



Consolidated Financial Statement

for the period between January 1, 2016 and June 30, 2016

Prepared in accordance with the International Financial
Accounting Standards



Ząbki, this 30th day of August, 2016

A. INTRODUCTION TO CONSOLIDATED FINANCIAL STATEMENT

1. GENERAL INFORMATION ABOUT THE DOMINANT ENTITY

J.W. Construction Holding S.A., hereinafter referred to as Company, is a joint-stock company with its registered office in Żąbki, Poland at 326 Radzymińska street, REGON id. no.: 010621332 was initially registered as Towarzystwo Budowlano-Mieszkaniowe 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 (Poland Klasyfikacja Działalności) the core business of the Company is development and sale of own properties for the Company's own account. The subject of the Company's activity is also the implementation of the building, designing and supportive production, as well as trade in real estate and hotel services.

As of June 30, 2016, the lifetime of the Company is unlimited. The business year of the Company is a calendar year, i.e. the period between January 1 and December 31.

2. ADOPTED PRINCIPLES (POLICY) OF ACCOUNTING

Podstawowe informacje o Grupie obejmującej jednostkę dominującą oraz spółki zależne od jednostki dominującej objęte skonsolidowanym sprawozdaniem finansowym

The structure of the Group and the participation of the dominant entity in the share capital of the entities being part of the Group and consolidated as of June 30, 2016 is presented in the below table:

Company	Country of registration	Parent company's share in share capital	Parent company's share in voting rights	Consolidation method
Subsidiaries:				
Towarzystwo Budownictwa Społecznego „Marki” Sp. z o.o.	Poland	100,00%	100,00%	full consolidation
J.W. Construction Sp. z o.o.	Poland	99,99%	99,99%	full consolidation
Porta Transport Sp. z o.o. w likwidacji (in liquidation)	Poland	100,00%	100,00%	full consolidation
JW. Marka Sp. z o.o.	Poland	100,00%	100,00%	full consolidation
Yakor House Sp. z o.o.	Russia	70,00%	70,00%	full consolidation
Seahouse Sp. z o.o.	Poland	100,00%	100,00%	full consolidation
Nowe Tysiąclecie Sp. z o.o.	Poland	100,00%	100,00%	full consolidation
Business Financial Construction Sp. z o.o.	Poland	100,00%	100,00%	full consolidation
Dana Invest Sp. z o.o.	Poland	100,00%	100,00%	full consolidation
Bałtycka Invest Sp. z o.o.	Poland	100,00%	100,00%	full consolidation
Berensona Invest Sp. z o.o.	Poland	100,00%	100,00%	full consolidation
Bliska Wola 4 Sp. z o.o. 1SK	Poland	48,00%	48,00%	full consolidation
Bliska Wola 4 Sp. z o.o. 2SK	Poland	48,00%	48,00%	full consolidation
Wola Invest Sp. z o.o. (formerly: Bliska Wola 3 Sp. z o.o.)	Poland	100,00%	100,00%	full consolidation
Bliska Wola 4 Sp. z o.o.	Poland	100,00%	100,00%	full consolidation
Bliska Wola 5 Sp. z o.o.	Poland	100,00%	100,00%	full consolidation
Zdziarska Invest Sp. z o.o.	Poland	100,00%	100,00%	full consolidation
Łódź Invest Sp. z o.o.	Poland	100,00%	100,00%	full consolidation

Company	Country of registration	Parent company's share in share capital	Parent company's share in voting rights	Consolidation method
Lewandów Invest Sp. z o.o.	Poland	100,00%	100,00%	full consolidation

The core business of the Group's companies is:

- JW. Marka Sp. z o.o. – marketing activity,
- Towarzystwo Budownictwa Społecznego „Marki” Sp. z o.o. – sale and administration of social building estates,
- Ośrodek Wypoczynkowy "Ogoniok" Sp. z o.o. (currently Yakor House Sp. z o.o.) – development and sale of own properties on its own account,
- Porta Transport Sp. z o.o. – transport services,
- J.W. Construction Sp. z o.o. – construction activity, prefabricated units production for the building industry,
- Seahouse Sp. z o.o. – development and sale of own properties on its own account,
- Nowe Tysiąclecie Sp. z o.o. - development and sale of own properties on its own account,
- Business Financial Construction Sp. z o.o. – sales and marketing,
- Dana Invest Sp. z o.o. – development and sale of own properties on its own account,
- Bałtycka Invest Sp. z o.o. – development and sale of own properties on its own account,
- Berensona Invest Sp. z o.o. – development and sale of own properties on its own account,
- Bliska Wola 4 Sp. z o.o. 1SK– development and sale of own properties on its own account,
- Bliska Wola 4 Sp. z o.o. 2SK – development and sale of own properties on its own account,
- Wola Invest Sp. z o.o. – development and sale of own properties on its own account,
- Bliska Wola 4 Sp. z o.o. – development and sale of own properties on its own account,
- Zdziarska Invest Sp. z o.o. – development and sale of own properties on its own account,
- Łódź Invest Sp. z o.o. – development and sale of own properties on its own account,
- Lewandów Invest Sp. z o.o. – development and sale of own properties on its own account,

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

Consolidated financial statements

The consolidated financial statements for the years 2015-2016 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 statements controlled by the holding entity of the subsidiaries.

The dominant entity, in the years 2014-2015, excluded from an obligation to consolidate the following subsidiaries:

In 2015:

- J.W. Construction Bułgaria Sp. z o.o.-100%
- J.W. Ergo Energy Sp. z o.o.-50%

In 2016:

- J.W. Construction Bułgaria Sp. z o.o.-100%
- J.W. Ergo Energy Sp. z o.o.-50%

The legal basis for the applied exclusion of companies from the consolidated financial statements were the conceptual framework of the International Financial Reporting Standards relating to restrictions on the usefulness and reliability of the information. Under these assumptions the benefits received by the acquired information must exceed the costs of providing them. It was found that the cost of obtaining information on non-consolidated subsidiaries, and their inclusion in the cost of consolidation outweigh the benefits achieved in this respect. Furthermore, when making the exclusion of subordinated companies from consolidation, the driven fact was that they were not essential for a true and fair presentation of the financial position and results of the Capital Group. In addition, in the first half of 2015 a merger of the dominant entity and the following subsidiaries took place:

- Lokum Sp. z o.o.-100%
- J.W. 6 Sp. z o.o.-100%
- J.W. Group Sp. z o.o.-100%
- J.W. Group Sp. z o.o. 1 S.K.A.-100%
- J.W. Group Sp. z o.o. 2 S.K.A.-100%.

Going concern basis and comparability of financial statements

J.W. Construction Holding S.A. Capital Group assumes that it will operate as a going concern and that financial statements are comparable. As at the balance sheet date the company of J.W. Construction Holding S.A. did not

find out any threats to the going concern assumption. The financial reporting is prepared in accordance with the historical cost convention. The financial information was not measured with any other method, which guarantees that the financial statements presented in the consolidated financial statements are comparable.

Significant estimations and assumptions

Estimations and certain ideas are subject to periodic verification of the Company. When making estimations J.W. Construction Holding S.A. 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 provides a verdict or issues a decision other than expected by the company and the created provisions may prove insufficient.
- The entity receives revenue from the services performed by the Issuer based on the task contracts for a fixed period of time. The services performed by the Issuer are long-term services. The period of their performance exceeds 6 months.

The results of applying new standards of accounting and changes to the accounting

The principles (policy) of accounting that were used for preparation of this consolidated financial statement for H1 of 2016 are consistent with those used for preparation of the financial statement for the financial year of 2015, with the exception of changes described below.

The same principles were applied for the current period and the period being compared. A detailed description of the accounting policies adopted by J.W. Construction Holding SA Capital Group was presented in the annual consolidated financial statements for the financial year of 2015, published on 17 March 2016.

▪ Changes resulting from the changes to IFR

The following new or revised standards or interpretations issued by the International Accounting Standards Board or IFRS Interpretations Committee are in force from January 1, 2016:

- Changes to IFRS 11 *Accounting for Acquisitions of Interests in Joint Operations*
- Changes to IAS 16 and IAS 38 *Clarification of Acceptable Methods of Depreciation and Amortisation*
- Changes to IAS 16 and IAS 41 *Agriculture: Bearer Plants*
- Changes to IAS 27: *Equity Method in Separate Financial Statements*
- Changes to various standards resulting from the annual review of the International Accounting Standard (*Annual Improvements 2012-2014*)
- Changes to IAS 1: *Disclosure Initiative*

Their adaptation did not affect the results of the Company's activity and financial situation, but resulted only in changes of applied accounting policy or, in some cases, in extending of the scope of required disclosures or terminology used.

The main consequences of the application of new regulations:

- Changes to IFRS 11 *Accounting for Acquisitions of Interests in Joint Operations*

Changes to IFRS 11 were published on 6 May 2014 and apply to annual periods beginning on or after January 1, 2016. The goal is to present detailed guidelines clarifying the accounting for the acquisition of interests in common activities that are undertaken. The changes require to apply rules identical to those used in the case of business combinations.

The application of the changed standard has no significant influence on the Group's financial report.

- Changes to IAS 16 and IAS 38 *Clarification of Acceptable Methods of Depreciation and Amortisation*

Changes to IFRS 16 *Property, Plant and Equipment* and IAS 38 *Intangible Assets* were published on 12 May 2014 and apply to annual periods beginning on or after January 1, 2016. The amendment provides additional clarification regarding allowed depreciation methods. The aim of the change is to indicate that the method of calculating amortisation of fixed assets and intangible assets based on revenues is not appropriate. However, in the case of intangible assets, this method can be used in certain circumstances.

The application of the changed standard has no significant influence on the Group's financial report.

- Changes to IAS 16 and IAS 41 *Agriculture: Bearer Plants*

Changes to IFRS 16 and 41 were published on 30 June 2014 and apply to annual periods beginning on or after January 1, 2016. The amendments bring bearer plants into the scope of IAS 16 so that they are accounted for in

the same way as property, plant and equipment. The amendments also clarify that produce growing on bearer plants continues to be accounted for under IAS 41.

The application of the changed standard has no significant influence on the Group's financial report.

- Changes to IAS 27: *Equity Method in Separate Financial Statements*

Changes to IAS 27 were published on 12 August 2014 and apply to annual periods beginning on or after January 1, 2016. The amendments restore the option to allow an entity to account for investments in subsidiaries, joint ventures and associates in its separate financial statements. The accounting option must be applied by category of investments.

The application of the changed standard has no significant influence on the Group's financial report.

- Changes to various standards resulting from the annual review of the International Accounting Standard (*Annual Improvements 2012-2014*)

On 25 September 2015, as a result of the conducted review of IFRS, minor changes were introduced into the 4 following standards:

- IFRS 5 *Non-current Assets Held for Sale and Discontinued Operations*. It adds specific guidance for cases in which an entity reclassifies an asset from held for sale to held for distribution or vice versa and cases in which held-for-distribution accounting is discontinued.,

- IFRS 7 *Financial Instruments: Disclosures*. Applicability of the amendments regarding offsetting financial assets and liabilities to condensed interim financial statements,

- IFRS 19 *Employee Benefits*, in terms of the currency of the high quality corporate bonds used in estimating the discount rate,

- IFRS 34 *Interim Financial Reporting*, in terms of clarification how to indicate that the disclosures required by paragraph 16A of IFRS 34 have been included elsewhere in the interim financial report.

