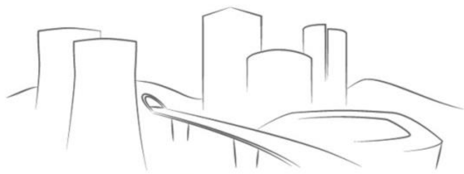
# CONSOLIDATED FINANCIAL STATEMENTS

## of the
## ULMA Construccion Polska S.A.
## Capital Group

**FOR THE PERIOD OF 6 MONTHS ENDED ON 30 JUNE 2015**

(not audited)



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# Table of content



All amounts expressed in PLN thousand, unless indicated otherwise

# ULMA Construccion Polska S.A.
# CAPITAL GROUP
# GENERAL INFORMATION

All amounts expressed in PLN thousand, unless indicated otherwise

## Subject of activity

The subject 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.
Koszajec 50
05-840 Brwinów

## Supervisory Board

| | |
|---|---|
| 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 |

All amounts expressed in PLN thousand, unless indicated otherwise

## 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 Warsaw
The company is registered in the list of entities authorized to audit financial statements under the number 3546

## Banks

mBANK (d.BRE Bank S.A.)
PEKAO S.A.
BNP PARIBAS Bank Polska S.A.
PKO Bank Polski S.A.
Banco de SABADEL (Spain)

## Stock exchange quotations

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

**ULMA Construccion Polska S.A.**
**CAPITAL GROUP**

# CONSOLIDATED FINANCIAL STATEMENT
# For the period of 6 months of 2015

All amounts expressed in PLN thousand, unless indicated otherwise

## Consolidated statement of financial position

| | Note | 30 June 2015 | 31 December 2014 | 30 June 2014 |
|---|---|---|---|---|
| **ASSETS** | | | | |
| **I. Fixed assets (long-term)** | | | | |
| 1. Tangible fixed assets | 5. | 199 941 | 220 269 | 242 756 |
| 2. Intangible fixed assets | 6. | 155 | 251 | 373 |
| 3. Interests in associates | 8. | 661 | (86) | 94 |
| 4. Other non-current assets | 9. | 4 095 | 4 123 | 4 150 |
| 5. Long-term receivables | 10. | 930 | 989 | 924 |
| **Total fixed (long-term) assets** | | **205 782** | **225 546** | **248 297** |
| **II. Current (short-term) assets** | | | | |
| 1. Inventories | 11. | 10 816 | 6 856 | 7 828 |
| 2. Trade receivables and other receivables | 10. | 68 798 | 67 604 | 77 421 |
| 3. Current income tax receivables | | 595 | 24 | 88 |
| 4. Derivative instruments | 7. | - | - | - |
| 5. Cash and cash equivalents | 12. | 41 066 | 32 110 | 26 235 |
| **Total current (short-term) assets** | | **121 275** | **106 594** | **111 572** |
| **Total assets** | | **327 057** | **332 140** | **359 869** |
| **EQUITY AND LIABILITIES** | | | | |
| **I. Equity** | | | | |
| 1. Share capital | 13. | 10 511 | 10 511 | 10 511 |
| 2. Reserve capital – surplus from sale of shares over nominal value | 13. | 114 990 | 114 990 | 114 990 |
| 3. Exchange differences from consolidation | | (11 072) | ( 9 882) | (9 207) |
| 4. Retained profit, including: | | 172 697 | 172 535 | 169 802 |
| *a. Net profit (loss) on the accounting period* | | *162* | *(5 590)* | *(8 323)* |
| **Total equity** | | **287 126** | **288 154** | **286 096** |
| **II. Liabilities** | | | | |
| **1. Long-term liabilities** | | | | |
| a. Credits and loans | 15. | - | - | - |
| b. Deferred income tax liabilities | 17. | 2 233 | 5 051 | 6 412 |
| c. Long-term pension benefit liabilities | 18. | 173 | 173 | 136 |
| **Total long-term liabilities** | | **2 406** | **5 224** | **6 548** |
| **2. Short-term liabilities** | | | | |
| a. Credits and loans | 15. | - | 10 625 | 24 299 |
| b. Short-term pension benefit liabilities | 18. | 6 | 6 | 3 |
| c. Short-term financial leasing liabilities | 16. | - | - | 67 |
| d. Current income tax liabilities | | 1 288 | 1 844 | 1 012 |
| e. Derivatives | 7. | 28 | 75 | 8 |
| f. Trade liabilities and other liabilities | 14. | 36 203 | 26 212 | 41 836 |
| **Total short-term liabilities** | | **37 525** | **38 762** | **67 225** |
| **Total liabilities** | | **39 931** | **43 986** | **73 773** |
| **Total equity and liabilities** | | **327 057** | **332 140** | **359 869** |

All amounts expressed in PLN thousand, unless indicated otherwise

## Consolidated profit and loss account and other total income

| | Note | 6 months of 2015 | | 6 months of 2014 |
|---|---|---|---|---|
| Sales revenues | 19. | 90 229 | | 96 700 |
| Costs of goods, products and materials sold | 20. | (72 046) | | (89 783) |
| **I. Gross sales profit** | | **18 183** | | **6 917** |
| Sales and marketing costs | 20. | (7 930) | | (8 231) |
| General administrative costs | 20. | (9 200) | | (7 831) |
| Other operating revenues (costs) | 21. | 629 | | 976 |
| **II. Profit (loss) at operating level** | | **1 682** | | **(8 169)** |
| Financial revenues | 22. | 508 | | 259 |
| Financial expenses | 22. | (1 544) | | (1 918) |
| *Net financial revenues (expenses)* | | *(1 036)* | | *(1 659)* |
| Share in profit (loss) in associated companies | | (179) | | 9 |
| **III. Profit (loss) before tax** | | **467** | | **(9 819)** |
| Current income tax | 23. | (305) | | 1 496 |
| **IV. Net profit (loss) of the accounting period** | | **162** | | **(8 323)** |
| | | | | |
| **Other total income, which may be settled with profit (loss):** | | - | | - |
| Exchange differences from conversion of foreign subsidiaries financial statements | | (2 236) | | (2 937) |
| Exchange differences on net investments in a subsidiary | | 1 151 | | (1 748) |
| Income tax referring to the total other income items | | (105) | | (24) |
| **V. Total income of the accounting period** | | **(1 028)** | | **(13 032)** |
| | | | | |
| Profit (loss) of the accounting period falling to owners from the parent entity | 31. | 162 | | (8 323) |
| Total profit of the accounting period falling to owners from the parent entity | | (1 028) | | (13 032) |
| | | | | |
| 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) | | 0.03 | | (1.58) |

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 1.01.2014** | **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 1H 2015 | - | - | (1 190) | 162 | (1 028) |
| **State as of 31.06.2015** | **10 511** | **114 990** | **(11 072)** | **172 697** | **287 126** |

| 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 1.01.2014** | **10 511** | **114 990** | **(4 498)** | **178 125** | **299 128** |
| Total income in 1H 2014 | - | - | (4 709) | (8 323) | (13 032) |
| **State as of 30.06.2014** | **10 511** | **114 990** | **(9 207)** | **169 802** | **286 096** |

All amounts expressed in PLN thousand, unless indicated otherwise

## Consolidated cash flow statement

| | Note | 6 months of 2015 | 6 months of 2014 |
|---|---|---|---|
| **Net profit of the accounting period** | | **162** | **(8 323)** |
| Adjustments: | | | |
| - Income tax | 23. | 305 | (1 496) |
| - Depreciation of fixed assets | 5. | 28 714 | 36 830 |
| - Depreciation of intangible assets | 6. | 96 | 197 |
| - Net value of sold formwork – fixed assets | | 8 067 | 4 868 |
| - Interest costs | | 106 | 1 000 |
| - Revenues from interests | | (435) | (259) |
| - Change in share value in the associates | | (747) | 186 |
| - Profit)/loss from changes in fair value of financial instruments | | (47) | 51 |
| - (Profit)/Loss on exchange differences | | 822 | 120 |
| - Change to value of provision for pension benefits | | - | - |
| Changes in working capital: | | | |
| - Inventories | | (3 960) | (1 021) |
| - Trade receivables and other receivables | | (1 194) | (6 641) |
| - Trade liabilities and other liabilities | | 10 582 | 3 848 |
| | | **42 471** | **29 360** |
| Income tax paid | | (4 354) | (1 343) |
| **Net cash flows from operating activities** | | **38 117** | **28 017** |
| Cash flows from investments | | | |
| Acquisition of tangible fixed assets | | (18 843) | (12 188) |
| Receipts from sale of tangible fixed assets | | 23 | 1 026 |
| Acquisition of intangible and legal assets | | (6) | (4) |
| Loans granted | | (50 001) | (15 056) |
| Repayment of loans granted | | 50 001 | 15 056 |
| Interest received | | 435 | 175 |
| **Net cash flows from investing activities** | | **(18 391)** | **(10 991)** |
| Cash flows from financial activities | | | |
| Credits and loans received | | - | - |
| Repayment of credits and loans | | (10 604) | (19 519) |
| Payments for financial leasing | | - | (72) |
| Interest paid | | (127) | (1 033) |
| Dividend payment | | - | - |
| **Net cash flows from financing activities** | | **(10 731)** | **(20 624)** |
| **Net increase/(decrease) in the balance of cash and overdraft on current account** | | **8 995** | **(3 598)** |
| 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 | | (39) | 85 |
| **Balance of cash and overdraft on current account as at the end of the period** | 12. | **41 066** | **26 235** |

All amounts expressed in PLN thousand, unless indicated otherwise

# ADDITIONAL INFORMATION TO THE CONSOLIDATED FINANCIAL STATEMENT

## Notes to the consolidated financial statements

### 1. 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.

### A) 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 6 months ended on 30 June 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.

### B) Consolidation

The consolidated financial statements of the Group were drawn-up on the basis of the financial statement of the parent company, financial statements of its subsidiaries and associates. The Financial statements of consolidated entities are drawn-up for the same reporting period.
The accounting principles applied by subsidiaries were changed, if necessary, to ensure compliance with the accounting principles applied by the Group.
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.

The associates are the entities, on which the parent entity or its subsidiaries have a significant impact, however has no control or co-control over them. The investment in the associates are recognized in the statement of financial position according to purchase price increased by later changes to share of the parent company in net assets of such entities, decreased by the potential write-downs on equity loss.

The investment in the associates are recognized by the equity method.
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 assets.

Foreign exchange differences on cash items included into the net investment in an entity operating abroad 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.

## C) Valuation of items expressed in foreign currencies

### 1. 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

### 2. 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.
Exchange rate differences on cash items included into the net investment in and entity operating abroad 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.

### 3. Foreign companies

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

a) assets and liabilities are converted at the closing rate in force as of the balance sheet dat,
b) 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,
c) all resulting exchange differences are recognized as a separate item of equity and recognized in the other total income.

### 4. Currency xxchange rates and inflation

| | Average exchange rates of PLN 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 Rumania) | KZT (tenge Kazakhstan) | EUR (euro) | |
| 30 June 2015 | 0.1780 | - | 0.9349 | 0.019930 | 4.1944 | -1.2% |
| 31 December 2014 | 0.2246 | 1.2344 | 0.9510 | 0.019232 | 4.2623 | 0.0% |
| 30 June 2014 | 0.2562 | 1.2051 | 0.9488 | 0.016587 | 4.1609 | 0.4% |

All amounts expressed in PLN thousand, unless indicated otherwise

## D) 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 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.

## E) Tangible fixed asset

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 facilities | 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.

## F) 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.

Leasing of tangible 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.

## G) 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.

## H) 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.

## I) 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.

## J) Investments

All amounts expressed in PLN thousand, unless indicated otherwise

**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.

## K) 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.

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.
Write-downs are recorded for obsolete, non-transferable and defective inventories, if necessary.

## L) 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.
The Group adopted the principle, according to which the amount of VAT recovered from no payment of receivables within 150 days from the payment date are recognized in the 'Tax receivables and other receivables' item.

**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.

## M) 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.

## N) Capitals

### Share and reserve 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" item in the statement of financial position 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.

### Exchange rate differences from conversion of foreign entities

Exchange rate differences occurred from conversion of foreign statements from the functional currency of a foreign entity into the presentation currency and the exchange rate differences from net investment in the foreign entity constitute a separate component of the Group's equity.

## O) 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.

## P) Provisions

Provisions 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.

## Q) 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.

## R) Significant accounting estimates

In the course of preparation of these financial statements in accordance with the International Financial Reporting Standards, the Management Board performs specific accounting estimates and takes its own knowledge and estimates in relation to expected changes in the analyzed figures into account. The estimates and related Assumption are based on knowledge and historical experience as well as the other factors recognized as reasonable in given circumstances and their effects provide a basis for Professional judgment as for the book value of assets and liabilities, not resulting directly from the other sources. In significant issues, the Management Board, making the estimates, judgments or taking the assumptions, may base on the opinions of independent experts. The judgments, estimates and related assumptions are subject to the on-going verification. The actual figures may differ from the estimates.

- The carrying value of tangible fixed assets is determined on the basis of estimates concerning the useful life of individual groups of fixed assets. The adopted useful life periods are subject to periodic review on the basis of analyses performed 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.
- Changes in the construction market may have significant impact on the assessment of recoverable amount of assets of individual Group entities. In the event of identifying premises for impairment, the Group estimates the recoverable amount of its tangible fixed assets.
  The analysis of impairment of tangible fixed assets is usually performed by way of estimating the recoverable amount of cash-generating units. Such analysis is based on a number of significant assumptions, part of which is beyond the control of the Group. Significant changes in these assumptions may affect the results of impairment tests and, as a consequence, may lead to significant changes in the Group’s financial standing and financial results.

