

EXTENDED CONSOLIDATED STATEMENT

OF THE ULMA Construcccion Polska S.A.

CAPITAL GROUP

FOR THE 3RD QUARTER 2015



From the beginning of your projects



ULMA Construcción Polska S.A.

CAPITAL GROUP

GENERAL INFORMATION



Subject of activity

The subject of activity of the ULMA Construcción 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 Construcción 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 notary deed before notary Robert Dor at the Notary 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 Construcción Polska S.A. The relevant entry into the National Court Register was made on 14 November 2006.

Registered office

ULMA Construcción Polska S.A.

(parent entity of the ULMA Construcción 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
Ander ollo Odriozola	Member of the Supervisory Board by 1 February 2015
Iñaki Irizar Moyua	Member of the Supervisory Board
Félix Esperesate Gutiérrez	Member of the Supervisory Board
Rafał Alwasiak	Member of the Supervisory Board

Audit Committee

Rafał Alwasiak	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 since 1 February 2015
José Irizar Lasa	Member of the Management Board by 31 July 2015
Andrzej Sterczyński	Member of the Management Board
Rodolfo Carlos Muñiz Urdampilleta	Member of the Management Board since 1 September 2015



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



ULMA Construcción Polska S.A.

CAPITAL GROUP

**CONSOLIDATED FINANCIAL STATEMENT
FOR THE 3RD QUARTER OF 2015**



Consolidated statement of financial position

As of:

	30.09.2015	30.06.2015	31.12.2014	30.09.2014
ASSETS				
I. Fixed assets (long-term)				
1. Tangible fixed assets	200 029	199 941	220 269	232 461
2. Intangible fixed assets	133	155	251	311
3. Interests in associates	638	661	(86)	29
4. Other non-current assets	4 081	4 095	4 123	4 137
5. Long-term receivables	910	930	989	926
Total fixed (long-term) assets	205 822	205 782	225 546	237 864
II. Current (short-term) assets				
1. Inventories	7 668	10 816	6 856	9 213
2. Trade receivables and other receivables	86 472	68 798	67 604	74 764
3. Current income tax receivables	1 746	595	24	92
4. Derivative instruments	-	-	-	-
5. Cash and cash equivalents	25 989	41 066	32 110	23 314
Total current (short-term) assets	121 875	121 275	106 594	107 383
Total assets	327 697	327 057	332 140	345 247
EQUITY AND LIABILITIES				
I. Equity				
1. Share capital	10 511	10 511	10 511	10 511
2. Reserve capital – surplus from sale of shares over nominal value	114 990	114 990	114 990	114 990
3. Exchange differences from consolidation	(13 062)	(11 072)	(9 882)	(9 087)
4. Retained profit, including:	174 170	172 697	172 535	169 975
a) Net profit (loss) on the accounting period	1 635	162	(5 590)	(8 150)
Total equity	286 609	287 126	288 154	286 389
II. Liabilities				
1. Long-term liabilities				
a. Credits and loans	-	-	-	-
b. Deferred income tax liabilities	3 111	2 233	5 051	5 410
c. Long-term pension benefit liabilities	173	173	173	136
d. Long-term financial leasing liabilities	-	-	-	-
Total long-term liabilities	3 284	2 406	5 224	5 546
2. Short-term liabilities				
a. Credits and loans	-	-	10 625	17 463
b. Short-term pension benefit liabilities	6	6	6	3
c. Short-term financial leasing liabilities	-	-	-	30
d. Current income tax liabilities	384	1 288	1 844	1 467
e. Derivatives	32	28	75	66
f. Trade liabilities and other liabilities	37 382	36 203	26 212	34 283
Total short-term liabilities	37 804	37 525	38 762	53 312
Total liabilities	41 088	39 931	43 986	58 858
Total equity and liabilities	327 697	327 057	332 140	345 247

All amounts expressed in PLN thousand, unless indicated otherwise



Consolidated profit and loss account and other total income

	3Q 2015	3Qs of 2015	3Q 2014	3Qs of 2014
Sales revenues	45 485	135 715	47 052	143 752
Costs of goods, products and materials sold	(37 674)	(109 721)	(41 008)	(130 791)
I. Gross sales profit	7 811	25 994	6 044	12 961
Sales and marketing costs	(2 315)	(10 245)	(1 811)	(10 043)
General administrative costs	(4 294)	(13 495)	(3 974)	(11 804)
Other operating expenses	196	826	(250)	725
II. Profit (loss) at operating level	1 398	3 080	9	(8 161)
Financial revenues	86	593	145	405
Financial expenses	12	(1 532)	(47)	(1 965)
<i>Net financial expenses</i>	98	(939)	98	(1 560)
Share in profit (loss) in associated companies	(24)	(202)	(66)	(57)
III. Profit (loss) before tax	1 472	1 939	41	(9 778)
Current income tax	839	(2 387)	(958)	(2 292)
Deferred income tax	(839)	2 083	1 090	3920
IV. Net profit (loss) of the accounting period	1 472	1 635	173	(8 150)
Other total income, which may be settled with profit (loss):				
Exchange differences from conversion of foreign subsidiaries	(1 952)	(3 037)	199	(4 486)
Income tax referring to the total other income items	(38)	(143)	(79)	(103)
V. Total income of the accounting period	(518)	(1 545)	293	(12 739)
Profit (loss) of the accounting period falling to owners from the parent entity	1 472	1 635	173	(8 150)
Average weighted number of ordinary share	5 255 632	5 255 632	5 255 632	5 255 632
Basic and diluted profit (loss) per share in the accounting period (in PLN per share)	0.28	0.31	0.03	(1.55)



