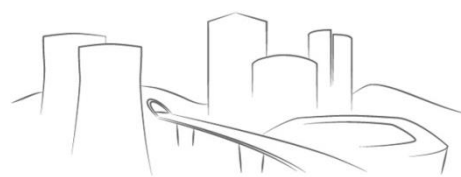


**REPORT OF THE MANAGEMENT BOARD
ON THE OPERATIONS OF**

ULMA Construcción Polska S.A.

FOR THE PERIOD OF 12 MONTHS ENDED ON 31 DECEMBER 2015



From the beginning of your projects



Business objects of ULMA Construccjon Polska S.A.

ULMA Construccjon Polska S.A. with its registered seat in Koszajec, Brwinów Commune, acts as a joint stock company entered on 29 October 2001 into the Register of Entrepreneurs maintained by the District Court for the Capital City of Warsaw, 13th Commercial Division of the National Court Register under KRS No. 0000055818. The Company was established through the transformation of Bauma Spółka z ograniczoną odpowiedzialnością into a joint stock company pursuant to the relevant entry in the notary deed, Ref. No. A-5500/95, on 15 September 1995. Due to the type of its business objects, ULMA Construccjon Polska S.A. was assigned with No. 7132 in the Polish Classification of Activities (PKD).

The business objects of the Company are as follows:

1. Rental and lease of building machinery and equipment,
2. Other specialist construction works,
3. Construction of roads and motorways,
4. Construction of railways and underground railways,
5. Construction of residential and non-residential buildings,
6. Wholesale of wood, construction materials and sanitary equipment,
7. Representative services consisting in sale of wood and construction materials,
8. Road transport of goods,
9. Manufacture of metal structures and their parts,
10. Repair and maintenance of fabricated metal products,
11. Excavation of gravel and sand, excavation of clay and kaolin,
12. Excavation of ornamental stone and stone for construction purposes, lime rocks, gypsum, chalk and shell,
13. Architectural activities,
14. Engineering activities and related technical consultancy,
15. Execution of construction projects related to construction of buildings,
16. Site preparation,
17. Demolition and wrecking of buildings,
18. Other financial service activities, not classified elsewhere, except insurance and pension funding,
19. Other business support activities,
20. Accounting, bookkeeping and tax consulting.



Presentation of the basic economic and financial data disclosed in the annual financial statements, in particular the factors and events, including extraordinary ones, having a significant impact on the Issuer's operations and profits generated or losses incurred by it in the financial year, as well as a presentation of prospects of the Issuer's business development over the minimum period of the following financial year

The basic data included in the financial statements of the Company for the years 2013-2014 has been presented below.

Profit and loss statement and other comprehensive income

	Q1 2015	Q2 2015	Q3 2015	Q4 2015	2015	2014	Growth 2015/2014
Revenues from sales	36,482	43,405	41,066	40,819	161,772	171,431	0.94
Costs of products, goods and materials sold	(36,746)	(36,335)	(36,777)	(34,706)	(144,564)	(167,409)	0.86
Gross profit (loss) on sales	(264)	7,070	4,289	6,113	17,208	4,022	4.28
Sales and marketing costs	(636)	(6,631)	(2,372)	(1,450)	(11,089)	(12,136)	0.91
General administrative costs	(2,830)	(2,955)	(3,131)	(3,369)	(12,285)	(10,681)	1.15
Other net operating costs	223	404	420	468	1,515	1,680	0.90
Operating profit (loss)	(3,507)	(2,112)	(794)	1,762	(4,651)	(17,115)	0.27
Financial income	540	569	310	2,787	4,207	3,476	1.21
Financial costs	(41)	34	174	148	314	(110)	-
Profit (loss) before tax	(3,008)	(1,509)	(310)	4,697	(130)	(13,749)	0.01
Income tax	309	83	287	(517)	162	1,848	0.09
Net profit (loss)	(2,699)	(1,426)	(23)	4,180	32	(11,901)	-
Other income	-	-	-	-	-	-	-
Comprehensive income	(2,699)	(1,426)	(23)	4,180	32	(11,901)	-
Operating profitability (%)	(9.61)	(4.87)	(1.93)	4.32	(2.88)	(9.98)	-
Net profitability (%)	(7.40)	(3.29)	(0.05)	10.24	0.02	(6.94)	-

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



Statement of financial position

	31.12.2015	Structure %	31.12.2014	Structure %	Growth
Tangible fixed assets	194,780	58	215,305	63	0.90
Other non-current assets	30,003	9	32,955	10	0.91
Total fixed assets	224,783	67	248,260	73	0.91
Inventories	2,383	1	2,277	1	1.05
Receivables	77,940	23	60,478	18	1.29
Derivative instruments	-	-	-	-	-
Other current assets	31,061	9	28,315	8	1.10
Total current assets	111,384	33	91,070	27	1.22
Total assets	336,167	100	339,330	100	0.99
Share capital	10,511	3	10,511	3	1.00
Supplementary capital	114,990	34	114,990	34	1.00
Retained earnings	170,657	51	170,625	50	1.00
Total equity	296,158	88	296,126	87	1.00
Long-term liabilities	4,940	1	7,745	3	0.64
Short-term liabilities	35,069	11	35,459	10	0.99
Total liabilities	40,009	12	43,204	13	0.93
Total equity and liabilities	336,167	100	339,330	100	0.99
Return on equity (%)	-		(3,9)		-
Debt ratio (%)	11.9		12.7		-
Trade receivables turnover (in days)	101		127		-
Trade liabilities turnover (in days)	34		26		-
Liquidity ratio	3.2		2.6		-

Return on equity =	$\frac{\text{Net profit for the financial year} \times 100\%}{\text{Equity} - \text{net profit for the financial year}}$
Debt ratio =	$\frac{\text{Liabilities} \times 100\%}{\text{Total equity and liabilities}}$
Trade receivables turnover =	$\frac{\text{Net trade receivables as at the balance sheet date} \times 365 \text{ days}}{\text{Revenues from sales}}$
Trade liabilities turnover =	$\frac{\text{Average trade liabilities} \times 365 \text{ day}}{\text{Operating costs}}$
Liquidity ratio (current) =	$\frac{\text{Current assets}}{\text{Short-term liabilities}}$

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



Market environment in 2015

Market environment in Poland

In accordance with preliminary data of the Central Statistical Office, in 2015, the GDP growth rate was 3.6%, whereas in Q4 2015, the GDP growth was 3.9% y/y. Against this background, the construction sector performance was less than satisfactory – in 2015, the growth dynamics of the building and construction output was +2.8%, i.e. much below the values forecast by experts (PMR, Euroconstruct).

