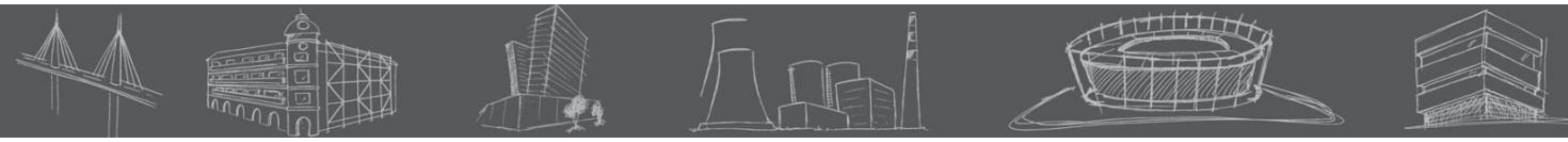
ULMA

EXTENDED CONSOLIDATED STATEMENT

OF THE ULMA Construccion Polska S.A. CAPITAL GROUP

FOR THE 1ST QUARTER OF 2015

From the beginning of your projects



ULMA Construccion Polska S.A. CAPITAL GROUP

GENERAL INFORMATION

Subject of activity

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

- lease and sale of building scaffolding and formwork,
- execution of designs for applications of formwork and scaffolding on commission,
- export of construction services provided by the Group's companies,
- sale of construction materials and raw materials and accessories for concrete,
- transport, equipment and repair activities, including sale and lease of building equipment.

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

Registered office

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

Supervisory Board and Management Board of the Company

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

Audit Committee

Rafał Alwasiak	President of the Committee
Aitor Ayastuy Ayastuy	Member of the Committee
Lourdes Urzelai Ugarte	Member of the Committee

Management Board

Andrzej Kozłowski	President of the Management Board
Krzysztof Orzełowski	Member of the Management Board
Ander Ollo Odriozola	Member of the Management Board
José Irizar Lasa	Member of the Management Board
Andrzej Sterczyński	Member of the Management Board

Chartered Auditor

KPMG Audyt Sp. z o.o. limited liability partnership
ul. Chłodna 51
00-867 Warszawa
The company is registered in the list of entities authorized to audit financial statements under the number 3546.

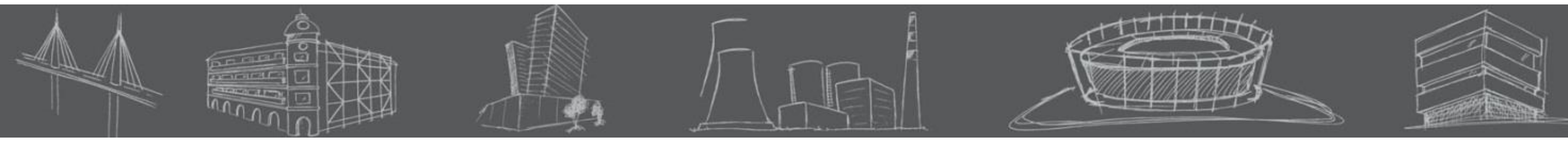
Banks

BRE Bank S.A.,
PEKAO S.A.,
BNP PARIBAS Bank Polska S.A.
PKO Bank Polski S.A.
Sabadell Bank (Spain)

Stock exchange quotations

The company is quoted at the Stock Exchange in Warsaw ("WSE").
Symbol at the WSE: ULM.

All amounts expressed in PLN thousand, unless indicated otherwise



ULMA Construccion Polska S.A.
CAPITAL GROUP

CONSOLIDATED FINANCIAL STATEMENT FOR THE 1ST QUARTER OF 2015

Consolidated statement of financial position

As of:

	31.03.2015	31.12.2014	31.03.2014
ASSETS			
I. Fixed assets (long-term)			
1. Tangible fixed assets	207 406	220 269	250 736
2. Intangible fixed assets	181	251	468
3. Interests in associates	(148)	(86)	213
4. Other non-current assets	4 109	4 123	4 164
5. Long-term receivables	907	989	976
Total fixed (long-term) assets	**212 455**	**225 546**	**256 557**
II. Current (short-term) assets			
1. Inventories	7 383	6 856	6 924
2. Trade receivables and other receivables	67 401	67 604	72 594
3. Current income tax receivables	2	24	43
4. Derivative instruments	-	-	40
5. Cash and cash equivalents	41 338	32 110	25 727
Total current (short-term) assets	**116 124**	**106 594**	**105 328**
Total assets	**328 579**	**332 140**	**361 885**
EQUITY AND LIABILITIES			
I. Equity			
1. Share capital	10 511	10 511	10 511
2. Reserve capital – surplus from sale of shares over nominal value	114 990	114 990	114 990
3. Exchange differences from consolidation	(11 998)	(9 882)	(9 128)
4. Retained profit, including:	172 168	172 535	172 057
5. Net profit (loss) on the accounting period	*(367)*	*(5 590)*	*(6 068)*
Total equity	**285 671**	**288 154**	**288 430**
II. Liabilities			
1. Long-term payables			
a. Credits and loans	-	-	3 780
b. Deferred income tax liabilities	3 939	5 051	7 341
c. Long-term pension benefit liabilities	173	173	136
Total long-term liabilities	**4 112**	**5 224**	**11 257**
2. Short-term liabilities			
a. Credits and loans	3 790	10 625	28 704
b. Short-term pension benefit liabilities	6	6	3
c. Short-term financial leasing liabilities	-	-	115
d. Current income tax liabilities	1 162	1 844	798
e. Derivatives	15	75	-
f. Trade liabilities and other liabilities	33 823	26 212	32 578
Total short-term liabilities	**38 796**	**38 762**	**62 198**
Total liabilities	**42 908**	**43 986**	**73 455**
Total equity and liabilities	**328 579**	**332 140**	**361 885**

Consolidated profit and loss account and other total income

	1Q 2015	1Q 2014
Sales revenues	43 025	48 174
Costs of goods, products and materials sold	(36 580)	(44 231)
I. Gross sales profit	**6 445**	**3 943**
Sales and marketing costs	(1 158)	(6 401)
General administrative costs	(4 304)	(3 856)
Other operating expenditures	228	166
II. Profit (loss) at operating level	**1 211**	**(6 148)**
Financial revenues	374	110
Financial expenses	(1 703)	(789)
Net financial expenses	*(1 329)*	*(679)*
Share in profit (loss) in associated companies	(57)	(68)
III. Profit (loss) before tax	**(175)**	**(6 895)**
Current income tax	(1 388)	(1 058)
Deferred income tax	1 196	1 885
IV. Net profit (loss) of the accounting period	**(367)**	**(6 068)**
Other total income, which may be settled with profit (loss):		
Exchange differences from conversion of foreign subsidiaries	(2 031)	(4 621)
Income tax referring to the total other income items	(85)	(9)
V. Total income of the accounting period	**(2 483)**	**(10 698)**
Profit (loss) of the accounting period falling to owners from the parent entity	(367)	(6 068)
Average weighted number of ordinary share	5 255 632	5 255 632
Basic and diluted profit (loss) per share in the accounting period (in PLN per share)	(0.07)	(1.15)

All amounts expressed in PLN thousand, unless indicated otherwise

Statement of changes in consolidated equity

Details	Share capital in nominal value	Surplus from sale of shares over nominal value	Exchange differences from consolidation	Retained profit	Total equity
State as of 31.12.2013	**10 511**	**114 990**	**(4 498)**	**178 125**	**299 128**
Total income in 2014	-	-	(5 384)	(5 590)	**(10 974)**
State as of 31.12.2014	**10 511**	**114 990**	**(9 882)**	**172 535**	**288 154**
Total income in 1Q 2015	-	-	(2 116)	(367)	**(2 483)**
State as of 31.03.2015	**10 511**	**114 990**	**(11 998)**	**172 168**	**285 671**

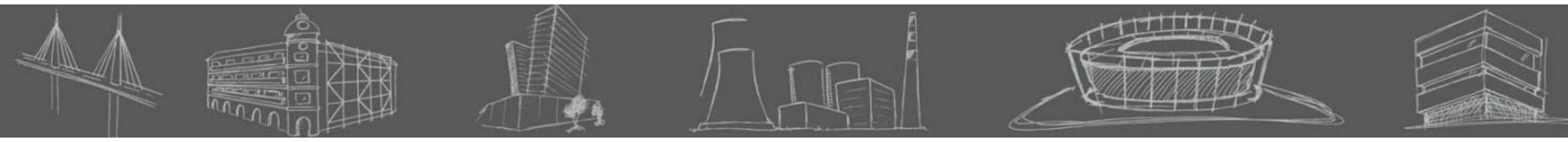
Details	Share capital in nominal value	Surplus from sale of shares over nominal value	Exchange differences from consolidation	Retained profit	Total equity
State as of 31.12.2013	**10 511**	**114 990**	**(4 498)**	**178 125**	**299 128**
Total income in 1Q 2014	-	-	**(4 630)**	**(6 068)**	**(10 698)**
State as of 31.03.2014	**10 511**	**114 990**	**(9 128)**	**172 057**	**288 430**

