CONSOLIDATED

FINANCIAL STATEMENT

of

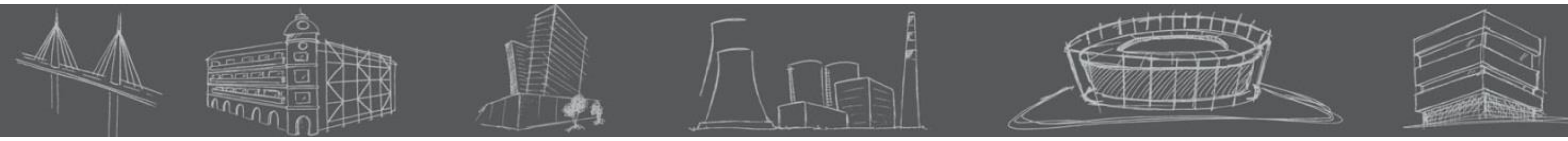
The ULMA Construccion Polska S.A.

Capital Group

FOR THE PERIOD OF 6 MONTHS ENDING ON JUNE 30 2014

(not audited)

Contents



ULMA Construccion Polska S.A.

CAPITAL GROUP

GENERAL INFORMATION

Subject of economic activity

Object of economic activity of ULMA Construccion Polska S.A. Capital Group (hereinafter referred to as the Group) include:

- leasing and sale of scaffolding and construction formwork,
- preparing commissioned projects of formwork and scaffolding usage,
- export of construction services provided by companies of the Group,
- sale of materials and construction raw materials as well as concrete accessories,
- transport, equipment and renovation activities, including sale and leasing of construction equipment.

The parent company ULMA Construccion Polska S.A. is a joint stock company [*according to Polish law Spółka Akcyjna*]. The Company was founded on February 14, 1989 under the name of Bauma Sp. z o.o. as a limited liability company (z o. o.) and was registered in Rep. No. A.II – 2791. On September 15, 1995 the Company was converted into a joint stock company formed pursuant to a notarial deed before the Notary Robert Dor in the Notarial Office in Warsaw and registered in Rep. No. A 5500/95. On October 29, 2001 the District Court in Warsaw, XX Commercial Division of the National Court Register, entered the Company into the Register of Entrepreneurs under the KRS number 0000055818. On November 6, 2006 the Extraordinary General Meeting of Shareholders in its Resolution number 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 November 14, 2006.

Registered seat

ULMA Construccion Polska S.A.

Koszajec 50

05-840 Brwinów

Supervisory Board

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

Audit Committee

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

Management Board

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

Auditor

KPMG Audyt Sp. z o.o. limited partnership (Polish: Spółka Komandytowa)

Chłodna 51 Street

00-867 Warsaw

The Company has been recorded in the list of entities authorized to audit financial statements under the position 3546.

Banks

mBANK (earlier BRE Bank S.A.)

PEKAO S.A.

BNP PARIBAS Bank Polska S.A.

PKO Bank Polski S.A.

Banco de SABADEL (Spain)

Stock Exchange quotations

The parent company is listed on the Warsaw Stock Exchange (”GPW”).

Its symbol on GPW: ULM.

ULMA Construccion Polska S.A.

CAPITAL GROUP

CONSOLIDATED FINANCIAL STATEMENT

For the period of 6 months of 2014

Consolidated financial statement

	Note	June 30, 2014	December 31, 2013	June 30, 2013
ASSETS				
I. Fixed assets				
1. Tangible assets	5.	242, 756	271, 427	297, 395
2. Intangible assets	6.	373	578	847
3. Shares in associated companies	8.	94	280	438
4. Other fixed assets	9.	4, 150	4, 179	4, 206
5. Long-term receivables	10.	924	921	1, 048
Total fixed assets		**248, 297**	**277, 385**	**303, 934**
II. Current assets				
1. Stocks	11.	7, 828	6, 807	7, 694
2. Commercial receivables and other receivables	10.	77, 421	70, 780	81, 919
3. Current income tax receivables		88	492	64
4. Derivatives	7.	-	42	-
5. Cash and cash equivalents	12.	26, 235	29, 748	31, 320
Total current assets		**111, 572**	**107, 869**	**120, 997**
Total assets		**359, 869**	**385, 254**	**424, 931**
EQUITY CAPITAL AND LIABILITIES				
I. Equity capital				
1. Share capital	13.	10, 511	10, 511	10, 511
2. Supplementary capital: surplus from selling shares with a premium	13.	114, 990	114, 990	114, 990
3. Exchange rate difference on consolidation		(9, 207)	(4, 498)	(3, 070)
4. Retained profits, including:		169, 802	178, 125	175, 524
a. Net profit (loss) for the trading period		*(8, 323)*	*93*	*(2, 508)*
Total equity capital		**286, 096**	**299, 128**	**297, 955**
II. Liabilities				
1. Long-term liabilities				
a. Credits and loans	15.	-	10, 604	24, 252
b. Liabilities due to deferred income tax	17.	6, 412	9, 228	10, 437
c. Long-term liabilities due to pension benefits	18.	136	136	102
d. Long-term liabilities due to financial leasing	16.	-	-	62
Total long-term liabilities		**6, 548**	**19, 968**	**34, 853**
2. Short-term liabilities				
a. Credits and loans	15.	24, 299	33, 243	42, 687
b. Short-term liabilities due to pension benefits	18.	3	3	14
c. Short-term liabilities due to financial leasing	16.	67	139	148
d. Liabilities due to current income tax		1, 012	1, 439	543
e. Derivatives	7.	8	-	129
f. Trade liabilities and other liabilities	14.	41, 836	31, 334	48, 602
Total short-term liabilities		**67, 225**	**66, 158**	**92, 123**
Total liabilities		**73, 773**	**86, 126**	**126, 976**
Total equity capital and liabilities		**359, 869**	**385, 254**	**424, 931**

Consolidated profit and loss account and other total revenues

	Note	6 months of 2014	6 months of 2013
Revenue from sale	19.	96, 700	99, 033
Costs of sold products, goods and materials	20.	(89, 783)	(88, 157)
I. Gross return on sales		**6, 917**	**10, 876**
Costs of sales and marketing	20.	(8, 231)	(3, 985)
General administrative costs	20.	(7, 831)	(6, 885)
Other operating revenue (costs)	21.	976	(789)
II. Profit/(Loss) on the operating level		**(8, 169)**	**(783)**
Financial revenue	22.	259	315
Financial costs	22.	(1, 918)	(1, 910)
Net financial revenue (costs)		*(1, 659)*	*(1, 595)*
Share in profits (losses) in associated companies		9	(352)
III. Profit/(Loss) before tax		**(9, 819)**	**(2, 730)**
Income tax	23.	1, 496	222
IV. Net Profit/(Loss) for the trading period		**(8, 323)**	**(2, 508)**
Other total income:			
Exchange rate differences resulting from conversion of financial statements of foreign subsidiaries		(2, 937)	230
Exchange rate differences concerning net investment in a subsidiary		(1, 748)	708
Income tax in reference to other total incomes		(24)	(120)
V. Total revenue for the trading period		**(13, 032)**	**(1, 690)**
Net profit (loss) for the trading period attributable to the parent Company's owners	31.	(8, 323)	(2, 508)
Weighted average number of ordinary shares		5, 255, 632	5, 255, 632
Basic and diluted profit (loss) attributable to one share in the trading period (in PLN for one share)		(1.58)	(0.48)

Statement of changes in the consolidated equity capital

Breakdown	Share capital at nominal value	Surplus from selling shares with a premium	Exchange rate difference on consolidation	Retained profits	Total equity capital
Status as of 01.01.2013.	**10, 511**	**114, 990**	**(3, 888)**	**188, 543**	**310, 156**
Total revenues in 2013	-	-	(610)	93	(517)
Dividend – division of profits for 2012	-	-	-	(10, 511)	(10, 511)
Status as of 31.12.2013.	**10, 511**	**114, 990**	**(4, 498)**	**178, 125**	**299, 128**
Total revenues in the 1st half of 2014	-	-	(4, 709)	(8, 323)	(13, 032)
Status as of 30.06.2014.	**10, 511**	**114, 990**	**(9, 207)**	**169, 802**	**286, 096**

Breakdown	Share capital at nominal value	Surplus from selling shares with a premium	Exchange rate difference on consolidation	Retained profits	Total equity capital
Status as of 01.01.2013.	**10, 511**	**114, 990**	**(3, 888)**	**188,543**	**310, 156**
Total revenues in the 1st half of 2013	-	-	818	(2, 508)	(1, 690)
Dividend – division of profits for 2012	-	-	-	(10, 511)	(10,511)
Status as of 31.12.2013.	**10, 511**	**114, 990**	**(3, 070)**	**175, 524**	**297, 955**

Consolidated cash flow statement

	Note	6 months of 2014	6 months of 2013
Net profit for the trading period		**(8, 323)**	**(2, 508)**
Adjustments:			
- Income tax	23.	(1, 496)	(222)
- Depreciacion of tangible assets	5.	36, 830	40, 813
- Amortization of intangible assets	6.	197	282
- Net value of sold formwork: fixed assets		4, 868	5, 299
- Cost of interests		1, 000	2, 273
- Revenues from interests		(259)	(315)
- Change in value of shares in associated companies		186	354
- (Profit)/loss due to change in fair value of financial instruments		51	278
- (Profit)/loss due to differences in exchange rates		120	(35)
- Change in the value of provisions for pension benefits		-	-
Changes in current assets:			
- Stocks		(1, 021)	(1, 716)
- Commercial receivables and other receivables		(6, 641)	6, 596
- Trade liabilities and other liabilities		3, 848	(7, 000)
		29, 360	**44, 099**
Income tax paid		(1, 343)	(747)
Net cash receipts from operations		**28, 017**	**43, 352**
Cash flow from investment activity			
Purchase of tangible assets		(12, 188)	(18, 024)
Revenues from sale of tangible assets		1, 026	49
Purchase of intangible assets		(4)	(338)
Loans granted		(15, 056)	-
Repayment of loans granted		15, 056	
Obtained interests		175	271
Net cash expenditure from investment activity		**(10, 991)**	**(18, 042)**
Cash flow from financial activity			
Credits and loans received		-	1, 076
Repayment of credits and loans		(19, 519)	(22, 529)
Payments due to financial leasing		(72)	(74)
Interests paid		(1, 033)	(2, 325)
Dividend paid		-	-
Net cash expenditure from financial activity		**(20, 624)**	**(23, 852)**
Net Increase /(Decrease) in cash and credit levels on the current account		(3, 598)	1, 458
Cash and credit levels on the current account at the beginning of the period		29, 748	29, 592
Exchange Rate (Loss) /Profit due to valuation of cash and credit on the current account		85	270
Cash and credit levels on the current account at the end of the period	12.	**26, 235**	**31, 320**

ADDITIONAL INFORMATION FOR THE CONSOLIDATED FINANCIAL STATEMENT

Notes for the consolidated financial statement

Description of the major accountancy principles applied

Basic accountancy principles employed to draft this financial are presented below. The principles described were employed in all these periods in a continuous way.

A) Basis for preparation

The consolidated financial statement for the period of 6 months ending on June 30, 2014 of ULMA Construccion Polska S.A. Capital Group, for which the parent company is ULMA Construccion Polska S.A., was made in accordance with IAS 34 "Interim Financial Reporting".

This report was elaborated according to the historical cost principle with the exception of assets and financial liabilities (derivatives) calculated at fair value by the profit and loss account.

B) Consolidation

Related companies include all entities (together with special purpose entities) in relation to which the Group is capable of guiding their financial and operating policy, which is usually accompanied by having a general majority of votes in decision-making bodies. While assessing if the Group controls a given entity one takes into consideration the existence and influence of potential voting rights which at that time may be exercised or exchanged. Subsidiaries undergo full consolidation the moment the Group takes control over them. They cease to be consolidated once this control stops. Takeover cost is settled at fair value of the transferred assets, issued capital instruments and liabilities incurred or assumed on the date of the exchange. Identifiable acquired assets and liabilities, including contingent liabilities taken over as a result of merging economic entities, are initially valued at fair value on the date of the takeover, irrespective of the number of any possible non-controlling interests. Takeover cost surplus over fair value of the Group's share in identifiable net assets taken over is referred to as the company's value. If the takeover cost is lower than the fair value of net assets of the subsidiary which has been taken over, the difference is disclosed directly in the financial result.

Transactions, settlements and unrealized gains on transactions between the Group's companies are eliminated. Likewise, unrealized losses are eliminated unless the transaction provides evidence for a loss in value due to the transferred part of asset.

Exchange rate differences on cash items being part of net investment in an entity operating abroad are initially specified in a separate item of equity capital and declared in other total revenues and they are specified in the financial result upon disposing net investment.

Accountancy principles employed by subsidiaries have been altered where necessary in order to ensure compliance with accountancy principled employed by the Group.

C) Valuation of items expressed in foreign currencies

1. Functional currency and base currency

Items included in the Group's financial statement are valued in the currency of the basic economic environment where the bigger part of the Group operates (functional currency). The functional currency of the parent company is the Polish zloty (PLN), which at the same time is the base currency of the Group's financial statements.

2. Transactions and balances

Transactions expressed in foreign currencies are calculated into the functional currency according to the exchange rate as of the date of the transaction. Foreign exchange gains and losses due to settlement of these transactions and balance sheet valuation of assets and cash liabilities expressed in foreign currencies are respectively presented in the financial result. Exchange rate differences, including gains and losses concerning investment and financial activities, comprise financial costs.
Exchange rate differences concerning realization and balance sheet valuation of commercial settlements add to or decrease income or cost items which they are connected with on the operating level.
The Group uses the average exchange rate of the given currency of the National Bank of Poland (NBP) announced for the balance sheet date as the closing exchange rate of the given currency used for balance sheet valuation of assets and cash liabilities expressed in foreign currencies.

3. Foreign companies

Financial statements of companies being part of the Capital Group for which functional currencies are different from the base currency are calculated into the base currency in the following manner:

a) assets and liabilities are calculated in accordance with the closing exchange rate for the balance sheet date,
b) revenues and costs in the statement on total revenues are calculated separately for every trading month in accordance with the closing exchange rate for the last day of the given month,
c) all resulting exchange rate differences are disclosed as a separate component of the equity capital and declared in other total incomes.

4. Currency exchange rates and inflation

	Average exchange rates of the PLN published by the National bank of Poland (NBP)					Changes in the Consumer Price Index published by the Main Statistical Office (GUS)
	UAH (hryvnia Ukraine)	LTL (lita Lithuania)	RON (leu Romania)	KZT (tenge Kazakhstan)	EUR (euro)	
June 30, 2014	0.2562	1.2051	0.9488	0.016587	4.1609	0.4%
December 31, 2013	0.3706	1.2011	0.9262	0.019530	4.1472	0.9%
June 30, 2013	0.4043	1.2538	0.9722	0.021845	4.3292	0.9%

D) Financial instruments

Financial instruments presented in the financial statement include cash in hand and at bank, commercial receivables and other receivables, financial assets presented at fair value reconciled by the financial result, financial assets available for sale, trade liabilities and other liabilities as well as credits and loans.
The assumed methods of presentation and valuation of individual financial instruments have been included in the subsequent points describing the adopted accountancy principles.
Derivatives are initially presented according to their fair value at the time of concluding the contract. Subsequently their value is updated to their current fair value. Derivatives owned by the Group do not qualify for hedge accounting, which is why the result of their valuation to fair value is included in the financial result.
For every balance sheet day the Group makes assessment whether there are grounds pointing to value loss of some components of financial assets. If there are events of this sort, the Group presents accumulated loss in the financial result which is defined as a difference in the balance sheet value and the current fair value, decreasing at the same time the balance sheet value of the given item of assets.

E) Tangible fixed assets

Tangible fixed assets comprising buildings, machinery and equipment used for manufacturing and delivering products and services or for management purposes, were valued as of the balance sheet date in accordance to their acquisition price or production cost, reduced by accumulated depreciation and write-downs due to loss of value.

Subsequent outlays are included in the balance sheet value of the given fixed asset or declared as a separate fixed asset (where applicable), only when it is probable that there will be economic benefits for the Group and the cost of the given item can be credibly measured. Subsequent outlays which do not increase the initial use value of the given component of fixed assets encumber costs of the period in which they were incurred.

Land owned by the Group is declared in accordance with the acquisition price and does not undergo depreciation. Other fixed assets are depreciated using the straight line method in order to break their initial value reduced by possible end value at the time of their use for individual types of items.