The changes apply mostly to annual periods beginning on or after 1 January 2016. The group estimates that the application of the revised standards does not substantially impact the Group's financial statements, with the exception for the amendment to IAS 34, which might result in additional disclosures in the Group's interim financial statements.

- Changes to IAS 1: *Disclosure Initiative*

On 18 December 2014, as a part of a larger initiative to improve the presentation and disclosure in financial reports, an amendment to IAS 1 was published. The changes are designed to further encourage entities to use professional judgement in determining what information to disclose in their financial statements. For instance, the changes clarify that including irrelevant information may reduce the usefulness of strictly financial disclosures. In addition, the amendment states that entities shall use professional judgement in determining at what point and in what order to present information when disclosing financial information.

These amendments are accompanied by changes to IAS 7 *Statement of Cash Flows*, which increases the disclosure requirements regarding cash flow from financial activities, cash and cash equivalents. (details below).

The group estimates that the application of the revised standards does not substantially impact the Group's financial statements.

▪ Changes made by the Group itself

The Group did not make a correction of presentation of comparable data for 2015 and/or for December 31, 2015.

Not effective standards (New standards and interpretations)

In this financial statement, the Group did not decide of an earlier use of published standards or interpretations before their effective date.

The following standards and interpretations were issued by the IFRS Interpretations Committee and IFRIC and not yet entered into force on the balance sheet date:

- IFRS 9 *Financial Instruments*

This new standard was published on July 24, 2014 and is applicable towards annual periods starting from January 1, 2018 or later. The purpose of this standard to arrange in order the classification of financial assets and introduction of a unified approach towards the assessment of the loss of value regarding all financial instruments. This standard also introduces a new hedge accounting model in order to unify the principles for presentation of risk management information in financial statements. Company shall apply the modified standard in the scope of introduced changes from January 1, 2018. On the day on which this financial statement was prepared it was not possible to convincingly assess the influence of the application of this standard. Company has started the analysis of the introduction of this new standard.

- MSSF 14 *Regulatory Deferral Accounts*

This new standard was published on January 30, 2014 and is applicable to annual periods starting on January 1, 2016 or later. It has a transitory character due to conducted work on the part of IFRS regarding the regulation of

how operations shall be settled in new conditions of price regulations. This standard introduces new principles of presentation of assets and liabilities due to transactions with regulated prices when an entity decides to adopt IFRS. Company shall adopt the new standard from January 1, 2016. Adoption of the new standard has no influence on Company financial statement.

- IFRS 15 *Revenue from contracts with customers*

This new unified standard was published on May 28, 2014 and is applicable towards annual reports starting on January 1, 2017 or later and its earlier application is permitted. This standard establishes new framework for presentation of revenue and involves principles that shall replace the majority of guidelines in the scope of presentation of existing revenue currently found in IFRS, in particular in IFRS 18 Revenue, IFRS 11 Construction service contract and the interpretations related thereto. On the day of preparation of the foregoing financial statement, it is not feasible to prepare a convincing assessment of the influence of application of this new standard. The Group has initiated the analysis of the consequences of the introduction of this new standard.

- IFRS 16 *Leasing*

In this financial statement, the Group did not decide of an earlier use of published standards or interpretations before their effective date. The following standards and interpretations were issued by the IFRS Interpretations Committee and IFRIC and not yet entered into force on the balance sheet date

This new standard was published on January 13, 2016 and applies to annual period starting on January 1, 2019 or later. Its earlier application is allowed (on the condition of the parallel application of the IFRS 15). This standard replaces current regulations regarding leasing (e.g. IFRS 17) and drastically changes the approach towards lease agreements of various character. It makes leaseholders disclose assets and liabilities in balance sheets that relate to lease agreements no matter their type.

As of the day of the preparation of the financial statement it is not possible to reliably assess the effect of the application of this new standard. The group has started the analysis of the effects of the application of this new standard.

- Changes to IFRS 10, IFRS 12 and IAS 28: *Investment Entities: Applying the Consolidation Exception*

Changes to IFRS 10, IFRS 12 and IAS 28 were published on 18 December 2014 and apply to annual periods beginning on or after 1 January 2016. The amendments clarify the requirements regarding accounting of investment entities.

The Group will apply the amendments no earlier than the date set by the European Union as the date of entry into force of this standard.

The Group expects that the application of the revised standards will have no impact on the Group's financial statements.

- Changes to IFRS 10 and IAS 28 *Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*

Changes to IFRS 10 and IAS 28 were published on 11 September 2014 and apply to annual periods beginning on or after 1 January 2016 (the date of entry into force has now been deferred without indicating the start date). The changes refer to the accounting aspect of transactions in which a dominating unit loses control over an affiliated unit that is not a business in accordance with the definition in IFRS 3 "Merger of Units" by way of sale of all or part of units in an affiliated unit to another affiliated unit or a common enterprise presented by the ownership right method.

The Group will apply the amendments no earlier than the date set by the European Union as the date of entry into force of this standard. Currently, the European Commission has decided to postpone the formal procedure for the approval of this standard

As of the date of preparation of the foregoing financial statement it is not possible to assess convincingly the effect of the application of the new standard.

- Changes to IAS 12: *Disclosure of assets due to deferred income tax due to unrealized losses*

Changes to IAS 12 were published on January 19, 2016 and apply to annual periods starting on January 1, 2017 or later. Their goal is to make requirements more precise regarding the disclosure of assets due to deferred tax regarding financial debt instruments assessed in fair value.

The Group expects that the application of the changed standards shall have no influence on Group's financial statement.

- Changes to IAS 7: *Disclosure Initiative*

Changes to IAS 7 were published on 29 January 2016 and apply to annual periods beginning on or after 1 January 2017. The aim was to increase the scope of information provided to users of financial statements about entity's financing activities through additional disclosure of changes in the value of liabilities related to financing activities of an entity.

The Group expects that the application of the changed standards shall have no influence on Group's financial statement, except for the change of scope of disclosures presented in the financial statements.

- Clarifications to IFRS 15: *Revenue from Contracts with Customers*

Clarifications to IFRS 15 were published on 12 April 2016 and apply to annual periods beginning on or after 1 January 2018 (according to the date of application of the whole standard). The aim of the changes was to clarify doubts arising during the pre-implementation analysis regarding : performance obligation , the use of standard guidelines on the identification of the client / agent , and revenue from licensing intellectual property , and finally transition periods at initial adoption of the new standard.

The Group expects that the application of the changed standards shall have no influence on Group's financial statement.

- Changes to IFRS 2: *Classification and Measurement of Share-based Payment Transactions*

Changes to IFRS 2 were published on 20 June 2016 and apply to annual periods beginning on or after 1 January 2018.

The aim was to clarify the method of accounting for certain types of payment transactions based on shares.

The Group expects that the application of the changed standards shall have no influence on Group's financial statement.

IFRS in the shape approved by EU do not significantly differ from the regulations adopted by the International Accounting Standards Council with the exception of those standards, interpretations and changes thereto that on the day of approval of the foregoing financial statement for publication were not yet approved for application by EU:

- IFRS 9 *Financial instruments* published on July 24, 2014,
- IFRS 14 *Regulatory Deferral Accounts* published on January 30, 2014,
- IFRS 15 *Revenue from the Contracts with Customers* published on May 28, 2014,
- IFRS 16 *Leasing* published on January 13, 2016,
- Changes to IFRS 10 and IAS 28: *Sale or transfer of assets between investor and its affiliated unit or common enterprise* published on September 11, 2014,,
- Changes to IAS 10, IAS 12 and IAS 28: *Investment units: application of the exception from consolidation* published on 18 December 2014,
- Changes to IAS 12: *Disclosure of assets due to deferred income tax due to unrealized losses* published on January 19, 2016,
- Changes to IAS 7: *Disclosure Initiative* published on 29 January 2016,
- Clarifications to IFRS 15: *Revenue from Contracts with Customers* published on 12 April 2016,
- Changes to IFRS 2: *Classification and Measurement of Share-based Payment Transactions* published on 20 June 2016.

B. CONSOLIDATED FINANCIAL STATEMENT

Consolidated report on the financial situation

ASSETS	Note	30-06-2016	31-12-2015
FIXED ASSETS		812 846 312,25	865 498 012,24
Intangible assets	1	12 628 198,97	12 745 510,23
Tangible assets	3	409 631 938,66	409 374 178,66
Investment real estate	4	347 207 580,49	405 269 174,24
Other financial assets	5	2 015 354,22	1 207 508,79
Deferred income tax assets	15	38 338 680,12	33 943 592,88
Trade and other receivables	6	3 024 559,79	2 958 047,44
CURRENT ASSETS		767 251 204,90	832 087 213,77
Inventories	7	29 445 691,75	30 154 376,85
Construction contracts	7	513 747 794,23	507 745 822,96
Trade and other receivables	8	47 378 140,71	55 620 217,55

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Other financial assets	9	38 661 470,97	37 134 640,11
Cash and cash equivalents	10	123 286 126,96	188 410 473,22
Accruals	11	14 731 980,28	13 021 683,08
Total Assets		1 580 097 517,15	1 697 585 226,01
EQUITY AND LIABILITIES			
EQUITY		653 695 094,05	626 642 780,11
Share capital	12	17 771 888,60	17 771 888,60
Revaluation capital		7 490 208,19	7 490 208,19
Other capital	13	651 902 135,58	632 289 847,95
Retained earnings		-49 573 465,57	-36 643 327,20
Net profit / loss		26 104 327,25	5 734 162,58
LIABILITIES		926 402 423,09	1 070 942 445,89
Non-current liabilities		434 682 728,98	449 965 008,64
Borrowings	14	181 412 328,23	161 905 635,99
Deferred income tax liabilities	15	47 138 006,60	37 850 859,99
Retirement benefit obligations	16	241 204,48	241 204,48
Provision for other liabilities and charges	17	54 918 204,78	55 013 370,26
Other liabilities	18	150 972 983,89	194 953 937,92
Current liabilities		491 719 695,11	620 977 437,25
Trade and other payables	19	44 465 511,62	54 627 031,59
Construction contracts	7	322 773 699,21	353 456 461,90
Borrowings	14	50 114 232,13	46 916 660,28
Provision for other liabilities and charges	17	14 487 806,36	16 474 664,03
Other liabilities	19	59 878 445,79	149 502 619,45
EQUITY AND LIABILITIES		1 580 097 517,15	1 697 585 226,01

Consolidated total income statement

	Note	For the period between 01-01-2016 and 30-06-2016	For the period between 01-01-2015 and 30-06-2015
Net revenues from sales of products, goods and materials, of which:	24	255 033 189,06	127 516 057,60
Net revenues from sales of products		254 219 210,75	126 394 895,95
Net revenues from sales of goods and materials		813 978,31	1 121 161,65
Costs of products, goods and materials sold, of which:	25	186 897 784,46	98 243 224,85
Manufacturing cost of products sold		186 078 660,14	97 117 284,86
Value of goods and materials sold		819 124,32	1 125 939,99
Gross profit (loss) on sales		68 135 404,60	29 272 832,75
Sales costs	25	13 359 299,77	8 220 823,78
Overheads	25	9 437 654,81	8 951 099,01
Revaluation of investment properties		-2 119 471,65	3 625 852,37
Profit (loss) on sales		43 218 978,37	15 726 762,33
Other operating income	26	1 162 410,12	3 298 112,77
Other operating expenses	27	6 909 793,08	4 723 629,90
Operating profit (loss)		37 471 595,41	14 301 245,20
Financial Revenues	28	2 365 820,83	1 202 014,95
Profit (loss) on business activity	28	9 206 094,59	9 550 804,49
Profit (loss) on business activit		30 631 321,65	5 952 455,65
Gross profit (loss)		30 631 321,65	5 952 455,65
Income tax	22	4 526 994,40	849 223,49
Net profit (loss)		26 104 327,25	5 103 232,16

