

Abbreviated Consolidated Financial Statements for a 3 month-period ended on 30 September, 2010.

Prepared in accordance with International
Financial Reporting Standards



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A. INTRODUCTION TO THE CONSOLIDATED FINANCIAL STATEMENT
1. GENERAL INFORMATION ABOUT THE PARENT COMPANY

J.W. Construction Holding S.A. ("JWCH"), a joint-stock company domiciled in Ząbki at ul. Radzymińska 326, REGON id. no.: 010621332 was initially registered as Towarzystwo Budowlano-Mieszaniowe Batory Sp. z o.o., a limited liability company, on 7 March 1994 under number RHB 39782. On 15 January 2001 it was transformed into a joint-stock company and registered with the District Court for Warsaw under number RHB 63464. On 16 July 2001 the Company changed its name to the current "J.W. Construction Holding S.A." and was entered into the National Court Register under number KRS 0000028142.

In accordance with the Polish Classification of Activities (Polska Klasyfikacja Działalności - PKD) the core business of the Company is development and sale of own real estate. The business comprises construction designing and support production, trade in real estate, sale of aggregates and supply of hotel services.

As at 30 June 2010 the lifetime of the Company was unlimited. The accounting year of the Company is a calendar year i.e. the period from 1 January to 31 December.

2. Adopted principles (Policy) of Accounting

Basic information about the Group comprising the holding entity and the companies subsidiary on the holding entity covered in the consolidated financial statement

The Group's structure and the holding entity's share in the share capital of subjects belonging to the Group as at September 30, 2010 are presented in the table below:

| Company | Country of registration | Parent company's share in share capital | Parent company's share in voting rights | Method of consolidation |
|--|-------------------------|---|---|-------------------------|
| Subsidiaries: | | | | |
| Lokum Sp. z oo | Poland | 99.99% | 99.99% | full consolidation |
| Interlokum Sp. z o.o. | Poland | 100.00% | 100.00% | full consolidation |
| Project 55 Sp. z o.o. | Poland | 100.00% | 100.00% | full consolidation |
| Towarzystwo Budownictwa Społecznego „Marki” Sp. z o.o. | Poland | 99.99% | 99.99% | full consolidation |
| Deweloper Sp. z o.o. | Poland | 99.00% | 99.00% | full consolidation |
| J.W. Construction International Sp. z o.o | Russia | 100.00% | 100.00% | full consolidation |
| J.W. Construction S.A. | Poland | 99.99% | 99.99% | full consolidation |
| JWCH Produkcja Budowlana Sp. z o.o. | Poland | 99.99% | 99.99% | full consolidation |
| JWCH Budownictwo Drogowe Sp. z o.o. | Poland | 99.99% | 99.99% | full consolidation |
| JW Projekt Sp. z o.o. | Poland | 99.98% | 99.98% | full consolidation |
| Porta Transport Sp. z o.o. in liquidation | Poland | 100.00% | 100.00% | full consolidation |
| Construction Invest Sp. z o.o. | Poland | 100.00% | 100.00% | full consolidation |
| Ośrodek Wypoczynkowy "Ogoniok" Sp. z o.o. (currently Yakor House Sp. z o.o.) | Russia | 70.00% | 70.00% | full consolidation |
| Stadnina Mazowiecka Sp. z o.o. | Poland | 100.00% | 100.00% | full consolidation |

The core business of the Group companies is:

- Lokum Sp. z oo - Development and sale of own real estate
- Interlokum Sp. z o.o. - Development and sale of own real estate
- Project 55 Sp. z o.o. - Development and sale of own real estate

- Towarzystwo Budownictwa Społecznego „Marki” Sp. z o.o. - sale and administration of social building estates,
- J.W. Construction International Sp. z o.o - general building works connected with erection of buildings, general building and civil engineering, building production,
- Ośrodek Wypoczynkowy "Ogoniok" Sp. z o.o. (currently Yakor House Sp. z o.o.) - Development and sale of own real estate
- Deweloper Sp. z o.o. - building and assembly production,
- Construction Invest Sp. z o.o. - Development and sale of own real estate
- Porta Transport Sp. z o.o. - transport services,
- J.W. Construction S.A. - building production,
- JW Projekt Sp. z o.o. - designing services,
- JWCH Produkcja Budowlana Sp. z o.o. - prefabricated unit production for the building industry,
- JWCH Budownictwo Drogowe Sp. z o.o. - road construction
- Stadnina Mazowiecka Sp. z o.o. - service activities.

All Group companies operate in the territory of Poland, except for J.W. Construction International Sp. z o.o. and Yakor House Sp. z o.o concentrate on building and developer production in the territory of Russia. The lifetime of the Group companies is unlimited.

Preparation of the consolidated financial statements

The consolidated financial statements for the years 2009-2010 were prepared based on separate financial statements of the companies of the Capital Group of J.W. Construction Holding S.A. and compiled in such a manner as if the Group was one company. The consolidated financial statements cover the financial statements of the parent company -J.W. Construction Holding S.A. and financial statement of the following subsidiaries of the parent company.

In the years 2009-2010 the parent company excluded the following subsidiaries from the obligatory consolidation:

In 2009:

- Business Financial Construction Sp. z o.o.-100%
- Polonia SSA - 100%
- J.W. Construction 1 Sp. z o.o -100%
- J.W. Bułgaria Sp. z o.o.-100%

In 2010:

- Business Financial Construction Sp. z o.o.-100%
- Polonia SSA - 100%
- J.W. Bułgaria Sp. z o.o.-100%

The legal ground for the aforesaid exclusion from the consolidated financial statements was conceptual assumptions of the International Financial Reporting Standards to the extent of useful and reliable information. In accordance with the aforesaid assumptions, benefits from collected information should exceed the costs of providing the same. It was found out that costs of collecting information about subsidiaries not covered by consolidation and costs of consolidating such information exceeded benefits derived from the same. Moreover, when excluding the subsidiaries from obligatory consolidation the parent company was driven by the fact that they were not significant for fair and accurate presentation of the assets, financial standing and earnings of the Capital Group.

Some information and disclosures, which according to International Financial Reporting Standards approved by the European Union, are typically presented together with annual consolidated financial statement, were abbreviated or omitted in accordance with IAS 34 " Interim Financial Reporting" (IAS 34).

Presented interim and abbreviated financial statement, interim abbreviated consolidated profit and loss account, interim abbreviated statement of comprehensive income, interim abbreviated cash flow statement and interim abbreviated statement of changes in equity were not examined by the statutory auditor but they were subject of the review conducted by the independent statutory auditor.

The following interim abbreviated consolidated financial statement does not include all information and disclosures that are required in the annual consolidated financial statement and should be read in conjunction with consolidated financial statement of the Group prepared according to International Financial Reporting Standards for the financial year that ended on 31 December 2009.

Going concern assumption and comparability of financial statements

The Capital Group of J.W. Construction Holding S.A. assumes that it will operate as a going concern and that financial statements are comparable. As at the balance sheet date the Capital Group of J.W. Construction Holding S.A. did not find out any threats to the going concern assumption. The consolidated financial reporting is prepared in accordance with the historical cost convention. The consolidated financial information was not measured with any other method,

which guarantees that the financial statements presented in the consolidated financial statements are comparable.

Declaration of unconditional compliance with IFRS

The consolidated financial statements of the Capital Group of J.W. Construction Holding S.A., covering the parent company and its subsidiaries, were prepared in accordance with the International Financial Reporting Standards, as approved by the European Union.

The Management Board of the Parent Company of J.W. Construction Holding S.A. has assumed that besides accounting estimates, a professional judgment of the management was significant for the financial statements.

Significant estimations and assumptions

Estimations and judgments are subject to periodic verification of the Capital Group companies. When making estimations

J.W. makes the following assumptions referring to the future:

- Estimation of impairment allowance. Impairment allowance is established taking account of expected risk connected with receivables and created collateral having impact on effective debt collection. Although the assumptions are made using the best knowledge, real results may be different than expected.
- Estimations connected with establishing deferred tax assets in accordance with IAS 12. Due to the highly volatile economy it may happen that real earnings and tax income are different than planned.
- Estimation of potential costs of fiscal and court proceedings pending against the parent company. When preparing the financial statements the opportunities and risks connected with pending proceedings are reviewed on a case by case basis, and provisions for potential losses are created accordingly. However, it is also possible that a court or a fiscal authority makes a judgement or issues a decision other than expected by the company and the created provisions may prove insufficient.
- The company gains revenues from services supplied by the Issuer under contracts for a specified time. Services supplied by the Issuer are long-term ones and their term of performance is over six months.

Due to the necessity of accounting changes in the valuation of developer contracts, the Group examined the transformations of the results of previous years. The data for previous years were converted in accordance with new principles, but some information was based on estimates. The final conversion ended on 31 December 2009.

Changes in IFRS

From 1 January 2009, due to changes in International Financial Reporting Standards (IFRS), the Group/Company made some changes in accounting policies in relation to:

IAS 1 Presentation of Financial Statements.

Both terminology and the scope of particular elements of the financial statements were changed:

- - Balance sheet → Statement of financial position
- - Income statement → Statement of comprehensive income or income statement and statement of comprehensive income (includes income and losses and other income that constituted before items of income and expenses in other capitals),
- Statement of changes in equity → Statement of changes in equity (includes only the changes resulting from transactions with shareholders as owners),
- Cash flow statement → Statement of Cash Flows

IAS 23 "Borrowing Costs"

The change in the Standard refers to the accounting treatment for borrowing costs, which can be directly attributable to the acquisition, construction or production of an asset that requires a significant period of time to prepare it for its intended use or sale. As a part of this change, the possibility of immediate recognition of these costs, in the statement of comprehensive income for the period they were incurred, was removed. Under the new requirements of the Standard, these costs should be capitalized.

The Board provides the amendments to this standard will affect the rules (policy) of accounting used by the Group, because the Company currently applies the standard approach in accordance with IAS 23

IFRIC 15 Agreements for the Construction of Real Estate

This interpretation provides general guidance on how to determine whether an agreement for the construction of real estate is within the scope of IAS 11 Construction Contracts or IAS 18 Revenue and when revenue from the construction should be recognized. In addition, IFRIC 15 indicates the moment at which revenue should be recognized for the building services.

On 3 July 2008, the Committee on International Interpretations Financial Statements (IFRIC) published the Interpretation (IFRIC-15) regarding the recognition of revenue in case of sale of property, which is applicable for annual periods

beginning on or after 1 January 2009. This Interpretation changed the recognition of revenue from the sale of property. So far, revenues from property sales were accounted for in IAS 11 Construction Contracts before transferring to the buyer control. From 1 January 2009 in accordance with this interpretation, revenue from sales and cost of sales are recognized only upon the transfer of immovable property (flats, apartment utilities) to the buyer under the sale contract that is concluded in a form of a notarial deed, according to IAS 18 "Revenue". The change will result in a subsequent retrospective recognition of revenues and expenses on the developer project, without causing the loss of its profitability.

Accordingly, the Group changed the accounting rules for valuation of developer contracts starting from 1 January 2009. At the same time, the group estimated the data conversion for previous years as if the method had always been applied.

Policy of accounting

The rules and regulation of the Polish applicable law require the Group to prepare interim abbreviated and consolidated financial statement according to IFRS approved by the European Union ("EU") and regarding the preparation of interim financial statements (IAS 34). Currently, due to the process of accepting IFRS by the European Union and the nature of the business operated by the Capital Group J.W. Construction Holding there are no differences in terms of principles of accounting between those applied by the Group in accordance with IFRS and those of IFRS approved by the European Union.

The interim abbreviated consolidated financial statement was prepared in accordance with IFRS that are applicable to preparation of semi-annual financial statements (IAS 34) and in accordance with all applicable IFRSs that were approved by the European Union.

The principles of accounting applied in the present interim abbreviated consolidated financial statement are consistent with those applied to preparation of consolidated financial statement of the Capital Group for the financial year ended on 31 December 2009, with the exception of the usage of the following changes to standards and new applicable interpretations to annual periods beginning on 1 January 2010:

- IFRS 3 Business Combinations (revised in January 2008),
- IAS 27 Consolidated and Separate Financial Statements (amended in January 2008),
- Changes to IAS 39 Financial Instruments: Recognition and Measurement: Eligible Hedged Items (changes published in July 2008) Eligible Hedged Items (changes published in July 2008).
- - Amended IFRS 1 First-time Adoption Of International Financial Reporting Standards (amended in November 2008),
- IFRIC 17 Interpretation Distributions of non-cash assets to owners,
- Changes resulting from a review of IFRS (published in April 2009),
- Changes to IFRS 2 for group cash-settled share-based payment transactions (amended in June 2009),
- Changes to IFRS 1 First-time Adoption of International Financial Reporting Standards; additional exemptions for IFRS first-time adopters,
- IFRIC 12 Interpretations Service Concession

Applying these changes had no influence on the financial situation or results of operations of the Group.

There are also the following changes to the International Financial Reporting Standards issued by the International Accounting Standards Board or by the International Accounting Standards Committee but which have not been applicable:

- IAS 24 Related Party Disclosures (renewed in November 2007) – applicable to annual periods beginning on 1 January 2011 or later,
- Changes to IAS 32 Financial Instruments: Presentation: Classifications of right issues – applicable to annual periods beginning on 1 February 2010 or later,
- IFRS 9 Financial Instruments – applicable to annual periods beginning on 1 January 2013 or later, not approved by the European Union till the date of approval of the following financial statement,
- Changes to IFRIC 14 IAS 19 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction: Prepayments of a minimum funding requirement- applicable to annual periods beginning on 1 January 2011 or later,
- IFRIC 19 Extinguishing Financial Liabilities with Equity Instruments- applicable to annual periods beginning on 1 July 2010 or later,
- Changes to IFRS 1 First-time Adoption of International Financial Reporting Standards: limited exemption from comparative IFRS 7 disclosures for first-time adopters- applicable for annual periods beginning on 1 July 2010 or later,
- Changes resulting from a review of IFRS (published in May,2010) – a part of changes is applicable to annual periods beginning on 1 July 2010, and other part is applicable to annual periods beginning on 1 January 2011 – not approved by the European Union till the date of approval of this financial statement.

The implemented changes were reviewed by the Group and they have no influence on the financial data presented in this interim abbreviated consolidated financial statement.

The accounting policies applied by the Group are as follows:

Intangible assets

Intangible assets are priced at cost and include proprietary rights such as: concessions, patents, licenses, trademarks, copyrights, know-how and computer software. Intangible assets are identifiable non-monetary assets. Intangible assets are recognisable if:

- they are identifiable,
- the company controls such assets, due to which it is entitled to future economic benefits that are attributable to them and is able to restrict third party access to such benefits,
- they generate future economic benefits in the form of revenues from sales or cost savings for the company,
- the acquisition price or manufacturing cost of a given asset can be measured reliably

Intangible assets are amortised with the straight-line method for the period of their expected useful life.

Intangible assets of an indefinite useful life (goodwill) are not amortised but tested for impairment on an annual basis, in accordance with IAS 36.

Tangible assets

Tangible assets cover resources controlled by the company (owned by the same) as a result of past events, from which future economic benefits are expected to flow to the company and which are kept by the same for use in production or supply of goods and services, for rendering them for use to other entities under lease agreements or for the purpose of administration, and which are expected to be used for over one year. The company recognises tangible assets as assets when they are usable, complete and their cost (acquisition price or manufacturing cost) may be measured reliably.

Tangible assets are measured at acquisition price or manufacturing cost. Tangible assets are depreciated with the straight-line method for the period of their useful life as follows:

- Buildings and structures: the depreciation rates from 2% - 4,5%
- Machinery and equipment: 6% - 30%
- Means of transport: 12.5% - 20%

Subsequent expenditures on tangible assets are included in their carrying value if it is probable that the business entity will gain future economic benefits exceeding the ones obtainable under the initially estimated earnings from assets held before such expenditures. Current costs of maintenance and repairs are expensed in the period in which they were incurred.

Fixed small assets with a value below PLN 3,500,00 are amortized once on the date of purchase. In case of fixed assets, which permanently lost their economic usefulness, unplanned depreciation charge included in other operating costs is made.

The Company verified the value of their assets. Fixed assets that are disclosed in the financial statements do not differ from their assumed cost.

Impairment of tangible assets and intangible assets

Whenever there are indications that tangible assets and intangible assets may be impaired, the said assets are tested for impairment. The established amounts of impairment losses reduce the carrying value of an asset subject to impairment and are disclosed in the income statement.

Impairment losses on assets that were earlier remeasured adjust the revaluation reserve up to the amounts disclosed in equity, and below the acquisition price they are disclosed in the income statement. An impairment loss is recognised for the amount by which the asset's carrying value exceeds its recoverable amount. The recoverable amount is the higher of the asset's net realizable value and the value in use. Impairment losses are reversed when the circumstances due to which they were made cease to exist. Impairment loss reversals are disclosed in the income statement except for the ones which earlier reduced the revaluation reserve. They then adjust the said reserve up to the value of earlier reductions.

Investment real estate

Investment real estate is real estate (land, building or a part of the same, or both) treated by the owner as a source of revenues from rents or held for growth in value. Such real estate is not used in production, supply of goods and services or administration activities, neither is it held for sale in an ordinary course of business. Investment real estate is in particular land kept for its long-term growth in value or land whose future use is presently undetermined. Investment real estate is initially measured at acquisition price or manufacturing cost less transaction expenses.

Lease

A lease is an agreement whereby a lessor conveys to a lessee, in return for a specific payment or a series of payments, the right to use an asset for a specified time. The company classifies leases as operating leases or financial leases. A lease is classified as a financial lease when substantially all risks and rewards of ownership of the leased asset are

transferred to company. A financial lease is initially disclosed on the lease commencement date understood as the day from which the company is entitled to use the leased asset.

As at the lease commencement date the financial lease is disclosed in the balance sheet of the company as an asset and a liability at the lower of:

- the amount equal to the market value of the leased asset,
- the present (discounted) value of lease payments.

Lease payments are divided into financial expenses (presented in the income statement for a given period) and principal payments, reducing the liability under the lease. Financial expenses are disclosed directly in the income statement. Leased assets disclosed in the balance sheet are amortised and depreciated under the same principles as other purchased assets of a similar kind. The period of amortisation or depreciation is equal to the period of lease unless after the end of the lease the company intends to buy the ownership right to the leased asset.

Any lease that does not satisfy the criteria of a financial lease is classified as an operating lease. **Payments made under an operating lease are expensed in the income statement on a straight-line basis over the period of lease.**

Inventories

Inventories comprising materials, work in progress, finished products, goods and trade advances are understood as assets which are:

- materials or raw materials designated for use during production or supply of services,
- produced for the purpose of sale in an ordinary course of business,
- held for sale in an ordinary course of business.

Finished products are components of completed projects (housing estates, multi-family housing estates) such as apartments, commercial premises, basements, garages, garage places, parking places. This item comprises other finished products used in the production process of the company. Finished products are measured at the lower of acquisition price (manufacturing cost - including direct costs and a substantiated part of indirect costs as well as costs of borrowings incurred until the production completion date) and a net realizable value.

Should the acquisition price or manufacturing cost be higher than the expected net realisable value, the company discloses an impairment loss adjusting costs of goods sold.

Work in progress covers expenditures made on building housing estates and costs connected with supporting production. Supporting production is measured at manufacturing cost. Production connected with building of housing estates is valued in accordance with IAS 11 "Construction Contracts" and the principles referred to under section "Long-term developer contracts".

Borrowing Costs

Costs of borrowings comprise interest, exchange losses and other financial expenses incurred by the company due to borrowings. The Company defers costs of borrowings that may be allocated directly to acquisition (land and construction services), construction or manufacturing of an asset as a part of acquisition price or manufacturing cost of such asset. The said costs are deferred until the production or construction completion date. Other costs of borrowings are recognised in the period in which they are incurred, regardless of the manner of using the borrowings.

Current and non-current receivables

Receivables are disclosed in the financial statements at the amount due less impairment allowance. Receivables are remeasured taking account of the probability of their payment, by way of making impairment allowance. Impairment allowance is included in other operating expenses or financial expenses, respectively, depending on the type of receivables covered by such allowance. Remitted, prescribed or uncollectible debts reduce the impairment allowance earlier recognised for the same. Remitted, prescribed or uncollectible debts for which no or only some impairment allowance was recognized are charged to other operating expenses or financial expenses, respectively.

Guarantee deposits

Guarantee deposits being parts of receivables, retained by customers under contractual provisions as security for the guarantee and warranty period, are disclosed in assets of the Companies.

Guarantee deposits securing claims of the Company against sub-contractors are disclosed as payables in liabilities. Deposits are measured as at the balance sheet date at acquisition price adjusted with an effective discount rate.