Periods of use for individual types of items of fixed assets include (in years):

- buildings and structures 25 – 40
- investment in external structures 10
- machinery and technical appliances 3 – 20
- equipment, formwork systems and other fixed assets 2 – 8

End value and periods of use of fixed assets are reviewed periodically and, if necessary, its undergo correction.
If the balance sheet value of a fixed asset is higher than its estimated recoverable value, its balance sheet value is reduced to the level of the recoverable value (note 1I).

Gains and losses due to sale of fixed assets are established by comparing receipts from sale with their balance sheet value and subsequently they are presented in the financial result.

F) Leasing: accounting of the lessee (beneficiary)

Operating lease comprises leasing of assets, where considerable part of the risk and benefits arising from ownership rights as a matter of fact remain on the part of the lessor. Leasing charges that the Group is obliged to pay as a result of operating lease encumber the financial result in a linear way during the term of the leasing agreement.

Financial lease comprises leasing of tangible fixed assets where the Group assumes considerable part of the risk and benefits arising from ownership rights. The subject of financial leasing is declared in the assets from the date of commencing the leasing according to the lower of the two amounts: fair value of the subject of the leasing or the current value of minimal leasing charges. The leasing charges paid in the reporting period in the part concerning capital instalments reduce the capital part of liabilities due to financial leasing while the remaining part comprising the interest part encumbers financial costs of the period. Division of leasing charges into the capital part and the interest part is performed in such a way as to obtain fixed interest rates for every period in relation to the amount due.
Tangible fixed assets being subject of financial leasing have been declared in the financial statement in the same way as other components of fixed assets and undergo depreciation in accordance with the same principles. If it is not credibly certain that upon termination of the leasing agreement the Group will retain ownership rights, assets are depreciated in the shorter period from the two: the leasing period and the period of useful economic life.

G) Leasing: accounting of the lessor (financing party)

Leasing is an agreement pursuant to which in exchange of a charge or a series of charges the lessor (financing party) gives the lessee (beneficiary) the right to use a given component of assets during an agreed term. In the case of operating lease, the given component of assets is declared in the financial statement in agreement with its nature (type). Revenues due to operating lease are declared using the straight line method during the term of the lease.

H) Intangible assets

Software

Purchased software licenses are capitalized in the amount of costs of their purchase and preparation to use the given software. The capitalization costs are written off during the estimated period of software use of 2– 5 years.

I) Tangible asset impairment

Fixed assets subject to depreciation are analyzed in terms of impairment if there are premises indicating a possibility of failing to realize the balance sheet value of the possessed components of tangible fixed assets and intangible assets. The amounts of write-downs established in the course of the analysis (impairment testing) decrease balance sheet value of the asset which they refer to and they are posted to costs of the period. Loss due to asset impairment is called up in the amount by which the balance sheet value of the given component of assets exceeds its recoverable value. Recoverable value is the higher of the two amounts: either the fair value less costs of finalizing sales or the use value (reflected by current value of cash flows connected with the given component of assets). For purposes of the analysis in terms of impairment, assets are grouped on the lowest level in reference to which there are identifiable separate cash flows (cash generating units). Nonfinancial assets other than the company's value which in the past were subject to impairment are reviewed in terms of possible write-down reversal for every balance sheet date.

J) Investments

Financial assets available for sale

The Group's investments include the value of stocks and shares in units other than subsidiaries and associated companies. Investments in the remaining entities are presented as long-term financial assets available for sale since the Management Board does not intend to dispose of these investments within the following 12 months. Investments are initially recognized according to their fair value increased by additional transaction costs. Increases in the value of investments due to their revaluation to fair value are carried over to the equity capital. Decreases in the value of investments for which increases were previously made, reduce the revaluation capital. All other decreases resulting from impairment encumber the financial result. In case of financial instruments available for sale for which it is impossible to determine fair value in a reliable manner (there is no active market for these instruments), valuation is performed in accordance with the cost of acquisition of the financial instrument reduced by write-downs.

K) Stocks

Stocks of raw materials, materials, semi-finished and finished products as well as purchased products are valued for the balance sheet date according to the lower of the two values: acquisition cost (production cost) or attainable net sale price. The cost of finished products and work in progress includes design costs, the value of raw materials used, direct manpower, other direct costs and production general administrative costs corresponding to them (on the basis of normal production capacities), but it does not comprise costs of external financing.

Net sale price denotes the price of sale obtained in the ordinary course of business, reduced by estimated costs of ending production and variable costs necessary to make a successful sale.
Stock depletion valuation is performed in accordance with the „first in, first out" principle (FIFO) with the exception of raw materials and materials for formwork production whose depletion is valued according to average weighted purchase prices.
If necessary, write-downs are made on obsolete, non-sellable or defective stocks.

Semi-finished products, work in progress and finished products including formworks and their components manufactured by the Group may be held for sale or classified as fixed assets as elements held for leasing. The Group recognizes formworks as tangible assets once products allocated for hire are brought to the warehouse.

L) Trade liabilities and other liabilities

Trade liabilities are initially recognized in accordance to their fair value, and subsequently they are valued in accordance with the amortized cost method using the effective interest rate and reduced by write-downs due to impairment. Trade liabilities deemed unrecoverable are written off as cost the moment they are deemed unrecoverable. In the case when the Board considers it probable that the Group will not be able to recover the amount due in their original value, the amount is written down due to impairment. The amount of write-down corresponds to the difference between the book value and current value of anticipated future cash flows discounted by the effective interest rate. Changes in the value of write-downs on trade liabilities are charged to the financial result to sale and marketing costs in the period of the change.

Prepayments

In the financial statement the item ”Trade liabilities and other liabilities” also includes activated amount of expenditure made in the given trading year and referring to the following accounting periods. Their value has been defined in a reliable manner and they will bring about economic benefits in the future.

M) Cash and cash equivalents

Cash and its equivalents are presented in the financial statement in accordance to their fair value equivalent to nominal value. They comprise cash in hand and at bank, other short-term investments of high degree of liquidity with original maturity not exceeding the period of three months.
Balance of cash recognized in the cash flow statement comprises the abovementioned cash and cash equivalents reduced by amounts of outstanding credits on the current account.
In the financial statement credits on the current account are disclosed as liabilities: credits and short-term loans.

N) Capital

Share capital

Ordinary shares are classified as own equity. Share capital is disclosed in accordance to the nominal value of the share. Surplus from selling shares with a premium reduced by costs directly connected with issuing new shares is presented as supplementary capital.

Retained profits

In the financial statement in the position of retained profits there are accumulated, retained profits and losses made by the Group in the previous trading periods as well as the bottom line of the current trading year.

O) Credits and loans

Credits and loans are initially presented in accordance with their fair value reduced by transaction costs paid. In the following periods credits and loans are estimated in accordance with adjusted purchase price (amortized cost) using effective interest rate.
Credits and loans are classified as short-term liabilities unless the Group has the unconditional right to defer payment of liabilities by at least 12 months from the balance sheet date.

P) Provisions

Provisions are created for the Group’s existing (legal or resulting from customary law) liabilities resulting from past events if it is probable that the Group’s resources will have to be spent in order to satisfy this liability and it is possible to determine its estimated value in a reliable manner.

Q) Accruals and deferred incomes

In the financial statement in the position of ”Trade liabilities and other liabilities” the following items are presented by the Group:

- Estimated, in a reliable manner, value of costs borne in the given reporting period, not invoiced by suppliers till the balance sheet date. Character of settled costs accounts for the time and method of settlement.
- prepayments and accrued incomes, covering in particular the equivalent received or receivable from counterparties funds for services to be realized in subsequent reporting periods.

R) Major estimations and accounting assessments

Drafting a financial statement in accordance with the International Financial Reporting Standards the Board makes certain accounting estimations, takes into account their own knowledge and estimations in relation to anticipated changes in analyzed sums. Real amounts may differ from estimations. The balance sheet value of tangible assets is determined using estimations concerning useful economic life of individual groups of tangible assets. Assumed periods of useful economic life of tangible assets may be periodically verified on the basis of analyses conducted by the Group.
Receivables are verified in relation to loss of value in the case where there are grounds pointing at inability to retrieve them. In such a situation the value of deductions updating the value of receivables is defined on the basis of estimations elaborated by the Group.
In 2014 the Group introduced changes into estimations concerning periods of useful economic life of some formwork systems. The period of useful economic life of wooden elements was reduced from 3 to 2 years while that of painted elements from 7 to 4 years, which resulted in an increase in the costs of depreciation by 4, 373 thousand PLN in the first 6 months of w 2014.

S) Revenue

Revenue consists of fair value of revenue from sale of products and services less value added tax, discounts and markdowns.
The Group discloses revenue from sale, when the amount of revenue may be measured in a reliable manner, it is likely that the entity will make economic gains in the future, and concrete criteria specified below have been made for every kind of the Group’s activity.

1. Revenue from sale of goods and construction materials

Revenue from sale of goods and materials is presented if considerable risk and benefits arising from ownership rights to goods and materials have been transferred onto the buyer and when the amount of revenues may be estimated in a reliable manner whereas liability collection is sufficiently certain.
In this category also revenue from sale of formwork systems being part of tangible assets. Results of sale of different components of tangible assets are presented in other net profits / (losses).
In case of domestic sales the moment of recognition of revenue from sale of goods and materials is the time of releasing the materials or goods to the buyer from the Group’s warehouse. In case of export or intra-community goods delivery the moment of recognition of revenues is dependent on delivery conditions specified in accordance with Incoterms 2000, included in the contract. For contracts entered into on the basis

of FCA (or EXW) the moment of recognition of revenue from sale is the time of releasing the materials or goods to the recipient from the Group's warehouse. For contracts entered into on the conditions of CPT and CIP revenue from sale of goods and materials are presented on the day of confirmation of delivery receipt by the customer.

2. Revenue from sale of services

Revenue from sale of services concerns, above all, the service of leasing construction formwork.
Revenue from sale of services is presented in the period in which services were provided depending on the degree of advancement of the given transaction defined on the basis of the relation of the completed work to all services to be performed if:

- The amount of revenue may be estimated in a reliable manner,
- There is a probability that the entity will obtain economic gains due to the transaction,
- The degree of transaction completion for the day of revenue presentation may be determined in a reliable manner,
- Costs borne in relation to the transaction as well as costs of transaction termination may be estimated in a reliable manner.

3. Interests

Revenues from interests are presented according to accrual principle using the effective interest rate method. These revenues concern charges for cash use. Should the receivable decrease in value, the Group reduces its balance sheet value to the level of recoverable value equivalent to estimated future cash flows discounted according to the instrument's primary effective interest rate and subsequently gradually the amount of discount is settled in correspondence with revenues from interests.

4. Dividends

Revenues from dividends are disclosed at the time of acquiring the right to receive payment.

T) Deferred income tax

Assets and liabilities due to deferred income tax resulting from interim differences between the tax value of assets and liabilities and their balance sheet value in the consolidated financial statement are disclosed using the balance sheet method. If, however, deferred income tax arose due to initial disclosure of some component of assets or liabilities being part of a transaction other than merging economic entities which affects neither the bottom line nor tax revenue (loss), then it is not presented. Deferred income tax is set forth using tax rates (and regulations) in force or factual on the balance sheet day which will be, as expected, in force at the time of realizing relevant assets due to deferred income tax or settling liabilities due to deferred income tax.

Assets due to deferred income tax are disclosed if it is likely that in the future there will be revenue to be taxed, which will enable temporary differences to be used.

Assets and liabilities due to deferred income tax are offset by one another if there is a legally enforceable law to compensate current assets and tax liabilities and if the entity is going to pay the tax in the net amount or simultaneously realize receivables and settle liabilities.

The Capital Group is able to control dates of reversing all the temporary differences concerning investment in subsidiaries, branches and associated companies and investments in joint ventures, in relations to which the deferred tax has not been disclosed and it is likely that these temporary differences will not reverse in the foreseeable future.

U) Employee benefits

Retirement allowances

Benefits due to retirement allowances are to be paid in the case when an employee gains the right to receive the pension benefit in accordance with the Labour Code. The amount of the pension benefit payable to the employee who acquires pension rights is calculated in the amount of additional remuneration for one month calculated in the same way as payment in lieu of leave not taken. The Group presents provisions for retirement allowances. The value of such liabilities is calculated annually by independent actuaries.
The basis for calculating a provision for the employee is formed by the anticipated amount of the retirement and disability allowance which the Group undertakes to pay under Terms and Conditions. The amount calculated in this way is discounted actuarially for the balance sheet date. The discounted amount is reduced by amounts of yearly allowance for provision discounted actuarially for the same date, effected to increase the employee's provision. The actuarial discount consists in the financial discount multiplied by the probability that the given person will continue to be the Group's employee till their retirement age. In accordance with MSR 19 the financial discount rate to calculate the current amount of liabilities due to employee benefits has been established on the basis of market rate of return from treasury bonds the currency and maturity date of which are convergent with the currency and estimated time of completing obligations due to employee benefits realization.

2. Financial risk management

The Group's activity is exposed to different kinds of financial risk: foreign exchange risk, risk connected with changes in cash flow and fair value due to changes in interest rates, credit risk and liquidity risk.
The Group is trying to minimize effects of financial risk which have a negative impact on the Group's bottom line through the programme of risk management. The Group uses futures contracts in order to safeguard against some of these threats.

Foreign exchange risk

The Group operates on an international level and consequently is exposed to risk connected with changing exchange rates of many currencies, including above all the euro. The foreign exchange risk is connected with future commercial transactions (selling products and services and buying services and goods) as well as presented assets and liabilities. The foreign exchange risk takes place when future commercial transaction, presented assets and liabilities are expressed in a currency different than the functional currency of companies comprising the Group.
The Group secures net items using external foreign currency forwards.
The table below shows a list of assets and liabilities expressed in the euro which are exposed to the foreign exchange risk. (in thousand euros)

	June 30, 2014	December 31, 2013	June 30, 2013
Trade receivables	2, 608	1, 027	1, 294
Cash	906	520	1, 565
Loans provided	221	221	241
Foreign currency future contracts	(531)	(431)	(1, 246)
Total assets	**3, 204**	**1, 337**	**1, 854**
Trade liabilities	3, 944	1, 195	2, 259
Foreign currency contracts	-	-	-
Total liabilities	**3, 944**	**1, 195**	**2, 259**

Sensitivity analysis conducted by the Group shows that:

- as of June 30, 2014, if the Polish PLN had gone up/down by 10% against the euro, with other parametres unchanged, the consolidated net profit for the period of 6 months ending on June 30, 2014 would have been 77 thousand PLN lower/higher in connection with reevaluation of cash, receivables, liabilities and currency forwards expressed in the euro,

- as of December 31, 2013, if the Polish PLN had gone up/down by 10% against the euro, with other parametres unchanged, the consolidated net profit for the period of 6 months ending on December 31, 2013 would have been 292 thousand PLN lower/higher in connection reevaluation of cash, receivables, liabilities and currency forwards expressed in the euro,

- as of June 30, 2013, if the Polish PLN had gone up/down by 10% against the euro, with other parametres unchanged, the consolidated net profit for the period of 6 months ending on June 30, 2013 would have been 159 thousand PLN lower/higher in connection with reevaluation of cash, receivables, liabilities and currency forwards expressed in the euro.

Furthermore, within the Group, the parent company granted its subsidiaries loans the aggregate value of which amounts to 2, 610 thousand EUR and 1, 500 thousand USD for the balance sheet date. These loans are part of the parent's company net investment in an entity operating abroad and are expressed in a currency different than the parent's company functional currency (which is the polish PLN) or a subsidiary operating abroad (which is the Ukrainian hryvnia or the Lithuanian lita). In accordance with MSR 21 exchange rate differences arising from conversion of this loan made in an individual financial statement of the parent company (due to conversion of the loan from the euro to the Polish PLN) as well as exchange rate differences arising from conversion of this loan made in an individual financial statement of a subsidiary operating abroad (due to conversion of the loan from the euro to the Ukrainian hryvnia or the Lithuanian lita) in the Group's consolidated financial statement are transferred to a separate item of equity capital and presented in completely different income.

If the Polish PLN had gone up/down by 10% against the euro, with other parametres unchanged, the differences in foreign exchange rates presented in a separate item of equity capital in connection with the above-mentioned loan would have increased/decreased the consolidated capital by 880 thousand PLN.

Risk connected with changes in cash flow and fair value due to changes in interest rates

Revenues and cash flow from the Group's operational activity are not considerably exposed to the risk due to changes in interest rates.
For the Group the risk due to changes in interest rates consists in long-term debt instruments (Note no. 15). Interest rates of credits taken by the Group is based on WIBOR 1M plus the bank's margin, which exposes the Group to the risk of cash flow changed caused by changes in interest rates. The Group does not possess any financial instruments with fixed interest rates for which every change in the interest curve would bring about a change in their fair value.