All amounts expressed in PLN thousand, unless indicated otherwise

Consolidated cash flow statement

	1Q 2015	1Q 2014
Net profit of the accounting period	**(367)**	**(6 068)**
Adjustments:		
- Income tax	192	(827)
- Depreciation of fixed assets	14 922	17 636
- Depreciation of intangible assets	63	101
- Net value of sold formwork – fixed assets	2 498	3 377
- (Profit)/loss from changes in fair value of financial instruments	(60)	3
- Change in share value in the associates	62	68
- Received interest	(379)	(110)
- Interest expenses	88	546
- (Profit)/Loss on exchange differences	522	(3 207)
Changes in working capital:		
- Inventories	(527)	(117)
- Trade receivables and other receivables	203	(377)
- Trade liabilities and other liabilities	9 704	(836)
	26 921	**10 189**
Income tax paid	(2 048)	(1 252)
Net cash flows from operating activities	**24 873**	**8 937**
Acquisition of tangible fixed assets	(8 956)	(4 083)
Receipts from sale of tangible fixed assets	4	23
Acquisition of intangible and legal assets	(1)	(2)
Loans granted	(38 161)	(5 012)
Repayment of loans granted	38 161	5 012
Interest received	379	54
Net cash flows from investing activities	**(8 574)**	**(4 008)**
Credits and loans received	-	807
Repayment of credits and loans	(6 824)	(9 543)
Payments for financial leasing	-	(24)
Interest paid	(99)	(564)
Dividend payment	-	-
Net cash flows from financing activities	**(6 923)**	**(9 324)**
Net increase/(decrease) in the balance of cash and overdraft on current account	**9 376**	**(4 395)**
Balance of cash and overdraft on current account as at period beginning	32 110	29 748
Exchange (loss)/profit from valuation of cash and overdraft on current account	(148)	374
Balance of cash and overdraft on current account as at period end	**41 338**	**25 727**

All amounts expressed in PLN thousand, unless indicated otherwise



ULMA Construccion Polska S.A.
CAPITAL GROUP

ADDITIONAL INFORMATION TO THE CONSOLIDATED FINANCIAL STATEMENT

Notes to the consolidated financial statement

Description of the major accounting principles applied

The basic accounting principles applied in preparation of this consolidated financial statement are presented below. The described principles were applied in all the presented periods on a continuous basis.

Preparation basis

The consolidated financial statement of the ULMA Construccion Polska S.A. Capital Group, parent entity of which is ULMA Construccion Polska S.A. with its registered office in Warsaw, was prepared for the period of 3 months ended on 31 March 2015 in accordance with AIS 34 "Interim financial reporting".
This statement has been prepared in line with historical cost principle, excluding financial assets and liabilities (derivative financial instruments) measured at fair value through the profit and loss account.

Consolidation

The subsidiary entities are all entities (including special purpose ones), whose financial and operating policies can be controlled by the Group, which is usually associated with holding the majority of the overall number of votes in the authorities of those entities. When assessing, whether the Group controls a given entity, the existence and impact of potential voting rights which may be either executed or exchanged at a given moment, should be considered. The subsidiary entities are subject to full consolidation starting from the day of taking-over the control by the Group. Consolidation discontinues as of the day of termination of control. Acquisition (takeover) cost is established as fair value of the assets handed over, capital instruments issued and liabilities contracted or received as of the exchange day, increased by the costs directly related to the takeover. Identifiable acquired assets and liabilities, including contingent liabilities acquired under merger of business entities, are initially valued at their fair value as of the acquisition day, regardless of percentage value of possible minority shares. Surplus acquisition cost over fair value of the Group's share in the identifiable acquired net assets is recognized as goodwill. If the acquisition cost is lower than fair value of the net assets of the acquired subsidiary entity, the difference is recognized directly in the financial result.

Transactions, settlements and unrealized profit on transactions between the Group's companies are eliminated. Unrealized loss is also subject to elimination, unless the transaction provides the evidence for impairment of the transferred asset.

Foreign exchange differences on cash items included into the net investment in an entity operating abroad are recognized accordingly in the financial result of the individual financial statement of the entity preparing the consolidated financial statement or of the entity operating abroad. In the consolidated statement, such differences are primarily recognized in a separate equity position and in the other total income, whereas on disposal of the net investment it is recognized in the financial result.

The accounting principles applied by the subsidiary entities have been changed as necessary to ensure compliance with the accounting principles applied by the Group.

Valuation of items expressed in foreign currencies

Functional currency and presentation currency

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

Transactions and balances

Transactions expressed in foreign currencies are converted into the functional currency at the exchange rate in force at the transaction day. Exchange profit and loss from the settlement of these transactions and from the balance sheet valuation of cash assets and liabilities expressed in foreign currencies are recognized respectively in the financial result. Exchange differences, both positive and negative, related to investing and financial activities, are ranked among the financial expenses.
Exchange differences related to realization and balance sheet valuation of trade settlements, increase or decrease the revenue or expense items, to which they are related on an operational basis.
The Group adopts the average exchange rate of a given currency announced by the NBP as of the balance sheet date as the closing rate of a given currency used for the purposes of balance sheet valuation of assets and liabilities expressed in foreign currencies.

Foreign companies

Financial statements of the companies belonging to the ULMA Polska S.A. Capital Group, for which the functional currencies differ from the presentation currency, are converted to the presentation currency as follows:

- assets and liabilities are converted at the closing rate in force as of the balance sheet date,
- revenues and expenses in the total income statement are converted separately for each accounting month, at the closing rate in force as of the last day of a given month,
- all resulting exchange differences are recognized as a separate item of equity and recognized in the other total income.

Currency exchange rates and inflation

	Average exchange rate of PLN to hryvnia (UAH) published by the National Bank of Poland	Average exchange rate of PLN to litas (LTL) published by the National Bank of Poland	Average exchange rate of PLN to tenge (KTZ) published by the National Bank of Poland	Average exchange rate of PLN to euro (EUR) published by the National Bank of Poland	Change to the index of consumer goods and services published by the Central Statistical Office
31 March 2015	0.1623	-	0.020386	4.0890	-1.5%
31 December 2014	0.2246	1.2344	0.019232	4.2623	0.0%
31 March 2014	0.2693	1.2081	0.016657	4.1713	0.6

Financial instruments

Financial instruments recognized in the statement of financial position include cash in hand and cash at bank, trade receivables and other receivables, financial assets shown at fair value settled through the financial result, financial assets available for sale, trade liabilities and other liabilities as well as credits and loans.
The adopted methods of presentation and valuation of the individual financial instruments are presented below with the description of the adopted accounting principles.

All amounts expressed in PLN thousand, unless indicated otherwise

Derivative financial instruments have been initially recognized at fair value as af the contract formation time. Their value is then updated to the current fair value. Since the derivative instruments held by the Group do not qualify for hedge accounting, the result of their valuation at fair value is recognized in the financial result.
As of each balance sheet day, the Group assesses, whether there are any premises evidencing the impairment of financial assets. If this type of events occurs, the Group recognizes the cumulative loss, defined as the difference between the balance sheet value and the current fair value in the statement of total income, decreasing the balance sheet value of a given asset at the same time.

Tangible fixed assets

Tangible fixed assets, representing buildings, machines and equipment used for production, delivery of products and provision of services or for management purposes, have been valued as of the balance sheet day at the purchase price or production cost, lessen by cumulative amortization and impairment write-downs.
Later investments are recognized in the balance sheet value of a given fixed asset or as a separate fixed asset (as applicable) only if it is probable that the Group will receive economic benefits from the above, and the cost of a given item are reliably measurable. Later investments not increasing the initial utility value of a given fixed asset charge the costs of the period, in which they were incurred.
The lands owned by the Group are recognized at the purchase price and are not subject to depreciation. Other fixed assets are depreciated using the straight line method to spread their initial value, decreased by possible residual value throughout their life cycle for the individual groups of assets.

The following life cycles (in years) have been adopted for the individual groups of fixed assets:

- buildings and constructions **25 – 40**
- investments in third party buildings **10**
- machinery and technical equipment **3 – 20**
- fittings, formwork systems and other fixed assets **2 – 8**

The residual value and life cycles of fixed assets are verified as at each balance sheet day and adjusted, if necessary.
If the balance sheet value of a fixed asset exceeds its estimated recoverable value, the balance sheet value is decreased to the level of recoverable value (Note 1I).
Profit and loss from disposal of fixed assets are established by comparing the receipts from their sale with their balance sheet value and recognized in the financial result.