Cash and cash equivalents

Cash on hand and with bank as well as current deposits kept to maturity are measured at par value.

Prepaid expenses

The Company defers expenditures in prepaid expenses when it is probable that incurred costs refer to more than one reporting period, and in accordance with the principles of significance and prudence in accounting. The most important criterion for deferment of expenses is satisfaction of the definition of assets i.e. resources whose value can be measured

reliably, recognised as a result of past events and from which future economic benefits are expected to flow to the company.

Provisions for liabilities

Provisions are liabilities of uncertain amount or timing. The Group companies recognise provisions when all the following conditions are fulfilled:

- the company has a present (legal or constructive) obligation as a result of past events;
- it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation;
- a reliable estimate can be made of the amount of such obligation.

Provisions for liabilities in J.W. Construction Holding S.A. comprise:

- a provision for guarantee repairs disclosed at amounts of guarantee repair costs incurred in previous periods,
- a provision for unused annual leaves of employees, recognised based on records on unused days of annual leaves of particular employees at a given date and their daily gross salaries plus social insurance premiums paid by the Employer,
- provision for retirement benefits,
- deferred income tax liabilities.

Long-term developer contracts

The core business of the Issuer's Group is performance of developer contracts. The characteristic feature of developer contracts is the construction of apartments that are generally financed by the principal over the whole project, by way of contractually agreed advances, and then - after the investment process has been completed - the ownership right is transferred to the apartment buyer. Such contracts are performed for over one year. Advances paid by buyers under concluded agreements are recorded as deferred income. Costs by nature incurred in a given period are disclosed as work in progress under inventories. From 1 January 2009, the Group recognizes revenues and expenses regarding the developer contracts in accordance with the IFRIC 15 interpretation: "Agreements for the construction of real estate", published in July 2008. This interpretation concerns the moment of recognition of revenue from sales of property and it is applicable to annual financial statements that were done for the periods from 1 January 2009.

Until 31 December 2008, the Group recognized revenue from developer services by the percentage of completion method according to IAS 11 "Construction Contracts". The stage of each project was determined for each accounting period based on the analysis of the percentage of completion of the construction costs and sales budget. Implementation of the construction costs was determined on the basis of the analysis of completed works in relation to the planned costs. The degree of the progress of the sales revenue was established by comparing the revenue value arising from signed preliminary agreements to sell with the expected total income based on budget from sales revenues.

From 2009, the Group recognizes revenues from developer contracts – sale of immovable property to the purchaser upon the transfer of control and significant risk of ownership. Transfer of control and significant risk of ownership take place the latest on the date of concluding the contract in a form of a notarial deed.

The Group using the interpretation of IFRIC 15 recognizes revenue from the sale of the property after meeting the following conditions:

- Obtaining a permit for the use,
- Payment of 100% of value of the premises, garage, etc...,
- Receiving property transfer protocol.

Long-term developer contracts

As a provider of construction services, the Group of Issuer applies the regulations under IAS 11 "Construction Contracts" for accounting and recognition of construction services:

a) Zero-profit method

The zero-profit method is applied when it is not possible to measure the stage of completion of an unfinished construction service reliably. In accordance with the said method revenues from an unfinished construction service are established at a month end at costs incurred in the said month, not higher than costs probable to be covered by the principal in future. When invoiced revenues exceed incurred costs, a relevant part of revenues is derecognised to deferred income

b) Percentage-of-completion method

The percentage-of-completion method is applied when it is possible to measure the stage of completion of an unfinished construction service reliably. Revenues from an unfinished construction contract are disclosed pro rata to costs incurred at a given moment of its performance. Revenues, expenses and profits are disclosed proportionally to the stage of work completion.

To measure the stage of completion of a construction contract the Group applies a method that will allow it to reliably establish the stage of completion of works as at a given date. Depending on the nature of a contract such method may comprise:

- establishing costs of the contract incurred due to work performed to date proportionally to estimated total costs of such contract,
- surveying the work performed,
- comparing physically completed parts of work with contractual works.

When establishing the stage of completion of a construction service, based on contractual expenses incurred to date, costs of the said works include only those contractual expenditures that can be allocated to the stage of completed work.

Borrowings

Borrowings are recognised at acquisition price equal to fair value of received cash less costs of acquisition.

Borrowings are subsequently measured at acquisition price adjusted with an effective interest rate. All effects of the adjusted acquisition price and effects of derecognition of a liability from the balance sheet or recognition of its impairment are disclosed in the profit and loss account.

Deferred income tax

Deferred income tax assets and liabilities are estimated based on temporary differences between the value of assets and liabilities disclosed in books and their tax value and a tax loss deductible in future from the tax base.

Income tax liabilities are recognised for temporary positive differences at the amount of income tax payable in future.

Deferred income tax assets are recognised at the amount of expected future deduction from income tax due to temporary negative differences and a deductible tax loss, in accordance with the principle of prudence in accounting. The carrying value of deferred income tax assets is verified as at each balance sheet date unless it is probable that taxable income sufficient to realise the whole or a part of a deferred income tax asset will be generated. Deferred income tax assets and deferred income tax liabilities are measured at tax rates applicable for the period when the asset is realised and the liability is discharged, based on tax rates applicable as at the balance sheet date.

Held-for-sale assets and discontinued operations

Available-for-sale assets and discontinued operations are assets or groups of assets classified as such, disclosed in the financial statements at the lower of their carrying value or fair value less selling expenses.

Assets can be classified to that group when active operations are performed to locate a buyer, it is highly probable that assets will be sold within one year of their classification and they are available for immediate sale.

Liabilities

Liabilities are obligations of the Company, arising from future events, the value of which can be measured reliably and which will cause the use of present or future assets of the company.

Based on their characteristics, liabilities can be divided into:

- current liabilities,
- non-current liabilities,
- financial liabilities,
- contingent liabilities.

Current liabilities are all trade payables and all or those of other liabilities that fall due within one year of the balance sheet date. Non-current liabilities are those liabilities, other than trade payables, which fall due after one year of the balance sheet date.

Financial liabilities are obligations of the company to deliver financial assets or to exchange a financial instrument with another company on unfavourable conditions.

Contingent liabilities are obligations dependent on occurrence of certain events. Contingent liabilities are disclosed in additional information and notes.

Liabilities are measured as at the balance sheet date at the amount payable.

Accrued expenses

Accrued expenses are recognised at the amount of probable obligations falling to the reporting period.

Revenues

The Group of Issuers recognise revenues at the amount of probable economic benefits flowing due to a transaction, which can be measured reliably. Revenues are recognised on an accrual basis, regardless of the date of payment receipt.

Revenues from sales of developer services - apartments - are disclosed in the manner provided under section "Long-term developer contracts".

Revenues from sales of construction services are recognised in the period of service supply, on the basis of the stage of completion of a concrete transaction, established based on the relation of actually performed works to all services to supply.

Other income, expenses, gains and losses

Other operating income and expenses are income and expenses not connected directly with operating activities.

Financial income and expenses comprise, among other things, interest connected with loans and credits granted and used, default interest received and paid, foreign exchange gains and losses, commissions paid and received, gains and losses on sale of securities, provisions dissolved and created against financial expenses.

Extraordinary profits and losses present financial results of events that come into existence outside the main business of the company.

Taxes

Corporate income tax expense is calculated based on taxable earnings (tax base) for a given accounting year. Tax profit (loss) differs from net book profit (loss) due to exclusion of next-year taxable income and tax deductible costs, as well as permanently non-taxable income and expenses. Tax expense is calculated at a tax rate applicable in a given accounting year.

B. Consolidated Financial Statements
1. Consolidated balance sheet

| ASSETS | Note | 30 September 2010 | 31 December 2009 |
|---|------|-------------------------|-------------------------|
| Non-current assets | | 505,288,387.72 | 425,652,804.47 |
| Intangible assets | 1 | 5,985,814.57 | 6,806,122.55 |
| Goodwill of subsidiaries | 2 | 12,389,648.22 | 12,389,648.22 |
| Tangible assets | 3 | 373,530,337.25 | 359,654,819.12 |
| Investment real estate | 4 | 59,946,780.89 | 12,401,059.31 |
| Other financial assets | 5 | 26,758,062.13 | 4,993.98000 |
| Deferred income tax assets | | 12,301,147.53 | 15,603,170.14 |
| Trade and other receivables | 6 | 14,376,597.13 | 13,804,005.13 |
| Accruals | | 0.00 | 0.00 |
| CURRENT ASSETS | | 919,261,742.20 | 1,097,310,440.53 |
| Inventories | 7 | 35,675,415.75 | 38,436,055.05 |
| Construction contracts | 8 | 690,009,112.98 | 916,170,146.18 |
| Trade and other receivables | 9 | 56,408,254.48 | 57,331,713.05 |
| Other financial assets | 10 | 16,023,903.26 | 43,745,024.23 |
| Cash and cash equivalents | 11 | 99,725,543.28 | 27,162,017.40 |
| Accruals | 12 | 21,419,512.45 | 14,465,484.62 |
| Total Assets | | 1,424,550,129.93 | 1,522,963,245.00 |
| EQUITY AND LIABILITIES | | | |
| EQUITY | | 484,042,718.36 | 416,207,350.50 |
| Share capital | | 10,814,656.00 | 10,939,656.00 |
| Revaluation reserve | | 7,471,818.19 | 7,471,818.19 |
| Own shares | | 0.00 | -4,429,867.11 |
| Other capital | 14 | 456,010,079.84 | 654,297,098.77 |
| Retained earnings | | -58,133,798.22 | -352,468,231.69 |
| Net profit / loss | | 67,879,962.55 | 100,396,876.34 |
| LIABILITIES | | 940,507,411.57 | 1,106,755,894.51 |
| Non-current liabilities, | | 333,740,303.70 | 203,706,663.84 |
| Borrowings | 13 | 122,834,065.78 | 113,407,529.12 |
| Deferred income tax liabilities | | 3,200,925.27 | 6,666,818.16 |
| Retirement benefit obligations | | 373,197.28 | 373,197.28 |
| Provision for other liabilities and charges | 17 | 12,310,489.85 | 12,773,133.76 |
| Other liabilities | 15 | 195,021,625.51 | 70,485,985.52 |
| Current liabilities | | 606,767,107.87 | 903,049,230.66 |
| Trade and other payables | 16 | 81,755,171.59 | 111,150,535.42 |
| Construction contracts | 8 | 204,476,046.82 | 346,450,585.73 |
| Borrowings | 13 | 163,562,588.38 | 276,689,294.52 |
| Provision for other liabilities and charges | 17 | 18,289,402.20 | 27,127,164.50 |
| Other liabilities | 17 | 138,683,898.88 | 141,631,650.50 |
| Total Equity and Liabilities | | 1,424,550,129.93 | 1,522,963,245.00 |

2. Consolidated income statement

| | Note | 1 January 2010 - 30 September 2010 | for the period 1 January 2010 - 30 September 2009 | 1 July 2010 - 30 September 2010 | 1 July 2009 - 30 September 2009 |
|---|------|---|---|---------------------------------------|---------------------------------------|
| Net revenues from sales of products, goods and materials, including: | 18 | 457,494,046.61 | 491,078,941.35 | 216,339,868.67 | 159,926,307.25 |
| Net revenues from sales of products | | 453,927,061.30 | 486,023,557.76 | 215,598,195.56 | 157,550,640.49 |
| Net revenues from sales of goods and materials | | 3,566,985.31 | 5,055,383.59 | 741,673.11 | 2,375,666.76 |

| | | | | | |
|---|----|-----------------------|-----------------------|-----------------------|-----------------------|
| Costs of products, goods and materials sold, of which: | | | | | |
| | 19 | 321,136,912.98 | 360,340,674.49 | 148,294,635.68 | 118,417,682.65 |
| Cost of products sold | | 318,196,678.72 | 355,286,944.63 | 147,908,553.31 | 113,951,376.13 |
| Value of goods and materials sold | | 2,940,234.26 | 5,053,729.86 | 386,082.37 | 4,466,306.52 |
| Gross profit (loss) on sales | | 136,357,133.64 | 130,738,266.86 | 68,045,232.99 | 41,508,624.60 |
| Selling expenses | 19 | 19,139,662.36 | 12,737,302.18 | 7,719,104.14 | 4,322,974.57 |
| Overhead expenses | 19 | 19,773,896.95 | 17,930,586.33 | 6,863,063.36 | 5,692,373.13 |
| Profit (loss) on sales | | 97,443,574.33 | 100,070,378.35 | 53,463,065.50 | 31,493,276.90 |
| Other operating income | 20 | 12,044,643.09 | 5,083,976.97 | 2,909,762.68 | 1,019,856.64 |
| Other operating expenses | 21 | 6,213,572.54 | 4,400,029.24 | 1,774,912.72 | 822,314.61 |
| Operating profit (loss) | | 103,274,644.88 | 100,754,326.08 | 54,597,915.46 | 31,690,818.93 |
| Financial income | 22 | 5,977,522.76 | 3,736,844.60 | 2,080,223.76 | -1,050,571.66 |
| Financial expenses | 23 | 25,207,871.91 | 20,557,428.93 | 11,982,384.86 | 4,519,398.59 |
| Profit (loss) on ordinary activities | | 84,044,295.72 | 83,933,741.75 | 44,695,754.35 | 26,120,848.68 |
| Gross profit (loss) | | 84,044,295.72 | 83,933,741.75 | 44,695,754.35 | 26,120,848.68 |
| Income tax | | 16,164,333.17 | 14,575,312.03 | 8,847,840.68 | 6,119,430.34 |
| Net profit (loss) | | 67,879,962.55 | 69,358,429.72 | 35,847,913.67 | 20,001,418.34 |

| | | | |
|---|--|----------------------|----------------------|
| Other comprehensive income: | | 0.00 | -1,907.38 |
| Exchange differences on foreign operations conversion | | 0.00 | 10,704.61 |
| Profit/loss from acquisitions | | 0.00 | 0.00 |
| Profit from revaluation of tangible fixed assets | | 0.00 | 0.00 |
| Other comprehensive income: | | 0.00 | -12,611.99 |
| Total revenue | | 67,879,962.55 | 69,356,522.34 |

| | | for the period 1 January 2010 - 30 September 2010 | for the period 1 January 2010 - 30 September 2009 |
|---|--|--|--|
| CALCULATION OF BASIC AND DILUTED EARNINGS PER SHARE | | | |
| Profits | | | |
| (A) Profits of the Group disclosed in the consolidated financial statements | | 67,879,962.55 | 69,358,429.72 |
| Number of shares | | | |
| (B) Number of ordinary shares and preferred shares (as to the right to vote in the General Meeting of the Company) for the purpose of calculating earnings per share * | | 54,486,882.94 | 54,698,280.00 |
| (C) Number of ordinary shares and preferred shares (as to the right to vote in the General Meeting of the Company) for the purpose of calculating diluted earnings per share* | | 54,486,882.94 | 54,698,280.00 |
| Basic earnings per share = (A)/(B) | | 1.25 | 1.27 |
| Diluted earnings per share = (A)/(B) | | 1.25 | 1.27 |

* In accordance with IAS 33 "Earnings per share " for purposes of calculating basic earnings per share, the number of shares to the weighted average number of shares during a given period. It was determined as the number of shares at the beginning of the period, adjusted for the number of shares bought back or issued during the period and multiplied by a time-weighting factor (the number of days that the shares are present to the total number of days in the period - from the date of the registration increase in core capital) . Accordingly:

weighted average number of shares in 2010 = 54 698 280 - 625 000 * 180/272 = 54 486 883 shares
 In the analyzed period, there were no factors that would affect the number of dilutive shares.

3. Consolidated changes in equity

| | Share Capital | Own shares (negative figure) | Revaluation reserve | Supplementary capital | Other capital | Hedge valuation reserve and currency translation reserve | Retained earnings | Net earnings | Equity |
|--|----------------------|------------------------------------|------------------------|--------------------------|---------------------|---|------------------------|-----------------------|-----------------------|
| As at 31 December 2009 | 10,939,656.00 | -4,429,867.11 | 7,471,818.19 | 648,628,900.79 | 5,731,587.19 | -63,389.21 | -352,468,231.69 | 100,396,876.34 | 416,207,350.50 |
| Basic error corrections | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| IFRS adjustments | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| As at 1 January 2010 | 10,939,656.00 | -4,429,867.11 | 7,471,818.19 | 648,628,900.79 | 5,731,587.19 | -63,389.21 | -352,468,231.69 | 100,396,876.34 | 416,207,350.50 |
| Issue of shares | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Purchase of own shares | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Share redemption | -125,000.00 | 4,429,867.11 | 0.00 | -4,304,867.11 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Dividends paid | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Gains / (losses) on revaluation of fixed assets and investment property | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Gains / (losses) on cash flow hedges | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Exchange gains / (losses) on translation of financial statements of foreign operations | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 558,182.65 | 0.00 | 0.00 | 558,182.65 |
| Gains / (losses) on business acquisitions(unitary jwch) | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Profit/loss from the inclusion/exclusion of companies to consolidate | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | -602,777.34 | 0.00 | -602,777.34 |
| Changes in accounting policies/presentation | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Consolidation adjustments | 0.00 | 0.00 | 0.00 | 0.00 | 1,588,905.49 | 0.00 | -1,588,905.49 | 0.00 | 0.00 |
| Total profit / (loss) recognised directly in equity | -125,000.00 | 4,429,867.11 | 0.00 | -4,304,867.11 | 1,588,905.49 | 558,182.65 | -2,191,682.83 | 0.00 | -44,594.69 |
| Net profit (loss) for the accounting year | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 67,879,962.55 | 67,879,962.55 |
| Total profit / (loss) recognised in equity and net earnings | -125,000.00 | 4,429,867.11 | 0.00 | -4,304,867.11 | 1,588,905.49 | 558,182.65 | -2,191,682.83 | 67,879,962.55 | 67,835,367.86 |
| Increase / decrease from profit distribution | 0.00 | 0.00 | 0.00 | -196,129,239.96 | 0.00 | 0.00 | 296,526,116.31 | -100,396,876.34 | 0.01 |
| As at 30 September 2010 | 10,814,656.00 | 0.00 | 7,471,818.19 | 448,194,793.72 | 7,320,492.68 | 494,793.44 | -58,133,798.21 | 67,879,962.55 | 484,042,718.36 |

| | Share Capital | Own shares (negative figure) | Revaluation reserve | Supplementary capital | Other capital | Hedge valuation reserve and currency translation reserve | Retained earnings | Net earnings | Equity |
|--|----------------------|---------------------------------|------------------------|--------------------------|---------------------|---|------------------------|-----------------------|-----------------------|
| As at 31 December 2008 | 10,939,656.00 | -2,476,626.31 | 7,471,818.19 | 533,909,791.85 | 5,731,587.19 | -86,261.20 | -317,280,325.77 | 82,828,228.02 | 321,037,867.97 |
| Basic error corrections | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| IFRS adjustments | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| As at 01 January 2009 | 10,939,656.00 | -2,476,626.31 | 7,471,818.19 | 533,909,791.85 | 5,731,587.19 | -86,261.20 | -317,280,325.77 | 82,828,228.02 | 321,037,867.97 |
| Issue of shares | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Purchase of own shares | 0.00 | -1,953,240.80 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | -1,953,240.80 |
| Dividends paid | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Gains / (losses) on revaluation of fixed assets and investment property | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Exchange gains / (losses) on translation of financial statements of foreign operations | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 22,871.99 | -249,130.02 | 0.00 | -226,258.03 |
| Gains / (losses) on business acquisitions(unitary jwch) | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Profit/loss from the inclusion/exclusion of companies to consolidate | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Changes in accounting policies/presentation | 0.00 | 0.00 | 0.00 | 0.01 | 0.00 | 0.00 | -3,047,895.00 | 0.00 | -3,047,894.99 |
| Consolidation adjustments | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Total profit / (loss) recognised directly in equity | 0.00 | -1,953,240.80 | 0.00 | 0.01 | 0.00 | 22,871.99 | -3,297,025.02 | 0.00 | -5,227,393.82 |
| Net profit (loss) for the accounting year | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 100,396,876.34 | 100,396,876.34 |
| Total profit / (loss) recognised in equity and net earnings | 0.00 | -1,953,240.80 | 0.00 | 0.01 | 0.00 | 22,871.99 | -3,297,025.02 | 100,396,876.34 | 95,169,482.52 |
| Increase / decrease from profit distribution | 0.00 | 0.00 | 0.00 | 114,719,108.93 | 0.00 | 0.00 | -31,890,880.90 | -82,828,228.02 | 0.00 |
| As at 31 December 2009 | 10,939,656.00 | -4,429,867.11 | 7,471,818.19 | 648,628,900.78 | 5,731,587.19 | -63,389.21 | -352,468,231.69 | 100,396,876.34 | 416,207,350.49 |

