EXTENDED CONSOLIDATED REPORT

CAPITAL GROUP
ULMA Construccion Polska S.A.

FOR THE FIRST QUARTER OF 2013

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

General information

- **Business activity**

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

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

The parent company, ULMA Construccion Polska S.A., is a joint-stock company (Company). It commenced its activity on 14 February 1989 under the company name Bauma Sp. z o.o., as a private limited liability company, and was registered in the Register No. A.II – 2791. On 15 September 1995, it was transformed into a joint-stock company incorporated by a notarial deed before Robert Dor, a notary public, in the Notary Public Office in Warsaw, registered under No. A 5500/95. On 29 October 2001, the District Court in Warsaw, 20th Commercial Division of the National Court Register, registered the Company in the Register of Entrepreneurs under entry no. KRS 0000055818. On 6 November 2006 the General Shareholders' Meeting, in its Resolution No. 1, decided to change the Company's name from BAUMA S.A. to ULMA Construccion Polska S.A. A relevant entry to the National Court Register was made on 14 November 2006.

- **Registered office**

ULMA Construccion Polska S.A. (parent company of ULMA Construccion Polska S.A. Capital Group)
Koszajec 50
05-840 Brwinów

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

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

Audit Committee

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

Management Board

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

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

- **Statutory auditor**

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

- **Banks**

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

- **Stock exchange listings**

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

ULMA Construccion Polska S.A. CAPITAL GROUP
CONSOLIDATED FINANCIAL POSITION REPORT

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

	Status as at:		
	31 March 2013	**31 December 2012**	**31 March 2012**
ASSETS			
I. Fixed assets (long-term)			
1. Tangible fixed assets	309 088	323 468	351 583
2. Intangible assets	791	787	942
3. Shares in affiliates	634	792	973
4. Other fixed assets	4 219	4 234	4 275
5. Long-term receivables	1 007	992	2 283
Total fixed assets (long-term)	**315 739**	**330 273**	**360 056**
II. Working assets (short-term)			
1. Inventory	6 984	5 978	5 045
2. Trade and other receivables	81 766	88 510	85 001
3. Income tax receivables	19	86	588
4. Financial derivates	-	149	86
5. Cash and cash equivalents	25 080	29 538	35 965
Total working assets (short-term)	**113 849**	**124 261**	**126 685**
Total assets	**429 588**	**454 534**	**486 741**
EQUITY AND LIABILITIES			
I. Equity			
1. Share capital	10 511	10 511	10 511
2. Reserve capital - share premium	114 990	114 990	114 990
3. Currency exchange differences from consolidation	(3 342)	(3 888)	(3 663)
4. Retained profit, of which:	184 799	188 543	186 639
a) Net profit/(loss) for the financial period	*(3 744)*	*20 427*	*4 543*
Total equity	**306 958**	**310 156**	**308 477**
II. Liabilities			
1. Long-term liabilities			
a. Loans	31 076	40 618	74 450
b. Deferred income tax liabilities	10 240	11 197	7 989
c. Long-term liabilities due to pension benefits	102	102	114
d. Long-term liabilities due to finance lease	99	136	236
Total long-term liabilities	**41 517**	**52 053**	**82 789**
2. Short-term liabilities			
a. Loans	48 339	47 826	55 149
b. Short-term liabilities due to pension benefits	14	14	3
c. Short-term liabilities due to finance lease	148	147	148
d. Current income tax liabilities	84	655	115
e. Financial derivates	31	-	-
f. Trade and other liabilities	32 497	43 683	40 060
Total short-term liabilities	**81 113**	**92 325**	**95 475**
Total liabilities	**122 630**	**144 378**	**178 264**
Total equity and liabilities	**429 588**	**454 534**	**486 741**

ULMA Construccion Polska S.A. CAPITAL GROUP
CONSOLIDATED FINANCIAL POSITION REPORT

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

	Q1 2013, period from 01.01 to 31.03.2013	Q1 2012, period from 01.01 to 31.03.2012
Sales revenues	46 239	62 962
Costs of sold products, goods and materials	(43 676)	(50 194)
I. Gross profit on sales	**2 563**	**12 768**
Sales and marketing costs	(1 756)	(1 370)
General administration costs	(3 792)	(3 062)
Other operating expenses	(359)	(396)
II. Profit (loss) on operations	**(3 344)**	**7 940**
Financial income	112	172
Financial expenses	(1 197)	(2 159)
Net financial expenses	*(1 085)*	*(1 987)*
Share in profit (loss) of affiliates	(159)	(188)
III. Profit (loss) before income tax	**(4 588)**	**5 765**
Current portion of income tax	(142)	(121)
Deferred income tax	986	(1 101)
IV. Net profit (loss) for the period	**(3 744)**	**4 543**
Other total income:		
FX differences from translation of foreign affiliates	576	(783)
Income tax on other total incomes	(30)	87
V. Total income for the period	**(3 198)**	**3 847**
Net profit (loss) for the period per owners from the parent company	(3 744)	4 543
Weighted average number of common shares	5 255 632	5 255 632
Basic and diluted profit (loss) per share in the period (in PLN per share)	(0,71)	0,86