Other comprehensive income:		947 986,69	-637 809,24
Foreign exchange rate operation differences		948 036,69	-632 461,97
Profit/loss from acquisitions		0,00	0,00
Profit from revaluation of tangible fixed assets		0,00	0,00
Other comprehensive income		-50,00	-5 347,27
Total revenue		27 052 314,24	4 465 422,92

Consolidated cash flow statements

Operating cash flow - two-step method	01-01-2016 until 30-06-2016	01-01-2015 until 30-06-2015
Net profit (loss)	26 104 327,25	5 103 232,16
Item adjustments	15 921 464,87	5 720 229,73
Depreciation and amortization	4 983 395,79	4 975 925,41
(Profit) loss on foreign exchange differences	-1 451 188,58	0,00
(Profits) loss from investment activities	6 995,38	-1 766 215,75
(Profits) loss from investment activities - shares	4 709,26	0,00
Interest and dividends	8 362 616,14	11 213 548,16
(Profit) loss on valuation of investment properties at fair value	0,00	0,00
Podatek dochodowy	0,00	0,00
Changes in provisions and accruals	1 099 739,03	-4 812 754,72
Other adjustments	2 915 197,85	-3 890 273,37
- investment real estate write-off	2 119 471,65	-3 625 852,37
- Other adjustments	795 726,20	-264 421,00
Changes in working capital	26 195 107,87	108 913 629,01
Change in inventories	708 685,10	564 853,25
Change in construction contracts	25 912 917,91	106 209 118,59
Zmiana stanu nieruchomości inwestycyjnych	0,00	0,00
Changes in receivables	8 175 564,47	2 044 569,11
Changes in current liabilities, except for borrowings	-8 602 059,61	95 088,06
Net operating cash flows	68 220 900,00	119 737 090,90
Investment activity cash flows	0,00	0,00
Disposal of tangible and intangible assets and other non-current assets	262 102,63	4 706 225,00
Purchase of tangible and intangible assets and other non-current assets	-7 417 697,70	-19 108 679,39
Loans granted	-625 129,04	-8 233,40
Net investment cash flow	-7 780 724,11	-14 410 687,79
Purchase of own shares or repayment of shares	0,00	0,00
Borrowings	63 136 815,78	32 185 674,81
Borrowings repaid	-40 533 812,99	-63 551 143,28
Debt securities issued	0,00	0,00
Debt securities redeemed	-137 180 000,00	-10 570 000,00
Payments under financial lease agreements	-417 917,69	-13 286,13
Dividends and other shared profits	0,00	0,00
Interest paid	-10 569 607,25	-11 121 957,42
Other financial proceeds (including notes)	0,00	3 000 000,00
Other financial expenditures (including notes)	0,00	0,00
Net financing cash flow	-125 564 522,15	-50 070 712,02
NET DECREASE / (INCREASE) IN CASH	-65 124 346,26	55 255 691,09
Cash and cash equivalents at the beginning of the year	188 410 473,22	41 320 236,05
- foreign exchange gains/(losses) on cash	0,00	0,00
CLOSING BALANCE OF CASH AND CASH EQUIVALENTS	123 286 126,96	96 575 927,18

Consolidated statement of changes in equity

	Share capital	Own shares (negative figure)	Revaluation capital	Supplementary capital	Other capital reserves	Hedge valuation reserve and currency translation reserve	Retained earnings	Net earnings	Equity
As at December 31, 2015	17 771 888,60	0,00	7 490 208,19	627 935 814,58	7 947 357,60	-3 593 324,23	-36 643 327,20	5 734 162,58	626 642 780,11
Basic error corrections	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
Corrections from changes in a presentation	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
As at January 1, 2016	17 771 888,60	0,00	7 490 208,19	627 935 814,58	7 947 357,60	-3 593 324,23	-36 643 327,20	5 734 162,58	626 642 780,11
Share issuance	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	0,00	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	0,00
Profits (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
Profits (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	948 036,69	0,00	0,00	948 036,69
Gains / (losses) on business acquisitions	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	-50,00	0,00	0,00	0,00	-50,00
Consolidation adjustments	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
Company inclusion to consolidation	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
Total profit / (loss) recognized directly in equity	17 771 888,60	0,00	7 490 208,19	627 935 814,58	7 947 307,60	-2 645 287,54	-36 643 327,20	5 734 162,58	627 590 766,80
Net profit (loss) for the accounting year	0,00	0,00	0,00	0,00	0,00	0,00	0,00	26 104 327,25	26 104 327,25
Total profit / (loss) recognized in equity and net earnings	17 771 888,60	0,00	7 490 208,19	627 935 814,58	7 947 307,60	-2 645 287,54	-36 643 327,20	31 838 489,83	653 695 094,05
Increase / decrease of profit distribution	0,00	0,00	0,00	18 664 300,95	0,00	0,00	-12 930 138,37	-5 734 162,58	0,00
As at December 31, 2016	17 771 888,60	0,00	7 490 208,19	646 600 115,52	7 947 307,60	-2 645 287,54	-49 573 465,57	26 104 327,25	653 695 094,05

J.W. Construction Holding SA
Consolidated financial statement for the period between January 1 and June 30, 2016

	Share Capital	Own shares (negative figure)	Revaluation capital	Supplementary capital	Other capital reserves	Hedge valuation reserve and currency translation reserve	Retained earnings	Net earnings	Equity
As at December 31, 2014	17 771 888,60	0,00	7 490 208,19	603 831 773,22	7 947 307,60	-2 775 032,01	-15 448 962,94	8 341 019,57	627 158 202,23
Basic error corrections	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
Corrections from changes in a presentation	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
As at January 1, 2015	17 771 888,60	0,00	7 490 208,19	603 831 773,22	7 947 307,60	-2 775 032,01	-15 448 962,94	8 341 019,57	627 158 202,23
Share issuance	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	0,00	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	0,00
Profits (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
Profits (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	-632 461,97	0,00	0,00	-632 461,97
Gains / (losses) on business acquisitions	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	0,00	0,00	0,00
Consolidation adjustments	0,00	0,00	0,00	0,00	0,00	0,00	-5 347,27	0,00	-5 347,27
Inclusion of the Company to the consolidation	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
Total profit / (loss) recognized directly in equity	17 771 888,60	0,00	7 490 208,19	603 831 773,22	7 947 307,60	-3 407 493,98	-15 454 310,21	8 341 019,57	626 520 392,99
Net profit (loss) for the accounting year	0,00	0,00	0,00	0,00	0,00	0,00	0,00	5 103 232,16	5 103 232,16
Total profit / (loss) recognized in equity and net earnings	17 771 888,60	0,00	7 490 208,19	603 831 773,22	7 947 307,60	-3 407 493,98	-15 454 310,21	13 444 251,73	631 623 625,15
Increase / decrease of profit distribution	0,00	0,00	0,00	25 551 984,57	0,00	0,00	-17 210 965,00	-8 341 019,57	0,00
As at June 30, 2015	17 771 888,60	0,00	7 490 208,19	629 383 757,78	7 947 307,60	-3 407 493,98	-32 665 275,21	5 103 232,16	631 623 625,15

J.W. Construction Holding SA
Consolidated financial statement for the period between January 1 and June 30, 2016

	Share capital	Own shares (negative figure)	Revaluation capital	Supplementary capital	Other capital reserves	Hedge valuation reserve and currency translation reserve	Retained earnings	Net earnings	Equity
As at December 31, 2014	17 771 888,60	0,00	7 490 208,19	603 831 773,22	7 947 307,60	-2 775 032,01	-15 448 962,94	8 341 019,57	627 158 202,23
Basic error corrections	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
Corrections from changes in a presentation	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
As at January 1, 2015	17 771 888,60	0,00	7 490 208,19	603 831 773,22	7 947 307,60	-2 775 032,01	-15 448 962,94	8 341 019,57	627 158 202,23
Share issuance	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	0,00	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	0,00
Exchange gains / (losses) on translation of financial statements of foreign operations	0,00	0,00	0,00	0,00	0,00	-818 292,21	0,00	0,00	-818 292,21
Gains / (losses) on business acquisitions	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	0,00	0,00	0,00
Consolidation adjustments	0,00	0,00	0,00	0,00	50,00	0,00	-5 435 196,15	0,00	-5 435 146,15
Inclusion of the Company to the consolidation	0,00	0,00	0,00	6 357,60	0,00	0,00	-2 503,93	0,00	3 853,67
Total profit / (loss) recognized directly in equity	17 771 888,60	0,00	7 490 208,19	603 838 130,82	7 947 357,60	-3 593 324,22	-20 886 663,01	8 341 019,57	620 908 617,54
Net profit (loss) for the accounting year	0,00	0,00	0,00	0,00	0,00	0,00	0,00	5 734 162,58	5 734 162,58
Total profit / (loss) recognized in equity and net earnings	17 771 888,60	0,00	7 490 208,19	603 838 130,82	7 947 357,60	-3 593 324,22	-20 886 663,01	14 075 182,15	626 642 780,12
Increase / decrease from profit distribution	0,00	0,00	0,00	24 097 683,76	0,00	0,00	-15 756 664,19	-8 341 019,57	0,00
As at December 31, 2015	17 771 888,60	0,00	7 490 208,19	627 935 814,57	7 947 357,60	-3 593 324,22	-36 643 327,20	5 734 162,58	626 642 780,12

C. SUPPLEMENTARY INFORMATION

INFORMATION ABOUT SIGNIFICANT EVENTS REGARDING PREVIOUS YEARS IN THE FINANCIAL STATEMENT FOR THE BUSINESS YEAR

This financial statement of the Group does not disclose any other significant events (regarding changes in accounting policy of recognising revenue) than those from previous years.

SIGNIFICANT AFTER-BALANCE SHEET DATE EVENTS NOT DISCLOSED IN THESE FINANCIAL STATEMENTS

The interim financial statements of the Group for period from January 1, 2016 to June 30, 2016 disclose all events that occurred until the day of these statements. i.e. until 30 August 2016 and had effect on the Consolidated Financial Statements of the Group for the period from 1 January 2016 to 30 June 2016

CHANGES IN THE PRINCIPLES (POLICY) OF ACCOUNTING DURING THE ACCOUNTING YEAR

In the current accounting period, i.e. in the first half of 2016 the Group has not changed its accounting policy.

FUNCTIONAL AND PRESENTATION CURRENCY

Items presented in the financial statements of particular companies of the Group are measured with the currency of the basic economic environment where the company has a fixed establishment (functional currency). The functional and presentation currency of the parent company is Polish zloty (PLN). The reporting currency of the financial statements of the Group is Polish zloty (PLN). The functional currency of some companies of the Group is other currency than Polish zloty. Financial statements of those companies, prepared in their functional currencies, are included in these consolidated financial statements upon translation into PLN in accordance with IAS 21

EXPLANATORY NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT

Note 1. Intangible assets

Intangible assets	30-06-2016	31-12-2015
a) research and development expenses	0,00	0,00
b) goodwill on consolidation	12 389 648,22	12 389 648,22
c) other intangible assets	238 550,75	355 862,01
d) advances on intangible assets	0,00	0,00
Total intangible assets	12 628 198,97	12 745 510,23

A key position in other intangible assets is the integrated system SAP.