4. Consolidated cash flow statements

| | 1 January 2010 - 30 September 2010 | 1 January 2010 - 30 September 2009 |
|--|---|---|
| Operating cash flow - two-step method | | |
| Net profit (loss) | 67,879,962.55 | 69,358,429.72 |
| Total adjustments, of which: | 10,688,938.46 | 26,907,503.62 |
| Depreciation and amortisation | 9,474,066.27 | 10,870,500.51 |
| (Profits) losses on exchange differences related to investment and financial activities | 1,011,741.61 | -390,979.14 |
| (Profits) loss from financial activities | -2,493,171.01 | 945,986.09 |
| Interest and dividends | 19,439,485.20 | 18,251,011.28 |
| Changes in provisions and accruals | -16,480,035.66 | -2,249,226.69 |
| Other adjustments | -263,147.95 | -519,788.43 |
| Changes in working capital | 17,509,887.57 | -34,193,508.18 |
| Change in inventories | 2,760,639.30 | 7,833,069.55 |
| Change in construction contracts | 47,729,609.76 | -36,631,765.83 |
| Changes in receivables | 353,913.56 | 23,070,425.07 |
| Changes in current liabilities, except for borrowings | -33,334,275.05 | -28,465,236.96 |
| Net operating cash flow | 96,078,788.58 | 62,072,425.16 |
| Investment cash flow | | |
| Disposal of tangible and intangible assets and other non-current assets | 4,642,427.35 | 4,641,665.29 |
| Purchase of tangible and intangible assets and other non-current assets | -22,379,168.54 | -7,988,630.23 |
| Expenses associated with the asset to be sold | 0.00 | 0.00 |
| Purchase of equity instruments and debt instruments | 0.00 | 0.00 |
| Disposal of equity instruments and debt instruments | 0.00 | 0.00 |
| Loans granted | 0.00 | 0.00 |
| Loans repaid | 308,302.30 | 0.00 |
| Other purchase of financial assets | 0.00 | -100,000.00 |
| Other disposal of financial assets | 0.00 | 0.00 |
| Dividends received | 0.00 | 0.00 |
| Interest received | 0.00 | 0.00 |
| Disposal of subsidiaries | 0.00 | 0.00 |
| Acquisition of subsidiaries | 0.00 | 0.00 |
| Net investment cash flow | -17,428,438.89 | -3,446,964.94 |
| Financing cash flow | | |
| Net proceeds from issue of shares, other equity instruments and additional capital contributions | 0.00 | 0.00 |
| Purchase of own shares or repayment of shares | 0.00 | -1,953,240.80 |
| Borrowings | 207,080,998.81 | 395,380,572.42 |
| Borrowings repaid | -312,519,196.41 | -423,320,597.24 |
| Debt securities issued | 130,000,000.00 | 0.00 |
| Debt securities redeemed | 0.00 | -71,000,000.00 |
| Payments under financial lease agreements | -9,457,965.50 | -9,303,080.11 |
| Dividends and other shared profits | 0.00 | 0.00 |
| Interest paid | -21,190,660.71 | -30,643,301.56 |
| Other financial proceeds (including notes) | 4,500,000.00 | 113,975,257.76 |
| Other financial expenditures (including notes) | -4,500,000.00 | -48,275,257.76 |
| Net financing cash flow | -6,086,823.81 | -75,139,647.29 |
| NET DECREASE/(INCREASE) IN CASH | 72,563,525.88 | -16,514,187.07 |
| Cash and cash equivalents at the beginning of the year | 27,162,017.40 | 36,685,776.84 |
| - foreign exchange gains/(losses) on cash | | |
| CLOSING BALANCE OF CASH AND CASH EQUIVALENTS | 99,725,543.28 | 20,171,589.79 |

C. C. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
1. Non-current assets
Note 1. Intangible assets

| Intangible assets | 30 September 2010 | 31 December 2009 |
|----------------------------------|--------------------------|-------------------------|
| a) research and development | 0.00 | 0.00 |
| b) goodwill on consolidation | 0.00 | 0.00 |
| c) other intangible assets | 5,985,814.57 | 6,806,122.55 |
| d) advances on intangible assets | 0.00 | 0.00 |
| Total intangible assets | 5,985,814.57 | 6,806,122.55 |

Note 2. Goodwill of subsidiaries

| Goodwill of subsidiaries | 30 September 2010 | 31 December 2009 |
|-----------------------------------|--------------------------|-------------------------|
| a) goodwill - subsidiaries | 12,389,648.22 | 12,389,648.22 |
| b) goodwill - fellow subsidiaries | 0.00 | 0.00 |
| c) goodwill - associates | 0.00 | 0.00 |
| Total intangible assets | 12,389,648.22 | 12,389,648.22 |

The goodwill of subsidiaries was established as the difference of acquisition price of a given company and fair value of acquired net assets, lower than the same.

This value concerns the acquisition of Project 55 Sp. z o.o. On the balance sheet date a test for impairment was conducted. As a result, it can be stated that the depreciation of this item assets did not occur.

Note 3. Tangible assets

| Tangible assets | 30 September 2010 | 31 December 2009 |
|--|--------------------------|-------------------------|
| a) property, plant and equipment, of which: | 269,963,042.10 | 278,832,643.75 |
| - land (including right of perpetual usufruct) | 45,342,465.35 | 45,416,381.21 |
| - buildings and structures | 205,463,530.13 | 209,377,926.24 |
| - plant and machinery | 11,130,107.60 | 14,688,034.15 |
| - motor vehicles | 5,704,499.77 | 7,540,862.40 |
| - other property, plant and equipment | 2,322,439.26 | 1,809,439.75 |
| b) constructions in progress | 103,567,295.15 | 80,822,175.37 |
| c) advances on constructions in progress | 0.00 | 0.00 |
| Total tangible assets | 373,530,337.25 | 359,654,819.12 |

Note 4. Investment real estate

| Other long-term investments | 30 September 2010 | 31 December 2009 |
|--|--------------------------|-------------------------|
| a) investment real estate | 59,946,780.89 | 12,401,059.31 |
| b) other | 0.00 | 0.00 |
| Total other long-term investments | 59,946,780.89 | 12,401,059.31 |

Note 5. Other financial assets

| LONG-TERM FINANCIAL ASSETS | 30 September 2010 | 31 December 2009 |
|---|--------------------------|-------------------------|
| a) shares | 4,599,878.60 | 4,605,996.60 |
| b) loans granted | 22,158,183.53 | 387,983.40 |
| c) other long-term investments | 0.00 | 0.00 |
| Total long-term financial assets | 26,758,062.13 | 4,993,980.00 |

| LONG-TERM FINANCIAL ASSETS | 30 September 2010 | 31 December 2009 |
|---|--------------------------|-------------------------|
| a) in subsidiaries | 26,509,597.51 | 4,446,019.91 |
| - shares | 4,356,053.98 | 4,362,171.98 |
| - debt securities | 0.00 | 0.00 |
| - other securities | 0.00 | 83,847.93 |
| - loans granted | 22,153,543.53 | 0.00 |
| - other long-term financial assets | 0.00 | 0.00 |
| b) in other parties | 248,464.62 | 547,960.09 |
| - shares | 243,824.62 | 243,824.62 |
| - debt securities | 0.00 | 0.00 |
| - other securities | 0.00 | 304,135.47 |
| - loans granted | 4,640.00 | 0.00 |
| - other long-term financial assets | 0.00 | 0.00 |
| c) other long-term investments | 0.00 | 0.00 |
| Total long-term financial assets | 26,758,062.13 | 4,993,980.00 |

| | Name of a unit (and its legal form) | Domicile | Business | Relation | Method of consolidation | Date of assuming control | Value of shares at acquisition price | Revaluation adjustments (total) | Carrying value of shares | % of total number of votes in the general meeting |
|---------------|---|----------------------|---|------------|-------------------------|--------------------------|--------------------------------------|---------------------------------|--------------------------|---|
| 1. | TBS Marki Sp.z o.o. | Warsaw | social building | subsidiary | full consolidation | 14/11/2003 | 13,359,500.00 | 0.00 | 13,359,500.00 | 99.99% |
| 2. | J.W. Construction International Sp. z o.o | Kolomna (Russia) | construction and developer activity | subsidiary | full consolidation | 14/11/2003 | 1,272.90 | 0.00 | 1,272.90 | 100.00% |
| 3. | Business Financial Construction Sp. z o.o. | Warsaw | services | subsidiary | not consolidated | 16/06/2003 | 4,346,500.00 | 0.00 | 4,346,500.00 | 99.99% |
| 4. | Project 55 Sp. z o.o. | Warsaw | developer activity | subsidiary | full consolidation | 13/01/2005 | 19,656,037.59 | 0.00 | 19,656,037.59 | 100.00% |
| 5. | Interlokum Sp. z o.o. | Warsaw | developer activity | subsidiary | full consolidation | 23/11/2004 | 50,000.00 | 0.00 | 50,000.00 | 99.00% |
| 6. | Lokum Sp. z oo | Warsaw | developer activity | subsidiary | full consolidation | 13/09/2005 | 3,778,000.00 | 0.00 | 3,778,000.00 | 99.99% |
| 7. | Deweloper Sp. z o.o. | Siemianowice Slaskie | construction | subsidiary | full consolidation | 08/09/2004 | 49,500.00 | 0.00 | 49,500.00 | 99.00% |
| 8. | JW Projekt Sp. z o.o. | Warsaw | architecture and designing | subsidiary | full consolidation | 14/11/2003 | 1,155,400.00 | 0.00 | 1,155,400.00 | 99.98% |
| 9. | Królewski Port Żerań Sp. z o.o. | Warsaw | developer activity | associate | not consolidated | 08/09/2000 | 500,000.00 | 500,000.00 | 0.00 | 4.92% |
| 10. | KSP Polonia Warszawa SSA | Warsaw | sports | subsidiary | not consolidated | 30/03/2006 | 15,440.00 | 15,440.00 | 0.00 | 100.00% |
| 11. | TBS Nowy Dom Sp. z o.o. | Ząbki, | social building | associate | not consolidated | 30/09/2006 | 1,000.00 | 0.00 | 1,000.00 | 2.00% |
| 12. | Construction Invest Sp. z o.o. | Ząbki, | real estate development and sale | subsidiary | full consolidation | 25/01/2006 | 50,000.00 | 0.00 | 50,000.00 | 100.00% |
| 13. | J.W. Construction S.A. | Ząbki, | construction | subsidiary | full consolidation | 26/09/2007 | 11,526,617.00 | 0.00 | 11,526,617.00 | 99.99% |
| 14. | J.W. Bułgaria Sp. z o.o. | Sofia | developer activity | subsidiary | not consolidated | 08/10/2007 | 9,854.98 | 0.00 | 9,854.98 | 100.00% |
| 15. | Porta Transport Sp. z o.o. | Szczecin | transport | subsidiary | full consolidation | 12/11/2007 | 19,118,737.41 | 0.00 | 19,118,737.41 | 100.00% |
| 16. | Yakor House Sp.z o.o. | Sochi | developer activity | subsidiary | full consolidation | 07/12/2007 | 9,810,000.00 | 0.00 | 9,810,000.00 | 70.00% |
| 17. | JWCH Produkcja Budowlana Sp. z o.o. | Ząbki, | prefabricated unit production for the building industry | subsidiary | full consolidation | 19/02/2008 | 15,494,950.00 | 0.00 | 15,494,950.00 | 99.99% |
| 18. | JWCH Budownictwo Drogowe Sp. z o.o. | Ząbki, | road construction | subsidiary | full consolidation | 07/02/2008 | 2,059,950.00 | 0.00 | 2,059,950.00 | 99.99% |
| 19. | Stadnina Mazowiecka Sp. z o.o. | Warsaw | services | subsidiary | not consolidated | 30/06/2010 | 50,000.00 | 0.00 | 50,000.00 | 100.00% |
| Indirect ties | | | | | | | | | | |
| 20. | TBS Marki Sp.z o.o. | Warsaw | social building | subsidiary | full consolidation | 18/10/2006 | 500.00 | 0.00 | 500.00 | 0.01% |
| 21. | Business Financial Construction Sp. z o.o. | Warsaw | services | subsidiary | not consolidated | 16/06/2003 | 500.00 | 0.00 | 500.00 | 0.01% |
| 22. | Lokum Sp. z oo | Warsaw | developer activity | subsidiary | full consolidation | 18/10/2006 | 500.00 | 0.00 | 500.00 | 0.01% |
| 23. | Deweloper Sp. z o.o. | Siemianowice Slaskie | construction | subsidiary | full consolidation | 18/10/2006 | 500.00 | 0.00 | 500.00 | 1.00% |
| 24. | JW Projekt Sp. z o.o. | Warsaw | architecture and designing | subsidiary | full consolidation | 14/11/2003 | 200.00 | 0.00 | 200.00 | 0.01% |
| 25. | Trinity Self Companies (currently SASPOL INFRASTRUCURE Sp. z o.o) | Warsaw | participation in public tenders as a leader of the consortium | associate | not consolidated | 06/10/2009 | 4,644.62 | 0.00 | 4,644.62 | 25.00% |
| 26. | Karczma Regionalna Sp.z o.o. | Krynica Górská | hotel activity | subsidiary | not consolidated | 16/12/2004 | 208,550.00 | 0.00 | 208,550.00 | 8.06% |
| 27. | J.W. Construction S.A. | Ząbki, | construction | subsidiary | full consolidation | 26/09/2007 | 1.00 | 0.00 | 1.00 | 0.01% |
| 28. | JWCH Produkcja Budowlana Sp. z o.o. | Ząbki, | prefabricated unit production for the building industry | subsidiary | full consolidation | 19/02/2008 | 50.00 | 0.00 | 50.00 | 0.01% |
| 29. | Fabryka Maszyn i Urządzeń FAMA S.A. | Kluczbork | production | associate | not consolidated | 12/11/2007 | 29,630.00 | 0.00 | 29,630.00 | 0.04% |

| | | | | | | | | | | |
|-----|-------------------------------------|--------|-------------------|------------|--------------------|------------|-------|------|-------|-------|
| 30. | JWCH Budownictwo Drogowe Sp. z o.o. | Ząbki, | road construction | subsidiary | full consolidation | 07/02/2008 | 50.00 | 0.00 | 50.00 | 0.01% |
|-----|-------------------------------------|--------|-------------------|------------|--------------------|------------|-------|------|-------|-------|

Note 6. Non-current receivables

| NON-CURRENT RECEIVABLES | 30 September 2010 | 31 December 2009 |
|----------------------------------|--------------------------|-------------------------|
| a) guarantee receivables | 0.00 | 0.00 |
| b) deposit receivables(leasing) | 14,342,287.90 | 13,804,005.13 |
| b) other receivables | 34,309.23 | 0.00 |
| Total receivables | 14,376,597.13 | 13,804,005.13 |

2. CURRENT ASSETS
Note 7. Inventories

| INVENTORIES | 30 September 2010 | 31 December 2009 |
|--|--------------------------|-------------------------|
| a) materials | 3,552,145.89 | 5,151,425.88 |
| b) semi-finished products and work in progress | 3,169,317.19 | 2,524,109.81 |
| c) finished products | 2,076,809.27 | 3,816,622.58 |
| d) goods | 26,672,971.86 | 26,750,150.56 |
| e) trade advances | 204,171.54 | 193,746.22 |
| Total inventories | 35,675,415.75 | 38,436,055.05 |

Note 8. Construction contracts

| CONSTRUCTION CONTRACTS | 30 September 2010 | 31 December 2009 |
|---|--------------------------|-------------------------|
| CONSTRUCTION CONTRACTS (current assets) | | |
| a) semi-finished products and work in progress | 266,091,288.58 | 575,936,919.83 |
| b) finished products | 416,121,366.75 | 333,017,193.60 |
| c) advances for supplies | 6,181,463.26 | 5,069,693.39 |
| d) short-term prepayments | 1,614,994.39 | 2,146,339.36 |
| Total construction contracts | 690,009,112.98 | 916,170,146.18 |
| CONSTRUCTION CONTRACTS (current liabilities) | | |
| a) accruals | 204,476,046.82 | 346,450,585.73 |
| Total construction contracts | 204,476,046.82 | 346,450,585.73 |

| Accruals | 30 September 2010 | 31 December 2009 |
|------------------------------------|--------------------------|-------------------------|
| -advances on the premises | 198,276,045.04 | 339,732,995.63 |
| -provisions for works | 5,028,465.34 | 2,733,481.36 |
| -other | 1,171,536.44 | 3,984,108.74 |
| The total value of accruals | 204,476,046.82 | 346,450,585.73 |

The Companies of the Group, in connection with the business activities, incur the loans that are secured with the mortgage on the property. On 30 September 2010, the Companies of the Group established securities in the form of mortgages presented in inventories and construction contracts with the value of PLN 272,300,000, presented in fixed assets with the value of PLN 289,700,000. The value of the mortgage is established on the amount of the credit granted (or higher), that is why, this amount exceeds the value of the property shown in assets of the Group's Companies. On 30 September 2010, the liabilities of the running credits have the value of PLN 280,000,000 (excluding loans of TBS Marki Sp. z o.o., the liabilities amount to PLN 173.4 million)

Note 9. Current receivables

| CURRENT RECEIVABLES | 30 September 2010 | 31 December 2009 |
|---|--------------------------|-------------------------|
| a) trade receivables - related parties | 112,478.06 | 0.00 |
| b) trade receivables - other parties | 41,547,538.05 | 39,832,649.21 |
| c) taxes, subsidies, customs duties, social and health insurance and other payments | 11,367,991.87 | 14,732,929.31 |
| b) other | 3,380,246.50 | 2,766,134.53 |
| Total receivables | 56,408,254.48 | 57,331,713.05 |

Note 10. Other financial assets

| SHORT-TERM INVESTMENTS | 30 September 2010 | 31 December 2009 |
|--|--------------------------|-------------------------|
| a) shares | 0.00 | 0.00 |
| b) loans granted | 15,910,223.94 | 43,637,420.05 |
| c) other investments | 113,679.32 | 107,604.18 |
| Total value of short-term investments | 16,023,903.26 | 43,745,024.23 |

| SHORT-TERM INVESTMENTS | 30 September 2010 | 31 December 2009 |
|--|--------------------------|-------------------------|
| a) in subsidiaries | 13,113,057.58 | 35,640,469.63 |
| - shares | 0.00 | 0.00 |
| - debt securities | 0.00 | 0.00 |
| - other securities | 0.00 | 0.00 |
| - loans granted | 13,113,057.58 | 35,640,469.63 |
| - other short-term financial assets | 0.00 | 0.00 |
| b) in other parties | 2,910,845.68 | 8,104,554.60 |
| - shares | 0.00 | 0.00 |
| - debt securities | 0.00 | 0.00 |
| - other securities | 113,679.32 | 107,604.18 |
| - loans granted | 2,797,166.36 | 7,996,950.42 |
| c) other short-term investments | 0.00 | 0.00 |
| Total value of short-term investments | 16,023,903.26 | 43,745,024.23 |

Note 11. Cash and cash equivalents

| CASH AND CASH EQUIVALENTS | 30 September 2010 | 31 December 2009 |
|----------------------------------|--------------------------|-------------------------|
| a) cash on hand and with bank | 13,498,636.76 | 23,683,191.22 |
| b) other cash | 85,307,119.33 | 2,249,980.57 |
| c) other cash equivalents | 919,787.19 | 1,228,845.61 |
| Total cash | 99,725,543.28 | 27,162,017.40 |

Note 12. Accruals

| ACCRUALS | 30 September 2010 | 31 December 2009 |
|------------------------------------|--------------------------|-------------------------|
| - short-term prepayments | 21,419,512.45 | 14,465,484.62 |
| The total value of accruals | 21,419,512.45 | 14,465,484.62 |

| Accruals | 30 September 2010 | 31 December 2009 |
|--|--------------------------|-------------------------|
| - property insurance | 162,550.64 | 230,507.83 |
| - interest | 3,366,258.34 | 542,107.33 |
| - commission expenses | 9,945,478.02 | 9,884,791.87 |
| - property tax, perpetual usufruct, road tax | 4,675,434.04 | 0.00 |
| - social fund | 150,627.06 | 0.00 |
| - other | 3,119,164.35 | 3,808,077.59 |
| The total value of accruals | 21,419,512.45 | 14,465,484.62 |

