FINANCIAL STATEMENTS

of ULMA Construccion Polska S.A.

FOR THE PERIOD OF 12 MONTHS ENDED ON 31 DECEMBER 2014

From the beginning of your projects

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

ULMA Construccion Polska S.A.

GENERAL INFORMATION

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

The company's business

The business of ULMA Construccion Polska S.A. consists in the following:

- lease and sale of building scaffolding and formwork,
- execution of designs for applications of formwork and scaffolding on commission,
- export of construction services,
- sale of construction materials and raw materials and accessories for concrete,

ULMA Construccion Polska S.A. is a joint-stock company (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.
Koszajec 50
05-840 Brwinów

Supervisory Board

Aitor Ayastuy Ayastuy	Chairman of the Supervisory Board
Lourdes Urcelai Ugarte	Vice-Chairman of the Supervisory Board
Ander Ollo Odriozola	Member of the Supervisory Board until 31 January 2015
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 Urcelai 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 until 31 January 2015
Ander Ollo Odriozola	Member of the Management from 1 February 2015
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 No. 3546

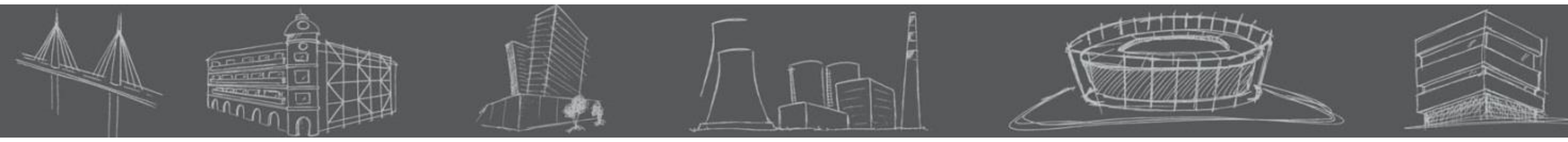
Banks

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.

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



FINANCIAL STATEMENTS
of ULMA Construccion Polska S.A.
for the period of 12 months of the year 2014

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

Statement of financial situation

	As at:		
	Note	31 December, 2014	31 December 2013
ASSETS			
I. Fixed assets			
1. Tangible assets	4.	215,305	263,867
2. Intangible fixed assets	5.	172	491
3. Investments in subsidiaries and associates	7.	8,198	8,198
4. Other non-current assets	8.	4,123	4,179
5. Long-term receivables	9.	20,462	13,018
Total fixed assets		**248,260**	**289,753**
II. Current assets			
1. Inventories	10.	2,277	4,418
2. Trade receivables and other receivables	9.	60,454	68,521
3. Current income tax receivables		24	492
4. Derivative instruments	6.	-	42
5. Cash and cash equivalents	11.	28,315	26,272
Total current assets		**91,070**	**99,745**
Total assets		**339,330**	**389,498**
EQUITY AND LIABILITIES			
I. Equity			
1. Share capital	12.	10,511	10,511
2. Supplementary capital - surplus from the sale of shares at premium	12.	114,990	114,990
3. Retained profit, including:		170,625	182,526
a. Net profit/(loss) in the financial period		*(11,901)*	*(4,744)*
Total equity		**296,126**	**308,027**
II. Liabilities			
1. Long-term liabilities			
a. Credits and loans	14.	-	10,604
b. Deferred income tax liabilities	16.	7,572	11,512
c. Long-term retirement benefit liabilities	17.	173	136
Total long-term liabilities		**7,745**	**22,252**
2. Short-term liabilities			
a. Credits and loans	14.	10,625	30,094
b. Short-term retirement benefit liabilities	17.	6	3
c. Current income tax liabilities		352	-
d. Short-term financial leasing liabilities	15.	-	139
e. Derivative instruments	6.	76	-
f. Trade liabilities and other liabilities	13.	24,400	28,983
Total short-term liabilities		**35,459**	**59,219**
Total liabilities		**43,204**	**81,471**
Total equity and liabilities		**339,330**	**389,498**

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

Profit and loss statement and other comprehensive income

	Note	12 months of 2014		12 months of 2013
Revenues from sales	18.	171,431		197,852
Costs of sold goods, products and materials	19.	(167,409)		(182,811)
I. Gross profit on sales		**4,022**		**15,041**
Sales and marketing costs	19.	(12,136)		(7,545)
General administrative costs	19.	(10,681)		(10,620)
Other net operating costs	20.	1,680		364
II. Operating profit (loss)		**(17,115)**		**(2,760)**
Financial revenues	21.	3,476		1,375
Financial costs	21.	(110)		(3,796)
Net financial revenues (costs)		*3,366*		*(2,421)*
III. Profit (loss) before tax		**(13,749)**		**(5,181)**
Income tax	22.	1,848		437
IV. Net profit/(loss) in the financial period		**(11,901)**		**(4,744)**
Other comprehensive income:		-		-
V. Comprehensive income for the financial period		**(11,901)**		**(4,744)**
Weighted average number of ordinary shares		5,255,632		5,255,632
Basic and diluted profit (loss) per share in the financial period (in PLN per share)	24.	(2.26)		(0.90)

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

Statement of changes in equity

Specification	Share capital — nominal value	Surplus from the issue of shares at premium	Retained earnings	Total equity
As at 31 December 2012	**10,511**	**114,990**	**197,781**	**323,282**
Net comprehensive income in 2013	-	-	(4,744)	**(4,744)**
Dividend — profit sharing for 2012	-	-	(10,511)	**(10,511)**
As at 31 December 2013	**10,511**	**114,990**	**182,526**	**308,027**
Net comprehensive income in 2014	-	-	(11,901)	**(11,901)**
Dividend — profit sharing for 2013	-	-		
As at 31 December 2014	**10,511**	**114,990**	**170,625**	**296,126**

