fair value of those instruments.

28. Events after the balance sheet date

No events occurred after the balance sheet date having a significant impact on the consolidated financial statements presented.

29. Transactions with related entities

Control over the Group is exercised by ULMA C y E, S. Coop. with its registered office in Spain, which holds 75.49% of the Company's shares. The remaining 24.51% of the shares are held by more than one shareholder.

The ULMA Construccion Polska S.A. Capital Group includes the following companies:

Parent entity:

ULMA Construccion Polska S.A. with its registered seat in Koszajec (Brwinów Commune)

Subsidiaries:

- ULMA Opalubka Ukraina with its registered seat in Kiev, at the address: Gnata Yury 9, established on 18 July 2001, registered at the Sviatoshyn State Administration Division for the City of Kiev under the no. 5878/01, ID code 31563803. The company's business comprises of the sale and lease of formwork and sale of construction materials. The issuer holds 100% of the share capital and of the total number of votes.

- On 27 August 2010, a subsidiary was established: ULMA Opalubka Kazakhstan, a limited liability company with its registered seat in Astana, at the address: Tashenova 25. The strategic objective of the company is developing the core business of the Capital Group, i.e. the lease of formwork systems and scaffolding, and dissemination of knowledge related to the application of the formwork technology in the construction process in the area of Kazakhstan. The issuer holds 100% of the share capital and of the total number of votes.

- On 27 April 2012, a subsidiary was established: ULMA Construccion BALTIC with its registered seat in Vilnius, at the address: Pylimo 41-12. The Company's business will consist in: lease of scaffolding and formwork for construction, wholesale and retail of scaffolding and formwork for construction, sale and lease of other construction equipment and other commercial activity. The issuer holds 100% of the share capital and of the total number of votes.

Associate:

ULMA Cofraje SRL with its registered seat in Bragadiru, at the address: Soseaua de Centura no. 2-8 Corp C20 (Romania), established on 9.10.2007. Entered in the State Office of the Commercial Register in Bucharest, under the no. 22679140. The Company's business consists in the lease and sale of scaffolding and formwork for construction, including on the basis of leasing agreements. The issuer holds 30% of the share capital and of the total number of votes. The remaining 70% of the Company's share capital is held by the entity controlling the Group, i.e. ULMA C y E, S. Coop. with its registered seat in Spain.

The subsidiaries are consolidated using the full method, whereas the associate is consolidated using the equity method.

Transactions concluded by companies from the ULMA Construccion Polska S.A. Capital Group with related entities were typical and routine transactions, concluded on an arm's length basis, and their nature and conditions resulted from the carrying out of on-going operational activities.

Figures related to transactions between entities from the ULMA Construccion Polska S.A. Capital Group and entities from the ULMA C y E, S. Coop. Group:

Settlements as of the balance sheet date	As of 31 December, 2013	31 December, 2012
Receivables of ULMA Construccion Polska S.A from the Group's entities	1 831	534
Payables of ULMA Construccion Polska S.A towards the Group's entities	2 706	3 919
Loan receivables – ULMA Cofraje s.r.l. Romania (EUR '000)	221	241
Loan interest receivables (EUR '000)	1	2

Sales and purchases from Group entities	12 months of 2013	12 months of 2012
Sales by ULMA Construccion Polska S.A to the Group's entities	4 480	3 376
Purchases by ULMA Construccion Polska S.A from the Group's entities	18 396	14 280
Loan interest revenue	21	30

30. Remuneration of Management Board and Supervisory Board Members

In 2013, the Members of the Management Board and Suprvisory BOard obtained the following remuneration and bonuses:

	12 months of 2013	12 months of 2012
Management Board of ULMA Construccion Polska S.A		
Andrzej Kozłowski	1 007	1 692
Andrzej Sterczyński	454	622
Krzysztof Orzełowski	386	587
ULMA Opałubka Ukraina		
Dmitriv Lyakhovetskiy	237	225
Denys Kvachuk	141	136
ULMA Opałubka Kazachstan		
Ewa Giersz	447	199
ULMA Construccion BALTIC		
Vykintas Kuzmickas	193	59
Supervisory Board of ULMA Construccion Polska S.A.		
Rafał Alwasiak	54	54

The remaining Members of the Management Board and of the Supervisory Board receive no remuneration.

31. Profit per share

The basic profit per share is calculated as the quotient of dividing the profit attributable to the Company's shareholders by the weighted average number of ordinary shares during the year.

	12 months of 2013	12 months of 2012
Profit attributable to the shareholders of the parent entity	93	20 427
Number of ordinary shares as of the balance sheet date	5 255 632	5 255 632
Weighted average number of ordinary shares	5 255 632	5 255 632
Basic profit per share (in PLN per single share)	0.02	3.89
Diluted profit per share (in PLN per single share)	0.02	3.89

32. Selected financial data converted into EUR

The selected financial data converted into EUR are presented in the following table:

	PLN '000		EUR '000	
SPECIFICATION	12 months of 2013	12 months of 2012	12 months of 2013	12 months of 2012
Net revenues from the sale of products, goods and materials	209 471	259 393	49 744	62 151
Profit (loss) on operating activities	3 907	32 604	928	7 812
Gross profit (loss)	393	25 637	93	6 143
Net profit (loss)	93	20 427	22	4 894
Net cash flow from operating activities	97 850	141 869	23 237	33 992
Net cash flow from investment activities	(39 514)	(47 461)	(9 384)	(11 372)
Net cash flow from financial activities	(58 894)	(82 549)	(13 986)	(19 779)
Net cash flow	(558)	11 859	(133)	2 841
Diluted profit per share	0.02	3.89	-	0.93
Profit/(loss) per ordinary share (in PLN/EUR)	0.02	3.89	-	0.93
	PLN '000		EUR '000	
	31 December, 2013	31 December, 2012	31 December, 2013	31 December, 2012
Total assets	385 254	454 534	92 895	111 182
Payables	86 126	144 378	20 767	35 316
Long-term payables	19 968	52 053	4 815	12 733
Short-term payables	66 158	92 325	15 952	22 583
Equity	299 128	310 156	72 128	75 866
Share capital	10 511	10 511	2 535	2 571
Weighted average number of shares	5 255 632	5 255 632	5 255 632	5 255 632
Number of shares as of the balance sheet date	5 255 632	5 255 632	5 255 632	5 255 632
Book value per share (in PLN/EUR)	56.92	59.01	13.72	14.44

The individual items in assets, equity and liabilities were converted into EUR at the average exchange rates published by the President of the National Bank of Poland in force as of the balance sheet date. Average PLN/EUR exchange rate as of 31 December, 2013 was 4.1472, whereas as of 31 December, 2012 4.0882.

The rate applied to convert items in the statement of comprehensive income and in the cash flow statement was the weighted average of exchange rates in force as of the last day of each month in the specific period, i.e. data for the period 1.01. – 31.12.2013 were converted at the PLN/EUR exchange rate of 4.2110, whereas data for the same period in 2012 at the PLN/EUR exchange rate of 4.1736.

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 entrusted with keeping the books of account

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

Koszajec, on 14 March, 2014