3. LIABILITIES

Note 13. Borrowings

| BORROWINGS | 30 September 2010 | 31 December 2009 |
|--------------------------------|--------------------------|-------------------------|
| a) loans | 279,968,673.03 | 385,793,436.98 |
| <i>of which: long-term</i> | 122,834,065.78 | 113,407,529.12 |
| <i>Short-term</i> | 157,134,607.25 | 272,385,907.86 |
| b) loans | 6,427,981.13 | 4,303,386.66 |
| <i>of which: long-term</i> | 0.00 | 0.00 |
| <i>Short-term</i> | 6,427,981.13 | 4,303,386.66 |
| Total borrowings | 286,396,654.16 | 390,096,823.64 |
| Borrowings - long-term | 122,834,065.78 | 113,407,529.12 |
| Borrowings - short-term | 163,562,588.38 | 276,689,294.52 |

| LOANS PER MATURITY | 30 September 2010 | 31 December 2009 |
|--------------------------------|--------------------------|-------------------------|
| Up to 1 year | 157,134,607.25 | 272,385,907.86 |
| Over 1 year up to 2 years | 9,135,744.00 | 8,866,376.00 |
| Over 2 year up to 5 years | 11,691,608.67 | 1,701,491.05 |
| Over 5 years | 102,006,713.11 | 102,839,662.07 |
| Total loans, including: | 279,968,673.03 | 385,793,436.98 |
| - long-term | 122,834,065.78 | 113,407,529.12 |
| - short-term | 157,134,607.25 | 272,385,907.86 |

Including the loans taken by the Company of TBS Marki Sp. z o.o – the companies form the group, which took the loan from the National Housing Fund on an entirely separate conditions, regulated by the Ordinance of 26 October 1995 in the Act on Some Forms of Supporting Housing Construction (Journal of Laws 00.98.1070.j.t)

Including a loan taken by TBS Marki Sp. z o.o

| BORROWINGS | 30 September 2010 | 31 December 2009 |
|--------------------------------|--------------------------|-------------------------|
| a) loans | 106,567,049.17 | 107,218,075.25 |
| <i>of which: long-term</i> | 102,006,713.11 | 102,839,662.07 |
| <i>Short-term</i> | 4,560,336.06 | 4,378,413.18 |
| b) loans | 0.00 | 0.00 |
| <i>of which: long-term</i> | 0.00 | 0.00 |
| <i>Short-term</i> | 0.00 | 0.00 |
| Total borrowings | 106,567,049.17 | 107,218,075.25 |
| Borrowings - long-term | 102,006,713.11 | 102,839,662.07 |
| Borrowings - short-term | 4,560,336.06 | 4,378,413.18 |

| CASH LOANS PER MATURITY | 30 September 2010 | 31 December 2009 |
|--------------------------------|--------------------------|-------------------------|
| Up to 1 year | 6,427,981.13 | 4,303,386.66 |
| Over 1 year up to 2 years | 0.00 | 0.00 |
| Over 2 year up to 5 years | 0.00 | 0.00 |
| Over 5 years | 0.00 | 0.00 |
| Total loans, of which: | 6,427,981.13 | 4,303,386.66 |
| - long-term | 0.00 | 0.00 |
| - short-term | 6,427,981.13 | 4,303,386.66 |

Note 14. Other capital

| OTHER CAPITAL | 30 September 2010 | 31 December 2009 |
|----------------------------|--------------------------|-------------------------|
| a) supplementary capital | 448,194,793.72 | 648,628,900.79 |
| b) other reserve capital | 7,320,492.68 | 5,731,587.19 |
| c) translation reserve | 494,793.44 | -63,389.21 |
| Total other capital | 456,010,079.84 | 654,297,098.77 |

Note 15. Other non-current liabilities

| OTHER NON-CURRENT LIABILITIES | 30 September 2010 | 31 December 2009 |
|--------------------------------------|--------------------------|-------------------------|
| a) lease obligations | 48,186,182.09 | 53,061,317.61 |
| b) deposit liabilities | 7,185,373.35 | 13,601,695.20 |
| c) other non-current liabilities | 4,322,279.79 | 3,822,972.71 |
| d) note liabilities | 5,238,779.28 | 0.00 |
| e) bonds | 130,089,011.00 | 0.00 |
| Total other liabilities | 195,021,625.51 | 70,485,985.52 |

Note 16. Trade and other payables

| TRADE AND OTHER PAYABLES | 30 September 2010 | 31 December 2009 |
|--|--------------------------|-------------------------|
| a) trade payables - other parties | 44,186,375.24 | 75,586,471.47 |
| b) trade payables - related parties | 1,189,847.32 | 1,577,506.72 |
| c) taxes, customs duties, insurance and other payments | 19,479,191.93 | 19,240,042.11 |
| d) salaries | 2,473,040.14 | 2,791,292.41 |
| e) trade advances received | 0.00 | 0.00 |
| b) other | 14,426,716.97 | 11,955,222.72 |
| Total trade and other payables | 81,755,171.59 | 111,150,535.42 |

Note 17. Other liabilities

| OTHER LIABILITIES | 30 September 2010 | 31 December 2009 |
|--------------------------------|--------------------------|-------------------------|
| a) note liabilities | 130,705,927.59 | 129,440,719.18 |
| b) lease liabilities | 7,977,971.29 | 11,432,901.00 |
| c) other financial liabilities | 0.00 | 758,030.32 |
| Total other liabilities | 138,683,898.88 | 141,631,650.50 |

| PROVISIONS FOR OTHER LIABILITIES AND CHARGES | 30 September 2010 | 31 December 2009 |
|--|--------------------------|-------------------------|
| a) short-term, of which: | 18,289,402.20 | 27,127,164.50 |
| - accrued expenses, including: | 9,172,238.47 | 14,571,988.77 |
| - <i>interests charged</i> | 4,333,703.18 | 3,020,296.78 |
| - <i>rent deposits</i> | 522,137.69 | 628,149.19 |
| - <i>other</i> | 4,316,397.60 | 13,943,839.58 |
| - other provisions, including: | 9,117,163.73 | 12,555,175.73 |
| - <i>provisions for future liabilities</i> | 1,000,000.00 | 1,000,000.00 |
| - <i>provisions for guarantee repairs</i> | 7,132,799.00 | 10,387,811.00 |
| - <i>other provisions</i> | 984,364.73 | 1,167,364.73 |
| a) long-term, of which: | 12,310,489.85 | 12,773,133.76 |
| - accrued expenses, including: | 12,310,489.85 | 12,773,133.76 |
| - <i>participation in costs of construction -TBS Marki</i> | 4,534,679.62 | 4,652,086.02 |
| - <i>deferred income- loan remittance-TBS Marki</i> | 6,356,500.42 | 6,356,500.42 |
| - <i>deferred surplus of revenues from sales over the carrying value/sale and lease back</i> | 1,419,309.81 | 1,764,547.32 |
| Total provisions for other liabilities and charges | 30,599,892.05 | 39,900,298.26 |

4. Operating income and expenses
Note 18. Operating income

| OPERATING INCOME | 1 January 2010 - 30 September 2010 | 1 January 2009 - 30 September 2009 | 1 July 2010 - 30 September 2010 | 1 July 2009 - 30 September 2009 |
|---------------------------------|---|---|--|--|
| Revenues from sales of products | 413,733,547.00 | 437,879,756.18 | 201,332,933.84 | 153,010,705.67 |
| Revenues from sales of services | 40,193,514.30 | 48,143,801.58 | 14,265,261.72 | 4,539,934.82 |
| Revenues from sales of goods | 3,566,985.31 | 5,055,383.59 | 741,673.11 | 2,375,666.76 |
| Total income | 457,494,046.61 | 491,078,941.35 | 216,339,868.67 | 159,926,307.25 |

| | 1 January 2010 - 30 September 2010 | 1 January 2009 - 30 September 2009 | 1 July 2010 - 30 September 2010 | 1 July 2009 - 30 September 2009 |
|---------------------------------------|---|---|--|--|
| Revenues from sales, of which: | 457,494,046.61 | 491,078,941.35 | 216,339,868.67 | 159,926,307.25 |
| - sales of products - premises | 412,653,491.33 | 437,879,756.18 | 200,962,091.35 | 153,010,705.67 |
| - sales of products - other | 1,080,055.67 | 2,984,414.47 | 370,842.49 | 0.00 |
| - sales of services | 40,193,514.30 | 45,159,387.11 | 14,265,261.72 | 4,539,934.82 |
| - sales of goods | 3,566,985.31 | 5,055,383.59 | 741,673.11 | 2,375,666.76 |

| | 1 January 2010 - 30 September 2010 | 1 January 2009 - 30 September 2009 | 1 July 2010 - 30 September 2010 | 1 July 2009 - 30 September 2009 |
|---|---|---|--|--|
| Revenues from sales of products - premises per geographic segments | 412,653,491.33 | 437,879,756.18 | 200,962,091.35 | 153,010,705.67 |
| - Warsaw and vicinity | 384,377,004.38 | 352,496,295.15 | 194,424,868.97 | 113,860,307.61 |
| - Gdynia | 11,899,112.65 | 30,442,206.32 | 3,320,845.50 | 7,424,206.70 |
| - Łódź | 6,432,088.10 | 25,845,609.34 | 588,385.42 | 2,958,765.77 |
| - Katowice | 1,576,297.13 | 1,285,628.74 | 716,590.60 | 957,408.96 |
| - Russia | 8,368,989.07 | 27,810,016.63 | 1,911,400.86 | 27,810,016.63 |

| | 1 January 2010 - 30 September 2010 | 1 January 2009 - 30 September 2009 | 1 July 2010 - 30 September 2010 | 1 July 2009 - 30 September 2009 |
|--|---|---|--|--|
| Revenues from sales of hotel services per geographic segments | 11,265,479.83 | 11,693,076.61 | 3,870,020.99 | 4,250,704.03 |
| - Warsaw and vicinity | 3,990,122.80 | 3,992,238.71 | 1,598,104.97 | 1,408,086.99 |
| - Tarnowo | 3,799,948.61 | 3,527,224.37 | 1,261,151.23 | 1,447,414.41 |
| - Stryków | 2,223,251.11 | 3,061,212.82 | 559,523.06 | 1,000,912.94 |
| - Cieszyn | 1,028,557.81 | 968,298.99 | 451,241.73 | 382,783.77 |
| - Święta Lipka | 0.00 | 144,101.72 | 0.00 | 11,505.92 |
| - Krynica Górská | 223,599.50 | 0.00 | 0.00 | 0.00 |

Note 19. Operating expenses

| Operating expenses | 1 January 2010 - 30 September 2010 | 1 January 2009 - 30 September 2009 | 1 July 2010 - 30 September 2010 | 1 July 2009 - 30 September 2009 |
|---|---|---|--|--|
| Costs on sale of products | 288,555,751.22 | 313,978,595.49 | 139,626,350.93 | 112,660,988.23 |
| Costs on sale of services | 29,640,927.50 | 41,306,695.41 | 8,282,202.38 | 1,288,734.17 |
| Costs on sale of goods | 2,940,234.26 | 5,055,383.59 | 386,082.37 | 4,467,960.25 |
| Total costs of products, services and goods sold | 321,136,912.98 | 360,340,674.49 | 148,294,635.68 | 118,417,682.65 |

| Selling and overhead expenses | 1 January 2010 - 30 September 2010 | 1 January 2009 - 30 September 2009 | 1 July 2010 - 30 September 2010 | 1 July 2009 - 30 September 2009 |
|--|---|---|--|--|
| Selling expenses | 19,139,662.36 | 12,737,302.18 | 7,719,104.14 | 4,322,974.57 |
| Overhead expenses | 19,773,896.95 | 17,930,586.33 | 6,863,063.36 | 5,692,373.13 |
| Total selling and overhead expenses | 38,913,559.31 | 30,667,888.51 | 14,582,167.50 | 10,015,347.70 |

| Costs according to types | 1 January 2010 - 30 September 2010 | 1 January 2009 - 30 September 2009 | 1 July 2010 - 30 September 2010 | 1 July 2009 - 30 September 2009 |
|---------------------------------------|---|---|--|--|
| Depreciation and amortisation | 9,474,066.27 | 10,870,500.51 | 3,109,819.31 | 3,493,690.02 |
| Cost of materials and energy | 53,957,424.84 | 49,081,580.01 | 18,387,641.96 | 6,185,776.27 |
| Services made by other contractions | 89,302,387.70 | 163,005,434.05 | 30,021,637.48 | 54,187,514.58 |
| Taxes and duties | 6,277,781.55 | 6,553,303.31 | 2,242,429.92 | 2,035,592.76 |
| Wages and Salaries | 33,014,982.93 | 40,836,186.10 | 10,590,402.04 | 12,346,975.35 |
| Services for the benefit of employees | 5,959,747.64 | 7,597,290.47 | 1,775,550.13 | 2,132,019.78 |
| Other costs | 11,738,031.14 | 11,423,640.36 | 2,823,081.03 | 4,352,374.53 |
| Total costs according to types | 209,724,422.07 | 289,367,934.81 | 68,950,561.87 | 84,733,943.29 |

Note 20. Other operating income

| OPERATING INCOME | 1 January 2010 - 30 September 2010 | 1 January 2009 - 30 September 2009 | 1 July 2010 - 30 September 2010 | 1 July 2009 - 30 September 2009 |
|---|---|---|--|--|
| a) profit from disposal of non-financial fixed assets | 2,640,743.41 | 236,732.04 | 126,007.78 | 129,957.02 |
| b) other operating income | 9,403,899.68 | 4,847,244.93 | 2,783,754.90 | 889,899.62 |
| Total operating income | 12,044,643.09 | 5,083,976.97 | 2,909,762.68 | 1,019,856.64 |

| OPERATING INCOME | 1 January 2010 - 30 September 2010 | 1 January 2009 - 30 September 2009 | 1 July 2010 - 30 September 2010 | 1 July 2009 - 30 September 2009 |
|---|---|---|--|--|
| a) profit from disposal of non-financial fixed assets | 2,640,743.41 | 236,732.04 | 126,007.78 | 129,957.02 |
| b) handling charges | 4,921,123.97 | 1,689,739.15 | 2,438,283.91 | 599,748.36 |
| c) provisions | 137,710.00 | 1,287,094.76 | 0.00 | 44,438.89 |
| d) other (including compensation for land) | 4,345,065.71 | 1,870,411.02 | 345,470.99 | 245,712.37 |
| Total operating income | 12,044,643.09 | 5,083,976.97 | 2,909,762.68 | 1,019,856.64 |

Note 21. Other operating expenses

| OPERATING EXPENSES | 1 January 2010 - 30 September 2010 | 1 January 2009 - 30 September 2009 | 1 July 2010 - 30 September 2010 | 1 July 2009 - 30 September 2009 |
|---|---|---|--|--|
| a) loss on disposal of non-financial fixed assets | 147,572.40 | 1,130,290.82 | -54,231.51 | 55,035.30 |
| b) revaluation of non-financial assets | 0.00 | 6,480.25 | 0.00 | 0.00 |
| c) other operating expenses | 6,066,000.14 | 3,263,258.17 | 1,829,144.23 | 767,279.31 |
| Total operating expenses | 6,213,572.54 | 4,400,029.24 | 1,774,912.72 | 822,314.61 |

| OPERATING EXPENSES | 1 January 2010 - 30 September 2010 | 1 January 2009 - 30 September 2009 | 1 July 2010 - 30 September 2010 | 1 July 2009 - 30 September 2009 |
|---|---|---|--|--|
| a) loss on disposal of non-financial fixed assets | 147,572.40 | 1,130,290.82 | -54,231.51 | 55,035.30 |
| b) revaluation of non-financial assets | 0.00 | 0.00 | 0.00 | 0.00 |
| c) provisions | 0.00 | 0.00 | 0.00 | 0.00 |
| d) compensation, penalties and damages | 1,515,053.75 | 352,915.63 | 1,284,273.04 | 55,580.14 |
| e) compensation fee | 376,336.54 | 767,242.64 | -479,373.70 | 135,949.71 |
| f) litigation costs | 200,492.99 | 174,791.26 | 79,187.49 | 40,695.41 |
| g) other | 3,974,116.86 | 1,974,788.89 | 945,057.40 | 535,054.05 |
| Total operating expenses | 6,213,572.54 | 4,400,029.24 | 1,774,912.72 | 822,314.61 |

Note 22. Financial income

| FINANCIAL INCOME | 1 January 2010 - 30 September 2010 | 1 January 2009 - 30 September 2009 | 1 July 2010 - 30 September 2010 | 1 July 2009 - 30 September 2009 |
|-------------------------------|---|---|--|--|
| a) dividends | 0.00 | 0.00 | 0.00 | 0.00 |
| b) interest | 3,895,213.94 | 3,431,343.75 | 1,045,510.19 | 1,052,745.00 |
| c) revaluation of investment | 0.00 | 0.00 | 0.00 | 0.00 |
| b) other | 2,082,308.82 | 305,500.85 | 1,034,713.57 | -2,103,316.66 |
| Total financial income | 5,977,522.76 | 3,736,844.60 | 2,080,223.76 | -1,050,571.66 |

| Financial income | 1 January 2010 - 30 September 2010 | 1 January 2009 - 30 September 2009 | 1 July 2010 - 30 September 2010 | 1 July 2009 - 30 September 2009 |
|-----------------------------|---|---|--|--|
| a) dividends | 0.00 | 990,000.00 | 0.00 | 990,000.00 |
| b) interests from customers | 1,388,247.15 | 430,628.04 | 249,653.96 | 131,823.27 |
| c) loan interests | 699,420.13 | 992,526.43 | 244,056.95 | 109,680.49 |
| d) deposit interests | 940,919.08 | 451,261.09 | 901,410.42 | 399,497.99 |
| e) bill interests | 8,151.07 | 5,645.82 | 2,062.41 | 1,916.66 |
| f) other interests | 858,476.51 | 561,282.37 | -351,673.55 | -580,173.41 |
| g) other | 2,082,308.82 | 305,500.85 | 1,034,713.57 | -2,103,316.66 |
| Total | 5,977,522.76 | 3,736,844.60 | 2,080,223.76 | -1,050,571.66 |

Note 23. Financial expenses

| FINANCIAL EXPENSES | 1 January 2010 - 30 September 2010 | 1 January 2009 - 30 September 2009 | 1 July 2010 - 30 September 2010 | 1 July 2009 - 30 September 2009 |
|---------------------------------|---|---|--|--|
| a) interests | 22,729,083.39 | 19,765,085.38 | 9,581,763.87 | 7,432,245.34 |
| b) revaluation of investment | 0.00 | 0.00 | 0.00 | 0.00 |
| c) other | 2,478,788.52 | 792,343.55 | 2,400,620.99 | -2,912,846.75 |
| Total financial expenses | 25,207,871.91 | 20,557,428.93 | 11,982,384.86 | 4,519,398.59 |

| FINANCIAL EXPENSES | 1 January 2010 - 30 September 2010 | 1 January 2009 - 30 September 2009 | 1 July 2010 - 30 September 2010 | 1 July 2009 - 30 September 2009 |
|----------------------------------|---|---|--|--|
| a) interest, commission, credits | 8,605,316.44 | 9,321,469.02 | 3,437,050.31 | 3,621,926.10 |
| b) interest - leases | 2,629,594.01 | 3,634,941.15 | 689,917.02 | 1,293,920.89 |
| c) interest-loans | 0.00 | 0.00 | 0.00 | 0.00 |
| d) interest-bills | 7,436,466.50 | 4,844,737.14 | 2,612,220.71 | 2,557,826.52 |
| e) interest-bond issue | 3,172,181.01 | 1,288,477.29 | 3,008,660.36 | 0.00 |
| f) other interests | 889,030.06 | 675,460.78 | -162,579.90 | -41,428.17 |
| g) foreign exchange differences | 0.00 | 0.00 | 0.00 | -3,036,207.03 |
| h) other | 2,475,283.89 | 792,343.55 | 2,397,116.36 | 123,360.28 |
| Total financial expenses | 25,207,871.91 | 20,557,428.93 | 11,982,384.86 | 4,519,398.59 |

D. SUPPLEMENTARY INFORMATION**1. The description of Issuer's significant achievements or failures over the period covered in the statement along with the list of most important events concerning them.**

The following important events took place over the period of time covered in this report:

Changes in the Board

On August 5, 2010, the Supervisory Board passed a resolution to dismiss Ms. Grazyna Szafarowskiej from of the Management Board

The conclusion of the credit agreement

On 9 July 2010, the Company concluded the investment loan agreement with Millenium Bank S.A in the amount of PLN 19,500,000 for financing the "Jerozolimskie Point" investment.

As a result of concluded annexes to the non-revolving credit for financing the "Wiślana Aleja" investment at Odkryta Street, the final repayment was postponed until 30 December 2010.

On 27 September 2010, the Company signed an addendum to the contract for revolving loan account loan granted for financing the investment, "Amber estate" on the road traffic jams in Warsaw, under which was postponed repayment period to 30 April 2011

Credit Repayment

On 23 September 2010, the Company made an early, full repayment of the revolving working-capital loan granted to finance "Lewandów I" investment, Warsaw in the amount of EUR 29 500 000.