Leasing – lessee's (beneficiary's) accounting

Leasing of assets, in which significant part of the risks and benefits from the ownership title actually remains with the lesser, constitutes the operating leasing. Leasing charges, in which the Group is charged under the operating leasing, charges the financial result on linear basis throughout the duration of the leasing agreement.
fixed assets, in which the Group takes over a significant part of the risks and benefits from the ownership title, constitutes the financial leasing. The subject matter of financial leasing is recognized in assets as of the day of the leasing commencement at: fair value of the subject matter of the leasing or current value of the minimum leasing charges, whichever is lower. Leasing charges incurred in the reporting period in the part of principal installment, decrease the principal part of the financial leasing liability, while the remaining part, constituting the interest part, burdens the financial expenses of this period. Dividing the leasing

charges into the principal part and the interest part is performed in a way enabling establishment of a fixed interest rate with respect to remaining liability to be paid.
Tangible fixed assets being the subject matter of financial leasing are recognized in the statement of financial position on par with other fixed assets and are subject to depreciation according to the same principles. If there is no reliable certainty that after the expiry of the leasing agreement the Group will obtain the ownership right, the assets are depreciated over the leasing period or over their life cycle, whichever is shorter.

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

Leasing is an agreement, under which, in return for a charge or a series of charges, the lessor (the financing party) passes the right to use a certain asset over an agreed period of time to the lessee (the beneficiary). In the case of handing over the assets in the operating leasing, a given asset is recognized in the statement of financial position according to its character (kind). Revenues from operating leasing are recognized using the straight line method throughout the leasing period.
The subject matter of short term operating leasing are fixed assets included into the "Formwork systems." group.

Intangible assets

Software

Purchased software licenses are recognized in the assets at the level of expenditures incurred for their purchase and preparation of specific software for use. The recognized costs are written off throughout the estimated period of software use, i.e. 2-5 years.

Impairment of fixed assets

Fixed assets subject to depreciation are analyzed from the impairment perspective in the case of any premises indicating the possibility of failing to realize the balance sheet value of held tangible fixed assets and intangible assets. The amounts of write-downs established in the analysis (impairment test) decrease the balance sheet value of the concerned assets, and are recognized in the expenditures of the period. Impairment loss is recognized in the amount, by which the balance sheet value of the given asset exceeds its recoverable value. The recoverable value is: either the fair value decreased by the costs of preparation to sales or the utility value (reflected by the current value of cash flows related to the given asset), whichever is higher. For the purposes of impairment analysis, the assets are grouped at the lowest level, for which separately identifiable cash flows (profit generating centers) occur. Non-financial assets other than goodwill, subject to impairment in the past, are reviewed for possible reversal of the write-down as of each balance sheet date.

Investments

Financial assets available for sales

The Group's investments include value of shares and interests in the entities other than the subsidiaries and associates. Investments in other entities are presented as financial assets available for sale, since the Management Board does not intend to dispose these investments during the next 12 months. Investments are initially recognized at fair value increased by additional transaction costs. Increases in value of investments due to update to fair value are posted to equities. Decreases in value of investments, for which increases have been made earlier, reduce the revaluation capital. All other decreases from impairment burden the financial result. As for financial instruments available for sale, whose fair value cannot be established in a reliable manner (there is no active market for those instruments), valuation is carried out at purchase cost of the financial instrument, reduced by write-downs updating value of the instrument.

Inventories

Inventories of raw materials, materials, intermediate products, finished products and purchased goods are valued as of the balance sheet day at: either the purchase price (production cost) or the obtainable net sale price, whichever is lower. Cost of finished products and work in progress includes design costs, value of consumed raw materials, direct labour costs, other direct costs and the corresponding departmental production costs (based on normal production capacity), but exclude the expenses of external financing.
Net sale price is the price of sales carried out in the course of normal business operation, reduced by the estimated costs of discontinuing the production and variable costs necessary for bringing the sales into effect.
Valuation of stock outgoings is carried out according to the "first one, first out" (FIFO) principle, except for raw materials and materials for production of formwork, outgoings of which are valued at average weighted purchase prices.
Write-downs are recorded for obsolete, non-transferable and defective inventories, if necessary.

Trade receivables and other receivables

Trade receivables are recognized initially at fair value and then valued using the depreciated cost method with effective interest rate and reduced by impairment write-downs. Trade receivables deemed uncollectible are written off to costs at the moment of their recognition as uncollectible. If the Management Board deems probable that the Group will not be able to recover the amounts due in their original value, an impairment write-down is made. The write-down amount corresponds to the difference between the book value and the current value of the expected future cash flows, discounted at the effective interest rate. Changes in the values of impairment write-downs for trade receivables are recognized in the financial result and charged to costs of sales and marketing within the period, in which the change occurs.

Deferred costs

In the "Trade receivables and other receivables" balance sheet position, the amount of expenses incurred in a given accounting year and referring to the future accounting periods is recognized. Value of such expenses was established in a reliable manner and result in future economic benefits.

Cash and cash equivalents

Cash and cash equivalents are recognized in the statement of financial position at fair value corresponding to their nominal value. These consist in cash in hand and at the bank, other short-term investments of high liquidity level and original maturity period not exceeding 3 months.
Cash balance recognized in the cash flow statement consists in cash and cash equivalents referred to above, decreased by non-repaid amounts of overdraft.
Overdrafts are recognized in the statement of financial position in the liabilities item – short-term credits and loans.

Capitals

Share capital

Ordinary shares are classified as equity. Share capital is recognized at the nominal value of shares. Surplus from sales of shares over nominal value decreased by the costs directly related to issuing new shares is recognized as reserve capital.

Retained profit

The "Retained profit" equity item is used for recognizing cumulative retained profit and loss obtained by the Group in the preceding accounting periods and the financial result of the current accounting year.

Credits and loans

Credits and loans are recognized initially at their fair value reduced by the incurred transaction costs. In the subsequent periods, credits and loans are valued at the adjusted purchase price (depreciated cost) using the effective interest rate.
Credits and loans are ranked among short-term liabilities, unless the Group possesses an unconditional right to delay repayment of a liability by at least 12 months from the balance sheet date.

Reserves

Reserves are established for the existing Group's liabilities (either legal or under the common law) resulting from past events, if the necessity to spend the Group's resources in order to satisfy such liability is possible, and if its estimated value can be established in a reliable manner.

Accrued expenses and deferred income

The "Trade liabilities and other liabilities" item in the statement of financial position, the following is recognized by the Group:

- estimated, in a reliable manner, values of costs incurred in a given reporting period, not invoiced by the suppliers until the balance sheet date. The time and manner of their settlement is justified by the nature of costs being settled, subject to the prudence principle.
- deferred income, including in particular the equivalent of funds for services to be executed in the subsequent reporting periods, received or due from the contracting parties.

Essential estimations and booking estimates

When preparing the financial statement following the International Financial Reporting Standards, the Management Board performs certain booking estimates and considers its own knowledge and estimates with regard to the forecasted changes to the analyzed values. The actual values may differ from the estimated ones. Balance sheet value of tangible fixed assets is established based on estimated life cycles of the individual groups of fixed assets. The adopted life cycles of tangible fixed assets are subject to periodical verification based on analyses carried out by the Group.
Receivables are verified against impairment in the case of any premises indicating their failed recovery. In such case, value of write-downs of receivables is established on the basis of estimates drawn-up by the Group.

Revenues

Revenues include fair value of revenues from sales of products, goods and services, upon lessening by goods and services tax, discounts and rebates.
The Group recognizes the sales revenues as the amount of revenues may be reliably measured and there is a possibility that the entity will obtain economic benefits in the future and the specific criteria described below for each type of the Group's activities have been met.

Revenue from sales of products and goods

Revenues from sales of products and goods are recognized, when significant risks and benefits from the ownership right to the products and goods were transferred to the purchaser and when the amount of revenues may be reliably measured and the collectability of the liabilities is certain enough.
This category is also applied for recognizing the revenues from sales of formwork systems, being the tangible fixed assets. The results on sales of the other tangible fixed assets are recognized in other operating expenditure.
In case of domestic sales, the moment of recognizing revenues from sales of products or goods is the moment of delivery of the products or goods from the Group's warehouse to the purchaser. In case of export sales and inter-Community delivery of goods, the moment of recognizing the revenues depends on delivery terms specified under the Incoterms 2000, written down in the executed contract. For the contracts concluded under the FCA (or EXW) terms, the moment of recognizing the sales revenues is the moment of delivery of products or goods from the Group's warehouse to the recipient. For the contracts concluded under the CPT and CIP terms, revenues from sale of products and goods are recognized as of the date of confirmation of delivery receipt by the customer.

Revenues from sales of services

Revenues from sales of services refer to, primarily, the services related to lease of construction formworks.
Revenues from sales of services are recognized in the period, in which the services were provided, based on the progress of a specific transaction, which is established based on the ratio between the actually executed works to the entirety of services to be executed, provided that:

- amount of revenues can be valued in a reliable manner,
- it is possible that the entity will obtain economic benefits from the performed transaction,
- transaction progress as of the day of revenue recognition can be established in a reliable manner,
- costs incurred in connection with the transaction and costs of completing the transaction can be valued in a reliable manner.