In 2015, **in the engineering construction sector**, the growth dynamics was even lower and reached only 1.7%. The largest segment of this sector – road construction – recorded a material increase in the number of tender procedures resolved and contracts concluded, but due to the dominant “Design and build” formula these processes will be reflected in increased output with a delay of several months. Therefore, despite the general positive trend in the area which is the most important from the point of view of the Company’s revenues, i.e. engineering constructions (bridges, road bridges and flyovers), in 2015, the change dynamics was negative and reached -14.1%. In 2015, visible growth was recorded only in the rail construction segment (+11.9%) due to the need for intensive finalisation of projects financed within the previous EU perspective.

In the other segment important for the development of the engineering sector, i.e. the segment of **comprehensive industrial constructions**, the building and construction output dynamics was also slightly disappointing, reaching the level similar to 2014 (the growth in 2015 was only +1.6%). Major projects included mainly continued construction of new power units in Koźienice, Opole, Jaworzno, Płock, Włocławek and Stalowa Wola. Construction of a new power unit in Turów has started.

In 2015, the **non-residential sector**, which is usually the most stable, recorded some positive dynamics of +0.6%, mainly due to office construction, and industrial and warehouse construction. At the same time, a significant drop of dynamics was recorded in the commercial and service segment as well as the public utility segment.

In 2015, a visible upward trend was recorded only in the **residential sector**, in which the growth rate of the building and construction output was 9.3%. In the analysed period, in the category of residential investments by developers, the number of apartments erected increased by 24.1%, while the number of apartments with building permits issued increased by 25.5%.

Market environment abroad

In 2015, in Kazakhstan, in accordance with preliminary data, the GDP growth was only 1.2% vs. 4.1% in 2014. In the second half of 2015, the economic slowdown, continuing for almost 2 years, deepened due to the ongoing decline in oil prices (determining a majority of inflows to the budget and the general market situation in this country), significant limitation of trade with major partners: China and Russia, and a drop of the domestic demand as a result of the devaluation of the local currency (tenge) to PLN by more than 60%. As a consequence, a rising tide of bankruptcies and suspension of many key investments, completed in less than 70%, could be noticed. In order to alleviate the budget deficit and obtain resources for financing of development programmes, the government of Kazakhstan decided to launch a privatisation programme including major enterprises being the property of the State Treasury. The difficult economic situation of Kazakhstan impacted the Capital Group’s financial results on this market.

In 2015, in Ukraine, the first long-awaited signals of slow stabilisation of the economic situation could be noticed. The GDP drop dynamics decreased from -17.2% y/y in Q1 2015 to -1.2% y/y in Q4 2015. Additionally, for the first time in two years, the GDP growth was recorded in two subsequent quarters (quarter to quarter) by 0.5% in Q3 2015 and by 1.5% in Q4 2015. These positive signals pertaining to the general market situation and the process involving the implementation of the most urgent financial and economic reforms initiated by the government were reflected, i.a., in the Ukraine rating granted by Moody’s Agency which increased from Ca (negative) to Caa3 (stable) in November 2015. However, in the



construction sector, the downward trend continued, characterised by negative dynamics of the building and construction output that reached -12.3% in 2015. In addition, the slow but consistent macroeconomic stabilisation was reflected in the exchange rate of the local currency (hryvnia), which – after a step devaluation in February 2015 (as a result of its floating) – managed to recover some losses and ended the whole year with the devaluation ratio vs. PLN of 38%.

Lithuania recorded the slowing down of economic growth from 3% in 2014 to 1.9% in 2015. In the same period, the value of the building and construction output dropped by approx. 3.5% in this country.

Revenues from sales

In 2015, the Company recorded total revenues from sales of PLN 161,772 thousand, as compared to PLN 171,431 thousand in 2014 (drop by 5.6%).

Decline in revenues from sales pertained to sale of construction materials segment. In 2015, revenues from this activity amounted to the total of PLN 24,920 thousand, as compared to PLN 42,825 thousand in the previous year (drop by PLN 17,905 thousand, i.e. by 41.8%). This was due to a difficult market situation on export markets, especially in Kazakhstan. In 2015, the Company recorded PLN 19,543 thousand in total revenues from export sales and services (*i.e. activities performed through subsidiaries in Kazakhstan, Lithuania and Ukraine*).

As a result, in 2015, the share of export sales in total revenues decreased to 12.1% (in 2014, this share was 20.7%).

This decrease was partially offset by increasing revenues from the basic activities of the Company, i.e. lease of formwork systems and scaffolding.

Operating profitability

In 2015, the Company recorded a negative result on operating activities of PLN -4,651 thousand, as compared to the operating loss of PLN -17,115 thousand in the previous year.

The basic amounts related to EBIT (operating profit) and EBITDA (operating profit + depreciation/amortisation) in the analysed period were as follows:

	Q1 2015	Q2 2015	Q3 2015	Q4 2015	2015	2014
Sales	36,482	43,405	41,066	40,819	161,772	171,431
EBIT	(3,507)	(2,112)	(794)	1,762	(4,651)	(17,115)
% of sales	(9.61)	(4.87)	(1.93)	4.32	(2.88)	(9.98)
Amortisation and depreciation	15,723	12,932	11,963	11,934	52,552	68,126
EBITDA	12,216	10,820	11,169	13,696	47,901	51,011
% of sales	33.48	24.93	27.20	33.56	29.61	29.76

In 2015, total amortisation and depreciation charges amounted to PLN 52,552 thousand, as compared to PLN 68,126 thousand in the previous year. Depreciation charges related to formwork and scaffolding owned by the Group have the largest share in the total amount of the above depreciation charges. Their amount depends primarily on the estimated useful life of the equipment.



In 2015, as a result of a decrease in total revenues due to market situation described at the beginning, the Company recorded a drop in EBITDA in absolute terms by PLN 3,110 thousand (i.e. by 6%).

In 2015, the Management Board of the Company continued the process of optimisation of operating costs and adjusting them to the changing market condition, which started in previous years. Consequently, despite a drop of total revenues from sales (following the decrease of revenues from sales in the “Sales of construction materials” segment due to a difficult situation on export markets, particularly in Kazakhstan), the Company was able to maintain EBITDA profitability (i.e. EBITDA expressed as % of sales revenues) on a level similar to 2014, and the EBITDA drop in absolute terms was only 6% y/y.

In 2015, the Company recognised net write-downs on receivables (the sum of created and released write-downs) and wrote off unrecoverable receivables in the amount of PLN 8,496 thousand, as compared to PLN 9,184 thousand in the same period of the previous year (presented under “Costs of sales and marketing”). This phenomenon results from calculating the risk connected with recovering receivables in relation to court proceedings which the Company is conducting against debtors.

“General administrative costs” include actual costs of the Management Board together with all cost items related to the general administrative services provided to the Company (accounting, IT, legal services, etc.). In 2015, these costs increased to PLN 12,285 thousand, as compared to PLN 10,681 thousand in the same period of the previous year (i.e. by +15%). This growth was mainly due to higher costs of IT support in relation to the launch of a new corporate financial and accounting as well as logistics systems which were implemented at ULMA Construcción Polska S.A. during the last years together with the parent company, ULMA CyE, S. Coop. (Spain).