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

Specification	Share capital at nominal value	Surplus from the sales of shares above the par value	Currency exchange differences from consolidation	Retained profit	Total equity
As at 31.12.2011	**10 511**	**114 990**	**(2 967)**	**182 096**	**304 630**
Total income in 2012	-	-	(921)	20 427	19 506
Dividend - profit distribution for 2012	-	-	-	(13 980)	(13 980)
As at 31.12.2012	**10 511**	**114 990**	**(3 888)**	**188 543**	**310 156**
Total income in Q1 2013	-	-	546	(3 744)	(3 198)
As at 31.03.2013	**10 511**	**114 990**	**(3 342)**	**184 799**	**(306 958)**

Specification	Share capital at nominal value	Surplus from the sales of shares above the par value	Currency exchange differences from consolidation	Retained profit	Total equity
As at 31.12.2011	**10 511**	**114 990**	**(2 967)**	**182 096**	**304 630**
Total income in Q1 2012	-	-	(696)	4 543	3 847
As at 31.03.2012	**10 511**	**114 990**	**(3 663)**	**186 639**	**308 477**

ULMA Construccion Polska S.A. CAPITAL GROUP
CONSOLIDATED CASH FLOW STATEMENT
Unless specified otherwise, all the amounts are in PLN '000

	Q1 2013, period from 01.01 to 31.03.2013	Q1 2012, period from 01.01 to 31.03.2012
Cash flow on operations		
Net profit for the financial period	**(3 744)**	**4 543**
Adjustments:		
- Income tax	(843)	1 222
- Fixed assets depreciation	20 248	21 430
- Intangible assets depreciation	130	127
- Net value of scaffolding - fixed assets sold	3 203	4 191
- (Profit)/loss on goodwill changes due to financial instruments	179	(71)
- Interest received	(150)	(167)
- Interest costs	1 277	2 323
- (Profit)/loss on currency exchange differences	1 595	37
Change in working capital:		
- Inventory	(1 006)	158
- Trade and other receivables	8 107	14 907
- Trade and other liabilities	(12 985)	(6 386)
- Liability and other obligations provisions	-	-
	16 011	**42 314**
Income tax paid	(645)	(57)
Net cash flow on operations	**15 366**	**42 257**
Acquisition of tangible fixed assets	(9 695)	(2 835)
Incomes on sales of tangible fixed assets	14	6
Purchase of intangible assets	(132)	(11)
Loans granted	-	-
Interest received	157	185
Net cash flow on investment activity	**(9 656)**	**(2 655)**
Inflow from share issues		
Credits and loans received	1 256	261
Repayment of credit and loan facilities	(10 311)	(13 349)
Payments due to financial lease	(37)	(50)
Interest paid	(1 250)	(2 367)
Dividend distribution	-	(6 044)
Net cash flow on financial activity	**(10 342)**	**(21 549)**
Net increase/(decrease) of cash and revolving facility	**(4 632)**	**18 053**
Cash, cash equivalents and revolving facilities as of the beginning of the period	29 592	17 865
(Loss)/Profit on currency exchange differences on valuation of cash and revolving facility	120	48
Cash, cash equivalents and revolving facilities as of the end of the period	**25 080**	**35 966**

Notes to consolidated financial statements

Description of key accounting principles

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

A) Basis for the preparation

Consolidated financial statements of ULMA Construccion Polska S.A Capital Group, whose parent entity is ULMA Construccion Polska S.A. with its office in Warsaw, for the period of 3 months ended on 31 March 2013 was prepared in compliance with IAS 34 "Interim Financial Reporting"

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

B) Consolidation

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

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

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

C) Valuation of items in foreign currency

1. Functional currency and reporting currency

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

2. Transactions and balances

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

3. Foreign companies

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

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

4. Currency exchange rates and inflation

	Mean PLN/UAH exchange rate published by the National Bank of Poland	Mean PLN/KZT exchange rate published by the National Bank of Poland	Mean PLN/EUR exchange rate published by the National Bank of Poland	Change of the PCI index published by the Central Statistical Office
31 March 2013	0.4006	0.021570	4.1774	1.3%
31 December 2012	0.3825	0.020458	4.0882	3.7%
31 March 2012	0.3889	0.021040	4.1616	4.1%

D) Financial instruments

Financial instruments disclosed in the statements include cash in hand and with banks, trade and other receivables, financial assets disclosed at fair value and settled through financial result, financial assets for sale, trade liabilities and other liabilities, as well as loans.
The adopted methods of presentation and valuation of particular financial instruments were included in items below which describe the adopted accounting principles.
Financial derivatives are initially recognized in fair value as of the contract date. Subsequently their value is updated to the actual fair value. Derivates held by the Group cannot be classified as hedges, and therefore the result of their fair value valuation is recognized in the financial result.

As at the balance sheet date, the Group assesses if there are objective premises suggesting the impairment of financial assets. If such events occur, the Group recognizes them in the total incomes as accumulated loss calculated as the difference between the balance sheet value and the current fair value, decreasing simultaneously the balance sheet value of a particular asset.

E) Tangible fixed assets

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

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

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

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

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

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

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

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

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

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

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

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

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

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

H) Intangible assets

Software

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

I) Impairment of fixed assets

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

J) Investments

Financial assets available for sale

Group's investments include the value of shares and stock in other entities than subsidiaries and affiliates. Investments in other entities are presented as financial assets for sale, since the Management Board does not intend to dispose of such investments in the period of the next 12 months. Investments are recognized initially in their fair value plus additional transaction costs. The increase of the investment value due to revaluation to fair value is charged to equity. The decrease of the investments values which have been previously increased, decrease the revaluation capital. All the other decreases due to impairment are charged to financial result. Financial instruments available for sale whose fair value cannot be reliably determined (no active market for such instruments exists) are valued according to the financial instrument purchase costs less write downs.