The initial presentation of intangible values takes place in accordance with the cost of acquisition of creation thereof. After the initial presentation, intangible assets are valued according to the costs of acquisition or creation decreased by a write-down or a write-off due to permanent loss of value. Intangible assets are linearly amortized in the period corresponding to the period of their economic life. A period and amortization method are verified by the end of each business year.

As of December 31, 2015, there were no circumstances as a result of which the Company should create write-downs for intangible assets. There is no impairment of goodwill. This value is bound to a real estate investment, from which future cash flow is expected.

In the years 2015-2016, as part of the Group, there were no development works conducted and no costs were incurred as a result of this. The companies did not have advancements for intangible assets

As at 30 June 2016 there is no impairment of goodwill. This value is bound to a real estate investment, from which future cash flow is expected. The management board analyzed the loss of assets in accordance with IAS 36, e.g. through the comparison of the real estate book value (including goodwill) against market value.

Note 2. Goodwill of subsidiaries

Does not occur.

Note 3. Tangible assets

TANGIBLE ASSETS	30-06-2016	31-12-2015
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a) fixed assets including:	392 919 402,50	392 987 122,06
- land (including right of perpetual usufruct)	40 443 881,16	40 475 676,73
- buildings and structures	317 189 891,98	319 260 404,91
- plant and machinery	17 796 456,87	18 783 154,61
- motor vehicles	4 156 119,65	172 985,84
- other fixed assets	13 333 052,84	14 294 899,97
b) constructions in progress	16 712 536,16	16 387 056,60
c) advances on constructions in progress	0,00	0,00
Total tangible assets	409 631 938,66	409 374 178,66

In the first half of 2016, the dominant entity JW . Construction Holding SA entered into a finance lease agreement for a means of transport for a period of 36 months and the total amount of PLN 4,036,505.95.

The initial presentation of fixed assets takes place in accordance with the acquisition or creation cost thereof. After the initial presentation, fixed assets are valued as of a balance sheet date in accordance with the cost of their acquisition or creation decreased by a write-off and accumulated write-offs due to their loss of value. Fixed assets are linearly amortized in the period corresponding to the estimated period of their economic life.

Fixed assets under construction are valued in accordance with the direct total costs borne by their acquisition or creation decreased by write-offs as a result of their permanent loss of value. Fixed assets under construction are amortized until their construction is finished and taken over for occupancy.

The "other fixed assets" row comprises equipment, office equipment and other tools.

The Management Board of the dominant entity, having reviewed amortization rates being applied to the Group, decided on January 1, 2013 to update balance sheet amortization rates being applied in the Czarny Potok hotel, the 500 hotel group in the scope regarding hotels, as well as other activity in other activity of the Capital Group in the scope of the amortization of the company headquarters building and sewage treatment facility in Ożarów Mazowiecki near Warsaw.

Note 4. Investment real estate

Other long-term investments	30-06-2016	31-12-2015
a) investment properties	347 207 580,49	405 269 174,24
b) other	0,00	0,00
Total other long-term investments	347 207 580,49	405 269 174,24

The position of investment properties includes land which future use is presently undetermined and commercial real estate under construction.

CHANGE IN INVESTMENT PROPERTIES	Fair value	Acc. to historical cost	Value of investment properties in total
a) opening balance	27 395 506,32	377 873 667,92	405 269 174,24
expenditure incurred	22 206 197,08	221 834 584,71	244 040 781,79
Financial expenses	5 189 309,24	23 658 769,01	28 848 078,25
revaluation value	0,00	132 380 314,20	132 380 314,20
b) increase (due to)	865 412,05	5 577 997,65	6 443 409,70
expenditure incurred	837 817,26	5 148 087,82	5 985 905,08
Financial expenses	27 594,79	195 022,74	222 617,53
revaluation value	0,00	234 887,09	234 887,09
Change in construction contracts	0,00	0,00	0,00
c) decrease (due to)	5 538 962,82	58 966 040,63	64 505 003,45
incurred expenses - sale, corrections	0,00	0,00	0,00
Financial expenses	5 000,00	1 646 302,98	1 651 302,98
revaluation value		12 866 651,58	12 866 651,58
Change in construction contracts	5 533 962,82	44 453 086,07	49 987 048,89
d) closing balance	22 721 955,55	324 485 624,94	347 207 580,49
expenditures	17 510 051,52	182 529 586,46	200 039 637,98
Financial expenses	5 211 904,03	22 207 488,77	27 419 392,80
revaluation value	0,00	119 748 549,71	119 748 549,71

The Capital Group of J.W. Construction Holding S.A for the purpose of the investment property appraisal orders the preparation of appraisal report with determining the market value to independent Property Valuers, having the appropriate permissions. In order to determine the valuation, the property appraiser use the principles in accordance with General National Principles of Valuation adopted by the Polish Federation of Appraisers' Associations where the market value is the most probable price obtainable on the market at the measurement date.

In order to determine the market value, the property valuer determines the optimal or the most probable way of the property use by properly selected method of valuation. The property valuer especially takes into account the purpose of the valuation, the type and location of the property, destiny in the local plan, the level of equipment in the technical infrastructure and the available data on prices, income and similar real estate characteristics.

In the hierarchy of the fair value estimation of the investment properties are classified to Level 3, where

1 - Quoted prices, which are not adjusted, in an active market for identical assets and liabilities that the entity can access at the measurement date.

2 - Inputs, other than quoted prices, that are observable, either directly or indirectly.

3 - Unobservable inputs.

The hierarchy is determined on the basis of the lowest level of inputs.

The following methods to determine the market value of the property in presented reports by the property valuers from accounting records of J.W. Construction Holding S.A were used:

- income-based valuation method
- comparison in pairs method
- residual method.

Note 5. Other financial assets

LONG-TERM FINANCIAL ASSETS	30-06-2016	31-12-2015
a) shares	222 194,72	221 904,98
b) loans granted	1 793 159,50	985 603,81
c) other long-term investments	0,00	0,00
Total long-term financial assets	2 015 354,22	1 207 508,79

LONG-TERM FINANCIAL ASSETS	30-06-2016	31-12-2015
a) in subsidiaries	1 805 804,22	997 958,79
- shares	12 644,72	12 354,98
- debt securities	0,00	0,00
- other securities	0,00	0,00
- loans granted	1 793 159,50	985 603,81
- other long-term financial assets	0,00	0,00
b) in other parties	209 550,00	209 550,00
- shares	209 550,00	209 550,00
- debt securities	0,00	0,00
- other securities	0,00	0,00
- loans granted	0,00	0,00
- other long-term financial assets	0,00	0,00
other long-term investments	0,00	0,00
Total long-term financial assets	2 015 354,22	1 207 508,79

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	Name of a unit (and its legal form)	Registered office	Type of business activity	Relation	Method of consolidation	Date of assuming control	Value of shares/interest at acquisition price	Revaluation adjustment value	Write-offs up to book value of in-kind contribution	Carrying value of shares	% of total number of votes in the general meeting
1	TBS Marki Sp. z o.o.	Warsaw	construction of social buildings	subsidiary	full consolidation	14.11.2003	13 360 000,00	0,00	0,00	13 360 000,00	100,00%
2	Business Financial Construction Sp. z o.o.	Warsaw	services	subsidiary	full consolidation	16.06.2003	4 347 000,00	0,00	0,00	4 347 000,00	100,00%
3	J.W. Construction Bulgaria Sp. z o.o.	Varna (Bulgaria)	real estate development activity	subsidiary	not consolidated	08.10.2007	9 854,98	0,00	0,00	9 854,98	100,00%
4	Yakor House Sp. z o.o.	Sochi (Russia)	real estate development activity	subsidiary	full consolidation	07.12.2007	9 810 000,00	0,00	0,00	9 810 000,00	70,00%
5	J.W. Construction Sp. z o.o.	Ząbki	prefabricated unit production for the building industry	subsidiary	full consolidation	19.02.2008	70 197 456,00	0,00	36 125 456,00	34 072 000,00	99,99%
6	JW. Marka Sp. z o.o.	Ząbki	lease of intellectual property	subsidiary	full consolidation	23.08.2011	186 661 450,00	0,00	172 044 225,58	14 617 224,42	100,00%
7	Seahouse Sp. z o.o.	Ząbki	real estate development activity	subsidiary	full consolidation	18.10.2012	10 950 000,00	0,00	0,00	10 950 000,00	100,00%
8	Nowe Tysiąclecie Sp. z o.o.	Ząbki	real estate development activity	subsidiary	full consolidation	11.06.2013	15 240 000,00	0	0	15 240 000,00	100,00%
9	Dana Invest Sp. z o.o.	Ząbki	real estate development activity	subsidiary	full consolidation	22.11.2013	14 308 350,00	0,00	0,00	14 308 350,00	99,99%
10	Bałtycka Invest Sp. z o.o.	Ząbki	real estate development activity	subsidiary	full consolidation	23.01.2014	5 000,00	0,00	0,00	5 000,00	100,00%
11	Berensona Invest Sp. z o.o.	Ząbki	real estate development activity	subsidiary	full consolidation	28.01.2014	5 000,00	0,00	0,00	5 000,00	100,00%
12	Bliska Wola 4 Sp. z o.o. 1 SK	Ząbki	real estate development activity	subsidiary	full consolidation	22.01.2014	13 979 850,00	0,00	0,00	13 979 850,00	48,00%
13	Bliska Wola 4 Sp. z o.o. 2 SK	Ząbki	real estate development activity	subsidiary	full consolidation	29.01.2014	6 769 550,00	0,00	0,00	6 769 550,00	48,00%
14	Wola Invest Sp. z o.o.	Ząbki	real estate development activity	subsidiary	full consolidation	23.01.2014	5 000,00	0,00	0,00	5 000,00	100,00%
15	Bliska Wola 4 Sp. z o.o.	Ząbki	real estate development activity	subsidiary	full consolidation	24.01.2014	5 000,00	0,00	0,00	5 000,00	100,00%
16	Zdziarska Invest Sp. z o.o.	Ząbki	real estate development activity	subsidiary	full consolidation	22.01.2014	5 000,00	0,00	0,00	5 000,00	100,00%

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17	Łódź Invest Sp z o.o.	Ząbki	real estate development activity	subsidiary	full consolidation	22.01.2014	3 800 000,00	0,00	0,00	3 800 000,00	100,00%
18	Porta Transport	Szczecin	real estate development activity	subsidiary	full consolidation	24.04.2014	19 309 914,41	0,00	0,00	19 309 914,41	100,00%
19	Lewandów Invest Sp zoo	Ząbki	real estate development activity	subsidiary	full consolidation	24.07.2014	5 000,00	0,00	0,00	5 000,00	100,00%
20	J.W. Ergo Energy	Ząbki	real estate development activity	subsidiary	not consolidated	06.10.2014	2 500,00	0,00	0,00	2 500,00	50,00%

Powiązania pośrednie											
1	Bliska Wola 1 Sp z o.o.	Ząbki	real estate development activity	subsidiary	full consolidation	26.02.2016	30 820 450,00	0,00	0,00	30 820 450,00	51,00%
2	Bliska Wola 2 Sp z o.o.	Ząbki	real estate development activity	subsidiary	full consolidation	26.02.2016	12 745 500,00	0,00	0,00	12 745 500,00	51,00%
3	Bliska Wola 1 Sp z o.o.	Ząbki	real estate development activity	subsidiary	full consolidation	26.02.2016	211,74	0,00	0,00	211,74	1,00%
4	Bliska Wola 2 Sp z o.o.	Ząbki	real estate development activity	subsidiary	full consolidation	26.02.2016	178,00	0,00	0,00	178,00	1,00%
5	TBS Nowy Dom Sp. z o.o.	Ząbki	construction of social buildings	affiliated unit	not consolidated	30.09.2006	1 000,00	0,00	0,00	1 000,00	2,00%
6	Karczma Regionalna Sp.z o.o.	Krynica Górská	hotel services	subsidiary	not consolidated	16.12.2004	208 550,00	0,00	0,00	208 550,00	8,06%

Note 6. Non-current receivables

NON-CURRENT RECEIVABLES	30-06-2016	31-12-2015
a) guarantee receivables	2 982 900,15	2 958 047,44
b) deposit receivables(lease)	41 659,64	0,00
c) other receivables	0,00	0,00
Total receivables	3 024 559,79	2 958 047,44

Note 7. Inventories and construction contracts

The companies of the Capital Group in relation to the realization of construction projects also prepares budgets that are compared against real costs and the completion stage of projects based on conducted cyclical inventorying

INVENTORIES	30-06-2016	31-12-2015
a) materials	2 631 309,36	2 869 014,77
b) semi-finished products and work in progress	0,00	0,00
c) finished products	283 811,91	576 011,87
d) goods	26 529 620,89	26 707 320,62
e) trade advances	949,59	2 029,59
Total inventories	29 445 691,75	30 154 376,85

Every month, the Company carries out the inventorying and compares the amount of inventories against budgets and realized sales transactions through detailed analysis of every item.