Besides the economic results on settlement and valuation of the NDF contracts hedging against foreign exchange risk, other operating activity (item: "Other net operating costs") includes the economic effects of customising elements of the formwork systems to the needs of individual customers and general results of management of the assets held (inventory surpluses and shortages, as well as provisions for impairment of inventories). In 2015, revenues from the above amounted to PLN 733 thousand, as compared to PLN 486 thousand of revenues in 2014.

I Transactions hedging against foreign exchange risk

The Company purchases the products (formwork systems and accessories as well as scaffoldings), constituting the object of commercial and service activity, from the parent entity in Spain and from other third parties.

As part of its commercial operations, the Company is active on export markets, especially in Ukraine, Lithuania and Kazakhstan, where economic activity is performed through its subsidiary companies: Ulma Opalubka Ukraina Sp. z o.o. and ULMA Opalubka Kazachstan Sp. z o.o.

As a result, the Company is exposed to foreign exchange risk which the Company seeks to mitigate by participation on the foreign exchange market and concluding the Non Delivery Forward (NDF) contracts.

All NDF instruments held by the Company are concluded exclusively for the purposes of hedging against foreign exchange risk and demonstrate no asymmetrical profile.

The Company applies no hedge accounting, and consequently the positive and negative results of hedge transaction conclusion and measurement are taken to profit or loss of the period.



Financial revenues and costs

The Company used bank credits and own funds to finance investments related to purchase of products for lease (i.e. formwork and scaffolding systems).

In 2015, the Company fully repaid all loans that were incurred in previous years in order to finance the aforementioned investments. As a result, as at 31 December 2015, the balance of bank loans (short- and long-term) with interest accrued until the balance sheet date amounted to PLN 0 thousand, as compared to PLN 10,625 thousand as at 31 December 2014.

A decrease in the balance of bank credits resulted in a decrease in interest costs and credit service costs (e.g. bank commissions). Consequently, interest costs amounted to PLN 131 thousand in 2015, as compared to PLN 1,288 thousand in 2014.

The Company granted long-term loans to its subsidiaries. As at 31 December 2015, the value of loans granted was EUR 2,500 thousand and USD 1,500 thousand.

In 2015, the Company disclosed in the financial income a dividend received from the subsidiary in Kazakhstan, of PLN 2,068 thousand (in 2014, the financial income due to the dividend received was PLN 1,664 thousand).

In addition, in 2015, the Company obtained interest revenues from loans granted to its subsidiaries and associate (ULMA Cofraje Rumunia s.r.l.), as well as to the parent company (ULMA C y E, S. Coop. (Spain)), in the total amount of PLN 1,950 thousand (in 2014, the interest revenues from loans amounted to PLN 1,583 thousand).

Net profit (loss)

Upon considering income tax, the Company recorded a positive net financial result in 2015 amounting to PLN 32 thousand, as compared to a negative financial result in the previous year of PLN -11,901 thousand (growth by PLN 11,933 thousand).

The Management Board of ULMA Construcción Polska S.A. proposes to allocate the net profit for 2015 of PLN 31,662.69 to increase the supplementary capital of the Company.

Cash flows

The abbreviated cash flow statement of the Company in the analysed period is presented in the table below:

	12 months of 2015	12 months of 2014	Growth
Net profit	32	(11,901)	-
Amortisation and depreciation	52,552	68,126	0.77
Total financial surplus	52,584	56,225	0.94
Other elements of net cash from operating activities	(13,413)	(20,190)	0.66
Net cash flow from operating activities	39,171	36,035	1.09
Net cash flow from investment activities	(25,617)	(2,678)	9.56
Net cash flow from financial activities	(10,756)	(31,505)	0.34

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



Net cash flows	2,798	1,852	1.51
Foreign exchange (loss)/profit on the valuation of cash and overdraft facility	(52)	191	-
Change in cash and overdraft facilities	2,746	2,043	1.34

Cash flow from operating activities

In 2015, the Company recorded a growth in cash flow from operating activities, which amounted to PLN 39,171 thousand, as compared to PLN 36,035 thousand in the previous year (increase by 9%).

In 2015, the Company changed the presentation of costs due to purchase of formwork in the consolidated cash flow statement. These costs were presented under “Net cash flows from operating activities,” while in the consolidated financial statements for the period 12 months ended 31 December 2014 they were presented under “Cash flows from investment activities.” In the opinion of the Management Board, the current presentation better reflects the specifics of the Group’s operations, including, i.a., lease of formwork systems. Due to the above, the Company properly restated comparative data presented in the cash flow statement.

In 2015, the Company recorded a significant improvement of the receivables turnover ratio compared with the level achieved in 2014 (as presented in the table below).

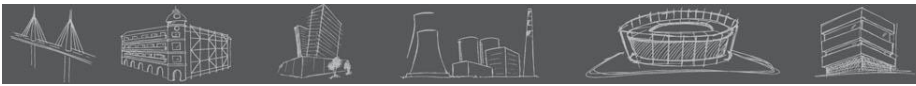
		31 December 2015	31 December 2014
1.	Net trade receivables (after revaluation write-downs)	44,713	59,856
2.	Gross revenues from sales for the period of 12 months until the balance sheet date	198,980	210,860
3.	Number of days	365	365
4.	Turnover ratio (1*3/2)	82	104

The Company seeks to mitigate the risk of receivable collection through effective implementation of internal procedures and principles for identification, measurement and monitoring of the financial standing and liquidity of the Company’s customers at the commencement of cooperation and in the progress thereof.

Cash flow from investment activities

The cash flow statement discloses amounts disbursed to other investment purchases, excluding purchases aimed at supplementing the portfolio of products offered (formwork systems and scaffolding), which are disclosed in cash flows from operating activities.

The major item in outflows included in net cash flows from investment activities are costs related to granting a loan to the parent company (ULMA C y E, S. Coop. – Spain) and the subsidiary, in the total amount of PLN 84,972 thousand. In 2015, inflows due to repayment of loans granted to the parent company and subsidiaries amounted to PLN 56,934 thousand.



On 30 December 2015, ULMA Construcción Polska S.A. granted to the parent company, ULMA C y E, S. Coop. (Spain), a loan of PLN 32,000 thousand, maturing on 20 September 2016. The Management Board notified thereof in the current report No 16/2015. The loan was granted on an arm's length basis and is secured with a registered pledge on the borrower's assets.

| Cash flow from financial activities

In 2015, cash flow from financial activities were negative and amounted to PLN -10,756 thousand, as compared to PLN -31,505 thousand in 2014.

As mentioned above, the Company used bank credits to finance investments related to the purchasing of products held for lease. In 2015, the Company's expenditure related to the repayment of credit installments amounted to PLN 10,604 thousand, as compared to PLN 30,014 thousand in 2014.

As a result of the above, in 2015, the Company recorded an increase in cash and overdraft facilities by PLN 2,746 thousand to PLN 31,061 as at 31 December 2015.