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)
Dividend – share of profit for 2013	-	-	-	-	-
State as of 31.12.2014	10 511	114 990	(9 882)	172 535	288 154
Total income for 3Qs of 2015	-	-	(3 180)	1 635	(1 545)
State as of 30.09.2015	10 511	114 990	(13 062)	174 170	286 609

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 for 3Qs of 2014	-	-	(4 589)	(8 150)	(12 739)
Dividend – share of profit for 2013	-	-	-	-	-
State as of 30.09.2014	10 511	114 990	(9 087)	169 975	286 389

All amounts expressed in PLN thousand, unless indicated otherwise



Consolidated cash flow statement

	3Q 2015	3Qs of 2015	3Q 2014	3Qs of 2014
Net profit of the accounting period	1 472	1 635	173	(8 150)
Adjustments:				
- Income tax	-	304	(132)	(1 628)
- Depreciation of fixed assets	12 248	40 962	16 461	53 291
- Depreciation of intangible assets	25	120	87	284
- Net value of sold formwork – fixed assets	803	4 297	1 447	6 501
- (Profit)/loss from changes in fair value of financial instruments	4	(42)	57	108
- Change in share value in the associates	23	(724)		
- Received interest	(76)	(512)	(146)	(405)
- Interest expenses	3	108	257	1 258
- (Profit)/Loss on exchange differences	(1 898)	(1 076)	(37)	83
Changes in working capital:				
- Inventories	3 148	(812)	(1 385)	(2 406)
- Trade receivables and other receivables	14 327	13 133	2 657	(3 984)
- Trade liabilities and other liabilities	1 201	11 783	(3 372)	476
	31 279	69 176	16 067	45 428
Income tax paid	(1 215)	(5 569)	(521)	(1 864)
Net cash flows from operating activities	30 064	63 607	15 546	43 564
Acquisition of tangible fixed assets	(13 654)	(27 923)	(11 683)	(23 871)
Receipts from sale of tangible fixed assets	31	53	1	1 027
Acquisition of intangible and legal assets	(4)	(10)	(24)	(27)
Loans granted	(32 000)	(82 001)	(10 105)	(25 161)
Repayment of loans granted	-	50 001	10 105	25 161
Interest received	76	512	230	405
Net cash flows from investing activities	(45 550)	(59 368)	(11 476)	(22 466)
Credits and loans received	-	-	-	-
Repayment of credits and loans	-	(10 604)	(6 821)	(26 340)
Payments for financial leasing	-	-	(36)	(109)
Interest paid	(3)	(130)	(270)	(1 303)
Dividend payment	-	-	-	-
Net cash flows from financing activities	(3)	(10 734)	(7 127)	(27 752)
Net increase/(decrease) in the balance of cash and overdraft on current account	(15 489)	(6 495)	(3 057)	(6 654)
Balance of cash and overdraft on current account as at period beginning	41 065	32 110	25 235	29 748
Exchange (loss)/profit from valuation of cash and overdraft on current account	414	375	136	220
Balance of cash and overdraft on current account as at period end	25 990	25 990	23 314	23 314

All amounts expressed in PLN thousand, unless indicated otherwise



ULMA Construcción 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 Construcción Polska S.A. Capital Group, parent entity of which is ULMA Construcción Polska S.A. with its registered office in Warsaw, was prepared for the period of 9 months ended on 30 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 rates published by the National Bank of Poland					Change to the index of consumer goods and services published by the Central Statistical Office
	UAH (hryvnia - Ukraine)	LTL (litas - Lithuania)	RON (leu – Romania)	KZT (tenge Kazakhstan)	EUR (euro)	
30 September 2015	0.1774	0.9619	0.9600	0.013890	4.2386	-1.1%
30 June 2015	0.1780	0.9985	0.9349	0.019930	4.1944	-1.2%
31 September 2014	0.2246	1.2344	0.9510	0.019232	4.2623	0.0%
30 September 2014	0.2554	1.2093	0.9469	0.017864	4.1755	1.0%

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.

Derivative financial instruments have been initially recognized at fair value as at 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, lessened 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.

I 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 periods:

- 3Q 2015 – period between 1 July and 30 September 2015
- 3Qs of 2015– period between 1 January and 30 September 2015
- 3Q 2014 – period between 1 July and 30 September 2014
- 3Qs of 2014– period between 1 January and 30 September 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

In the 3Q 2015 the dynamics of the construction and assembly sector in the group of enterprises employing above 3 employees continued to dissatisfy, presenting the negative values in July and September (according to the Central Statistical Office -0.1% and -2.5 %, respectively). In effect, in the period of 3 quarters of 2015 the construction market in Poland increased only by 2% comparing to 1% increase within the 1H 2015.

Within these 3 quarters, the highest growth rate was recorded in the **residential segment** (increase by 9%) comparing to increase by 4.1% in the 1H 2015. Number of apartment sales transactions in 6 largest cities of Poland reached the highest level comparing to the record year of 2007 in the 3Q 2015 (according to REAS). Increased demand on the residential market and launching the new investments by the developers were encouraged by the favorable information from the labour market, low interest rates as well as fear against 5% increase of the required minimum own contribution since January 2016, posing a risk for further dynamical development of this market segment. According to initial data of the Central Statistical Office, in the period of the first 9 months of 2015, the developers commenced the construction of app. 62.8 thousand of apartments (by 23.7% more comparing to the previous year) and acquired the building permits for more than 68.7 thousand apartments (i.e. by 17.1% more than a year ago).