Sensitivity analysis conducted by the Group shows that:

- as of June 30, 2014, if interest rates would have been 100 basis points higher, then consolidated net profit for the period of six months ending on June 30, 2014 would have been 99 thousand PLN lower as a result of a surge in the external financing costs,
- as of December 31, 2013, if interest rates would have been 100 basis points higher, then consolidated net profit for the period of twelve months ending on December 31, 2013 would have been 356 thousand PLN lower as a result of a surge in the external financing costs,
- as of June 30 2013, if interest rates would have been 100 basis points higher, then consolidated net profit for the period of six months ending on June 30, 20143 would have been 272 thousand PLN lower as a result of a surge in the external financing costs.

The Group accomplished its trade liabilities on time and as a result revenues and cash flow from the Group's operational activity are not considerably exposed to the risk due to changes in interest rates.

Credit risk

Trade liabilities constitute an item which is exposed to credit risk (Note no. 10).

The Group is not exposed to considerable risk concentration due to credit sale. A relatively large number of recipients of the Group's products and services accounts for lack of credit sale concentration. Moreover, the Group employs the policy considerably limiting sales of products and services for customers with unsuitable debt payment history. The Group is able to reduce substantially the level of credit risk thanks to an introduction of an internal control procedure consisting in, among other things, specifying credit limits for individual customers depending on the assessment of their financial condition as well as acceptance procedure for new customers.

Trade liabilities in relations to which no loss in value has been noticed constitute 64.7% of gross value of financial assets of this group, where 44.1% of this group's value are trade liabilities which are not outstanding (in 2013 these figures were on the level of 65.2% and 44.8%, while in 6 months of 2013 it was 69.3% and 53.3% respectively).

There are no financial assets for which payment conditions have been renegotiated and in relations to which there would be a loss in value if they had not been renegotiated.
Ageing analysis of financial assets which are outstanding but in the case of which there was no loss in value is as follows: (in thousand PLN)

	June 30, 2014	December 31, 2013	June 30, 2013
Arrears up to 30 days	7, 706	8, 889	6, 514
Arrears from 31 to 90 days	6, 740	5, 509	9, 116
Arrears from od 91 to 180 days	11, 782	7, 717	6, 607
Arrears from 181 to 360 days	10, 992	4, 658	11, 479
Arrears over 360 days	6, 105	11, 264	3, 316
Total assets	**43, 325**	**38, 037**	**37, 032**

Loss in value has been observed in the case of financial assets in the group of financial obligations and other liabilities in the amount of 41, 168 thousand PLN, writing them off in 100%. Noticing a loss in value of individual components of financial assets, the Group is guided by individual assessment of each customer, including primarily assessment of their financial situation and securities which they possess. Blank promissory notes and foreign liability insurance concerning Eastern markets are used by the Group as principal security which ensure to get back liabilities.

In relations to financial assets presented in the table above which are not outstanding b but in the case of which there was no loss in value, the Group retrieved 6, 145 thousand PLN of VAT tax for the balance sheet date, using the so-called VAT bad debt relief which has been presented in trade liabilities and other.

Liquidity risk

Liquidity risk management assumes maintenance of the suitable level of cash, financial availability due to a sufficient amount of granted credit instruments and ability to close market items. The Group keeps cash resources sufficient to satisfy due and payable liabilities and ensures financing capabilities owing to granted credit lines.
Moreover, 90% of the Group's financial obligations is due and payable within 2 months from the balance sheet date. Analysis of the Group's bank credit maturity was presented in note 15 of Additional Information.

Working capital management

Management of working capital of individual companies of the ULMA Construccion Polska S.A. Capital Group takes place on the level of the Group. Capital management is aimed at ensuring an adequate level of operational liquidity and enabling accomplishment of investment targets of the Group's individual companies pursuant to accepted budgets.

Dividend policy

The dividend policy accepted by the Group is also subordinated to the above-mentioned aims. Decisions concerning payment of dividends are every time preceded by an analysis of current and development needs of every individual company and also of the Capital Group as a whole.

3. New accountancy standards and interpretations by the Committee for Interpretation of International Financial Reporting [*Polish: Komitet ds. Interpretacji Międzynarodowej Sprawozdawczości Finansowej, or KIMSF]*

The following new Standards, amendments to Standards and Interpretations are still not binding for one-year periods ending on December 31, 2014 and they were not used in this financial statement. *The Company intends to use them for the periods for which they are binding for the first time.*

Standards and Interpretations approved by the EU which have not yet come into force for periods ending on December 31, 2014.

Standards and Interpretations approved by the EU	Type of anticipated change in accounting principles	Possible effect on the financial statement	Effective date for periods beginning on or after the date
Interpretation by KIMSF 21 Government levies	The Interpretation includes guidelines concerning identification of obliging events which cause appearance of an obligation due to government levies and the time of presentation of this liability. In accordance with the Interpretation, the obliging event is an event which arises from adequate articles of law which results in appearance of an obligation to pay the given government levy and necessity to present it in the financial statement. An obligation due to a government levy is presented in a gradual manner in the case when the obliging event occurs during a certain period of time. If the obliging event consists in accomplishing a certain minimal threshold of activity, the obligation is presented at the time of	It is expected that when initially employed, the new Interpretation will not have a major impact on the consolidated financial statement as it will not change the Group's accounting policy as far as government levies are concerned.	June 17, 2014 *(date of coming into force given by International Accounting Standards Committee (IASC) is January 1, 2014)*

Standards and Interpretations approved by the EU	Type of anticipated change in accounting principles	Possible effect on the financial statement	Effective date for periods beginning on or after the date
	reaching this threshold. The Interpretation explains that the fact that the entity is economically obliged to continue to operate in the following period does not result in the customarily expected obligation to pay the government levy which results from conducting the business activity in the future.		

Standards and Interpretations waiting to be approved by the EU as of June 30, 2014.

Standards and Interpretations waiting to be approved by the EU	Type of anticipated change in accounting principles	Possible effect on the financial statement	Effective date for periods beginning on or after the date
IFRS 9 Financial Instruments (2009)	The new Standard replaces guidelines included in IAS 39 Financial Instruments: recognition and measurement, on classification and valuation of financial instruments. The Standard eliminates the existing in IAS 39 categories: held-to- maturity, available-for-sale and loans and receivables. At the time of initial presentation financial assets will be classified under one of the two categories: • financial assets valued according to amortized cost; or • financial assets valued according to fair value. A component of financial assets is valued according to amortized cost if two conditions are met: • assets are held within the business model aimed at holding assets in order to obtain	The Group does not expect that the new Standard will not have a major impact on the consolidated financial statement. Due to the type of the Group's business activity and the kind of assets held, principles of classification and valuation of the Group's financial assets should not change while using IFRS 9.	Effective date (not given)

Standards and Interpretations waiting to be approved by the EU	Type of anticipated change in accounting principles	Possible effect on the financial statement	Effective date for periods beginning on or after the date
	cash flows resulting from the contract; and, • its contractual agreements result in establishment at certain moments cash flows constituting exclusively repayment of capital and interests from the outstanding part of capital. Profits and losses due to valuation of financial assets valued at fair value are presented in the bottom line of the current period, with the exception of a situation when investment in a capital instrument is not marketable. IFRS 9 provides a possibility of making an irreversible decision concerning valuation of such financial instruments, at the time of their initial presentation, at fair value through other total revenues. This choice may be made for each instrument individually. Values presented in other total revenues cannot be cannot be reclassified to profit and loss account in the subsequent periods.		
Changes to IFRS 9 Financial Instruments (2010)	Changes to IFRS 9 from 2010 modify guidelines included in IAS 39 Financial Instruments: presentation and valuation concerning classification and valuation of financial obligations and including financial assets and financial obligations. The Standard preserves almost all existing requirements of IAS 39 in the scope of classification and valuation of financial obligations and including financial assets and financial obligations. The Standard requires that fair value change concerning change in credit financial obligation determined at the time of initial presentation as valued according to fair value by the financial result be presented within other total revenues. Only the remaining part of profit or loss from valuation to fair value is to be presented in profit or loss of the current period. However, if application of this requirement resulted in lack of matching revenues and costs, the whole change in the fair value would be presented in the profit or loss of the current period. Values presented in other total revenues are not reclassified in subsequent periods to profit or loss of the current period. They may be, nonetheless, reclassified as part of equity capital.	The Group does not expect that changes to IFRS 9 (2010) will have a major impact on the consolidated financial statement. It is expected that due to the Group's specific type of business activity and kind of financial obligations held, principles of classification and valuation of the Group's financial obligations will not change while using IFRS 9.	Available to be used (no effective date)

Standards and Interpretations waiting to be approved by the EU	Type of anticipated change in accounting principles	Possible effect on the financial statement	Effective date for periods beginning on or after the date
	Pursuant to IFRS 9, valuation of derivatives which are connected with unlisted capital instruments and which must be regulated through providing unlisted capital instruments whose value may not be credibly established should be done according to fair value.		
Changes to IFRS 9 Financial Instruments and IFRS 7 Financial Instruments: disclosures	These changes alter requirements concerning disclosures and conversions of comparative data concerning the initial use of IFRS 9 Financial Instruments (2009) and IFRS 9 Financial Instruments (2010). Changes to IFRS 7 require disclosure of details connected with the effects of initial use of IFRS 9, in the situation when the entity does not convert comparative data in accordance with requirements of the changed IFRS 9. If the entity uses IFRS 9 on or after January 1, 2013 then conversion of comparative data is not required for periods prior to the date of its initial use. If the entity previously used IFRS 9 in 2012, then it will have the possibility of converting comparative data or presenting additional disclosures pursuant to the requirements of changed IFRS 7. If the entity previously used IFRS 9 before 2012, then it is not obliged to convert comparative data or present additional disclosures pursuant to the requirements of changed IFRS 7.	It is expected that when initially employed, the new Interpretation will not have a major impact on the consolidated financial statement. Classification and valuation of the Group's financial assets will not undergo any changes in connection with IFRS 9 due to the Group's specific type of business activity and kind of possessed financial obligations. It is expected that at the time of using the modified Standard there will be an increase in the number of required disclosures, yet until this Standard is first used the Group will not be able to conduct an analysis of its impact on the financial statement.	Available to be used (no effective date)
Change to IAS 19 Employee benefits entitled Defined benefit plans: employee contributions	Changes relate to premiums contributed to plans of certain benefits by employees or any third parties. The changes are aimed at simplifying presentation of contributions which do not belong to the employment period, for instance contributions specified as a permanent percentage of remuneration.	It is expected that when initially employed, the new Interpretation will not have a major impact on the consolidated financial statement. The Group does not have such contributions to defined benefit plans.	July 1, 2014
Changes to International Financial	Annual improvements to IFRS 2010-2012 comprise 8 changes to 7 standards, as amended to the remaining standards and interpretations. The major changes: • explain the definition of "vesting conditions" from Attachment A to IFRS 2 Share-	It is expected that the changes employed will not have a major impact on the consolidated financial statement.	July 1, 2014

All amounts are in thousand PLN unless stated otherwise

Standards and Interpretations waiting to be approved by the EU	Type of anticipated change in accounting principles	Possible effect on the financial statement	Effective date for periods beginning on or after the date
Reporting Standards (IFRS) 2010-2012	based payments, through a separate definitions of conditions connected with completion and conditions of providing services; • explain certain aspects of the accounting term of contingent payment in transaction of merging entities; • modify paragraph 22 in IFRS 8 Operating Segments so as to introduce a requirement of disclosing by the entity those factors which help identify segment reporting segments when the entity operating segments are combined. This is aimed at complementing current requirements connected with disclosures included in paragraph 22(a) in IFRS 8; • amend paragraph 28(c) in IFRS 8 Operating Segments so as to explain that settling the balance sheet amount of assets of reporting segments to the balance sheet sum of the entity should be revealed if it is on a regular basis transferred to the chief decision-making person of the entity. This change is coherent with requirements included in paragraphs 23 and 28(d) in IFRS 8; • explain justification RIAS of removing paragraph B5.4. from IFRS 9 Financial Instruments and paragraph OS79 from IAS 39 Financial Instruments: disclosure and assessment of changes resulting from IFRS 13 Fair Value Establishment; • explain requirements concerning the model of revalued amount from IAS 16 Property, Plant and Equipment and IAS 38 Intangible Assets so as to refer to doubts connected with establishment of depreciation and amortization on the reevaluation day; • establish an entity providing entity management services to associated entities.		
Changes to International Financial Reporting Standards (IFRS) 2011-2013	Annual improvements to IFRS 2011-2013 comprise 4 changes to standards, as amended to the remaining standards and interpretations. The major changes: • explain the meaning of "each IFRS effective at the end of its first IFRS reporting period", used in paragraph 7 in IFRS 1 First-time Adoption of International Financial Reporting Standards; • explain that exception to application, included in paragraph 2(a) in IFRS 3 Business Combinations:	It is expected that the changes employed will not have a major impact on the consolidated financial statement.	July 1, 2014

All amounts are in thousand PLN unless stated otherwise

Standards and Interpretations waiting to be approved by the EU	Type of anticipated change in accounting principles	Possible effect on the financial statement	Effective date for periods beginning on or after the date
	- excludes combining any kind of joint ventures as defined in IFRS 11 Joint Arrangements, from the scope of IFRS 3; and - refers only to financial statements of joint arrangements or activities. • explain that the exception concerning the instrument portfolio in paragraph 48 in IFRS 13 refers to all agreements in the scope of IAS 39 Financial Instruments: Recognition and Measurement, or IFRS 9 Financial Instruments irrespective of the fact if they comply with the definition of financial assets and financial obligations from IAS 32 Financial Instruments: Presentation. • explain that in order to assess if purchase of investment property consists in acquisition of an asset component, group of assets or combining arrangements in the scope of IFRS 3, it is required to use judgement and that this judgement is based on guidelines included in IFRS 3.		
IFRS 14 Regulatory Defferal Accounts	This temporary standard: • permits an entity which is a first-time adopter of International Financial Reporting Standards to continue to account for regulatory deferral account balances in accordance with its previous GAAP, both on initial adoption of IFRS and in subsequent financial statements. • requires that entities present regulatory assets and liabilities and changes to them in separate items in financial statements; and • requires specific disclosures which enable to determine the kind and risks connected with regulated rates in relations to which regulatory assets and liabilities were recognized under this temporary standard.	It is expected that the changes employed will not have a major impact on the consolidated financial statement as it concerns only entities using IFRS for the first time.	January 1, 2016
Disclosure of acquiring interests in joint arrangements	The changes comprise guidelines concerning disclosure of acquiring interests in joint arrangements which constitute a venture. An acquirer of interests in joint arrangements which constitute a venture w in the understanding of IFRS 3 Business Combinations is obliged to comply with all principles of	It is expected that the changes employed will not have a major impact on the consolidated financial statement as the Group is not a party to any contractual	January 1, 2016

Standards and Interpretations waiting to be approved by the EU	**Type of anticipated change in accounting principles**	**Possible effect on the financial statement**	**Effective date for periods beginning on or after the date**
(Changes to IFRS 11 Joint Arrangements)	disclosing business combinations under IFRS 3 and other IFRSs with exclusion of these principles which are inconsistent with guidelines in IFRS 11. Moreover, the acquirer is obliged to disclose information required by IFRS 3 and other IFRSs in connection with business combinations.	arrangements.	
Explanations on acceptable methods of depreciation and amortization (Changes to IAS 16 Property, Plant and Equipment and IAS 38 Intangible Assets)	The changes explain that using methods of depreciation of fixed assets based on revenues is not appropriate since revenues generated from business activity where the given component of assets is used usually reflect different factors than consumption of economic benefits from the given component of assets. The changes also explain that revenues are not by definition an inadequate measurement of consumption of economic benefits from intangible assets. In certain special cases, however, this assumption may be rejected.	It is expected that the changes employed will not have a major impact on the consolidated financial statement as the Group does not use methods of depreciation and amortization based on revenues.	January 1, 2016
IFRS 15 Revenue from Contracts with Customers	The Standard contains principles which will replace the majority of detailed guidelines on presentation of revenues currently existing in IFRS. In particular, as a result of implementation of the new standard IAS 18 Revenues, IAS 11 Construction Contracts and interpretations connected with them will cease to exist. Under the new standard entities will be using a five-step model in order to determine the time of revenue disclosure and its amount. The model assumes that revenue should be disclosed at the time when (or to degree in which) the entity passes to the customer control over goods and services and in the amount to which the entity expects to be entitled. Depending on meeting specific criteria revenue is: - recognized over time in a way illustrating performance of the contract by the entity, or - recognized once at the time when the control over goods and services is passed to the customer.	At the time when it is first used the Standard will depend on specific facts and circumstances concerning agreements with customers to which the Group will be a party. However, until this Standard is first used, the Group will not be able to conduct an analysis of its impact on the financial statement.	January 1, 2017

Standards and Interpretations waiting to be approved by the EU	Type of anticipated change in accounting principles	Possible effect on the financial statement	Effective date for periods beginning on or after the date
	The Standard contains new requirements on disclosures, both quantitative and qualitative, aimed at enabling financial statement users to understand the character, amount, disclosure time and uncertainty in relation to revenue and cash flow arising from contracts with customers.		
Agriculture – Bearer Plants (Changes to IAS 16 Property, Plant and Equipment and IAS 41 Agriculture)	Changes modify accounting treatment of bearer plants such as grapevines, rubber trees or oil palms. IAS 41 Agriculture currently requires all biological assets connected with agricultural activity to be valued at fair value less costs o sell. According with the new requirements bearer plants are to be presented in the same way as tangible assets in the scope of IAS 16 as the way in which they function is similar to that in production activity. Therefore, Changes will cause placing them in the scope of IAS 16 instead of IAS 41. Agricultural products made by bearer plants will remain in the scope of IAS 41.	It is expected that the changes employed will not have a major impact on the consolidated financial statement as the Group is not involved in any activity connected with production plants.	January 1, 2016

4. Information concerning activity segments

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

- construction site services: a segment comprising leasing of formwork systems and planking together with broadly understood logistic service and settlement of construction at the termination of the contract,
- sale of construction materials: a segment comprising sales of formwork systems which form parts of components of fixed assets (tangible assets) and current assets (products and goods) of the Group and other construction materials.