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

Cash flow statement

	Note	12 months of 2014	12 months of 2013
Net profit in the financial period		**(11,901)**	**(4,744)**
Adjustments:			
- Income tax	22.	(1,848)	(437)
- Depreciation of tangible assets	4.	67,788	78,678
- Amortisation of intangible fixed assets	5.	338	527
- Net value of formwork sold – tangible assets		5,638	9,509
- (Profit)/loss on changes in the fair value of financial instruments		118	869
- Interest, dividend revenue		(3,476)	(1,359)
- Interest expense		1,294	3,405
- (Profit)/loss on foreign exchange differences		(1,337)	(505)
- Change in the value of provision for retirement benefits		39	23
Change in the balance of current assets:			
- Inventories		2,141	143
- Trade receivables and other receivables		8,068	18,984
- Trade liabilities and other liabilities		(4,584)	(12,155)
		62,278	**92,938**
Income tax paid		(1,271)	(993)
Net cash revenues from operating activities		**61,007**	**91,945**
Acquisition of tangible fixed assets		(25,909)	(30,019)
Inflows from the sale of tangible fixed assets		1,100	144
Acquisition of intangible fixed assets		(19)	(299)
Loans granted		(45,677)	(10,714)
Repayment of loans granted		39,456	6,082
Dividend received and other profits from interest in related entities		1,664	-
Interest received		1,735	1,291
Net cash expenses from investment activities		**(27,650)**	**(33,515)**
Repayment of loans and credits		(30,014)	(46,438)
Payment related to financial leasing		(139)	(144)
Interest paid		(1,352)	(3,566)
Dividend paid			(10,511)
Net cash expenses from financial activities		**(31,505)**	**(60,659)**
Net increase / (decrease) in cash and overdraft facility		**1,852**	**(2,229)**
Cash and overdraft facility at the beginning of period		26,272	28,168
Foreign exchange (loss)/profit on the valuation of cash and overdraft facility		191	333
Cash and overdraft facility at the end of period	11.	**28,315**	**26,272**

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

ADDITIONAL INFORMATION TO THE FINANCIAL STATEMENTS of ULMA Construccion Polska S.A.

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

Notes to the Financial Statements

1. Description of major accounting principles applied

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

A. Basis for preparation

These financial statements for the period of 12 months ended on 31 December 2014 for ULMA Construccion Polska S.A. were prepared in accordance with the International Financial Reporting Standards (IFRS) approved by the European Union.

As at 31 December 2014, 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.

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

B. Measurement of items expressed in foreign currencies

Functional and presentation currency

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

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 liabilities 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 Company adopts the average exchange rate for the specific currency published by the National Bank of Poland as at the balance sheet date as the closing rate for that currency, used for the purpose of balance sheet valuation of cash liabilities and assets expressed in foreign currencies.

C. 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 profit or loss, financial assets available for sale, trade liabilities and other liabilities as well as loans and credits.

The methods of presentation and measurement of individual financial instruments are included in sections describing the adopted accounting principles below.
Derivative financial instruments are initially recognized at fair value as at the date of contract conclusion. Subsequently, their value is adjusted to reflect the current fair value. The derivative instruments held by the Company 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 Company evaluates, whether any circumstances constituting evidence of impairment of financial assets measured at amortised cost have arisen. If any such events occurred, the Company recognizes the accumulated loss, defined as the difference between the carrying value and the recoverable value (current value of planned cash flows), in the financial result, reducing at the same time the carrying value of the relevant asset.

D. Tangible fixed assets

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

Subsequent 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 Company will derive respective economic benefits and the cost of the relevant item can be reliably measured. Subsequent 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 Company are recognized at acquisition price and are not depreciated. Other property, plant & equipment items are depreciated 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	2–8

The residual 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 1H).

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.

E. 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 Company 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 Company 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 assets as of the starting date of the lease at the lower of the following amounts: the fair value of the leased

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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 depreciated in accordance with the same principles. If there is no reliable assurance that after the termination of the lease agreement, the Company 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.

F. 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.

G. Intangible fixed 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, ranging from 2 to 5 years.

H. Impairment of fixed assets

Fixed assets subject to depreciation/amortization 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 determined 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.

I. Investments

Available-for-sale financial assets

The investments of the Company cover the value of interests and shares in entities other than subsidiaries and associates. 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 reserve. 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.

Interest in related entities is measured at acquisition price less possible revaluation write-downs.

J. Inventories

Inventories of raw materials, other materials and purchased goods are measured as at the balance sheet date at the lower of the following amounts: the acquisition price (production cost) or realisable net selling price.

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 measured in accordance with the “first in, first out” (FIFO) principle.
Revaluation write-downs are made on obsolete, unsellable and defective inventories in applicable cases.

K. Trade receivables and other receivables

Trade receivables are recognized initially at fair value and subsequently measured using the amortised 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 Company 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 original 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.
The Group adopted a policy according to which the amounts of VAT recovered due to non-repayment or an amount receivable within 150 days from the payment date are disclosed in the balance sheet under “Liabilities due to taxes and other charges”.

Prepayments

The capitalized amount of expenses incurred in the relevant financial 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.

L. 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 liabilities — short-term loans and credits.

M. Capitals

Share capital and reserves

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 Company from the previous financial periods and the financial result of the current financial year.

N. 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 (amortised cost), applying the effective interest rate.
Credits and loans are recognized in short-term liabilities, unless the Company has the unconditional right to defer the repayment of the debt by at least 12 months following the balance sheet date.

O. Provisions

Provisions are created for the Company's existing obligations (under statute or common law) resulting from past events, provided that the probability that the Company'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.

P. Accruals and deferred income

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

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

- 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.

Q. Significant accounting estimates

In the course of preparation of these 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 Company. In 2014, the Company, as a result of an analysis of useful life of elements of formwork and scaffolding, introduced changes in the assumed useful life periods by reducing or extending them for specific types of elements. As a result of the above formwork depreciation costs increased by over PLN 7 million in 2014.
- 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 estimates prepared by the Company.
- Changes in the construction market may have significant impact on the assessment of recoverable amount of assets of the Company. In the event of identifying premises for impairment, the Company estimates the recoverable amount of its tangible fixed assets.
  The analysis of impairment of tangible fixed assets is usually performed by way of estimating the recoverable amount of cash-generating units. Such analysis is based on a number of significant assumptions, part of which is beyond the control of the Company. Significant changes in these assumptions may affect the results of impairment tests and, as a consequence, may lead to significant changes in the Company's financial standing and financial results.
  The impairment test performed was described in note No. 4 to these financial statements.

R. Revenues

Revenues include the fair value of revenues from the sale of products and services, less goods and services tax (VAT), discounts and reductions.
The Company recognizes the revenues 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 Company's activity.