In 3Q 2015 the **non-residential segment**, upon poor 1H of the year revealing the drop by 2.3% managed to bounce back from the level at the beginning of the year. In effect, within 3 quarters of 2015, dynamics of its development demonstrated minor increase by +0.7%. It was encouraged by upward trend in the office and industrial and power construction sector, which reached +9.8% and +10.2% increases in the analyzed period, respectively. However, the dynamics in the commercial construction sector, which is of the least importance for the results of the Capital Group, continued to demonstrate drop commenced in the 1H 2015 – upon 3 quarters of 2015 the dynamics of sectoral development decreased by 10.3% comparing to the same period in the previous year.

In the period of 3 quarters, the **engineering segment** presented weak growth by only +0.4% comparing to +2.3% within the 1H 2015. Growth rate of the largest sectors has fluctuated between -14% and +29.5%, on provided that in the road and bridge construction sector the results are much below the expectations and are opposite to the General Directorate of National Roads and Motorways (GDDKiA) budget, 2015 plan of which is much higher than a year ago. It is worth to notice here that in the key sector from the Capital Group perspective, covering the engineering bridge facilities, the dynamics presented positive values for the first time from many quarters, reaching within the 3Qs of 2015 the value of +3.6% comparing to 11.1% after the 1H 2015. The process of announcing and deciding the tenders for construction of express road has significantly accelerated, however due to the dominating 'Design and Build' formula, this fact does not translate into significant increase in output in this sector and continues to reflect in outstanding increases



in values of order portfolios of the leading contractors. This fact however acts as an encouraging premise for increasing development of this construction market sector in the upcoming quarters.

Market environment abroad

The economy of Kazakhstan has been facing the drop in prices on the global crude oil market and the effects of economic slow-down in China and Russia for more than a year. Decreased prices of this Raw material caused significant cuts in the budgetary expenditures and restriction or freezing of many governmental investment programmes. The situation has been additionally worsened by competitiveness loss by the Kazakh producers comparing to the Russian ones, followed by drop of ruble value in last December and participation of the country in the Euroasian Economic Union, which deprived Astana of the options to protect its own market against the Russian import. Accumulating economic difficulties forced the government of Kazakhstan to announce, in August of the current year, the decision on releasing the exchange rate of the national currency, which effected in sudden and rapid depreciation of the local currency (Tenge), which has been continuing to progress, in particular against the USD, which strengthens its position on the financial market. This movement resulted in weakening of the Capital Group's offer against the local or Russian manufactures from the free trade area.

Gradual adaptation of the business entities to the unstable political and economic situation continues to progress in Ukraine. Drop rate of the industrial as well as construction and assembly production continues to be high and, according to the State Statistical Service of Ukraine, upon 9 months of 2015 amounted to -16.6% and -24.6%, respectively. However, certain signs of stabilization of even increase are demonstrated by the residential segment since purchase of apartment constitutes for the wealthier group of society an alternative allowing for protection of hold funds against further depreciation of the local currency (hryvnia).

Sales revenues

Within 3 quarters of 2015 the Capital Group reached PLN 135 715 thousand of total revenue on sale comparing to PLN 143 752 thousand in the same period of the previous year (drop by 5.6%).

Decrease in sales revenues was recorded in the „Sales of construction materials” segment. Revenues in this activity within 3Qs of 2015 amounted to PLN 26 278 thousand comparing to PLN 35 284 thousand reached in 3Qs of 2014 (drop by 25.5%). Operating revenue of the Capital Group i.e. lease of formwork systems and scaffoldings formed, in particular on the Polish market, at the level similar to the previous year and amounted to PLN 109 437 thousand comparing to PLN 108 468 thousand in the same period of the previous year.

Operating profitability

Within the 3Qs of 2015, the Capital Group obtained a positive result on the operating activity, amounting to PLN 3 080 thousand, comparing to negative result of PLN -8 161 thousand in the same period of the preceding year (increase by PLN 11 241 thousand).

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

	1Q 2015	2Q 2015	3Q 2015	3Qs of 2015	2014	3Qs of 2014
Sales	43 025	47 204	45 486	135 715	192 492	143 752
EBIT	1 211	471	1 398	3 080	(4 180)	(8 161)
% of sales	2,81	1,00	3,07	2,27	(2,17)	(5,68)
Depreciation	14 985	13 825	12 272	41 082	68 203	53 575
EBITDA	16 196	14 296	13 670	44 162	64 023	45 414

All amounts expressed in PLN thousand, unless indicated otherwise



% of sales	37.64	30.28	30.05	32.54	33.26	31.59
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Within 3Qs of 2015, total depreciation write-offs amounted to PLN 41 082 thousand comparing to PLN 53 575 thousand in the same period of the previous year. In the total amount of depreciation write-offs, referred to above, the main component are depreciation write-offs for the hold formwork and scaffolding park. Their amount depends for the most from the estimated useful life of hold equipment.

Within 3Qs of 2015, the Capital Group revaluated the depreciation write-offs to consider current changes to useful life of certain groups and categories of hold equipment. In effect, in the analyzed period, the financial results were charged with amount of PLN 3 742 thousand being the economic effect of changes to the a/m estimates. This amount may change by the end of 2015, however the total amount of depreciation values continues to maintain below the levels recorded in the same period of the previous year.

Within 3Qs of 2015, the Capital Group recorded the EBITDA drop in absolute terms by PLN 1 252 thousand comparing to the period reached within 3Qs of 2014.

Poorer EBITDA result in absolute terms is associated primarily with decreased total revenue of the Capital Group in the “Sales of construction materials” segment. With regard to difficult market situation and high competitive pressure pursued by the Russian importers, the Capital Group is influenced by poorer commercial activity in Kazakhstan. In addition, the EBITDA value has been negatively impacted by devaluation of the local Ukrainian and Kazakh currencies in the previous months of this year, which lowered the amount of revenues generated by the Capital Group on the export markets. On the other hand, increasing revenues on activity on the local market in Poland failed to compensate the negative effects of the a/m phenomena on the export markets.