## S) Revenues

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

### 1. Revenue from sales of construction 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 net profits / (losses).
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 2010, written down in the executed contract..

### 2. Revenues from sales of services

Revenues from sales of services refer to, primarily, the services related to lease of construction formworks settled based on daily rates.

### 3. 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.

### 4. Dividends

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

## T) 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.

The Capital Group is able to control the dates of reversal of any and all interim differences on investment in subsidiaries, divisions and associates as well as investment in joint ventures, for which the deferred income tax was not recognized and for which it is possible that these interim differences will not reverse in the predictable future.

## U) 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 present value of these obligations is measured by an independent actuary.
The Company makes a provision for post-employment benefits in order to allocate the costs of those allowances to the periods to which they relate. The provision raised is recognized as an operating expense in the amount corresponding with accrued future employees' benefits..
Actuarial profits and losses resulting from amendment of the actuarial assumptions (including under a change to discount rate) and actuarial ex post adjustments are recognized in the other total income.

## 2. Financial risk management

All amounts expressed in PLN thousand, unless indicated otherwise

The activity of the Group is exposed to various kinds of financial risk: foreign exchange risk, risk of change in cash flows and fair value as a result of interest rate changes, credit risk and liquidity risk.
By the management programme, the Group seeks to minimize the effects of financial risks having a negative impact on the Group's financial results. The Group uses forward contracts in order to secure itself against certain risks.

**Foreign exchange risk**

The Group conducts international activity and is exposed to the risk of changing exchange rates of various currencies, including in particular euro. Foreign exchange risk concerns future commercial transactions (sale of goods and products and purchase of goods and services) as well as the assets and liabilities recognized. Foreign exchange risk arises, when future commercial transactions and the assets and liabilities recognized are expressed in a currency different than the functional currency of the companies, which are part of the Group.
The Group hedges net positions using external forward currency contracts.

The analyses conducted do not indicate that the Group is materially exposed to foreign exchange risk in relation to financial instruments. This is due to the fact that the Group's currency exposure is highly balanced.

In addition, within the Capital Group, the parent entity granted loans to the subsidiaries of the total value, as at the balance sheet day, of EUR 2 514 thousand and USD 1 900 thousand. These loans constitute a part of net investment of the parent entity in the subsidiary operating abroad and are expressed in currencies other than the functional currency of the parent entity (Polish zloty) or subsidiary operating abroad (Ukrainian hryvnia or Kazakh tenge). According to IAS 21, foreign exchange differences occurred when converting this loan and recognized in the individual financial statements of the parent entity (for conversion of loan recognized in the individual financial statement of the subsidiary operating abroad (for conversion of loan from EUR or USD to Polish zloty) as well as the foreign exchange differences occurred due to conversion of this loan from EUR/USD to Ukrainian hryvnia or Kazakh tenge) in the consolidated financial statements of the Group are transferred to a separate share capital item and recognized in the other total income..

If the Polish zloty depreciated/appreciated by 10% against EUR/USD, with the other parameters remaining unchanged, foreign exchange differences recognized in the separate item of share capital in relation to the above loan would decrease/increase the consolidated share capital by PLN 1 433 thousand.

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

Revenues and cash flows from the Group's operating activities are not significantly exposed to the risk of interest rate change.
The interest rate change risk in the case of the Group concerns long-term debt instruments (Note 15). The interest rates of credits taken by the Group is based on the 1M WIBOR rate plus the bank's margin, exposing the Group to the risk of change in cash flows as a result of changing interest rates. The Group does not have any fixed-interest rate financial instruments for which any change in the interest curve would result in the change of their fair value.

The sensitivity analysis performed by the Group demonstrates that:

- As of 30 June 2015, no risk regarding total payment of bank loans and credits incurred in the previous periods occurs,
-

- as of 31 December 2014, if the interest rates were higher by 100 base points, the consolidated net profit for the period of 12 months ended on 31 December 2014 would be lower by PLN 86 thousand as a result of the increase in the costs of external financing ,
- as of 31 December 2014, if the interest rates were higher by 100 base points, the consolidated net profit for the period of 6 months ended on 30 June 2014 would be lower by PLN 99 thousand as a result of the increase in the costs of external financing.

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

### Credit risk

The item exposed to credit risk is the trade receivables item (Note no. 10).

The Group is not exposed to significant concentration of risk related to credit sale. There is no concentration of credit sales due to the relatively high number of recipients of the Group's services and goods. The Group also applies a policy which significantly reduces the sale of services and goods to customers with an inappropriate history of debt repayment. The internal control procedures in place which consist, among other things, in setting credit limits for individual customers depending on an assessment of their financial standing, and the procedures of acceptance of new customers allow the Group to significantly reduce level of credit risk.

Trade receivables in whose case no impairment was found account for 58.2% of the gross value of that group of financial assets, of which of the value of that group corresponding to trade receivables which are not outstanding in 2014, the rates were at the level of 61.2% and 47.7% respectively, whereas in the period of 6 months of 2014, at the level of 64.7% and 44.1% respectively).
No financial assets exist for which repayment conditions were renegotiated and with regard to which impairment would have to be determined if there were no renegotiations.
An ageing analysis of financial assets is as follows: (in PLN '000):

| | 30 June 2015 | 31 December 2014 | 30 June 2014 |
|---|---|---|---|
| Current receivables | 31 527 | 31 712 | 32 162 |
| Outstanding by up to 30 days | 6 995 | 5 832 | 7 706 |
| Outstanding by 31 to 90 days | 7 202 | 2 839 | 6 740 |
| Outstanding by 91 to 180 days | 3 838 | 2 046 | 11 782 |
| Outstanding by 181 to 360 days | 1 817 | 13 754 | 10 992 |
| Outstanding by more than 360 | 64 785 | 52 458 | 47 273 |
| **Total gross assets** | **116 164** | **108 641** | **116 655** |
| Revaluation write-downs | (48 548) | (42 188) | (41 168) |
| **Total net assets** | **67 616** | **66 453** | **75 487** |

Impairment was determined in the case of financial assets in the trade receivables and other receivables group with a value of PLN 48 548 thousand. These assets were written-down. During determination of the impairment of individual financial assets, the Group evaluates each customer on an individual basis, looking mainly at their financial standing and the security they have in place. As a basic means used in order to secure debt recovery, the Group uses mainly blank promissory notes and insurance of receivables for the eastern markets.

With regard to financial assets presented in the table above, outstanding by more than 180 days, the Capital Group recovered PLN 7 848 thousand of VAT as of the balance sheet date, applying so-called VAT relief on bad debts, which were disclosed in trade receivables and other receivables.

## Liquidity risk

Liquidity risk management assumes that a suitable level of cash will be maintained, as well as availability of financing owing to a sufficient amount of credit instruments granted and the ability to close market positions. The Group holds sufficient cash resources to pay its liabilities which are due and guarantees potential financing on the basis of the credit facilities granted.
Over 90% of the Group’s trade liabilities are due within 2 months of the balance sheet date. A maturity analysis of the Group’s bank credits is presented in Note 15 of Additional Information.

## Working capital management

Working capital of the individual companies within the ULMA Construccion Polska S.A. Capital Group is managed at the Capital Group level. The main goals of capital management include ensuring a suitable level of operational liquidity and the possibility of implementing investment plans of the individual Group companies in accordance with the approved budgets.

## Dividend policy

The dividend policy adopted at the Group is also subordinated to the goals indicated above. Decisions on the payment of dividend are preceded each time by an analysis of the current needs and of needs related to development of each of the companies and of the Capital Group as a whole

## 3. New accounting standards and interpretations of the International Financial Reporting Interpretations Committee (IFRIC)

The following standards, changes in already effective standards and interpretations are not endorsed by the European Union or are not effective as of 1 January 2015:

| Standard | Description of changes | EU effective date |
|---|---|---|
| IFRS 9 Financial Instruments (along with amendments) | Changes to the classification and measurement requirements – replacement of the existing categories of financial instruments with the two following categories: measured at amortised cost and at fair value. Changes to hedge accounting. | 1 January 2018 |
| IFRS 14 Regulatory Deferral Accounts | Accounting and disclosure principles for regulatory deferral accounts. | 1 January 2016 |
| IFRS 15 Revenue from Contracts with Customers | The standard applies to all contracts with customers, except for those within the scope of other IFRSs (e.g. leasing contracts, insurance contracts and contracts relating to financial instruments).<br>IFRS 15 clarifies principles of revenue recognition. | 1 January 2017 |
| Amendments to IFRS 11 | Additional accounting guidance for the acquisition of an interest in a joint operation. | 1 January 2016 |
| Amendments to IFRS 10 and IAS 28 | Deals with the sale or contribution of assets between an investor and its joint venture or associate | 1 January 2016 |
| Amendments to IFRS 10 IFRS 12 and IAS 28 | Clarification of the provisions on recognition of investment units in the consolidation. | 1 January 2016 |
| Amendments to IAS 1 | Changes regarding disclosures required in the financial statements | 1 January 2016 |
| Amendments to IAS 16 and IAS 38 | Clarifies that a method of depreciation/amortisation that is based on the revenue expected to be generated from using the asset is not allowed. | 1 January 2016 |
| Amendments to IAS 16 and IAS 41 | Accounting for bearer plants. | 1 January 2016 |
| Amendments to IAS 27 | Use of the equity method in separate financial statements. | 1 January 2016 |
| Annual improvements to IFRS (cycle 2012-2014) | A collection of amendments dealing with:<br>IFRS 5 – changes in methods of disposal;<br>IFRS 7 – regulations regarding servicing contracts, and applicability of the amendments to IFRS 7 to interim financial statements;<br>IAS 19 – discount rate: regional market issue;<br>IAS 34 – additional guidance relating to disclosures in interim financial statements. | 1 January 2016 |

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

**Impact of the new regulations on the future consolidated financial statements of the Group**

All amounts expressed in PLN thousand, unless indicated otherwise

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

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

Other standards and their changes should have no significant impact on future financial statements of the Group. Amendments to standards and interpretations that entered into force in the period from 1 January 2015 to the date of approval of these consolidated financial statements did not have significant influence on these financial statements

## 4. Information concerning segments of activity

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

- construction site services — a segment comprising lease of formwork systems and scaffolding along with widely understood logistic services and settlement of the construction site at the end of the contract,
- sale of construction materials — a segment comprising the sale of formwork systems, constituting tangible fixed assets (property, plant and equipment) as well as current assets (products and services) of the Group as well as of other construction materials

Information concerning the segments is measured in accordance with the principles presented in the accounting policy.

The feature of the construction industry, with which the operations of the Groups are connected is seasonality. One may observe lowering of the activity of the construction industry companies in the winter months and increase in activity in the summer and autumn season. Weather conditions are of significance for activity in a given year.

No cases of customer concentration occur within the Group.

The results of the individual segments are as follows:

### Period of 6 months ended on 30 June 2015

| Item description | Construction site services | Sale of construction materials | Capital Group |
|---|---|---|---|
| Total revenues from sales | 74 332 | 24 284 | 98 616 |
| Sale between segments | (361) | (8 026) | (8 387) |
| **Revenues from sales** | **73 971** | **16 258** | **90 229** |
| Operating costs without depreciation | (49 596) | (10 141) | (59 737) |
| **EBITDA** | **24 375** | **6 117** | **30 492** |
| Depreciation | (27 748) | (1 062) | (28 810) |
| **Profit (loss) at operational level - EBIT** | **(3 373)** | **5 055** | **1 682** |

All amounts expressed in PLN thousand, unless indicated otherwise

**Period of 6 months ended 30 June 2014.**

| Item description | Construction site services | Sale of construction materials | Capital Group |
|---|---|---|---|
| Total revenues from sales | 70 827 | 38 316 | 109 143 |
| Sale between segments | (315) | (12 128) | (12 443) |
| **Revenues from sales** | **70 512** | **26 188** | **96 700** |
| Operating costs without depreciation | (45 207) | (22 635) | (67 842) |
| **EBITDA** | **25 305** | **3 553** | **28 858** |
| Depreciation | (35 759) | (1 268) | (37 027) |
| **Profit (loss) at operational level - EBIT** | **(10 454)** | **2 285** | **(8 169)** |

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

| | 6 months of 2015 | 6 months of 2014 |
|---|---|---|
| **EBIT Segment** | **1 682** | **(8 169)** |
| Interest revenues | 508 | 259 |
| Other financial revenues | (106) | (1 000) |
| Interest expenses | (1 438) | (918) |
| Other financial costs | (179) | 9 |
| Share in the results of associates | **467** | **(9 819)** |
| **Profit (loss) before taxes** | (305) | 1 496 |
| Income tax | **162** | **(8 323)** |

Assets allocated to the individual segments are presented in the table below.

| Item description | Construction site services | Sale of construction materials | Unallocated items | Capital group |
|---|---|---|---|---|
| As of 30 June 2015 | 163 418 | 20 725 | 142 914 | 327 057 |
| As of 31 December 2014 | 179 513 | 20 909 | 131 718 | 332 140 |
| As of 30 June 2014 | 201 974 | 25 338 | 132 557 | 359 869 |

All amounts expressed in PLN thousand, unless indicated otherwise

Reconciliation of the segment assets to the Group's total assets is presented below. The Group allocates no liabilities to individual segments.