K) Inventory

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

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

L) Trade and other receivables

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

Prepayments

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

M) Cash and cash equivalents

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

N) Capitals

Share capital

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

Retained profit

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

O) Loans

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

P) Provisions

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

Q) Accruals

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

- reliably estimated value of costs incurred in the reporting period, for which the suppliers have not issued invoices as until the balance sheet date. The period and manner of settlement is justified by the nature of settled costs, applying the prudence principle.
- Accrued income including in particular the equivalent of payments received from or payable by the business partners for performances to be made in future reporting periods.

R) Significant accounting estimates and valuations

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

S) Revenues

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

1. Revenues from sales of products and goods

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

2. Revenues on sales of services

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

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

3. Interest

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

4. Dividends

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

T) Deferred income tax

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

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

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

U) Employee benefits

Retirement payments

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

Additional information to the quarterly report

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

Market environment in Poland

According to preliminary data published by the Central Statistical Office (GUS), in Q1 2013 the value of building and assembly production shrank by 15.1%, with two-digit drops recorded by all three construction sectors. The drops primarily affected engineering construction (-19.9%), in particular including road construction (-35.8%) and bridge construction (-41.5%) in which the Capital Group generated largest revenues over several previous years.
In Q1 2013 there was surprisingly negative dynamics in railway construction (-22%) which continues to be bothered by delays in the existing contracts.
The contracted large energy sector investments have not been started yet.
Residential construction also recorded negative dynamics (-18.1%); in single-family developments it was as much as -42.1%, which is a direct consequence of the reduced number of building permits and house starts, which in turn is the result of the deteriorating situation on the labour market and drop of real income in Poland.
A slightly smaller decrease was observed in the non-residential segment (-11.2%), with a surprisingly deep drop (almost 20%) in trading and commercial construction.
The decreasing number of new contracts and increasing financial problems of construction companies resulted in a reduced employment in the sector in Q1 2013 by as much as 6-7%. Deterioration also affected pay growth in construction companies, with the largest pay drops (-7.8%) and headcount reduction (-11.9%) recorded in companies specialising in construction of buildings.

Market environment abroad

In the opinion of the Polish government, Kazakhstan is now one of five most prospective markets for further development of bilateral economic collaboration. Although in Q1 2013 construction production in that country dropped by 4.9 %, soon a real investment boom is to be expected as Expo 2017 will be held in Astana. Since last year, the Capital Group has been a pioneer in Kazakhstan as a supplier of scaffolding for lease. Counting on the development of the market, which is strategic for the Capital Group, a branch was opened in Almaty and work has been undertaken to complete ULMA's offer in the market with accessories for monolithic work.

The situation looks less promising in Ukraine, where in the period under review there was a drop in construction production by 16.8%. Despite the unfavourable developments in the construction market, the Capital Group through its subsidiary in Kyiv has been following a new strategy developed for that market, which has resulted in major improvement of the financial results and increase in the sales volume in Q1 2013.
Additionally, the Capital Group puts hope in Lithuania, where in June 2012 the company ULMA Construccion Baltic sp. z o.o. opened for business. The company is involved in a number of prestigious building projects in Lithuania and by the end of 2013 it plans to win first bridge projects and first contracts in Latvia.

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

Operating profitability

In Q1 2013 the Capital Group recorded negative result on operating activity, in the amount of PLN 3,344,000, in comparison to a positive result of PLN 7,940,000 in the equivalent period of the previous year (decrease by PLN 11,284,000).

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

	Q1 2013	2012	Q1 2012
Sales	46 239	259 393	62 962
EBIT	(3 344)	32 604	7 940
% for sale	(7.23)	12.57	12.61
Depreciation	20 378	85 374	21 557
EBITDA	17 034	117 978	29 497
% for sale	36.84	45.48	46.85

In Q1 2013 the Capital Group recorded an absolute EBITDA decrease by PLN 12,463,000 in comparison to the level achieved in Q1 2012.
The poorer EBITDA result in absolute terms is due to the reduced revenues in the Capital Group in Q1 2013 (in particular related to rental of shuttering systems and scaffolding) to PLN 46,239,000 as compared to PLN 62,962,000 (-26.5%) following the difficult market situation and the major slowdown in the entire construction sector. Additionally, it should be noted that this year in Poland we have had an exceptionally long winter and adverse weather conditions, which left a negative footprint on the results of the entire construction sector.

In Q1 2013 the Capital Group completed the construction of its Logistics Centre in Koszajec (municipality of Brwinów). On 1 March 2013 the centre officially started operation and Ulma Consturccion Polska S.A. moved its offices.

In effect, the results of Q1 2013 included one-off costs related to moving to the new premises, in particular the need to revalue some of its fixed assets which were investments made by the Company in its old premises at ul. Klasyków in Warsaw. A need arose to estimate the fair value of the fixed investments.
The total revaluation value of the fixed investments in Q1 2013 was PLN 636,000. In the next quarter, the Management Board of Ulma Construccion Polska S.A. foresees a possibility to have the investments revalued subject to further functioning and business nature of the old premises.