Information on segments is measured following the rules presented in the accounting policy.

The construction business, which the Capital Group's activity is connected with, is characterized by seasonality. One may observe reduced level of activity of construction companies in the winter months and intensification of activity in summer and autumn. Also weather conditions play an important role in the given year.

There are no cases of customer concentration in the Group.

Segment results may be presented as follows:

Period of 6 months ending on June 30, 2014

Item description	Construction site services	Sales of construction materials	Capital Group
Total revenues from sale	70, 827	38, 316	109, 143
Sale among segments	(315)	(12, 128)	(12, 443)
Revenues form sale	**70, 512**	**26, 188**	**96, 700**
Operating costs without amortization	(45, 207)	(22, 635)	(67, 842)
EBITDA	**25, 305**	**3, 553**	**28, 858**
Amortization	(35, 759)	(1, 268)	(37, 027)
Profit (loss) on EBIT the level	**(10, 454)**	**2, 285**	**(8, 169)**

All amounts are in thousand PLN unless stated otherwise

Period of 6 months ending on June 30, 2013

Item description	Construction site services	Sales of construction materials	Capital Group
Total revenues from sale	83, 898	29, 721	113, 619
Revenues form sale	(610)	(13, 976)	(14, 586)
Revenues form sale	**83, 288**	**15, 745**	**99, 033**
Operating costs without amortization	(42, 630)	(16, 091)	(58, 721)
EBITDA	**40, 658**	**(346)**	**40, 312**
Amortization	(40, 078)	(1, 017)	(41, 095)
Profit (loss) on EBIT the level	**580**	**(1, 363)**	**(783)**

Reconciliation of profit (loss) on the operating level to the Group's net financial result presented below.

	6 months of 2014	6 months of 2013
Profit (loss) of segments on the operating level	**(8, 169)**	**(783)**
Revenue from interests	259	315
Costs due to interests	(1, 000)	(2, 273)
Other financial costs	(918)	363
Share of associated entitites in results	9	(352)
Profit (loss) before tax	**(9, 819)**	**(2, 730)**
Income tax	1, 496	222
Net profit (loss)	**(8, 323)**	**(2, 508)**

Assets allocated to each segment are shown in the table below.

Item description	Construction site service	Sales of construction materials	Pozycje nie przypisane	Capital Group
For June 30, 2014	201, 974	25, 338	132, 557	359, 869
For December 31, 2013	233, 074	15, 884	136, 296	385, 254
For June 30, 2013	266, 492	16, 788	141, 651	424, 931

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

Item description	June 30, 2014	December 31, 2013	June 30, 2013
Assets of segments	227, 312	248, 958	283, 280
Unallocated tangible assets	98, 762	98, 150	101, 108

All amounts are in thousand PLN unless stated otherwise

Unallocated intangible assets	370	571	834
Investments in the associated company	94	280	438
Other fixed assets	4, 150	4, 179	4, 206
Long-term receivables	924	921	1, 048
Receivables from taxes and other receivables	2, 022	2, 405	2, 697
Derivatives	-	42	-
Cash and cash equivalents	26, 235	29, 748	31, 320
Total assets	**359, 869**	**385, 254**	**424, 931**

5. Tangible fixed assets

Table of movement of tangible fixed assets in the period beginning on January 1, 2013 and ending on June 30, 2014

	Land, buildings and structures	Appliances, machinery and means of transport	Formwork systems	Other fixed assets	Fixed assets in progress	Total tangible fixed assets
GROSS VALUE						
Status as of January 1, 2013	**85, 530**	**8, 479**	**530, 341**	**2, 623**	**19, 889**	**646, 862**
Increases due to purchase	21, 665	2, 256	25, 421	664	870	50, 876
Increases: surplus inventory, reclassifications	-	4	4, 171	6	(19 889)	(15, 708)
Decreases: sale	(152)	(236)	(24, 153)	(145)	-	(24, 686)
Decreases: liquidations, deficits, reclassifications	(1, 376)	(105)	(14, 563)	(171)	-	(16, 215)
Exchange rate differences	(4)	(25)	(567)	(7)	-	(603)
Status as of December 31, 2013	**105, 663**	**10, 373**	**520, 650**	**2, 970**	**870**	**640, 526**
Increases due to purchase	11	139	13, 719	99	4 600	18, 568
Increases: surplus inventory, reclassifications	-	-	1, 143	-	(870)	273
Decreases: sale	(1, 592)	(1)	(21, 755)	(8)	-	(23, 356)
Decreases: liquidations, deficits, reclassifications	(378)	-	(6, 135)	(5)	-	(6, 518)
Exchange rate differences	(45)	(202)	(7, 628)	(81)	-	(7, 956)
Status as of June 30, 2014	**103, 659**	**10, 309**	**499, 994**	**2, 975**	**4 600**	**621, 537**
ACCUMULATED AMORTIZATION						
Status as of January 1, 2013	**9, 928**	**5, 095**	**305, 719**	**2, 170**	**-**	**322, 912**
Amortization for the period	2, 727	1, 042	73, 753	607	-	78, 129
Decreases: sale	(98)	(192)	(17, 583)	(140)	-	(18, 013)
Decreases: liquidations, reclassifications	(1, 336)	(95)	(11, 915)	(166)	-	(13, 512)
Exchange rate differences	(2)	(14)	(395)	(6)	-	(417)
Status as of December 31, 2013	**11, 219**	**5, 836**	**349, 579**	**2, 465**	**-**	**369, 099**

All amounts are in thousand PLN unless stated otherwise

Amortization for the period	1, 411	530	34, 741	148	-	36, 830
Decreases: sale	(602)	(1)	(18, 099)	(8)	-	(18, 710)
Decreases: liquidations, reclassifications	-	-	(5, 297)	(5)	-	(5, 302)
Exchange rate differences	(15)	(102)	(2, 962)	(57)	-	(3,136)
Status as of June 30, 2014	**12, 013**	**6, 263**	**357, 962**	**2, 543**	**-**	**378, 781**
WRITE-DOWNS						
Status as of January 1, 2013	**-**	**-**	**482**	**-**	**-**	**482**
Increases/(Decreases)	-	-	(482)	-	-	(482)
Status as of December 31, 2013	**-**	**-**	**-**	**-**	**-**	**-**
Increases/(Decreases)	-		-	-	-	-
Status as of June 30, 2014	**-**		**-**	**-**	**-**	**-**
NET VALUE:						
Status as of June 30, 2014	**91, 646**	**4, 046**	**142, 032**	**432**	**4, 600**	**242, 756**
Status as of December 31, 2013	**94, 444**	**4, 537**	**171, 071**	**505**	**870**	**271, 427**
Status as of January 1, 2013	**75, 602**	**3, 384**	**224, 140**	**453**	**19, 889**	**323, 468**

Table of movement of tangible fixed assets in the period starting on January 1 and ending on June 30, 2013

	Land, buildings and structures	Appliances, machinery and means of transport	Formwork systems	Other fixed assets	Fixed assets in progress	Total fixed assets
GROSS VALUE						
Status as of January 1, 2013	**85, 530**	**8, 479**	**530, 341**	**2, 623**	**19, 889**	**646, 862**
Increases due to purchase	21, 553	2, 169	9, 611	570	1, 959	35, 862
Increases: surplus	-	4	1, 341	-	(19, 889)	(18, 544)
Decreases: sale	(152)	(14)	(10, 229)	(145)	-	(10, 540)
Decreases: liquidations, deficits, reclassifications	(1, 376)	(34)	(4, 778)	(125)	-	(6, 313)
Exchange rate differences	7	42	1, 032	16	-	1, 097
Status as of June 30, 2013	**105, 562**	**10, 646**	**527, 318**	**2, 939**	**1, 959**	**648, 424**
ACCUMULATED AMORTIZATION						
Status as of January 1, 2013	**9, 928**	**5, 095**	**305, 719**	**2, 170**		**322, 912**
Amortization for the period	1, 314	480	38, 561	458	-	40, 813
Decreases: sale	(98)	(12)	(7, 507)	(139)	-	(7, 756)
Decreases: liquidations, reclassifications	(1, 336)	(24)	(4, 026)	(120)	-	(5, 506)
Exchange rate differences	3	16	537	10	-	566
Status as of June 30, 2013	**9, 811**	**5, 555**	**333, 284**	**2, 379**	**-**	**351, 029**
WRITE-DOWNS						
Status as of January 1, 2013	**-**	**-**	**482**	**-**	**-**	**482**
Decreases	-	-	(482)	-	-	(482)
Status as of June 30, 2013	**-**	**-**	**-**	**-**	**-**	**-**
NET VALUE:						
Status as of June 30, 2013	**95, 751**	**5, 091**	**194, 034**	**560**	**1, 959**	**297, 395**

All amounts are in thousand PLN unless stated otherwise

Status as of January 1, 2013	**75, 602**	**3, 384**	**224, 140**	**453**	**19, 889**	**323, 468**

Depreciation of tangible fixed assets increased:

Breakdown	6 months of 2014	12 months of 2013	6 months of 2013
Costs of products, goods and materials sold	35, 858	76, 629	40, 164
Costs of sales and marketing	2	10	7
General administrative costs	970	1, 490	642
Total	**36, 830**	**78, 129**	**40, 813**

Bank credit lines as of June 30, 2014 are secured by tangible assets (formwork systems). The value of collaterals under pledge agreements made at the time of executing credit agreements is 143, 945 thousand PLN. As of December 31, 2013 and June 30, 2013 the amount of collateral was 270, 151 thousand PLN.

The net value of tangible fixed assets used pursuant to financial leasing agreements is 422 thousand PLN as of June 30, 2014, and it was 461 thousand PLN as of December 31, 2013 (June 30, 2013 – 499 thousand PLN).

6. Intangible assets

Table of movement of intangible assets in the period beginning on January 1, 2013 and ending on June 30, 2014

	Licenses and software	Other	Total intangible assets
GROSS VALUE			
Status as of January 1, 2013	**4, 416**	**42**	**4, 458**
Increase	344	-	344
Decrease: sale	(40)	-	(40)
Exchange rate differences	(2)	-	(2)
Status as of December 31, 2013	**4, 718**	**42**	**4, 760**
Increase	4	-	4
Decrease: liquidations	-	-	-
Exchange rate differences	(15)	(2)	(17)
Status as of June 30, 2013	**4, 707**	**40**	**4, 747**
ACCUMULATED AMORTIZATION			
Status as of January 1, 2013	**3, 631**	**40**	**3, 671**
Amortization for the period	551	1	552
Decrease: sale	(40)	-	(40)
Exchange rate differences	(1)	-	(1)
Status as of December 31, 2013	**4, 141**	**41**	**4, 182**
Amortization for the period	197	-	197
Decrease: liquidations	-	-	-
Exchange rate differences	(4)	(1)	(5)

All amounts are in thousand PLN unless stated otherwise

Status as of June 30, 2014	**4, 334**	**40**	**4, 374**
NET VALUE:			
Status as of June 30, 2014	**373**	**-**	**373**
Status as of December 31, 2013	**577**	**1**	**578**
Status as of January 1, 2013	**785**	**2**	**787**

Table of movement of intangible assets in the period starting on January 1 and ending on June 30, 2013

	Licenses and software	Other	Total intangible assets
GROSS VALUE			
Status as of January 1, 2013	**4, 416**	**42**	**4, 458**
Increases	339	-	339
Decreases: sale	(40)	-	(40)
Exchange rate differences	4	-	4
Status as of June 30, 2013	**4, 719**	**42**	**4, 761**
ACCUMULATED AMORTIZATION			
Status as of January 1, 2013	**3, 631**	**40**	**3, 671**
Amortization for the period	281	1	282
Decreases: sale	(40)	-	(40)
Exchange rate differences	1	-	1
Status as of June 30, 2013	**3, 873**	**41**	**3, 914**
NET VALUE:			
Status as of June 30, 2013	**846**	**1**	**847**
Status as of January 1, 2013	**785**	**2**	**787**

Breakdown	6 months of 2014	12 months of 2013	6 months of 2013
Costs of products, goods and materials sold	6	46	36
Costs of sales and marketing	-	-	-
General administrative costs	191	506	246
Total	**197**	**552**	**282**

Depreciation of intangible assets increased:

All amounts are in thousand PLN unless stated otherwise

7. Financial instruments

	Balance sheet value				Fair value			Fair value hierarchy
	June 30, 2014	December 31, 2013	June 30, 2013		June 30, 2014	December 31, 2013	June 30, 2013	
Financial assets								
Cash	26, 235	29, 748	31, 320					*)
Receivables and loans granted								
Commercial receivables and other receivables	77, 421	70, 780	81, 919					*)
Loans granted	924	921	1, 048					*)
Derivatives								
Financial instruments valued at fair value by the financial result	-	42	-		-	42	-	Item 2
Financial obligations								
Credits with variable interest rates	24, 299	43, 847	66, 939					*)
Trade liabilities and other liabilities	32, 496	22, 196	39, 215					*)
Derivatives								
Financial instruments valued at fair value by the financial result	8		129		8		129	Item 2

Level 2: Derivatives presented in the consolidated financial statement concern foreign currency futures. Fair value of instruments for the balance sheet date is calculated on the basis of the grant price established by the bank in which the instrument was purchased, individually for every contract.

*) Fair value similar to balance sheet value

All amounts are in thousand PLN unless stated otherwise

8. Shares in associated entities

Name (company) with indication of type of business entity	Seat	Main activity	Balance sheet value of shares	% of owned share capital
ULMA Cofraje S.R.L.	Bucharest Romania	Sale and leasing of planking, sale of construction materials	94	30.00

Basic information concerning the associated company.

	June 30, 2014	December 31, 2013	June 30, 2013
Assets	14, 428	9, 147	9, 840
Liabilities	10, 456	5, 298	5, 263
Revenues from sales	3, 311	4, 752	1, 850
Net bottom line	29	(1, 692)	(1, 173)

9. Other fixed assets

Other tangible assets comprise the balance sheet value of right of perpetual usufruct of land in the amount of 4, 150 thousand PLN. The right of perpetual usufruct of land expires on December 5, 2089.

10. Trade liabilities and other liabilities

	June 30, 2014	December 31, 2013	June 30, 2013
Commercial receivables from unassociated entities	113, 832	103, 844	113, 897
Write-down of the value of trade liabilities	(41, 168)	(36, 808)	(35, 197)
Commercial receivables – net	*72, 664*	*67, 036*	*78, 700*
Other receivables	1, 011	1, 396	1, 692
Prepayments	923	517	941
Trade liabilities from associated entities	2, 823	1, 831	586
Receivables form the loan	924	921	1, 048
Total commercial receivables and other receivables	**78, 345**	**71, 701**	**82, 967**
including:			

All amounts are in thousand PLN unless stated otherwise

Long-term part	924	921	1 048
Short-term part	77, 421	70, 780	81, 919

The net value of write-downs of receivables increased by amounts of receivables written off in the aggregated value of 6, 723 thousand PLN (4, 662 thousand PLN in 2013 and 2, 506 thousand PLN in the period of 6 months of 2013) is presented in the costs of sale and marketing in the consolidated profit and loss account and in other total revenues.

