



Ladies and Gentlemen,

We hereby present you with the Consolidated Annual Report of the Capital Group of J.W. Construction Holding S.A. for 2007. It is a very special document: firstly, because it was the best period in the 14-year history of the Company and secondly, because we have been doing it for the first time as a public company.

The past year was the period of stabilisation on the housing market and verification of development plans by many developers. As one of the few we attained assumed sales and financial targets. We sold 2,787 flats, thus collecting PLN 781 million worth of revenues and PLN 148 million worth of net profit, and consolidating our leading position in the housing building segment.

J.W. Construction Holding SA was successfully launched on the Warsaw Stock Exchange in June. That was one of the largest issues in the history of WSE. PLN 777 million worth of shares were sold.

2007 was also the year of our new housing offers. The housing estate Górczewska Park in Warsaw turned out to be the hit of 2007.

From January 2007 to 31 December 2007 we spent over PLN 167 million for purchase of land, thus extending the “land bank” and constructing the grounds for implementation of our investment and financial plans.

Our achievements were noticed by media and trade organisations, who honoured us i.a. with such awards as the Pearl of the Polish Economy, granted by the Institute of Economics of the Polish Academy of Sciences and the Polish Market monthly, the award of the President of the Chamber of Construction and the Superbrand Polska title. Traditionally we were ranked in the Top 500 largest Polish enterprises.

The rate of development of our business was slowed down by insufficient qualified manpower and administrative barriers delaying decisions necessary to commence investments awaited by our clients. In the result of actions taken to that extent the year 2008 will be much better in this regard, which allows us to consider raising financial projections.

We started preparations for implementation of next large projects, also abroad – in Russia (Sochi) and Bulgaria (Golden Sands). We continue the investment commenced in 2004 in Kolomna near Moscow, for 3,000 inhabitants.

We launched preparations for separation of special purpose vehicles in charge of road construction, building units prefabrication and building construction. The said transformations are aimed at structure simplification and cost containment, so much needed in the changing situation on the developer market.

To sum up, it was a very successful year, which provided us with solid bases for attaining targets set for 2008, the most important of which is strengthening the leading position among developers. We want to attain that by launching new housing projects and completing the investments in progress, as well as by expanding into the eastern markets.