EBITDA profitability (EBITDA as % of sales) was 36.84% in comparison to 46.85% in the equivalent period of the previous year.

The Management of the Capital Group is taking steps to maintain cost discipline and adapt the level of operating expenses to the changing market situation. As a result, in Q1 2013, the Management of the Capital Group took a number of actions and decisions to reduce certain cost items, including: renegotiation of contracts with third party service providers, related to management of and support to logistics centres, principles of car fleet management.

The positive results of the optimisation measures will be visible in the coming quarters of 2013.

Definition of Capital Group's exposure to currency risk

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

- by mutual compensation of liabilities and receivables in the same foreign currency and with the same maturity period,
- by activity on the FX market (acquisition and sales of currencies in which parallel liabilities or receivables are expressed),
- by activity on the futures market and concluding Non-Delivery Forward (NFD) contracts.

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

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

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

Apart from economic effects pertaining to the settlement and valuation of hedging contracts (NDF) other operating activity includes also economic effects related to the customization of shuttering system elements to individual customer's needs and general effects of assets management (negative and positive count results and provisions for impairment of inventory). In Q1 2013 the costs of the foregoing amounted to PLN 439,000 in comparison to PLN 576,000 in the equivalent period of 2012.

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

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

The (short and long-term) loan balance, together with interest calculated as until the balance sheet date as of 31 March 2013 amounted to PLN 79,415,000 in comparison to PLN 129,599,000 on 31 March 2012.

As a consequence of the decrease of the balance of loans, financial costs related to the interest on loans decreased and in Q1 2013 amounted to PLN 1,268,000 in comparison to PLN 2,314,000 in the equivalent period of the previous year (decrease by 54.8%).

<u>Net profit</u>

After taxation, the Capital Group recorded in Q1 2013 a negative financial result in the amount of PLN 3,744,000 in comparison to PLN 4,543,000 of positive net financial result in the equivalent period of the previous year.

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

Cash flows

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

	Q1 2013	Q1 2012
Net profit (loss)	(3 744)	4 543
Depreciation	20 378	21 557
Total financial surplus	16 634	26 100
Other elements of net operating cash flow	(1 267)	16 157
Net cash flow on operations	15 366	42 257
Net cash flow on investment activity	(9 656)	(2 655)
Net cash flow on financial activity	(10 342)	(21 549)
Net cash flow	(4 632)	18 053

Cash flow from operating activities

In Q1 2013 Capital Group generated positive cash flow (net profit + depreciation), which amounted to PLN 16,634,000.

In the same period cash flows from operating activity amounted to PLN 15,366,000 in comparison to PLN 42,257,000 in the equivalent period of the previous year (decrease by PLN 26,891,000).

Cash flow from investing activities

In Q1 2013 the Capital Group made relatively small investment acquisitions, mostly to supplement its portfolio of offered products (shuttering and scaffolding systems) and related to the finish and furbishing of its Logistics Centre and new premises of the Parent Company in Koszajec. As a result, the investment expenses in Q1 2013 related to the acquisition of tangible fixed assets amounted to PLN 9,695,000.

Financing cash flow

In Q1 2013, in line with the repayment schedules resulting from loan agreements concluded by the Group, the Group repaid the instalments of bank loans incurred in previous years. Such expenses amounted to PLN 10,311,000. In the corresponding period of the previous year the Group repaid the instalments of bank loans incurred in the total amount of PLN 13,349,000. What is more, in Q1 2012 the Group paid out dividend advance from the profit generated in 2011 in the amount of PLN 6,044,000. Consequently, in Q1 2013 the excess of expenses above the income on financial activity amounted to PLN 10,342,000 in comparison to PLN 21,549,000 of excess of expenses above income in the equivalent period of 2012.

In consequence of the above, in Q1 2013 the level of Group's cash and revolving facility decreased by PLN 4,632,000 to PLN 25,080,000 as of 31 March 2013.

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

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

In Q1 2013 the weather conditions were particularly adverse and the long winter had its negative impact on the entire construction sector in Poland and Ukraine.

Usually these factors improve in subsequent quarters.

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

In Q1 2013 there were no operations of that type.

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

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

By way of its resolution of 28 November 2011, the Management Board of ULMA Construccion Polska S.A. made a decision to make an advance payment towards the dividend from net profit for 2011 in the total amount of PLN 6,043,976.80, i.e. in the gross amount of PLN 1.15 per share. Pursuant to this resolution, the date for determination of the right to dividend was 27 December 2011, and the dividend was paid on 4 January 2012.

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

Despite high effectiveness of hedging measures mitigating the FX risk, net result on such transactions is subject to volatility of foreign currency exchange rates. The above in particular applies to transactions hedging FX risk resulting from the balance of external loans granted by ULMA Construccion Polska S.A. to its subsidiary companies.

In consequence, the volatility of the EUR/PLN rate continues to have an impact on Total Income generated by the Capital Group.