Revenues from the sale of products and goods

Revenues from the sale of goods and products are 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 revenues from the sale of formwork systems, recognized as tangible fixed assets. The results from sale of other tangible fixed assets is recognized in other net profit/(loss).

In the case of domestic sales, the moment of recognizing revenues from the sale of products or goods is the time of release of the products or goods to the buyer from the Company's warehouse. In the case of export sale and intra-Community supply of goods, the moment of recognizing revenues 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 revenues from sale are recognized is the moment of release of the products or goods to the recipient from the Company's warehouse. In the case of contracts concluded under CPT and CIP conditions, revenues from the sale of products and goods are recognized as of the date of confirmation of receipt of the delivery by the customer.

Revenues from the sale of services

Revenues from the sale of "Construction site services" concern mainly construction formwork leasing services.
Revenues from the sale of services are 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:

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

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 Company. If a receivable is impaired, the Company 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.

Dividends

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

S. 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 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 at 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.

T. 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 Company makes a provision for post-employment benefits in order to allocate the costs of those allowances to the periods to which they relate. The provision raised is recognized as an operating expense in the amount corresponding with accrued future employees' benefits. The present value of these obligations is measured by an independent actuary.
Actuarial gains and losses arising from the change of actuarial assumptions (including change in discount rate) and ex post actuarial adjustments are presented as other comprehensive income.

2. Financial risk management

The activity of the Company 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 Company seeks to minimize the effects of financial risks having a negative impact on the Company's financial results. The Company uses forward contracts in order to secure itself against certain risks.

Foreign exchange risk

The Company 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 Company.

The Company hedges net positions using external forward currency contracts.

The table below contains a list of the Company's assets and liabilities expressed in EUR, exposed to foreign exchange risk. (in EUR '000)

	31 December, 2014	31 December 2013
Trade receivables	796	1,027
Loans granted	3,531	3,121
Cash	172	520
Forward currency contracts	(561)	(431)
Total assets	**3,938**	**4,237**
Trade liabilities	564	1,195
Total liabilities	**564**	**1,195**

In addition to receivables from loans granted in EUR, the Company, as at 31 December 2014, has a receivable in the amount of USD 1,500 thousand due to a loan granted to ULMA Opałubka Ukraine.

The sensitivity analysis performed by the Company demonstrates that:

- as at 31 December 2014, if the Polish zloty depreciated/appreciated by 10% against EUR/USD, with the other parameters remaining unchanged, net profit for the period of 12 months ended on 31 December 2014 would be higher/lower by PLN 1,605 thousand in relation to the revaluation of cash, receivables, payables and currency contracts expressed in EUR/USD.

- as at 31 December 2013, if the Polish zloty depreciated/appreciated by 10% against the euro, with the other parameters remaining unchanged, net profit for the period of 12 months ended on 31 December 2013 would be higher/lower by PLN 1,267 thousand in relation to the revaluation of cash, receivables, payables and currency contracts expressed in euro.

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

Revenues and cash flows from the Company's operating activities are not significantly exposed to the risk of interest rate change.

The interest rate change risk in the case of the Company concerns long-term debt instruments (Note 14). The interest rates of credits taken by the Company is based on the 1M WIBOR rate plus the bank's margin, exposing the Company to the risk of change in cash flows as a result of changing interest rates. The Company does not have any fixed-interest rate financial instruments for which any change in the interest curve would result in the change of their fair value.

The sensitivity analysis performed by the Company demonstrates that:

- as at 31 December 2014, if the interest rates were higher by 100 base points, the net profit for the period of 12 months ended on 31 December 2014 would be lower by PLN 86 thousand as a result of the increase in the costs of external financing;
- as at 31 December, 2013, if the interest rates were higher by 100 base points, the net profit for the period of 12 months ended on 31 December, 2013 would be lower by PLN 331 thousand as a result of the increase in the costs of external financing.

The Company pays its trade liabilities in due time and consequently revenues and cash flows from the Company's operating activities are not significantly exposed to the interest rate risk.

Credit risk

The item exposed to credit risk is the trade receivables item (Note 9).

The Company 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 Company's services and goods. The Company 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 standing, and the procedures of acceptance of new customers allow the Company to significantly reduce level of credit risk.

Trade receivables in whose case no impairment was found account for 61.0% of the gross value of that group of financial assets, with 45.6% of the value of that group corresponding to trade receivables which are not outstanding (in 2013, the rates were respectively 70.0% and 45.5%).

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 ageing analysis of financial assets is as follows: (in PLN '000):

	31 December, 2014	31 December 2013
Current receivables	27,223	30,925
Outstanding by up to 30 days	5,424	9,611
Outstanding by 31 to 90 days	1,988	5,488
Outstanding by 91 to 180 days	1,498	6,737
Outstanding by 181 to 360 days	13,101	4,110
Outstanding by more than 360 days	49,033	43,168
Total gross assets	**98,267**	**100,039**
Revaluation write-downs	(38,411)	(32,050)
Total assets	**59,856**	**67,990**

Revaluation write-down relates to receivables outstanding by more than 180 days.
Impairment was determined in the case of financial assets in the trade receivables and other receivables group with a value of PLN 38,411 thousand. These assets were written-down. During determination of the impairment of individual financial assets, the Company evaluates each customer on an individual basis, 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 Company uses mainly blank promissory notes and insurance of receivables for eastern markets.
With regard to financial assets presented in the table above, outstanding by more than 180 days, the Company recovered PLN 7,886 thousand of VAT as of the balance sheet date, applying so-called VAT relief on bad debts, which were disclosed in 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 Company 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 Company's trade liabilities are due within 2 months of the balance sheet date. A maturity analysis of the Company's bank credits is presented in Note 14 of additional information.

Working capital management

The main goals of capital management are guaranteeing a suitable level of operational liquidity and the possibility of implementing investment plans of the Company in accordance with the approved budgets.