Due to termination of an operating lease agreement that was concluded on 31 August 2001, the Company acquired (made a redemption) a property located in Zegrze Południowe- Rybaki on 30 September 2010, the property represents a plot of land No. 140/4 with area of 0.9300 ha with a hotel building and catering.

Occupancy permits

On 27 September 2010, the Company received an occupancy permit for Lewandów Park Stage II investment, at Lewandów Street, Warsaw - 1 275 units.

Acquisition of land

On 11 September 2010, the Company entered into an agreement on the right of perpetual usufruct of the property located in Wrocław, at Powstańców Śląskich Street with a total area of 3,621 sqm. On a subject property, the Company is going to implement a construction investment with housing, office and hotel facilities.

Registration of changes in the Articles of the Association by the Court

On 1 July 2010, the reduction of share capital of the Company from the amount of PLN 10,939,656 to PLN 10,814,656 was disclosed in National Court Register. The reduction of the share capital is a result of redemption of 625,000 own bearer shares with a nominal value of PLN 0,20 each entitling to 625,000 votes at the general meeting of the Company, acquired by the Company within the program of purchasing and redemption of own shares.

On 1 July 2010, District Court for the Capital City of Warsaw XIV Commercial Division of the National Court Register registered in National Court Register. The changes were made in the Articles of the Association during and by the Extraordinary General Meeting on 8 April 2010 and by the General Meeting on 18 May 2010.

Registration of capital reduction

On 30 August 2010, the Management Board of Directors (as the acquirer) and Management Boards of the following four subsidiaries: Project 1955 Ltd., domiciled in Warsaw, Construction Invest Ltd., domiciled in Żąbki, Stadmna Mazowiecka Spółka z o.o domiciled in Żąbki and Interlokum Spółka z o.o domiciled in (target companies) have agreed Merger Plan under the Article 492 § 1. 1). CCC as a result of which the Company acquired assets will be transferred to the acquiring company.

Implemented investments

In the third quarter of 2010, the Company continued the previous projects: Lewandów Park Stage II, Lazurów Ustronie Stage I and Lazurów Ustronie - houses. There were three housing investment that were being implemented with a total number of 1 651 flats and 12 houses covering approximately 74 000 sqm of usable area.

At the same time, construction works were being conducted on commercial investment in Warsaw with the number of 3 561 sqm of PUJ at Badyłarska Street and on " Czarny Potok" hotel investment in Krynica Górská with the number of 18 709 sqm of PUJ.

In addition, the Company launched the realisation of the networks and media systems on " Zielona Dolina" investment at Zdziarska Street in Warsaw.

In the Q3 of 2010, the Company was implementing the following investment:

| No. | Housing investments | Number of units |
|-----|------------------------------------|--------------------|
| 1 | „Osiedle Lewandów Park " 2nd Stage | 1,275 |
| 2 | „Lazurowe Ustronie" 1st Stage | 376 |
| 3 | „Lazurowe Ustronie" - houses | 12 |
| 4 | „Zielona Dolina" | networks and media |

| No. | Commercial and hotel investments | PUU |
|-----|--|--------|
| 1 | „Jerozolimskie Point" at Badyłarska Street | 3,561 |
| 2 | „Czarny Potok" – Krynica Zdrój | 18,709 |

2. The description of factors and events, in particular, of untypical character, having a remarkable influence on the achieved financial result.

In the 2nd quarter of 2010, apart from events described above there were no events of untypical character that had a remarkable influence on the achieved financial results.

3. Commentaries concerning the seasonality and cyclicity of Issuer's activity over the presented period .

In principle, the sale of dwellings is not of seasonal character. Noticeably, in the Issuer's activity, cyclicity of the moment when revenue and, by the same token, financial results are recognized along with the revenues in the form of advance money from customers –depends on the level of advancement of the investment.

Dependently of the level of advancement of the investment (zero state, open unfinished state, closed unfinished state, construction completed), there are cyclic payments from customers.

4. Information concerning the issuance, buyout and repayment of debt and equity securities.

In the third quarter of 2010, the Company did not perform any issue or repayment of bonds.

On 27 September 2010, the Company paid bond interests, which the Company issued on 25 June 2010 in the total number of 1,300 pieces. Interests were paid in accordance with a rate based on 3M WIBOR plus a margin percentage. Bonds on which interests were paid, are long-term, unsecured, with a nominal value of PLN 100,000 each. Maturity date was set as at 25 June 2013

5. Information concerning the paid and/or declared aggregate dividend and per one stock with the distribution into ordinary and preferred stocks.

Not applicable.

6. Events which occurred after the date of drawing up the abbreviated quarterly financial statement, which were not included in this statement but which could possibly have remarkable influence on the Issuer's future financial results.

On 25 October 2010 the Company received the resignation statement of Mr. Piotr Ciszewski regarding his resignation from the membership in the Management Board from 31 October 2010,.

On 29 October 2010, the Company concluded an agreement transferring the right of perpetual usufruct of the property located in Katowice in the area of Tysiąclecia and Chrobry Street with a total area of 2.3480 hectares. On the subject property, the Company intends to implement an investment with a usable area of approximately 35 000 sqm.

On 8 November 2010, the Company won a tender organized by the City of Gdynia on the purchase of the property located in the area of Gdynia at Spokojna i Leśna Street with a total area of 57,488 sqm. In the local plan of development plan, the subject property is designed for multi-family housing with services in the four-storey development. In the vicinity, the Company has already built two multi-family housing estates. The purchase price of the property in the auction was set at EUR 37,723,500 with VAT

Occupancy permits

On 12 October 2010, the Company received a legally valid occupancy permit for Lewandów Park Stage II investment, at Lewandów Street, Warsaw - 1 275 units.

A building permit

On 3 November 2010, the Company received a legally valid decision on the construction of multi-family housing estate "Łódź Tymienieckiego II" in Lodz at Tymienieckiego Street.

7. Information concerning the changes in conditional liabilities or conditional assets, which have occurred since the end of the last fiscal year.

| COLLATERALS | 30 September 2010 | 31 December 2009 |
|--|--------------------------|-------------------------|
| Investment real estate pledged as collateral - loans | 561,982,992.00 | 927,870,992.00 |
| Other companies' real estate pledged as collateral - loans | 0.00 | 10,000,000.00 |
| Blank promissory notes* | 306,021,916.47 | 455,683,741.72 |
| Enforceable title | 288,196,416.00 | 568,794,416.00 |
| other | 0.00 | 1,567,194.84 |
| Guarantees to the benefit of TBS "Marki" Sp z o.o. | 22,400,000.00 | 22,400,000.00 |
| Guarantees to the benefit of JWCH Budownictwo Drogowe sp. z o.o. | 0.00 | 700,000.00 |
| Guarantees to the benefit of J.W Construction S.A. | 2,900,000.00 | 2,000,000.00 |
| Guarantees to the benefit of ZPM Metalcon Sp z o.o. | 1,600,000.00 | 1,600,000.00 |
| Guarantees to the benefit of ZPM Metalcon Sp z o.o. | 500,000.00 | 300,000.00 |

* the amounts of collateral in the form of blank promissory notes are presented up to the full value of the principal liability; The table above presents all collateral under concluded loan agreements. Since several items of collateral were established under particular loan agreements, the value of collateral was not summed up.

As at 30 September 2010 there were disclosed insurance guarantees to remove failures and defects, granted by banks and insurance institutions to the benefit of the Company. Moreover, there were blank promissory notes issued to the benefit of J.W. Construction Holding S.A. to secure rights of such companies under guarantees granted by counterparties, which the Companies may fill in at any time with the amount corresponding to the costs of failure and defect removal. As at 30 September 2010 the total value of guarantees was PLN 19.7 million (J.W. Construction Holding S.A) and PLN 2,700,000 (J.W. Construction S.A).

8. The targets and the policy of financial risk management

The risks recognised by the Group include interest rate risk, liquidity risk, currency risk, credit risk and administrative risk.

Interest rate risk

The Group raises funds for implementation of its projects based on floating interest rate loans. Those are mainly loans incurred for the period of the construction of a given investment project – on the average for 1.5 years. It is assumed that in such period the interest rate risk would not require additional hedging options.

The only non-current liabilities were liabilities of TBS Marki – a Group company - under loans incurred with the National Housing Fund on entirely separate terms and conditions.

Currency risk

Within the whole Group the companies not to conclude transactions in PLN are Russian law companies – J.W. Construction International in Kolomna near Moscow and YAKOR HOUSE Sp. z o.o. in Sochi, as well as a Bulgarian law company – J.W. Construction Bulgaria EOOD. Settlements made in Russia did not require additional hedging since both revenues and costs are recognised in the same currency, while the Bulgarian company has not launched operations yet.

Credit Risk

A very significant part of the Group's clients purchase with bank loans. Risks connected with the offered loans are secured with insurance of particular debts on behalf of clients. There is no significant credit risk concentration in any group of clients. Moreover, the Group systematically evaluates payments made by the clients, as well as their financial standing. However, a smaller availability of mortgage loans should be taken into account, connected indirectly with more stringent lending procedures, also due to the situation on the mortgage loan market. In effect, this results in a reduced demand for housing.

Liquidity risk

The Group pays special attention to keeping the balance between financing its investment activities and timely payment of its liabilities. The liquidity is dependent on the banks' credit policy, both mortgage and investment. The lack of banks' financing may have impact on the demand for apartments and, thus, on cash flows.

Administrative risk

The developer activity is based on administrative decisions required in connection with the present or future projects. The lack of licences, permits or concessions or late obtainment of the same may have adverse effect on the Capital Group's ability to commence, conduct or complete present and new developer projects. All those factors may have impact on financial flows and overall operations.

Competition risk

In the last period of time, the competition on the building market has increased. This situation is caused both by the reduction of the volume tradings of the housing industry, and because of the EU funds inflow, that encouraged foreign companies to compete for orders in our country. In the light of such circumstances, it will be much harder to obtain any external orders for assembly works as well as prefabricated building materials. There is also a risk that the increased competition will be reflected in profit margins from external building contracts.

| Financial statements item | Value in PLN | Interest rate risk | | | | Currency risk | | | |
|---|--------------|--------------------|--------------------|------------------|----------------|--------------------|-------------|------------------|----------|
| | | Effect on earnings | | Effect on equity | | Effect on earnings | | Effect on equity | |
| | | + 50 pb in PLN | + 50 pb in PLN | + 50 pb in PLN | + 50 pb in PLN | | | | |
| | | + 25 pb in USD/EUR | - 25 pb in USD/EUR | + 25 pb in USD | - 25 pb in PLN | +5% | - 5% | +5% | - 5% |
| Financial assets | | | | | | | | | |
| Cash in current accounts | 13,499 | 67 | -67 | | | | | | |
| Bank deposits | 86,227 | 431 | -431 | | | | | | |
| Bonds held | | 0 | 0 | | | | | | |
| Granted loans in PLN | 2,185 | 11 | -11 | | | | | | |
| Granted loans in USD | | 0 | 0 | | | 0 | 0 | | |
| Granted loans in EUR | 8,059 | 20 | -20 | | | 403 | -403 | | |
| Effect on financial assets before tax | | 530 | -530 | 0 | 0 | 403 | -403 | 0 | 0 |
| Tax (19%) | | -101 | 101 | 0 | 0 | -77 | 77 | 0 | 0 |
| Effect on financial assets after tax | | 429 | -429 | 0 | 0 | 326 | -326 | 0 | 0 |
| Financial liabilities | | | | | | | | | |
| Bonds issues | 130,089 | -650 | 650 | | | | | | |
| Bank Loans | 122,834 | -614 | 614 | | | | | | |
| Effect on financial liabilities before tax | | -1,265 | 1,265 | 0 | 0 | 0 | 0 | 0 | 0 |
| Tax (19%) | | 240 | -240 | 0 | 0 | 0 | 0 | 0 | 0 |
| Effect on financial liabilities after tax | | -1,024 | 1,024 | 0 | 0 | 0 | 0 | 0 | 0 |
| Total increase / (decrease) | | -595 | 595 | 0 | 0 | 326 | -326 | 0 | 0 |

9. Selected financial data including the basic items from abbreviated financial statement (also, given in EURO).

In order to convert the balance for the period from 1 January 2010 – 30 September 2010, the average EUR exchange rate was assumed, that was determined by the National Bank of Poland on that day; the exchange rate PLN 3.9878/ EUR

In order to convert the balance for the period from 1 January 2010 – 30 September 2009, the average EUR exchange rate was assumed, that was determined by the National Bank of Poland on that day; the exchange rate PLN 4.2226/ EUR

In order to convert the income statement for the period from 1 January 2010 – 31 September 2010, the average EUR exchange rate was assumed, that was calculated as the arithmetic mean of exchange rates on the last day of month of the given period, as determined by the National Bank of Poland on that day; the exchange rate PLN 4.0027 / EURO.

In order to convert the income statement for the period from 01/01/2009 – 31 September 2010, the average EUR exchange rate was assumed, that was calculated as the arithmetic mean of exchange rates on the last day of month of the given period, as determined by the National Bank of Poland on that day; the exchange rate PLN 4.3993 / EURO.

In order to convert the balance for the period from 1 January 2010 – 31 December 2009, the average EUR exchange rate was assumed, that was determined by the National Bank of Poland on that day; the exchange rate PLN 4.1082/ EUR

| Consolidated balance sheet item | 30 September 2010 | | 30 September 2009 | | 31 December 2009 | |
|-------------------------------------|-------------------|----------------|-------------------|----------------|------------------|----------------|
| | PLN | EUR | PLN | EUR | PLN | EUR |
| Total Assets | 1,424,550 | 357,299 | 1,601,169 | 379,190 | 1,522,963 | 370,713 |
| Non-current assets | 505,288 | 126,734 | 424,076 | 100,430 | 425,653 | 103,611 |
| Current assets | 919,262 | 230,565 | 1,177,093 | 278,760 | 1,097,310 | 267,102 |
| Total Equity and Liabilities | 1,424,550 | 357,299 | 1,601,169 | 379,190 | 1,522,963 | 370,713 |
| Equity | 484,043 | 121,405 | 393,126 | 93,100 | 416,207 | 101,311 |
| Non-current liabilities, | 333,740 | 83,707 | 309,804 | 73,368 | 203,707 | 49,585 |
| Current liabilities | 606,767 | 152,186 | 898,238 | 212,722 | 903,049 | 219,816 |

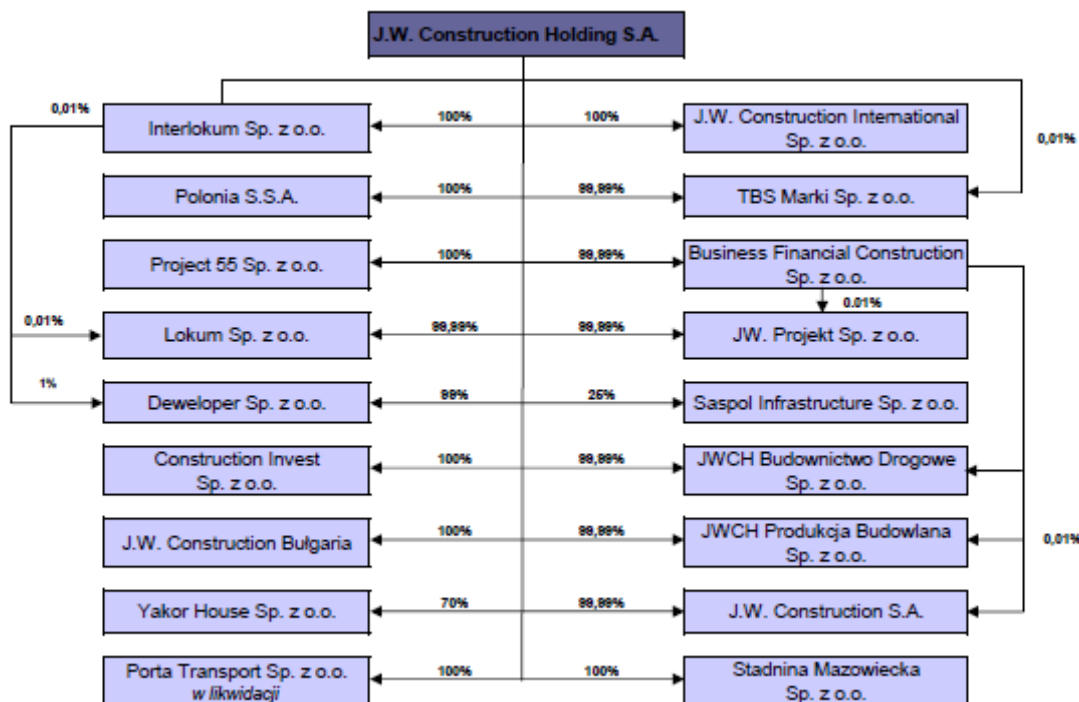
| Consolidated income statement item | 1 January 2010 - 30 September 2010 | | 1 January 2009 - 30 September 2009 | |
|--|------------------------------------|---------------|------------------------------------|---------------|
| | PLN | EUR | PLN | EUR |
| Net revenues from sales of products, goods and materials | 457,494 | 114,297 | 491,079 | 111,627 |
| Costs of products, goods and materials sold | 321,137 | 80,230 | 360,341 | 81,909 |
| Gross profit (loss) on sales | 136,357 | 34,066 | 130,738 | 29,718 |
| Selling expenses | 19,140 | 4,782 | 12,737 | 2,895 |
| Overhead expenses | 19,774 | 4,940 | 17,931 | 4,076 |
| Profit (loss) on sales | 97,444 | 24,345 | 100,070 | 22,747 |
| Operating profit (loss) | 103,275 | 25,801 | 100,754 | 22,903 |
| Gross profit (loss) | 84,044 | 20,997 | 83,934 | 19,079 |
| Income tax | 16,164 | 4,038 | 14,575 | 3,313 |
| Net profit (loss) | 67,880 | 16,959 | 69,358 | 15,766 |

| Consolidated balance sheet item of the Issuer | 30 September 2010 | | 30 September 2009 | | 31 December 2009 | |
|---|-------------------|----------------|-------------------|----------------|------------------|----------------|
| | PLN | EUR | PLN | EUR | PLN | EUR |
| Total Assets | 1,321,665 | 331,494 | 1,410,451 | 334,024 | 1,366,315 | 332,582 |
| Non-current assets | 414,526 | 103,970 | 315,088 | 74,620 | 317,537 | 77,293 |
| Current assets | 907,139 | 227,524 | 1,095,363 | 259,405 | 1,048,777 | 255,289 |
| Total Equity and Liabilities | 1,321,665 | 331,494 | 1,410,451 | 334,024 | 1,366,315 | 332,582 |
| Equity | 452,263 | 113,435 | 367,376 | 87,002 | 393,394 | 95,758 |
| Non-current liabilities, | 226,379 | 56,779 | 179,597 | 42,532 | 87,048 | 21,189 |
| Current liabilities | 643,023 | 161,280 | 863,478 | 204,490 | 885,873 | 215,635 |

| Consolidated income statement item | 1 January 2010 - 30 September 2010 | | 1 January 2009 - 30 September 2009 | |
|--|------------------------------------|---------------|------------------------------------|---------------|
| | PLN | EUR | PLN | EUR |
| Net revenues from sales of products, goods and materials | 421,843 | 105,390 | 337,141 | 76,636 |
| Costs of products, goods and materials sold | 308,829 | 77,155 | 250,893 | 57,031 |
| Gross profit (loss) on sales | 113,014 | 28,234 | 86,249 | 19,605 |
| Selling expenses | 18,785 | 4,693 | 11,540 | 2,623 |
| Overhead expenses | 10,708 | 2,675 | 9,352 | 2,126 |
| Profit (loss) on sales | 83,520 | 20,866 | 65,357 | 14,856 |
| Operating profit (loss) | 89,147 | 22,272 | 64,759 | 14,720 |
| Gross profit (loss) | 72,217 | 18,042 | 51,216 | 11,642 |
| Income tax | 13,348 | 3,335 | 5,432 | 1,235 |
| Net profit (loss) | 58,869 | 14,707 | 45,784 | 10,407 |

10. The Structure of the issuer's capital group with an indication of entities subject to consolidation.

On September 30, 2010, the Issuer's Capital Group had the following structure:



J.W. Construction S.A. (full consolidation)

J.W. Construction S.A., a joint-stock company domiciled in Ząbki entered in the register of entrepreneurs of the National Court Register under KRS number 0000290315. Share capital of J.W. Construction S.A. amounts to PLN 11,526,618 and is divided into 11,526,618 shares with a par value of PLN 1 each. J.W. Construction S.A. took over the construction activity of the Company. The Company holds 99.99% of share capital of J.W. Construction S.A.