The change write-downs of commercial receivables and other receivables can be presented as follows:

	6 months of 2014	12 months of 2013	6 months of 2013
Value as of the beginning of the period	**36, 808**	**32, 686**	**32, 686**
Increases: write-downs of trade liabilities	6, 816	4, 916	2, 792
Realization	(899)	(104)	(103)
Adjustment of the previous write-down	(63)	(337)	(286)
Currency exchange differences	(1, 494)	(353)	108
Value as of the end of the period	**41, 168**	**36, 808**	**35, 197**

All write-downs of receivables relate to short-term receivables.

11. Stocks

	June 30, 2014	December 31, 2013	June 30, 2013
Materials	5, 449	4, 263	5, 498
Goods	2, 719	2, 884	2, 536
Gross value of stocks	**8, 168**	**7, 147**	**8, 034**
Write-downs of stocks	(340)	(340)	(340)
Net value of stocks	**7, 828**	**6, 807**	**7, 694**

12. Cash and cash equivalents

	June 30, 2014	December 31, 2013	June 30, 2013
Cash in hand and at bank	26, 235	29, 748	31, 320
Total cash, including:	**26, 235**	**29, 748**	**31, 320**
Restricted access funds	156	156	362

All amounts are in thousand PLN unless stated otherwise

For purposes of cash flow account, cash and credit on the current account comprise the following items:

	June 30, 2014	December 31, 2013	June 30, 2013
Cash and cash equivalents	26, 235	29, 748	31, 320
Credit on the current account (note no. 15)	-	-	-
Cash and cash equivalents presented in the cash flow account	**26, 235**	**29, 748**	**31, 320**

13. Share capital and supplementary capital

	Number of shares	Nominal value of shares	Surplus from selling shares with a premium	Total
Status as of January 1, 2013	**5, 255, 632**	**10, 511**	**114, 990**	**125, 501**
- increases	-	-	-	-
- decreases	-	-	-	-
Status as of December 31, 2013	**5, 255, 632**	**10, 511**	**114, 990**	**125, 501**
- increases	-	-	-	-
- decreases	-	-	-	-
Status as of June 30, 2014	**5, 255, 632**	**10, 511**	**114, 990**	**125, 501**

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

As of June 30, 2014 the Company's shareholders structure looks as follows:

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

All amounts are in thousand PLN unless stated otherwise

14. Trade liabilities and other liabilities

	June 30, 2014	December 31, 2013	June 30, 2013
Trade liabilities in relation to unassociated entities	13, 388	16, 700	19, 135
Liabilities in relation to associated entities	14, 620	2, 706	5, 239
Liabilities due to social security and other charges	9, 340	9, 138	9, 387
Accrued liabilities	3, 376	2, 547	3, 862
Accrued receivables	652	1	5
Other liabilities	460	242	463
Liabilities due to dividend: associated companies	-	-	7, 934
Liabilities due to dividend: other entities	-	-	2, 577
Total trade liabilities and other liabilities	**41, 836**	**31, 334**	**48, 602**
including:			
Long-term part	-	-	-
Short-term part	41, 836	31, 334	48, 602

15. Credits and loans

Long-term	June 30, 2014	December 31, 2013	June 30, 2013
Bank credits	-	10, 604	24, 252
Total long-term credits	**-**	**10, 604**	**24, 252**
Short-term	June 30, 2014	December 31, 2013	June 30, 2013
Credit on current account (note no. 12)	-	-	-
Bank credits	24, 299	33, 243	42, 687
Total short-term credits	**24, 299**	**33, 243**	**42, 687**

Bank credits are secured on formwork systems (registered pledges and agreements on fiduciary transfer of title) pursuant to information included in the note no. 5. Additional collaterals include in blanco promissory notes and corporation guarantees.

Bank credit interest rates are calculated on a monthly basis on the basis of the current WIBOR rate increased by a margin specified in individual credit agreements.

All amounts are in thousand PLN unless stated otherwise

The structure of long-term credits in accordance with maturity dates is the following:

	June 30, 2014	December 31, 2013	June 30, 2013
From 1 to 2 years	-	10, 604	24, 252
From 2 to 5 years	-	-	-
Over 5 years	-	-	-
Total long-term credits	**-**	**10, 604**	**24, 252**

Effective interest rates as of the balance sheet date are the following:

	June 30, 2014	December 31, 2013	June 30, 2013
Credit on current account	-	-	-
Bank credits	5.48	5.13	5.49

The Group has at its disposal the following unused credit lines:

	June 30, 2014	December 31, 2013	June 30, 2013
With variable interest rates:			
- expiring within one year	11, 434	6, 000	14, 617
- expiring after one year	-	-	15, 000
Total unused credit lines	**11, 434**	**6, 000**	**29, 617**

16. Leasing

a) Financial leasing

The assets specified below which are used under financial leasing agreements comprise machines for cleaning formwork systems.

	June 30, 2014	December 31, 2013	June 30, 2013
Initial value of leased fixed assets	768	768	768
Depreciation	(346)	(307)	(269)
Total net book value	**422**	**461**	**499**

All amounts are in thousand PLN unless stated otherwise

Depreciation of fixed assets used pursuant to financial leasing agreements entered into in the period of 6 months ending on June 30, 2014 was 38 thousand PLN, whereas it amounted to 76 thousand PLN in 2013 and in the period of 6 months ending on June 30, 2013 it equaled 39 thousand PLN.

	June 30, 2014	December 31, 2013	June 30, 2013
Less than one year	67	139	148
From 1 year to 5 years	-	-	62
Aggregated amount of minimal leasing charges according to maturity dates:	**67**	**139**	**210**

	June 30, 2014	December 31, 2013	June 30, 2013
Less than one year	67	139	148
From 1 year to 5 years	-	-	62
Aggregated amount of current value of minimal leasing charges according to maturity dates:	**67**	**139**	**210**

An analysis conducted by the Group showed that the aggregated amount of minimal leasing charges does not substantially differ from the aggregated amount of current value of these charges.

Major provisions of leasing agreements

- the period of leasing is usually 5 years,
- the basis for calculation of the amount of contingent leasing charges is the WIBOR rate increased by the bank's margin,
- leasing agreements comprise an option to purchase the subject of the leasing agreements on termination of the leasing agreements,
- contractual provisions do not entail any restrictions connected with additional debt or supplementary leasing agreements.

b) Operating leasing

Operating leasing agreements comprise the purchased right of perpetual usufruct of land.
The aggregated amount of future minimal charges due to right of perpetual usufruct of land is:

	June 30, 2014	December 31, 2013	June 30, 2013
Less than one year	9	9	9
From 1 year to 5 years	35	35	35
More than five years	619	628	627

All amounts are in thousand PLN unless stated otherwise

Total	**663**	**672**	**671**

The right of perpetual usufruct of land expires on December 5, 2089.

17. Deferred income tax

	June 30, 2014	December 31, 2013	June 30, 2013
Assets due to deferred income tax	6, 897	5, 417	5, 243
Liabilities due to deferred income tax	(13, 309)	(14, 645)	(15, 680)
Balance sheet value of assets (liabilities) due to deferred income tax	**(6, 412)**	**(9, 228)**	**(10, 437)**

Changes in assets and liabilities due to deferred income tax during the year (prior to accounting for their set-off within one jurisdiction) are presented as follows:

Liabilities due to deferred income tax

Temporary differences	Valuation of tangible assets	Unrealized exchange differences	Other	Total
As of January 1, 2013	**16, 090**	**17**	**31**	**16, 138**
Credit on the financial result	-1,49	(184)	(160)	**(1, 836)**
Charges on the financial result	-	191	152	**343**
As of December 31, 2013	**14, 598**	**24**	**23**	**14, 645**
Credit on the financial result	(1, 340)	(97)	(61)	**(1, 498)**
Charges on the financial result	-	91	71	**162**
As of June 30, 2014	**13, 258**	**18**	**33**	**13, 309**

Assets due to deferred income tax

Title of temporary differences	Tax losses	Valuation of tangible assets and current assets	Provision for costs	Unrealized exchange differences	Total
Status as of January 1, 2013	**77**	**1, 212**	**3, 441**	**211**	**4 941**
Credit on the financial result	-	1, 217	1, 033	210	**2 460**

All amounts are in thousand PLN unless stated otherwise

Charges on the financial result	(77)	(145)	(1, 501)	(230)	**(1, 953)**
Transfer to revaluation reserve	-	-	-	(31)	**(31)**
Status as of December 31,	**-**	**2, 284**	**2, 973**	**160**	**5, 417**
Credit on the financial result	-	197	1, 667	48	**1, 912**
Charges on the financial result	-	(75)	(268)	(65)	**(408)**
Transfer to revaluation reserve	-	-	-	(24)	**(24)**
Status as of June 30, 2014	**-**	**2, 406**	**4, 372**	**119**	**6, 897**

18. Liabilities due to pension benefits

	June 30, 2014	December 31, 2013	June 30, 2013
Disclosed liabilities due to:			
Pension benefits	139	139	116
Total	**139**	**139**	**116**

The Group conducts an actuarial valuation of pension benefit provision for the end of every trading year.

	6 months of 2014	6 months of 2013
Pension benefit provision	-	-
Costs of interests	-	-
Net actuarial profits and losses	-	-
Benefits paid	-	-
Total presented in employee benefits	**-**	**-**

19. Revenue from sale

	6 months of 2014	6 months of 2013
Revenue from sales due to services: construction services	70, 512	83, 288
Revenue from sales of goods and construction materials	26, 188	15, 745

All amounts are in thousand PLN unless stated otherwise

Total revenue from sales	**96, 700**	**99, 033**

Revenue from sales to an entity having control over the ULMA Construccion Polska S.A. Capital Group in the period of 6 months ending on June 30, was 2, 372 thousand PLN in 2014 (in the corresponding period of 2013 it was 852 thousand PLN).

20. Costs by nature

	6 months of 2014	6 months of 2013
Amortization of tangible fixed assets and intangible assets	37, 027	41, 095
Costs of employee benefits (note no. 20 a)	15, 843	14, 520
Consumption of raw materials, auxiliaries and energy	6, 637	6, 608
Transport services	5, 567	5, 587
Hire and lease services	6, 217	6, 272
Renovation and maintenance	2, 346	1, 980
Assembly services	1, 116	515
Other outsourced services	9, 803	9, 389
Other costs	9, 327	5, 233
Value of sold goods and materials	11, 962	7, 828
Total costs by nature	**105, 845**	**99, 027**
Costs of sales and marketing	(8, 231)	(3, 985)
General administrative costs	(7, 831)	(6, 885)
Costs of sold products, goods and materials	**89, 783**	**88, 157**

20 a) Costs of employee benefits		
Costs of remunerations and costs of benefits due to termination of employment	12, 762	11, 604
Costs of social security contributions and employee benefits	3, 081	2, 916
Total costs of employee benefits	**15, 843**	**14, 520**

All amounts are in thousand PLN unless stated otherwise

21. Other revenues and operating costs

21 a) Other operating revenue	6 months of 2014	6 months of 2013
Profits due to changes in fair value of futures	61	-
Compensation received	631	32
Sale of elements of tangible fixed assets	1, 026	66
Reinvoices	207	264
Other revenues	270	215
Total other operating revenue	**2, 195**	**577**

21 b) Other operating costs	6 months of 2014	6 months of 2013
Inventory deficits	(70)	(6)
Losses due to changes in fair value of futures	(19)	(359)
Liquidation of elements of elements of tangible assets	(1, 074)	(521)
Write-downs of equity	-	(439)
Other costs	(56)	(41)
Total other operating costs	**(1, 219)**	**(1, 366)**

22. Revenue and financial costs

22 a) Financial revenue	6 months of 2014	6 months of 2013
Interests on cash on the bank account	156	305
Interests due to the loan granted	103	10
Total financial revenue	**259**	**315**
22 b) Financial costs		
Cost of interests:		
- bank credits	(994)	(2, 258)
- leasing	(3)	(9)
- other: due to late payments	(3)	(6)
	(1, 000)	**(2, 273)**
Losses due to changes in fair value of futures	(35)	(46)
Foreign exchange differences	(816)	484
Disbursement costs	(35)	(34)
Other	(32)	(41)
Total financial costs	**(1, 918)**	**(1, 910)**

All amounts are in thousand PLN unless stated otherwise

22 c) Foreign exchange profits/losses

The following table shows the influence of changes in the foreign exchange on the financial result of the ULMA Construccion Polska S.A. Group:

	6 months of 2014	6 months of 2013
Revenue from sale	71	429
Costs of products, goods and materials sold	(176)	(386)
Financial costs	(816)	484
Total foreign exchange profits (losses)	**(921)**	**527**

The value of changes in the foreign exchange concerning net investments in subsidiaries taken directly to equity capital was (1, 772) thousand PLN in the first 6 months of 2014, while in the first 6 months of 2013 it was 708 thousand PLN.

23. Income tax

	6 months of 2014	6 months of 2013
Curent tax	(1, 334)	(659)
Deferred tax (note no. 17)	2, 830	881
Total inclome tax	**1, 496**	**222**

The income tax on gains of the Group before tax differs in the following way from the theoretical amount which would be calculated using the tax rate weighted average applicable for profits of consolidated companies:

	6 months of 2014	6 months of 2013
Profit/(Loss) before tax	**(9, 819)**	**(2, 730)**
Tax calculated according to the effective rates (19% for Poland, 19% for Ukraine, 20% for Kazakhstan, 15% for Lithuania)	(2, 065)	(502)
Revenue not subject to taxation	(34)	(454)
Costs other than tax deductible expenses	627	734
Liabilities due to deferred tax taken to equity capital	(24)	-
Encumbrance of the financial result due to income tax	**(1, 496)**	**222**

Tax authorities may inspect the Group's accounting books and tax settlements in the period of 5 years from the end of the year in which income statements were submitted (3 years in Ukraine) and encumber the

All amounts are in thousand PLN unless stated otherwise

Group's companies with an additional income tax assessment together with penalty interests. In the opinion of the Board there are no circumstances indicating a possibility that major liabilities will arise to this end.

24. Dividend per share

During the first 6 months of 2014 the Group did not issue any dividend.

25. Contingent items

Upon the request of ULMA Construccion Polska S.A. MBANK gave one of the Company's customers bank guarantee of hire agreement performance. The guarantee expires on 16.10.2016 and during its term its amount will be subject to change.
As of the balance sheet date the amount of the granted bank guarantee is 2, 539 thousand PLN.

26. Investment liabilities (off-balance-sheet)

In the ULMA Construccion Polska S.A. Capital Group there are no future investment liabilities contracted on the balance sheet date but not yet disclosed in the financial statement j.
Future liabilities arising from operating leasing (*where the Company acts as the Lessee)* are presented in Note 16b.

27. Valuation of financial instruments at fair value

On the basis of conducted analyses the Group concluded that the balance sheet value of individual financial instruments presented in this consolidated financial statement is close to fair value of these instruments.

28. Incidents after the balance sheet date

After the balance sheet date there were no incidents which might have a significant effect on the presented consolidated financial statement.

29. Transactions with associated entities

The Group is controlled by ULMA C y E, S. Coop. with registered seat in Spain holding 75.49% of the Company's shares. The remaining 24.51% of shares belongs to many different shareholders.

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

The parent company:

ULMA Construccion Polska S.A. with its registered seat in Koszajec (the commune of Brwinów)

Subsidiaries:

- ULMA Opałubka Ukraine having offices in Kiev, 9 Gnata Juri Street, founded on 18.07.2001. It was registered in the Government Administration Unit of Svyatoshyn for the city of Kiev under entry no. 5878/01 and it received its identification code 31563803. The subject of the company's activity is sale and leasing of planking systems as well as sale of construction materials. The issuer's contribution in the capital and total number of votes is 100%.
- ULMA Opałubka Kazakhstan sp. z o.o. (limited liability company), a subsidiary having offices in Astana, 25 Taszenowa Street, was started on 27.08.2010. Its strategic aim is development of the basic activity of the Group, i.e. renting of formwork systems and scaffoldings as well as propagating knowledge concerning formwork technology in the construction process on the territory of Kazakhstan. The issuer's contribution in the capital and total number of votes is 100%.
- „ULMA Construccion BALTIC" having offices in Vilnius, 41-42 Pylimo Street is a subsidiary set up on April 27, 2012. The scope of its business activity includes rental of formwork systems and scaffoldings, wholesale and retail of formwork systems and scaffoldings, sale and rental of other construction appliances and other commercial activity. The issuer's contribution in the capital and total number of votes is 100%.

Associated entity:

ULMA Cofraje SRL having offices in Bragadiru 2-8 Soseaua de Centura Street Corp C20 (Romania) was founded on 9.10.2007. Registered in the National Trade Register Office in Bucharest under entry no. 22679140. The subject of the Company's activity includes lease and sale of formwork systems and construction planking, also in the form of leasing. The issuer's contribution in the capital and total number of votes is 30%. The remaining 70% share in the company's capital belongs to ULMA C y E, S. Coop. with offices in Spain, the entity controlling the Group ULMA C y E, S. Coop. with offices in Spain.