Dividend policy

The dividend policy adopted at the Company 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 following standards, changes in already effective standards and interpretations are not endorsed by the European Union or are not effective as at 1 January 2014:

Standard	Description of changes	EU effective date
IFRS 9 Financial Instruments (along with amendments)	Changes to the classification and measurement requirements – replacement of the existing categories of financial instruments with the two following categories: measured at amortised cost and at fair value. Changes to hedge accounting.	1 January 2018
IFRS 14 Regulatory Deferral Accounts	Accounting and disclosure principles for regulatory deferral accounts.	1 January 2016
IFRS 15 Revenue from Contracts with Customers	The standard applies to all contracts with customers, except for those within the scope of other IFRSs (e.g. leasing contracts, insurance contracts and contracts relating to financial instruments). IFRS 15 clarifies principles of revenue recognition.	1 January 2017
Amendments to IFRS 11	Additional accounting guidance for the acquisition of an interest in a joint operation.	1 January 2016
Amendments to IFRS 10 and IAS 28	Deals with the sale or contribution of assets between an investor and its joint venture or associate	1 January 2016
Amendments to IFRS 10 IFRS 12 and IAS 28	Clarification of the provisions on recognition of investment units in the consolidation.	1 January 2016
Amendments to IAS 1	Changes regarding disclosures required in the financial statements	1 January 2016
Amendments to IAS 16 and IAS 38	Clarifies that a method of depreciation/amortisation that is based on the revenue expected to be generated from using the asset is not allowed.	1 January 2016
Amendments to IAS 16 and IAS 41	Accounting for bearer plants.	1 January 2016
Amendments to IAS 19	Simplifies the accounting for contributions by employees or third parties to defined-benefit plans.	1 January, 2015
Amendments to IAS 27	Use of the equity method in separate financial statements.	1 January 2016
Annual improvements to IFRS (cycle 2010-2012)	A collection of amendments dealing with: - IFRS 2 – matter of vesting conditions; - IFRS 3 – matter of conditional consideration; - IFRS 8 – matter of presentation of operating segments; - IFRS 13 – short-term receivables and liabilities; - IAS 16 / IAS 38 – matter of disproportionate change in gross amount and accumulated depreciation/amortisation in revaluation method; - IAS 24 – definition of key management personnel	1 January, 2015
Annual improvements to IFRS (cycle 2011-2013)	A collection of amendments dealing with: - IFRS 3 – change in the scope of exception for joint ventures; - IFRS 13 – scope of paragraph 52 (portfolio exception); - IAS 40 – clarifying the interrelationship of IFRS 3 and IAS 40 when classifying property as investment property or owner-occupied property.	1 January 2015
Annual improvements to IFRS (cycle 2012-2014)	A collection of amendments dealing with: IFRS 5 – changes in methods of disposal; IFRS 7 – regulations regarding servicing contracts, and applicability of the amendments to IFRS 7 to interim financial statements; IAS 19 – discount rate: regional market issue; IAS 34 – additional guidance relating to disclosures in interim financial statements.	1 January 2016

The Company intends to adopt the above mentioned new standards, amendments to standards and interpretations of IFRS published by the International Accounting Standards Board but not effective until the date of approving these publication, when they become effective.

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

The influence of new regulations on future financial statements of the Company

The new IFRS 9 Financial Instruments introduces fundamental changes in respect of classifying, presenting and measuring of financial instruments. These changes will possibly have material influence on future financial statements of the Group. As at the date of preparation of these financial statements not all phases of IFRS 9 have been published and the standard has not yet been approved by the European Union. As a result analysis of its impact on the future financial statements of the Group has not been finished yet.

The new IFRS 15 aims to standardize the revenue recognition rules (except for these within the scope of other IFRS/IAS) and indicate the extent of disclosure required. The analysis of its impact on the future financial statements of the Group has not been finished yet.

Other standards and their changes should have no significant impact on future financial statements of the Company. Amendments to standards and interpretations that entered into force in the period from 1 January 2014 to the date of approval of these consolidated financial statements did not have significant influence on these financial statements.

4. Tangible fixed assets

Table of movements in tangible fixed assets between 1 January 2013 and 31 December 2014

	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 at 1 January 2013	**85,406**	**7,791**	**547,595**	**2,351**	**19,889**	**663,032**
Increase due to purchase	21,639	2,090	21,719	570	870	46,888
Increase — inventory surplus, reclassification	-	-	3,090	-	(19,889)	(16,799)
Decrease — sale	(152)	(228)	(52,792)	(145)	-	(53,317)
Decrease — liquidation, inventory shortage	(1,376)	(99)	(14,294)	(172)	-	(15,941)
As at 1 January 2014	**105,517**	**9,554**	**505,318**	**2,604**	**870**	**623,863**
Increase due to purchase		384	23,452	142	-	23,978
Increase — inventory surplus, reclassification	410		4,011		-	4,421
Decrease — sale	(1,592)	(730)	(43,826)	(17)	-	(46,165)
Decrease — liquidation, inventory shortage	(520)	(24)	(16,774)	(48)	(724)	(18,090)
As at 31 December 2014	**103,815**	**9,184**	**472,181**	**2,681**	**146**	**588,007**
ACCUMULATED DEPRECIATION						
As at 1 January 2013	**9,884**	**4,826**	**322,171**	**2,000**	**-**	**338,881**
Depreciation for the period	2,722	943	74,456	557	-	78,678
Decrease — sale	(98)	(185)	(43,648)	(140)	-	(44,071)
Decrease — liquidation, inventory shortage	(1,336)	(94)	(11,895)	(167)	-	(13,492)
As at 1 January 2014	**11,172**	**5,490**	**341,084**	**2,250**	**-**	**359,996**
Depreciation for the period	2,800	934	63,862	192	-	67,788
Decrease — sale	(603)	(730)	(37,967)	(17)	-	(39,317)
Decrease — liquidation, inventory shortage	(36)	(25)	(15,658)	(46)	-	(15,765)
As at 31 December 2014	**13,333**	**5,669**	**351,321**	**2,379**		**372,702**
REVALUATION WRITE-DOWN						
As at 1 January 2013	**-**	**-**	**482**	**-**	**-**	**482**
Decrease	-	-	(482)	-	-	(482)
As at 1 January 2014	**-**	**-**	**-**	**-**	**-**	**-**
Decrease	-	-	-	-	-	-
As at 31 December 2014	**-**	**-**	**-**	**-**	**-**	**-**
NET VALUE:						
As at 31 December 2014	**90,482**	**3,515**	**120,860**	**301**	**146**	**215,305**
As at 1 January 2014	**94,345**	**4,065**	**164,235**	**352**	**870**	**263,867**
As at 1 January 2013	**75,522**	**2,965**	**224,942**	**351**	**19,889**	**323,669**

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

The depreciation charge on tangible fixed assets increased by:

Specification	12 months of 2014	12 months of 2013
Costs of sold goods, products and materials	67,122	77,956
Sales and marketing costs	4	10
General administrative costs	662	712
Total	**67,788**	**78,678**

As at 31 December 2014, bank credit facilities are secured by tangible fixed assets (formwork). Security value under the pledge agreements concluded as at signing the credit agreements is PLN 123,944 thousand. As at 31 December 2013, the security amounted to PLN 270,153 thousand.