| Item description | 30 June 2015 | 31 December 2014 | 30 June 2014 |
|---|---|---|---|
| Segment assets | 184 143 | 200 422 | 227 312 |
| Unallocated tangible fixed assets | 94 231 | 93 156 | 98 762 |
| Unallocated intangible fixed assets | 155 | 251 | 370 |
| Investments in associate | 661 | (86) | 94 |
| Other fixed assets | 4 095 | 4 123 | 4 150 |
| Long-term receivables | 930 | - | 924 |
| Tax receivables and other receivables | 1 776 | 2 164 | 2 022 |
| Derivative instruments | - | - | - |
| Cash and cash equivalents | 41 066 | 32 110 | 26 235 |
| **Total assets** | **327 057** | **332 140** | **359 869** |

Geographic breakdown of the Group's revenues and fixed assets is as follows:

| Item description | 30 June 2015 | 31 December 2014 | 30 June 2014 |
|---|---|---|---|
| Revenues from domestic sales | 69 037 | 136 007 | 66 810 |
| Revenues from export sales | 21 192 | 56 485 | 29 890 |
| **Total revenues from sales** | **90 229** | **192 492** | **96 700** |
| Domestic fixedassets | 199 843 | 219 600 | 242 578 |
| Foreign fixedassets | 4 348 | 5 043 | 4 701 |
| **Total fixedassets** | **204 191** | **224 643** | **247 279** |

All amounts expressed in PLN thousand, unless indicated otherwise

## 5. Tangible fixed assets

**Table of movements in tangible fixed assets between 1 January 2014 and 30 June 2015**

| | Lands, buildings and structures | Plant, machinery and means of transport | Formwork systems | Other property, plant & equipment | PP&E under construction | Total tangible fixed assets |
|---|---|---|---|---|---|---|
| **GROSS VALUE** | | | | | | |
| **State as of 1 January 2014** | **105 663** | **10 373** | **520 650** | **2 970** | **870** | **640 526** |
| Increase due to purchase | 9 | 433 | 26 974 | 195 | 182 | 27 793 |
| Increase - inventory surplus, reclassification | 415 | 13 | 4 203 | - | (870) | 3 761 |
| Decrease - sale | (1 592) | (740) | (34 424) | (17) | - | (36 773) |
| Decrease - liquidation, shortage and reclassification | (524) | (28) | (18 402) | (48) | - | (19 002) |
| Foreign exchange differences | (57) | (202) | (9 538) | (97) | - | (9 894) |
| **State as of 31 December 2014** | **103 914** | **9 849** | **489 463** | **3 003** | **182** | **606 411** |
| Increase due to purchase | 8 | 864 | 12 494 | 184 | 128 | 13 678 |
| Increase - inventory surplus, reclassification | - | 1 | 4 719 | - | (146) | 4 574 |
| Decrease - sale | - | (146) | (12 898) | (104) | - | (13 148) |
| Decrease - liquidation, shortage and reclassification | (134) | 61 | (11 879) | (62) | - | (12 014) |
| Foreign exchange differences | (20) | (55) | (3 041) | (32) | (1) | (3 149) |
| **State as of 30 June 2015** | **103 768** | **10 574** | **478 858** | **2 989** | **163** | **596 352** |
| **ACCUMULATED DEPRECIATION** | | | | | | |
| **State as of 1 January 2014** | **11 219** | **5 836** | **349 579** | **2 465** | **-** | **369 099** |
| Depreciation for the period | 2 805 | 1 024 | 63 758 | 252 | - | 67 839 |
| Decrease - sale | (602) | (730) | (29 155) | (18) | - | (30 505) |
| Decrease - liquidation, shortage and reclassification | (35) | (23) | (16 117) | (48) | - | (16 223) |
| Foreign exchange differences | (19) | (121) | (3 857) | (70) | - | (4 067) |
| **State as of 31 December 2014** | **13 368** | **5 986** | **364 208** | **2 581** | **-** | **386 143** |
| Depreciation for the period | 1 392 | 472 | 26 642 | 208 | - | 28 714 |
| Decrease - sale | (59) | (140) | (9 719) | (102) | - | (10 020) |
| Decrease - liquidation, shortage and reclassification | - | 56 | (7 082) | (56) | - | (7 082) |
| Foreign exchange differences | (6) | (43) | (1 270) | (25) | - | (1 344) |
| **State as of 30 June 2015** | **14 695** | **6 331** | **372 779** | **2 606** | **-** | **396 411** |
| **NET VALUE:** | | | | | | |
| **State as of 30 June 2015** | **89 073** | **4 243** | **106 079** | **383** | **163** | **199 941** |
| **State as of 31 December 2014** | **90 546** | **3 863** | **125 255** | **422** | **182** | **220 269** |
| **State as of 1 January 2014** | **94 444** | **4 537** | **171 071** | **505** | **870** | **271 427** |

All amounts expressed in PLN thousand, unless indicated otherwise

### Table of movements in tangible fixed assets between 1 January and 30 June 2014

| | Lands, buildings and structures | Plant, machinery and means of transport | Formwork systems | Other property, plant & equipment | PP&E under construction | Total tangible fixed assets |
|---|---|---|---|---|---|---|
| **GROSS VALUE** | | | | | | |
| **State as of 1 January 2014** | **105 663** | **10 373** | **520 650** | **2 970** | **870** | **640 526** |
| Increase due to purchase | 11 | 139 | 13 719 | 99 | 4 600 | 18 568 |
| Increase - inventory surplus, | - | - | 1 143 | - | (870) | 273 |
| Decrease - sale | (1 592) | (1) | (21 755) | (8) | - | (23 356) |
| Decrease - liquidation, shortage and reclassification | (378) | - | (6 135) | (5) | - | (6 518) |
| Foreign exchange differences | (45) | (202) | (7 628) | (81) | - | (7 956) |
| **State as of 31 December 2014** | **103 659** | **10 309** | **499 994** | **2 975** | **4 600** | **621 537** |
| **ACCUMULATED DEPRECIATION** | | | | | | |
| **State as of 1 January 2014** | **11 219** | **5 836** | **349 579** | **2 465** | **-** | **369 099** |
| Depreciation for the period | 1 411 | 530 | 34 741 | 148 | - | 36 830 |
| Decrease - sale | (602) | (1) | (18 099) | (8) | - | (18 710) |
| Decrease - liquidation, shortage and reclassification | - | - | (5 297) | (5) | - | (5 302) |
| Foreign exchange differences | (15) | (102) | (2 962) | (57) | - | (3 136) |
| **State as of 31 December 2014** | **12 013** | **6 263** | **357 962** | **2 543** | **-** | **378 781** |
| **NET VALUE:** | | | | | | |
| **State as of 31 December 2014** | **91 646** | **4 046** | **142 032** | **432** | **4 600** | **242 756** |
| **State as of 1 January 2014** | **94 444** | **4 537** | **171 071** | **505** | **870** | **271 427** |

The depreciation charge on tangible fixed assets increased by:

| Specification | 6 months of 2015 | 12 months of 2014 | 6 months of 2014 |
|---|---|---|---|
| Costs of sold goods, products and materials | 27 381 | 65 634 | 35 858 |
| Sales and marketing costs | 1 | 4 | 2 |
| General management costs | 1 332 | 2 201 | 970 |
| **Total** | **28 714** | **67 839** | **36 830** |

All amounts expressed in PLN thousand, unless indicated otherwise

## 6. Intangible fixed assets

**Table of movements in intangible fixed assets between 1 January 2014 and 30 June 2015**

| | Licenses and software | Other | Total intangible assets |
|---|---|---|---|
| **GROSS VALUE** | | | |
| **State as of 1 January 2014** | **4 718** | **42** | **4 760** |
| Increase | 50 | - | 50 |
| Decrease - disposal | (266) | - | (266) |
| Foreign exchange differences | (12) | (2) | (14) |
| **State as of 31 December 2014** | **4 490** | **40** | **4 530** |
| Increase | 6 | - | 6 |
| Foreign exchange differences | (6) | - | (6) |
| **State as of 30 June 2015** | **4 490** | **40** | **4 530** |
| **ACCUMULATED DEPRECIATION** | | | |
| **State as of 1 January 2014** | **4 141** | **41** | **4 182** |
| Increase | 363 | 1 | 364 |
| Decrease - disposal | (266) | - | (266) |
| Foreign exchange differences | 1 | (2) | (1) |
| **State as of 31 December 2014** | **4 239** | **40** | **4 279** |
| Depreciation for the period | 96 | - | 96 |
| **State as of 30 June 2015** | **4 335** | **40** | **4 375** |
| **NET VALUE:** | | | |
| **State as of 30 June 2015** | **155** | **-** | **155** |
| **State as of 31 December 2014** | **251** | **-** | **251** |
| **State as of 1 January 2014** | **577** | **1** | **578** |

**Table of movements in intangible fixed assets between 1 January 2014 and 30 June 2014**

| | Licenses and software | Other | Total intangible assets |
|---|---|---|---|
| **GROSS VALUE** | | | |
| **State as of 1 January 2014** | **4 718** | **42** | **4 760** |
| Increase | 4 | - | 4 |
| Foreign exchange differences | (15) | (2) | (17) |
| **State as of 30 June 2014** | **4 707** | **40** | **4 747** |
| **ACCUMULATED DEPRECIATION** | | | |
| **State as of 1 January 2014** | **4 141** | **41** | **4 182** |
| Depreciation for the period | 197 | - | 197 |
| Foreign exchange differences | (4) | (1) | (5) |
| **State as of 30 June 2014** | **4 334** | **40** | **4 374** |
| **NET VALUE** | | | |
| **State as of 30 June 2014** | **373** | **-** | **373** |
| **State as of 1 January 2014** | **577** | **1** | **578** |

All amounts expressed in PLN thousand, unless indicated otherwise

The amortization charge on tangible fixed assets increased by:

| Specification | 6 months of 2015 | 12 months of 2014 | 6 months of 2014 |
|---|---|---|---|
| Costs of sold goods, products and materials | - | 10 | 6 |
| Sales and marketing costs | - | - | - |
| General management costs | 96 | 354 | 191 |
| **Total** | **96** | **364** | **197** |

## 7. Financial instruments

| | Carrying amount | | | Fair value | | | Fair value hierarchy |
|---|---|---|---|---|---|---|---|
| | 30 June 2015 | 31 December 2014 | 30 June 2014 | 30 June 2015 | 31 December 2014 | 30 June 2014 | |
| **Financial assets held for trading** | | | | | | | |
| Cash | 41 066 | 32 110 | 26 235 | | | | *) |
| **Receivables and loans granted** | | | | | | | |
| Trade receivables and other receivables | 68 798 | 67 604 | 77 421 | | | | *) |
| Loans granted | 930 | 989 | 924 | | | | *) |
| **Financial liabilities** | | | | | | | |
| Credit with variable interest rates | - | 10 625 | 24 299 | | | | *) |
| Trade liabilities and other liabilities | 25 821 | 13 574 | 32 496 | | | | *) |
| **Derivative instruments** | | | | | | | |
| Financial instruments measured at fair value through profit or loss | 28 | 75 | 8 | 28 | 75 | 8 | Level 2 |

Level 2: Derivative instruments recognized in the consolidated statement of financial position concern the contracts for defined period of time for purchase/sale of currency. Fair value of instruments as at the balance sheet date is determined on the basis of the exchange rate on the maturity specified by the bank, in which the instrument was purchased individually for each concluded contract.

*) Fair value approximates carrying amount.

All amounts expressed in PLN thousand, unless indicated otherwise

## 8. Interests in associates

| name (business name) of the entity, with an indication of the legal form | Seat | Scope of business | Carrying value of interests | % of share capital held |
|---|---|---|---|---|
| ULMA Cofraje S.R.L. | Bucharest Romania | sale and lease of formwork, sale of construction materials | 661 | 30.00 |

Basic data concerning the associate.

| | 30 June 2015 | 31 December 2014 | 30 June 2014 |
|---|---|---|---|
| Assets | 13 549 | 13 311 | 14 428 |
| Liabilities | 11 016 | 9 935 | 10 456 |
| Revenues from sales | 3 964 | 7 442 | 3 311 |
| Net financial result | (782) | (571) | 29 |

## 9. Other fixedassets

Other fixed assets include the right of perpetual usufruct of land in the amount of PLN 4 095 thousand. The right of perpetual usufruct of land expires on 5 December 2089.

## 10. Trade receivables and other receivables

| | 30 June 2015 | 31 December 2014 | 30 June 2014 |
|---|---|---|---|
| Trade receivables from unrelated entities | 115 344 | 107 559 | 113 832 |
| Revaluation write-down on trade receivables | (48 548) | (42 188) | (41 168) |
| *Trade-receivables - net* | *66 796* | *65 371* | *72 664* |
| Other receivables | 469 | 566 | 1 011 |
| Prepayments and accrued income | 714 | 585 | 923 |
| Trade receivables from related entities | 820 | 1 082 | 2 823 |
| Loan receivables | 930 | 989 | 924 |
| **Total trade receivables and other receivables** | **69 728** | **68 593** | **78 345** |
| including: | | | |
| **Long-term portion** | 930 | 989 | 924 |
| **Short-term portion** | 68 798 | 67 604 | 77 421 |

The net value of revaluation write-downs on receivables increased by the amounts of receivables written off in the total amount of PLN 7 136 thousand (PLN 9 997 thousand in 2014, PLN 6 723 thousand in 6 months of 2014) was recognized in sales and marketing costs in the statement of comprehensive income.