Since last year, the Management Board of Capital Group has been taking a number of initiatives aiming at limiting the cost items and their adjustment to the current market conditions, including: adjustment of employment and payroll fund, renegotiations of third-party agreements on management and servicing the logistics centers, optimization of vehicle fleet management and of renovations in the hold scaffolding and formwork park. The effects of these activities have had a positive impact on the operating results of the Capital Group since the beginning of this year.

Sales and marketing costs

Within 3Qs of 2015, the Capital Group created net write-downs for receivables (total of created and released write-downs and recorded receivables) in the amount of PLN 8 361 thousand comparing to PLN 7 850 thousand in the same period of the previous year (recognized in the “Sales and marketing costs” item). This phenomenon resulted from estimation of risk associated with the recovery of receivables in connection with the court proceedings conducted by the Capital Group against its debtors.

The remaining amounts are the total of marketing expenses and costs of debt collecting proceedings and their level was lower comparing to the same period of the previous year.



Definition of exposure of Capital Group to the exchange risk

The companies of the Capital Group are exposed to the exchange risk in terms of actual financial flows, which are attempted to be hedged by the Group as follows:

- by mutual neutralization of receivables and liabilities presented in the same foreign currency and referring to the same maturity dates,
- by activity on the foreign currency market (purchase or sales of foreign currencies being the object of the settlements in parallel to the accrued receivables or liabilities presented in foreign currency),
- by activity on the forward market and entered into the currency futures contracts of Non-Delivery Forward (NDF) type.

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.

The achieved results of hedging transactions significantly neutralize against the exchange risk and present no asymmetry symptoms.

Other operating expenses

Apart from the economic results from settlement and valuation of contracts hedging against the exchange risk (NDF), other operating expenses item recognizes the economic effects related to processing of formwork system elements according to the individual needs of the clients and general effects of property management (negative and positive inventory differences and provisions for impairment of inventories).

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). Within 3Qs of 2015, the Group repaid the last installments of the incurred bank loans and credits.

The effect of decreased credit balance in the financial activity was drop in financial expenses related to credit interests, which within 3Qs of 2015 amounted to PLN 108 thousand comparing to PLN 1 258 thousand in the same period of the previous year.

The amount presented in the ‘other total income’ consists in majority in effect of conversion of the financial statements of the subsidiaries into the functional currency of the Capital Group Bering the result of devaluation of local currencies in Ukraine and Kazakhstan against PLN.

Net financial result



Upon considering the income tax, the Capital Group obtained within the 3Qs of 2015 the positive net financial result of PLN 1 635 thousand comparing to the negative net financial result of 8 150 thousand acquired in the same period of the previous year.

Cash flows

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

	3Qs of 2015	3Qs of 2014
Net profit (loss)	1 635	(8 150)
Depreciation	41 082	53 575
Total financial surplus	42 717	45 425
Other elements of net flows from operating activities	20 890	(1 861)
Net cash flows from operating activities	63 607	43 564
Net cash flows from investing activities	(59 368)	(22 466)
Net cash flows from financing activities	(10 734)	(27 752)
Net cash flows	(6 495)	(6 654)

Flows from operating activities

Within the 3Qs of 2015, the Capital Group achieved the positive financial surplus (net profit + depreciation) amounting to PLN 42 717 thousand.

In the same period, cash flows from operating activities amounted to PLN 63 607 thousand comparing to PLN 43 564 thousand in the same period of the preceding year (increase by PLN 20 043 thousand).

Flows from investing activities

Within the 3Qs of 2015, following difficult market situation in Poland, the Management Board of Capital Group significantly reduced the investment activity, focusing only on investment purchases of form works and scaffoldings necessary to maintain the equipment completeness. In effect, within 3 quarters of 2015 the Capital Group performed relatively insignificant investment purchases for PLN 27 923 thousand comparing to PLN 23 871 thousand in the same period of the previous year.

Flows from financing activities

Within the 3Qs of 2015, in line with the schedules under the concluded loan agreements, the Group repaid the final installments of bank credit incurred in the previous years. The related expenses amounted to PLN 10 604 thousand. In the same period of the previous year, the Group repaid the installments in the total amount of PLN 26 340 thousand.



In effect of these activities, within the period of 3 Qs of 2015 the Group recorded decrease in cash and overdraft by PLN 6 495 thousand down to PLN 25 990 thousand as of 30 September 2015.

Explanations of the seasonality or cyclicity 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 3Qs of 2015.

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

Within 3Qs of 2015 the Issuer paid no dividend.

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 Construccjon 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 Construccjon Polska S.A. to "daughter" companies.