Construction contracts - assets constitute expenditure in relation to realized projects, the value of ready units that have not been taken over by customers.

CONSTRUCTION CONTRACTS	30-06-2016	31-12-2015
CONSTRUCTION CONTRACTS (CURRENT ASSETS)		
a) semi-finished products and work in progress	379 307 982,07	480 195 107,71
b) finished products	123 677 626,92	23 206 459,49
c) advances for supplies	10 643 567,18	4 225 637,69
d) short-term prepayments	118 618,07	118 618,07
Total construction contracts	513 747 794,23	507 745 822,96
CONSTRUCTION CONTRACTS (Current liabilities)		
a) Accruals	322 773 699,21	353 456 461,90
Total construction contracts	322 773 699,21	353 456 461,90

Construction contracts

ACCRUALS	30-06-2016	31-12-2015
- advances on premises	316 176 682,15	347 909 657,32
- works reserves	6 160 605,36	2 574 783,29
- other	436 411,70	2 972 021,29
The total value of accruals	322 773 699,21	353 456 461,90

The Companies of the Group, in connection with the business activities, incur loans that are secured with the mortgage on the property. As at June 30, 2016, the Company established securities in the form of mortgages presented in inventories and construction contracts with the value of PLN 252,2 million and presented in fixed assets with the value of PLN 370,3 million. The value of the mortgage is established on the amount of the credit granted (or higher), therefore, this amount exceeds the value of the property shown in assets of the Companies of the Group. As at June 30, 2016, the loan liabilities amounted to PLN 226,6 million (excluding credits of TBS Marki Sp. z o.o., liabilities amount to PLN 130,7 million)

The Companies of the Group, in connection with the business activities, issue the bonds that are secured with the mortgage on the property. As at June 30, 2016, the Companies of the Group established securities in the form of mortgages presented in inventories and construction contracts with the value of PLN 125 million. The value of the mortgage is established on the amount of the bond issued (or higher), therefore, this amount exceeds the value of the property shown in assets of the Group's Companies. As at June 30, 2016, the liabilities from bonds issued amounted to PLN 175,2 million.

Note 8. Current receivables

Write-downs for the amount of receivables were created in accordance with the best knowledge and experience of the Group via a detailed analysis of receivable payment risk. Costs are revenues related to the creation and cancellation of write downs are considered in the profit and loss account in the "remaining operating cash flow" category

CURRENT RECEIVABLES	30-06-2016	31-12-2015
a) trade receivables - related parties	1 167,12	11 057,04
b) trade receivables - other parties	24 657 844,88	29 844 182,26
c) taxes, subsidies, customs duties, social and health insurance and other payments	12 558 280,96	16 993 666,07
d) other	10 160 847,76	8 771 312,16
Total receivables	47 378 140,71	55 620 217,53

AGE STRUCTURE OF TRADE RECEIVABLES	30-06-2016	31-12-2015
Not overdue	14 060 805,87	23 230 842,05
Overdue for 3 months	7 210 699,62	3 899 064,29
Overdue between 3 and 6 months	980 745,28	826 097,75
Overdue between 6 and 1 year	488 283,60	807 471,40
Overdue for longer than 1 year	1 918 477,63	1 091 763,81
Gross delivery and service receivables	24 659 012,00	29 855 239,30
Write-downs updating receivables	0,00	0,00
Net delivery and service receivables	24 659 012,00	29 855 239,30

The company created write-downs that update the values of receivables that were not disclosed in operational costs. Write-downs were prepared in accordance with the best knowledge and experience of the Company based on individual analysis of relevant balances.

CHANGE OF THE STATE OF WRITE-DOWNS UPDATING THE VALUES OF TRADE AND OTHER RECEIVABLES	30-06-2016	31-12-2015
As of the beginning of the period	27 848 500,39	26 036 567,77
a) increase	123 211,77	3 150 859,26
b) decrease	1 164 915,68	1 338 926,64
As of the end of the period	26 806 796,48	27 848 500,39

Write-downs related to the entirety of overdue sums.

Costs and revenues related to the creation and annulment of write-downs updating the values of receivables are properly disclosed in other operational costs and operational revenue.

As of the balance sheet days, there were no delivery and service receivables or other receivables in foreign currencies.

Note 9. Other financial assets

SHORT-TERM INVESTMENTS	30-06-2016	31-12-2015
a) shares	0,00	0,00
b) loans granted	38 307 527,75	36 788 293,29
c) other investments	353 943,22	346 346,82
Total value of short-term investments	38 661 470,97	37 134 640,11

SHORT-TERM INVESTMENTS	30-06-2016	31-12-2015
a) in subsidiaries	38 259 625,11	36 732 808,75
- shares	0,00	0,00
- debt securities	0,00	0,00
- other securities	0,00	0,00
- loans granted	38 259 625,11	36 732 808,75
- other short-term financial assets	0,00	0,00
b) in other parties	401 845,86	401 831,36
- shares	0,00	0,00
- debt securities	0,00	0,00
- other securities	353 943,22	346 346,82

- loans granted	47 902,64	55 484,54
- other short-term financial assets	0,00	0,00
c) other short-term investment	0,00	0,00
Total value of short-term investments	38 661 470,97	37 134 640,11

The change of value of short-term financial assets results mostly from reclassifying granted loans from long-term financial assets..

Note 10. Cash and cash equivalents

Cash at bank, on hand and short-term investments held to maturity are measured at nominal value

CASH AND CASH EQUIVALENTS	30-06-2016	31-12-2015
cash on hand and with bank	123 183 687,16	98 865 284,02
b) other cash	50 940,30	89 540 004,15
c) other cash equivalents	51 499,50	5 185,05
Total cash	123 286 126,96	188 410 473,22

The companies of the Capital Group present in the "other cash" item mainly deposits entered into the period of less than three months..

	30-06-2016	31-12-2015
Cash in escrow accounts	79 780 752,91	75 661 980,71
JW. Construction Holding SA	23 398 380,17	7 475 720,76
Seahouse Sp. z o.o.	0,00	0,00
Nowe Tysiąclecie Sp. z o.o.	5 997 432,72	16 654 884,60
Bliska Wola 1 Sp. z o.o.	49 101 577,32	27 213 075,05
Bliska Wola 2 sp. z o.o.	1 059 736,84	21 512 080,09
Łódź Invest Sp. z o.o.	223 625,86	2 806 220,21

Note 11. Accruals

ACCRUALS	30-06-2016	31-12-2015
a) short-term accruals	14 731 980,28	13 021 683,08
The total value of accruals	14 731 980,28	13 021 683,08

In other accruals, the Group presents costs borne that are related to future periods. The main item in accruals are commission costs received by sales staff for selling apartments. Those commissions are tied to concrete units/premises sold by the Group and are subject to activation when a unit is taken over by the customer.

Note 12. Share capital and other

Share capital and other

Class / issue	Share type	Type of share preference	Types of restrictions on rights to shares	Number of shares	Value of the series / issue according to nominal value	Coverage of capital	Registration Date	Dividend right (since when)
A i B	Bearer		-	54 073 280	10 814 656	Assets of a transformed company - TBM Batory Sp. z o.o. / Cash	01.07.2010*	
C				34 786 163	6 957 232,60	cash	30.09.2014	
Total number of shares				88 859 443				
Total share capital					17 771 888,60			
Par value of one share = PLN 0,20								

* Registration of A and B-series shares by the court into one series marked A and B due to the cancellation of 625,000 shares acquired by the Company as part of the program to re-purchase its own shares in order to cancel them

As at 30 June, 2016 the shareholding structure was as follows.

Shareholder	Number of shares held	% of share capital	Number of votes	% of total number of votes in the General Meeting
Józef Wojciechowski	23.917.739	26,92 %	23.917.739	26,92 %
EHT S.A.	32.494.525	36,57 %	32.494.525	36,57 %
Other ^x	32.447.179	36,52 %	32.447.179	36,52 %

^xof which

Shareholder	Number of shares	% of share capital	Number of votes	% of total number of
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J.W. Construction Holding SA
Skrócone skonsolidowane sprawozdanie finansowe
za okres 6 miesięcy zakończony 30 czerwca 2016 roku

	held		votes in the General Meeting
TFI PZU S.A.	Between 5 a 10 % of shares ^{xx}		

on July 22, 2015, Company received a notification on exceeding a 5% share threshold by the funds managed by the Towarzystwo Funduszy Inwestycyjnych PZU S.A. As of the day of the notification thereof, the number of such shares was 5,139,931, which constituted 5,7843 % of shares in the Company share capital and entitled the Towarzystwo Funduszy Inwestycyjnych S.A. to 5,7843% of the general number of votes. In accordance with the current provisions of law, a shareholder is obliged to inform the Company about exceeding a 5% share threshold, and then about exceeding a 10% threshold regarding the general number of Company shares. As of today, the Company has not received any notification from a shareholder that included information about exceeding a 5% share threshold or decreasing the number thereof under a 10% threshold. At the Annual General Meeting on 29 June 2016 Investment Funds Managed by TFI PZU SA registered 8,531,060 shares, representing 9.60% of the share capital and entitling to 8,531,060 votes at the General Meeting constituting 9.60% of the total number of votes at the General Meeting.