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

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

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

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

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

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

Results per segments were the following:

Q1 2013 - the 3 months' period ended on 31 March 2013

Item description	Servicing construction sites	Sales of construction materials	Capital Group
Total sales revenues	40 668	12 234	52 902
Sales between segments	(132)	(6 531)	(6 663)
Sales revenues	**40 536**	**5 703**	**46 239**
Operating expenses less depreciation	(22 964)	(6 241)	(29 205)
EBITDA	**17 572**	**(538)**	**17 034**
Depreciation	(19 896)	(482)	(20 378)
Profit on operating activity (EBIT)	**(2 324)**	**(1 020)**	**(3 344)**

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

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

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

	Q1 2013, period from 01.01 to 31.03.2013	**Q1 2012, period from 01.01 to 31.03.2012**
Profit (loss) on operations per segment	**(3 344)**	**7 940**
Interest income	150	167
Other financial income	(38)	5
Interest expense	(1 277)	(2 314)
Other financial expenses	80	155
Share in profit of affiliated entities	(159)	(188)
Profit (loss) before income tax	**(4 588)**	**5 765**
Income tax	844	(1 222)
Net profit (loss)	**(3 744)**	**4 543**

Translation of selected financial data into EUR

SPECIFICATION	in PLN '000		in EUR '000	
	Q1 2013, from 01.01 to 31.03.2013	**Q1 2012, from 01.01 to 31.03.2012**	**Q1 2013, from 01.01 to 31.03.2013**	**Q1 2012, from 01.01 to 31.03.2012**
Net income on sales of products, goods and materials	46 239	62 962	11 078	15 081
Result on operations	(3 344)	7 940	(801)	1 902
Profit before taxation	(4 588)	5 765	(1 099)	1 380
Net result	(3 744)	4 543	(897)	1 088
Net cash flow on operations	15 366	42 257	3 682	10 121
Net cash flow on investment activity	(9 656)	(2 655)	(2 314)	(636)
Net cash flow on financial activity	(10 342)	(21 549)	(2 478)	(5 161)
Net cash flow	(4 632)	18 053	(1 110)	4 324
Diluted profit per common share (in PLN/EUR)	(0.71)	0.86	(0.17)	0.21
Basic profit per common share (in PLN/EUR)	(0.71)	0.86	(0.17)	0.21
	31.03.2013	**31.12.2012**	**31.03.2013**	**31.12.2012**
Total assets	429 588	454 534	102 836	111 182
Liabilities	122 630	144 378	29 355	35 316
Long-term liabilities	41 517	52 053	9 938	12 733
Short-term liabilities	81 113	92 325	19 417	22 583
Equity	306 958	310 156	73 481	75 866
Share capital	10 511	10 511	2 516	2 571
Weighted average number of shares	5 255 632	5 255 632	5 255 632	5 255 632
Number of shares as at the balance-sheet date	5 255 632	5 255 632	5 255 632	5 255 632
Book value per share (in PLN/EUR)	58.41	59.01	13.98	14.44

Particular items of assets, equity and liabilities have been converted to EUR applying the mean exchange rates announced by the President of the National Bank of Poland, in force as at the balance sheet date. The mean EUR exchange rate on 31 March 2013 was PLN 4.1774, while on 31 December 2012 - PLN 4.0882.

The rate applied to the total revenues report items and the cash flow statement was the arithmetic mean of exchange rates effective on the last day of each month in the specified period, i.e. data for the period 1.01 – 31.03.2013 translated according to the rate = 4.1738 PLN/EUR, data for the equivalent period of 2012 were translated according to the rate = 4.1750 PLN/EUR.

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

The Group is controlled by ULMA C y E, S. Coop. with its registered office in Spain which, as at 31 March 2013, held 75.49% of the Company's shares. The remaining 24.51% shares were held by many shareholders.

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

Parent entity:

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

Subsidiaries:

- ULMA Opałubka Ukraina sp. z o.o. with its registered office in Kiev, Grata Juri 9, incorporated on 18.07.2001. It was registered in the Sviatoshyn Branch of State Administration for the city of Kiev under no. 5878/01 and was assigned the ID. no. 31563803. The company operates in the area and sales and lease of shuttering, sales of construction materials. The issuer holds 100% in the capital and total number of votes of the company.

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

- ULMA Construccion BALTIC sp. z o.o. with its registered office in Vilnius, ul. Pylimo 41-12. The Company operates in the area of lease of scaffolding and shuttering, wholesale and retail sale of scaffolding and shuttering, sale and lease of other construction equipment and other commercial activities. The issuer holds 100% in the capital and total number of votes of the company.

Affiliate:

- ULMA Cofraje SRL with its registered office in Bragadiru at ul. Soseaua de Centura nr 2-8 Corp C20 (Romania), set up on 9.10.2007. It is registered in the National Trade Register Office in Bucharest under no. 22679140. The Company operates in the area of lease and sale of shuttering and scaffolding, also on the basis of leasing. The issuer holds 30% in the capital and total number of votes of the company.

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

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

During the period covered with this report, there were no changes to the structure of the ULMA Construccion Polska S.A. Capital Group.

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

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

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

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

- ULMA C y E S, Coop. (Spain) holding directly 3,967,290 shares in ULMA Construccion Polska S.A., which account for 75.49% of shares in the Company's share capital and entitle to 3,967,290 votes at the General Meeting, which accounts for 75.49% of the total number of votes.
- Aviva Otwarty Fundusz Emerytalny Aviva BZ WBK holding directly 450,000 shares in ULMA Construccion Polska S.A., which account for 8.56% of shares in the Company's share capital and entitle to 450,000 votes at the General Meeting, which accounts for 8.56% of the total number of votes.