Interests

Revenues on interests are recognized according to the accrual principle using the effective interest rate method. These revenues refer to charges for the use of cash by the Group's companies. If the value of a receivable decreases, the Group reduces its balance sheet value to the level of the recoverable value, equal to the estimated future cash flows discounted at the original effective interest rate of the instrument, and then gradually settles the discount amount in correspondence to the revenues on interests.

Dividends

Revenues on dividends are recognized at the moment of acquiring the right to receive the payment.

Deferred income tax

Tax assets and liabilities for deferred income resulting from interim differences between the tax value of assets and liabilities and their balance sheet value, are recognized in the consolidated financial statement using the balance sheet method. However, if the deferred income tax resulted from the initial recognition of an asset or liability under a transaction other than merger of business entities, which has no impact on either the financial result or tax income (loss), then it is not recognized. Deferred income tax is established applying the tax rates (and regulations) in force, legally or de facto, as of the balance sheet day, which are expected to be in force at the time of realizing the relevant deferred income tax assets or satisfying the deferred income tax liability.

Deferred income tax assets are recognized, if it is probable that the company will obtain taxable income in future allowing for making use of the interim differences.

The deferred income tax assets and liabilities are compensated, if there is an enforceable right to offset the current assets and tax liabilities and if the entity intends either to pay the tax in the net amount or at the same time realize the receivables and settle the liabilities.

Employee benefits

Retirement severance pays

Benefits due to retirement severance pays are payable in the case of employee acquiring the right for retirement benefit under the Labour Code. The amount of the retirement severance pay due to the employee acquiring the retirement rights is calculated at the level of an additional remuneration for one month, calculated as the equivalent for holiday leave. The Group recognizes the reserves for retirement severance pays. Value of the corresponding liability is calculated by the independent actuaries on annual basis.
The basis for calculating the reserve for employee is the anticipated amount of the retirement severance pay agreed to be paid by the Group under the Regulations. The amount so calculated is discounted on actuarial basis as of the balance sheet date. The discounted amount is reduced by the amounts of annual write-downs to the reserve discounted on actuarial basis as of the same day, made to increase the reserve per employee. The actuarial discount means the product of the financial discount and the probability of reaching by individual employee of the Group of the retirement age. According to IAS 19, the financial discount rate to calculate the current value of employee benefit liabilities was established on the basis of market rate of return from treasury bonds, currency and redemption date of which correspond to the currency and estimated date of satisfying the employee benefit liabilities.

Definition of the accounting periods presented

This statement presents the following accounting period:

- IQ 2015 - period between 1 January and 31 March 2015
- IQ 2014 - period between 1 January and 31 March 2014

Additional information to the quarterly statement

Brief description of significant successes or failures of the issuer in the concerned period, including the list of key related events and description of factors and events, in particular of non-standard nature, which had a significant impact on the delivered financial results.

Market environment in Poland

The first three months of 2015 proved to be relatively unsatisfactory for the construction industry. According to all forecasts, significantly higher performance will be possible as late as in the second half of 2015.

According to the initial data of the Central Statistical Office, the most rapidly developing economic sector in the 1Q 2015 was the industry, with a recorded positive sold production rate of +5.3%, whereas the growth rate of total construction and assembly production reached only +3.3%. In this economic sector, the highest growth rate was recorded in the **engineering sector (+7.6%),** whereas in the most significant from the perspective of Capital Group revenues segment - bridge facilities construction - the construction and assembly production faced further decrease by o -14.3%, upon dropdowns recorded in the 4Q 2014 and the entire 2014. Downward trend has been also recorded in the **non-residential construction industry,** being one of the core activities of the Capital Group; **the office building segment** recorded decrease of -4.4%, whereas the commercial and service construction dropped down by -16.8%. The construction and assembly production in the **residential sector** increased by +2.9%.

Market environment abroad

In the 1Q 2015, Kazakhstan has faced sustaining low prices of crude oil, having a negative impact on budgetary revenues of this country and resulting in suspension of certain infrastructural projects and limitation of investment plans of the extraction industry companies.

Continuing devaluation pressure on tenge (local Kazakhstan currency) and establishment of the Euroasian Economic Union on 1 January 2015 additionally weaken the competitive position of the companies outside the Union.

Unstable political situation in eastern Ukraine contributed to drastic reduction of the investment activity and deepening recession. In the 1Q 2015, the construction and assembly production in Ukraine dropped by 31.3% comparing to the low basal level from the previous year.

In Ukraine, the impact of local currency devaluation (hryvnia) takes a heavy toll for maintaining the capacity of the foreign companies operating on this market. In February 2015, the hryvnia currency rate was 'released', which immediately translated into large-scale devaluation reaching 105%. By the end of the 1Q 2015, hryvnia partially managed to make up losses upon the approval of aid programme of the International Monetary Fund for this country, however, as of the end of March 2015, the devaluation scale continues to be significant (app. 40%).

	UAH/PLN
31 December 2014	4.4524
28 February 2015	9.1241
% increase comparing to 31 December 2014	104.93%
31 marca 2015 r.	6.1614
% increase comparing to 31 December 2014	38.39%

Operating profitability

In the 1Q 2015, the Captial Group obtained a positive result on the operating activity, amounting to PLN 1 211 thousand, comparing to negative result of PLN (6 148) thousand in the same period of the preceding year.

The basic figures related to EBIT (operating profit) and EBITDA (operating profit + depreciation) in the analyzed periods were as follows:

	1Q 2015	2014	1Q 2014
Sales	43 025	192 492	48 174
EBIT	**1 211**	**(4 180)**	**(6 148)**
% of sales	2.81	(2.17)	(12.76)
Depreciation	14 985	68 203	17 737
EBITDA	**16 196**	**64 023**	**11 589**
% of sales	37.64	33.26	24.06

In the 1Q 2015, the Capital Group recorded the EBITDA increase in absolute terms by PLN 4 607 thousand comparing to the result of 1Q 2014.

The a/m improvement in the result on the operating activity and operating profitability rates was enabled by positive effects of reorganization and saving-oriented activities, concerning in particular the operation of the Capital Group in Poland, which have been consistently implemented by the Management Board of the Capital Group in 2014. These actions were focused on multi-level operating cost optimization and their adjustment to the current market situation, including: adjustment of employment and wage bill, renegotiations of contracts for external services related to the management and operation of logistics centers, optimization of the car fleet management and optimizations in repair activities related to the formwork and scaffolding systems owned.

The positive effects of these actions on the operating results of the Capital Group have been visible from the beginning of 2014, however these were clearly revealed in the financial results of the Capital Group starting from the second half of 2014. Positive effects are also noticeable in the 1Q 2015 comparing to the same period in the previous year.

All amounts expressed in PLN thousand, unless indicated otherwise

Since last year, the Capital Group have consistently executed the policy of strengthening its position on the export markets (Kazakhstan, Ukraine and Lithuania), aiming at geographical diversification of its operation. Commercial activities on these market have been executed by the subsidiaries or under the direct export transactions. In effect, total share of revenues from the export market maintained at the level reached in the same period of the previous year (25% in 1Q 2105 comparing to 29% in the 1Q 2014). However, facing the upward trend on the domestic market in Poland and increasingly difficult situation on the export markets (in particular in Kazakhstan and Ukraine), one should expect that the share of export in total revenues of the Capital Group recorded in 2014 will be difficult to maintain.

In the 1Q 2015, the Capital Group created write-downs for receivables in the amount of PLN 359 thousand comparing to 5 528 thousand in the same period of the previous year (presented in the "sales and marketing costs" item). This one-time phenomenon recorded in the 1Q 2014 resulted from estimation of risk associated with the recovery of receivables in connection with the court proceedings conducted by the Capital Group against its debtor. However, it should be pointed out that all these receivables derive from the 1Q 2014, in which the Capital Group settled the contracts executed by the debtor, thus this phenomenon is neutral for the financial result (risk-bearing receivables recognized in sales are covered with write-downs for receivables in the "Sales and marketing costs" item).

In 2014, the Capital Group developed its structures on the eastern markets (Lithuania, Kazakhstan). With regard to the above, in the 1Q 2015, the administrative costs remain at slightly higher level comparing to the same period in the last year.

Transactions hedging against the exchange risk

The companies of the Capital Group purchase the products (formwork and scaffolding systems and accessories) being the subject-matter of the commercial and service activity from the parent company in Spain, other companies of the ULMA Group and other third companies..