Description of significant risk factors and threats and the extent of the Issuer's exposure

| Competition and construction market downturn risk

Despite continued low growth rate in 2015, the forecasts for the construction market for the upcoming period are optimistic.

The number of projects in the infrastructure construction segment is increasing. They should drive the growth of the sector with a double-digit rate already this year.

The outlook for the industrial sector is also positive. Despite the suspension of some big investment projects, Poland is currently the largest European construction site in the energy sector. Of the largest projects with the value above PLN 1 billion, 7 projects are currently in the advanced stage, while 2 – at the stage of the tender aimed at appointing a general contractor.

Statistics for the residential sector inspire hope for a clear upward trend. In the residential development category, the number of flats that have received construction permits increased by 25.5% in 2015, and the number of flats whose construction has commenced increased by 24.1%.

Expected market growth should support alleviating the trend to compete on price, which is still very strong, and thus improving the profitability ratios of all entities involved in the construction site service.

However, there is still a risk to further development of the situation in the construction sector if political turmoil, and in particular concerns regarding ensuring constitutional order, result in a revision of the EU cohesion policy towards Poland and access to EU funds.

| Trade risk on the export markets

The factors which, in the near future, may have an impact on the Capital Group's revenues generated on foreign markets include:



- risk of repeated market slowdown in Ukraine in the case of escalation of the conflict in the eastern part of the country or as a result of intensifying political crisis between the Government and the President of this country. Additionally, the devaluation of the hryvnia during the last two years had a significant impact on the weakening of its purchasing power, which may result in an “outburst” of inflation which, in turn, may lower the domestic consumption and, in a longer term, may dramatically deteriorate the situation in the construction market;
- risk of further deterioration of market situation in Kazakhstan due to drops in oil prices, which will still be negatively reflected in the financial performance of this country where export actually depends on the income from the sales of this raw material, and the market situation in the industrial sector depends on the extraction of oil and gas;

establishment, as of 1 January 2015, of the Eurasian Economic Union (with the ruble as the common currency of that Union), composed of: Russia, Belarus, Kazakhstan, Armenia and Kirgizstan. Establishment of the EEU and increased cooperation between Kazakhstan and Russia, together with other member states, will have a significant impact on the weakening of competitiveness of market players from outside the EEU in Kazakhstan.

I Foreign exchange risk

The Company purchases products (formwork systems and accessories) from the parent company with its seat in Spain or from the other entities located outside Poland. On the other hand, the Company operates on export markets. As a result, the Company is exposed to foreign exchange risk, which it seeks to mitigate by means of operations on the currency market or operations on the forward market, as well as by concluding Non-Delivery Forward (NDF) contracts.

The risk related to financial instruments is described in Note 2 to the financial statements of ULMA Construcción Polska S.A. for the period of 12 months ended 31 December 2015.

Indication of proceedings before a court, a competent arbitration authority or a public administration body, including information related to the following:

- **proceedings related to liabilities or claims of ULMA Construcción Polska S.A. or its subsidiary, whose value corresponds to at least 10% of equity of ULMA Construcción Polska S.A., with an indication of: the subject matter of the proceedings, the value of the subject matter of the dispute, the date of initiation of the proceedings, the parties to the proceedings and the Company’s position**
- **two or more proceedings related to liabilities or claims, whose total value accounts for, respectively, at least 10% of equity of ULMA Construcción Polska S.A., with a determination of the total value of the proceedings separately in the group of liabilities and claims, with the Company’s position on the issue, and, in relation to the largest proceedings in the claims and liabilities groups, indicating their subject matter, the value of the subject matter of the dispute, the date of initiation of the proceedings and the parties to the proceedings initiated**

Neither ULMA Construcción Polska S.A. or any of its subsidiaries is a party to any proceeding concerning the claims and liabilities of the Company, value of which would exceed 10% of the Company’s equity.

There are also no two or more proceedings related to claims or liabilities of one counterparty, whose total value would account for, respectively, at least 10% of the Company’s equity.



Proceedings related to claims of ULMA Construcción Polska S.A. as at 31 December 2015:

ULMA Construcción Polska S.A. was a party to 56 court proceedings pertaining to receivables totalling PLN 25,790 (based on the balances as at 31 December 2015). These cases include court proceedings which have not yet been ended by the court issuing an enforcement title (a legally binding order for payment) and claims towards debtors against whom the court has issued a decision declaring bankruptcy, both with the possibility of making an arrangement and with the possibility of liquidation.

None of the court proceedings conducted by ULMA Construcción Polska S.A. concerns amounts exceeding 10% of the equity of ULMA Construcción Polska S.A.



The table below contains a list indicating the individual groups of court proceedings:

Specification	Number of proceedings	Balance as at 31 December 2015	Current legal status
Court proceedings	10	5,369	
<i>including 5 largest cases:</i>			
SIAC CONSTRUCTION Ltd.		4,139	Court proceedings in Poland are expected to be resumed after the termination of composition proceedings in Ireland.
P.H.U. POLKON Sp. z o.o.		715	Court proceeding against the Debtor and guarantor. Enforcement title against the Debtors is expected.
GDDKiA		171	Proceedings against the State Treasury. The court of first instance dismissed the Company's statement of claim, but the Company appealed against the judgement. The decision of the court in this case is being awaited.
REN Sp. z o.o.		135	Court proceeding against the Debtor and guarantors. Enforcement title against the Debtors is expected.
NATBUD Natalia Czapiewska		105	Court proceeding against the Debtor and guarantor. Enforcement title against the Debtors is expected.
	Total listed	5,265	98% of the total
Specification	Number of proceedings	Balance as at 31 December 2015	Current legal status
Bankruptcy proceedings	46	20,421	
<i>including 5 largest cases:</i>			
HYDROBUDOWA POLSKA SA		6,602	Motion to the receiver covers the claims from the Debtor on all delivered contracts, including A4 Motorway construction (Dębica-Rzeszów), which was constructed by the Debtor in consortium with z SIAC Construction Ltd.

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



RADKO Sp. z o.o.		4,358	Regardless of the claim submitted in the composition proceedings, the Company conducts several proceedings at the same time. They include: <ul style="list-style-type: none"> enforcement proceedings against guarantors revocatory action (residential premises). On 9 January 2015, the Court of Appeals upheld a decision issued by the Court of First Instance in favour of the Company. Enforcement proceedings against real estate is pending. Proceedings for the payment of compensation against the State Treasury in relation to inconsistency with the constitution of the so-call "special purpose act" of 28 June 2012 (Journal of Laws, item 891). On 16 February 2015, the District Court issued a decision to dismiss the Company's claim. The Company appealed against the judgement and is waiting for the court decision in this case.
HENPOL Sp. z o.o.		1,010	Claim submitted to the Receiver
WROBIS SA		844	Claim submitted to the Receiver
ALPINE BAU GmbH Sp. z o.o.		698	Claims submitted to the Receivers in Austria and in Poland, as part of the secondary bankruptcy proceedings, fulfilling the necessary condition resulting from the so-called "special purpose act" of 28 June 2012 (Journal of Laws item 891). In Q4 2015, the Company received a part of its receivables from GDDKiA, branch in Poznań. The Company is waiting for further payments from branches of GDDKiA.
	Total listed	13,512	66% of the total
total proceedings pending	56	25,790	

The Company creates write-downs on all doubtful receivables and receivables covered by court proceedings. The amounts of such write-downs are included in the item "Sales and marketing costs" and their value corresponds to estimations concerning the possibility of recovering them in court or in debt collection proceedings.