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

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

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

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

a) proceedings relating to liabilities or receivables of ULMA Construccion Polska S.A. or its subsidiary with the value at least equal to 10% of equity of ULMA Construccion Polska S.A., specifying: object of the proceedings, value of the dispute, date of commencement of the proceedings, parties to the proceedings and the position of the Company

b) two or more proceedings relating to liabilities or receivables with total value corresponding to at least 10% of equity of ULMA Construccion Polska S.A., specifying total value of such proceedings for liabilities and receivables separately and describing the position of the Company in the case, and, in reference to the biggest proceedings in the groups of liabilities and receivables -

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

specifying their object, the value of the dispute, date of commencement of the proceedings and parties thereto

Proceedings concerning receivables of ULMA Construccion Polska S.A. as of 31.03.2013:

ULMA Construccion Polska S.A. is engaged in 91 court proceedings involving receivables (as at 31 March 2013) in the total amount of PLN 30,960,000. These cases include court proceedings for which the court has not issued so far an enforcement order with a writ of execution (legally binding payment order), and receivables from debtors to whom the court has issued a bankruptcy order, with both options – arrangement bankruptcy or liquidation bankruptcy.
None of the court cases pursued by ULMA Construccion Polska S.A. involves a value higher than 10% of its equity.

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

Specification	Number of proceedings	Total receivables due as at 31.03.2013	Current status of the case
court proceedings	**39**	**10 290**	
Including 5 largest cases			
SIAC CONSTRUCTION LIMITED		4 357	The debtor was sued for default in payment as jointly and severally liable member of the Hydrobudowa Polska S.A. consortium for the construction of A4 motorway (Dębica-Rzeszów).
J&P-AVAX SOCIETE		1 469	The court issued a payment order in proceedings by writ of payment, we are waiting for enforcement title.
MAX BOGL SP. Z O.O.		1 290	The Court designated a hearing for May 2013.
P.H.U. POLKON SP. Z O.O.		715	Proceedings against the debtor and guarantor.
Firma Budowlana MAKOMA		295	The debtor is sued for payment, the Company is waiting for enforcement title.
	all of the above in total	**8 126**	79% in the total number

bankruptcy proceedings	**52**	**20 670**	
Including 5 largest cases			
HYDROBUDOWA POLSKA SA		6 602	Receivables notified to the receiver in bankruptcy include amounts due from the debtor for all implemented contracts, including the construction of A4 motorway (Dębica-Rzeszów), implemented by the debtor under consortium with SIAC Construction Ltd.
RADKO SP. Z O.O.		4 358	Regardless of the notified receivables, proceedings for payment against guarantors (the debtor's management board) are pending
PAWERBUD SP.Z O.O.		1 154	Receivables notified to the receiver.
GRUPA BIP SP. Z O.O.		792	Receivables notified to the receiver.
LPBO S.A.		762	Receivables notified to the receiver.
	all of the above in total	**13 668**	66% in the total number

The Group establishes impairment charges to revalue all doubtful receivables and receivables pursued at court. The amounts of such charges are recognised in the item “Costs of sales and marketing” and the amount is equal to estimated collectable value of receivables in court and collection proceedings.

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

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

Transactions concluded in Q1 2013 by ULMA Construccion Polska S.A. and its subsidiaries with affiliates were of typical and routine nature, were concluded at an arm's length basis, and their nature and conditions resulted from running ongoing operations.
The most significant transactions involved the acquisition of shuttering and lease services concerning shuttering systems by ULMA Construccion Polska S.A. from ULMA C y E, S. Coop. with the value of PLN 2,531,000.
In the period of the last 12 months (from 1.04.2012 to 31.03.2013) the value of these transactions amounted to PLN 14,801,000.

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

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

In 2008 ULMA Construccion Polska S.A. granted an investment loan to its subsidiary, ULMA Opałubka Ukraine sp. z o.o., in the amount of EUR 3,100,000 and fixed interest rate at the market level. On the basis of the annex of 15.09.2011, the date for loan repayment was agreed as 25 December 2015. As of 31 March 2013, the debt of ULMA Opałubka Ukraine due to the loan amounts to EUR 1,470,000.

In 2011 ULMA Construccion Polska S.A. extended to its affiliate ULMA Cofraje srl Romania a long-term loan in the amount of EUR 241,000. The loan was extended on arm's length basis until 31 May 2014.

In 2012 ULMA Construccion Polska S.A. extended to its subsidiary, ULMA Opałubka Kazakhstan, a long-term loan in the amount of EUR 300,000. The loan was extended on arm's length basis until 14 February 2015. As of 31 March 2013, the debt of ULMA Opałubka Kazakhstan due to the loan amounts to EUR 165,000.

In 2012 ULMA Construccion Polska S.A. extended to its subsidiary, ULMA Constructtion BALTIC, a long-term loan in the amount of EUR 1,100,000. The loan was extended on arm's length basis until 30 June 2015. As of 31 March 2013, the debt of ULMA Construccion BALTIC to the loan amounts to EUR 115,000.

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

Apart from the events described above, there were no other major events in Q1 2013. Moreover, the Management Board of ULMA Construccion Polska S.A. is not aware of any information important for the assessment of the Company's staff, assets, financial standing, financing results and changes thereto, as well as the assessment of the Capital Group's ability to satisfy its obligations.