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

All amounts expressed in PLN thousand, unless indicated otherwise



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 Construcción 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:

3Q 2015 - period of 3 months ended on 30 September 2015

Item description	Construction site service	Sales of construction materials	Capital Group
Total sales revenues	35 845	14 323	50 168
Sales between segments	(378)	(4 305)	(4 683)
Sales revenues	35 467	10 018	45 485
Operating expenses without depreciation	(22 731)	(9 084)	(31 815)
EBITDA	12 736	934	13 670
Depreciation	(11 748)	(524)	(12 272)
Profit at EBIT operating level	988	410	1 398

3Qs of 2015 – period of 9 months ended on 30 September 2015

Item description	Construction site service	Sales of construction materials	Capital Group
Total sales revenues	110 177	38 607	148 784
Sales between segments	(739)	(12 330)	(13 069)
Sales revenues	109 438	26 277	135 715
Operating expenses without depreciation	(72 327)	(19 226)	(91 553)
EBITDA	37 111	7 051	44 162
Depreciation	(39 496)	(1 586)	(41 082)
Profit at EBIT operating level	(2 385)	5 465	3 080

3Q 2014 – period of 3 months ended on 30 September 2014

Item description	Construction site service	Sales of construction materials	Capital Group
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All amounts expressed in PLN thousand, unless indicated otherwise



Total sales revenues	38 129	14 275	52 404
Sales between segments	(173)	(5 179)	(5 352)
Sales revenues	37 956	9 096	47 052
Operating expenses without depreciation	(20 636)	(9 859)	(30 495)
EBITDA	17 320	(763)	16 557
Depreciation	(16 095)	(453)	(16 548)
Profit at EBIT operating level	1 225	(1 216)	9

3Qs of 2014 – period of 9 months ended on 30 September 2014

Item description	Construction site service	Sales of construction materials	Capital Group
Total sales revenues	108 956	52 592	161 548
Sales between segments	(488)	(17 308)	(17 796)
Sales revenues	108 468	35 284	143 752
Operating expenses without depreciation	(66 843)	(32 495)	(98 338)
EBITDA	42 625	2 789	45 414
Depreciation	(51 854)	(1 721)	(53 575)
Profit at EBIT operating level	(9 229)	1 068	(8 161)

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

	3Q 2015	3Qs of 2015	3Q 2014	3Qs of 2014
Profit (loss) of segments on the operating level	1 398	3 080	9	(8 161)
Interest revenues	85	593	146	405
Other financial revenues	-	-	-	-
Interest expenses	(2)	(108)	(265)	(1 265)
Other financial expenses	14	(1 424)	217	(700)
Share in associated entities	(23)	(202)	(66)	(57)
Profit (loss) before tax	1 472	1 939	41	(9 778)
Income tax	-	(304)	132	1 628
Net profit (loss)	1 472	1 635	173	(8 150)



Conversion of selected financial data to euro

SPECIFICATION	in PLN thousand		in EUR thousand	
	3Qs of 2015	3Qs of 2014	3Qs of 2015	3Qs of 2014
Net revenues from sales of products, goods and materials	135 715	143 752	32 635	34 388
Result from operating activities	3 080	(8 161)	741	(1 952)
Result before tax	1 939	(9 778)	466	(2 339)
Net result	1 635	(8 150)	393	(1 949)
Net cash flows from operating activities	63 607	43 564	15 296	10 421
Net cash flows from investing activities	(59 368)	(22 466)	(14 276)	(5 374)
Net cash flows from financing activities	(10 734)	(22 752)	(2 581)	(6 638)
Net cash flows	(6 495)	(6 654)	(1 561)	(1 592)
Diluted profit per ordinary share (in PLN/EUR)	0.31	(1.55)	0.07	(0.37)
Basic profit per ordinary share (in PLN/EUR)	0.31	(1.55)	0.07	(0.37)
	30.09.2015	31.12.2014	30.09.2015	31.12.2014
Total assets	327 697	332 140	77 313	77 925
Liabilities	41 088	43 986	9 694	10 320
Long-term liabilities	3 284	5 224	775	1 225
Short-term liabilities	37 804	38 762	8 919	9 094
Equity	286 609	288 154	67 619	67 605
Share capital	10 511	10 511	2 480	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)	54.53	54.83	12.87	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 30 September 2015 was PLN 4.2386, whereas 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 30.09.2015 were converted at the exchange rate of 4.1585 PLN/EUR, whereas data for the same period of 2014 were converted at the exchange rate of 4.1803 PLN/EUR.

Description of the organization of the ULMA Construcción 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.



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

Parent entity:

- **ULMA Construcción 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 (Notary Deed of 15 September 1995, Rep. A No. 5500/95). It was entered into the Register of Entrepreneurs by the District Court for the Capital City of Warsaw, 20th Economic Division of the National Court Register, under the No. 0000055818.

Subsidiary entities:

- **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 Construcción 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 Construcción 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 Construcción 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 Construcción 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 Construcción 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 Construcción 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 Construcción 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 Construcción Polska S.A.

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

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

All amounts expressed in PLN thousand, unless indicated otherwise



- proceedings concerning the liabilities or claims of ULMA Construcccion Polska S.A. or its subsidiary entity, value of which constitutes at least 10% of the equity of ULMA Construcccion 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 Construcccion 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

Neither ULMA Construcccion Polska S.A. nor any of its companis is no party to the proceeding concerning the liabilities or claims of the Company, value of which would constitute at least 10% of the Company's equity.

There are also no 2 or more proceedings concerning the liabilities, total value of which would constitute at least 10% of the Company's equity.

Proceedings concerning claims of ULMA Construcccion Polska S.A.:

ULMA Construcccion Polska S.A. has been conducting 65 court proceedings, covering the claims (as of the balance sheet as of 30 September 2015) in the total amount of PLN 27 889 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 Construcccion Polska S.A. exceeds 10% of the value of equity of ULMA Construcccion Polska S.A.

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

Details	Number of proceedings	Amount	Current status of the case
Court proceedings	17	6 361	
<i>including 5 largest cases:</i>			
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 Debtor.
MARBUD Konstrukcje Sp. z o.o.		648	Proceedings against the Debtor and the guarantor. Awaiting the issuance of writ of execution against Debtors.
KPRM Budownictwo Sp. z o.o.		545	Proceedings against the Debtor and the guarantor. Awaiting the issuance of writ of execution against Debtors.