Information on Company shareholders as of the day on which the financial statement was prepared

Shareholder	Number of shares held	% of share capital	Number of votes	% of total number of votes in the General Meeting
Józef Wojciechowski	23.917.739	26,92 %	23.917.739	26,92 %
EHT S.A.	32.494.525	36,57 %	32.494.525	36,57 %
Other ^x	32.447.179	36,52 %	32.447.179	36,52 %

^x of which

Shareholder	Number of shares held	% of share capital	Number of votes	% of total number of votes in the General Meeting
Funds managed by Towarzystwo Funduszy Inwestycyjnych PZU S.A.	Between 5 a 10 % of shares ^{xx}			

^{xx} on July 21, 2015, Company received a notification on exceeding a 5% share threshold by the funds managed by the Towarzystwo Funduszy Inwestycyjnych PZU S.A. As of the day of the notification thereof, the number of such shares was 5,139,931, which constituted 5,7843 % of shares in the Company share capital and entitled the Towarzystwo Funduszy Inwestycyjnych S.A. to 5,7843% of the general number of votes. In accordance with the current provisions of law, a shareholder is obliged to inform the Company about exceeding a 5% share threshold, and then about exceeding a 10% threshold regarding the general number of Company shares. As of today, the Company has not received any notification from a shareholder that included information about exceeding a 5% share threshold or decreasing the number thereof under a 10% threshold. At the Annual General Meeting on 29 June 2016 Investment Funds Managed by TFI PZU SA registered 8,531,060 shares, representing 9.60% of the share capital and entitling to 8,531,060 votes at the General Meeting constituting 9.60% of the total number of votes at the General Meeting.

Note 13. Other capital

OTHER CAPITAL	30-06-2016	31-12-2015
a) supplementary capital	646 600 115,52	627 935 814,58
b) other reserve capital	7 947 307,60	7 947 357,60
c) translation reserve	-2 645 287,54	-3 593 324,23
Total other capital	651 902 135,58	632 289 847,95

Supplementary capital in the capital company comes from the earned profit from previous years and from the surplus of the issuance value over the nominal value of issued shares.

Other reserve capitals constitute reserves earmarked for dividend.

Note 14. Borrowings

BORROWINGS	30-06-2016	31-12-2015
a) credits	226 607 884,08	201 612 143,86
of which: long-term	178 268 956,04	158 805 302,01
Short-term	48 338 928,04	42 806 841,85
b) loans	4 918 676,28	7 210 152,41
of which: long-term	3 143 372,19	3 100 333,98
Short-term	1 775 304,09	4 109 818,43
Total borrowings	231 526 560,36	208 822 296,27
Borrowings - long-term	181 412 328,23	161 905 635,99
Borrowings - short-term	50 114 232,13	46 916 660,28

CREDITS PER MATURITY	30-06-2016	31-12-2015
Up to 1 year	48 338 928,04	42 806 841,85
Over 1 year up to 2 years	49 630 984,83	22 211 246,09
Over 2 year up to 5 years	43 578 218,00	49 402 790,95
Over 5 years	85 059 753,21	87 191 264,97
Total loans, including:	226 607 884,08	201 612 143,86
- long-term	178 268 956,04	158 805 302,01

- short-term	48 338 928,04	42 806 841,85
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LOANS PER MATURITY	30-06-2016	31-12-2015
Up to 1 year	1 775 304,09	4 109 818,43
Over 1 year up to 2 years	3 143 372,19	3 100 333,98
Over 2 year up to 5 years	0,00	0,00
Over 5 years	0,00	0,00
Total loans, including	4 918 676,28	7 210 152,41
- long-term	3 143 372,19	3 100 333,98
- short-term	1 775 304,09	4 109 818,43

In the first half of 2016 and from the balance sheet date until the day on which the consolidated financial statement was prepared none of the signed credit agreements was terminated by the bank.

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.unitary text).

BORROWINGS	30-06-2016	31-12-2015
a) credits	95 914 736,69	97 528 400,45
<i>of which: long-term</i>	90 699 829,69	92 313 493,45
<i>Short-term</i>	5 214 907,00	5 214 907,00
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	95 914 736,69	97 528 400,45
Borrowings - long-term	90 699 829,69	92 313 493,45
Borrowings - short-term	5 214 907,00	5 214 907,00

CREDITS PER MATURITY	30-06-2016	31-12-2015
Up to 1 year	5 214 907,00	5 214 907,00
Over 1 year up to 2 years	5 214 907,00	5 214 907,00
Over 2 year up to 5 years	15 644 721,00	15 644 721,00
Over 5 years	69 840 201,69	71 453 865,45
Total loans, including:	95 914 736,69	97 528 400,45
- long-term	90 699 829,69	92 313 493,45
- short-term	5 214 907,00	5 214 907,00

Note 15. Reserve and deferred income tax assets

In the presented period no offsetting of deferred tax was made as temporary differences are not subject to compensation

	30-06-2016		
	Deferred income tax assets	Deferred tax reserve	Net value
DEFERRED INCOME TAX ASSETS AND A RESERVE FOR DEFERRED INCOME TAX	38 338 680,12	47 138 006,60	- 8 799 326,48

Note 16. Retirement benefit obligations

CHANGE IN RETIREMENT BENEFIT OBLIGATIONS	30-06-2016	31-12-2015
Opening balance	241 204,48	208 947,48
Increases	0,00	32 257,00
Decreases	0,00	0,00
Closing balance	241 204,48	241 204,48

Pension benefits constitute the calculation of retirement gratuities in accordance with the Polish Labour Code and are created in accordance in IAS 19.

Note 17. Provision for other liabilities and charges

PROVISIONS FOR OTHER LIABILITIES AND CHARGES	30-06-2016	31-12-2015
a) short-term, of which:	14 487 806,36	16 474 664,03
- accrued expenses, including:	11 586 905,89	13 445 263,56
- interests charged	1 610 560,93	1 572 025,00
- rent deposits	480 433,64	480 433,64
- hotel down payments	1 416 627,79	3 522 741,67
- other	8 079 283,53	7 870 063,25
- other provisions, including:	2 900 900,47	3 029 400,47
- provision for future liabilities	0,00	0,00
- provisions for guarantee repairs	1 509 355,90	1 509 355,90
- other provisions	1 391 544,57	1 520 044,57
a) long-term, of which	54 918 204,78	55 013 370,26
- accrued expenses, including:	54 918 204,78	55 013 370,26
- participation in costs of construction -TBS Marki	48 814 433,36	48 960 144,64
- deferred income- loan remittance-TBS Marki	6 103 771,42	6 053 225,62
Provision for other liabilities and charges in total	69 406 011,14	71 488 034,29

The TBS Marki Sp. z o.o. realized communities in the form of the construction of social buildings with the utilization of the credit loans from the National Apartment Fund. As part of their apartment reservoir it signs participation contracts. When an agreement is signed, a participation payment is made (30% of the construction costs) that is settled after a living unit is left.

Note 18. Other long-term liabilities

OTHER LONG-TERM LIABILITIES	30-06-2016	31-12-2015
a) lease obligations	2 115 528,48	8 324,99
b) deposit liabilities	19 879 056,92	18 341 710,28
c) other non-current liabilities	4 875 211,37	4 853 097,65
d) note liabilities	603 187,12	0,00
d) note liabilities	123 500 000,00	171 750 805,00
Total other liabilities	150 972 983,89	194 953 937,92

All lease receivables are in Polish zloty. The fair value of lease receivables corresponds to its book value and constitutes PLN 3.717.910,28 as of June 30, 2016, PLN 2.115.528,48 of which constitutes long-term obligations.

Future lease payments are due as follows:

	Minimum lease payments	Interest	Present value of liability
	30-06-2016	30-06-2016	30-06-2016
Up to 1 year	1 719 863,90	117 482,11	1 602 381,80
Over 1 year up to 5 years	2 173 615,30	58 086,82	2 115 528,48
Over 5 years	0,00	0,00	0,00
Total	3 893 479,20	175 568,93	3 717 910,27

	Minimum lease payments	Interest	Present value of liability
	31-12-2015	31-12-2015	31-12-2015
Up to 1 year	82 691,28	4 029,13	78 662,15
Over 1 year up to 5 years	9 718,83	1 393,84	8 324,99
Over 5 years	0,00	0,00	0,00
Total	92 410,10	5 422,96	86 987,14

The current value of obligations arising from lease agreements is presented in the report:

LEASE OBLIGATIONS	30-06-2016	31-12-2015
a) short-term payables	1 602 381,80	78 662,15
b) long-term payables	2 115 528,48	8 324,99
Total value of obligations	3 717 910,27	86 987,14

Note 19. Trade and other payables

TRADE AND OTHER PAYABLES	30-06-2016	31-12-2015
a) trade payables - other parties	28 778 625,60	36 745 852,21
b) trade payables - related parties	0,00	63,32
c) taxes, customs duties, insurance and other payments	6 973 457,10	4 835 185,84
d) salaries	1 997 709,93	2 139 029,71
e) trade advances received	0,00	0,00
f) other	6 715 718,99	10 906 900,50
Total trade and other payables	44 465 511,62	54 627 031,59

OTHER LIABILITIES	30-06-2016	31-12-2015
a) debt securities issue- liabilities	51 692 315,00	142 411 358,83
b) promissory note liabilities	6 583 748,99	7 012 598,47
c) financial lease liabilities	1 602 381,80	78 662,15
d) other financial liabilities	0,00	0,00
Total other liabilities	59 878 445,79	149 502 619,45

All lease obligations are presented in PLN. The fair value of receivables corresponds to the book value and on 30 June 2016 amounts to PLN 3.717.910,28, of which PLN 1.602.381,80 constitutes a short-term liability.

Note 20. Risk management

The description of the risk management was included in the Business Report.

Note 21. Earnings per share

CALCULATION OF BASIC AND DILUTED EARNINGS PER SHARE	between 01-01-2016 and 30-06-2016	between 01-01-2015 and 30-06-2015
Profits		
(A) Profits of the Group disclosed in the consolidated financial statements	26 104 327,25	5 103 232,16
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 *	88 859 443	88 859 443
(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	88 859 443	88 853 443
Basic earnings per share = (A)/(B)	0,29	0,06
Diluted earnings per share = (A)/(B)	0,29	0,06

* In accordance with IAS 33 "Earnings Per Share" the number of shares assumed for calculation of basic earnings per share was the weighted average number of shares during a given period. The said number was established as the number of shares as at the beginning of the given period adjusted by the number of shares bought back or issued during such period, weighted with an index reflecting the period of such number of shares (number of days of existence of shares to total number of days in a given period - from the day of share capital increase registration). During the analyzed period there were no circumstances to dilute the number of shares.

Note 22. Income tax

INCOME TAX	between 01-01-2016 and 30-06-2016	between 01-01-2015 and 30-06-2015
a) Current income tax	31 898,00	75 839,00
b) Deferred income tax	4 495 096,40	773 384,49
Total income tax	4 526 994,40	849 223,49

Change in income tax	30-06-2016	30-06-2015
Change in deferred tax asset	4 395 087,24	-78 828,87
Change in deferred tax liability	-9 287 146,61	852 213,32

Total change in deferred tax	-4 892 059,37	773 384,45
Tax correction on the opening balance sheet	396 962,97	0,04
Deferred tax in the profit and loss account	-4 495 096,40	773 384,49
Deferred tax in total income	0,00	0,00

Note 23 . Segment reporting

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 services.

Pursuant to IAS 14 „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. In 2013, the segment was comprised of the following entities: J.W. Construction Holding SA, Lokum Sp. z o.o.. 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,
- transport services,
- hotel activities - catering and hotel services connected with the organization of tourism and recreation.