The subsidiaries are subject to consolidation under the full method and the associated entity is consolidated under the equity method.

Transactions made by companies of the ULMA Construccion Polska S.A. Capital Group with associated entities were typical and routine, they were concluded under market conditions and their character and conditions resulted from current operating activity.

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

Settlement balance as of the balance sheet date	Value as of the date	
	June 30, 2014	June 30 2013
Receivables of ULMA Construccion Polska S.A from the Group's entities	2, 823	586
Liabilities of ULMA Construccion Polska S.A. to the Group's entities	14, 620	5, 239

All amounts are in thousand PLN unless stated otherwise

Receivables due to loan: ULMA Cofraje s.r.l. Romania (thousand EUR)	221	241
Receivables due to interests on the loan (thousand EUR)	1	1
Liabilities due to dividend	-	7, 934

Sale and purchase from the Group's entities	6 months of 2014	6 months of 2013
Sale of ULMA Construccion Polska S.A to the Group's entities	6, 393	1, 444
Purchase of ULMA Construccion Polska S.A. from the Group's entities	21, 530	9, 222
Revenue due to interests on the loan	103	10

30. Board and Supervisory Board Members' remuneration

In the period of 6 months of 2014 Members of the Board and the Supervisory Board received remuneration together with bonuses in the amount:

	6 months of 2014	6 months of 2013
The Manangement Board of ULMA Construccion Polska S.A		
Andrzej Kozłowski	499	503
Andrzej Sterczyński	221	216
Krzysztof Orzełowski	192	193
ULMA Opałubka Ukraine		
Dmitriv Lyakhovetskiy	129	107
Denys Kvachuk	78	64
ULMA Opałubka Kazakhstan		
Ewa Giersz	149	92
ULMA Construccion BALTIC		
Vykintas Kuzmickas	95	96
Supervisory Board of ULMA Construccion Polska S.A.		
Rafał Alwasiak	27	27

Other Members of the Supervisory Board do not receive remuneration.

31. Profit per share

Basic return per ordinary share is calculated as profit attributable to the Company's shareholders multiplied by weighted average of ordinary shares during the year.

	6 months of 2014		6 months of 2013
Profit (loss) attributable to the parent company's shareholders	(8, 323)		(2, 508)
Number of ordinary shares as of the balance sheet date	5, 255, 632		5, 255, 632
Weighted average number of ordinary shares	5, 255, 632		5, 255, 632
Basic profit (loss) per share (in PLN per one share)	(1.58)		(0.48)
Diluted profit (loss) per share (in PLN per one share)	(1.58)		(0.48)

32. Conversion of selected financial data into euro

The table below presents conversion of selected financial data into the euro:

	in thousand PLN		in thousand EUR	
BREAKDOWN	6 months of 2014	6 months of 2013	6 months of 2014	6 months of 2013
Net revenue from sale of products, goods and materials	96, 700	99, 033	23, 143	23, 50
Profit (loss) from operating activity	(8, 169)	(783)	(1, 955)	(186)
Gross profit (loss)	(9, 819)	(2, 730)	(2, 350)	(648)
Net profit (loss)	(8, 323)	(2, 508)	(1, 992)	(595)
Net cash flows from operating activities	28, 017	43, 352	6, 705	10, 288
Net cash flows from investing activities	(10, 991)	(18, 042)	(2, 630)	(4, 282)
Net cash flows from financing activities	(20, 624)	(23, 852)	(4, 936)	(5, 660)
Net cash flows	(3, 598)	1, 458	(861)	346
Diluted profit per one share	(1.58)	(0.48)	(0.38)	(0.11)
Profit per one ordinary share (in PLN/EUR)	(1.58)	(0.48)	(0.38)	(0.11)
	In thousand PLN		**In thousand EUR**	
	June 30, 2014	December 31, 2013	June 30, 2014	December 31, 2013
Total assets	359, 869	385, 254	86, 488	92, 895
Liabilities	73, 773	86, 126	17, 730	20, 767
Long-term liabilities	6, 548	19, 968	1, 574	4, 815
Short-term liabilities	67, 225	66, 158	16, 156	15, 952

Equity capital	286, 096	299, 128	68, 758	72, 128
Share capital	10, 511	10, 511	2, 526	2, 535
Weighted average number of shares	5, 255, 632	5, 255, 632	5, 255, 632	5, 255, 632
Number of shares as of the balance sheet date	5, 255, 632	5, 255, 632	5, 255, 632	5, 255, 632
Book value per one share (in PLN/ EUR)	54.44	56.92	13.08	13.72

Individual items of assets as well as equity capital and liabilities have been converted into euro using average foreign exchange rates announced by the President of the National Bank of Poland (NBP) effective on the balance sheet date. The average exchange rate of EUR was 4.1609 PLN/EUR on June 30, 2014 and as of December 31, 2013 it was 4.1472 PLN.

To convert financial statement items in relation to total revenue and cash flow account the Group used foreign exchange rates being the arithmetic mean of rates effective on the last day of every month of the given period, i.e. figures for the period of 1.01. – 30.06.2014 were converted using the foreign exchange rate = 4.1784 PLN/EUR and figures for the corresponding period of 2013 were converted in accordance with the rate = 4.2140 PLN/EUR.

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

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

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

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

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

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

Signed by the person in charge of bookkeeping

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

Koszajec, August 14, 2014

All amounts are in thousand PLN unless stated otherwise

FINANCIAL STATEMENT

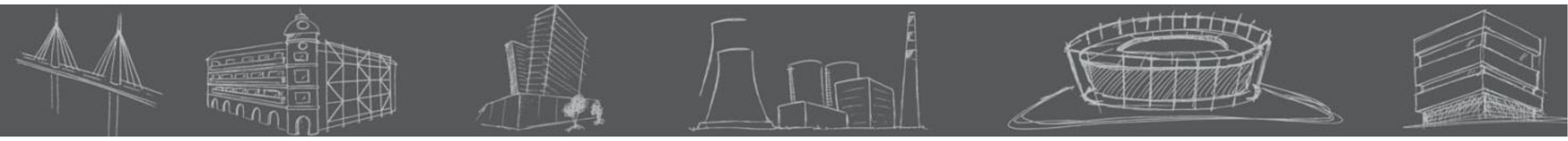
of

ULMA Construccion Polska S.A.

FOR THE PERIOD OF 6 MONTHS ENDING ON JUNE 30 2014

(not audited)

Contents



ULMA Construccion Polska S.A.

GENERAL INFORMATION

Subject of economic activity

Object of economic activity of ULMA Construccion Polska S.A. include:

- leasing and sale of scaffolding and construction formwork,
- preparing commissioned projects of formwork and scaffolding usage,
- export of construction services,
- sale of materials and construction raw materials as well as concrete accessories,

ULMA Construccion Polska S.A. is a joint stock company *[according to Polish law Spółka Akcyjna].* The Company was started on February 14, 1989 under the name of Bauma Sp. z o.o. as a limited liability company (z o.o.) and was registered in Rep. No. A.II – 2791. On September 15th, 1995 the Company was converted into a joint stock company formed pursuant to a notarial deed before the Notary Robert Dor in the Notarial Office in Warsaw and registered in Rep. No. A 5500/95. On October 29, 2001 the District Court in Warsaw, XX Commercial Division of the National Court Register, entered the Company into the Register of Entrepreneurs under the KRS number 0000055818. On November 6, 2006 the Extraordinary General Meeting of Shareholders in its Resolution number 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 November 14 2006.

Registered seat

Koszajec 50

05-840 Brwinów

Supervisory Board

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

Audit Committee

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

Board of Directors

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

Auditor

KPMG Audyt Sp. z o.o. limited partnership

ul. Chłodna 51

00-867 Warsaw

The Company has been recorded in the list of entities authorized to audit financial statements under the position 3546.

Banks

mBANK (earlier BRE Bank S.A.)

PEKAO S.A.

BNP PARIBAS Bank Polska S.A.

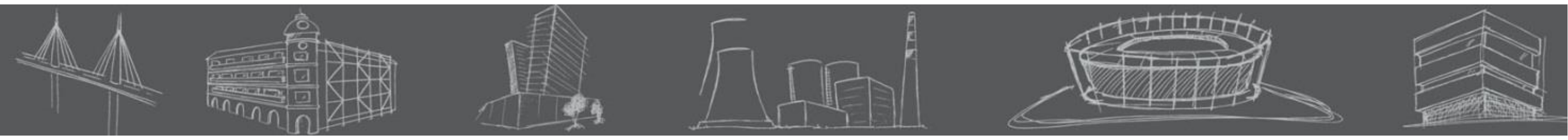
PKO Bank Polski S.A.

Banco de SABADEL (Spain)

Stock Exchange quotations

The parent company is listed on the Warsaw Stock Exchange (”GPW”).

Its symbol on GPW: ULM.



ULMA Construccion Polska S.A.

FINANCIAL STATEMENT

For the period of 6 months of 2014

Financial statement

	Note	June 30, 2014	December 31, 2013	June 30, 2013
ASSETS				
I. Fixed assets				
1. Tangible assets	2.	238, 120	263, 867	292, 389
2. Intangible assets	3.	308	491	748
3. Investments in subsidiaries and associated entities	5.	8, 198	8, 198	8, 960
4. Other fixed assets	6.	4, 150	4, 179	4, 206
5. Long-term receivables	7.	16, 510	13, 018	12, 142
Total fixed assets		**267, 286**	**289, 753**	**318, 445**
II. Current assets				
1. Stocks	8.	4, 134	4, 418	5, 066
2. Commercial receivables and other receivables	7.	75, 746	68, 521	82, 574
3. Current income tax receivables		88	492	64
4. Derivatives		-	42	-
5. Cash and cash equivalents	9.	24, 293	26, 272	29, 936
Total current assets		**104, 261**	**99, 745**	**117, 640**
Total assets		**371, 547**	**389, 498**	**436, 085**
EQUITY CAPITAL AND LIABILITIES				
I. Equity capital				
1. Share capital	10.	10, 511	10, 511	10, 511
2. Supplementary capital: surplus from selling shares with a premium	10.	114, 990	114, 990	114, 990
3. Retained profits, including:		172, 452	182, 526	185, 469
a. Net profit (loss) for the trading period		*(10, 074)*	*(4, 744)*	*(1, 801)*
Total equity capital		**297, 953**	**308, 027**	**310, 970**
II. Liabilities				
1. Long-term liabilities				
a. Credits and loans	12.	-	10, 604	24, 252
b. Liabilities due to deferred income tax	14.	8, 818	11, 512	12, 456
c. Long-term liabilities due to pension benefits	15.	136	136	102
d. Long-term liabilities due to financial leasing	13.	-	-	62
Total long-term liabilities		**8, 954**	**22, 252**	**36, 872**
2. Short-term liabilities				
a. Credits and loans	12.	24, 299	30, 094	40, 463
b. Short-term liabilities due to pension benefits	15.	3	3	-
c. Liabilities due to current income tax		-	-	14
d. Short-term liabilities due to financial leasing	13.	67	139	148
e. Derivatives		8	-	129
f. Trade liabilities and other liabilities	11.	40, 263	28, 983	47, 489
Total short-term liabilities		**64, 640**	**59, 219**	**88, 243**
Total liabilities		**73, 594**	**81, 471**	**125, 115**
Total equity capital and liabilities		**371, 547**	**389, 498**	**436, 085**

Profit and loss account and other total revenues

	Note	6 months of 2014	6 months of 2013
Revenue from sale	16.	88, 575	97, 252
Costs of sold products, goods and materials	17.	(90, 063)	(89, 259)
I. Gross return on sales		**(1, 488)**	**7, 993**
Costs of sales and marketing	17.	(7, 894)	(3, 519)
General administrative costs	17.	(5, 340)	(5, 072)
Other operating revenue (costs)	18.	1, 043	(797)
II. Profit/(Loss) on the operating level		**(13, 679)**	**(1, 395)**
Financial revenue	19.	2, 514	724
Financial costs	19.	(761)	(1, 160)
Net financial revenue (costs)		*1, 753*	*(436)*
III. Profit/(Loss) before tax		**(11, 926)**	**(1, 831)**
Income tax	20.	1, 852	30
IV. Net Profit/(Loss) for the trading period		**(10, 074)**	**(1, 801)**
Other total revenues:		-	-
V. Total revenue for the trading period		**(10, 074)**	**(1, 801)**
Weighted average number of ordinary shares		5, 255, 632	5, 255, 632
Basic and diluted profit (loss) attributable to one share in the trading period (in PLN for one share)	22.	(1.92)	(0.34)

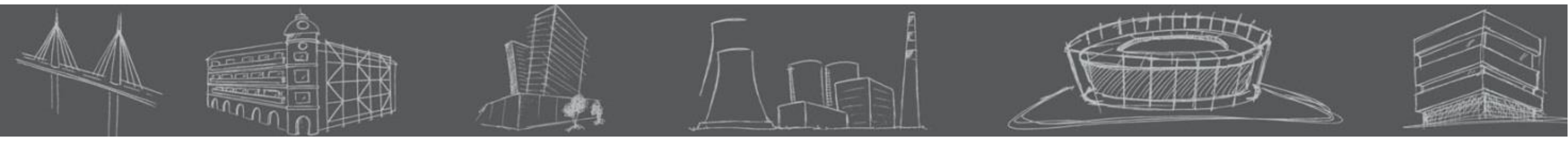
Statement of changes in the equity capital

Breakdown	Share capital at nominal value	Surplus from selling shares with a premium	Retained profits	Total equity capital
Status as of 01.01.2013.	**10, 511**	**114, 990**	**197, 781**	**323, 282**
Total net revenues in 2013	-	-	-4,74	**(4, 744)**
Dividend – division of profits for 2012	-	-	-10,51	**(10, 511)**
Status as of 31.12.2013.	**10, 511**	**114, 990**	**182, 526**	**308, 027**
Total net revenues in the 1st half of 2014	-	-	(10, 074)	**(10, 074)**
Status as of 30.06.2014.	**10, 511**	**114, 990**	**172, 452**	**297, 953**

Breakdown	Share capital at nominal value	Surplus from selling shares with a premium	Retained profits	Total equity capital
Status as of 01.01.2013.	**10, 511**	**114, 990**	**197, 781**	**323, 282**
Total net revenues in the 1st half of 2013	-	-	(1, 801)	**(1, 801)**
Dividend – division of profits for 2012	-	-	(10, 511)	**(10, 511)**
Status as of 31.12.2013.	**10, 511**	**114, 990**	**185, 469**	**310, 970**

Cash flow statement

	Note	6 months of 2014	6 months of 2013
Net profit for the trading period		**(10, 074)**	**(1, 801)**
Adjustments:			
- Income tax	20.	(1, 852)	(30)
- Depreciacion of tangible assets	2.	36, 911	41, 314
- Amortization of intangible assets	3.	184	271
- Net value of sold formwork: fixed assets		4, 115	4, 622
- (Profit)/loss due to change in fair value of financial instruments		50	278
- Revenues from interests and dividends		(2, 514)	(724)
- Cost of interests		865	2, 142
- (Profit)/loss due to differences in exchange rates		(205)	(1, 123)
- Change in the value of provisions for pension benefits		-	
Changes in current assets:			
- Stocks		284	(505)
- Commercial receivables and other receivables		(7, 225)	4, 931
- Trade liabilities and other liabilities		4, 624	(7, 116)
		25, 163	**42, 259**
Income tax paid		(437)	(27)
Net cash receipts from operations		**24, 726**	**42, 232**
Purchase of tangible assets		(9, 624)	(13, 270)
Revenues from sale of tangible assets		1, 026	49
Purchase of intangible assets		-	(299)
Loans granted		(19, 626)	(4, 040)
Repayment of loans granted		16, 351	781
Obtained interests		766	680
Dividends received		1, 664	-
Net cash expenditure from investment activity		**(9, 443)**	**(16, 099)**
Credits and loans received		-	-
Repayment of credits and loans		(16, 366)	(22, 529)
Payments due to financial leasing		(72)	(73)
Interests paid		(897)	(2, 194)
Dividend paid		-	-
Net cash expenditure from financial activity		**(17, 335)**	**(24, 796)**
Net Increase /(Decrease) in cash and credit levels on the current account		**(2, 052)**	**1 337**
Cash and credit levels on the current account at the beginning of the period		26, 272	28, 168
Exchange Rate (Loss) /Profit due to valuation of cash and credit on the current account		73	431
Cash and credit levels on the current account at the end of the period	**9.**	**24, 293**	**29, 936**



ULMA Construccion Polska S.A.