All amounts expressed in PLN thousand, unless indicated otherwise



IBB Przemysław Jocz		225	Proceedings against the Debtor and the guarantor. Awaiting the issuance of writ of execution against Debtors.
Total listed		6 272	99% of total
Details	Number of proceedings	Amount	Current status of the case
Bankruptcy proceedings	48	21 528	
<i>including 5 largest cases:</i>			
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: <ul style="list-style-type: none"> • 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.		781	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 and payment by GDDKiA.
Total listed		13 595	63% of total
Total pending proceedings	65	27 889	

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 11 June 2015, the Management Board of Capital Group entered into the court settlement with the Debtor - Struktury sp z o.o., under which the Debtor obliged itself to pay the amount specified in the settlement as compensation for damages and loss of the equipment leased by ULMA Construcccion Polska S.A. and re-inclusion of ULMA Construcccion Polska S.A. into the acquisition process for the newly-offered contracts for lease of formwork systems and scaffoldings – pending proceeding against the Debtor excluded such option. On 5 July 2015 ULMA Construcccion Polska SA received the funds agreed under the settlement, which ended the dispute lasting since 2014.



1. Information on concluding by ULMA Construcción 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 Construcción 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.

ransactions concluded in the 3Qs of 2015 by ULMA Construcción 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 Construcción Polska S.A. od ULMA C y E, S. Coop. of a value of PLN 22 220 thousand.

Within the last 12 months (from 1.10.2014 to 30.09.2015) value of these transactions amounted to PLN 28 892 thousand.

Apart from commercial transactions, ULMA Construcción Polska S.A. granted short- and long-term loans to related entities. List of loans granted as of the indebtedness status on the balance sheet date and as of 30.06.2015 and 31.12.2014 is shown in table below.

Related entity	Value of loan as of 30.09.2015	Value of loan as of 30.06.2015	Value of loan as of 31.12.2014
ULMA Opatubka Ukraine (EUR thousand)	196	314	1 110
ULMA Opatubka Ukraine (USD thousand)	1 500	1 500	1 500
ULMA Cofraje Romania EUR thousand)	221	221	221
ULMA Construcción BALTIC EUR thousand)	2 500	2 200	2 200
ULMA Kazakhstan (USD thousand)	-	400	-
ULMA Spain (PLN thousand)	32 000	-	-

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 Construcción 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 Construcccion Polska S.A., with specification of:

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

In 2014 ULMA Construcccion Polska S.A. decreased the warranty grantem to its subsidiary - ULMA Opatubka Ukraina sp. z o.o. – from EUR 950 thousand to EUR 150 thousand.

This modification resulted from decrease of the overdraft (from UAH 9 500 thousand to EUR 150 thousand expressed in UAH), claimed by ULMA Opatubka Ukraina from its bank in Ukraine.

Other information which, in the opinion of the ULMA Construcccion 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 Construcccion Polska S.A. Group to satisfy its liabilities

Within 3Qs of 2015 no other, apart from these described above, significant events. The Management Board of ULMA Construcccion 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 Construcccion Polska S.A., will influence the results achieved by the ULMA Construcccion Polska S.A. Capital Group over at least the upcoming quarter

Market in Poland

In the opinion of the PMR analysts, the growth rate of the construction market throughout 2015 will be only slightly higher comparing to the previous year and amount to 6% at the most. The 2016 forecasts are more optimistic – growth may reach 8%, whereas the value of construction and assembly production rise up to app. PN 101 billion, approximating the record 2011 level. In the upcoming months, enhanced results in the construction sector will be observed primarily due to delivery of the final stages of the EU projects from the previous perspective (rail and water supply and sewage construction investment). Significant share in increase is a contribution of several currently delivered large investments in the power sector.

Since the beginning of 2016, **road construction** will act once again as the sectoral engine. At the moment, from the pool of PLN 107 billion for the new roads, almost a half of this amount has been already allocated to the contracted investments or the investments at the stage of tender procedure or advanced preparations to the tender. It seems that lack of a powerful investment incentive comparable with EURO2012 few years ago, will enable more equal distribution of the investments in time. The tender



processes have been currently dominated by the 'Design and build' formula, according to which the contractors have, among others, greater impact on the contract costs. On the other hand, in the conditions of intensive price competition, this rule may create the atmosphere of price wars between the subcontractors due to the operations of the contracting companies, including in the scaffolding and formworks lease segment.

The perspectives for the **residential sector** continue to be promising, which is primarily influenced by the increases in the building permits and commenced investment, low credit costs on the mortgage market and improving economic trends maintaining throughout the entire 2015. The factors, which may slightly hinder this upward trend include inclusion of secondary market into the 'Apartments for the Youth' programme as well as the risk of future increase of interest rates and the own contribution rate when purchasing the real-estate on credit.

The **non-residential sector** may face insignificant decreases in the near future due to poor results in the commercial and service and utilities construction. With regard to noticeable stabilization of the granted permit level we may expect however that this sector will accelerate in 2016, remaining the most stable one from the three key construction market segments. The PMR analysts expect relatively the highest dynamics in the office, industrial and warehouse and hotel construction segments, whereas the lowest in the commercial and service and public utilities segment.