Within the commercial activities, the Capital Group operates on the export markets, in particular in Ukraine, Lithuania and Kazakhstan, by its subsidiaries: Ulma Opałubka Ukraina sp. z o.o., Ulma Construccion BALTIC sp. z o.o. and Ulma Opałubka Kazachstan Sp. z o.o. In effect, the companies of the Capital Group are exposed to the exchange risk, attempted to be reduced by the Capital Group by the following measures:

- participation on the currency market and application of Non Delivery Forward (NDF) futures contracts or
- by adjustment process for the offered prices of services and materials, which is insufficiently effective.

All futures contracts held by the Capital Group (NDF) are concluded only and exclusively for the needs of hedging against the exchange risk and are not of asymmetrical nature.
The Capital Group does not apply the "hedge accounting", in effect of which the results and valuations of hedging transactions (positive and negative) are recognized in the periodic results.

Financial expenses and other total income

The Capital Group uses bank credits for financing investments related to purchase of products intended for lease (i.e. formwork systems and scaffolding systems).

The balance of bank credits (short- and long-term ones) together with the interest accrued until the balance sheet date as of 31 March 2015 amounted to PLN 3 790 thousand, compared to PLN 32 484 thousand as of 31 March 2014.

The consequence of decrease in the balance of credits in financing activities was decrease in the financial expenses related to interest on credits, which in the 1Q 2015 amounted to PLN 88 thousand comparing to PLN 541 thousand in the same period in the previous year.

Rapid change to the foreign currency exchange rates resulted in decrease of share capital of the Group in the 1Q 2015 by PLN 2 116 thousand. This amount was recognized in the “Other total income” item and covers:

- negative foreign exchange differences from conversion of financial statements of foreign entities in the amount of PLN 2 474 thousand,
- positive foreign exchange differences from valuation of intra-group loans recognized according to IAS 21 as net investment in foreign entities in the amount of PLN 358 thousand.

Net financial result

Upon considering the income tax, the Capital Group obtained in the 1Q 2015 the negative net financial result of PLN (367) thousand comparing to PLN (6 068) thousand of negative net financial result in the same period in the previous year.

Cash flows

Abridged statement of cash flows of the Group in the analyzed periods is presented in table below:

	1Q 2015	1Q 2014
Net profit (loss)	**(367)**	**(6 068)**
Depreciation	14 985	17 737
Total financial surplus	**14 618**	**11 669**
Other elements of net flows from operating activities	10 255	(2 732)
Net cash flows from operating activities	**24 873**	**8 937**
Net cash flows from investing activities	(8 574)	(4 008)
Net cash flows from financing activities	(6 923)	(9 324)
Net cash flows	**9 376**	**(4 395)**

Flows from operating activities

In the 1Q 2015, the Capital Group reached a positive financial surplus (net profit + depreciation) amounting to PLN 14 618 thousand.

In the same period, cash flows from operating activities amounted to PLN 24 873 thousand comparing to PLN 8 937 thousand in the same period of the preceding year (increase by 15 936).

Flows from investing activities

In the 1Q 2015, the Capital Group made insignificant investment purchases, for the most to supplement the portfolio of the offered products (formwork and scaffolding systems). In effect, the investment expenditures in the 1Q 2015 related to purchase of tangible fixed assets amounted to PLN 8 936 thousand.

All amounts expressed in PLN thousand, unless indicated otherwise

Flows fom financing activities

In the 1Q 2015, following the schedules under the concluded loan agreements, the Group paid the installments of bank loans incurred in the previous years. Expenditures for such repayment amounted to PLN 6 824 thousand. In the same period of the preceding year, the Group paid loan installments in the total amount of PLN 9 543 thousand. With regard to the above, in the 1Q 2015, the surplus expenditure over revenues from financing activities reached PLN 6 923 thousand comparing to PLN 9 324 thousand of surplus expenditure over revenues in the same period of 2014.

In effect, in the 1Q 2015, the Group recorded the increase in cash and overdraft by PLN 9 376 thousand. to the level of PLN 41 338 thousand as of 31 March 2015.

Explanations of the seasonality or cyclicality of the issuer's business activities in the presented period

Execution of construction works is characterized by high seasonality, translating directly into the revenues obtained from the sales of products and services of the Capital Group. Particularly disadvantageous atmospheric conditions and frequent delays in execution of the budget investments occur usually within the first quarter of the year. The discussed factors usually improve in the subsequent quarters, with the peak of the construction season typically falling in the third quarter of the calendar year

These phenomena induce also the effect of seasonality in repairs of the products owned by the Capital Group (formwork and scaffolding systems). The largest part of these works falls for the construction season, i.e. the second and third quarter of the year.

Information on the issue, redemption and repayment of debt securities and capital securities

No operations of such nature took place in the 1Q 2015.

Information on the paid (or declared) dividend, total and per share, separately for ordinary and privileged shares

No operations of such nature took place in the 1Q 2015.

Information on the events which occurred after the day as at which the abridged quarterly financial statement was prepared, not covered by this statement, but which might have a significant impact on the future financial results of the ULMA Construccion Polska S.A. Capital Group

Despite high achievable effectiveness of activities hedging against the exchange risk, net result from these transactions continues to be influenced by the exchange rate fluctuations. This applies in particular to the transactions hedging the exchange risk arising from balance of internal loans granted by ULMA Construccion Polska S.A. to "daughter" companies.

All amounts expressed in PLN thousand, unless indicated otherwise

In result, the exchange rate fluctuations of EUR and USD to PLN, UAH (Ukrainian hryvnia) and KZT (tenge in Kazakhstan) continue to affect total income generated by the Capital Group.

Information on changes in contingent liabilities or contingent assets which have taken place since the end of the last accounting year

Since the end of the last accounting year, no changes to contingent liabilities and assets have taken place.

Information on revenues and results for the individual business or geographical segments specified in line with the IAS, depending on which division of segments is the basic one

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

- construction site service – the segment covering rental of formwork systems and scaffoldings, together with widely understood logistic service and settlement of the construction process at the end of contract,
- sales of construction materials – the segment covering sales of formwork systems constituting fixed assets and current assets (products and goods) of the Capital Group, as well as of the other construction materials

The results in the segments were as follows:

1Q 2015 - period of 3 months ended on 31 March 2015

Item description	Construction site service	Sales of construction materials	Capital Group
Total sales revenues	34 080	11 590	45 670
Sales between segments	(127)	(2 518)	(2 645)
Sales revenues	**33 953**	**9 072**	**43 025**
Operating expenses without depreciation	(23 106)	(3 723)	(26 829)
EBITDA	**10 847**	**5 349**	**16 196**
Depreciation	(14 546)	(439)	(14 985)
Profit at EBIT operating level	**(3 699)**	**4 910**	**1 211**

1Q 2014 - period of 3 months ended on 31 March 2014

Item description	Construction site service	Sales of construction materials	Capital Group
Total sales revenues	38 502	16 166	54 668
Sales between segments	(926)	(5 568)	(6 494)
Sales revenues	**37 576**	**10 598**	**48 174**
Operating expenses without depreciation	(26 443)	(10 142)	(36 585)
EBITDA	**11 133**	**456**	**11 589**
Depreciation	(17 154)	(583)	(17 737)
Profit(loss) at EBIT operating level	**(6 021)**	**(127)**	**(6 148)**

All amounts expressed in PLN thousand, unless indicated otherwise

Agreed profit (loss) at the operating level to the net financial result of the Group is presented below.

	1Q 2015	1Q 2014
Profit (loss) of segments on the operating level	**1 211**	**(6 148)**
Interest revenues	374	110
Other financial revenues	-	-
Interest expenses	(88)	(546)
Other financial expenses	(1 615)	(243)
Share in associated entities	(57)	(68)
Profit (loss) before tax	**(175)**	**(6 895)**
Income tax	(192)	827
Net profit (loss)	**(367)**	**(6 068)**

All amounts expressed in PLN thousand, unless indicated otherwise

Conversion of selected financial data to euro

	in PLN thousand		In EUR thousand	
WYSZCZEGÓLNIENIE	**1Q 2015**	**1Q 2014**	**1Q 2015**	**1Q 2014**
Net revenues from sales of products, goods and materials	43 025	48 174	10 370	11 499
Result from operating activities	1 211	(6 148)	292	(1 467)
Result before tax	(175)	(6 895)	(42)	(1 646)
Net result	(367)	(6 068)	(89)	(1 448)
Net cash flows from operating activities	24 873	8 937	5 995	2 133
Net cash flows from investing activities	(8 574)	(4 008)	(2 067)	(957)
Net cash flows from financing activities	(6 923)	(9 324)	(1 668)	(2 226)
Net cash flows	9 376	(4 935)	2 260	(1 178)
Diluted profit per ordinary share (in PLN/EUR)	(0.07)	(1.15)	(0.02)	(0.28)
Basic profit per ordinary share (in PLN/EUR)	(0.07)	(1.15)	(0.02)	(0.28)
	31.03.2015	**31.12.2014**	**31.03.2015**	**31.12.2014**
Total assets	328 579	332 140	80 357	77 925
Liabilities	42 908	43 986	10 494	10 320
Long-term liabilities	4 112	5 224	1 006	1 225
Short-term liabilities	38 796	38 762	9 488	9 094
Equity	285 671	288 154	69 863	67 605
Share capital	10 511	10 511	2 571	2 466
Average weighted number of shares	5 255 632	5 255 632	5 255 632	5 255 632
Number of shares as of the balance day	5 255 632	5 255 632	5 255 632	5 255 632
Book value per share (in PLN/EUR)	54.36	54.83	13.29	12.86

The individual items of assets as well as equity and liabilities were converted to EUR using the average exchange rates announced by the President of the National Bank of Poland, in force as of the balance sheet day. The average exchange rate of EUR as of 31 March 2015 amounted to PLN 4.0890 and as of 31 December 2014 - PLN 4.2623.