ADDITIONAL INFORMATION FOR THE FINANCIAL STATEMENT

Notes for the consolidated financial statement

1. Description of the major accountancy principles applied

This individual abridged interim financial statement for the period of 6 months completed on June 30, 2014 of ULMA Construccion Polska S.A. has been made in accordance with MSR 34 "Interim Financial Reporting" which has been approved by the European Union.

Basic accountancy principles employed to draft this separate abridged interim financial statement are convergent with accounting policies adopted by the Group which are presented in the consolidated financial statement for the period of 6 months ended on June 30, 2014. The principles described have been employed in all these periods in a continuous way.

Accountancy principles employed in the individual financial statement which were not presented in the consolidated financial statement are presented below.

Investments in subsidiaries and associated entities

Investments in subsidiaries and associated entities are disclosed according to the historical cost adjusted by write-downs updating their value. Effects of changes in write-downs updating the value of investment in subsidiaries belong to revenues or financial costs of the reporting period in which the change took place.

2. Tangible fixed assets

Table of movement of tangible fixed assets in the period between January 1, 2013 and June 30, 2014

	Land, buildings and structures	Appliances, machinery and means of transport	Formwork systems	Other fixed assets	Fixed assets in progress	Total tangible fixed assets
GROSS VALUE						
Status as of January 1, 2013	**85, 406**	**7, 791**	**547, 595**	**2, 351**	**19, 889**	**663, 032**
Increases due to purchase	21, 639	2, 090	21, 719	570	870	46, 888
Increases: surplus inventory, reclassifications	-	-	3, 090	-	(19, 889)	(16, 799)
Decreases: sale	(152)	(228)	(52, 792)	(145)	-	(53, 317)
Decreases: liquidations, deficits, reclassifications	(1, 376)	(99)	(14, 294)	(172)	-	(15, 941)
Status as of December 31, 2013	**105, 517**	**9, 554**	**505, 318**	**2, 604**	**870**	**623, 863**
Increases due to purchase	-	128	11, 725	58	4, 600	16, 511
Increases: surplus inventory, reclassifications	-	-	1, 014	-	(870)	144
Decreases: sale	(1, 592)	(1)	(27, 539)	(8)	-	(29, 140)
Decreases: liquidations, deficits, reclassifications	(378)	-	(5, 362)	(5)	-	(5, 745)
Status as of June 30, 2014	**103, 547**	**9, 681**	**485, 156**	**2, 649**	**4, 600**	**605, 633**
ACCUMULATED AMORTIZATION						
Status as of January 1, 2013	**9, 884**	**4, 826**	**322, 171**	**2, 000**	**-**	**338, 881**
Amortization for the period	2, 722	943	74, 456	557	-	78, 678
Decreases: sale	(98)	(185)	(43, 648)	(140)	-	(44, 071)
Decreases: liquidations, deficits, reclassifications	(1, 336)	(94)	(11, 895)	(167)	-	(13, 492)
Status as of December 31, 2013	**11, 172**	**5, 490**	**341, 084**	**2, 250**	**-**	**359, 996**
Amortization for the period	1, 408	481	34, 906	116	-	36, 911
Decreases: sale	(603)	(2)	(23, 616)	(7)	-	(24, 228)
Decreases: liquidations , inventory deficits	-	-	(5, 161)	(5)	-	(5, 166)
Status as of June 30, 2014	**11, 977**	**5, 969**	**347, 213**	**2, 354**	**-**	**367, 513**
WRITE-DOWNS						
Status as of January 1, 2013	**-**	**-**	**482**	**-**	**-**	**482**
Decreases	-	-	(482)	-	-	(482)
Status as of December 31, 2013	**-**	**-**	**-**	**-**	**-**	**-**
Decreases	-	-	-	-	-	-
Status as of June 30, 2014	**-**	**-**	**-**	**-**	**-**	**-**
NET VALUE:						

All amounts are in thousand PLN unless stated otherwise

Status as of June 30, 2014	**91, 570**	**3, 712**	**137, 943**	**295**	**4, 600**	**238, 120**
As of December 31, 2013	**94, 345**	**4, 064**	**164, 234**	**354**	**870**	**263, 867**
Status as of January 1, 2013	**75, 522**	**2, 965**	**224, 942**	**351**	**19, 889**	**323, 669**

	Land, buildings and structures	**Appliances, machinery and means of transport**	**Formwork systems**	**Other fixed assets**	**Fixed assets in progress**	**Total tangible fixed assets**
GROSS VALUE						
Status as of January 1, 2013	85, 406	7, 791	547, 595	2, 351	19, 889	663, 032
Increases due to purchase	21, 553	2, 048	7, 881	513	1, 958	33, 953
Increases: surplus inventory, reclassifications	-	-	843	-	(19, 889)	(19, 046)
Decreases: sale	(152)	(4)	(27, 062)	(145)		(27, 363)
Decreases: liquidations , inventory deficits	(1, 376)	(29)	(4, 771)	(125)		(6, 301)
Status as of June 30, 2013	105, 431	9 806	524, 486	2 594	1, 958	644, 275
ACCUMULATED AMORTIZATION						
Status as of January 1, 2013	9, 884	4 826	322, 653	2, 000	-	339, 363
Amortization for the period	1, 311	443	39, 125	435	-	41, 314
Decreases: sale	(98)	(4)	(22, 583)	(139)	-	(22, 824)
Decreases: liquidations , inventory deficits	(1, 336)	(25)	(4, 004)	(120)	-	(5, 485)
Status as of June 30, 2013	9, 761	5, 240	334, 709	2, 176	-	351, 886
WRITE-DOWNS						
Status as of January 1, 2013	-	-	482	-	-	482
Decreases	-	-	(482)	-	-	(482)
Status as of June 30, 2013	-	-	-	-	-	-
NET VALUE:						
As of June 30, 2013	95, 670	4, 566	189, 777	418	1, 958	292, 389
As of January 1, 2013	75, 522	2, 965	224, 942	351	19, 889	323, 669

Table of movement of tangible fixed assets in the period starting on January 1 and ending on June 30, 2013

Depreciation of tangible fixed assets increased:

Breakdown	6 months of 2014	12 months of 2013	6 months of 2013
Costs of products, goods and materials sold	36, 581	77, 956	40, 924
Costs of sales and marketing	3	10	7
General administrative costs	327	712	383
Total	**36, 911**	**78, 678**	**41, 314**

All amounts are in thousand PLN unless stated otherwise

Bank credit lines as of June 30, 2014 are secured by tangible assets (formwork systems). The value of collaterals under pledge agreements made at the time of executing credit agreements is 143, 945 thousand PLN. As of December 31, 2013 and June 30, 2013 the amount of collateral was 270, 151 thousand PLN.
The net value of tangible fixed assets used pursuant to financial leasing agreements is 422 thousand PLN as of June 30, 2014, and it was 461 thousand PLN as of December 31, 2013 (June 30, 2013 – 499 thousand PLN).

3. Intangible assets

Table of movement of intangible assets in the period beginning on January 1, 2013 and ending on June 30, 2014

	Licenses and software	**Other**	Total intangible assets
GROSS VALUE			
Status as of January 1, 2013	**4, 338**	**37**	**4, 375**
Increases	299	-	299
Decreases: sale	(41)	-	(41)
Stan na 31 grudnia 2013 r.	**4, 596**	**37**	**4, 633**
Increases	1	-	1
Decreases: sale, liquidation	-	-	-
Status as of June 30, 2014	**4, 597**	**37**	**4, 634**
ACCUMULATED AMORTIZATION			
Status as of January 1, 2013	**3, 618**	**37**	**3, 655**
Amortization for the period	527	-	527
Decreases: sale	(40)	-	(40)
Stan na 31 grudnia 2013 r.	**4, 105**	**37**	**4, 142**
Amortization for the period	184	-	184
Decreases: sale, liquidation	-	-	-
Status as of June 30, 2014	**4, 289**	**37**	**4, 326**
NET VALUE:			
As of June 30, 2014	**308**	**-**	**308**
As of December 31, 2013	**491**	**-**	**491**
As of January 1, 2013	**720**	**-**	**720**

Depreciation of intangible assets increased:**Breakdown**	6 months of 2014	12 months of 2013	6 months of 2013
Costs of products, goods and materials sold	6	45	36
Costs of sales and marketing	-	-	-
General administrative costs	178	482	235
Total	**184**	**527**	**271**

All amounts are in thousand PLN unless stated otherwise

4. Financial instruments

	Balance sheet value			Fair value			Fair value hierarchy
	June 30, 2014 .	Dec 31 2013	June 30, 2013	June 30, 2014	Dec 31 2013	June 30, 2013	
Marketable financial assets							
Cash	24, 293	26, 272	29, 936				*)
Receivables and loans granted							
Commercial receivables and other receivables	75, 746	68, 521	82, 573				*)
Loans granted	16, 510	13, 018	12, 142				*)
Derivatives							
Financial instruments valued at fair value by the financial result	-	42	-		42	-	Item 2
Financial obligations							
Credits with variable interest rates	24, 299	40, 698	64, 715				*)
Trade liabilities and other liabilities	31, 195	20, 098	38, 242				*)
Derivatives							
Financial instruments valued at fair value by the financial result	8	-	129		-	129	Item 2

Level 2: Derivatives presented in the financial statement concern foreign currency futures. Fair value of instruments for the balance sheet date is calculated on the basis of the grant price established by the bank in which the instrument was purchased, individually for every contract.

*) Fair value similar to balance sheet value

All amounts are in thousand PLN unless stated otherwise

5. Investment in subsidiaries and associated entities

Status as of June 30, 2014.

L.p.	Entity name	Registered seat	Name of company	Relation	Take-over date	Value of shares at acquisition price	Write-downs	Balance sheet value of stocks/shares	Percentage of share capital held	Share in the total number of votes on the general meeting
1.	ULMA Opałubka Ukraina	Ukraine	Sale and leasing of planking, sale of construction materials	subsidiary	18.07.2001.	5, 818	-	5, 818	100	100
2.	ULMA Cofraje	Romania	Sale and leasing of planking, sale of construction materials	associated entity	02.11.2007.	2, 917	(762)	2, 155	30	30
3.	ULMA Opałubka Kazachstan	Kazakhstan	Sale and leasing of planking, sale of construction materials	subsidiary	27.08.2010.	83	-	83	100	100
4.	ULMA Construccti on BALTIC	Lithuania	Sale and leasing of planking, sale of construction materials	subsidiary	27.04.2012.	142	-	142	100	100
						8, 960	**(762)**	**8, 198**		

All amounts are in thousand PLN unless stated otherwise

6. Other fixed assets

Other tangible assets comprise the balance sheet value of right of perpetual usufruct of land in the amount of 4, 150 thousand PLN. The right of perpetual usufruct of land expires on December 5, 2089.

7. Trade liabilities and other liabilities

	June 30, 2014	December 31, 2013	June 30, 2013
Commercial receivables from unassociated entities	102, 421	94, 448	103, 660
Write-down of the value of trade liabilities	(37, 565)	(32, 050)	(29, 991)
Commercial receivables – net	*64, 856*	*62, 398*	*73, 669*
Other receivables	32	33	750
Prepayments	913	498	920
Trade liabilities from associated entities	9, 945	5, 592	7, 235
Loans granted	16, 510	13, 018	12, 142
Total commercial receivables and other receivables	**92, 256**	**81, 539**	**94, 716**
Including:			
Long-term part	16, 510	13, 018	12, 142
Short-term part	75, 746	68, 521	82, 574

There is no concentration of credit risk due to commercial receivables as the Company has a large number of customers.

The net value of write-downs of receivables increased by amounts of written-off debts in the aggregated value of 6, 386 thousand PLN (4, 182 thousand PLN in 2013, 2, 040 thousand PLN in the period of 6 months of 2013) is presented in the costs of sale and marketing.
Changes in write-downs of trade liabilities and other liabilities are presented below:

	June 30, 2014	December 31, 2013	June 30, 2013
Value as of the beginning of the period	**32, 050**	**28, 055**	**28, 055**
Increases: write-downs of trade liabilities	6, 478	4, 436	2, 325
Increases: write-downs of interests for late payment	-	-	-
Realization	(900)	(104)	(103)
Adjustment of the previous write-down	(63)	(337)	(286)
Value as of the end of the period	**37, 565**	**32, 050**	**29, 991**

All write-downs of receivables relate to short-term receivables.

8. Stocks

	June 30, 2014	December 31, 2013	June 30, 2013
Materials	2, 577	2, 377	3, 150
Goods	1, 897	2, 381	2, 256
Gross stock value	**4, 474**	**4, 758**	**5, 406**
Write-downs of stocks	(340)	(340)	(340)
Net value of stocks	**4, 134**	**4, 418**	**5, 066**

9. Cash and cash equivalents

	June 30, 2014	December 31, 2013	June 30, 2013
Cash in hand and at bank	24, 293	26, 272	29, 936
Short-term bank deposits	-	-	-
Total cash, including:	**24, 293**	**26, 272**	**29, 936**
Restricted access funds	156	156	-

For purposes of cash flow account, cash and credit on the current account comprise the following items:

	June 30, 2014	December 31, 2013	June 30, 2013
Cash and cash equivalents	24, 293	26, 272	29 936
Credit on the current account (note no. 12)	-	-	-
Cash and cash equivalents presented in the cash flow account	**24, 293**	**26, 272**	**29, 936**

10. Share capital and supplementary capital

	Number of shares	Nominal value of shares	Surplus from selling shares with a premium	Total
Status as of January 1, 2013	**5, 255, 632**	**10, 511**	**114, 990**	**125, 501**
- increases	-	-	-	-
- decreases	-	-	-	-
Status as of December 31, 2013	**5, 255, 632**	**10, 511**	**114, 990**	**125, 501**
- increases	-	-	-	-
- decreases	-	-	-	-
Status as of June 30, 2014	**5, 255, 632**	**10, 511**	**114, 990**	**125, 501**

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

As of June 30, 2014 the Company's shareholders structure looks as follows:

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

11. Trade liabilities and other liabilities

	June 30, 2014	December 31, 2013	June 30, 2013
Trade liabilities in relation to unassociated entities	12, 192	15, 008	18, 351
Liabilities in relation to associated entities	14, 705	2, 706	5, 251
Liabilities due to social security and other charges	9, 068	8, 885	9, 247
Accrued liabilities	3, 338	2, 336	3, 796
Accrued receivables	653	1	5
Other liabilities	307	47	328
Liabilities due to dividend: associated companies	-	-	7, 934
Liabilities due to dividend: other entities	-	-	2, 577
Total trade liabilities and other liabilities	**40, 263**	**28, 983**	**47, 489**
including:			
Long-term part	-	-	-
Short-term part	40, 263	28, 983	47, 489

12. Credits and loans

Long-term	June 30, 2014	December 31, 2013	June 30, 2013
Bank credits	-	10, 604	24, 252
Total long-term credits	**-**	**10, 604**	**24, 252**

Short-term	June 30, 2014	December 31, 2013	June 30, 2013

Credit on current account (note no. 12)	-	-	-
Bank credits	24, 299	30, 094	40, 463
Total short-term credits	**24, 299**	**30, 094**	**40, 463**

Bank credits are secured on formwork systems (registered pledges) pursuant to information included in the note no. 2.

Additional collaterals include in blanco promissory notes.

Bank credit interest rates are calculated on a monthly basis on the basis of the current WIBOR rate increased by a margin specified in individual credit agreements.

The structure of long-term credits in accordance with maturity dates is the following:

	June 30, 2014	December 31, 2013	June 30, 2013
From 1 to 2 years	-	10, 604	24, 252
From 2 to 5 years	-	-	-
Over 5 years	-	-	-
Total long-term credits	**-**	**10, 604**	**24, 252**

Effective interest rates as of the balance sheet date are the following:

	June 30, 2014	December 31, 2013	June 30, 2013
Credit on current account	-	-	-
Bank credits	5.48	5.13	5.49

The Company has at its disposal the following unused credit lines:

	June 30, 2014	December 31, 2013	June 30, 2013
With variable interest rates:			
- expiring within one year	9,000	6, 000	13.000
- expiring after one year		-	13, 000
Total unused credit lines	**9,000**	**6, 000**	**28, 000**

13. Leasing

13 a) Financial leasing

The assets specified below which are used under financial leasing agreements comprise machines for cleaning formwork systems.

	June 30, 2014	December 31, 2013	June 30, 2013
Initial value of leased fixed assets	768	768	768
Depreciation	(346)	(307)	(269)
Total net book value	**422**	**461**	**499**

Depreciation of fixed assets used pursuant to financial leasing agreements entered into in the period of 6 months ending on June 30, 2014 was 38 thousand PLN, whereas it amounted to 77 thousand PLN in 2013 and in the period of 6 months ending on June 30, 2013 it equaled 39 thousand PLN.