All amounts expressed in PLN thousand, unless indicated otherwise

Changes in revaluation write-downs on trade receivables and other receivables were as follows:

| | 6 months of 2015 | 12 months of 2014 | 6 months of 2014 |
|---|---|---|---|
| **As of beginning of period** | **42 188** | **36 808** | **36 808** |
| Increase - revaluation write-downs on trade receivables | 7 164 | 12 206 | 6 816 |
| Realization | - | (3 844) | (899) |
| Adjustment to earlier write-down | 30 | (1 188) | (63) |
| Foreign exchange differences | (774) | (1 794) | (1 494) |
| **As of end of period** | **48 548** | **42 188** | **41 168** |

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

## 11. Inventories

| | 6 months of 2015 | 12 months of 2014 | 6 months of 2014 |
|---|---|---|---|
| Materials | 7 250 | 5 255 | 5 449 |
| Goods | 3 906 | 1 941 | 2 719 |
| **Gross value of inventories** | **11 156** | **7 196** | **8 168** |
| Revaluation write-down on inventories | (340) | (340) | (340) |
| **Net value of inventories** | **10 816** | **6 856** | **7 828** |

## 12. Cash and cash equivalents

| | 6 months of 2015 | 12 months of 2014 | 6 months of 2014 |
|---|---|---|---|
| Cash on hand and at banks | 41 066 | 32 110 | 26 235 |
| **Total cash, including:** | **41 066** | **32 110** | **26 235** |
| Cash with limited availability | 92 | 92 | 156 |

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

| | 6 months of 2015 | 12 months of 2014 | 6 months of 2014 |
|---|---|---|---|
| Cash and cash equivalents | 41 066 | 32 110 | 26 235 |
| Overdraft facility (note 15) | - | - | - |
| **Cash and cash equivalents disclosed in the cash flow statement** | **41 066** | **32 110** | **26 235** |

All amounts expressed in PLN thousand, unless indicated otherwise

## 13. Share and reserve capital

| | Number of shares | Nominal value of share | Surplus from the issue of shares at premium | Total |
|---|---|---|---|---|
| **State as of 1 January 2014** | **5 255 632** | **10 511** | **114 990** | **125 501** |
| - increase | - | - | - | - |
| - decrease | - | - | - | - |
| **State as of 31 December 2014** | **5 255 632** | **10 511** | **114 990** | **125 501** |
| - increase | - | - | - | - |
| - decrease | - | - | - | - |
| **State as of 30 June 2015** | **5 255 632** | **10 511** | **114 990** | **125 501** |

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

As of 30 June 2015, the shareholding structure of the Company is as follows:

| | **Share capital** | | **Votes at the General Meeting** | |
|---|---|---|---|---|
| | **Number of** | **%** | **Number of votes** | **%** |
| ULMA CyE, S. Coop | 3 967 290 | 75.49 | 3 967 290 | 75.49 |
| OFE Aviva BZ WBK | 466 679 | 8.88 | 466 679 | 8.88 |
| Free float | 821 663 | 15.63 | 821 663 | 15.63 |

## 14. Trade liabilities and other liabilities

| | 30 June 2015 | 31 December 2014 | 30 June 2014 |
|---|---|---|---|
| Trade Liabilities towards unrelated entities | 14 417 | 8 680 | 13 388 |
| Liabilities towards related entities | 7 211 | 1 681 | 14 620 |
| Liabilities related to social insurance and other levies | 10 382 | 12 638 | 9 340 |
| Deferred income (passive costs) | 3 689 | 2 833 | 3 376 |
| Deferred income (passive revenues) | - | - | 652 |
| Other Liabilities | 504 | 380 | 460 |
| **Total trade Liabilities and other Liabilities** | **36 203** | **26 212** | **41 836** |
| including: | | | |
| **Long-term portion** | - | - | - |
| **Short-term portion** | 36 203 | 26 212 | 41 836 |

All amounts expressed in PLN thousand, unless indicated otherwise

# 15. Credits and loans

| Long-term | 30 June 2015 | 31 December 2014 | 30 June 2014 |
|---|---|---|---|
| Bank credit | - | - | - |
| **Total long-term credit** | **-** | **-** | **-** |

| Short-term | 30 June 2015 | 31 December 2014 | 30 June 2014 |
|---|---|---|---|
| Overdraft facility (note 12) | - | - | - |
| Bank credit | - | 10 625 | 24 299 |
| **Total short-term credit** | **-** | **10 625** | **24 299** |

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

| | 30 June 2015 | 31 December 2014 | 30 June 2014 |
|---|---|---|---|
| With variable interest rate: | | | |
| - expiring within one year | 6 000 | 9 000 | 11 434 |
| - expiring after one year | - | - | - |
| **Total unused credit limit** | **6 000** | **9 000** | **11 434** |

# 16. Leasing

## a) Financial leasing

Liabilities of the Group for financial leasing were paid in 2014. The subject of lease was the machines for formwork cleaning.

## b) Operational leasing

Right of perpetual usufruct of land acquired by way of purchase was included in operational leasing agreements.
Total amount of minimum future payments related to the right of perpetual usufruct of land is as follows:

| | 30 June 2015 | 31 December | 30 June 2014 |
|---|---|---|---|
| Less than one year | 9 | 9 | 9 |
| 1 to 5 years | 35 | 35 | 35 |
| Over 5 years | 610 | 619 | 619 |
| **Total** | **654** | **663** | **663** |

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

# 17. Deferred income tax

All amounts expressed in PLN thousand, unless indicated otherwise

| | 30 June 2015 | 31 December 2014 | 30 June 2014 |
|---|---|---|---|
| Deferred income tax assets: | 6 829 | 6 299 | 6 897 |
| Deferred income tax liabilities: | (9 062) | (11 350) | (13 309) |
| **Carrying value of deferred income tax assets (liabilities)** | **(2 233)** | **(5 051)** | **(6 412)** |

Movements in deferred income tax assets and liabilities during the year (before their set-off within a single jurisdiction) are as follows:

**Deferred income tax liabilities**

| Reason for temporary differences | Valuation of tangible fixed assets | Unrealized foreign exchange differences | Other | Total |
|---|---|---|---|---|
| **State as of 1.01.2014** | **14 598** | **24** | **23** | **14 645** |
| **Credited to profit/loss** | (3 479) | (137) | (123) | **(3 739)** |
| **Debited to profit/loss** | - | 314 | 130 | **444** |
| **State as of 31.12.2014** | **11 119** | **201** | **30** | **11 350** |
| **Credited to profit/loss** | (2 300) | (234) | (48) | **(2 582)** |
| **Debited to profit/loss** | - | 255 | 39 | **294** |
| **State as of 30.06.2015** | **8 819** | **222** | **21** | **9 062** |

**Deferred income tax assets**

| Reason for temporary differences | Tax losses | Valuation of tangible fixed assets | Provisions for costs | Unrealized foreign exchange differences | Total |
|---|---|---|---|---|---|
| **State as of 1.01.2014** | **-** | **2 284** | **2 973** | **160** | **5 417** |
| **Credited to profit/loss** | - | 292 | 1 892 | 232 | **2 416** |
| **Debited to profit/loss** | - | (54) | (1 188) | (79) | **(1 321)** |
| **Taken to equity** | - | - | - | (213) | **(213)** |
| **State as of 31.12.2014** | **-** | **2 522** | **3 677** | **100** | **6 299** |
| **Credited to profit/loss** | | 189 | 1 234 | 53 | **1 476** |
| **Debited to profit/loss** | | (619) | (204) | (18) | **(841)** |
| **Taken to equity** | | - | - | (105) | **(105)** |
| **State as of 30.06.2015** | | **2 092** | **4 707** | **30** | **6 829** |

All amounts expressed in PLN thousand, unless indicated otherwise

## 18. Liabilities related to retirement benefits

| | 30 June 2015 | 31 December 2014 | 30 June 2014 |
|---|---|---|---|
| Liabilities recognized in the statement of financial position, related to: | | | |
| Retirement benefits | 179 | 179 | 139 |
| **Total** | **179** | **179** | **139** |

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

## 19. Revenues from sales

| | 6 months of 2015 | 6 months of 2014 |
|---|---|---|
| Revenues from sales related to construction site services | 73 971 | 70 512 |
| Revenues from the sale of goods and construction materials | 16 258 | 26 188 |
| **Total revenues from sales** | **90 229** | **96 700** |

Revenues from sales to the entity exercising control over the ULMA Construccion Polska S.A. Capital Group in the period of 6 months ended on 30 June 2015 amounted to PLN 1 322 thousand (comparing to PLN 2 372 thousand in the same period of 2014.

## 20. Costs by type

| | 6 months of 2015 | 6 months of 2014 |
|---|---|---|
| Depreciation of tangible and intangible fixed assets | 28 810 | 37 027 |
| Employee benefit costs (note 20 a) | 15 056 | 15 843 |
| Consumption of raw materials, auxiliary materials and energy | 5 468 | 6 637 |
| Transport services | 5 052 | 5 567 |
| Lease and rental services | 5 532 | 6 217 |
| Repair and maintenance | 4 879 | 2 346 |
| Installation services | 3 309 | 1 116 |
| Other third party services | 6 478 | 9 803 |
| Other costs | 9 524 | 9 327 |
| Value of sold goods and materials | 5 068 | 11 962 |
| **Total costs by type** | **89 176** | **105 845** |
| | | |

All amounts expressed in PLN thousand, unless indicated otherwise

| | | |
|---|---|---|
| Sales and marketing costs | (7 930) | (8 231) |
| Management costs | (9 200) | (7 831) |
| **Costs of sold goods, products and materials** | **72 046** | **89 783** |

| **20 a) Employee benefit costs** | | |
|---|---|---|
| Costs of remuneration and costs of termination benefits | 12 281 | 12 762 |
| Costs of social insurance and other benefits for the employees | 2 775 | 3 081 |
| **Total costs of employee benefits** | **15 056** | **15 843** |

## 21. Other operating revenues and costs

| **21 a) Other operating revenues** | 6 months of 2015 | 6 months of 2014 |
|---|---|---|
| Inventory surplus | 94 | 61 |
| Profit on the change in fair value of forward contracts | 35 | 631 |
| Compensation obtained | 22 | 1 026 |
| Sale of tangible fixed assets | 392 | 207 |
| Provisions for expected losses – released | 114 | - |
| Re-invoicing | 1 | 270 |
| Other revenues | **658** | **2 195** |
| **Total other operating revenues** | | |

| **21 b) Other operating costs** | 6 months of 2015 | 6 months of 2014 |
|---|---|---|
| Inventory shortage | - | (70) |
| Loss on the change in fair value of forward contracts | - | (19) |
| Liquidation of tangible fixed assets | (21) | (1 074) |
| Other costs | (8) | (56) |
| **Total other operating costs** | **(29)** | **(1 219)** |

## 22. Financial revenues and costs

| **22 a) Financial revenues** | 6 months of 2015 | 6 months of 2014 |
|---|---|---|
| Interest on funds in bank account | 146 | 156 |
| Interest on loan | 362 | 103 |
| **Total financial revenues** | **508** | **259** |

| **22 b) Financial costs** | | |
|---|---|---|
| Interest expense: | | |

All amounts expressed in PLN thousand, unless indicated otherwise

| | | |
|---|---|---|
| - bank credit | (106) | (994) |
| - leasing | - | (3) |
| - other - related to late payment of liabilities | - | (3) |
| | **(106)** | **(1 000)** |
| | | |
| Losses on the change in fair value of forward contracts — financial activity | - | (35) |
| Foreign exchange differences | (1 395) | (816) |
| Credit acquisition costs | (43) | (35) |
| Bank Guarantee Fund | - | (32) |
| **Total financial costs** | **(1 544)** | **(1 918)** |

## 22 c) Foreign exchange profit/loss

The impact of foreign exchange differences on the financial result of ULMA Construccion Polska S.A. Group is presented below:

| | 6 months of 2015 | 6 months of 2014 |
|---|---|---|
| Revenues from sales | 29 | 71 |
| Costs of sold goods, products ad materials | (165) | (176) |
| Financial costs | (1 395) | (816) |
| **Total foreign exchange profit (loss)** | **(1 531)** | **(921)** |

Value of exchange rate differences of net investment in the subsidiaries compared directly to share capital amounted to PLN 1 046 thousand in 1H 2015, comparing to PLN (1 772) thousand in 1H 2014.

## 23. Income tax

| | 6 months of 2015 | 6 months of 2014 |
|---|---|---|
| Current tax | (3 228) | (1 334) |
| Deferred tax (note ▯) | 2 923 | 2 830 |
| **Total income tax** | **(305)** | **1 496** |

The income tax on the Group's profit before taxation differs in the following manner from the theoretical amount, which would be obtained by applying the weighted average rate of tax applicable to the profits of consolidated companies:

| | 6 months of 2015 | 6 months of 2014 |
|---|---|---|
| **Profit before taxes** | **467** | **(9 819)** |
| Tax calculated in accordance with the applicable rates (19% for Poland, 23% for the Ukraine and 20% for Kazakhstan and 15% for Lithuania) | 117 | (2 065) |
| Non-taxable income | (266) | (34) |
| Non-deductible costs | 559 | 627 |

All amounts expressed in PLN thousand, unless indicated otherwise

| | | |
|---|---|---|
| Deferred tax liabilities on share capital | (105) | (24) |
| **Income tax charged to profit/loss** | **305** | **(1 496)** |

Tax authorities may audit the books of account and tax settlements within 5 years of the end of the year, in which tax declarations were filed (in Ukraine: within 3 years) and charge additional tax to the Companies from the Group, along with penalty interest. In the Management Board's opinion, there are no circumstances suggesting that significant liabilities might arise in relation to the above.

## 24. Divident per share

In the 1H 2015, the Group paid no dividends.

## 25. Contingent items

On request of ULMA Construccion Polska S.A. mBANK granted one of the clients of the Company performance bond for rental agreement. The performance bond expires on 16 October 2016 and its amount will fluctuate thorough the term..
As at the balance sheet date, the amount of granted performance bond is PLN 2 539 thousand.