The net value of the tangible fixed assets used under financial leasing agreements amounts to, as at 31 December 2014, PLN 384 thousand and as at 31 December 2013 — PLN 461 thousand.

In connection with the loss incurred in 2014, The Company commenced the assessment of risk of impairment of assets held (formwork systems and scaffoldings) and used in Company's core activities. The recoverable amount of assets was determined based on the estimation of the use value of assets in accordance with the discounted net cash flow method, taking into account the following criteria:

- long-term forecast of operations of the Company, in the light of the new EU perspective for the years 2016–2020 which assumes the disbursement of new budget funds for further development of road and railway infrastructure, as well as investment in the industry sector, including the energy sector;
- development forecasts for residential and non-residential construction segment based on studies conducted by PMR, Euroconstruct and on own estimates;
- export forecasts, assuming opportunities for further expansion;
- assumptions regarding the principles of setting the pricing policy;
- assumptions regarding the principles of renovation activities and material capacity;
- assumptions regarding necessary replacement or development investments;
- and assumptions regarding the level of operating costs, including the personnel development policy.

Moreover, in order to determine the valuation model in a comprehensive manner, the Group assumed a reliable degree of standardization of the Capital Group's material capacity in different countries of operation and, consequently, its capacity to freely relocate formwork and scaffolding from countries that experience a downturn in the construction sector to other countries.

For discounting purposes, the rate assumed in the model amounted to 9.62%.

As a result, the Group obtained a reliable confirmation of the absence of risk of impairment of the Company's assets.
The sensitivity analysis results demonstrated that the factor with the greatest impact on the use value of measured assets is the value of the financial surplus generated (net profit + depreciation/amortization) and weighted average cost of capital. Impairment of tangible fixed assets would occur if the weighted average cost of capital applied in the calculation was 16.73% or if the generated financial surplus decreased by 37.75% in comparison with the forecast applied in the calculation.

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

5. Intangible fixed assets

Table of movements in intangible fixed assets between 1 January 2013 and 31 December 2014.

	Licenses and software	Other	Total intangible assets
GROSS VALUE			
As at 1 January 2013	**4,338**	**37**	**4,375**
Increase	299	-	299
Decrease — disposal	(41)	-	(40)
As at 1 January 2014	**4,596**	**37**	**4,633**
Increase	19		19
Decrease — disposal, liquidation	(266)		(266)
As at 31 December 2014	**4,349**	**37**	**4,386**
ACCUMULATED DEPRECIATION			
As at 1 January 2013	**3,618**	**37**	**3,655**
Depreciation for the period	527	-	527
Decrease — disposal	(40)	-	(40)
As at 1 January 2014	**4,105**	**37**	**4,142**
Depreciation for the period	338		338
Decrease — disposal, liquidation	(266)		(266)
As at 31 December 2014	**4,177**	**37**	**4,214**
NET VALUE:			
As at 31 December 2014	**172**	**-**	**172**
As at 1 January 2014	**491**	**-**	**491**
As at 1 January 2013	**720**	**-**	**720**

The amortization charge on tangible fixed assets increased by:

Specification	12 months of 2014	12 months of 2013
Costs of sold goods, products and materials	10	45
Sales and marketing costs	-	-
General administrative costs	328	482
Total	**338**	**527**

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

6. Financial instruments

	Carrying amount		Fair value		Fair value hierarchy
	31 December 2014	31 December 2013	31 December 2014	31 December 2013	
Financial assets held for trading					
Cash	28,315	26,272	28,315	26,272	*
Receivables and loans granted					
Trade receivables and other receivables	60,454	68,521	60,454	68,521	*
Loans granted	20,462	13,018	20,462	13,018	*
Derivative instruments					
Financial instruments measured at fair value through profit or loss	-	42	-	42	Level 2
Financial liabilities					
Credits with variable interest rates	10,625	40,698	10,625	40,698	*
Trade liabilities and other liabilities	12,352	20,098	12,352	20,098	*
Derivative instruments					
Financial instruments measured at fair value through profit or loss	76	-	76	-	Level 2

Level 2: 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 at 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.

* Fair value approximates carrying amount.

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

7. Investments in subsidiaries and associates

As at 31 December 2014

No.	Name of the entity	Seat	Scope of business	Nature of relation	Date of taking-over the control	Value of shares at acquisition price	Revaluation write-downs	Carrying value of shares/interests	% of share capital held	Votes at the General Meeting of Shareholders
1.	ULMA Opalubka Ukraine	Ukraine	sale and lease of formwork, sale of construction materials	subsidiary	18.07.2001	5,818	-	5,818	100	100
2.	ULMA Cofraje	Romania	sale and lease of formwork, sale of construction materials	associate	02.11.2007	2,917	(762)	2,155	30	30
3.	ULMA Opalubka Kazakhstan	Kazakhstan	sale and lease of formwork, sale of construction materials	Subsidiary	27.08.2010	83	-	83	100	100
4.	ULMA Construcction BALTIC	Lithuania	sale and lease of formwork, sale of construction materials	subsidiary	27.04.2012	142	-	142	100	100
						8,960	**(762)**	**8,198**		

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

8. Other non-current assets

Other non-current assets include the right of perpetual usufruct of land in the amount of PLN 4,123 thousand. The right of perpetual usufruct of land purchased by the Company in 2007 expires on 5 December 2089.

9. Trade receivables and other receivables

	As at:	
	31 December 2014	31 December 2013
Trade receivables from unrelated entities	95,754	94,448
Revaluation write-down on trade receivables	(38,411)	(32,050)
Trade receivables — net	*57,343*	*62,398*
Other receivables	27	33
Prepayments and deferred expenses	571	498
Trade receivables from related entities	2,513	5,592
Loans granted	20,462	13,018
Total trade receivables and other receivables	**80,916**	**81,539**
including:		
Long-term portion	20,462	13,018
Short-term portion	60,454	68,521

On the basis of analyses performed the Company determined that the carrying value of individual receivables presented in these 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 Company.