On 11 June 2015, the Company concluded a court settlement with the debtor, Struktury Sp. z o.o., based on which the debtor undertook to pay the amount agreed and to re-include ULMA Construcccion Polska S.A. in the acquisition process pertaining to newly offered contracts for lease of formwork systems and scaffolding – the proceedings pending against the debtor excluded such a possibility.

On 5 July 2015, ULMA Construcccion Polska S.A. received the amount in cash agreed, and thus the dispute continuing since 2014 was resolved.

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



Information on basic products, goods or services along with specification of their value and quantity and share of particular products, goods and services (if of significance) or their groups in the Issuer's total sales and on relevant changes in the financial year

The basic source of the Company's revenues is lease and sale of formwork and scaffolding systems. Additional revenues are generated from the sale of plywood for formwork, anti-adhesive liquids for formwork and reinforced concrete accessories.

The order volume is controlled and adjusted to the development of the construction market and opportunities for cooperation with numerous construction companies. The Company also adjusts the existing range of products (formwork systems and scaffolding) to the changing needs of the construction market.

In 2015, the Company conducted trading and service operations in the following areas:

- sale and lease of formwork systems and scaffolding,
- preliminary assembly of formwork elements for engineering structures,
- sales of merchandise:
- accessories for reinforced concrete works,
- formwork plywood.

Information on the output markets broken down into the domestic and foreign markets and information on sources of supplies of materials for production, goods and services with specification of dependence level on one or more customers and suppliers, and in the case in which the share of one customer or supplier is equivalent to at least 10% of total sales revenues – names of supplier(s) or customer(s), share in sales or supplies and formal relations with the Issuer

The Company's sales are focused on the domestic market. Total sales on that market constitute app. 79% of the Company's revenues. Almost 45% of the revenues is concentrated in a group of 15 largest construction companies in Poland.

Export sales are performed mainly on the eastern and southern European markets and in Asia through the Company's own sales network. In 2015, the share of exports in the total sales revenues accounted for over 12%, as compared to approx. 21% of the revenues generated in 2014.

In addition to Kazakhstan, the goods and services were also exported to Ukraine, Lithuania, Kaliningrad (oblast), Romania, the Czech Republic, Germany and Spain.

A significant part of supplies comes from the principal shareholder with its seat in Spain – in 2015, purchases from Spain accounted for 16.7% of total sales of the Company. The remaining purchases of goods as regards formwork systems come from independent suppliers from Germany, Austria and Poland.



Information concerning concluded contracts of significance to the Issuer's operations, including contracts concluded between the shareholders, insurance, cooperation or collaboration contracts

During the period covered by the report, ULMA Construcción Polska S.A. entered into no agreements with its shareholders. Other transactions and contracts were of standard and routine nature and were concluded on an arm's length basis, and their nature and terms and conditions resulted from the current operating activities conducted by the Company.

Information on organisational or capital relations of the Issuer with the other entities along with specification of its major domestic and overseas investments (securities, financial instruments, intangible fixed assets and real properties), including capital expenditures made outside the group of related companies and the description of the manner of their financing

The ULMA Construcción Polska S.A. Capital Group is controlled by ULMA C y E, S. Coop. with its registered seat in Spain which holds 75.49% of the Company's shares. The remaining 24.51% of the shares are held by more than one shareholder.

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

Parent company:

- ULMA Construcción Polska S.A., a commercial law company with its registered seat in Koszajec, Brwinów Commune. On 15 September 1995, pursuant to a resolution of the Extraordinary General Meeting of Shareholders it was transformed from a limited liability company into a joint stock company (Notary Deed of 15 September 1995, Rep. A 5500/95). It was registered in the Register of Entrepreneurs of the National Court Register under KRS No. 0000055818 by the District Court for the Capital City of Warsaw, 13th Economic Division of the National Court Register

Subsidiaries:

- ULMA Opalubka Ukraina with its registered seat in Kiev, at the address: Gnata Yury 9, established on 18 July 2001, registered at the Sviatoshyn State Administration Division for the City of Kiev under No. 5878/01, ID code 31563803. The company's business comprises of the sale and lease of formwork and sale of construction materials. The issuer holds 100% of the share capital and of the total number of votes.
- ULMA Opalubka Kazachstan with its registered seat in Astana at 25 Taszenowa Street, entered on 27 August 2010 into the Register of the Ministry of Justice by the Department of Justice of the Capital City of Astana under the number 37635-1901-TOO/NU/, The company's business comprises of the sale and lease of formwork and sale of construction materials. The issuer holds 100% of the share capital and of the total number of votes.
- "ULMA Construcción BALTIC" with its registered seat in Vilnius, at 41-12 Pylimo Street, registered on 27 April 2012 in the Register of Legal Entities of the Republic of Lithuania under number 302770757. The company's business comprises of the sale and lease of formwork and sale of construction materials. The issuer holds 100% of the share capital and of the total number of votes.



Associated company:

- ULMA Cofraje S.R.L Cofraje S.R.L., with its registered seat in Bragadiru at Soseaua de Centura No. 2-8 Corp C20 (Romania), entered into the Commercial Register of Romania after changing the address under number J23/289/30.01.2013, The issuer holds 30% of the share capital and of the total number of votes.

Information on significant transactions concluded by the Issuer or its subsidiary with related companies on terms and conditions other than arm's length conditions, providing their values and information specifying the nature of those transactions

The transactions concluded in 2015 by ULMA Construcción Polska S.A. and its subsidiaries with related entities were of standard and routine nature. They were concluded on an arm's length basis, and their nature as well as terms and conditions resulted from current business operations.

Major transactions were transactions with the parent company, ULMA C y E, S. Coop. (Spain), including:

- purchases of formwork systems and scaffoldings as well as lease of formwork and scaffoldings from ULMA C y E, S. Coop. of total value of PLN 28,104 thousand; and
- short-term loans granted in 2015 in the total amount of PLN 82,001 thousand, whereas these loans were repaid in whole at maturity (amounts repaid in 2015 totalled PLN 50,001 thousand) and the outstanding amount of the loan maturing on 20 September 2016 is PLN 32,000 thousand as at the balance sheet date, i.e. 31 December 2015.