The items of the statement of total income as well as the cash flow statement items were converted using the exchange rate representing the arithmetical mean of the exchange rates in force as of the last day of each month in the given period, i.e. data for the period from 1.01. to 31.03.2015 were converted at the exchange rate of 4.1803 PLN/EUR, whereas data for the same period of 2013 were converted at the exchange rate of 4.2231 PLN/EUR

Description of the organization of the ULMA Construccion Polska S.A. Capital Group with indication of the entities subject to consolidation

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

All amounts expressed in PLN thousand, unless indicated otherwise

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

Parent entity:

- **ULMA Construccion Polska S.A.** commercial law company with its registered office in Koszajec 50, 05-840 Brwinów. On 15 September 1995, pursuant to the resolution of the Extraordinary Shareholder Meeting, the company was transformed from a limited liability company into a joint stock company (Notarial Deed of 15 September 1995, Rep. A No. 5500/95). It was entered into the Register of Enterpreneurs by the District Court for the Capital City of Warsaw, 20th Economic Division of the National Court Register, under the No. 0000055818.

Subsidiary entites:

- **ULMA Opałubka Ukraina sp. z o.o.** with its registered office in Kiev at Gnat Jura 9, was established on 18 July 2001. It was registered in the Sviatoshin Branch of the State Administration for the City of Kiev under the no. 5878/01 with ID code: 31563803. The core business activity of the company includes sales and lease of formwork systems and sales of construction materials. The issuer's share in the capital and in the overall number of votes is 100%.
- **ULMA Opałubka Kazachstan sp. z o.o.** with its registered office in Astana at Tashenov 25. Its strategic goal is development of the core activity of the Capital Group, i.e. rental of formwork and scaffolding systems and knowledge-sharing in the area of application of formwork technology in the construction process in Kazakhstan. The issuer's share in the capital and in the overall number of votes is 100%.
- **ULMA Construccion BALTIC sp. z o.o.** with its registered office in Vilnius at Pylimo 41-12. The subject-matter of activity of the Company is rental of construction scaffolding and formwork, wholesale and retail sales of building scaffolding and formwork, sales and rental of the other construction equipment and other commercial activity. The issuer's share in the capital and in the overall number of votes is 100%.

In addition, the Group holds shares in the following associate:

- **ULMA Cofraje SRL** with its registered office in Bragadiru at Soseaua de Centura No. 2-8 Corp C20 (Romania), was established on 9 October 2007. The company was registered in the National Office of Commercial Register in Bucharest, under the no. 22679140. Core business activity of the Company includes lease and sales of construction scaffolding and formwork, including on leasing terms and conditions. The issuer's share in the capital and in the overall number of votes is 30%.

The subsidiary companies are fully consolidated, while the associated entity is consolidated using the equity method.

Information on the results of changes to the business entity structure, including changes resulting from merger of business entities, takeover or sales of Capital Group entities, long-term investments, division, restructuring and cessation of business activity

In the period covered by this report, no changes to the ULMA Construccion Polska S.A. Capital Group structure occurred.

Position of the Management Board on the possibility of delivering the previously published result forecasts for this year, with a view to the results presented in the quarterly report comparing to the forecasted results

The ULMA Construccion Polska S.A. Capital Group publishes no forecasts of financial results.

Information on the shareholders holding either directly or indirectly via subsidiary companies at least 5% of the overall number of votes at the general meeting of ULMA Construccion Polska S.A. as of the day of submitting the quarterly statement, together with information on the number of shares held by these entities, their percentage share in share capital, number of votes at the general meeting of shareholders and information on changes in the ownership structure of the major shareholdings in ULMA Construccion Polska S.A. in the period upon the submission of the previous quarterly statement

As of the day of submission of this quarterly statement, the shareholders holding over 5% of the overall number of votes include:

- **ULMA C y E S, Coop.** (Spain), holding directly 3 967 290 shares in ULMA Construccion Polska S.A., which constitutes 75.49% of share in the Company's share capital and gives the right to 3 967 290 votes at the general meeting, which represents 75.49% of the overall number of votes,
- **Aviva Otwarty Fundusz Emerytalny Aviva BZ WBK**, holding directly 466 679*) shares in ULMA Construccion Polska S.A., which constitutes 8.88% share in the Company's share capital and gives the right to 466 679 votes at the general meeting, which represents 8.88% of the overall number of votes.

In the period from submission of the previous quarterly statement, there have been no changes in the ownership structure of significant shareholdings in ULMA Construccion Polska S.A.

List of changes in the ownership of shares in ULMA Construccion Polska S.A. or rights to them (options) by the persons managing and supervising the issuer, according to information held by ULMA Construccion Polska S.A., in the period from submission of the previous statement

According to information held by ULMA Construccion Polska S.A. in the period from submission of the previous statement, no changes in the ownership of shares in ULMA Construccion Polska S.A. or rights to them (options) by the above-mentioned persons occurred. None of the persons managing and supervising ULMA Construccion Polska S.A. holds shares of the issuer.

Information on proceedings pending before a court, authority competent for arbitration proceedings or a public administration authority, including information on:

- proceedings concerning the liabilities or claims of ULMA Construccion Polska S.A. or its subsidiary entity, value of which constitutes at least 10% of the equity of ULMA Construccion Polska S.A., with specification of: subject matter of the proceedings, value of the subject matter of the proceedings, proceeding commencement date, parties to the commenced proceedings and the Company's position;

- two or more proceedings concerning the liabilities or claims, total value of which constitutes, respectively, at least 10% of the equity of ULMA Construccion Polska S.A., with specification of the total value of the proceedings separately in the liabilities and claims, together with the Company's position in such issue, and, with reference to the most significant proceedings in the liabilities and claims groups – with information on their subject matter, value of the subject matter of the dispute, proceeding commencement date and parties to the commenced proceedings

Proceedings concerning claims of ULMA Construccion Polska S.A. as of 31 March 2015:

ULMA Construccion Polska S.A. has been conducting 69 court proceedings, covering the claims (as of the balance sheet as of 31 March 2015) in the total amount of PLN 41 845 thousand. These cases include court proceedings which have not been completed yet by issuing a writ of execution by the court (legal order for payment) or claims from the debtors, against which the court issued a decision on declaring bankruptcy with both the arrangement and liquidation option.

No court proceeding conducted by ULMA Construccion Polska S.A. execeeds 10% of the value of equity of ULMA Construccion Polska S.A.

List specifying the individual groups of court proceedings is presented in the table below:

Details	Number of proceedings	Balance of claims as of 31 September	Current status of the case
Court proceedings	**24**	**21 060**	
including 5 largest cases:			
STRUKTURY Sp. z o.o.		14 525	Proceedings for payment against the Debtor and the guarantor (the "mother" company in Spain).
SIAC CONSTRUCTION Ltd		4 139	Awaited resumption of the court proceeding in Poland upon the completed recovery proceeding in Ireland.
P.H.U. POLKON Sp. z o.o.		715	Proceedings against the Debtor and the guarantor. Awaiting the issuance of writ of execution against Debtors
MARBUD Konstrukcje Sp. z o.o.		648	Proceedings against the Debtor and the guarantor. Awaiting the issuance of writ of execution against Debtors
EDITEC POLSKA SP. Z O.O.		235	The Company awaits the issuance of the writ of execution and opportunity for enforcement proceeding against the Debtor
	Total	**20 262**	**96% of total**
Details	Number of proceedings	Balance of claims as of 31 September 2013	Current status of the case

All amounts expressed in PLN thousand, unless indicated otherwise

Bankruptcy proceedings	**45**	**20 785**	
including 5 largest cases:			
HYDROBUDOWA POLSKA SA		6 602	Notification to a trustee includes receivables from the Debtor from all the deliveries contracts, including construction of A4 motorway (Dębica-Rzeszów), which was carried out by the Debtor in consortium with SIAC Construction ltd.
RADKO Sp. z o.o.		4 358	Regardless of the claim submitted in bankruptcy proceedings (with the option of arrangement), the Company conducts simultaneously several different proceedings, including among others: • enforcement proceedings against the guarantors • 'actio Pauliana' proceeding (residential premises). On 9 January 2015, the Court of Appeal sustained the decision of the court of first instance in favour of the Company. The enforcement proceeding is under way. • Payment claim against the State Treasury for compensation due to non-compliance with the Constitution of so called 'Special Act' of 28 June 2012 (Journal of Laws item 891). On 16 February 2015, the Regional Court decided to dismiss the suit of the Company. The Company appealed from this dismissal and awaits the decision of the court.
HENPOL Sp. z o.o.		1 010	Claim submitted to the trustee
WROBIS SA		844	Claim submitted to the trustee
ALPINE BAU GmbH Sp. z o.o.		815	The claim was submitted both to the trustee in Austria and in Poland within the secondary bankruptcy proceedings, thereby fulfilling the mandatory condition under the Polish 'Special Act' of 28 June 2012 (Journal of Laws, item 891). The Company awaits the preparation of the list of claims.
	Total listed	**13 629**	**66% of total**
Total pending proceedings	**69**	**41 845**	

The Group creates write-downs for receivables, including for all doubtful receivables and receivables under court proceedings. The amounts of these write-downs are presented in the "Sales and marketing costs" item and their value corresponds to the estimated possibility of recovering the receivables under the judicial and debt collection proceedings.