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

Market in Poland

Although the overall economic climate in construction was slightly improved in Q1 2013, the data concerning the dynamics of construction production proves that there is no segment now that could play a leading role in the months to come and reduce the downward trend of the entire sector. Due to the high reference base that will accompany market volumes until June 2013, a slowdown to the downward trend will be possible only in the second half of the year.

The "Polish Investments" program will no doubt provide an important opportunity for the construction sector as well as EU funds in the new budget perspective. In the first half of the year, General Directorate for National Roads and Motorways (GDDKiA) plans to open several dozen tenders for shorter road sections of 10-15 kilometres, each for up to PLN 500 million. That will mitigate investment risk and will support a smooth transition to the new UE financial perspective.
Additionally, modifications to contracts signed with general contractors (e.g. advances and indexation of contract amounts) are to prevent problems that have occurred recently.

The residential market in Poland is now characterised by instability. The factors affecting the demand for housing, such as PFSA decisions affecting the supply of mortgage loans or

changing government support programs, are unpredictable and therefore long-term planning is difficult.
In the lower standard apartment segment, demand may grow only in 2014 when the new programme "Apartments for the Young" is initiated. With respect to higher standard apartments, an impulse to purchase apartments in the near future may be an alternative to low interest rates on deposits and the information on the new recommendation of the Polish Financial Supervision Authority on the required borrower's own contribution in 2014.

The difficult situation of the entire construction sector in Poland results in more aggressive competition and the resultant margin reduction of construction companies, increasing payment bottlenecks and a pressure on prices among providers of shattering.

The Capital Group tries to offset the present poor condition of the Polish construction market with its expansion to eastern markets such as Kazakhstan (also Kaliningrad and Belarus). Note should be made of the good investment climate in Kazakhstan related to the preparations to EXPO to be held in that country in 2017.

INDIVIDUAL ABBREVIATED FINANCIAL

STATEMENTS

ULMA Construccion Polska S.A.

FOR THE FIRST QUARTER OF 2013

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

	Status as at: 31 March 2013	31 December 2012	31 March 2012
ASSETS			
I. Fixed assets (long-term)			
1. Tangible fixed assets	306 235	323 669	356 397
2. Intangible assets	710	720	904
3. Investments in subsidiaries and affiliates	8 960	8 960	8 819
4. Other fixed assets	4 219	4 233	4 275
5. Long-term receivables	8 317	8 153	10 773
Total fixed assets (long-term)	**328 441**	**345 735**	**381 168**
II. Working assets (short-term)			
1. Inventory	4 938	4 561	4 190
2. Trade and other receivables	84 618	87 499	83 898
3. Current income tax receivables	19	86	588
4. Financial derivates	-	149	86
5. Cash and cash equivalents	23 011	28 168	34 108
Total working assets (short-term)	**112 586**	**120 463**	**122 870**
Total assets	**441 027**	**466 198**	**504 038**
EQUITY AND LIABILITIES			
I. Equity			
1. Share capital	10 511	10 511	10 511
2. Reserve capital - share premium	114 990	114 990	114 990
3. Retained profit, of which:	194 647	197 781	201 875
a) Net profit for the financial period	*(3 134)*	*14 107*	*4 221*
Total equity	**320 148**	**323 282**	**327 376**
II. Liabilities			
1. Long-term liabilities			
a. Loans	31 076	40 618	74 450
b. Deferred income tax liabilities	11 925	12 486	9 215
c. Long-term liabilities due to pension benefits	102	102	114
d. Long-term liabilities due to finance lease	99	136	236
Total long-term liabilities	**43 202**	**53 342**	**84 015**
2. Short-term liabilities			
a. Loans	45 935	46 678	53 399
b. Short-term liabilities due to pension benefits	14	14	3
c. Short-term liabilities due to finance lease	148	147	148
d. Current income tax liabilities	-	50	-
e. Derivatives	30	-	-
f. Trade and other liabilities	31 550	42 685	39 097
Total short-term liabilities	**77 677**	**89 574**	**92 647**
Total liabilities	**120 879**	**142 916**	**176 662**
Total equity and liabilities	**441 027**	**466 198**	**504 038**

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

	Q1 2013, period from 01.01 to 31.03.2013	Q1 2012, period from 01.01 to 31.03.2012
Sales revenues	46 781	60 646
Costs of sold products, goods and materials	(45 430)	(48 870)
I. Gross profit on sales	**1 351**	**11 776**
Sales and marketing costs	(1 159)	(1 163)
General administration costs	(3 000)	(2 847)
Other operating expenses	(356)	(87)
II. Operating profit (loss)	**(3 164)**	**7 679**
Financial income	297	380
Financial expenses	(827)	(2 676)
Net financial expenses	*(530)*	*(2 296)*
III. Profit (loss) before income tax	**(3 694)**	**5 383**
Current portion of income tax	-	-
Deferred income tax	560	(1 162)
IV. Net profit (loss) for the period	**(3 134)**	**4 221**
Other total income	-	-
V. Total income for the period	**(3 134)**	**4 221**
Weighted average number of common shares	5 255 632	5 255 632
Basic and diluted profit (loss) per share in the period (in PLN per share)	(0.60)	0.80

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

Specification	Share capital at nominal value	Surplus from the sales of shares above the par value	Retained profit	Total equity
As at 31.12.2011	**10 511**	**114 990**	**197 654**	**323 155**
Total net income in 2012	-	-	14 107	**14 107**
Dividend - profit distribution for 2011	-	-	(13 980)	**(13 980)**
As at 31.12.2012	**10 511**	**114 990**	**197 781**	**323 282**
Total net income in Q1 2013	-	-	(3 134)	**(3 134)**
As at 31.03.2013	**10 511**	**114 990**	**194 647**	**320 148**

Specification	Share capital at nominal value	Surplus from the sales of shares above the par value	Retained profit	Total equity
As at 31.12.2011	**10 511**	**114 990**	**197 654**	**323 155**
Total net income in Q1 2012	-	-	4 221	**4 221**
As at 31.03.2012	**10 511**	**114 990**	**201 875**	**327 376**

ULMA Construccion Polska S.A.
CASH FLOW STATEMENT
Unless specified otherwise, all the amounts are in PLN '000.