Foreign markets

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

- Lowering the assessments and forecasts of the international financial institutions for Ukraine due to maintaining political and economic destabilization. According to Fitch Agency, this-year GDP drop may amount even 9% (comparing to forecasted 7.5%), and according to the World Bank even 12%. At the same time the World Bank forecasts the return of Ukraine into the growth path in 2016 – with positive GDP dynamics of 1%;
- Maintaining low crude oil prices, limiting the opportunity to finance many investments by the government of Kazakhstan and monetary policy contributing to significant decrease in competitiveness of the foreign entities comparing to the local and Russian companies;
- Commencement, despite economic difficulties, of delivery of the multi-annual transport infrastructure development programme for the years 2015 – 2019 in Kazakhstan ('Nurly Jol') covering 15 infrastructural projects in the field of road construction and modernization of the total length of 7.1 thousand kilometers and value of app. 2.3 billion of Tenge (USD 8.2 billion).
- Change of the Company's strategy in this country, assuming significant limitation of activity in the residential sector and benefiting from international experience in managing infrastructural and industrial projects requiring the advanced technologies not offered by the local competitors.

Other risks

The economic condition of Ukraine has been subject to significant disturbances for two years.



Political and social disturbances combined with increasing tension and risk of the Russian military intervention escalated the economic crisis in the country and LED to drastic increase of budget deficit and in consequence to depletion of foreign-exchange reserves by the National Bank of Ukraine, which effected in decreased rating index for the entire economy.

In February 2014, after the first rapid devaluation of the national currency, difficult financial situation forced the National Bank of Ukraine to implement administrative restrictions related to limited freedom of foreign currencies purchase. At the same time, commencement of preparations to the implementation of liquid foreign exchange regime for the national currency was announced. In February of the current year the Hryvnia exchange rate was released, which has resulted in another rapid devaluation of this currency.

Final result of this difficult situation as well as political and economic effects of the current crisis are practically impossible to estimate, which however does not exclude that together with the signs of upcoming stabilization the economy of Ukraine will gradually start its slow journey towards development.

The Management Board of Capital Group makes all efforts to respond to the new events raised by the Ukrainian conflict, and, subject to in-depth monitoring of situation development and in direct contacts with the Management Board of ULMA Opalubka Ukraine, it attempts to maintain stability of business activity in this country. However political and social disturbances, including possible further escalation of the military conflict may have a negative impact on the results and financial position of the Ukrainian subsidiary.

This financial statement reflects the current assessment of the Management Board of Capital Group of the impact of geopolitical situation on the results generated by the subsidiary and its capacity to maintain the financial stability in future and recognizes no provisions for discontinuation of free business activity.



ULMA Construcción Polska S.A.
CAPITAL GROUP
INDIVIDUAL ABRIDGED
FINANCIAL STATEMENT
FOR THE 3RD QUARTER OF 2015



Statement of financial position

	30.09.2015	30.06.2015	31.12.2014	30.09.2014
ASSETS				
I. Fixed (long-term) assets				
1. Tangible fixed assets	195 087	195 651	215 305	227 672
2. Intangible assets	83	97	172	245
3. Shares in associated entities	8 198	8 198	8 198	8 198
4. Other fixed assets	4 081	4 095	4 123	4 137
5. Long-term receivables	18 248	18 762	20 462	16 850
Total (long-term) fixed assets	225 697	226 803	248 260	257 102
II. Current (short-term) assets				
1. Inventories	2 727	4 145	2 277	4 268
2. Trade receivables and other receivables	82 106	62 082	60 454	73 744
3. Income tax receivables	1 087	-	24	92
4. Derivatives	-	-	-	-
5. Cash and equivalents	21 210	38 996	28 315	20 663
Total (short-term) current assets	107 130	105 223	91 070	98 767
Total assets	332 827	332 026	339 330	355 869
EQUITY AND LIABILITIES				
I. Equity				
1. Share capital	10 511	10 511	10 511	10 511
2. Reserve capital – surplus from sale of shares over nominal value	114 990	114 990	114 990	114 990
3. Retained profit, including:	166 476	166 498	170 625	171 629
a) Net profit (loss) of the accounting period	(4 149)	(4 127)	(11 901)	(10 907)
Total equity	291 977	291 999	296 126	297 120
II. Liabilities				
1. Long-term liabilities				
a. Credits and loans	-	-	-	-
b. Deferred income tax liabilities	5 038	4 337	7 572	8 223
c. Long-term pension benefit liabilities	173	173	173	136
d. Long-term financial leasing liabilities	-	-	-	-
Total long-term liabilities	5 211	4 510	7 745	8 359
2. Short-term liabilities				
a. Credits and loans	-	-	10 625	17 463
b. Short-term pension benefit liabilities	6	6	6	3
c. Short-term financial leasing liabilities	-	920	352	30
d. Current income tax liabilities	-	-	-	28
e. Derivatives	33	29	76	66
f. Trade liabilities and other liabilities	35 600	34 562	24 400	32 800
Total short-term liabilities	35 639	35 517	35 459	50 390
Total liabilities	40 850	40 027	43 204	58 749
Total equity and liabilities	332 827	332 026	339 330	355 869

All amounts expressed in PLN thousand, unless indicated otherwise



Profit and loss account and other total income

	3Q 2015	3Qs of 2015	3Q 2014	3Qs of 2014
Sales revenues	41 066	120 953	42 872	131 447
Costs of products, goods and materials sold	(36 777)	(109 859)	(40 106)	(130 169)
I. Gross sales profit	4 289	11 094	2 766	1 278
Sales and marketing costs	(2 372)	(9 639)	(1 519)	(9 413)
General administrative costs	(3 131)	(8 916)	(2 695)	(8 035)
Other operating expenditure	420	1 047	(178)	865
II. Profit (loss) on operating level	(794)	(6 414)	(1 626)	(15 305)
Financial revenues	310	1 420	460	2 974
Financial expenses	174	166	303	(458)
<i>Net financial expenses</i>	<i>484</i>	<i>1 587</i>	<i>763</i>	<i>2 516</i>
III. Profit (loss) before tax	(310)	(4 828)	(863)	(12 789)
Current income tax	989	(1 855)	(565)	(1 406)
Deferred income tax	(701)	2 534	595	3 288
IV. Profit (loss) of the accounting period	(22)	(4 149)	(833)	(10 907)
Other total income:	-	-	-	-
V. Total income of the accounting period	(22)	(4 149)	(833)	(10 907)
Net profit (loss) of the accounting period	(22)	(4 149)	(833)	(10 907)
Average weighted number of ordinary	5 255 632	5 255 632	5 255 632	5 255 632
Basic and diluted profit (loss) per share in the accounting period (in PLN per share)	-	(0,79)	(0,16)	(2,08)