Liabilities due to financial leasing	June 30, 2014	December 31, 2013	June 30, 2013
Less than one year	67	139	148
From 1 year to 5 years	-	-	62
Aggregated amount of minimal leasing charges according to maturity dates:	**67**	**139**	**210**
	June 30, 2014	31 grudnia 2013 r.	30 czerwca 2013 r.
Less than one year	67	139	148
From 1 year to 5 years	-	-	62
Aggregated amount of current value of minimal leasing charges according to maturity dates:	**67**	**139**	**210**

An analysis conducted by the Group showed that the aggregated amount of minimal leasing charges does not substantially differ from the aggregated amount of current value of these charges.

Major provisions of leasing agreements

- the period of leasing is usually 5 years,
- the basis for calculation of the amount of contingent leasing charges is the WIBOR rate increased by the bank's margin,
- leasing agreements comprise an option to purchase the subject of the leasing agreements on termination of the leasing agreements,
- contractual provisions do not entail any restrictions connected with additional debt or supplementary leasing agreements.

13 b) Operating leasing

Operating leasing agreements comprise the purchased right of perpetual usufruct of land.
The aggregated amount of future minimal charges due to right of perpetual usufruct of land is:

	June 30, 2014	December 31, 2013	June 30, 2013
Less than one year	9	9	9
From 1 year to 5 years	35	35	35
More than five years	619	628	627
Total	**663**	**672**	**671**

The right of perpetual usufruct of land expires on December 5, 2089.

14. Deferred income tax

	June 30, 2014	December 31, 2013	June 30, 2013
Assets due to deferred income tax	4, 491	3, 133	3, 223
Liabilities due to deferred income tax	(13, 309)	(14, 645)	(15, 679)
Balance sheet value of assets (liabilities) due to deferred income tax	**(8, 818)**	**(11, 512)**	**(12, 456)**

Changes in assets and liabilities due to deferred income tax during the year (prior to accounting for their set-off within one jurisdiction) are presented as follows:

Liabilities due to deferred income tax

Title of temporary differences	Valuation of tangible assets	Unrealized exchange differences	Other	Total
As of January 1, 2013	**16, 090**	**17**	**31**	**16, 138**
Credit on the financial result	(1, 492)	(184)	(160)	**(1, 836)**
Charges on the financial result	-	191	152	**343**
As of December 31, 2013	**14, 598**	**24**	**23**	**14, 645**
Credit on the financial result	(1, 340)	(97)	(61)	**(1, 498)**
Charges on the financial result	-	91	71	**162**
As of June 30, 2014	**13, 258**	**18**	**33**	**13, 309**

Assets due to deferred income tax

Title of temporary differences	Tax losses	Provision for costs	Unrealized exchange differences	Total
Status as of January 1, 2013	**-**	**3, 441**	**211**	**3, 652**
Credit on the financial result	-	1, 033	210	**1, 243**
Charges on the financial result	-	(1, 501)	(261)	**(1, 762)**
Status as of December 31, 2013	**-**	**2, 973**	**160**	**3, 133**
Credit on the financial result	-	1, 667	89	**1, 756**
Charges on the financial result	-	(268)	(130)	**(398)**
Status as of June 30, 2014	**-**	**4, 372**	**119**	**4, 491**

15. Liabilities due to pension benefits

	June 30, 2014	December 31, 2013	June 30, 2013
Disclosed liabilities due to:			
Pension benefits	139	139	116
Total	**139**	**139**	**116**

The Group conducts an actuarial valuation of pension benefit provision for the end of every trading year.

	June 30, 2014	December 31, 2013	June 30, 2013
Pension benefit provision	-	8	-
Costs of interests	-	5	-
Net actuarial profits and losses	-	19	-
Benefits paid	-	(9)	-
Total presented in employee benefits	**-**	**23**	**-**

Change in the status of balance sheet liabilities:

	June 30, 2014	December 31, 2013	June 30, 2013
Provisions for pension benefits at the beginning of the period	139	116	116
Pension benefit provision	-	8	-
Interest cost	-	5	-
Net actuarial profits and losses	-	19	-
Benefits paid	-	(9)	-
Provisions for pension benefits at the end of the period	**139**	**139**	**116**

16. Revenue from sale

	6 months of 2014	6 months of 2013
Revenue from sales due to services: construction services	61, 641	76, 388
Revenue from sales of goods and construction materials	26, 934	20, 864
Total revenue from sales	**88, 575**	**97, 252**

17. Costs by nature

	6 months of 2014	6 months of 2013
Amortization of tangible fixed assets and intangible assets	37, 095	41, 584
Costs of employee benefits (note no. 17 a)	13, 773	12, 551
Consumption of raw materials, auxiliaries and energy	6, 402	6, 209
Transport services	5, 201	5, 378
Hire and lease services	5, 279	5, 435
Renovation services	2, 326	1, 974
Assembly services	1, 116	515
Inne usługi obce	9, 161	8, 742
Other outsourced services	8, 562	4, 382
Value of sold goods, materials and formwork systems (elements of fixed assets)	14, 382	11, 080
Total costs by nature	**103, 297**	**97, 850**
Own work capitalized		

Costs of sales and marketing	(7, 894)	(3, 519)
General administrative costs	(5, 340)	(5, 072)
Costs of sold products, goods and materials	**90, 063**	**89, 259**

17 a) Costs of employee benefits		
Costs of remunerations and costs of benefits due to termination of employment	11, 135	10, 050
Costs of social security contributions and employee benefits	2, 638	2, 501
Total costs of employee benefits	**13, 773**	**12, 551**

18. Other revenues and operating costs

18 a) Other operating revenue	6 months of 2014	6 months of 2013
Profits due to changes in fair value of futures	60	-
Compensation received	632	32
Sale of elements of tangible fixed assets	1, 026	49
Reinvoices	206	264
Other revenues	268	215
Total other operating revenue	**2, 192**	**560**

18 b) Other operating costs	6 months of 2014	6 months of 2013
Loss due to change in fair value of futures	(19)	(359)
Lost elements of tangible fixed assets and operating assets	-	(1)
Liquidation of elements of tangible fixed assets	(1, 074)	(518)
Provisions for anticipated loss	-	(438)
Other costs	(56)	(41)
Total other operating costs	**(1, 149)**	**(1, 357)**

19. Revenue and financial costs

19 a) **Financial revenue**	6 months of 2014	6 months of 2013
Revenue due to interests:		
- loans granted	714	419
- revenue from cash on the bank account and late payment of liabilities	136	305
Dividends received	1, 664	-
Total financial revenue	**2, 514**	**724**

19 b) **Financial costs**	6 months of 2014	6 months of 2013
Cost of interests:		
- bank credits	(859)	(2, 127)
- leasing	(3)	(9)
- due to delay in payment of liabilities	(3)	(6)
	(865)	**(2, 142)**
Losses due to changes in fair value of futures	(35)	(46)
Foreign exchange differences	205	1, 103
Disbursement costs	(35)	(34)
Bank Guarantee Fund	(31)	(41)
Total financial costs	**(761)**	**(1, 160)**

20. Income tax

	6 months of 2014	6 months of 2013
Current tax	(841)	-
Deferred tax (note no. 16)	2, 693	30
Total income tax	**1, 852**	**30**

The income tax on gains of the Group before tax differs in the following way from the theoretical amount which would be calculated using the tax rate weighted average applicable for profits of consolidated companies:

	6 months of 2014	6 months of 2013
Profit before tax	(11, 926)	(1, 831)
Tax calculated according to the effective rates (19%)	(2, 266)	(348)
Revenue not subject to taxation	(34)	(453)
Costs other than tax deductible expenses	448	771
Encumbrance of the financial result due to income tax	(1, 852)	(30)

Tax authorities may inspect the Group's accounting books and tax settlements in the period of 5 years from the end of the year in which income statements were submitted and encumber the Group's companies with an additional income tax assessment together with penalty interests. In the opinion of the Board there are no circumstances indicating a possibility that major liabilities will arise to this end.

21. Valuation of financial instruments at fair value

On the basis of conducted analyses the Group concluded that the balance sheet value of individual financial instruments presented in this consolidated financial statement is close to fair value of these instruments.

22. Dividend per share

Basic return per ordinary share is calculated as profit attributable to the Company's shareholders multiplied by weighted average of ordinary shares during the year.

	6 months of 2014	6 months of 2013
Profit (loss) attributable to the parent company's shareholders	(10, 074)	(1, 801)
Number of ordinary shares as of the balance sheet date	5, 255, 632	5, 255, 632
Weighted average number of ordinary shares	5, 255, 632	5, 255, 632
Basic profit (loss) per share (in PLN per one share)	(1.92)	(0.34)
Diluted profit (loss) per share (in PLN per one share)	(1.92)	(0.34)

23. Contingent items

ULMA Construccion Polska S.A. gave its guarantee concerning repayment of a bank credit taken out by ULMA Opałubka Ukraina sp. z o.o. pursuant the credit agreement concluded with UKRSIBBANK. The aggregated amount of this guarantee is 500 thousand EUR.

Upon the request of ULMA Construccion Polska S.A. mBANK gave one of the Company's customers bank guarantee of hire agreement performance. The guarantee expires on 16.10.2016 and during its term its amount will be subject to change.
As of the balance sheet date the amount of the granted bank guarantee is 2, 539 thousand PLN.

24. Incidents after the balance sheet date

After the balance sheet date there were no incidents which might have a significant effect on the presented financial statement.

25. Transactions with associated entities

The Group is controlled by ULMA C y E, S. Coop. with registered seat in Spain holding 75.49% of the Company's shares. The remaining 24.51% of shares belongs to many different shareholders.

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

The parent company:

ULMA Construccion Polska S.A. with its registered seat in Koszajec (the commune of Brwinów)

Subsidiaries:

- ULMA Opałubka Ukraine having offices in Kiev, 9 Gnata Juri Street, founded on 18.07.2001. It was registered in the Government Administration Unit of Svyatoshyn for the city of Kiev under entry no. 5878/01 and it received its identification code 31563803. The subject of the company's activity is sale and leasing of planking systems as well as sale of construction materials. The issuer's contribution in the capital and total number of votes is 100%.
- ULMA Opałubka Kazakhstan sp. z o.o. (limited liability company), a subsidiary having offices in Astana, 25 Taszenowa Street, was started on 27.08.2010. having offices in Astana, 25 Taszenowa Street. Its strategic aim is development of the basic activity of the Group, i.e. renting of formwork systems and scaffoldings as well as propagating knowledge concerning formwork technology in the construction process on the territory of Kazakhstan. The issuer's contribution in the capital and total number of votes is 100%.
- „ULMA Construccion BALTIC" having offices in Vilnius, 41-42 Pylimo Street is a subsidiary set up on April 27, 2012. The scope of its business activity includes rental of formwork systems and scaffoldings, wholesale and retail of formwork systems and scaffoldings, sale and rental of other construction appliances and other commercial activity. The issuer's contribution in the capital and total number of votes is 100%.

Associated entity:

ULMA Cofraje SRL having offices in Bragadiru 2-8 Soseaua de Centura Street Corp C20 (Romania) was founded on 9.10.2007. Registered in the National Trade Register Office in Bucharest under entry no.

22679140. The subject of the Company's activity includes lease and sale of formwork systems and construction planking, also in the form of leasing. The issuer's contribution in the capital and total number of votes is 30%. The remaining 70% share in the company's capital belongs to ULMA C y E, S. Coop. with offices in Spain, the entity controlling the Group ULMA C y E, S. Coop. with offices in Spain.

Transactions made by companies of the ULMA Construccion Polska S.A. with associated entities were typical and routine, they were concluded under market conditions and their character and conditions resulted from current operating activity.

Figures concerning transactions of entities of the ULMA Construccion Polska S.A. with associated entities:

Settlement balance as of the balance sheet date	June 30, 2014	June 30, 2013
Commercial receivables	9, 945	7, 235
Trade liabilities	14, 705	5, 251
Liabilities due to dividend	-	7, 934

Sale and purchase from the Group's entities	6 months of 2014	6 months of 2013
Sale	18, 615	16,020
Purchase	21, 777	9,222

Loans, interests, dividends	6 months of 2014	6 months of 2013
Loans granted (in thousand EUR)	-	985
Loans granted (in thousand USD)	1,500	-
Loans paid off (in thousand EUR)	290	183
Loans granted (in thousand PLN)	15,056	-
Loans paid off (in thousand PLN)	15,056	-
Revenue due to interests from loans (in thousand PLN)	714	419

ULMA Construccion Polska S.A. granted an investment loan of 3,100 thousand EUR with fixed rates on a commercial basis to its subsidiary ULMA Opałubka Ukraina sp. z o.o. Pursuant to the Amendment as of 15.09.2011 the time limit for payment of the loan was specified for December 25, 2015.

ULMA Construccion Polska S.A. granted an investment loan of 1,500 thousand USD with fixed rates on a commercial basis to its subsidiary ULMA Opałubka Ukraina sp. z o.o. untill December 31, 2016.

ULMA Construccion Polska S.A. gave guarantee of payment of a bank credit taken out by ULMA Opałubka Ukraina sp. z o.o. pursuant to a credit agreement with UKRSIBBANK. The total value of the guarantee is 950 thousand EUR.

ULMA Construccion Polska S.A. granted a long-term loan of 241 thousand EUR to its associated company ULMA Cofraje srl Rumunia. The loan was given on a commercial basis until May 31, 2016.

ULMA Construccion Polska S.A. granted a long-term loan of 2, 000 thousand EUR to its subsidiary ULMA Construccion BALTIC. The loan was given on a commercial basis until June 30, 2018.

ULMA Construccion Polska S.A. gave its parent company ULMA CyE, S. Coop 3 loan advances in the aggregated amount of 15, 056 thousand PLN. The loan was given on a commercial basis until June 27, 2014.

26. Conversion of selected financial figures into euro

The table below presents conversion of selected financial data into euro:

	in thousand PLN		w tys. EUR	
BREAKDOWN	6 months of 2014	6 months of 2013	6 months of 2014	6 months of 2013
Net revenue from sale of products, goods and materials	88, 575	97, 252	21, 198	23, 079
Profit from operating activity	(13, 679)	(1, 395)	(3, 274)	(331)
Gross profit (loss)	(11, 926)	(1, 831)	(2, 854)	(434)
Net profit (loss)	(10, 074)	(1, 801)	(2, 411)	(427)
Cash flow from operating activity	24, 726	42, 232	5, 918	10, 022
Cash flow from investment activity	(9, 443)	(16, 099)	(2, 260)	(3, 820)
Cash flow from financial activity	(17, 335)	(24, 796)	(4, 149)	(5, 884)
Net cash flow	(2, 052)	1, 337	(491)	317
Diluted profit (loss) per one ordinary share (in PLN/EUR)	(1.92)	(0.34)	(0.46)	(0.08)
Basic profit (loss) per one ordinary share (in PLN/EUR)	(1.92)	(0.34)	(0.46)	(0.08)
	June 30, 2014	December 31, 2013	June 30, 2014	December 31, 2013
Total assets	371, 547	389, 498	89, 295	93, 918
Liabilities	73, 594	81, 471	17, 687	19, 644
Long-term liabilities	8, 954	22, 252	2, 152	5, 365
Short-term liabilities	64, 640	59, 219	15, 535	14, 279
Equity capital	297, 953	308, 027	71, 608	74, 274
Share capital	10, 511	10, 511	2, 526	2, 535
Weighted average number of shares	5, 255, 632	5, 255, 632	5, 255, 632	5, 255, 632
Number of shares as of the balance sheet day	5, 255, 632	5, 255, 632	5, 255, 632	5, 255, 632
Book value per one share (in PLN/ EUR)	56.69	58.61	13.62	14.13

Individual items of assets as well as equity capital and liabilities have been converted into euro using average foreign exchange rates announced by the President of the National Bank of Poland (NBP) effective on the balance sheet date. The average exchange rate of EUR was 4.1609 PLN/EUR on June 30, 2014 and as of December 31, 2013 it was 4.1472 PLN.

To convert financial statement items in relation to total revenue and cash flow account the Group used foreign exchange rates being the arithmetic mean of rates effective on the last day of every month of the given period, i.e. figures for the period of 1.01. – 30.06.2014 were converted using the foreign exchange rate = 4.1784 PLN/EUR and figures for the corresponding period of 2013 were converted in accordance with the rate = 4.2140 PLN/EUR.

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

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

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

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

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

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

Signed by the person in charge of bookkeeping

Henryka Padzik,
Chief Accountant ....

Koszajec, August 14, 2014.