## 26. Investment (off-balance sheet) liabilities

As at the balance sheet date, there are no future contractual investment liabilities at the ULMA Construccion Polska S.A. Capital Group incurred. Future operational leasing liabilities (*in which the company of the Group acts as the lessee*) are presented in Note 16b.

## 27. Measurement of financial instruments at fair value

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

## 28. Significant events and events after the balance sheet date

Since November last year, when the Ukrainian government decided not to sign the association agreement with the European Union and the free trade agreement, the economic situation of this country deteriorated dramatically.
In February 2014, after devaluation of the national currency, difficult financial situation forced the National Bank of Ukraine to introduce administrative restrictions relating to the limitation of freedom to acquire foreign currencies. At the same time, the beginning of preparations for the introduction of a floating exchange rate regime for the native currency was announced.
In the 1H 2015 gradual diminishing of the war conflict and military actions was observed, which translated immediately into moderate stabilization of the economic situation of this country. However, total construction and assembly production in this period continued to record a downward trend.
A slow increase is recorded in the residential construction sector. Upon the previous decisions of the Central Bank of Ukraine, preventing keeping cash in the exchangeable currencies, there are no active forms of capital allocation in Ukraine, enabling its protection in the case of devaluation. In effect, the society increased its interest in the investments in tangible fixed assets, such as real estates, including in particular apartments.
Share of foreign entities (including Ukraine) in the consolidated financial statement of the Group does not exceed 10% of assets and 20% of revenues from sales of the Group as of and for the period ended on 30 June 2015 roku.

All amounts expressed in PLN thousand, unless indicated otherwise

The final result of this difficult situation and the political and economic effects of the current crisis are virtually impossible to quantify which, however, does not rule out the situation in which Ukraine's economy could suffer even more.
The Management Board of the Capital Group is constantly trying to respond to new views of the conflict in Ukraine, and while conducting in-depth monitoring of the turn of events, as well as in direct contact with the Management Board of ULMA Opałubka Ukraine, it is trying to maintain the stability of business activities in that country. However, political and social turbulence, including possible outbreak of a military conflict, may adversely affect the results and financial position of the subsidiary company operating in Ukraine.
The major risk is still the risk of devaluation of Ukraine's currency, i.e. UAH which, if occurs, will have a negative impact on the valuation of intra-group loans granted by Ulma Construccion Polska S.A. (parent company) in EUR and USD to Ulma Opalubka Ukraine, but also on the financial position of Ulma Opalubka Ukraine disclosed in its separate financial statements after conversion to PLN, when consolidated in accordance with the least favorable exchange rate.
These financial statements reflect the current evaluation of the Capital Group's Management Board as to the influence exerted by the geopolitical situation on the results generated by the subsidiary company and its ability to maintain financial stability in the future, and does not recognize any reserves in case of cessation of free activities.

## 29. Transactions with related entities

Control over the Group is exercised by ULMA C y E, S. Coop. with its registered office in Spain, which holds 75.49% of the Company's shares. The remaining 24.51% of the shares are held by many shareholders.

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

**Parent company:**

ULMA Construccion Polska S.A. with its registered seat in Koszajec (Brwinów Commune)

**Subsidiaries:**

- ULMA Opalubka Ukraina with its registered seat in Kiev, at the address: Gnata Yury 9, established on 18 July 2001, registered at the Sviatoshyn State Administration Division for the City of Kiev under No. 5878/01, ID code 31563803. The company's business comprises of the sale and lease of formwork and sale of construction materials. The issuer holds 100% of the share capital and of the total number of votes.

- ULMA Opalubka Kazakhstan, a limited liability company with its registered seat in Astana, at the address Tashenova 25, established on 27 August 2010. The strategic objective of the company is developing the core business of the Capital Group, i.e. the lease of formwork systems and scaffolding, and dissemination of knowledge related to the application of the formwork technology in the construction process in the area of Kazakhstan. The issuer holds 100% of the share capital and of the total number of votes

- ULMA Construccion BALTIC with its registered seat in Vilnius, at the address Pylimo 41-12, established on 27 April 2012. The Company's business consists in: lease of scaffolding and formwork for construction, wholesale and retail sale of scaffolding and formwork for construction, sale and lease of other construction equipment and other commercial activity. The issuer holds 100% of the share capital and of the total number of votes

The Group also holds shares in the associate:

ULMA Cofraje SRL with its registered seat in Bragadiru, at the address: Soseaua de Centura No. 2-8 Corp C20 (Romania), established on 9.10.2007. Entered in the State Office of the Commercial Register in Bucharest, under No. 22679140. The Company's business consists in the lease and sale of scaffolding and formwork for construction, including on the basis of leasing agreements. The issuer holds 30% of the share capital and of the total number of votes. The remaining 70% of the Company's share capital is held by the entity controlling the Group, i.e. ULMA C y E, S. Coop. with its registered seat in Spain.

The subsidiaries are consolidated using the full method, whereas the associate is consolidated using the equity method.

Transactions concluded by companies from the ULMA Construccion Polska S.A. Capital Group with related entities were typical and routine transactions, concluded on an arm's length basis, and their nature and conditions resulted from the carrying out of on-going operational activities.

Figures related to transactions between entities from the ULMA Construccion Polska S.A. Capital Group and entities from the ULMA C y E, S. Coop. Group:.:

| **Settlements as of the balance sheet date** | **State as of** | | |
|---|---|---|---|
| | 30 June 2015 | | 30 June 2014 |
| Receivables of ULMA Construccion Polska S.A from the Group's entities | 820 | | 2 823 |
| Liabilities of ULMA Construccion Polska S.A towards the Group's entities | 7 211 | | 14 620 |
| Loan receivables – ULMA Cofraje s.r.l. Romania (EUR '000) | 221 | | 221 |
| Loan interest receivables (EUR '000 ) | 36 | | 1 |

| **Sales and purchases from Group entities** | 6 months of 2015 | | 6 months of 2014 |
|---|---|---|---|
| Sales by ULMA Construccion Polska S.A to the Group's entities | 1 729 | | 6 393 |
| Purchases by ULMA Construccion Polska S.A from the Group's entities | 11 849 | | 21 530 |
| Loan interest revenue | 362 | | 103 |

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

The Group considers that the key management personnel of the Parent Company and companies of the ULMA Group include members of the Management and Supervisory Board of the Parent Company, as well as members of the Management and Supervisory Boards of subsidiaries and associates. In the period of 6 months of 2015 and in the same period of 2014, the Group companies did not grant to managing and supervising persons and their relatives any advances, borrowings, loans, guarantees and sureties, or concluded other agreements obliging them to render services to the Parent Company and its related parties.
As of 30 June 2015, 31 December 2014 and 30 June 2014 there were no loans granted by the Group companies to no the managing and supervising persons or their relatives.

## 30. Remuneration of Management Board and Supervisory Board Members

In the period of 6 months of 2015, the Members of the Management Board and Supervisory Board obtained the following remuneration and bonuses:

| | 6 months of 2015 | 6 months of 2014 |
|---|---|---|
| **Management Board of ULMA Construccion Polska S.A** | | |
| Andrzej Kozłowski | 499 | 499 |
| Andrzej Sterczyński | 221 | 221 |
| Krzysztof Orzełowski | 192 | 192 |
| | | |
| **ULMA Opałubka Ukraina** | | |
| Dmitriv Lyakhovetskiy | 74 | 129 |
| | | |
| **ULMA Opałubka Kazachstan** | | |
| Ewa Giersz | 243 | 149 |
| | | |
| **ULMA Construccion BALTIC** | | |
| Vykintas Kuzmickas | 124 | 95 |
| | | |
| **Supervisory Board of ULMA Construccion Polska S.A.** | | |
| Rafał Alwasiak | 27 | 27 |

The remaining Members of the Management Board and of the Supervisory Board receive no remu.

## 31. Profit per share

The basic profit per share is calculated as the quotient of dividing the profit attributable to the Company's shareholders by the weighted average number of ordinary shares during the year

| | 6 months of 2015 | 6 months of 2014 |
|---|---|---|
| Profit attributable to the shareholders of the parent entity | 162 | (8 323) |
| Number of ordinary shares as of the balance sheet date | 5 255 632 | 5 255 632 |
| Weighted average number of ordinary shares | 5 255 632 | 5 255 632 |
| Basic profit per share (in PLN per single share) | 0.03 | (1.58) |
| Diluted profit per share (in PLN per single share) | 0.03 | (1.58) |

All amounts expressed in PLN thousand, unless indicated otherwise

## 32. Selected financial data converted into EUR

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

| SPECIFICATION | PLN '000 6 months of 2015 | PLN '000 6 months of 2014 | EUR '000 6 months of 2015 | EUR '000 6 months of 2014 |
|---|---|---|---|---|
| Net revenues from the sale of products. goods and materials | 90 229 | 96 700 | 21 825 | 23 143 |
| Profit (loss) on operating activities | 1 682 | (8 169) | 407 | (1 955) |
| Gross profit (loss) | 467 | (9 819) | 113 | (2 350) |
| Net profit (loss) | 162 | (8 323) | 39 | (1 992) |
| Net cash flow from operating activities | 38 117 | 28 017 | 9 220 | 6 705 |
| Net cash flow from investment activities | (18 391) | (10 991) | (4 449) | (2 630) |
| Net cash flow from financial activities | (10 731) | (20 624) | (2 596) | (4 936) |
| Net cash flow | 8 995 | (3 598) | 2 176 | (861) |
| Diluted profit per share | 0.03 | (1.58) | 0.01 | (0.38) |
| Profit per ordinary share (in PLN/EUR) | 0.03 | (1.58) | 0.01 | (0.38) |
| | PLN '000 | | EUR '000 | |
| | 30 June 2015 | 31 December 2014 | 30 June 2015 | 31 December 2014 |
| Total assets | 327 057 | 332 140 | 77 975 | 77 925 |
| Liabilities | 39 931 | 43 986 | 9 520 | 10 320 |
| Long-term Liabilities | 2 406 | 5 224 | 574 | 1 225 |
| Short-term Liabilities | 37 525 | 38 762 | 8 946 | 9 094 |
| Equity | 287 126 | 288 154 | 68 455 | 67 605 |
| Share capital | 10 511 | 10 511 | 2 506 | 2 466 |
| Weighted average number of shares | 5 255 632 | 5 255 632 | 5 255 632 | 5 255 632 |
| Number of shares as of the balance sheet date | 5 255 632 | 5 255 632 | 5 255 632 | 5 255 632 |
| Book value per share (in PLN/EUR) | 54.63 | 54.83 | 13.02 | 12.86 |

The individual items in assets, equity and liabilities were converted into EUR at the average exchange rates published by the President of the National Bank of Poland in force as at the balance sheet date. Average PLN/EUR exchange rate as of 30 June 2015 is PLN/EUR 4.1944 and as of 31 December 2014 PLN 4.2623.

The rate applied to convert items in the statement of comprehensive income and in the cash flow statement was the weighted average of exchange rates in force as at the last day of each month in the specific period, i.e. data for the period 1.01. – 30.06.2015 was converted at the PLN/EUR exchange rate of 4.1341, whereas data for the same period in 2014 at the PLN/EUR exchange rate of 4.1784.

## On behalf of the Management Board ofULMA Construccion Polska S.A.

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

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

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

Ander Ollo Odriozola,
**Member of the Management Board** ……………………………………………………

## Signature of the person entrusted with keeping the books of account

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

Koszajec, on 14 August 2015

# ABRIDGED
# FINANCIAL STATEMENT
# of the
# ULMA Construccion Polska S.A.

## FOR THE PERIOD OF 6 MONTHS ENDED ON 30 JUNE 2015

**(not audited)**

From the beginning of your projects

All amounts expressed in PLN thousand, unless indicated otherwise

# Table of content



All amounts expressed in PLN thousand, unless indicated otherwise

**ULMA Construccion Polska S.A.**

# GENERAL INFORMATION

## Subject of activity

he subject of activity of the ULMA Construccion Polska S.A. includes:

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

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

Koszajec 50
05-840 Brwinów

## Supervisory Board

| | |
|---|---|
| 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 |

All amounts expressed in PLN thousand, unless indicated otherwise

## Chartered Auditor

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

## Banks

mBANK (d.BRE Bank S.A.)
PEKAO S.A.
BNP PARIBAS Bank Polska S.A.
PKO Bank Polski S.A.
Banco de SABADEL (Spain)