Account of changes in equity

Specification	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 3Qs of 2015	-	-	(4 149)	(4 149)
State as of 30.09.2015	10 511	114 990	166 476	291 977

Specification	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 3Qs of 2014	-	-	(10 907)	(10 907)
Dividend - distribution of profit for 2013	-	-		
State as of 30.09.2014	10 511	114 990	171 619	297 120

All amounts expressed in PLN thousand, unless indicated otherwise



Cash flow statement

	3Q 2015	3Qs of 2015	3Q 2014	3Qs of 2014
Net profit of the accounting period	(22)	(4 149)	(833)	(10 907)
Adjustments:				
- Income tax	(287)	(679)	(30)	(1 882)
- Depreciation of fixed assets	11 945	40 521	15 116	52 027
- Depreciation of intangible assets	17	97	80	264
- Net value of sold formwork – fixed assets	834	3 871	1 253	5 368
- (Profit)/loss from changes in fair value of financial instruments	4	(42)	57	108
- Interest received	(352)	(1 523)	(460)	(2 974)
- Interest expenses	3	108	265	1 129
- (Profit)/Loss on exchange differences	(1 971)	(2 459)	(584)	(788)
Changes in working capital:				
- Inventories	1 418	(451)	(134)	150
- Trade receivables and other receivables	11 977	10 349	2 001	(5 223)
- Trade liabilities and other liabilities	1 061	11 814	(809)	3 815
	24 627	57 457	15 922	41 087
Income tax paid	(1 018)	(3 271)	(539)	(977)
Net cash flows from operating activities	23 609	54 186	15 383	40 110
Acquisition of tangible fixed assets	(12 256)	(24 799)	(12 562)	(22 185)
Receipts from sale of tangible fixed assets	31	53	1	1 026
Acquisition of intangible assets	(4)	(8)	(17)	(17)
Loans granted	(30 484)	(82 001)	(10 105)	(29 731)
Repayment of loans granted	557	54 301	10 105	26 456
Dividends received	-	-	-	1 664
Interest received	352	1 523	536	1 301
Net cash flows from investing activities	(41 803)	(50 931)	(12 042)	(21 486)
Receipts from share issue	-	-	-	-
Credits and loans received	-	-	-	-
Repayment of credits and loans	-	(10 604)	(6 824)	(23 190)
Payments for financial leasing	-	-	(37)	(108)
Interest paid	(3)	(130)	(277)	(1 175)
Dividend payment	-	-	-	-
Net cash flows from financing activities	(3)	(10 734)	(7 138)	(24 473)
Net increase/(decrease) in the balance of cash and overdraft on current account	(18 198)	(7 479)	(3 797)	(5 849)
Balance of cash and overdraft on current account as at period beginning	38 995	28 315	24 293	26 272
Exchange (loss)/profit from valuation of cash and overdraft on current account	413	374	167	240
Balance of cash and overdraft on current account as at period end	21 210	21 210	20 663	20 663

All amounts expressed in PLN thousand, unless indicated otherwise



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.

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

SPECIFICATION	in PLN thousand		in EUR thousand	
	3Qs of 2015	3Qs of 2014	3Qs of 2015	3Qs of 2014
Net revenues from sales of products, goods and materials	120 953	131 447	29 086	31 444
Result from operating activities	(6 414)	(15 305)	(1 542)	(3 661)
Gross result	(4 828)	(12 789)	(1 160)	(3 059)
Net result	(4 149)	(10 907)	(998)	(2 609)
Net cash flows from operating activities	54 186	40 110	13 030	9 595
Net cash flows from investing activities	(50 931)	(21 486)	(12 247)	(5 140)
Net cash flows from financing activities	(10 734)	(24 473)	(2 581)	(5 854)
Net cash flows	(7 479)	(5 849)	(1 798)	(1 399)
Basic profit per ordinary share (in PLN/EUR)	(0.79)	(2.08)	(0.19)	(0.50)
Diluted profit per ordinary share (in PLN/EUR)	(0.79)	(2.08)	(0.19)	(0.50)
	30.09.2015	31.12.2014	30.09.2015	31.12.2014
Total assets	332 827	339 330	78 522	79 612
Liabilities	40 850	43 204	9 637	10 136
Long-term liabilities	5 211	7 745	1 229	1 817
Short-term liabilities	35 639	35 459	8 408	8 319
Equity	291 977	296 126	68 885	69 476
Share capital	10 511	10 511	2 480	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)	55.56	56.34	13.11	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 sheet day. The average exchange rate of EUR as of 30 September 2015 was PLN 4.2386, whereas 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

All amounts expressed in PLN thousand, unless indicated otherwise



each month in the given period, i.e. data for the period from 1.01 to 30.09.2015 were converted at the exchange rate of 4.1585 PLN/EUR, whereas data for the same period of 2014 were converted at the exchange rate of 4.1803 PLN/EUR.