Information on credit agreements and loans incurred or terminated in the financial year, providing at least their amount, type, as well as the interest rate, currency and maturity date

In the financial year 2015, ULMA Construcción Polska S.A. did not make any amendments to the credit agreements concluded with banks.

On 19 June 2015, ULMA Construcción Polska S.A. concluded with mBank S.A. an agreement for "electronic repayment of liabilities" to some of its suppliers from the credit facility of PLN 5,000 thousand, binding until 30 June 2016. The purpose of the credit facility is optimisation of the working capital financing.

Information on loans and warranties granted in a given financial year with particular consideration of their maturity dates as well as granted warranties and guarantees, with particular consideration of loans, warranties and guarantees granted to the Issuer's related parties

ULMA Construcción Polska S.A. granted its subsidiary – ULMA Opalubka Ukraina sp. z o.o. – an investment loan in the amount of EUR 3,100 thousand of fixed interest rate at the market level. Pursuant to the Annex of 15 September 2011, the repayment deadline expires on 25 December 2015. As at 31 December 2015, this loan was fully repaid.

ULMA Construcción Polska S.A. granted its subsidiary, ULMA Opalubka Ukraina Sp. z o.o., an investment loan in the amount of USD 1,500 thousand of fixed interest rate at the market level. The repayment deadline was set to 31 December 2016. As at 31 December 2015, the balance of the loan was USD 1,500 thousand. The Management Board intends to extend the deadline for the repayment of the loan.

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



ULMA Construcción Polska S.A. granted its associate - ULMA Cofraje srl Romania - a loan in the amount of EUR 241,000. The loan was granted on an arm's length basis, and expires on 31 May 2017. As at 31 December 2015, the balance of the loan was EUR 221.9 thousand.

ULMA Construcción Polska S.A., by way of an annex of 3 November 2014, increased the amount the investment loan granted to a subsidiary, ULMA Construcción BALTIC, up to EUR 2,500 thousand. The loan was granted on an arm's length basis, and expires on 30 June 2018 (annex dated 15 July 2014). As at 31 December 2015, the loan balance amounted to EUR 2,500 thousand.

During 2015, ULMA Construcción Polska S.A. granted its parent entity, ULMA CyE, S. Coop, several short-term loans in the total amount of PLN 82,001 thousand. All loans were granted on an arm's length basis. All loans granted were repaid on a timely basis.

On 30 December 2015, ULMA Construcción Polska S.A. granted to the parent company, ULMA C y E, S. Coop. (Spain), a loan of PLN 32,000 thousand, maturing on 20 September 2016. The Management Board notified thereof in the current report No 16/2015. The loan was granted on an arm's length basis and is secured with a registered pledge on the borrower's assets.

In the case of issue of securities in the period covered by the report – description of the utilisation by the Issuer of proceeds from the issue

In 2015, ULMA Construcción Polska S.A. did not issue any shares.

Explanation of differences between the financial results disclosed in the annual report and the previously published forecasts of the results for a given year

ULMA Construcción Polska S.A. publishes no forecasts concerning the Company's financial results.

Evaluation, together with its justification, concerning the management of financial resources, with particular consideration to capacity to settle the liabilities incurred, and determination of potential risks and actions taken or intended to be taken by the Issuer to counteract these risks

The Company settles its liabilities, including both trade and credit liabilities, on an ongoing basis. In 2015, the Company continued to supplement its asset-related needs (formwork and scaffolding systems) by investment purchases and within the transfer of assets from the countries of operation of the Parent Company (ULMA C y E S, Coop.) of low utilisation. As part of this process, assets rented from subsidiary companies on an arm's length basis are transferred, which allows the Capital Group to optimise the management of its financial resources.

As at 31 December 2015, the debt ratio in the Company amounted to 11.9%, as compared to 12.7% as at 31 December 2014. The decrease in the debt ratio is primarily due to repayment of debts due to loans in whole, as at 31 December 2015.



Evaluation of the capacity to meet the investment targets, including capital investments, comparing to available funds, taking any possible changes in the structure of financing this activity into account

Major investment targets pursued by the Company in 2015 were related to purchases of formwork and scaffolding systems, particularly to enhance the Company's potential in the industrial segment and extending the product portfolio with H&S systems.

Due to cash surplus generated in the course of its operating activities, the Company will be able to continue the aforementioned investment purchases in the subsequent periods.

As at the balance sheet date, the Management Board assumes no changes to the policy of financing the Company's investments pursued to this date.

Evaluation of factors and non-standard events affecting the result of operations for the financial year with specification of impact of those factors or non-standard events on the achieved result

In 2015, there were no non-standards events which could, at present or in subsequent years, significantly affect the Company's financial result.

Description of the external and internal factors of significance to the development of the Issuer's company and description of prospects for such development with consideration to the market strategy of the Issuer

Market in Poland

Against the boom in 2010–2012, in the next 2–3 years, flattening of the demand in the construction sector should rather be expected with the annual growth rate not exceeding a few percent and the infrastructure construction being the driver for the whole sector.

Programmes accepted by the previous government at the end of August and beginning of September 2015 assumed spending PLN 107 billion on **road investments** and PLN 67 billion on investments in the **railway infrastructure** by 2023. Change of the economic policy due to a change of the government will probably involve verification of these investment plans, and additionally, personnel changes in the central government administration can also result in some projects being launched with delay. Irrespective of these factors, construction market analysts (PMR) agree that in 2016 the growth dynamics of the road sector should ultimately reach positive double-digit rates and even exceed 20%. This year, in the railway segment, the peak of tender activities is expected that, after intensive growth in 2015, should be associated with a temporary adjustment of outputs due to completion of last tasks within the previous EU budget. Investments in the power sector should also play an important role in the growth of the engineering sector in 2016. Of the largest projects with the value above PLN 1 billion, 7 projects are currently in the advanced stage, while 2 (Łagisza Power Plant in Będzin and Heat and Power Plant in Żerań) – at the stage of the tender.

Statistics pertaining to building permits indicate that the **non-residential sector** will probably remain stagnant. This may be partially due to market saturation (e.g. in the case of commercial and service construction), and partially – to changes in the economic policy and the resulting more cautious attitude of private investors to launching new projects. The most promising perspectives can be identified in the case



of the industrial and warehouse construction segment, i.a. in relation to the development of the e-commerce business and extension of the period of functioning of SEZ.

In the **residential sector**, analysts (PMR) forecast maintaining the growth dynamics of about 10%. This is supported, i.a., by improving economic situation, employment growth and increase in the purchasing power of the population, as well as the annual dynamics of the number of building permits for residential projects implemented by developers above 20%.