The net value of revaluation write-downs on receivables increased by the amounts of receivables written off in the total amount of PLN 9,184 thousand (PLN 4,182 thousand in 2013) was recognized in sales and marketing costs.
Changes in revaluation write-downs on trade receivables and other receivables were as follows:

	12 months of the year 2014	12 months of the year 2013
As at the beginning of period	**32,050**	**28,055**
Increase — revaluation write-downs on trade receivables	11,393	4,436
Increase — revaluation write-downs on late payments interest	-	-
Utilization	(3,844)	(104)
Adjustment to earlier write-down	(1,188)	(337)
As at the end of the period	**38,411**	**32,050**

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

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

10. Inventories

	As at:	
	31 December 2014	31 December 2013
Materials	1,465	2,377
Goods	1,152	2,381
Gross value of inventories	**2,617**	**4,758**
Revaluation write-down on inventories	(340)	(340)
Net value of inventories	**2,277**	**4,418**

11. Cash and cash equivalents

	As at:	
	31 December 2014	31 December 2013
Cash in hand and at bank	28,315	26,272
Short-term bank deposits	-	-
Total cash, including:	**28,315**	**26,272**
Cash with limited availability	92	156

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

	As at:	
	31 December 2014	31 December 2013
Cash and cash equivalents	28,315	26,272
Overdraft facility (note 14)	-	-
Cash and cash equivalents disclosed in the cash flow statement	**28,315**	**26,272**

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

12. Share capital and reserves

	Number of shares	Nominal value of share	Surplus from the issue of shares at premium	Total
As at 1 January 2013	**5,255,632**	**10,511**	**114,990**	**125,501**
- increase	-	-	-	-
- decrease	-	-	-	-
As at 31 December 2013	**5,255,632**	**10,511**	**114,990**	**125,501**
- increase	-	-	-	-
- decrease	-	-	-	-
As at 31 December 2014	**5,255,632**	**10,511**	**114,990**	**125,501**

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

As at 31 December 2014, the shareholding structure of the Company is as follows:

	Share capital		**Votes at the General**	
	Number of	**%**	**Number of**	**%**
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

13. Trade liabilities and other liabilities

	As at:	
	31 December 2014	31 December 2013
Trade liabilities towards unrelated entities	7,918	15,008
Liabilities towards related entities	1,681	2,706
Liabilities due to taxes and other charges	12,048	8,885
Accruals	2,713	2,336
Deferred income	-	1
Other liabilities	40	47
Total trade liabilities and other liabilities	**24,400**	**28,983**
including:		
Long-term portion	-	-
Short-term portion	24,400	28,983

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

14. Credits and loans

	As at:	
	31 December 2014	31 December 2013
Long-term		
Bank credits	-	10,604
Total long-term credits	**-**	**10,604**
	As at:	
	31 December 2014	31 December 2013
Short-term		
Overdraft facility (note 11)	-	-
Bank credits	10,625	30,094
Total short-term credits	**10,625**	**30,094**

The bank credit facilities are secured by formwork (registered pledges) according to information included in note 4.

Additional security is provided by blank promissory notes.

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.

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

	31 December 2014	31 December 2013
Overdraft facility	-	-
Bank credits	4.86	5.13

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

	31 December 2014	31 December 2013
With variable interest rate:		
- expiring within one year	9,000	6,000
- expiring after one year	-	-
Total unused credit limits	**9,000**	**6,000**

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

15. Leases

15 a) Financial leasing

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

	As at:	
	31 December 2014	31 December 2013
Initial value of leased tangible fixed assets	768	768
Depreciation	(384)	(307)
Net book value	**384**	**461**

Depreciation of tangible fixed assets used on the basis of financial leasing agreements concluded in the period of 12 months ended on 31 December 2014 amounted to PLN 77 thousand, whereas in the period of 12 months ended on 31 December 2013 — PLN 77 thousand.

Financial leasing liabilities	As at:	
	31 December 2014	31 December 2013
Less than one year	-	139
1 to 5 years	-	-
Total amount of minimum lease payments by maturity period	**-**	**139**
	As at:	
	31 December 2014	31 December 2013
Less than one year	-	139
1 to 5 years	-	-
Total present value of minimum lease payments by maturity period	**-**	**139**

An analysis performed by the Company 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 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.

15 b) Operational leasing

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

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 at:	
	31 December 2014	31 December 2013
Less than one year	9	9
1 to 5 years	35	35
Over 5 years	619	628
Total	**663**	**672**

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

16. Deferred tax

	As at:	
	31 December 2014	31 December 2013
Deferred income tax assets:	3,777	3,133
Deferred income tax liabilities:	(11,349)	(14,645)
Carrying value of deferred income tax assets (liabilities)	**(7,572)**	**(11,512)**

Movements in deferred income tax assets and 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 at 01.01.2013	**16,090**	**17**	**31**	**16,138**
Credited to profit/loss	(1,492)	(184)	(160)	**(1,836)**
Debited to profit/loss	-	191	152	**343**
As at 31.12.2013	**14,598**	**24**	**23**	**14,645**
Credited to profit/loss	(3,479)	(175)	(85)	**(3,739)**
Debited to profit/loss		352	91	**443**
As at 31.12.2014	**11,119**	**201**	**29**	**11,349**

Deferred income tax assets

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

Reason for temporary differences	Tax losses	Provisions for costs	Unrealized foreign exchange differences	Total
As at 01.01.2013	**-**	**3,441**	**211**	**3,652**
Credited to profit/loss	-	1,033	210	**1,242**
Debited to profit/loss	-	(1,501)	(261)	**(1,761)**
As at 31.12.2013	**-**	**2,973**	**160**	**3,133**
Credited to profit/loss	-	1,892	123	**2,015**
Debited to profit/loss	-	(1,188)	(183)	**(1,371)**
As at 31.12.2014	**-**	**3,677**	**100**	**3,777**

17. Liabilities related to retirement benefits

	31 December 2014	31 December 2013
Liabilities recognized in the statement of financial position, related to:		
Retirement benefits	179	139
	179	**139**

The Company performs actuarial measurement of the provision for retirement benefits at the end of each financial year.

