

To the Shareholders of the ULMA Construcción Polska S.A. Capital Group

Dear All,

In 2013, the Capital Group gained PLN 52.5 million of revenues from the commercial export activity of the subsidiaries in Kazakhstan, Ukraine and Lithuania or via the group of dealers and final recipients in such countries as Russia, Belarus and Germany. These revenues were more than twice higher comparing to data for the previous year. In the same period, the Capital Group gained PLN 209 million total revenues from sales comparing to PLN 259 million in the same period of 2012, which is a decline by 19.2%, resulting for the most by downward trend in the construction sector on the Polish market and decreasing prices of products and services due to price wars between the market participants. In 2013, the Capital Group recorded a positive net financial result of PLN 93,000 comparing to net result in the previous year of PLN 20,327,000.

From the perspective of individual markets, on which the Capital Group conducts its trade operation - in 2013, Kazakhstan recorded 6% GDP growth and dynamics of production in the construction sector in the same period was 3.0%. Construction companies currently operating on this market focus on the investments in road infrastructure development and the projects in heavy industry sector - in particular energy sector. Investment climate of Kazakhstan gains high scores and due to its development potential in bilateral economic cooperation it was recognized by the Government of the Republic of Poland as one of 5 perspective markets. In addition, construction investments related to preparations of this country to host Expo 2017 have been under way. These factors contribute to advantageous investment climate and maintaining upward market trends in the construction sector. There is however a high competitive risk, in particular from the Russian companies, having a significant price advantage over the EU companies due to customs agreement (free trade agreements) between Kazakhstan, Russia and Belarus.

The most advantageous situation from among the analyzed economies is recorded in Lithuania with increase of production in the construction sector of 11.3% for 2013 and GDP growth of 3.4% in the same period.

The other market - Ukraine - recorded in 2013 the real GDP growth at the level of 0% and the value of construction production declined by 14.5%. The first months of the year 2014 demonstrate that despite complicated geopolitical and economic situation in Ukraine, the construction sector in this country continues to maintain its delivery capacity from the previous period. However the continuing conflict with Russia and thus difficult to assess economic consequences for Ukraine make the trade risk for this export market considered as high. Therefore forming any market forecasts for the upcoming period should be made with due carefulness.

Providing you with the report of the Capital Group for 2013 in such significant time for Ukraine I deeply hope that possible decline in turnover on the eastern market, which might result from complicated geopolitical situation in Ukraine, will be compensated by economic recovery on the Polish market.

Yours sincerely,

Andrzej Kozłowski

President of the Management Board of ULMA Construcción Polska S.A.