On 28 November 2014 the Court of Appeal in Warsaw issued a decision in favour of the Capital Group in the case on payment of receivables due along with statutory interests and return of process costs against Max Bogl sp. z o.o. The proceeding has last for more than 2 years and ended with payment for the Capital Group, as decided by the court, of the amount of PLN 1 290 thousand of capital receivables increased by interests due and costs of judicial proceedings.

All amounts expressed in PLN thousand, unless indicated otherwise

Information on concluding by ULMA Construccion Polska S.A. or its subsidiary entity of one or multiple transactions with the related entities, provided that these are either individually or jointly of significant nature and were concluded on terms and conditions different from the market ones, along with information on their value and presentation of:

1. information on the entity, with which the transaction was concluded,
2. information on relations between ULMA Construccion Polska S.A. or its subsidiary with the entity being a party to the transaction,
3. information on the subject matter of the transaction,
4. essential terms and conditions of the transaction, with particular focus on financial terms and information on the specific terms and conditions of this agreement laid down by the parties, in particular terms and conditions deviating from those commonly used for this type of agreements,
5. other information on these transactions, if necessary for understanding of the issuer's property and financial condition and financial result,
6. all changes to the transactions with the related entities described in recent annual statement, which might have a significant impact on the issuer's property and financial condition and financial result.

Transactions concluded in the 1Q 2015 by ULMA Construccion Polska S.A. and its subsidiaries with the related entities were of standard and routine nature, were entered into on the market conditions and their nature and terms and conditions resulted from the on-going operating activity.

The key transactions included purchases of form works and lease services for the formwork systems made by ULMA Construccion Polska S.A. od ULMA C y E, S. Coop. of a value of PLN 2 940 thousand.
Within the last 12 months (from 1.04.2014 to 31.03.2015) value of these transactions amounted to PLN 26 705 thousand.

Apart from commercial transactions, ULMA Construccion Polska S.A. granted long-term loans to related entities. List of loans granted as of the indebtedness status on the balance sheet date and as of 30.06.2014 and 31.12.2013 is shown in table below.

Related entity	Value of loan as of 31 March 2015	Value of loan as of 31 December 2014
ULMA Opałubka Ukraine (EUR thousand)	409	1 110
ULMA Opałubka Ukraine (USD thousand)	1 500	1 500
ULMA Cofraje Romania (EUR thousand)	221	221
ULMA Construccion BALTIC (EUR thousand)	2 200	2 200
ULMA Opałubka Kazakhstan (USD thousand)	450	-

The above loans granted to the subsidiary companies are perceived as net investments in the subsidiary entity.
Unrealized exchange differences arising from the valuation of the aforementioned loans (excluding loan to ULMA Cofraje Romania) are recognized directly in equity of the Group.

Information on granting by ULMA Construccion Polska S.A. or its subsidiary of loan surety a loan or granting a guarantee – jointly to one entity or its subsidiary,

provided that total value of the existing sureties or guarantees is an equivalent of at least 10% of the equity of ULMA Construccion Polska S.A., with specification of:

a) name (business name) of the entity, to which the sureties or guarantees were granted,
b) total amount of credits or loans, which was respectively secured or guaranteed in whole or in part,
c) period for which the sureties or guarantees were granted,
d) financial terms, on which the sureties or guarantees were granted, with specification of remuneration of ULMA Construccion Polska S.A. or its subsidiary entity for granting such sureties or guarantees,
e) nature of the relations between ULMA Construccion Polska S.A. and the entity, which incurred the credits or loans.

In the period covered by the statement, ULMA Construccion Polska S.A. granted to loans or guarantees, value of which constituted at least 10% of equity of the Company.

Other information which, in the opinion of the ULMA Construccion Polska S.A. Group, is important for assessing its HR, property condition and financial condition as well as its financial result and changes thereto and information important for assessing the capability of the ULMA Construccion Polska S.A. Group to satisfy its liabilities

In the 1Q 2015 no other, apart from these described above, significant events. The Management Board of ULMA Construccion Polska S.A. is unaware of any other information, which would be of significance for assessment of HR, property and financial conditions, financial result and changes thereto and for assessment of capability of the Capital Group companies to satisfy their liabilities.

Information on the factors which, in the opinion of ULMA Construccion Polska S.A., will influence the results achieved by the ULMA Construccion Polska S.A. Capital Group over at least the upcoming quarter

Market in Poland

Upon minor increase on the construction market in the 1Q 2015, the forecasts for the upcoming quarters, for the most on the 2nd half of 2015, are more optimistic. This will be the period of intensive works at the delayed construction sites, supported from the EU budget for the years 2007-2013 and at the same time of slow implementation of the investment tasks co-financed from the new EU budget. Plans of the largest investor - GDDKiA (General Directorate of National Roads and Motorways) - assume increasing the investment expenditures in the **engineering sector** up to PLN 16 billion (+36.4%) in 2015 and to PLN 27 billion in 2016. Implemented corrective programmes give hope for more effective and reliable preparation of the investments for delivery, considering on-going monitoring of progress and quality of works.

Residential construction should be the second incentive in the sector. Significant increase in the number of commenced construction works (+35.8%) and issued building permits (+38.3%) in the developer investment segment should result as early as in the upcoming months of 2014 with noticeable growth in the construction and assembly production in this sector. Improving situation on the labour market and decreasing costs of obtaining the financing will additionally encourage the households to incur new loans and invest in the residential market.

All amounts expressed in PLN thousand, unless indicated otherwise

After three years of minor drops, the analysts (PMR) expect the recovery in the potentially most stable **non-residential sector,** for the most in construction of industrial, office and hotel facilities. In 2016, this dynamics may however weaken due to the fact of the lowest number of issued building permits in this sector in 10 years.

Foreign markets

The factors, which in the short time perspective may have a (positive or negative) impact on the Company's revenues, present n the foreign markets, include:

- military conflict in the eastern Ukraine, posing a significant barrier to smooth implementation of the most needed economic reforms preparing this country to actual accession to the EU and thus supporting the construction industry growth,
- sustaining significant drop in oil price, reducing the financing opportunities of many investments by the government of Kazakhstan,
- establishment, on 1 January 2015, of the Euroasian Economic Union (with rouble as the common currency), which resulted in weakened competitive position of the countries outside the Union;
- intensified investment activity in Astana, related to preparations of EXPO 2017;
- gradual opening of the contractors in Kazakhstan on cooperation in lease form and recognition of non-price offer parameters guaranteed by the Company (for example experience in managing technically advanced construction projects and project safety) .

• Foreign markets

The Capital Group companies purchase the products (formwork systems and accessories) from the parent entity in Spain or any other companies outside Poland. On the other hand, the Capital Group companies are active on the export market. In result, the Capital Group is exposed to the exchange risk, which it attempts to reduce by activity on the currency market or operation on the futures market and concluding currency futures contracts such as Non-Delivery Forward (NDF).

The Ulma Opałubka Ukraina sp. z o.o. subsidiary incurred long-term intra-group loans denominated in EUR and USD. Due to no possibility of effective hedging against the exchange risk of this transaction, the Company is exposed to currency risk of EUR – hryvnia and USD - hryvnia.

The Management Board attempts to minimize the risk by updating the prices of the offered products and services followed by change to the EUR/hryvnia exchange rate. However, when facing the downward market trends, this hedging is not fully effective.