## Stock exchange quotations

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

# ULMA Construccion Polska S.A.

## FINANCIAL STATEMENT

## For the period of 6 months of 2015

All amounts expressed in PLN thousand, unless indicated otherwise

## Statement of financial position

| | Note | 30 June 2015 | 31 December | 30 June 2014 |
|---|---|---|---|---|
| **ASSETS** | | | | |
| **I. Fixed assets** | | | | |
| 1. Tangible fixed assets | 2. | 195 651 | 215 305 | 238 120 |
| 2. Intangible fixed assets | 3. | 97 | 172 | 308 |
| 3. Interests in associates | 5. | 8 198 | 8 198 | 8 198 |
| 4. Other non-current assets | 6. | 4 095 | 4 123 | 4 150 |
| 5. Long-term receivables | 7. | 18 762 | 20 462 | 16 510 |
| **Total fixed assets** | | **226 803** | **248 260** | **267 286** |
| **II. Current (short-term) assets** | | | | |
| 1. Inventories | 8. | 4 145 | 2 277 | 4 134 |
| 2. Trade receivables and other receivables | 7. | 62 082 | 60 454 | 75 746 |
| 3. Current income tax receivables | | - | 24 | 88 |
| 4. Cash and cash equivalents | 9. | 38 996 | 28 315 | 24 293 |
| **Total current assets** | | **105 223** | **91 070** | **104 261** |
| **Total assets** | | **332 026** | **339 330** | **371 547** |
| | | | | |
| **EQUITY AND LIABILITIES** | | | | |
| I. Equity | | | | |
| 1. Share capital | 10. | 10 511 | 10 511 | 10 511 |
| 2. Reserve capital – surplus from sale of shares over nominal value | 10. | 114 990 | 114 990 | 114 990 |
| 3. Retained profit, including: | | 166 498 | 170 625 | 172 452 |
| *a. Net profit (loss) on the accounting period* | | *(4 127)* | *(11 901)* | *(10 074)* |
| **Total equity** | | **291 999** | **296 126** | **297 953** |
| II. Liabilities | | | | |
| 1. Long-term liabilities | | | | |
| a. Credits and loans | 12. | - | - | - |
| b. Deferred income tax liabilities | 14. | 4 337 | 7 572 | 8 818 |
| c. Long-term pension benefit liabilities | 15. | 173 | 173 | 136 |
| **Total long-term liabilities** | | **4 510** | **7 745** | **8 954** |
| **2. Short-term liabilities** | | | | |
| a. Credits and loans | 12. | - | 10 625 | 24 299 |
| b. Short-term pension benefit liabilities | 15. | 6 | 6 | 3 |
| c. Current income tax liabilities | | 920 | 352 | - |
| d. Short-term financial leasing liabilities | 13. | - | - | 67 |
| e. Derivatives | 4. | 29 | 76 | 8 |
| f. Trade liabilities and other liabilities | 11. | 34 562 | 24 400 | 40 263 |
| **Total short-term liabilities** | | **35 517** | **35 459** | **64 640** |
| **Total liabilities** | | **40 027** | **43 204** | **73 594** |
| **Total equity and liabilities** | | **332 026** | **339 330** | **371 547** |

All amounts expressed in PLN thousand, unless indicated otherwise

# Pofit and loss account and other total income

| | Note | 6 months of 2015 | 6 months of 2014 |
|---|---|---|---|
| Sales revenues | 16. | 79 887 | 88 575 |
| Costs of goods, products and materials sold | 17. | (73 082) | (90 063) |
| **I. Gross sales profit** | | **6 805** | **(1 488)** |
| Sales and marketing costs | 17. | (7 267) | (7 894) |
| General administrative costs | 17. | (5 786) | (5 340) |
| Other operating revenues (costs) | 18. | 627 | 1 043 |
| **II. Profit (loss) at operating level** | | **(5 621)** | **(13 679)** |
| Financial revenues | 19. | 1 110 | 2 514 |
| Financial expenses | 19. | (7) | (761) |
| *Net financial revenues (expenses)* | | *1 103* | *1 753* |
| Share in profit (loss) in associated companies | | **(4 518)** | **(11 926)** |
| **III. Profit (loss) before tax** | 20. | 391 | 1 852 |
| Current income tax | | **(4 127)** | **(10 074)** |
| **IV. Net profit (loss) of the accounting period** | | - | - |
| **V. Total income of the accounting period** | | **(4 127)** | **(10 074)** |
| 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) | 22. | (0.79) | (1.92) |

All amounts expressed in PLN thousand, unless indicated otherwise

## Statement of changes in equity

| Details | Share capital in nominal value | Surplus from sale of shares over nominal value | Retained profit | Total equity |
|---|---|---|---|---|
| **State as of 1 January 2014** | **10 511** | **114 990** | **182 526** | **308 027** |
| Total net income in 2014 | - | - | (11 901) | **(11 901)** |
| **State as of 31 December 2014r.** | **10 511** | **114 990** | **170 625** | **296 126** |
| Total net income in 1H 2015 | - | - | (4 127) | **(4 127)** |
| **State as of 30 June 2015** | **10 511** | **114 990** | **166 498** | **291 999** |

| Details | Share capital in nominal value | Surplus from sale of shares over nominal value | Retained profit | Total equity |
|---|---|---|---|---|
| **State as of 1 January 2014** | **10 511** | **114 990** | **182 526** | **308 027** |
| Total net income in 1H 2014 | - | - | (10 074) | **(10 074)** |
| **State as of 30 June 2014** | **10 511** | **114 990** | **172 452** | **297 953** |

All amounts expressed in PLN thousand, unless indicated otherwise

## Cash flow statement

| | Nota | 6 months of 2015 | 6 months of 2014 |
|---|---|---|---|
| **Net profit of the accounting period** | | **(4 127)** | **(10 074)** |
| Adjustments: | | | |
| - Income tax | 20. | (391) | (1 852) |
| - Depreciation of fixed assets | 2. | 28 575 | 36 911 |
| - Depreciation of intangible assets | 3. | 79 | 184 |
| - Net value of sold formwork – fixed assets | | 7 570 | 4 115 |
| - (Profit)/loss from changes in fair value of financial instruments | | (47) | 50 |
| - Income from interests, dividends | | (1 171) | (2 514) |
| - Interest costs | | 106 | 865 |
| - (Profit)/Loss on exchange differences | | (487) | (205) |
| Changes in working capital: | | | |
| - Inventories | | (1 868) | 284 |
| - Trade receivables and other receivables | | (1 628) | (7 225) |
| - Trade liabilities and other liabilities | | 10 753 | 4 624 |
| | | **37 364** | **25 163** |
| Income tax paid | | (2 253) | (437) |
| **Net cash flows from operating activities** | | **35 111** | **24 726** |
| Acquisition of tangible fixed assets | | (17 076) | (9 624) |
| Receipts from sale of tangible fixed assets | | 22 | 1 026 |
| Acquisition of intangible and legal assets | | (4) | - |
| Loans granted | | (51 516) | (19 626) |
| Repayment of loans granted | | 53 743 | 16 351 |
| Interest received | | 1 171 | 766 |
| Dividends received | | - | 1 664 |
| **Net cash flows from investing activities** | | **(13 660)** | **(9 443)** |
| Credits and loans received | | - | - |
| Repayment of credits and loans | | (10 604) | (16 366) |
| Payments for financial leasing | | - | (72) |
| Interest paid | | (127) | (897) |
| Dividend paid | | - | - |
| **Net cash flows from financing activities** | | **(10 731)** | **(17 335)** |
| **Net increase/(decrease) in the balance of cash and overdraft on current account** | | **10 720** | **(2 052)** |
| 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 | | (39) | 73 |
| **Balance of cash and overdraft on current account as at the end of the period** | **9.** | **38 996** | **24 293** |

All amounts expressed in PLN thousand, unless indicated otherwise

**ULMA Construccion Polska S.A.**

# ADDITIONAL INFORMATION TO THE FINANCIAL STATEMENT

All amounts expressed in PLN thousand, unless indicated otherwise

# Notes to the financial statement

## 1. Description of the major accounting principles applied

These interim abridged financial statements of ULMA Construccion Polska S.A. for the period of 6 months ended on 30 June 2015 were prepared in accordance with AIS 34 "Interim financial reporting", approved by the European Union.

The basic accounting principles applied for preparation of these interim abridged financial statements are compliant with the accounting policies adopted by the Company, presented in the consolidated financial statement for the period of 6 months ended on 30 June 2015

The accounting principles applied in the individual financial statement, not presented in the consolidated financial statements, are presented below.

### Investments in subsidiaries and associates

The investment in subsidiaries and associates are recognized in line with historical cost principle adjusted by write-downs. The effects of changes to write-downs are included into revenues or financial costs of the reporting changes, in which the change took place.

## 2. Tangible fixed assets

**Table of movements in tangible fixed assets between 1 January 2014 and 30 June 2015**

| | Lands, buildings and structures | Plant, machinery and means of transport | Formwork systems | Other property, plant & equipment | PP&E under construction | Total tangible fixed assets |
|---|---|---|---|---|---|---|
| **GROSS VALUE** | | | | | | |
| **State as of 1 January 2014** | **105 517** | **9 554** | **505 318** | **2 604** | **870** | **623 863** |
| Increase due to purchase | | 384 | 23 452 | 142 | - | 23 978 |
| Increase - inventory surplus, reclassification | 410 | | 4 011 | | - | 4 421 |
| Decrease - sale | (1 592) | (730) | (43 826) | (17) | - | (46 165) |
| Decrease - liquidation, shortage and reclassification | (520) | (24) | (16 774) | (48) | (724) | (18 090) |
| State as of 31 December 2014 | **103 815** | **9 184** | **472 181** | **2 681** | **146** | **588 007** |
| Increase due to purchase | 7 | 547 | 11 184 | 121 | 93 | 11 952 |
| Increase - inventory surplus, reclassification | - | - | 4 679 | - | (146) | 4 533 |
| Decrease - sale | - | (146) | (14 194) | (104) | - | (14 444) |
| Decrease - liquidation, shortage and reclassification | (134) | 62 | (10 845) | (62) | - | (10 979) |
| State as of 30 June 2015 | **103 688** | **9 647** | **463 005** | **2 636** | **93** | **579 069** |
| **ACCUMULATED DEPRECIATION** | | | | | | |
| State as of 1 January 2014 | **11 172** | **5 490** | **341 084** | **2 250** | **-** | **359 996** |
| Depreciation for the period | 2 800 | 934 | 63 862 | 192 | - | 67 788 |
| Decrease - sale | (603) | (730) | (37 967) | (17) | - | (39 317) |
| Decrease - liquidation, shortage and reclassification | (36) | (25) | (15 658) | (46) | - | (15 765) |
| State as of 31 December 2014 | **13 333** | **5 669** | **351 321** | **2 379** | **-** | **372 702** |
| Depreciation for the period | 1 390 | 431 | 26 577 | 177 | - | 28 575 |
| Decrease - sale | (59) | (140) | (10 476) | (102) | - | (10 777) |
| Decrease - liquidation, shortage and reclassification | - | 56 | (7 082) | (56) | - | (7 082) |
| State as of 30 June 2015 | **14 664** | **6 016** | **360 340** | **2 398** | **-** | **383 418** |
| **NET VALUE:** | | | | | | |
| State as of 30 June 2015 | **89 024** | **3 631** | **102 665** | **238** | **93** | **195 651** |
| State as of 31 December 2014 | **90 482** | **3 515** | **120 860** | **301** | **146** | **215 305** |
| State as of 1 January 2014 | **94 345** | **4 064** | **164 234** | **354** | **870** | **263 867** |

All amounts expressed in PLN thousand, unless indicated otherwise

### Table of movements in tangible fixed assets between 1 January and 30 June 2014

| | Lands, buildings and structures | Plant, machinery and means of transport | Formwork systems | Other property, plant & equipment | PP&E under construction | Total tangible fixed assets |
|---|---|---|---|---|---|---|
| **GROSS VALUE** | | | | | | |
| **State as of 1 January 2014** | **105 517** | **9 554** | **505 318** | **2 604** | **870** | **623 863** |
| Increase due to purchase | - | 128 | 11 725 | 58 | 4 600 | 16 511 |
| Increase - inventory surplus, reclassification | - | - | 1 014 | - | (870) | 144 |
| Decrease - sale | (1 592) | (1) | (27 539) | (8) | - | (29 140) |
| Decrease - liquidation, shortage and reclassification | (378) | - | (5 362) | (5) | - | (5 745) |
| State as of 30 June 2014 | **103 547** | **9 681** | **485 156** | **2 649** | **4 600** | **605 633** |
| **ACCUMULATED DEPRECIATION** | | | | | | |
| State as of 1 January 2014 | **11 172** | **5 490** | **341 084** | **2 250** | **-** | **359 996** |
| Depreciation for the period | 1 408 | 481 | 34 906 | 116 | - | 36 911 |
| Decrease - sale | (603) | (2) | (23 616) | (7) | - | (24 228) |
| Decrease - liquidation, shortage and reclassification | - | - | (5 161) | (5) | - | (5 166) |
| State as of 30 June 2014 | **11 977** | **5 969** | **347 213** | **2 354** | **-** | **367 513** |
| **NET VALUE:** | | | | | | |
| State as of 30 June 2014 | **91 570** | **3 712** | **137 943** | **295** | **4 600** | **238 120** |
| State as of 1 January 2014 | **94 345** | **4 064** | **164 234** | **354** | **870** | **263 867** |

The depreciation charge on tangible fixed assets increased by:

| Specification | 6 months of 2015 | 12 months of 2014 | 6 months of 2014 |
|---|---|---|---|
| Costs of sold goods, products and materials | 28 246 | 67 122 | 36 581 |
| Sales and marketing costs | 1 | 4 | 3 |
| General management costs | 328 | 662 | 327 |
| **Total** | **28 575** | **67 788** | **36 911** |

All amounts expressed in PLN thousand, unless indicated otherwise

## 3. Intangible fixed assets

**Table of movements in intangible fixed assets between 1 January 2014 and 30 June 2015**

| | Licenses and software | Other | Total intangible assets |
|---|---|---|---|
| **GROSS VALUE** | | | |
| **State as of 1 January 2014** | **4 596** | **37** | **4 633** |
| Increase | 19 | | 19 |
| Decrease - disposal | (266) | | (266) |
| **State as of 31 December 2014** | **4 349** | **37** | **4 386** |
| Increase | 4 | - | 4 |
| Decrease – disposal, liquidation | - | - | - |
| **State as of 30 June 2015** | **4 353** | **37** | **4 390** |
| **ACCUMULATED DEPRECIATION** | | | |
| **State as of 1 January 2014** | **4 105** | **37** | **4 142** |
| Depreciation for the period | 338 | | 338 |
| Decrease - disposal | (266) | | (266) |
| **State as of 31 December 2014** | **4 177** | **37** | **4 214** |
| Increase | 79 | - | 79 |
| Decrease – disposal, liquidation | - | - | - |
| **State as of 30 June 2015** | **4 256** | **37** | **4 293** |
| **NET VALUE:** | | | |
| **State as of 30 June 2015** | **97** | **-** | **97** |
| **State as of 31 December 2014** | **172** | **-** | **172** |
| **State as of 1 January 2014** | **491** | **-** | **491** |