JWCH Produkcja Budowlana Sp. z o.o. (full consolidation)

JWCH Produkcja Budowlana Sp. z o.o., a limited liability company domiciled in Ząbki entered in the register of entrepreneurs of the National Court Register under KRS number 0000300959. The Company holds 99.99% of its shares. Share capital of JWCH Produkcja Budowlana Sp. z o.o. amounts to PLN 15,495,000 and is divided into 300,900 shares with a par value of PLN 50 each. The business of JWCH Produkcja Budowlana Sp. z o.o. is production of building prefabricated units.

JW Projekt Sp. z o.o. (full consolidation)

JW Projekt Sp. z o.o., a limited liability company domiciled in Warsaw entered in the register of entrepreneurs of the National Court Register entered in the register of entrepreneurs of the National Court Register 195210 on 20 February 2004. The Company holds 99.99% of its shares. Share capital of JW Projekt Sp. z o.o. amounts to PLN 1,155,060 and is divided into 5,778 shares with a par value of PLN 200 each. The business of JW Projekt Sp. z o.o. is architecture and designing.

Construction Invest Sp. z o.o. (full consolidation)

Construction Invest Sp. z o.o., a limited liability company domiciled in Ząbki entered in the register of entrepreneurs of the National Court Register entered in the register of entrepreneurs of the National Court Register 250688 on 9 February 2006. The Company holds 100% of its shares. Share capital of Construction Invest Sp. z o.o. amounts to PLN 50,000 and is divided into 100 shares with a par value of PLN 500 each. The business of Construction Invest Sp. z o.o. is own

real estate development and sale. Construction Invest Sp. z o.o. was established to purchase real estate, apply for building permits and then transfer the real estate with the corresponding building permit to the Company.

TBS Marki Sp. z o.o. (full consolidation)

TBS Marki Sp. z o.o., a limited liability company domiciled in Warsaw entered in the register of entrepreneurs of the National Court Register entered in the register of entrepreneurs of the National Court Register 65232 on 28 November 2001. The Company holds 99.99% of its shares. Share capital of TBS Marki Sp. z o.o. amounts to PLN 13,360,000 and is divided into 26,720 shares with a par value of PLN 500 each. TBS Marki Sp. z o.o. was established as a social building society, within the meaning of the Act on Some Forms of Supporting Housing Building Projects. TBS Marki Sp. z o.o. is an investor responsible for implementation of four projects i.e. "Lisi Jar", "Marki V", "Warszawa Białoleka" and "Sochaczew, ul. Piłsudskiego".

Lokum Sp. z oo (full consolidation)

Lokum Sp. z o.o., a limited liability company domiciled in Warsaw entered in the register of entrepreneurs of the National Court Register entered in the register of entrepreneurs of the National Court Register 170570 on 20 August 2003. The Company holds 99.99% of its shares. Share capital of Lokum Sp. z o.o. amounts to PLN 3,778,500 and is divided into 7,557 shares with a par value of PLN 500 each. Lokum Sp. z o.o. is a special purpose vehicle. An investment project – "Willa Konstancin" in Konstancin-Jeziorna was implemented under its structures.

Project 55 Sp. z o.o. (full consolidation)

Project 55 Sp. z o.o., a limited liability company domiciled in Warsaw entered in the register of entrepreneurs of the National Court Register entered in the register of entrepreneurs of the National Court Register 139665 on 22 November 2002. The Company holds 100% of its shares. Share capital of Project 55 Sp. z o.o. amounts to PLN 7,528,500 and is divided into 15,057 shares with a par value of PLN 500 each. Project 55 Sp. z o.o. is a special purpose vehicle conducting developer activity. An investment project – "Górczewska" was implemented under its structures.

Interlokum Sp. z o.o. (full consolidation)

Interlokum Sp. z o.o., a limited liability company domiciled in Warsaw entered in the register of entrepreneurs of the National Court Register entered in the register of entrepreneurs of the National Court Register 170216 on 18 August 2003. The Company holds 100% of its shares. Share capital of Interlokum Sp. z o.o. amounts to PLN 50,000 and is divided into 100 shares with a par value of PLN 500 each. Interlokum Sp. z o.o. is a special purpose vehicle under which an investment project – "Skarpa IV" was implemented.

Deweloper Sp. z o.o. (full consolidation)

Deweloper Sp. z o.o., a limited liability company domiciled in Siemianowice Śląskie entered in the register of entrepreneurs of the National Court Register entered in the register of entrepreneurs of the National Court Register 170493 on 22 August 2003. The Company holds 99% of its shares. Share capital of Deweloper Sp. z o.o. amounts to PLN 50,000 and is divided into 100 shares with a par value of PLN 500 each. The business of Deweloper Sp. z o.o. is road construction. In the structure of the Capital Group it was assigned the role of the general contractor of a housing estate in Katowice.

J.W. Construction International Sp. z o.o (full consolidation)

J.W. Construction International Sp. z o.o., a limited liability company is registered in the territory of Russia. The Company holds a 100% of its share capital. The business of J.W. Construction International Sp. z o.o. is investments in housing building industry in the territory of the Russian Federation. Presently it builds a housing estate – "Victoria Park" in Kolomna near Moscow.

Porta Transport Sp. z o.o. in liquidation (full consolidation)

Porta Transport Sp. z o.o., a limited liability company domiciled in Szczecin entered in the register of entrepreneurs of the National Court Register entered in the register of entrepreneurs of the National Court Register KRS 0000177420. Share capital of Porta Transport Sp. z o.o. is divided into 258,308 shares with a par value of PLN 100 each. The business of the company is transport services provided to Porta Szczecińska Nowa Sp. z o.o. in the territory of the Szczecin shipyard and forwarding services in the country and abroad. The Company holds 100% of its share capital.

JWCH Budownictwo Drogowe Sp. z o.o. (full consolidation)

JWCH Budownictwo Drogowe Sp. z o.o., a limited liability company domiciled in Ząbki entered in the register of entrepreneurs of the National Court Register entered in the register of entrepreneurs of the National Court Register 0000299665 on 21 February 2008 on 21 February 2008. The Company holds 99.99% of its shares. Share capital of JWCH Budownictwo Drogowe Sp. z o.o. amounts to PLN 450,000 and is divided into 9,000 shares with a par value of PLN 50 each. The business of JWCH Budownictwo Drogowe Sp. z o.o. is road construction and construction of infrastructure.

Yakor House Sp. z o.o. - former Ośrodek Wypoczynkowy "Ogoniok" (full consolidation)

Yakor House Sp. z o.o., a limited liability company domiciled in Sochi, Russian Republic. The Company holds 70% of its share capital amounting or RBL 10,500,000. Yakor House Sp. z o.o. owns real estate in the territory of Sochi on which it prepares a housing and commercial investment project.

Business Financial Construction Sp. z o.o. - BFC (not subject to consolidation)

Business Financial Construction Sp. z o.o., a limited liability company domiciled in Warsaw entered in the register of entrepreneurs of the National Court Register entered in the register of entrepreneurs of the National Court Register 114675 on 24 May 2002. The Company holds 99.99% of its shares. Share capital of Business Financial Construction Sp. z o.o. amounts to PLN 4,347,000 and is divided into 8,694 shares with a par value of PLN 500 each. The business of Business Financial Construction Sp. z o.o. is to serve sales of apartments built by the Company and other companies of the Group.

Polonia S.S.A (not subject to consolidation)

Polonia S.S.A a sports joint-stock company domiciled in Warsaw entered in the register of entrepreneurs of the National Court Register entered in the register of entrepreneurs of the National Court Register 173656 on 19 September 2003. The Company holds 100% of its shares. Share capital of Polonia S.S.A. amounts to PLN 1,544,000 and is divided into 5,000 A-class registered shares with a par value of PLN 100 each and 10,440 B-class registered shares with a par value of PLN 100 each.

J.W. Construction Bulgaria (not subject to consolidation)

J.W. Construction Bulgaria EOOD was registered by the Municipal Court for Sofia (Bulgaria) on 8 October 2007 under name J.W. Construction Bulgaria EOOD domiciled in Sofia (a Bulgarian law company – equivalent to a Polish limited liability company). The Company holds 500 (five hundred) shares with a par value of BGN 10 (ten) each and the total value of BGN 5,000 (five thousand) in J.W. Construction Bulgaria EOOD. The said shares constitute 100% of its share capital. The Company plans to implement investment projects in the territory of Bulgaria through J.W. Construction Bulgaria EOOD.

Saspol Infrastructure Sp. z o.o. (not subject to consolidation)

SASPOL INFRASTRUCTURE Sp. z o.o., a limited liability company domiciled in Ząbki, entered in the register of entrepreneurs of the National Court Register entered in the register of entrepreneurs of the National Court Register 0000335050 on 21 February 2010. The company holds 25% its share capital. Share capital of SASPOL INFRASTRUCTURE Sp. z o.o amounts to PLN 5,000 and is divided into 100 shares with a per value of PLN 50,00 each. SASPOL INFRASTRUCTURE Sp. z.o.o is a special purpose vehicle made up of foreign partners through which, the Company, together with these partners, will take part in tenders for the realization of works connected with infrastructure.

Stadnina Mazowiecka Sp. z o.o. (full consolidation)

Stadnina Mazowiecka Sp. z o.o. a limited liability company domiciled in Ząbki, entered in the register of entrepreneurs of the National Court Register on 3 January 2007. The company obtained 100% its share capital on 30 June 2010. Share capital of Stadnina Mazowiecka Sp. z o.o. amounts to PLN 50,000 and is divided into 1,000 shares with a nominal value of PLN 0,50 each.

11. Indicating the consequences of changes in an economic entity's structure, including the consequences resulting from entities' joint activity, the take-over or sale of entities of the Issuer's capital group, long-term investments, distribution, restructuring or abandonment of activity.

In the organizational structure of the Issuer's capital group there were no significant changes.

12. Position of the Management Board's regarding the possibilities of implementation of the published anticipations of financial results for a given year, in relation to the results presented in the quarterly statement and compared to the anticipated results.

The Management Board of J.W. Construction Holding S.A did not publish any financial forecasts both for the Company and the Capital Group.

13. Indicating stockholders who own directly or indirectly through subsidiary entities own at least 5% of the total number of votes at the Issuer's General Meeting as at the day of submission of the quarterly statement along with an indication of the number of stocks owned by these entities, their proportional share in share capital, the number of votes resulting from them and their proportional share in the total number of votes at the General Meeting and indicating the changes in the ownership structure of Issuer's remarkable block stocks since the submission of the last quarterly statement.

As at 12 May 2010 – the day of publication of a report for Q1 2010

| Shareholder | Number of shares | % of share capital | Number of votes | % of total number of votes in the General Meeting |
|---|---|--------------------|-----------------|---|
| Józef Wojciechowski | 15.413.713 | 28.18 % | 15.413.713 | 28.18 % |
| EHT S.A. | 19.068.300 | 34.86 % | 19.068.300 | 34.86 % |
| Investment funds managed by PKO TFI S.A | Between 5 and 10% of the shares ^x | | | |
| Pioneer Pekao TFI S.A | Between 5 and 10% of the shares ^{xx} | | | |

As at 9 November 2010 – the day of publication of a report for Q3 2010

| Shareholder | Number of shares | % of share capital | Number of votes | % of total number of votes in the General Meeting |
|---|---|--------------------|-----------------|---|
| Józef Wojciechowski | 15.413.713 | 28.51 % | 15.413.713 | 28.51 % |
| EHT S.A. | 18.568.300 | 34.34 % | 18.568.300 | 34.34 % |
| Investment funds managed by PKO TFI S.A | Between 5 and 10% of the shares ^x | | | |
| Pioneer Pekao TFI S.A | Between 5 and 10% of the shares ^{xx} | | | |

^x on 9 April 2010, the Company received a notification on exceeding a 5% threshold of the share capital of the Company by the Funds managed by PKO TFI S.A, as at 9 April 2010 it was 3,245,668 shares representing 5.93% of the share capital of the Company entitling to 3,245,668 votes at the General Meeting of the Company and representing 5.93% of the total number of votes. In accordance with applicable law, a shareholder must notify the Company of exceeding the threshold of 5% and 10% of the total number of shares of the Company. To date, the Company has not received any notification from the shareholder, which would include information about reducing the number of shares held less than 5% or increase above 10% of the share capital of the Company.

^{xx} on 15 April 2010, the Company received a notification on exceeding a 5% threshold of the share capital of the Company by the Funds managed by PKO TFI S.A, as at 9 April 2010 it was 2.740.767 shares representing 5.01 % of the share capital of the Company entitling to 2.740.767 votes at the General Meeting of the Company and representing 5.01 % of the total number of votes. In accordance with applicable law, a shareholder must notify the Company of exceeding the threshold of 5% and 10% of the total number of shares of the Company. To date, the Company has not received any notification from the shareholder, which would include information about reducing the number of shares held less than 5% or increase above 10% of the share capital of the Company.

In the period between 12 May 2010 and 09 November 2010 (dates of publication of reports for Q1 2010 and Q3 2010) the amendments resulted from a reduction in the number of shares in the Company in connection with the registration by the Court of redemption of shares purchased under the share repurchase program.

14. Shares or rights to shares (options) of the Issuer, held by members of the management board and supervisory board of the Issuer as at the presentation of the quarterly report, including changes in the shareholding from presentation of the previous quarterly report, separately for each member.

Shares of the Issuer held by members of authorities of the Company:

As at 9 November 2010 – publication of the report for Q3 2010

| Person | Office | Number of shares | Decrease in the number of shares from the publication of the previous quarterly report |
|---------------------|-----------------------------------|------------------|--|
| Józef Wojciechowski | Chairman of the Supervisory Board | 15.413.713 | No change |

15. Law actions of the value over 10% of equity of the Issuer.

Neither the Issuer nor any of its subsidiaries is a party to a procedure pending before a court, arbitration tribunal or public administration authority, of the aggregate value over 10% of equity of the Issuer.

16. Information about concluding, by the Issuer or by its subsidiary entity, one or many transactions with the related subjects separately or in total if they are significant and concluded on different than on an arm's length basis.

All transactions with related parties entered into by any company of the Capital Group are arm's length transactions.

| No. | Balances of JWCH with group's companies COMPANY NAME | Receivables from related parties | | Liabilities to related parties | |
|-----|---|----------------------------------|------------------|--------------------------------|------------------|
| | | 30 September 2010 | 31 December 2009 | 30 September 2010 | 31 December 2009 |
| 1. | TBS Marki Sp. z o.o. | 28,123.84 | 0.00 | 23,169,826.54 | 22,423,424.90 |
| 2. | JW. Construction International Sp. z o.o | 15,312,600.92 | 14,161,890.46 | 0.00 | 0.00 |
| 3. | Business Financial Construction Sp. z o.o. | 0.00 | 0.00 | 2,595,255.93 | 2,251,427.98 |
| 4. | Project 55 Sp. z o.o. | 0.00 | 0.00 | 5,907,217.55 | 8,843,603.19 |
| 5. | Interlokum Sp. z o.o. | 0.00 | 285,000.00 | 5,573,633.47 | 6,287,625.41 |
| 6. | Lokum Sp. z oo | 59,916.74 | 19,168.89 | 1,423,901.87 | 0.00 |
| 7. | Deweloper Sp. z o.o. | 0.00 | 0.00 | 20,000.00 | 21,620.56 |
| 8. | JW. Projekt Sp. z o.o. | 3,655,180.73 | 2,136,498.95 | 235,891.75 | 17,269.11 |
| 9. | TBS Nowy Dom Sp. z o.o. | 10,537.56 | 9,639.18 | 1,000.00 | 0.00 |
| 10. | Construction Invest Sp. z o.o. | 3,912,857.59 | 3,770,743.23 | 0.00 | 0.00 |
| 11. | JW. Construction S.A. | 1,397.44 | 2,050,387.83 | 83,026,023.40 | 103,213,488.88 |
| 12. | J.W. Bułgaria Sp. z.o.o | 31,112,605.60 | 30,514,275.75 | 0.00 | 0.00 |
| 13. | Porta Transport Sp. z o.o. in liquidation | 14,640.00 | 21,829.01 | 5,378,194.43 | 0.00 |
| 14. | Yakor House Sp.z o.o. | 9,510,854.79 | 7,352,340.43 | 0.00 | 0.00 |
| 15. | JWCH Produkcja Budowlana Sp. z o.o. | 9,796,574.60 | 7,392,537.18 | 31,516.93 | 0.00 |
| 16. | JWCH Budownictwo Drogowe Sp. z o.o. | 3,072,853.08 | 2,332,175.13 | 822,966.04 | 0.00 |
| 17. | Stadnina Mazowiecka Sp. z o.o. | 5,479,015.98 | 5,281,823.17 | 0.00 | 0.00 |

* In the above statement, the settlement balances are presented with related entities from the perspective of the parent company. These balances include the amounts of the following transactions titles between entities: receivables and liabilities in respect of supplies and services, loans, expenses re-invoicing, paid deposits, advances and other transactions, except for amounts resulting from the valuation of construction contracts that were concluded by the parent company with special purpose vehicle (SPV) (over PLN 200,000).

17. Information about standing by the Issuer or a subsidiary company a credit or loan surety or about granting a guarantee jointly to one subject or its subsidiary entity if the aggregate value of the existing sureties or guarantees constitutes the equivalent of at least 10% of Issuer's equity capital.

Not applicable.

18. Other information which in the opinion of the Issuer is significant for evaluation of its personnel, assets, financial standing, profit (loss) and changes in the same, and information significant for assessment of the ability of the Issuer to fulfil its obligations.

None besides the aforesaid ones.

19. Indication of factors which, in the Issuer's opinion, will influence Issuer's financial results in the perspective of at least one subsequent quarter.

The most significant factors which may affect the Company's financial results include:

- maintaining the appropriate pace and schedules of the transferring already finished premises to the customers, what is also connected with the acquisition of financing sources in order to purchase such premises, ;
- implementation of the assumed level of sales;
- a good, attractive housing offer, including premises ready to receive;
- obtaining necessary administrative decisions in relation to the currently ongoing and future projects;
- no changes in legislation and taxation – rapid changes could influence in an uncontrolled way on the market demand for products offered by the Company;

- change in banks' credit policy in the scope of mortgage and investment credits- less restrictive credit conditions will provide the source of financing the purchase of the property and will be helpful in beginning another investment;
- interest rate, in particular for the loans in the Polish currency (PLN);

20. Information related to revenue and financial results referring to particular or geographical distributions depending on which distribution is the basic one.

Branch Segments

As assumed, the primary division of activity into segments is the division based on branch segments. The business of the Group is conducted mainly in three following segments:

developer activity
social building
hotel activities

Pursuant to IFR14 'Reporting concerning segments of activity', when drawing up financial data concerning particular segments of activity, according to the principle applied revenue and expenses along with assets and liabilities of a segment are established before the moment of consolidation when the settlement of balance sheet statements and transactions carried out among the Group's economic entities are excluded, with an exception of cases where this type of settling balances among entities were done within one segment. Internal transactions within the segment's framework were eliminated.

Financial data concerning the particular segments of activity include individual financial statements of Group's companies without the exclusions of balance sheet statements and transactions made, while the exclusion of revenue, expenses and mutual statements were presented in the 'Elimination' column. Developer activity in which consolidation of individual statements of companies running this kind of business was made, is an exception.