ULMA Construccion Polska S.A.
CAPITAL GROUP

INDIVIDUAL ABRIDGED FINANCIAL STATEMENT

FOR THE 1ST QUARTER OF 2015

All amounts expressed in PLN thousand, unless indicated otherwise

Statement of financial position

	State as of:		
	31.03.2015	31.12.2014	31.03.2014
ASSETS			
I. Fixed (long-term) assets			
1. Tangible fixed assets	203 024	215 305	247 204
2. Intangible assets	119	172	397
3. Shares in associated entities	8 198	8 198	8 198
4. Other fixed assets	4 109	4 123	4 164
5. Long-term receivables	19 245	20 462	15 880
Total (long-term) fixed assets	**234 695**	**248 260**	**275 843**
II. Current (short-term) assets			
1. Inventories	3 167	2 277	4 251
2. Trade receivables and other receivables	59 267	60 454	69 981
3. Income tax receivables	-	24	43
4. Derivatives	-	-	40
5. Cash and equivalents	38 112	28 315	24 072
Total (short-term) current assets	**100 546**	**91 070**	**98 387**
Total assets	**335 241**	**339 330**	**374 230**
EQUITY AND LIABILITIES			
I. Equity			
1. Share capital	10 511	10 511	10 511
2. Reserve capital – surplus from sale of shares over nominal value	114 990	114 990	114 990
3. Retained profit, including:	167 925	170 625	178 162
a) Net profit (loss) of the accounting period	(2 700)	*(11 901)*	(4 364)
Total equity	**293 426**	**296 126**	**303 663**
II. Liabilities			
1. Long-term liabilities			
a. Credits and loans	-	-	3 780
b. Deferred income tax liabilities	6 289	7 572	10 013
c. Long-term pension benefit liabilities	173	173	136
d. Long-term financial leasing liabilities	-	**-**	-
Total long-term liabilities	**6 462**	**7 745**	**13 929**
2. Short-term liabilities			
a. Credits and loans	3 790	10 625	27 357
b. Short-term pension benefit liabilities	6	6	3
c. Short-term financial leasing liabilities	-	352	115
d. Current income tax liabilities	118	-	-
e. Derivatives	15	76	-
f. Trade liabilities and other liabilities	31 424	24 400	29 163
Total short-term liabilities	**35 353**	**35 459**	**56 638**
Total liabilities	**41 815**	**43 204**	**70 567**
Total equity and liabilities	**335 241**	**339 330**	**374 230**

Profit and loss account and other total income

	1Q 2015	1Q 2014
Sales revenues	36 481	45 433
Costs of products, goods and materials sold	(36 746)	(43 672)
I. Gross sales profit	**(265)**	**1 761**
Sales and marketing costs	(636)	(6 053)
General administrative costs	(2 830)	(2 658)
Other operating expenditure	223	233
II. Profit (loss) on operating level	**(3 508)**	**(6 717)**
Financial revenues	540	2 042
Financial expenses	(41)	(343)
Net financial expenses	*499*	*1 699*
III. Profit (loss) before tax	**(3 009)**	**(5 018)**
Current income tax	(975)	(844)
Deferred income tax	1 284	1 498
IV. Profit (loss) of the accounting period	**(2 700)**	**(4 364)**
Other total income:	-	-
V. Total income of the accounting period	**(2 700)**	**(4 364)**
Net profit (loss) of the accounting period	**(2 700)**	**(4 364)**
Average weighted number of ordinary shares	5 255 632	5 255 632
Basic and diluted profit (loss) per share in the accounting period (in PLN per share)	(0.51)	(0.83)

All amounts expressed in PLN thousand, unless indicated otherwise

Account of changes in equity

Details	Share capital in nominal value	Surplus from sales of shares over nominal value	Retained profit	Total equity
State as of 31.12.2013	**10 511**	**114 990**	**182 526**	**308 027**
Net total income in 2014	-	-	(11 901)	**(11 901)**
Dividend - distribution of profit for 2013	-	-		
State as of 31.12.2014	**10 511**	**114 990**	**170 625**	**296 126**
Net total income in 1Q 2015	-	-	(2 700)	**(2 700)**
State as of 31.03.2015	**10 511**	**114 990**	**167 925**	**293 426**

Details	Share capital in nominal value	Surplus from sales of shares over nominal value	Retained profit	Total equity
State as pf 31.12.2013	**10 511**	**114 990**	**182 526**	**308 027**
Net total income in 1Q 2014 r.	-	-	(4 364)	**(4 364)**
State as of 31.03.2014	**10 511**	**114 990**	**178 162**	**303 663**

All amounts expressed in PLN thousand, unless indicated otherwise

Cash flow statement

	1Q 2015	1Q 2014
Net profit of the accounting period	**(2700)**	**(4 364)**
Adjustments:		
- Income tax	(309)	(654)
- Depreciation of fixed assets	15 669	17 102
- Depreciation of intangible assets	54	94
- Net value of sold formwork – fixed assets	2 599	3 002
- (Profit)/loss from changes in fair value of financial instruments	(60)	3
- Interest received	(379)	(2 041)
- Interest expenses	27	432
- (Profit)/Loss on exchange differences	1366	(134)
Changes in working capital:		
- Inventories	(890)	167
- Trade receivables and other receivables	1 187	(1 460)
- Trade liabilities and other liabilities	6 226	(479)
	22 790	**11 668**
Income tax paid	(1 185)	(396)
Net cash flows from operating activities	**21 605**	**11 272**
Acquisition of tangible fixed assets	(5 180)	(2 791)
Receipts from sale of tangible fixed assets	4	23
Acquisition of intangible assets	(1)	-
Loans granted	(38 161)	(7 765)
Repayment of loans granted	38 161	5 012
Dividends received	-	1 664
Interest received	379	321
Net cash flows from investing activities	**(4 798)**	**(3 536)**
Receipts from share issue	-	-
Credits and loans received	-	-
Repayment of credits and loans	(6 824)	(9 542)
Payments for financial leasing	-	(24)
Interest paid	(38)	(450)
Dividend payment	-	-
Net cash flows from financing activities	**(6 862)**	**(10 016)**
Net increase/(decrease) in the balance of cash and overdraft on current account	**9 945**	**(2 280)**
Balance of cash and overdraft on current account as at period beginning	28 315	26 272
Exchange (loss)/profit from valuation of cash and overdraft on current account	(148)	81
Balance of cash and overdraft on current account as at period end	**38 112**	**24 073**

Description of the major accounting principles applied

The basic accounting principles applied in preparation of this consolidated financial statement are presented below. The described principles were applied in all the presented periods on a continuous basis.

All amounts expressed in PLN thousand, unless indicated otherwise

Investments in subsidiary and associated entities

Investments in subsidiary and associated entities are recognized at the historical cost, adjusted for write-downs. The results of changes in write-downs of investments in subsidiary entities are recognized in the financial revenues or expenses of the reporting period in which the change occurred.

Conversion of selected financial data to euro

Conversion of the selected financial data to euro is presented in table below:

DETAILS	in PLN thousand		in EUR thousand	
	1Q 2015	1Q 2014	1Q 2015	1Q 2014
Net revenues from sales of products, goods and materials	36 481	45 433	8 793	10 845
Result from operating activities	(3 508)	(6 717)	(845)	(1 603)
Gross result	(3 009)	(5 018)	(725)	(1 198)
Net result	(2 700)	(4 364)	(651)	(1 042)
Net cash flows from operating activities	21 605	11 272	5 208	2 691
Net cash flows from investing activities	(4 798)	(3 536)	(1 156)	(844)
Net cash flows from financing activities	(6 862)	(10 016)	(1 654)	(2 391)
Net cash flows	9 945	(2 280)	2 398	(544)
Basic profit per ordinary share (in PLN/EUR)	(0.51)	(0.83)	(0.12)	(0.20)
Diluted profit per ordinary share (in PLN/EUR)	(0.51)	(0.83)	(0.12)	(0.20)
	31.03.2015	**31.12.2014**	**31.03.2015**	**31.12.2014**
Total assets	335 241	339 330	81 986	79 612
Liabilities	41 815	43 204	10 226	10 136
Long-term liabilities	6 462	7 745	1 580	1 817
Short-term liabilities	35 353	35 459	8 646	8 319
Equity	293 426	296 126	71 760	69 476
Share capital	10 511	10 511	2 571	2 466
Average weighted number of shares	5 255 632	5 255 632	5 255 632	5 255 632
Number of shares as at balance day	5 255 632	5 255 632	5 255 632	5 255 632
Book value per share (in PLN/EUR)	55.83	56.34	13.65	13.22

The individual items of assets as well as equity and liabilities were converted to EUR using the average exchange rates announced by the President of the National Bank of Poland in force as of the balance day. Average EUR exchange rate as of 31 March 2015 was PLN 4.0890 and as of 31 December 2014 PLN 4.1713.

The items of the statement of total income as well as the cash flow statement items were converted using the exchange rate representing the arithmetical mean of the exchange rates in force as of the last day of each month in the given period, i.e. data for the period i.e. data for 1.01. – 31.03.2015 were converted according to the exchange rate = 4.1489 PLN/EUR, whereas data for the same period in 2014 according to the exchange rate = 4.1894 PLN/EUR.