The amortization charge on tangible fixed assets increased by:

| **Specification** | 6 months of 2015 | 12 months of 2014 | 6 months of 2014 |
|---|---|---|---|
| Costs of sold goods, products and materials | - | 10 | 6 |
| Sales and marketing costs | - | - | - |
| General management costs | 79 | 328 | 178 |
| **Total** | **79** | **338** | **184** |

All amounts expressed in PLN thousand, unless indicated otherwise

## 4. Financial instruments

| | Carrying amount | | | Fair value | | | Fair value hierarchy |
|---|---|---|---|---|---|---|---|
| | 30 June 2015 | 31 December 2014 | 30 June 2014 | 30 June 2015 | 31 December 2014 | 30 June 2014 | |
| **Financial assets held for trading** | | | | | | | |
| Cash | 38 996 | 28 315 | 24 293 | | | | *) |
| Receivables and loans granted | | | | | | | |
| Trade receivables and other receivables | 62 082 | 60 454 | 75 746 | | | | *) |
| Loans granted | 18 762 | 20 462 | 16 510 | | | | *) |
| **Financial liabilities** | | | | | | | |
| Credit with variable interest rates | - | 10 625 | 24 299 | | | | *) |
| Trade liabilities and other liabilities | 24 458 | 12 352 | 31 195 | | | | *) |
| **Derivative instruments** | | | | | | | |
| Financial instruments measured at fair value through profit or loss | 29 | 76 | 8 | 29 | 76 | 8 | Level 2 |

Level 2: Derivative instruments recognized in the consolidated statement of financial position concern the contracts for defined period of time for purchase/sale of currency. Fair value of instruments as at the balance sheet date is determined on the basis of the exchange rate on the maturity specified by the bank, in which the instrument was purchased individually for each concluded contract.

*) Fair value approximates carrying amount.

All amounts expressed in PLN thousand, unless indicated otherwise

## 5. Investments in subsidiaries and associates

State as of 30 June 2015

| No. | Entity name | Registered Office | Object of business of the enterprise | Nature of relation | Date of taking-over the control | Value of shares at purchase price | Write-downs | Carrying value of shares/interests | % of hold share capital | Share in the total number of votes at the General Meeting |
|---|---|---|---|---|---|---|---|---|---|---|
| 1. | ULMA Opałubka Ukraina | Ukraine | sales and lease of form works, sales of construction materials | Subsidiary | 18.07.2001 | 5 818 | - | 5 818 | 100 | 100 |
| 2. | ULMA Cofraje | Romania | sales and lease of form works, sales of construction materials | Associate | 02.11.2007 | 2 917 | (762) | 2 155 | 30 | 30 |
| 3. | ULMA Opałubka Kazakhstan | Kazakhstan | sales and lease of form works, sales of construction materials | Subsidiary | 27.08.2010 | 83 | - | 83 | 100 | 100 |
| 4. | ULMA Construcction BALTIC | Lithuania | sales and lease of form works, sales of construction materials | Subsidiary | 27.04.2012 | 142 | - | 142 | 100 | 100 |
| | | | | | | **8 960** | **(762)** | **8 198** | | |

All amounts expressed in PLN thousand, unless indicated otherwise

## 6. Other fixed asssets

Other fixed assets include the right of perpetual usufruct of land in the amount of PLN 4 095 thousand. The right of perpetual usufruct of land expires on 5 December 2089.

## 7. Trade receivables and other receivables

| | 30 June 2015 | 31 December 2014 | 30 June 2014 |
|---|---|---|---|
| Trade receivables from unrelated entities | 100 254 | 95 754 | 102 421 |
| Revaluation write-down on trade receivables | (44 717) | (38 411) | (37 565) |
| *Trade-receivables - net* | *55 537* | *57 343* | *64 856* |
| Other receivables | 25 | 27 | 32 |
| Prepayments and accrued income | 702 | 571 | 913 |
| Trade receivables from related entities | 5 818 | 2 513 | 9 945 |
| Loan receivables | 18 762 | 20 462 | 16 510 |
| **Total trade receivables and other receivables** | **80 844** | **80 916** | **92 256** |
| including: | | | |
| **Long-term portion** | 18 762 | 20 462 | 16 510 |
| **Short-term portion** | 62 082 | 60 454 | 75 746 |

N of credit risk due to trade receivables is present, since the Company has a large number of clients.

The net value of revaluation write-downs on receivables increased by the amounts of receivables written off in the total amount of PLN 6 308 thousand (PLN 9 184 thousand in 2014, PLN 6 386 thousand in the period of 6 months 2014) was recognized in sales and marketing costs.
Changes in revaluation write-downs on trade receivables and other receivables were as follows:

| | 30 June 2015 | 31 December 2014 | 30 June 2014 |
|---|---|---|---|
| **As of beginning of period** | **38 411** | **32 050** | **32 050** |
| Increase - revaluation write-downs on trade receivables | 6 336 | 11 393 | 6 478 |
| Realization | - | - | - |
| Adjustment to earlier write-down | - | (3 844) | (900) |
| Foreign exchange differences | 30 | (1 188) | (63) |
| **As of end of period** | **44 717** | **38 411** | **37 565** |

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

All amounts expressed in PLN thousand, unless indicated otherwise

## 8. Inventories

| | 30 June 2015 | 31 December 2014 | 30 June 2014 |
|---|---|---|---|
| Materials | 1 904 | 1 465 | 2 577 |
| Goods | 2 581 | 1 152 | 1 897 |
| **Gross value of inventories** | **4 485** | **2 617** | **4 474** |
| Revaluation write-down on inventories | (340) | (340) | (340) |
| **Net value of inventories** | **4 145** | **2 277** | **4 134** |

## 9. Cash and cash equivalents

| | 30 June 2015 | 31 December 2014 | 30 June 2014 |
|---|---|---|---|
| Cash on hand and at banks | 38 996 | 28 315 | 24 293 |
| Short-term bank deposits | - | - | - |
| **Total cash, including:** | **38 996** | **28 315** | **24 293** |
| Cash with limited availability | 92 | 92 | 156 |

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

| | 30 June 2015 | 31 December 2014 | 30 June 2014 |
|---|---|---|---|
| Cash and cash equivalents | 38 996 | 28 315 | 24 293 |
| Overdraft facility (note 12) | - | - | - |
| **Cash and cash equivalents disclosed in the cash flow statement** | **38 996** | **28 315** | **24 293** |

All amounts expressed in PLN thousand, unless indicated otherwise

## 10. Share and reserve capital

| | Number of shares | Nominal value of share | Surplus from the issue of shares at premium | Total |
|---|---|---|---|---|
| **State as of 1 January 2014** | **5 255 632** | **10 511** | **114 990** | **125 501** |
| - increase | - | - | - | - |
| - decrease | - | - | - | - |
| **State as of 31 December 2014** | **5 255 632** | **10 511** | **114 990** | **125 501** |
| - increase | - | - | - | - |
| - decrease | - | - | - | - |
| **State as of 30 June 2015** | **5 255 632** | **10 511** | **114 990** | **125 501** |

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

As of 30 June 2015, the shareholding structure of the Company is as follows:

| | **Share capital** | | **Votes at the General Meeting of Shareholders** | |
|---|---|---|---|---|
| | **Number of shares** | **%** | **Number of votes** | **%** |
| ULMA CyE, S. Coop | 3 967 290 | 75,49 | 3 967 290 | 75,49 |
| OFE Aviva BZ WBK | 466 679 | 8,88 | 466 679 | 8,88 |
| Free float | 821 663 | 15,63 | 821 663 | 15,63 |

All amounts expressed in PLN thousand, unless indicated otherwise

## 11. Trade liabilities and other liabilities

| | 30 June 2015 | 31 December 2014 | 30 June 2014 |
|---|---|---|---|
| Trade Liabilities towards unrelated entities | 13 373 | 7 918 | 12 192 |
| Liabilities towards related entities | 7 211 | 1 681 | 14 705 |
| Liabilities related to social insurance and other levies | 10 104 | 12 048 | 9 068 |
| Deferred income (passive costs) | 3 655 | 2 713 | 3 338 |
| Deferred income (passive revenues) | - | - | 653 |
| Other Liabilities | 219 | 40 | 307 |
| **Total trade Liabilities and other Liabilities** | **34 562** | **24 400** | **40 263** |
| including: | | | |
| **Long-term portion** | - | - | - |
| **Short-term portion** | 34 562 | 24 400 | 40 263 |

## 12. Credits and loans

| **Long-term** | 30 June 2015 | 31 December 2014 | 30 June 2014 |
|---|---|---|---|
| Bank credits | - | - | - |
| **Total long-term credit** | **-** | **-** | **-** |

| **Short-term** | 30 June 2015 | 31 December 2014 | 30 June 2014 |
|---|---|---|---|
| Overdraft facility (note 12) | - | - | - |
| Bank credits | - | 10 625 | 24 299 |
| **Total short-term credit** | **-** | **10 625** | **24 299** |

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

| | 30 June 2015 | 31 December 2014 | 30 June 2014 |
|---|---|---|---|
| With variable interest rate: | | | |
| - expiring within one year | 6 000 | 9 000 | 9 000 |
| - expiring after one year | - | - | |
| **Total unused credit limit** | **6 000** | **9 000** | **9 000** |

All amounts expressed in PLN thousand, unless indicated otherwise

# 13. Leasing

## 13 a) Financial leasing

Liabilities of the Company for financial leasing were paid in 2014. The subject of lease was the machines for formwork cleaning.

## 13 b) Operational leasing

Right of perpetual usufruct of land acquired by way of purchase was included in operational leasing agreements.
Total amount of minimum future payments related to the right of perpetual usufruct of land is as follows:

| | 30 June 2015 | 31 December 2014 | 30 June 2014 |
|---|---|---|---|
| Less than one year | 9 | 9 | 9 |
| 1 to 5 years | 35 | 35 | 35 |
| Over 5 years | 610 | 619 | 619 |
| **Total** | **654** | **663** | **663** |

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

All amounts expressed in PLN thousand, unless indicated otherwise

## 14. Deferred income tax

| | 30 June 2015 | 31 December 2014 | 30 June 2014 |
|---|---|---|---|
| Deferred income tax assets: | 4 737 | 3 777 | 4 491 |
| Deferred income tax liabilities: | (9 074) | (11 349) | (13 309) |
| **Carrying value of deferred income tax assets (liabilities)** | **(4 337)** | **(7 572)** | **(8 818)** |

Movements in deferred income tax assets and liabilities during the year (before their set-off within a single jurisdiction) are as follows:

**Deferred income tax liabilities**

| Reason for temporary differences | Valuation of tangible fixed assets | Unrealized foreign exchange differences | Other | Total |
|---|---|---|---|---|
| **State as of 1.01.2014** | **14 598** | **24** | **23** | **14 645** |
| **Credited to profit/loss** | (3 479) | (175) | (85) | **(3 739)** |
| **Debited to profit/loss** | | 352 | 91 | **443** |
| **State as of 31.12.2014** | **11 119** | **201** | **29** | **11 349** |
| **Credited to profit/loss** | (2 300) | (234) | (48) | **(2 582)** |
| **Debited to profit/loss** | - | 255 | 52 | **307** |
| **State as of 30.06.2015** | **8 819** | **222** | **33** | **9 074** |

**Deferred income tax assets**

| Reason for temporary differences | Tax losses | Provisions for costs | Unrealized foreign exchange differences | Total |
|---|---|---|---|---|
| **State as of 1.01.2014** | **-** | **2 973** | **160** | **3 133** |
| **Credited to profit/loss** | - | 1 892 | 123 | **2 015** |
| **Debited to profit/loss** | - | (1 188) | (183) | **(1 371)** |
| **State as of 31.12.2014** | **-** | **3 677** | **100** | **3 777** |
| **Credited to profit/loss** | - | 1 234 | 54 | **1 288** |
| **Debited to profit/loss** | - | (204) | (124) | **(328)** |
| **State as of 30.06.2015** | **-** | **4 707** | **30** | **4 737** |

## 15. Liabilities related to retirement benefits

All amounts expressed in PLN thousand, unless indicated otherwise

| | 30 June 2015 | 31 December 2014 | 30 June 2014 |
|---|---|---|---|
| Liabilities recognized in the statement of financial position, related to: | | | |
| Retirement benefits | 179 | 179 | 139 |
| **Total** | **179** | **179** | **139** |

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

| | 30 June 2015 | 31 December 2014 | 30 June 2014 |
|---|---|---|---|
| Provision for retirement benefits | - | 17 | - |
| Interest cost | - | 7 | - |
| Actuarial profits and losses, net | - | 16 | - |
| **Total in retirement benefit costs** | **-** | **40** | **-** |

Change to the state of balance sheet liability:

| | 30 June 2015 | 31 December 2014 | 30 June 2014 |
|---|---|---|---|
| Reserve for retirement benefits at the beginning of the period | 179 | 139 | 139 |
| Provision for retirement benefits | - | 17 | - |
| Interest cost | - | 7 | - |
| Actuarial profits and losses, net | - | 16 | - |
| **Total in retirement benefit costs at the end of the period** | **179** | **179** | **139** |