The primary kind of goods and services within the framework of each branch segment:

- developer activity- the implementation of the building, designing and supporting production and sale of properties,
- social housing construction - sale and administration of social building estates,
- other construction - implementation of construction - assembly production
- hotel activities - catering and hotel services connected with the organization of tourism and recreation.

| 2010 | developer activity | hotel activities | social building | construction | transport | eliminations | Total |
|--|-----------------------|----------------------|---------------------|----------------------|----------------------|-----------------------|-----------------------|
| Net revenues from sales of products, goods and materials, of which: | 423,799,946.81 | 11,265,479.83 | 8,982,821.64 | 93,843,795.90 | 4,417,116.49 | -84,815,114.06 | 457,494,046.61 |
| Net revenues from sales of products | 420,922,752.32 | 11,265,479.83 | 8,982,821.64 | 92,987,431.24 | 4,414,044.25 | -84,645,467.98 | 453,927,061.30 |
| Net revenues from sales of goods and materials | 2,877,194.49 | 0.00 | 0.00 | 856,364.66 | 3,072.24 | -169,646.08 | 3,566,985.31 |
| Costs of products, goods and materials sold, of which: | 290,728,701.41 | 10,768,080.86 | 5,184,324.44 | 85,682,308.07 | 3,269,259.47 | -74,495,761.27 | 321,136,912.98 |
| Cost of products sold | 288,285,482.32 | 10,768,080.86 | 5,184,324.44 | 85,015,746.06 | 3,269,160.23 | -74,326,115.19 | 318,196,678.72 |
| Value of goods and materials sold | 2,443,219.09 | 0.00 | 0.00 | 666,562.01 | 99.24 | -169,646.08 | 2,940,234.26 |
| Gross profit (loss) on sales | 133,071,245.41 | 497,398.97 | 3,798,497.20 | 8,161,487.83 | 1,147,857.02 | -10,319,352.79 | 136,357,133.64 |
| Selling expenses | 19,023,537.08 | 0.00 | 0.00 | 116,125.28 | 0.00 | 0.00 | 19,139,662.36 |
| Overhead expenses | 10,593,056.17 | 330,675.36 | 710,583.63 | 6,192,804.84 | 2,152,018.79 | -205,241.84 | 19,773,896.95 |
| Profit (loss) on sales | 103,454,652.16 | 166,723.61 | 3,087,913.57 | 1,852,557.71 | -1,004,161.77 | -10,114,110.95 | 97,443,574.33 |
| Other operating income | 9,267,747.71 | 365,280.10 | 46,393.34 | 623,071.09 | 3,472,352.92 | -1,730,202.07 | 12,044,643.09 |
| Other operating expenses | 4,131,321.68 | 2,938.04 | 68,633.83 | 393,427.70 | 1,475,085.86 | 142,165.43 | 6,213,572.54 |
| Operating profit (loss) | 108,591,078.19 | 529,065.67 | 3,065,673.08 | 2,082,201.10 | 993,105.28 | -11,986,478.44 | 103,274,644.88 |
| Financial income | 1,528,259.30 | 763,393.99 | 1,071,212.35 | 589,711.46 | 294,743.59 | 1,730,202.07 | 5,977,522.76 |
| Financial expenses | 16,386,710.80 | 1,429,989.46 | 3,367,157.32 | 1,396,560.46 | 388,277.77 | 2,239,176.10 | 25,207,871.91 |
| Profit (loss) on ordinary activities | 93,732,626.69 | -137,529.80 | 769,728.11 | 1,275,352.10 | 899,571.10 | -12,495,452.48 | 84,044,295.72 |
| Gross profit (loss) | 93,732,626.69 | -137,529.80 | 769,728.11 | 1,275,352.10 | 899,571.10 | -12,495,452.48 | 84,044,295.72 |
| Income tax | 12,456,287.86 | 0.00 | 24,082.00 | 1,556,298.00 | 290,582.00 | 0.00 | 14,327,249.86 |
| Deferred tax | 5,149,255.29 | -399,443.05 | 0.00 | -481,949.88 | -56,643.07 | -2,374,135.97 | 1,837,083.32 |
| Net profit (loss) | 76,127,083.54 | 261,913.25 | 745,646.11 | 201,003.98 | 665,632.17 | -10,121,316.51 | 67,879,962.55 |

E. ISSUER'S FINANCIAL STATEMENT
1. Balance sheet statement

| ASSETS | Note | 30 September 2010 | 31 December 2009 |
|---|-------------|------------------------------|-----------------------------|
| Non-current assets | | 414,526,427.40 | 317,537,123.02 |
| Intangible assets | 1 | 5,958,476.84 | 6,779,002.50 |
| Goodwill of subsidiaries | | 0.00 | 0.00 |
| Tangible assets | 2 | 198,238,118.86 | 180,707,112.26 |
| Investment real estate | 3 | 51,411,276.79 | 8,419,180.91 |
| Financial assets available for sale | | 0.00 | 0.00 |
| Other financial assets | 4 | 136,266,425.93 | 99,486,695.22 |
| Deferred income tax assets | | 8,309,841.08 | 8,375,436.23 |
| Trade and other receivables | 5 | 14,342,287.90 | 13,769,695.90 |
| Accruals | | 0.00 | 0.00 |
| CURRENT ASSETS | | 907,139,055.20 | 1,048,777,386.71 |
| Inventories | 6 | 7,895,150.75 | 8,245,795.92 |
| Construction contracts | 7 | 697,096,149.14 | 890,088,007.50 |
| Trade and other receivables | 8 | 62,502,052.27 | 57,781,983.10 |
| Financial assets available for sale | | | |
| Other financial assets | 9 | 29,710,138.63 | 63,575,086.06 |
| Cash and cash equivalents | 10 | 94,141,988.09 | 17,584,685.48 |
| Accruals | 11 | 15,793,576.32 | 11,501,828.65 |
| Total Assets | | 1,321,665,482.60 | 1,366,314,509.73 |
| EQUITY AND LIABILITIES | | | |
| EQUITY | | 452,263,476.12 | 393,394,325.73 |
| Share capital | | 10,814,656.00 | 10,939,656.00 |
| Revaluation reserve | | 7,471,818.19 | 7,471,818.19 |
| Own shares | | 0.00 | -4,429,867.11 |
| Other capital | | 375,107,851.54 | 586,502,062.10 |
| Retained earnings | | 0.00 | -284,231,365.01 |
| Net profit / loss | | 58,869,150.39 | 77,142,021.56 |
| LIABILITIES | | 869,402,006.49 | 972,920,184.00 |
| Non-current liabilities, | | 226,379,475.34 | 87,047,516.94 |
| Borrowings | 12 | 20,827,352.67 | 10,567,867.05 |
| Deferred income tax liabilities | | 12,349,005.14 | 11,427,287.73 |
| Retirement benefit obligations | | 373,197.28 | 373,197.28 |
| Provision for other liabilities and charges | 15 | 1,419,309.81 | 1,764,547.31 |
| Other liabilities | 13 | 191,410,610.44 | 62,914,617.57 |
| Current liabilities | | 643,022,531.15 | 885,872,667.06 |
| Trade and other payables | 14 | 156,013,253.11 | 171,725,223.44 |
| Construction contracts | 7 | 193,401,750.53 | 297,585,007.82 |
| Borrowings | 12 | 151,180,599.46 | 268,046,115.81 |
| Provision for other liabilities and charges | 15 | 16,054,231.95 | 18,426,819.97 |
| Other liabilities | 14 | 126,372,696.10 | 130,089,500.02 |
| Total Equity and Liabilities | | 1,321,665,482.60 | 1,366,314,509.73 |

2. Profit and loss account

| | Note | for the period 1 January 2010 - 30 September 2010 | for the period 1 January 2010 - 30 September 2009 | for the period 1 July 2010 - 30 September 2010 | for the period 1 July 2009 - 30 September 2009 |
|--|------|--|--|---|---|
| Net revenues from sales of products, goods and materials, of which: | 16 | 421,842,714.53 | 337,141,383.00 | 206,264,910.76 | 121,558,644.37 |
| Net revenues from sales of products | | 416,559,895.35 | 331,591,227.83 | 205,337,811.93 | 121,747,423.86 |
| Net revenues from sales of goods and materials | | 5,282,819.18 | 5,550,155.17 | 927,098.83 | -188,779.49 |
| Costs of products, goods and materials sold, of which: | 17 | 308,828,980.17 | 250,892,726.08 | 150,715,625.50 | 87,783,457.09 |
| Cost of products sold | | 303,980,136.39 | 244,339,943.40 | 150,054,252.82 | 86,617,569.32 |
| Value of goods and materials sold | | 4,848,843.78 | 6,552,782.68 | 661,372.68 | 1,165,887.77 |
| Gross profit (loss) on sales | | 113,013,734.36 | 86,248,656.92 | 55,549,285.26 | 33,775,187.28 |
| Selling expenses | 17 | 18,785,210.55 | 11,539,865.72 | 7,611,395.50 | 4,075,229.55 |
| Overhead expenses | 17 | 10,708,142.78 | 9,351,997.13 | 3,678,807.04 | 3,263,805.71 |
| Profit (loss) on sales | | 83,520,381.03 | 65,356,794.07 | 44,259,082.72 | 26,436,152.02 |
| Other operating income | 18 | 8,785,328.62 | 2,388,253.03 | 2,513,959.40 | 784,765.07 |
| Other operating expenses | 19 | 3,159,083.46 | 2,985,872.43 | 1,021,323.73 | 426,231.82 |
| Operating profit (loss) | | 89,146,626.19 | 64,759,174.67 | 45,751,718.39 | 26,794,685.27 |
| Financial income | 20 | 4,831,560.12 | 4,079,470.69 | -1,240,825.90 | -1,377,644.81 |
| Financial expenses | 21 | 21,761,102.36 | 17,622,313.44 | 10,586,958.21 | 6,627,751.32 |
| Profit (loss) on ordinary activities | | 72,217,083.95 | 51,216,331.92 | 33,923,934.28 | 18,789,289.14 |
| Gross profit (loss) | | 72,217,083.95 | 51,216,331.92 | 33,923,934.28 | 18,789,289.14 |
| Income tax | | 13,347,933.56 | 5,432,201.44 | 5,721,478.92 | -3,661.69 |
| Net profit (loss) | | 58,869,150.39 | 45,784,130.48 | 28,202,455.36 | 18,792,950.83 |

| | | | |
|---|--|----------------------|----------------------|
| Other comprehensive income: | | 0.00 | 0.00 |
| Exchange differences on foreign operations conversion | | 0.00 | 0.00 |
| Profit/loss from acquisitions | | 0.00 | 0.00 |
| Profit from revaluation of tangible fixed assets | | 0.00 | 0.00 |
| Other comprehensive income: | | 0.00 | 0.00 |
| Total revenue | | 58,869,150.39 | 45,784,130.48 |

| | | 1 January 2010 - 30 September 2010 | 1 January 2010 - 30 September 2009 |
|---|--|--|--|
| CALCULATION OF BASIC AND DILUTED EARNINGS PER SHARE | | | |
| Profits | | | |
| (A) Profits of the Group disclosed in the consolidated financial statements | | 58,869,150.39 | 45,784,130.48 |
| Number of shares | | | |
| (B) Number of ordinary shares and preferred shares (as to the right to vote in the General Meeting of the Company) for the purpose of calculating earnings per share * | | 54,073,280.00 | 54,698,280.00 |
| (C) Number of ordinary shares and preferred shares (as to the right to vote in the General Meeting of the Company) for the purpose of calculating diluted earnings per share* | | 54,073,280.00 | 54,698,280.00 |
| Basic earnings per share = (A)/(B) | | 1.09 | 0.84 |
| Diluted earnings per share = (A)/(B) | | 1.09 | 0.84 |

3. Changes in equity

| | Share Capital | Own shares (negative figure) | Revaluation reserve | Supplementary capital | Other capital | Retained earnings | Net earnings | Equity |
|--|----------------------|------------------------------------|------------------------|--------------------------|---------------------|------------------------|----------------------|-----------------------|
| As at 31 December 2009 | 10,939,656.00 | -4,429,867.11 | 7,471,818.19 | 580,770,474.92 | 5,731,587.19 | -284,231,365.01 | 77,142,021.56 | 393,394,325.73 |
| Basic error corrections | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| IFRS adjustments | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| As at 01 January 2010 | 10,939,656.00 | -4,429,867.11 | 7,471,818.19 | 580,770,474.92 | 5,731,587.19 | -284,231,365.01 | 77,142,021.56 | 393,394,325.73 |
| Issue of shares | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Share redemption | -125,000.00 | 4,429,867.11 | | -4,304,867.11 | | | | |
| Purchase of own shares | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Dividends paid | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Gains / (losses) on revaluation of fixed assets and investment property | 0.00 | 0.00 | | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Gains/(losses) on revaluation of available-for-sale assets | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Gains / (losses) on cash flow hedges | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Exchange gains / (losses) on translation of financial statements of foreign operations | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Income tax referring to items attributed to equity | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Gains / (losses) on business acquisitions(unitary jwch) | 0.00 | 0.00 | | | | | 0.00 | 0.00 |
| Profit/loss from the inclusion/exclusion of companies to consolidate | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Changes in accounting policies/presentation | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Adjustments | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Transformation to IFRS | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Total profit / (loss) recognised directly in equity | -125,000.00 | 4,429,867.11 | 0.00 | -4,304,867.11 | 0.00 | 0.00 | 0.00 | 0.00 |
| Net profit (loss) for the accounting year | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 58,869,150.39 | 58,869,150.39 |
| Total profit / (loss) recognised in equity and net earnings | -125,000.00 | 4,429,867.11 | 0.00 | -4,304,867.11 | 0.00 | 0.00 | 58,869,150.39 | 58,869,150.39 |
| Increase / decrease from profit distribution | 0.00 | 0.00 | 0.00 | -207,089,343.45 | 0.00 | 284,231,365.01 | -77,142,021.56 | 0.00 |
| As at 30 September 2010 | 10,814,656.00 | 0.00 | 7,471,818.19 | 369,376,264.35 | 5,731,587.19 | 0.00 | 58,869,150.39 | 452,263,476.12 |

| | Share Capital | Own shares (negative figure) | Revaluation reserve | Supplementary capital | Other capital | Hedge valuation reserve and currency translation reserve | Retained earnings | Net earnings | Equity |
|--|----------------------|------------------------------------|------------------------|--------------------------|---------------------|---|------------------------|----------------------|-----------------------|
| As at 31 December 2008 | 10,939,656.00 | -2,476,626.31 | 7,471,818.19 | 478,511,684.07 | 5,731,587.19 | 0.00 | -195,918,804.05 | 16,994,124.93 | 321,253,440.03 |
| Basic error corrections | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | -370,528.00 | 0.00 | -370,528.00 |
| IFRS adjustments | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| As at 01 January 2008 | 10,939,656.00 | -2,476,626.31 | 7,471,818.19 | 478,511,684.07 | 5,731,587.19 | 0.00 | -196,289,332.05 | 16,994,124.93 | 320,882,912.03 |
| Issue of shares | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Purchase of own shares | 0.00 | -1,953,240.80 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | -1,953,240.80 |
| Dividends paid | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Gains / (losses) on revaluation of fixed assets and investment property | 0.00 | 0.00 | | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Gains/(losses) on revaluation of available-for-sale assets | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Gains / (losses) on cash flow hedges | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Exchange gains / (losses) on translation of financial statements of foreign operations | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Income tax referring to items attributed to equity | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Gains / (losses) on business acquisitions(unitary jwch) | 0.00 | 0.00 | | | | 0.00 | | 0.00 | 0.00 |
| Profit/loss from the inclusion/exclusion of companies to consolidate | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Changes in accounting policies/presentation | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | -84,894,137.90 | 0.00 | -84,894,137.90 |
| Adjustments | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | -3,047,895.06 | 0.00 | -3,047,895.06 |
| Transformation to IFRS | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Total profit / (loss) recognised directly in equity | 0.00 | -1,953,240.80 | 0.00 | 0.00 | 0.00 | 0.00 | -87,942,032.96 | 0.00 | -89,895,273.76 |
| Net profit (loss) for the accounting year | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 77,142,021.56 | 77,142,021.56 |
| Total profit / (loss) recognised in equity and net earnings | 0.00 | -1,953,240.80 | 0.00 | 0.00 | 0.00 | 0.00 | -87,942,032.96 | 77,142,021.56 | -12,753,252.20 |
| Increase / decrease from profit distribution | 0.00 | 0.00 | 0.00 | 102,258,790.84 | 0.00 | 0.00 | -16,99424.93 | 85,264,665.90 | |
| As at 31 December 2009 | 10,939,656.00 | -4,429,867.11 | 7,471,818.19 | 580,770,474.91 | 5,731,587.19 | 0.00 | -284,231,365.01 | 77,142,021.56 | 393,394,325.72 |

4. Cash flow statements

| | 1 January 2010 - 30 September 2010 | 1 January 2010 - 30 September 2009 |
|--|---------------------------------------|---------------------------------------|
| Operating cash flow - two-step method | | |
| Net profit (loss) | 58,869,150.39 | 45,784,130.48 |
| Total adjustments, of which: | -25,805,261.78 | 21,923,876.11 |
| Depreciation and amortisation | 5,241,753.51 | 5,881,167.39 |
| (Profits) losses on exchange differences related to investment and financial activities | 682,727.15 | 39,151.78 |
| (Profits) loss from financial activities | 147,572.40 | 945,986.09 |
| Interest and dividends | 17,099,756.63 | 13,975,268.16 |
| Changes in provisions and accruals | -6,022,260.63 | 946,540.20 |
| Change in investment properties | -42,992,095.88 | -57,097.77 |
| Other adjustments: | 37,285.04 | 192,860.26 |
| Changes in working capital | 58,425,014.76 | -15,598,751.79 |
| Change in inventories | 350,645.17 | -2,837,019.33 |
| Change in construction contracts | 96,444,892.26 | -2,220,256.68 |
| Changes in receivables | -5,267,661.17 | 27,035,920.46 |
| Changes in current liabilities, except for borrowings | -33,102,861.50 | -37,577,396.24 |
| Operating cash flow | 91,488,903.36 | 52,109,254.79 |
| Investment cash flow | | |
| Disposal of tangible and intangible assets and other non-current assets | 314,700.85 | 3,000,000.00 |
| Purchase of tangible and intangible assets and other non-current assets | -22,379,168.54 | -7,988,630.23 |
| Expenses associated with the asset to be sold | 0.00 | 0.00 |
| Purchase of equity instruments and debt instruments | 0.00 | -100,000.00 |
| Disposal of equity instruments and debt instruments | 0.00 | 0.00 |
| Loans granted | -666,140.00 | -570,200.00 |
| Loans repaid | 0.00 | 200,000.00 |
| Other purchase of financial assets | 0.00 | 0.00 |
| Other disposal of financial assets | 0.00 | 0.00 |
| Dividends received | 0.00 | 0.00 |
| Interest received | 0.00 | 86,714.15 |
| Disposal of subsidiaries | 0.00 | 1.00 |
| Acquisition of subsidiaries | -1,486,000.00 | -350,000.00 |
| Net investment cash flow | -24,216,607.69 | -5,722,115.08 |
| Financing cash flow | | |
| Net proceeds from issue of shares, other equity instruments and additional capital contributions | 0.00 | 0.00 |
| Purchase of own shares or repayment of shares | 0.00 | -1,953,240.80 |
| Borrowings | 201,887,884.87 | 392,288,804.05 |
| Borrowings repaid | -308,068,728.12 | -423,320,597.24 |
| Debt securities issued | 130,000,000.00 | 0.00 |
| Debt securities redeemed | 0.00 | -71,000,000.00 |
| Payments under financial lease agreements | -8,409,484.97 | -7,895,062.86 |
| Dividends and other shared profits | 0.00 | 0.00 |
| Interest paid | -17,561,044.26 | -26,933,118.27 |
| Other financial proceeds (including notes) | 29,336,400.00 | 88,234,000.00 |
| Other financial expenditures (including notes) | -17,900,020.58 | -10,201,868.15 |
| Net financing cash flow | 9,285,006.94 | -60,781,083.27 |
| NET DECREASE/(INCREASE) IN CASH | 76,557,302.61 | -14,393,943.56 |
| Cash and cash equivalents at the beginning of the year | 17,584,685.48 | 23,369,456.66 |
| - foreign exchange gains/(losses) on cash | | |
| CLOSING BALANCE OF CASH AND CASH EQUIVALENTS | 94,141,988.09 | 8,975,513.10 |

F. NOTES TO THE FINANCIAL STATEMENTS OF THE ISSUER

1. Non-current assets

Note 1. Intangible assets

| Intangible assets | 30 September 2010 | 31 December 2009 |
|----------------------------------|--------------------------|-------------------------|
| a) research and development | 0.00 | 0.00 |
| b) goodwill on consolidation | 0.00 | 0.00 |
| c) other intangible assets | 5,958,476.84 | 6,779,002.50 |
| d) advances on intangible assets | 0.00 | 0.00 |
| Total intangible assets | 5,958,476.84 | 6,779,002.50 |

Note 2. Tangible assets

| Tangible assets | 30 September 2010 | 31 December 2009 |
|--|--------------------------|-------------------------|
| a) property, plant and equipment, of which: | 108,722,787.90 | 113,406,254.29 |
| - land (including right of perpetual usufruct) | 21,320,254.03 | 21,320,254.03 |
| - buildings and structures | 80,900,866.61 | 83,059,029.93 |
| - plant and machinery | 2,235,837.74 | 3,472,078.78 |
| - motor vehicles | 4,056,386.71 | 5,304,736.83 |
| - other property, plant and equipment | 209,442.81 | 250,154.72 |
| b) constructions in progress | 89,515,330.96 | 67,300,857.97 |
| c) advances on constructions in progress | 0.00 | 0.00 |
| Total tangible assets | 198,238,118.86 | 180,707,112.26 |

Note 3. Investment real estate

| Other long-term investments | 30 September 2010 | 31 December 2009 |
|--|--------------------------|-------------------------|
| a) investment real estate | 51,411,276.79 | 8,419,180.91 |
| b) other | 0.00 | 0.00 |
| Total other long-term investments | 51,411,276.79 | 8,419,180.91 |