Export markets

The factors which, in the near future, may have an impact on the economic situation and on the Capital Group's revenues generated on foreign markets include:

Ukraine:

- slow stabilisation of the situation in Ukraine (the World Bank forecasts the growth of the Ukrainian GDP by 1% in 2016);
- the Deep and Comprehensive Free Trade Areas (DCFTA) Agreement between Ukraine and the EU coming into force as of 1 January 2016;
- plans for reconstruction, expansion and modernisation of the road infrastructure in Ukraine, including preparation for the implementation programme in the PPP formula;
- starting the next stages of construction of the new safe confinement at the closed Chernobyl nuclear power plant;
- instability of the exchange rate of the local currency (hryvnia).

Kazakhstan:

- still low oil prices resulting in budgetary tensions and difficulties in financing infrastructure development projects from the state budget;
- weakening competitiveness of entrepreneurs from outside the Eurasian Economic Union;
- instability of the exchange rate of the local currency (tenge).

Taking into consideration the aforementioned threats, the Capital Group endeavours to remodel its current activities on this market based mainly on construction of buildings, and to intensify activities aimed at strengthening its presence in the industrial construction sector.

Internal factors material to the Capital Group's further development include:

- having a vast portfolio of products and services, enabling comprehensive support for investments in all construction market sectors, with particular focus on the following sectors: road and bridge construction, power engineering, environmental construction, and high-rise buildings;
- partial renewal of the product portfolio with respect to wall systems and supplementation of the product portfolio with H&S systems in 2015;
- extending portfolio of reference facilities delivered in Poland using advanced formwork technologies (self-climbing system and the sliding construction technology);
- owing funds allowing for flexible financing of investment needs in the area of supplementing the product portfolio with advanced solutions and necessary replacements.



Changes in the basic principles of managing the Issuer's company and its Capital Group

In 2015, no changes in the basic principles of managing the parent company and the ULMA Construcción Polska S.A. Capital Group were introduced.

Changes in the composition of the management and supervisory bodies of the Issuer in the last financial year, principles of appointing and recalling managing persons and powers of managing persons, in particular the right to decide on issue or redemption of shares

Pursuant to the Articles of Association, the Management Board of the Company is composed of one to five members. Members of the Management Board are appointed and recalled by the Supervisory Board. The term of office of a Management Board member is defined by the Supervisory Board; however, it may not exceed three years. The Supervisory Board defines also the number of members of the Management Board and appoints the President from among them.

In accordance with the Rules and Regulations of the Management Board of ULMA Construcción Polska S.A., the Management Board of the Company adopts resolutions in the issues stipulated by law and the Company's Articles of Association, subject to the provision that resolutions whose adoption must be approved by the General Meeting of the Company's Shareholders or the Company's Supervisory Board, may be adopted upon obtaining such consent. In particular, the Management Board adopts resolutions on matters regarding:

- convening of a General Meeting of Shareholders;
- defining detailed organisational structure of the Company and its internal rules and regulations;
- granting and revoking proxies and powers of attorney;
- incurring credits;
- making investments;
- adopting the rules of the Company's remuneration system;
- setting the accounting principles and methods;
- setting the detailed principles of the Company's financial policy;
- developing the Company's annual financial plans;
- preparation of the Company's internal long-term development plans;
- determination and announcement of the date of payment of dividend allocated to be paid out by the General Meeting.

Pursuant to the Articles of Association the Supervisory Board of the Company is composed of five to nine members appointed by a General Meeting. The term of office of the Supervisory Board is three years.

The Supervisory Board exercises constant supervision over the Company's operations. The tasks of the Supervisory Board include in particular:

- balance sheet audit;
- auditing the report of the Management Board and its proposals as regards distribution of profits or losses;
- suspending the members of the Management Board or the entire Management Board for important reasons;
- appointing a member or members of the Management Board to temporarily perform the tasks of the Management Board in case the entire Management Board has been suspended or is unable to perform its tasks for other reasons;
- approving the rules and regulations of the Company's Management Board;

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



- setting the rules of remuneration of the members of the Management Board;
- permitting the investments and purchases in excess of 4/5 (four fifths) of the nominal value of the share capital or incurring credits in excess of this amount;
- appointing an auditor;
- granting a consent to purchase or sell by the Management Board real property or shares in real property.

In 2015, the composition of the supervisory and management authorities of the issuer changed as follows:

Supervisory Board:

Ander Ollo Odriozola Member of the Supervisory Board until 31 January 2015

Management Board:

José Ramón Anduaga Aguirre Member of the Management Board until 31 January 2015

Ander Ollo Odriozola Member of the Management from 1 February 2015

José Irizar Lasa Member of the Management Board until 31 July 2015

Rodolfo Carlos Muñiz Urdampilleta Member of the Management from 1 September 2015

Agreements concluded between the Issuer and the management assuming compensation in case of their resignation or dismissal from the position held without an important reason or when their recall or dismissal results from the merger of the Issuer through takeover

There are no agreements concluded by and between ULMA Construcción Polska S.A. and the management assuming compensation in the case of their resignation or dismissal from the position held without an important reason or when their recall or dismissal is due to a merger of ULMA Construcción Polska S.A. through takeover, except for non-competition agreements after termination of employment relationship in the Company. The aforementioned agreements provide for a ban on undertaking the activities competitive to those pursued by the Company for a period of 6 to 18 months. Depending on the agreement, remuneration for refraining from conducting competitive activities is an equivalent of between 3-month and 18-month average remuneration of a given managing person.



Amount of remuneration, rewards and benefits, including those resulting from incentive or bonus schemes based on the Issuer's equity, including schemes based on senior bonds, convertible bonds, subscription warrants (in cash, in kind or in any other form), disbursed, due or potentially due, separately for each managing and supervising person of the Issuer in the Issuer's company, regardless of the fact whether these were recognised respectively as costs or resulted from profit distribution; in the case, in which the Issuer acts as the parent company or a major investor – separate information on the amount of remuneration or rewards received due to performing a function in the subsidiary companies' authorities; if relevant information was presented in the financial statements – the obligation is deemed met through indicating the section in which they were disclosed the financial statements

The aforementioned information was included in Note 28 to the Additional information to the financial statements.

Determination of the total number and nominal value of all shares of the Issuer and shares in the Issuer's related entities held by the managing and supervising persons (separately for each person)

According to our best knowledge, no member of the Management Board or the Supervisory Board holds shares in ULMA Construccjon Polska S.A. as at the date of submitting this report.

Identification of shareholders holding directly or indirectly via their subsidiary companies at least 5% of the total number of votes at the General Meeting of the Issuer, providing the number of shares held by such shareholders, their percentage share in the share capital, applicable number of votes and percentage share in the total number of votes at the General Meeting

As at the date of submitting this annual report, the following shareholders hold over 5% of the total number of votes:

- ULMA C y E S, Coop. (Spain) holding directly 3,967,290 shares of ULMA Construccjon Polska S.A., equivalent to 75.49% of the Company's share capital and entitling to 3,967,290 votes at the General Meeting, equivalent to 75.49% of the total number of votes,
- Aviva Otwarty Fundusz Emerytalny Aviva BZ WBK holding directly 466,679 shares of ULMA Construccjon Polska S.A., equivalent to 8.88% of the Company's share capital and entitling to 466,679 votes at the General Meeting, equivalent to 8.88% of the total number of votes,

Information on the agreements the Issuer is aware of (including those concluded following the balance sheet date) which may result in future changes to the distribution of shares held by the present shareholders and bondholders

According to our best knowledge, there are no agreements which may result in future changes to the distribution of shares held by the present shareholders.