All amounts expressed in PLN thousand, unless indicated otherwise

## 16. Revenues from sales

| | 6 months of 2015 | 6 months of 2014 |
|---|---|---|
| Revenues from sales related to construction site services | 67 630 | 61 641 |
| Revenues from the sale of goods and construction materials | 12 257 | 26 934 |
| **Total revenues from sales** | **79 887** | **88 575** |

## 17. Costs by type

| | 6 months of 2015 | 6 months of 2014 |
|---|---|---|
| Depreciation of tangible and intangible fixed assets | 28 654 | 37 095 |
| Employee benefit costs (note 17 a) | 12 761 | 13 773 |
| Consumption of raw materials, auxiliary materials and energy | 5 268 | 6 402 |
| Transport services | 4 796 | 5 201 |
| Lease and rental services | 4 660 | 5 279 |
| Repair and maintenance | 4 877 | 2 326 |
| Installation services | 3 309 | 1 116 |
| Other third party services | 5 957 | 9 161 |
| Other costs | 8 247 | 8 562 |
| Value of sold goods and materials | 7 606 | 14 382 |
| **Total costs by type** | **86 135** | **103 297** |
| Sales and marketing costs | (7 267) | (7 894) |
| Management costs | (5 786) | (5 340) |
| **Costs of sold goods, products and materials** | **73 082** | **90 063** |

| **17 a) Employee benefit costs** | | |
|---|---|---|
| Costs of remuneration and costs of termination benefits | 10 421 | 11 135 |
| Costs of social insurance and other benefits for the employees | 2 340 | 2 638 |
| **Total costs of employee benefits** | **12 761** | **13 773** |

All amounts expressed in PLN thousand, unless indicated otherwise

## 18. Other operating revenues and costs

| 18 a) Other operating revenues | 6 months of 2015 | 6 months of 2014 |
|---|---|---|
| Profit on the change in fair value of forward contracts | 94 | 60 |
| Compensation obtained | 35 | 632 |
| Sale of tangible fixed assets | 22 | 1 026 |
| Re-invoicing | 392 | 206 |
| Provisions for expected losses – released | 114 | - |
| Other revenues | - | 268 |
| **Total other operating revenues** | **657** | **2 192** |

| 18 b) Other operating costs | 6 months of 2015 | 6 months of 2014 |
|---|---|---|
| Loss on the change in fair value of forward contracts | - | (19) |
| Liquidation of tangible fixed assets | (22) | (1 074) |
| Other costs | (8) | (56) |
| **Total other operating costs** | **(30)** | **(1 149)** |

All amounts expressed in PLN thousand, unless indicated otherwise

## 19. Financial revenues and costs

| 19 a) **Financial revenues** | 6 months of 2015 | 6 months of 2014 |
|---|---|---|
| Interest revenues: | | |
| - loans granted | 1 025 | 714 |
| - on cash on bank account and delay in payment of liability | 85 | 136 |
| Dividend received | - | 1 664 |
| **Total financial revenues** | **1 110** | **2 514** |

| **19 b) Financial costs** | 6 months of 2015 | 6 months of 2014 |
|---|---|---|
| Interest expense: | | |
| - bank credits | (106) | (859) |
| - leasing | - | (3) |
| - other - related to late payment of liabilities | - | (3) |
| | **(106)** | **(865)** |
| Losses on the change in fair value of forward contracts — financial activity | - | (35) |
| Foreign exchange differences | 142 | 205 |
| Credit acquisition costs | (43) | (35) |
| Bank Guarantee Fund | - | (31) |
| **Total financial costs** | **(7)** | **(761)** |

All amounts expressed in PLN thousand, unless indicated otherwise

## 20. Income tax

| | 6 months of 2015 | 6 months of 2014 |
|---|---|---|
| Current tax | (2 844) | (841) |
| Deferred tax (note 16) | 3 235 | 2 693 |
| **Total income tax** | **391** | **1 852** |

The income tax on the Company's profit before taxation differs in the following manner from the theoretical amount, which would be obtained by applying the weighted average rate of tax applicable to the profits of consolidated com:

| | 6 months of 2015 | 6 months of 2014 |
|---|---|---|
| Profit before tax | (4 518) | (11 926) |
| Tax calculated in accordance with the applicable rates (19%) | (858) | (2 266) |
| Non-taxable income | - | (34) |
| Non-deductible costs | 467 | 448 |
| Income tax charged to profit/loss | (391) | (1 852) |

Tax authorities may audit the books of account and tax settlements within 5 years of the end of the year, in which tax declarations were filed and charge additional tax to the Company, along with penalty interest. In the Management Board's opinion, there are no circumstances suggesting that significant liabilities might arise in relation to the above.

## 21. Valuation of financial instruments at fair value

On the basis of the performed analyses, the Company assessed that the carrying value of the individual financial instruments presented in this financial statement is similar to fair values of these instruments.

## 22. Profit per share

The basic profit per share is calculated as the quotient of dividing the profit attributable to the Company's shareholders by the weighted average number of ordinary shares during the year.

| | 6 months of 2015 | 6 months of 2014 |
|---|---|---|
| Profit (loss) attributable to the shareholders of the parent entity | (4 127) | (10 074) |
| Number of ordinary shares as of the balance sheet date | 5 255 632 | 5 255 632 |
| Weighted average number of ordinary shares | 5 255 632 | 5 255 632 |
| Basic profit (loss) per share (in PLN per single share) | (0,79) | (1.92) |
| Diluted profit (loss) per share (in PLN per single share) | (0.79) | (1.92) |

All amounts expressed in PLN thousand, unless indicated otherwise

## 23. Contingent items

On request of ULMA Construccion Polska S.A. mBANK granted one of the clients of the Company performance bond for rental agreement. The performance bond expires on 16 October 2016 and its amount will fluctuate thorough the term..

As at the balance sheet date, the amount of granted performance bond is PLN 2 539 thousand.

## 24. Events after the balance sheet date

No events of potentially significant impact on the presented financial statements occurred after the balance sheet date.

## 25. Transactions with related entities

Control over the Group is exercised by ULMA C y E, S. Coop. with its registered office in Spain, which holds 75.49% of the Company's shares. The remaining 24.51% of the shares are held by many shareholders.

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

**Parent company:**

ULMA Construccion Polska S.A. with its registered seat in Koszajec (Brwinów Commune)

**Subsidiaries:**

- ULMA Opalubka Ukraina with its registered seat in Kiev, at the address: Gnata Yury 9, established on 18 July 2001, registered at the Sviatoshyn State Administration Division for the City of Kiev under No. 5878/01, ID code 31563803. The company's business comprises of the sale and lease of formwork and sale of construction materials. The issuer holds 100% of the share capital and of the total number of votes.

- ULMA Opalubka Kazakhstan, a limited liability company with its registered seat in Astana, at the address Tashenova 25, established on 27 August 2010. The strategic objective of the company is developing the core business of the Capital Group, i.e. the lease of formwork systems and scaffolding, and dissemination of knowledge related to the application of the formwork technology in the construction process in the area of Kazakhstan. The issuer holds 100% of the share capital and of the total number of votes

- ULMA Construccion BALTIC with its registered seat in Vilnius, at the address Pylimo 41-12, established on 27 April 2012. The Company's business consists in: lease of scaffolding and formwork for construction, wholesale and retail sale of scaffolding and formwork for construction, sale and lease of other construction equipment and other commercial activity. The issuer holds 100% of the share capital and of the total number of votes

The Group also holds shares in the associate:

ULMA Cofraje SRL with its registered seat in Bragadiru, at the address: Soseaua de Centura No. 2-8 Corp C20 (Romania), established on 9.10.2007. Entered in the State Office of the Commercial Register in Bucharest, under No. 22679140. The Company's business consists in the lease and sale of scaffolding and formwork for construction, including on the basis of leasing agreements. The issuer holds 30% of the share capital and of the total number of votes. The remaining 70% of the Company's share capital is held by the entity controlling the Group, i.e. ULMA C y E, S. Coop. with its registered seat in Spain.

Transactions concluded by ULMA Construccion Polska S.A. with related entities were typical and routine transactions, concluded on an arm's length basis, and their nature and conditions resulted from the carrying out of on-going operational activities.

Figures related to transactions between ULMA Construccion Polska S.A. and related entities:

| Settlements as of the balance sheet date | 6 months of 2015 | | 6 months of 2014 |
|---|---|---|---|
| Trade receivables | 5 818 | | 9 945 |
| Trade liabilities | 7 211 | | 14 705 |
| Dividend liabilities | - | | - |

| Sales and purchases from the Group entities | 6 months of 2015 | | 6 months of 2014 |
|---|---|---|---|
| Sales | 10 150 | | 18 615 |
| Purchases | 12 240 | | 21 777 |

| Loans, interests, dividends | 6 months of 2015 | | 6 months of 2014 |
|---|---|---|---|
| Loans granted - in EUR ‘000 | - | | - |
| Loans granted - in USD ‘000 | 450 | | 1 500 |
| Loans paid - in EUR ‘000 | 796 | | 290 |
| Loans paid - in USD ‘000 | 50 | | - |
| Loans granted - in PLN ‘000 | 50 001 | | 15 056 |
| Loans paid - in PLN ‘000 | 50 001 | | 15 056 |
| Loan interest revenue – in PLN ‘000 | 1 025 | | 714 |

ULMA Construccion Polska S.A. granted its subsidiary - ULMA Opalubka Ukraina sp. z o.o. - an investment loan in the amount of EUR 3 100 thousand of fixed interest rate at the market level. Purusuant to the Annex of 15.09.2011, the repayment deadline expires on 25 December, 2015

ULMA Construccion Polska S.A. granted its subsidiary - ULMA Opalubka Ukraina sp. z o.o. - an investment loan in the amount of USD 1 500 thousand thousand of fixed interest rate at the market level by 31 December 2016.

ULMA Construccion Polska S.A. granted its associated - ULMA Cofraje srl Romania - a long-term loan in the amount of EUR 241 thousand. The loan was granted on market terms and conditions and expires on 31 May, 2015.

ULMA Construccion Polska S.A. granted its subsidiary - ULMA Construccion BALTIC a long-term loan in the amount of EUR 2 500 thousand. The loan was granted on market terms and conditions and expires on 30 June, 2018.

ULMA Construccion Polska S.A. granted its subsidiary - ULMA Opałubka Kazachstan sp. z o.o. a long-term loan in the amount of USD 450 thousand. The loan was granted on market terms and conditions and expires on 25 December 2015. The Management Board intends to prolong the loan payment date.

ULMA Construccion Polska S.A. granted its parent entity - ULMA CyE, S. Coop – several tranches of short-term loan in the amount of PLN 50 001 thousand. The loan was granted on market terms and conditions and expires on 30 June 2015.

## 26. Selected financial data converted into EUR

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

| SPECIFICATION | w tys. zł | | w tys. EUR | |
|---|---|---|---|---|
| | 6 months of 2015 | 6 months of 2014 | 6 months of 2015 | 6 months of 2014 |
| Net revenues from the sale of products. goods and materials | 79 887 | 88 575 | 19 324 | 21 198 |
| Profit on operating activities | (5 621) | (13 679) | (1 360) | (3 274) |
| Gross profit (loss) | (4 518) | (11 926) | (1 093) | (2 854) |
| Net profit (loss) | (4 127) | (10 074) | (998) | (2 411) |
| Net cash flow from operating activities | 35 111 | 24 726 | 8 493 | 5 918 |
| Net cash flow from investment activities | (13 660) | (9 443) | (3 304) | (2 260) |
| Net cash flow from financial activities | (10 731) | (17 335) | (2 596) | (4 149) |
| Net cash flow | 10 720 | (2 052) | 2 593 | (491) |
| Diluted profit per share (in PLN/EUR) | (0.79) | (1.92) | (0.19) | (0.46) |
| Profit per ordinary share (in PLN/EUR) | (0.79) | (1.92) | (0.19) | (0.46) |
| | 30 June 2015 | 31 December 2014 | 30 June 2015 | 31 December 2014 |
| Total assets | 332 026 | 339 330 | 79 159 | 79 612 |
| Liabilites | 40 027 | 43 204 | 9 543 | 10 136 |
| Long-term liabilites | 4 510 | 7 745 | 1 075 | 1 817 |
| Short-term liabilites | 35 517 | 35 459 | 8 467 | 8 319 |
| Equity | 291 999 | 296 126 | 69 616 | 69 476 |
| Share capital | 10 511 | 10 511 | 2 506 | 2 466 |
| Weighted average number of shares | 5 255 632 | 5 255 632 | 5 255 632 | 5 255 632 |
| Number of shares as of the balance sheet date | 5 255 632 | 5 255 632 | 5 255 632 | 5 255 632 |
| Book value per share (in PLN/EUR) | 55.56 | 56.34 | 13.25 | 13.22 |

The individual items in assets, equity and liabilities were converted into EUR at the average exchange rates published by the President of the National Bank of Poland in force as at the balance sheet date. Average PLN/EUR exchange rate as of 30 June 2015 is PLN/EUR 4.1944 and as of 31 December 2014 PLN 4.2623.

All amounts expressed in PLN thousand, unless indicated otherwise

The rate applied to convert items in the statement of comprehensive income and in the cash flow statement was the weighted average of exchange rates in force as at the last day of each month in the specific period, i.e. data for the period 1.01. – 30.06.2015 was converted at the PLN/EUR exchange rate of 4.1341, whereas data for the same period in 2014 at the PLN/EUR exchange rate of 4.1784.

## On behalf of the Management Board ofULMA Construccion Polska S.A.

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

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

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

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

## Signature of the person entrusted with keeping the books of account

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

Koszajec, on 14 August 2015