	Q1 2013, period from 01.01 to 31.03.2013	Q1 2012, period from 01.01 to 31.03.2012
Cash flow on operations		
Net profit for the financial period	**(3 134)**	**4 221**
Adjustments:		
- Income tax	(560)	1 162
- Fixed assets depreciation	20 796	21 448
- Amortisation of intangible assets	125	126
- Net value of scaffolding - fixed assets sold	2 587	3 872
- (Profit)/loss on goodwill changes due to financial instruments	179	(260)
- Interest and dividend income	(334)	(374)
- Interest costs	1 216	2 267
- FX (profit)/loss	(444)	415
- Liability and other obligations provisions	-	-
Change in working capital:		
- Inventory	(378)	(42)
- Trade and other receivables	2 886	15 204
- Trade and other liabilities	(9 805)	(6 697)
	13 132	**41 342**
Income tax paid	18	(15)
Net cash flow on operations	**13 149**	**41 327**
Cash flow on investing activity		
Acquisition of tangible fixed assets	(7 277)	(2 809)
Incomes on sales of tangible fixed assets	14	6
Purchase of intangible assets	(114)	(5)
Loans granted	-	(1 044)
Repayment of loans granted	-	447
Dividend received	-	-
Acquisition of shares in a subsidiary or affiliate	-	-
Interest received	342	384
Net cash flow on investment activity	**(7 036)**	**(3 021)**
Cash flow on financial activity		
Credits and loans received	-	-
Repayment of credit and loan facilities	(10 312)	(13 349)
Payments due to financial lease	(37)	(50)
Interest paid	(1 189)	(2 303)
Dividend paid	-	(6 044)
Net cash flow on financial activity	**(11 537)**	**(21 746)**
Net increase/(decrease) of cash and revolving facility	**(5 424)**	**16 560**
Cash, cash equivalents and revolving facilities as of the beginning of the period	28 168	17 446
(Loss)/Profit on currency exchange differences on valuation of cash and revolving facility	267	102
Cash, cash equivalents and revolving facilities as of the end of the period	**23 011**	**34 108**

Notes to the interim individual financial statements

1. Description of key accounting principles

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

a) Investments in subsidiary and affiliated undertakings

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

Translation of selected financial data into EUR

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

SPECIFICATION	in PLN '000		in EUR '000	
	Q1 2013, from 01.01 to 31.03.2013	**Q1 2012, from 01.01 to 31.03.2012**	**Q1 2013, from 01.01 to 31.03.2013**	**Q1 2012, from 01.01 to 31.03.2012**
Net income on sales of products, goods and materials	46 781	60 646	11 208	14 526
Result on operations	(3 164)	7 679	(758)	1 839
Gross result	(3 694)	5 383	(885)	1 289
Net result	(3 134)	4 221	(751)	1 011
Net cash flow on operations	13 149	41 327	3 150	9 899
Net cash flow on investment activity	(7 036)	(3 021)	(1 686)	(724)
Net cash flow on financial activity	(11 537)	(21 746)	(2 764)	(5 208)
Net cash flow	(5 424)	16 560	(1 299)	3 967
Basic profit per common share (in PLN/EUR)	(0.60)	0.80	(0.14)	0.19
Diluted profit per common share (in PLN/EUR)	(0.60)	0.80	(0.14)	0.19
	31.03.2013	**31.12.2012**	**31.03.2013**	**31.12.2012**
Total assets	441 027	466 198	105 574	114 035
Liabilities	120 879	142 916	28 936	34 958
Long-term liabilities	43 202	53 342	10 342	13 048
Short-term liabilities	77 677	89 574	18 594	21 910
Equity	320 148	323 282	76 638	79 077
Share capital	10 511	10 511	2 516	2 571
Weighted average number of shares	5 255 632	5 255 632	5 255 632	5 255 632
Number of shares as at the balance-sheet date	60.92	5 255 632	14.58	5 255 632
Book value per share (in PLN/EUR)	60.92	61.51	14.58	15.05

Particular items of assets, equity and liabilities have been converted to EUR applying the mean exchange rates announced by the President of the National Bank of Poland, in force as at the balance sheet date. The mean EUR exchange rate on 31 March 2013 was PLN 4.1774, while on 31 December 2012 - PLN 4.0882.

The rate applied to the total revenues report items and the cash flow statement was the arithmetic mean of exchange rates effective on the last day of each month in the specified period, i.e. data for the period 1.01 – 31.03.2013 translated according to the rate = 4.1738 PLN/EUR, data for the equivalent period of 2012 were translated according to the rate = 4.1750 PLN/EUR.