Identification of shareholders of any securities entitling to special control rights in relation to the Issuer along with description of such rights

As at the date of submitting this report, there are no securities entitling to special control rights in relation to ULMA Construccjon Polska S.A.

Information on the control system for employee share schemes

No employee share scheme has been implemented in ULMA Construccjon Polska S.A.

Information on:

- // date of conclusion by the Issuer of an agreement with an entity authorised to audit the financial statements on audit or review the financial statements or consolidated financial statements, as well as on the duration of the agreement,
- // remuneration of the entity authorised to audit the financial statements, disbursed or due for the financial year separately for:
 - Auditing the annual financial statements
 - Other certification services, including review of the financial statements
 - Tax advisory services
 - Other services

The review of interim financial statements of ULMA Construccjon Polska S.A. as well as the audit of financial statements of ULMA Construccjon Polska S.A. and consolidated financial statements of the ULMA Construccjon Polska S.A. Capital Group for 2015 were performed by KPMG Audyt Sp. z o.o. spółka komandytowa pursuant to an agreement concluded on 2 July 2015. Total remuneration under the aforementioned agreement amounts to PLN 170 thousand, including the remuneration for review of interim financial statements – PLN 80 thousand.

Review of the interim financial statements of ULMA Construccjon Polska S.A. as well as auditing the financial statements of ULMA Construccjon Polska S.A. and consolidated financial statements of the ULMA Construccjon Polska S.A. Capital Group for 2014 were performed by KPMG Audyt Sp. z o.o. spółka komandytowa pursuant to the agreement concluded on 14 July 2013. Total remuneration under the aforementioned agreement amounts to PLN 170 thousand, including the remuneration for review of the interim financial statements – PLN 80 thousand.



Selected financial data converted into EUR

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

SPECIFICATION	PLN '000		EUR '000	
	12 months of 2015	12 months of 2014	12 months of 2015	12 months of 2014
Net revenues from the sale of products, goods and materials	161,772	171,431	38,657	40,921
Profit (loss) on operating activities	(4,651)	(17,115)	(1,111)	(4,085)
Gross profit (loss)	(130)	(13,749)	(31)	(3,281)
Net profit (loss)	32	(11,901)	8	(2,841)
Net cash flow from operating activities	39,171	36,035	9,360	8,602
Net cash flow from investment activities	(25,617)	(2,678)	(6,121)	(639)
Net cash flow from financial activities	(10,756)	(31,505)	(2,570)	(7,520)
Net cash flows	2,798	1,852	669	442
Basic profit per ordinary share (in PLN/EUR)	0.01	(2.26)	-	(0.54)
Diluted profit (loss) per ordinary share (in PLN/EUR)	0.01	(2.26)	-	(0.54)
	31 December 2015	31 December 2014	31 December 2015	31 December 2014
Total assets	336,167	339,330	78,884	79,612
Liabilities	40,009	43,204	9,388	10,136
Long-term liabilities	4,940	7,745	1,159	1,817
Short-term liabilities	35,069	35,459	8,229	8,319
Equity	296,158	296,126	69,496	69,476
Share capital	10,511	10,511	2,467	2,466
Weighted average number of shares	5,255,632	5,255,632	5,255,632	5,255,632
Number of shares as at the balance sheet date	5,255,632	5,255,632	5,255,632	5,255,632
Book value per share (in PLN/EUR)	56.35	56.34	13.22	13.22

Individual items in assets, equity and liabilities were converted into EUR at the average exchange rates published by the President of the National Bank of Poland in force as at the balance sheet date. Average PLN/EUR exchange rate as at 31 December 2015 was 4.2615, whereas as at 31 December 2014 – 4.2623.

The rate applied to convert items in the statement of comprehensive income and in the cash flow statement was the weighted average of exchange rates in force as at the last day of each month in the given period, i.e. data for the period from 1 January to 31 December 2015 was converted at the PLN/EUR exchange rate of 4.1848, whereas data for the same period in 2014 – at the PLN/EUR exchange rate of 4.1893.

Investor relations

As part of actions aiming at building proper investor relations, the Company appointed a person responsible for contacts with the Stock Exchange, the Polish Financial Supervision Authority and shareholders.

Jolanta Szeląg (22) 506-70-00
jolanta.szela@ulma-c.pl



Statement on the application of corporate governance principles

The Statement of the Management Board concerning the application of Corporate Governance principles in 2015 will be published together with this report of the Management Board on the operations of ULMA Construccjon Polska S.A. in 2015.

Statement by the Management Board of the Company

The financial statements of ULMA Construccjon Polska S.A. for the period of 12 months ended 31 December 2015 were approved by the Management Board of the Company on 17 March 2016.

The financial statements for the period of 12 months ended 31 December 2015 were prepared in order to present the economic and financial standing as well as the results of operations of ULMA Construccjon Polska S.A.

The financial statements of ULMA Construccjon Polska S.A. for the period of 12 months ended 31 December 2015 were prepared in compliance with the International Financial Reporting Standards (IFRS) and the related interpretations announced in the form of regulations of the European Commission.

The financial statements of ULMA Construccjon Polska S.A. for the period of 12 months ended 31 December 2015 include:

- statement of financial position
- profit and loss statement and other comprehensive income
- statement of changes in equity
- cash flow account
- additional information.

According to our best knowledge, the financial statements of ULMA Construccjon Polska S.A. for the period of 12 months ended 31 December 2015 and comparable data were prepared in accordance with the applicable accounting standards and reflect in a true, reliable and transparent manner the economic and financial standing of ULMA Construccjon Polska S.A. and its financial result, and the report of the Management Board on operations of the Company contains a true picture of development, achievements and condition of the Company, including specification of major threats and risks.

The entity authorised to audit financial statements which reviewed the financial statements of ULMA Construccjon Polska S.A. for the period of 12 months ended 31 December 2015 was selected in compliance with applicable regulations. The entity and the auditors reviewing the financial statements meet the requirements of issuing an impartial and independent opinion on the audited financial statements of ULMA Construccjon Polska S.A. for the period of 12 months ended 31 December 2015, in compliance with applicable regulations and professional standards.



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

Andrzej Kozłowski,

President of the Management Board

.....

Andrzej Sterczyński,

Member of the Management Board

.....

Krzysztof Orzełowski,

Member of the Management Board

.....

Rodolfo Carlos Muñiz Urdampilleta,

Member of the Management Board

.....

Ander Ollo Odriozola,

Member of the Management Board

.....

Koszajec, 17 March 2016