	31 December 2014	31 December 2013
Deduction for retirement benefit provision	17	8
Interest expense	7	5
Actuarial profit and loss, net	16	19
Benefits paid	-	(9)
Total recognized in employee benefit costs	**40**	**23**

Movement in balance sheet liability:

	31 December 2014	31 December 2013
Retirement benefit provision at the beginning of the period	139	116
Deduction for retirement benefit provision	17	8
Interest expense	7	5
Actuarial profit and loss, net	16	19
Benefits paid	-	(9)
Retirement benefit provision at the end of the period	**179**	**139**

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

18. Revenues from sales

	12 months of the year 2014	12 months of the year 2013
Revenues from sales related to construction site services	128,606	154,109
Revenues from sales of goods and construction materials	42,825	43,743
Total revenues from sales	**171,431**	**197,852**

19. Costs by type

	12 months of the year 2014	12 months of the year 2013
Depreciation of tangible and amortization of intangible fixed assets	68,126	79,205
Employee benefit costs (note 19 a)	25,987	26,446
Consumption of raw materials, other materials and energy	12,011	14,021
Transport services	10,769	12,305
Lease and rental services	9,998	10,803
Repair and maintenance	3,667	4,496
Installation services	5,875	1,089
Other third party services	17,521	18,814
Other costs	13,656	9,103
Value of sold goods, materials and formwork (fixed assets)	22,616	24,694
Total costs by type	**190,226**	**200,976**
Costs of performance for the entity's own purposes	-	-
Sales and marketing costs (including revaluation write-downs on receivables)	(12,136)	(7,545)
General administrative costs	(10,681)	(10,620)
Costs of sold goods, products and materials	**167,409**	**182,811**

19 a) Employee benefit costs		
Costs of remuneration and costs of termination benefits	21,389	21,610
Costs of social insurance and other benefits for the employees	4,598	4,836
Total costs of employee benefits	**25,987**	**26,446**

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

Other operating revenues and costs

20 a) Other operating revenues	12 months of the year 2014	12 months of the year 2013
Inventory surplus	1,132	941
Profit on the change in fair value of forward contracts	66	173
Compensation obtained — lost current and non-current assets	632	75
Liabilities written off	8	9
Sale of tangible fixed assets	1,100	144
Re-invoicing	385	441
Provisions for expected losses – released	-	482
Other revenues	274	238
Total other operating revenues	**3,597**	**2,503**

20 b) Other operating costs	12 months of the year 2014	12 months of the year 2013
Inventory shortage	(446)	(470)
Loss on the change in fair value of forward contracts	(84)	(167)
Lost current and non-current assets	(15)	(1)
Liquidation of tangible fixed assets	(1,299)	(1,170)
Revaluation write-down on tangible fixed assets	(2)	(287)
Other costs	(71)	(44)
Total other operating costs	**(1,917)**	**(2,139)**

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

21. Financial revenues and costs

21 a) Financial revenues	12 months of the year 2014	12 months of the year 2013
Interest revenues:		
- loans granted	1,583	905
- interest on funds in bank account and late payment of liabilities	229	454
Profit on the change in fair value of forward contracts — financial activity	-	16
Dividends received	1,664	-
Total financial revenues	**3,476**	**1,375**

21 b) Financial costs	12 months of the year 2014	12 months of the year 2013
Interest expenses:		
- bank credits	(1,288)	(3,383)
- leasing	(4)	(14)
- related to late payment of liabilities	(2)	(9)
	(1,294)	**(3,406)**
Foreign exchange differences	1,335	487
Revaluation of investments	-	(762)
Losses on the change in fair value of forward contracts — financial activity	(47)	-
Credit acquisition costs	(73)	(75)
Bank Guarantee Fund	(31)	(40)
Total financial costs	**(110)**	**(3,796)**

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

22. Income tax

	12 months of the year 2014	12 months of the year 2013
Current tax	(2,091)	(537)
Deferred tax (note 16)	3,939	974
Total income tax	**1,848**	**437**

The income tax on the Company's profit before taxation differs in the following manner from the theoretical amount, which would be obtained by applying the tax rate to profit before taxes in force:

	12 months of the year 2014	12 months of the year 2013
Profit (loss) before tax	**(13,749)**	**(5,181)**
Tax calculated in accordance with the applicable rates (19%)	(2,612)	(984)
Non-taxable income	(316)	(447)
Non-deductible costs	1,080	994
Income tax charged to profit/loss	**1,848**	**(437)**

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 and charge additional tax to the Company, 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.

23. Measurement of financial instruments at fair value

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

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

24. Profit (loss) 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 the year 2014	12 months of the year 2013
Profit (loss) attributable to the shareholders of the parent entity	(11,901)	(4,744)
Number of ordinary shares as at the balance sheet date	5,255,632	5,255,632
Weighted average number of ordinary shares	5,255,632	5,255,632
Basic profit (loss) per share (in PLN per single share)	(2.26)	(0.90)
Diluted profit (loss) per share (in PLN per single share)	(2.26)	(0.90)

25. Contingent items

On request of ULMA Construccion Polska S.A. mBANK granted one of the clients of the Company performance bond for rental agreement. The performance bond expires on 16 October 2016 and its amount will fluctuate thorough the term. The bond is related to the construction of a Logistics Centre in Gdańsk. The investment project is expected to be commissioned in Q1 2015. The Company will use the Logistics Centre under a long-term rental agreement.
As at the balance sheet date, the amount of granted performance bond is PLN 2,539 thousand.

26. Post-balance-sheet events

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

27. Related party transactions

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 is composed of the following companies:

Parent company:

- ULMA Construccion Polska S.A. with its registered seat in Warsaw

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 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.

- ULMA Opalubka Kazakhstan, a limited liability company with its registered seat in Astana, at the address Tashenova 25, established on 27 August 2010. 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

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

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.

- ULMA Construccion BALTIC with its registered seat in Vilnius, at the address Pylimo 41-12, established on 27 April 2012. The Company's business consists in: lease of scaffolding and formwork for construction, wholesale and retail sale 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.

The Company also holds shares in an 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 October 2007. Entered in the State Office of the Commercial Register in Bucharest, under 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.