01.01.2016-30.06.2016	Real estate development activity	Business activity related to hotels	Construction of social buildings	Real estate construction	Other activity	Eliminations	Total
Net revenues from sales of products, goods and materials, including:	225 116 103,29	18 689 680,44	7 109 333,65	36 311 624,52	1 508 411,20	-33 701 964,04	255 033 189,06
Net revenues from sales of products	224 466 673,95	18 687 986,38	7 102 833,11	36 145 496,41	1 507 703,28	-33 691 482,38	254 219 210,75
Net revenues from sales of goods and materials	649 429,34	1 694,06	6 500,54	166 128,11	707,92	-10 481,66	813 978,31
Costs of products, goods and materials sold, of which, including:	164 820 669,83	15 277 087,88	3 854 318,07	34 962 173,08	412 575,55	-32 429 039,95	186 897 784,46
Manufacturing cost of products sold	164 126 997,45	15 275 393,82	3 847 817,53	34 835 142,00	411 867,63	-32 418 558,29	186 078 660,14
Value of goods and materials sold	693 672,38	1 694,06	6 500,54	127 031,08	707,92	-10 481,66	819 124,32
Gross profit (loss) on sales	60 295 433,46	3 412 592,56	3 255 015,58	1 349 451,44	1 095 835,65	-1 272 924,09	68 135 404,60
Sales costs	12 212 902,32	1 691 335,45	0,00	108,00	0,00	-545 046,00	13 359 299,77
Overheads	5 931 583,52	1 274 587,00	533 942,10	617 609,25	1 216 803,70	-136 870,75	9 437 654,81
Revaluation of investment properties	-2 119 471,65	0,00	0,00	0,00	0,00	0,00	-2 119 471,65
Profit (loss) on sales	40 031 475,98	446 670,11	2 721 073,48	731 734,19	-120 968,05	-591 007,34	43 218 978,37
Other revenue from operations	848 510,13	11 232,84	68 879,16	275 759,52	14 063,97	-56 035,50	1 162 410,12
Other costs related to operations	6 785 685,35	21 691,71	179 738,96	22 305,16	63,82	-99 691,92	6 909 793,08
Operating profit (loss)	34 094 300,76	436 211,24	2 610 213,68	985 188,55	-106 967,90	-547 350,92	37 471 595,41
Financial revenue	4 194 609,62	1 818,05	521 446,11	26,82	460 425,14	-2 812 504,91	2 365 820,83
Financial expenses	9 714 559,39	698 529,25	1 231 765,69	374 724,81	-979,64	-2 812 504,91	9 206 094,59
Profit / loss on excluding subsidiary from consolidation							0,00
Profit (loss) on economic activity	28 574 350,99	-260 499,96	1 899 894,10	610 490,56	354 436,88	-547 350,92	30 631 321,65
Gross profit (loss)	28 574 350,99	-260 499,96	1 899 894,10	610 490,56	354 436,88	-547 350,92	30 631 321,65
Net profit (loss)	24 276 838,93	-612 468,87	1 899 894,10	610 490,56	235 067,88	-305 495,34	26 104 327,26

Between 01.01.2015 and 30.06.2015	Real estate development activity	Business activity related to hotels	Construction of social buildings	Real estate construction	Transport activity, other	Eliminations	Total
Net revenues from sales of products, goods and materials, including:	97 959 870,30	18 025 437,85	6 994 451,27	30 000 572,43	1 997 930,72	-27 462 204,97	127 516 057,60
Net revenues from sales of products	97 057 666,15	18 024 467,75	6 987 693,76	29 784 735,94	1 997 854,32	-27 457 521,97	126 394 895,95
Net revenues from sales of goods and materials	902 204,15	970,10	6 757,51	215 836,49	76,40	-4 683,00	1 121 161,65
Costs of products, goods and materials sold, of which, including:	73 272 858,78	16 641 659,34	3 612 941,21	29 350 712,48	1 635 575,62	-26 270 522,58	98 243 224,85
Manufacturing cost of products sold	72 315 994,80	16 640 761,48	3 605 579,23	29 185 289,71	1 635 499,22	-26 265 839,58	97 117 284,86
Value of goods and materials sold	956 863,98	897,86	7 361,98	165 422,77	76,40	-4 683,00	1 125 939,99
Gross profit (loss) on sales	24 687 011,52	1 383 778,51	3 381 510,06	649 859,95	362 355,10	-1 191 682,39	29 272 832,75
Sales costs	8 371 866,39	1 474 521,76	0,00	36 303,21	0,00	-1 661 867,58	8 220 823,78
Overheads	5 919 483,11	729 339,56	425 398,68	656 819,68	1 356 929,36	-136 871,38	8 951 099,01
Revaluation of investment properties	3 625 852,37	0,00	0,00	0,00	0,00	0,00	3 625 852,37
Profit (loss) on sales	14 021 514,39	-820 082,81	2 956 111,38	-43 262,94	-994 574,26	607 056,57	15 726 762,33
Other revenue from operations	2 543 970,59	31 049,06	62 902,92	657 954,72	2 235,48	0,00	3 298 112,77
Other costs related to operations	4 335 416,48	70 657,00	117 933,89	188 025,66	11 596,87	0,00	4 723 629,90
Operating profit (loss)	12 230 068,50	-859 690,75	2 901 080,41	426 666,12	-1 003 935,65	607 056,57	14 301 245,20
Financial revenue	1 742 078,91	732,41	501 530,72	691,91	441 145,60	-1 484 164,60	1 202 014,95
Financial expenses	8 683 909,02	891 667,91	955 033,78	488 621,38	15 737,00	-1 484 164,60	9 550 804,49
Profit (loss) on economic activity	5 288 238,39	-1 750 626,25	2 447 577,35	-61 263,35	-578 527,05	607 056,57	5 952 455,65
Gross profit (loss)	5 288 238,39	-1 750 626,25	2 447 577,35	-61 263,35	-578 527,05	607 056,57	5 952 455,65
Net profit (loss)	4 372 244,24	-1 750 626,25	2 447 577,35	-61 263,35	-738 176,05	833 476,22	5 103 232,16

EXPLANATORY NOTES TO CONSOLIDATED FINANCIAL STATEMENTS REGARDING TOTAL REVENUE

Note 24. Operating income

OPERATING INCOME	between 01-01-2016 and 30-06-2016	between 01-01-2015 and 30-06-2015
Revenues from sales of products	Revenues from sales of products	Revenues from sales of products
Revenues from sales of services	36 782 825,83	32 566 944,44
Revenues from sales of goods	813 978,31	1 121 161,65
Total income	255 033 189,06	127 516 057,60

	between 01-01-2016 and 30-06-2016	between 01-01-2015 and 30-06-2015
Proceeds from sales, including:	255 033 189,06	127 516 057,60
- sales of products - units, plots, buildings	216 406 462,16	92 554 558,00
- sales of other goods	1 029 922,76	1 273 393,51
- sales of services	36 782 825,83	32 566 944,44
- sales of goods	813 978,31	1 121 161,65

	between 01-01-2016 and 30-06-2016	between 01-01-2015 and 30-06-2015
Revenues from sales of products and services per segments	254 219 210,75	126 394 895,95
- developer activity	223 814 054,06	99 169 130,62
- business activity related to hotels	21 182 918,38	18 024 467,75
-construction of social and administration of social buildings	7 102 833,11	6 987 693,76
- transport services	0,00	0,00
-real estate construction	2 119 405,20	2 213 603,82

	between 01-01-2016 and 30-06-2016	between 01-01-2015 and 30-06-2015
Revenues from sales of products - premises, plots, buildings per geographic segments	216 406 462,16	92 554 558,00
-Warsaw and the surrounding area	159 048 492,21	74 038 962,77
-Gdynia	3 731 928,66	7 443 170,18
- Łódź	17 815 776,23	1 994 080,75
- Poznań	31 798 573,65	9 078 344,30
- Katowice	4 011 691,41	0,00

	between 01-01-2016 and 30-06-2016	between 01-01-2015 and 30-06-2015
Revenue from hotel services by geographical segment	21 182 918,38	18 024 467,74
-Warsaw and the surrounding area	2 549 622,74	3 026 972,31
- Tarnowo	2 973 885,26	2 639 268,65
- Stryków	1 952 513,71	1 869 779,82
- Cieszyn	0,00	0,00
- Szczecin	2 494 932,00	0,00
- Krynica Górská	11 211 964,67	10 488 446,96

Nota 25. Operating expenses

OPERATING EXPENSES	between 01-01-2016 and 30-06-2016	between 01-01-2015 and 30-06-2015
Costs on sale of products	159 541 391,48	70 281 012,60
Costs on sale of services	26 537 268,66	26 836 272,26
Costs on sale of goods	819 124,32	1 125 939,99
Total costs of products, services and goods sold	186 897 784,46	98 243 224,85

Sales and overhead expenses	between 01-01-2016	between 01-01-2015
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	and 30-06-2016	and 30-06-2015
Sales expenses	13 359 299,77	8 220 823,78
Overhead expenses	9 437 654,81	8 951 099,01
Total sales and overhead expenses	22 796 954,58	17 171 922,79

Costs by type	between 01-01-2016 and 30-06-2016	between 01-01-2015 and 30-06-2015
Depreciation and amortization	4 983 395,79	4 975 925,41
Cost of materials and energy	12 140 053,77	12 775 849,09
Services rendered by other contractions	100 937 505,01	71 316 505,28
Taxes and duties	5 452 611,05	5 955 799,67
Wages and Salaries	17 195 445,42	15 423 913,68
Social security and other payments to the benefit of employees	2 953 080,73	2 672 107,35
Other costs of type	5 572 058,84	4 160 089,06
Total costs according to types	149 234 150,61	117 280 189,54

Note 26. Other operating revenue

OPERATING INCOME	between 01-01-2016 and 30-06-2016	between 01-01-2015 and 30-06-2015
a) income from sale of non-financial fixed assets	0,00	2 353 833,93
b) other operating income	1 162 410,12	944 278,84
Total operating income	1 162 410,12	3 298 112,77

OPERATING INCOME	between 01-01-2016 and 30-06-2016	between 01-01-2015 and 30-06-2015
a) profit from disposal of non-financial fixed assets	0,00	2 353 833,93
b) handling charges	632 232,76	0,00
c) reserves	0,00	0,00
d) assets disclosure	0,00	0,00
e) other (including compensation, contractual fines)	530 177,36	944 278,84
Total operating expenses	1 162 410,12	3 298 112,77

Note 27. Other operating expenses

OPERATING EXPENSES	between 01-01-2016 and 30-06-2016	between 01-01-2015 and 30-06-2015
a) loss on disposal of non-financial fixed assets	6 995,38	0,00
b) revaluation of non-financial assets	88 795,26	0,00
c) other operating expenses	6 814 002,44	4 723 629,90
Total operating expenses	6 909 793,08	4 723 629,90

OPERATING EXPENSES	between 01-01-2016 and 30-06-2016	between 01-01-2015 and 30-06-2015
a) loss on sale of non-financial fixed assets	6 995,38	0,00
b) revaluation of non-financial assets	88 795,26	0,00
c) reserves	1 108 944,54	1 088 146,45
d) compensation, penalties and damages	1 981 607,38	1 024 660,47
e) compensation	0,00	0,00
f) costs of discontinued investments	2 945 532,34	
g) other	777 918,18	2 610 822,98
Total operating expenses	6 909 793,08	4 723 629,90

Not3 28. Financial income

FINANCIAL INCOME	between 01-01-2016 and 30-06-2016	between 01-01-2015 and 30-06-2015
a) dividends	0,00	0,00
b) interest	862 228,05	547 414,43
c) profit on disposal of investments	0,00	0,00
d) other	1 503 592,78	654 600,52
Total financial income	2 365 820,83	1 202 014,95

Financial income	between 01-01-2016 and 30-06-2016	between 01-01-2015 and 30-06-2015
a) dividends	0,00	0,00
b) interests from customers	-435 464,16	120 785,36
c) loan interest	250 472,53	283 721,04
d) deposit interest	181 078,27	123 390,76
e) interest on promissory notes	7 596,40	8 158,04
f) other interest	858 545,01	11 359,23
g) profit on disposal of investments	0,00	0,00
h) foreign exchange differences	1 451 188,58	0,00
i) other	52 404,20	654 600,52
Total	2 365 820,83	1 202 014,95