Note 4. Other financial assets

| LONG-TERM FINANCIAL ASSETS | 30 September 2010 | 31 December 2009 |
|---|--------------------------|-------------------------|
| a) shares | 100,730,514.50 | 99,275,132.50 |
| b) loans granted | 35,535,911.43 | 211,562.72 |
| c) other long-term investments | 0.00 | 0.00 |
| Total long-term financial assets | 136,266,425.93 | 99,486,695.22 |

| LONG-TERM FINANCIAL ASSETS | 30 September 2010 | 31 December 2009 |
|---|--------------------------|-------------------------|
| a) in subsidiaries | 136,052,231.31 | 99,272,500.60 |
| - shares | 100,516,319.88 | 99,060,937.88 |
| - other securities | 0.00 | 0.00 |
| - loans granted | 35,535,911.43 | 211,562.72 |
| - other long-term financial assets | 0.00 | 0.00 |
| b) in other parties | 214,194.62 | 214,194.62 |
| - shares | 214,194.62 | 214,194.62 |
| - other securities | 0.00 | 0.00 |
| - loans granted | 0.00 | 0.00 |
| - other long-term financial assets | 0.00 | 0.00 |
| c) other long-term investments | 0.00 | 0.00 |
| Total long-term financial assets | 136,266,425.93 | 99,486,695.22 |

Note 5. Trade and other receivables

| NON-CURRENT RECEIVABLES | 30 September 2010 | 31 December 2009 |
|----------------------------------|--------------------------|-------------------------|
| a) guarantee receivables | 0.00 | 0.00 |
| b) deposit receivables(leasing) | 14,342,287.90 | 13,769,695.90 |
| b) other receivables | 0.00 | 0.00 |
| Total receivables | 14,342,287.90 | 13,769,695.90 |

2. CURRENT ASSETS

Note 6. Inventories

| INVENTORIES | 30 September 2010 | 31 December 2009 |
|--|--------------------------|-------------------------|
| a) materials | 1,485,688.63 | 1,659,488.02 |
| b) semi-finished products and work in progress | 0.00 | 0.00 |
| c) finished products | 3,481.72 | 4,062.48 |
| d) goods | 6,230,977.08 | 6,420,412.42 |
| e) trade advances | 175,003.32 | 161,833.00 |
| Total inventories | 7,895,150.75 | 8,245,795.92 |

Note 7. Construction contracts

| CONSTRUCTION CONTRACTS | 30 September 2010 | 31 December 2009 |
|--|--------------------------|-------------------------|
| a) semi-finished products and work in progress | 250,115,724.76 | 581,021,366.81 |
| b) finished products | 441,041,216.65 | 304,459,354.89 |
| c) advances for supplies | 5,437,172.39 | 4,302,012.76 |
| d) short-term prepayments | 502,035.34 | 305,273.04 |
| Total construction contracts | 697,096,149.14 | 890,088,007.50 |

| CONSTRUCTION CONTRACTS | 30 September 2010 | 31 December 2009 |
|-------------------------------------|--------------------------|-------------------------|
| a) accruals | 193,401,750.53 | 297,585,007.82 |
| Total construction contracts | 193,401,750.53 | 297,585,007.82 |

| Accruals | 30 September 2010 | 31 December 2009 |
|------------------------------------|--------------------------|-------------------------|
| -advances on the premises | 187,243,000.63 | 293,888,024.06 |
| -provisions for works | 5,028,465.34 | 2,733,481.36 |
| -other | 1,130,284.56 | 963,502.40 |
| The total value of accruals | 193,401,750.53 | 297,585,007.82 |

Note 8. Trade and other receivables

| CURRENT RECEIVABLES | 30 September 2010 | 31 December 2009 |
|---|--------------------------|-------------------------|
| a) trade receivables - related parties | 22,559,937.84 | 20,000,743.85 |
| b) trade receivables - other parties | 30,024,775.61 | 28,754,830.11 |
| c) taxes, subsidies, customs duties, social and health insurance and other payments | 6,679,262.43 | 6,064,226.92 |
| b) other | 3,238,076.39 | 2,962,182.22 |
| Total receivables | 62,502,052.27 | 57,781,983.10 |

Note 9. Other financial assets

| SHORT-TERM INVESTMENTS | 30 September 2010 | 31 December 2009 |
|---|--------------------------|-------------------------|
| a) shares | 0.00 | 0.00 |
| b) loans granted | 29,596,459.31 | 63,467,481.88 |
| c) other securities | 113,679.32 | 107,604.18 |
| d) other short-term investments | 0.00 | 0.00 |
| Total long-term financial assets | 29,710,138.63 | 63,575,086.06 |

| SHORT-TERM INVESTMENTS | 30 September 2010 | 31 December 2009 |
|--|--------------------------|-------------------------|
| a) in subsidiaries | 26,799,292.95 | 55,470,531.46 |
| - shares | 0.00 | 0.00 |
| - other securities | 0.00 | 0.00 |
| - loans granted | 26,799,292.95 | 55,470,531.46 |
| - other short-term financial assets | 0.00 | 0.00 |
| b) in other parties | 2,910,845.68 | 8,104,554.60 |
| - shares | 0.00 | 0.00 |
| - other securities | 113,679.32 | 107,604.18 |
| - loans granted | 2,797,166.36 | 7,996,950.42 |
| - other short-term financial assets | 0.00 | 0.00 |
| Total value of short-term investments | 29,710,138.63 | 63,575,086.06 |

Note 10. Cash and cash equivalents

| CASH AND CASH EQUIVALENTS | 30 September 2010 | 31 December 2009 |
|----------------------------------|--------------------------|-------------------------|
| a) cash on hand and with bank | 10,505,073.91 | 17,131,859.30 |
| b) other cash | 82,717,126.99 | 399,980.57 |
| c) other cash equivalents | 919,787.19 | 52,845.61 |
| Total cash | 94,141,988.09 | 17,584,685.48 |

Note 11. Accruals

| ACCRUALS | 30 September 2010 | 31 December 2009 |
|------------------------------------|--------------------------|-------------------------|
| - short-term prepayments | 15,793,576.32 | 11,501,828.65 |
| The total value of accruals | 15,793,576.32 | 11,501,828.65 |

| Accruals | 30 September 2010 | 31 December 2009 |
|--|--------------------------|-------------------------|
| - property insurance | 113,324.96 | 230,507.83 |
| - interest | 3,366,258.34 | 542,107.33 |
| - commission expenses | 9,702,668.89 | 9,884,791.87 |
| - property tax, perpetual usufruct, road tax | 849,072.15 | 0.00 |
| - social fund | 53,177.94 | 0.00 |
| -other | 1,709,074.04 | 844,421.62 |
| The total value of accruals | 15,793,576.32 | 11,501,828.65 |

3. LIABILITIES

Note 12. Borrowings

| BORROWINGS | 30 September 2010 | 31 December 2009 |
|--------------------------------|--------------------------|-------------------------|
| a) loans | 171,969,331.00 | 278,575,361.73 |
| <i>of which: long-term</i> | <i>20,827,352.67</i> | <i>10,567,867.05</i> |
| <i>Short-term</i> | <i>151,141,978.33</i> | <i>268,007,494.68</i> |
| b) loans | 38,621.13 | 38,621.13 |
| <i>of which: long-term</i> | <i>0.00</i> | <i>0.00</i> |
| <i>Short-term</i> | <i>38,621.13</i> | <i>38,621.13</i> |
| Total borrowings | 172,007,952.13 | 278,613,982.86 |
| Borrowings - long-term | 20,827,352.67 | 10,567,867.05 |
| Borrowings - short-term | 151,180,599.46 | 268,046,115.81 |

| LOANS PER MATURITY | 30 September 2010 | 31 December 2009 |
|--------------------------------|--------------------------|-------------------------|
| Up to 1 year | 151,141,978.33 | 268,007,494.68 |
| Over 1 year up to 2 years | 9,135,744.00 | 8,866,376.00 |
| Over 2 year up to 5 years | 11,691,608.67 | 1,701,491.05 |
| Over 5 years | 0.00 | 0.00 |
| Total loans, including: | 171,969,331.00 | 278,575,361.73 |
| - long-term | 20,827,352.67 | 10,567,867.05 |
| - short-term | 151,141,978.33 | 268,007,494.68 |

Note 13. Other non-current liabilities

| OTHER NON-CURRENT LIABILITIES | 30 September 2010 | 31 December 2009 |
|--------------------------------------|--------------------------|-------------------------|
| a) lease obligations | 46,838,621.56 | 49,835,850.77 |
| b) deposit liabilities | 5,488,497.43 | 5,374,587.00 |
| c) other non-current liabilities | 0.00 | 4,032,323.33 |
| d) note liabilities | 8,994,480.45 | 3,671,856.47 |
| e) bonds | 130,089,011.00 | 0.00 |
| Total other liabilities | 191,410,610.44 | 62,914,617.57 |

Note 14. Trade and other payables

| OTHER LIABILITIES | 30 September 2010 | 31 December 2009 |
|--------------------------------|--------------------------|-------------------------|
| a) lease obligations | 120,280,120.60 | 118,656,599.02 |
| b) lease liabilities | 6,092,575.50 | 11,432,901.00 |
| c) other financial liabilities | 0.00 | 0.00 |
| Total other liabilities | 126,372,696.10 | 130,089,500.02 |

| TRADE AND OTHER PAYABLES | 30 September 2010 | 31 December 2009 |
|--|--------------------------|-------------------------|
| a) trade payables - other parties | 19,528,080.96 | 19,754,317.04 |
| b) trade payables - related parties | 58,205,534.26 | 92,778,263.29 |
| c) taxes, customs duties, insurance and other payments | 11,238,409.32 | 10,104,302.86 |
| d) salaries | 1,025,846.35 | 1,101,896.30 |
| e) loans granted- related parties | 21,067,786.95 | 20,233,292.67 |
| f) liabilities on bill of exchange - related parties | 30,361,063.44 | 17,723,079.45 |
| g) other | 14,586,531.83 | 10,030,071.83 |
| Total trade and other payables | 156,013,253.11 | 171,725,223.44 |

Note 15. Other liabilities

| PROVISIONS FOR OTHER LIABILITIES AND CHARGES | 30 September 2010 | 31 December 2009 |
|--|--------------------------|-------------------------|
| a) short-term, of which: | 16,054,231.95 | 18,426,819.97 |
| - accrued expenses, including: | 10,024,583.22 | 9,004,159.24 |
| - <i>interests charged</i> | 4,049,856.24 | 3,020,296.78 |
| - <i>rent deposits</i> | 507,531.99 | 628,149.19 |
| - <i>other</i> | 5,467,194.99 | 5,355,713.27 |
| - other provisions, including: | 6,029,648.73 | 9,422,660.73 |
| - <i>provisions for future liabilities</i> | 1,000,000.00 | 1,000,000.00 |
| - <i>provisions for guarantee repairs</i> | 4,225,284.00 | 7,480,296.00 |
| - <i>other provisions</i> | 804,364.73 | 942,364.73 |
| a) long-term, of which: | 1,419,309.81 | 1,764,547.31 |
| - accrued expenses, including: | 1,419,309.81 | 1,764,547.31 |
| - <i>deferred surplus of revenues from sales over the carrying value/sale and lease back</i> | 1,419,309.81 | 1,764,547.31 |
| Total provisions for other liabilities and charges | 17,473,541.76 | 20,191,367.28 |

4. Operating income and expenses

Note 16. Operating income

| OPERATING INCOME | 1 January 2010 - 30 September 2010 | 1 January 2009 - 30 September 2009 | 1 July 2010 - 30 September 2010 | 1 July 2009 - 30 September 2009 |
|---------------------------------|---|---|--|--|
| Revenues from sales of products | 392,406,673.30 | 306,791,439.86 | 196,426,851.29 | 113,163,271.02 |
| Revenues from sales of services | 24,153,222.05 | 24,799,787.97 | 8,910,960.64 | 8,584,152.84 |
| Revenues from sales of goods | 5,282,819.18 | 5,550,155.17 | 927,098.83 | -188,779.49 |
| Total income | 421,842,714.53 | 337,141,383.00 | 206,264,910.76 | 121,558,644.37 |

| | 1 January 2010 - 30 September 2010 | 1 January 2009 - 30 September 2009 | 1 July 2010 - 30 September 2010 | 1 July 2009 - 30 September 2009 |
|---------------------------------------|---|---|--|--|
| Revenues from sales, of which: | 421,842,714.53 | 337,141,383.00 | 206,264,910.76 | 121,558,644.37 |
| - sales of products - premises | 392,406,673.30 | 306,791,439.86 | 196,426,851.29 | 113,163,271.02 |
| - sales of services | 24,153,222.05 | 24,799,787.97 | 8,910,960.64 | 8,584,152.84 |
| - sales of goods | 5,282,819.18 | 5,550,155.17 | 927,098.83 | -188,779.49 |

| | 1 January 2010 - 30 September 2010 | 1 January 2009 - 30 September 2009 | 1 July 2010 - 30 September 2010 | 1 July 2009 - 30 September 2009 |
|---|---|---|--|--|
| Revenues from sales of products - premises per geographic segments | 392,406,673.30 | 306,791,439.86 | 196,426,851.29 | 113,163,271.02 |
| - Warsaw and vicinity | 372,499,175.42 | 249,217,995.46 | 191,801,029.77 | 103,498,432.02 |
| - Gdynia | 11,899,112.65 | 30,442,206.32 | 3,320,845.50 | 5,748,664.27 |
| - Łódź | 6,432,088.10 | 25,845,609.34 | 588,385.42 | 2,958,765.77 |
| - Katowice | 1,576,297.13 | 1,285,628.74 | 716,590.60 | 957,408.96 |

| | 1 January 2010 - 30 September 2010 | 1 January 2009 - 30 September 2009 | 1 July 2010 - 30 September 2010 | 1 July 2009 - 30 September 2009 |
|--|---|---|--|--|
| Revenues from sales of hotel services per geographic segments | 11,265,479.83 | 11,722,109.37 | 3,870,020.99 | 4,279,736.79 |
| - Warsaw and vicinity | 3,990,122.80 | 4,003,161.29 | 1,598,104.97 | 1,428,563.45 |
| - Tarnowo | 3,799,948.61 | 3,527,224.37 | 1,261,151.23 | 1,447,414.41 |
| - Stryków | 2,223,251.11 | 3,061,212.82 | 559,523.06 | 1,000,912.94 |
| - Cieszyn | 1,028,557.81 | 968,298.99 | 451,241.73 | 382,783.77 |
| - Święta Lipka | 0.00 | 144,101.72 | 0.00 | 1,952.04 |
| - Krynica Górská | 223,599.50 | 18,110.18 | 0.00 | 18,110.18 |

Note 17. Operating expenses

| Operating expenses | 1 January 2010 - 30 September 2010 | 1 January 2009 - 30 September 2009 | 1 July 2010 - 30 September 2010 | 1 July 2009 - 30 September 2009 |
|---|---|---|--|--|
| Costs on sale of products | 286,105,476.30 | 224,016,563.07 | 144,777,887.14 | 79,874,641.77 |
| Costs on sale of services | 17,874,660.09 | 20,323,380.33 | 5,276,365.68 | 6,742,927.55 |
| Costs on sale of goods | 4,848,843.78 | 6,552,782.68 | 661,372.68 | 1,165,887.77 |
| Total costs of products, services and goods sold | 308,828,980.17 | 250,892,726.08 | 150,715,625.50 | 87,783,457.09 |

| Selling and overhead expenses | 1 January 2010 - 30 September 2010 | 1 January 2009 - 30 September 2009 | 1 July 2010 - 30 September 2010 | 1 July 2009 - 30 September 2009 |
|--|------------------------------------|------------------------------------|---------------------------------|---------------------------------|
| Selling expenses | 18,785,210.55 | 11,539,865.72 | 7,611,395.50 | 4,075,229.55 |
| Overhead expenses | 10,708,142.78 | 9,351,997.13 | 3,678,807.04 | 3,263,805.71 |
| Total selling and overhead expenses | 29,493,353.33 | 20,891,862.85 | 11,290,202.54 | 7,339,035.26 |

| Costs according to types | 1 January 2010 - 30 September 2010 | 1 January 2009 - 30 September 2009 | 1 July 2010 - 30 September 2010 | 1 July 2009 - 30 September 2009 |
|---------------------------------------|------------------------------------|------------------------------------|---------------------------------|---------------------------------|
| Depreciation and amortisation | 5,241,753.51 | 5,899,735.39 | 1,729,328.60 | 1,932,399.34 |
| Cost of materials and energy | 33,746,447.05 | 13,562,466.03 | 13,325,197.91 | 476,399.90 |
| Services made by other contractions | 105,905,607.97 | 176,347,033.86 | 23,723,262.78 | 52,820,717.66 |
| Taxes and duties | 4,593,940.20 | 4,105,727.79 | 1,779,051.25 | 1,650,422.24 |
| Wages and Salaries | 14,341,141.68 | 13,698,412.77 | 5,086,484.02 | 4,543,553.26 |
| Services for the benefit of employees | 2,448,347.39 | 2,500,823.65 | 792,672.17 | 713,589.91 |
| Other costs | 10,150,122.59 | 8,633,847.95 | 2,526,455.26 | 3,816,781.37 |
| Total costs according to types | 176,427,360.39 | 224,748,047.44 | 48,962,451.99 | 65,953,863.68 |

Note 18. Other operating income

| OPERATING INCOME | 1 January 2010 - 30 September 2010 | 1 January 2009 - 30 September 2009 | 1 July 2010 - 30 September 2010 | 1 July 2009 - 30 September 2009 |
|---|------------------------------------|------------------------------------|---------------------------------|---------------------------------|
| a) profit from disposal of non-financial fixed assets | 3,278.69 | 0.00 | 0.00 | 0.00 |
| b) other operating income | 8,782,049.93 | 2,388,253.03 | 2,513,959.40 | 784,765.07 |
| Total operating income | 8,785,328.62 | 2,388,253.03 | 2,513,959.40 | 784,765.07 |

Note 19. Other operating expenses

| OPERATING EXPENSES | 1 January 2010 - 30 September 2010 | 1 January 2009 - 30 September 2009 | 1 July 2010 - 30 September 2010 | 1 July 2009 - 30 September 2009 |
|---|------------------------------------|------------------------------------|---------------------------------|---------------------------------|
| a) loss on disposal of non-financial fixed assets | 147,572.40 | 1,130,290.82 | -54,231.51 | 55,035.30 |
| b) revaluation of non-financial assets | 0.00 | 0.00 | 0.00 | 0.00 |
| c) other operating expenses | 3,011,511.06 | 1,855,581.61 | 1,075,555.24 | 371,196.52 |
| Total operating expenses | 3,159,083.46 | 2,985,872.43 | 1,021,323.73 | 426,231.82 |

Note 20. Other financial income

| FINANCIAL INCOME | 1 January 2010 - 30 September 2010 | 1 January 2009 - 30 September 2009 | 1 July 2010 - 30 September 2010 | 1 July 2009 - 30 September 2009 |
|-------------------------------|------------------------------------|------------------------------------|---------------------------------|---------------------------------|
| a) dividends | 0.00 | 990,000.00 | 0.00 | 990,000.00 |
| b) interest | 4,509,196.90 | 2,982,621.26 | 1,904,473.65 | 919,859.03 |
| c) revaluation of investment | 0.00 | 0.00 | 0.00 | 0.00 |
| b) other | 322,363.22 | 106,849.43 | -3,145,299.55 | -3,287,503.84 |
| Total financial income | 4,831,560.12 | 4,079,470.69 | -1,240,825.90 | -1,377,644.81 |

Note 21. Other financial expenses

| FINANCIAL EXPENSES | 1 January 2010 - 30 September 2010 | 1 January 2009 - 30 September 2009 | 1 July 2010 - 30 September 2010 | 1 July 2009 - 30 September 2009 |
|---------------------------------|------------------------------------|------------------------------------|---------------------------------|---------------------------------|
| a) interests | 21,162,522.85 | 17,432,270.15 | 10,020,448.99 | 6,656,777.73 |
| b) revaluation of investment | 0.00 | 0.00 | 0.00 | 0.00 |
| c) other | 598,579.51 | 190,043.29 | 566,509.22 | -29,026.41 |
| Total financial expenses | 21,761,102.36 | 17,622,313.44 | 10,586,958.21 | 6,627,751.32 |

Signature of the preparer of the Financial Statements

| | |
|--|-----------|
| Irmina Łopuszyńska Chief Accountant | Signature |
|--|-----------|

Signatures of Board Members

| | |
|---|-----------|
| Robert Wójcik Vice President | Signature |
| Wojciech Rajchert Member of the Management Board | Signature |
| Tomasz Panabażys Member of the Management Board | Signature |
| Mark Samarcew Member of the Management Board | Signature |

Ząbki, 9 November 2010.