Transactions concluded by ULMA Construccion Polska S.A. 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 ULMA Construccion Polska S.A. and related entities:

Settlements as at the balance sheet date	**As at:**	
	31 December 2014	31 December 2013
Trade receivables	2,513	5,592
Trade liabilities	1,681	2,706

Sales and purchases from Group entities	12 months of 2014	12 months of the year 2013
Sales	25,567	33,213
Purchases	30,918	18,789

Loans, interest, dividends	12 months of 2014	12 months of the year 2013
Loans granted — in EUR '000	700	1,385
Loans repaid — in EUR '000	290	255
Loans granted — in USD '000	1,500	-
Loans repaid — in USD '000	-	-
Loans granted — in PLN '000	38,161	5,000
Loans repaid — in PLN '000	38,161	5,000
Loan interest revenue — in EUR '000	223	213
Loan interest revenue — in USD '000	116	-
Dividend received from ULMA Kazakhstan — in PLN '000	1,664	-

ULMA Construccion Polska S.A. granted its subsidiary — ULMA Opalubka Ukraina sp. z o.o. — an investment loan in the amount of EUR 3,100 thousand of fixed interest rate at the market level. Pursuant to the Annex of
15 September 2011, the repayment deadline expires on 25 December 2015. As at 31 December 2014, the loan balance amounts to EUR 1,110 thousand. The Management Board intends to extend the deadline for the repayment of the loan.

ULMA Construccion Polska S.A. granted its subsidiary — ULMA Opalubka Ukraina sp. z o.o. — an investment loan in the amount of USD 1,500 thousand of fixed interest rate at the market level, maturing on 31 December 2016.
As at 31 December 2014, the loan balance amounted to USD 1,500 thousand.

ULMA Construccion Polska S.A. granted its associate - ULMA Cofraje srl Romania - a loan in the amount of EUR 241,000. The loan was granted on market terms and conditions and expires on 31 May 2017.
As at 31 December 2014, the loan balance amounted to EUR 221.9 thousand.

ULMA Construccion Polska S.A., by way of an annex of 3 November 2014, increased the amount the investment loan granted to a subsidiary, ULMA Construccion BALTIC, up to EUR 2,500 thousand. The loan was granted on market terms and conditions and expires on 30 June 2018 (annex dated 15 July 2014).
As at 31 December 2014, the loan balance amounted to EUR 2,200 thousand.

ULMA Construccion Polska S.A. granted its parent entity, ULMA CyE, S. Coop, a number of short-term loans in the total amount of PLN 38,161. All loans were granted at arm's length, and the last loan matured on 30 December 2014. The loans were repaid in a timely manner and as at 31 December 2014 the balance of the loans amounts to 0.

Transactions with members of the Management Board, Supervisory Board of the Company, their spouses, siblings, ascendants, descendants and their other relatives, as well as key management personnel of the Company and companies of the ULMA Group with related entities.

It is considered that the key management personnel of the Company and companies of the ULMA Group include members of the Management and Supervisory Board of the Company, as well as members of the Management and Supervisory Boards of subsidiaries and associates. In 2014 and in 2013 the Company or Group companies did not grant to managing and supervising persons and their relatives any advances, borrowings, loans, guarantees and sureties, or concluded other agreements obliging to render services to the Company and its related parties.
As at 31 December 2014 and as at 31 December 2013 there were no loans granted by the Group companies to neither the managing and supervising persons or their relatives.

28. Remuneration of Management Board and Supervisory Board Members

	12 months of the year 2014	12 months of the year 2013
Management Board of ULMA Construccion Polska S.A.		
Andrzej Kozłowski	1,008	1,007
Andrzej Sterczyński	443	454
Krzysztof Orzełowski	385	386
Supervisory Board of ULMA Construccion Polska S.A		
Rafał Alwasiak	39	54

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

The remaining Members of the Management Board and of the Supervisory Board received no remuneration in the above periods.

29. Proposed loss coverage

The Management Board of ULMA Construccion Polska S.A. proposes to cover the net loss for 2014 of PLN 11,901,458.64 from supplementary capital of the Company.

30. Selected financial data converted into EUR

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

	PLN '000		EUR '000	
SPECIFICATION	12 months of the year 2014	12 months of the year 2013	12 months of the year 2014	12 months of the year 2013
Net revenues from the sale of products, goods and materials	171,431	197,852	40,921	46,985
Profit on operating activities	(17,115)	(2,760)	(4,085)	(655)
Gross profit (loss)	(13,749)	(5,181)	(3,281)	(1,230)
Net profit (loss)	(11,901)	(4,744)	(2,841)	(1,126)
Net cash flow from operating activities	61,007	91,945	14,563	21,835
Net cash flow from investment activities	(27,650)	(33,515)	(6,600)	(7,959)
Net cash flow from financial activities	(31,505)	(60,659)	(7,520)	(14,405)
Net cash flows	1,852	(2,229)	442	(529)
Diluted profit (loss) per ordinary share (in PLN/EUR)	(2.26)	(0.90)	(0.54)	(0.21)
Basic profit (loss) per ordinary share (in PLN/EUR)	(2.26)	(0.90)	(0.54)	(0.21)
	PLN '000		EUR '000	
	31 December 2014	31 December 2013	31 December 2014	31 December 2013
Total assets	339,330	389,498	79,612	93,918
Liabilities	43,204	81,471	10,136	19,644
Long-term liabilities	7,745	22,252	1,817	5,365
Short-term liabilities	35,459	59,219	8,319	14,279
Equity	296,126	308,027	69,476	74,274
Share capital	10,511	10,511	2,466	2,535
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)	56.34	58.61	13.22	14.13

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 at the balance sheet date. Average PLN/EUR exchange rate as at 31 December 2014 was 4.2623, whereas as at 31 December 2013 — 4.1472.

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 at the last day of each month in the specific period, i.e. data for the period 1.01.–31.12.2014 was converted at the PLN/EUR exchange rate of 4.1893, whereas data for the same period in 2013 at the PLN/EUR exchange rate of 4.2110.

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 ....

Ander Ollo Odriozola,
Member of the Management Board ....

Signature of the person entrusted with keeping the books of account

Henryka Padzik,
Chief Accountant ....

Koszajec, on 19 March 2015

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