Note 29. Financial expenses

FINANCIAL EXPENSES	between 01-01-2016 and 30-06-2016	between 01-01-2015 and 30-06-2015
a) interest	9 083 341,36	9 140 662,12
b) loss on disposal of investments	4 709,26	0,00
c) other	118 043,97	410 142,37
Total financial expenses	9 206 094,59	9 550 804,49

FINANCIAL EXPENSES	between 01-01-2016 and 30-06-2016	between 01-01-2015 and 30-06-2015
a) interest, commissions, loans	3 541 513,21	3 378 510,65
b) interest - leasing	12 334,87	162 313,16
c) interest - loans	101 261,30	164 852,47
d) interest - promissory notes	174 337,64	256 449,51
e) interest – bond issuance	5 127 231,42	4 485 863,60
f) other interest	126 662,92	692 672,73
g) loss on disposal of investments	4 709,26	0,00
h) other	118 043,97	410 142,37
Total financial expenses	9 206 094,59	9 550 804,49

Note 30. Transactions with related companies

The Company within its business activity enters into transactions with related companies especially in the scope of the management of sales, administrative services, rental property, execution of works, the provision of guarantees, financing. Below, there are transactions with subsidiaries and other affiliated companies, the value of which in 2016 was significant from the point of view of the presented data. Materiality threshold was adopted for commercial transactions over PLN 100 thousand with the remaining 10% of equity. All transactions concluded in 2016 by the Company or a subsidiary with the related parties were concluded on market terms.

COMPANY NAME	Receivables from related parties	
	30-06-2016	31-12-2015
TBS Marki Sp. z o.o.	413 286,54	121 707,97
J.W. Marka Sp. z o. o.	10 000,00	561 558,64
Business Financial Construction Sp. z o.o.	0,00	347,38
Seahouse Sp. z o.o.	261 138,61	402 730,80
J.W. Construction Sp. z o.o.	15 676 668,10	11 379 373,95
Nowe Tysiąclecie Sp. z o.o.	2 668 821,97	1 336 235,48
Dana Invest Sp. z o.o.	126 464,12	366 178,26
Porta Transport Sp. z o.o. (in liquidation)	14 760,00	14 760,00
Bałtycka Invest Sp. z o.o.	13 089,66	13 089,66
Berenzona Invest Sp. z o.o.	14 245,86	14 245,86
Bliska Wola 4 Sp. z o.o.1 SK	6 570 070,46	2 830 782,78
Bliska Wola 4 Sp. z o.o. 2 SK	3 786 913,28	1 585 627,17
Bliska Wola 4 Sp. z o.o.	14 635,60	14 245,86
Łódź Invest Sp. z o.o.	672 090,99	727 895,88

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COMPANY NAME	Receivables from related parties	
	30-06-2016	31-12-2015
TBS Marki Sp. z o.o.	30 108 265,29	29 653 707,26
J.W. Marka Sp. z o.o.	291 080,76	0,00
Business Financial Construction Sp. z o.o.	2 798 568,04	1 067 332,12
Seahouse Sp. z o.o.	9 896 935,67	117,00
J.W. Construction Sp. z o.o.	24 293 415,00	8 847 589,59
Nowe Tysiąclecie Sp. z o.o.	39 807,87	40 994,46
Bliska Wola 4 Sp. z o.o.1 SK	0,00	23 526,05

J.W. Construction Holding S.A. as the party buying services:

COUNTERPARTY TO TRANSACTION	TRANSACTION/AGREEMENT SUBJECT	between 01-01-2016 and 30-06-2016
J.W. Marka Sp. z o.o.	marketing services	277 026,00
Business Financial Construction Sp. z o.o.	marketing services	1 399 540,77
J.W. Construction Sp. z o.o.	construction work- Zdziarska road 17KL	177 814,00
J.W. Construction Sp. z o.o.	construction work- Zdziarska II	12 763 585,84
J.W. Construction Sp. z o.o.	construction work - Ożarów houses	1 214 208,00

J.W. Construction Holding S.A. as the party selling services:

COUNTERPARTY TO TRANSACTION	TRANSACTION/AGREEMENT SUBJECT	between 01-01-2016 and 30-06-2016
Business Financial Construction Sp. z o.o.	car lease	181 412,10
Seahouse Sp. z o.o.	sales services	131 498,00
J.W. Construction Sp. z o.o.	re invoicing-electricity	242 862,29
J.W. Construction Sp. z o.o.	warranty repair services	318 777,77
J.W. Construction Sp. z o.o.	real estate rental	317 070,42
Nowe Tysiąclecie Sp. z o.o.	construction and fitting services	6 540 246,00
Nowe Tysiąclecie Sp. z o.o.	administrative services	183 120,00
Nowe Tysiąclecie Sp. z o.o.	sales services	127 704,00
Dana Invest Sp. z o.o.	re invoicing	200 000,00
Bliska Wola 4 Sp. z o.o.1 SK	administrative services	1 774 200,00
Bliska Wola 4 Sp. z o.o.1 SK	sales services	329 178,00
Bliska Wola 4 Sp. z o.o.1 SK	construction services	1 999 966,54
Bliska Wola 4 Sp. z o.o.1 SK	logging clearance	1 022 572,04
Bliska Wola 4 Sp. z o.o.1 SK	other	140 547,33
Bliska Wola 4 Sp. z o.o. 2 SK	administrative services	1 290 612,00
Bliska Wola 4 Sp. z o.o. 2 SK	sales services	267 312,00
Bliska Wola 4 Sp. z o.o. 2 SK	construction services	1 597 095,60
Łódź Invest Sp. z o.o.	construction and fitting services	1 174 576,00

Within the Capital Group, J.W. Construction Holding S.A. acts in the capacity of a general contractor towards entities affiliated directly or indirectly.

Transactions connected with capital investments, financial assets are described in the relevant events up to the balance sheet date and after. Other transactions with affiliated entities do not exceed the significance threshold.

All transactions concluded by the Issuer or its subsidiaries are concluded on market terms.

Note 31. Remuneration of the Management Board and Supervisory Board of the Company of the Capital Group

The table below presents the remuneration for the first half of 2016. The tables contain aggregate data of members of the bodies of the parent company with the division on the remuneration received for performance of duties in Group Companies, employment in Group companies, other forms of remuneration.

Management Board Remuneration	between 01-01-2016 and 30-06-2016	between 01-01-2015 and 30-06-2015
remuneration for the fuction in the Group	210 490,00	299 402,74
remuneration for the employment in the Group	337 146,00	43 390,38
other remuneration in the Group	0,00	0,00
Total remuneration	547 636,00	342 793,12

Supervisory Board Remuneration	between 01-01-2016 and 30-06-2016	between 01-01-2015 and 30-06-2015
remuneration for the fuction in the Group	280 124,00	245 307,41
remuneration for the employment in the Group	0,00	13 066,38
other remuneration in the Group	0,00	0,00
Total remuneration	280 124,00	258 373,79

JW Construction Holding S.A.	between 01-01-2016 and 30-06-2016	between 01-01-2015 and 30-06-2015
Management Board		
Suprynowicz Piotr	27 500,00	0,00
Ostrowska Małgorzata	102 196,00	84 076,00
Rajchert Wojciech	132 500,00	120 000,00
Starzyńska Magdalena	102 450,00	95 327,00

JW Construction Holding S.A.	between 01-01-2016 and 30-06-2016	between 01-01-2015 and 30-06-2015
Supervisory Board		
Król Jarosław	0,00	5 800,00
Murawski Jacek	0,00	0,00
Oleksy Józef	0,00	15 000,00
Podsiadło Andrzej	0,00	5 800,00
Samarcew Marek	0,00	0,00
Wojciechowski Józef	0,00	0,00
Łopuszyńska Irmína	75 916,00	71 773,00
Szwarc-Sroka Małgorzata	71 716,00	67 433,00
Michnowicz Laura	12 916,00	6 673,00
Czyż Barbara	82 221,00	72 827,00

Other companies of the Group	between 01-01-2016 and 30-06-2016	between 01-01-2015 and 30-06-2015
Management Board		
Łopuszyńska Irmína	49 500,00	0,00
Ostrowska Małgorzata	47 724,00	26 724,00
Rajchert Wojciech	15 000,00	3 000,00
Starzyńska Magdalena	47 766,00	13 666,00
Michnowicz Laura	12 500,00	0,00
Szwarc-sroka Małgorzata	10 500,00	0,00
Supervisory Board		
Wojciechowski Józef	0,00	0,00
Łopuszyńska Irmína	0,00	0,00
Szwarc-Sroka Małgorzata	7 355,00	13 066,00
Michnowicz Laura	0,00	0,00
Czyż Barbara	30 000,00	0,00

Information about employment with the division into professional groups (Capital Group)

Professional Group	30-06-2016	30-06-2015
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Board	3	3
Management	18	29
Administration	194	201
Other employees	124	188
Total	339	421

Note 32. Group's activities and significant events during the first half of 2016.

Corporate matters

Within the period covered by this statement the following significant events took place:

General Meetings:

On June 29, 2016 The Ordinary General Meeting of Shareholders took place, which adopted a resolution on the approval of: the financial statements and the Company's activities for the year 2015, the consolidated financial statements and the Management Board from operations of the Company for 2015, granted discharge to the members of Company authorities. Issuer's profit generated in 2015 was allocated to the reserve capital.

Capital increase in subsidiary companies:

Dana Invest Sp. z o.o.

On 8 February 2016, a notarial deed A 1189/2016 prepared by Anna Sota in Warsaw increased the share capital of a subsidiary Dana Invest Sp. z o.o with headquarters in Żąbki from 10,065,000 PLN to 11,125,850 PLN. The amount of PLN 1,060,850 was achieved through creation of 21,217 new shares with a nominal value of 50 PLN and issue value of 200 PLN each. The shares were acquired by the Company in exchange for a cash contribution.

On 16 May 2016 the District Court of Warsaw XIV Commercial Department of the National Court Register registered the increase of share capital in the company under the name of Dana Invest Sp. z o.o. with headquarters in Żąbki in the amount of 1,060,850 PLN to the amount of 11,125,850 PLN.

J.W. Marka Sp. z o.o.

On 26 February 2016, a notarial deed A 2096/2016 prepared by Anna Sota in Warsaw increased the share capital of a subsidiary J.W. Marka Sp. z o.o with headquarters in Żąbki from 158.838.000 PLN to 189.658.450 PLN. The amount of 30.820.450 PLN was achieved through creation of 616.409 new shares with a nominal value of 50 PLN each. The shares were acquired entirely by the Company in exchange for a contribution in the form of 145,558 shares with a total nominal value of 7,277,900 PLN in the company under the name Bliska Wola 1 Sp. z o.o. with headquarters in Żąbki.

On 26 February 2016, exercising the above mentioned resolution an agreement was concluded on the basis of which the Company transferred 145,558 shares with a total nominal value of 7,277,900 PLN to the subsidiary J.W. Mark Sp. z o.o with headquarters in Żąbki.

On 14 March 2016 the District Court of Warsaw XIV Commercial Department of the National Court Register registered the increase of share capital in the company under the name of J.W. Marka Sp. z o.o. with headquarters in Żąbki in the amount of 30.820.450 PLN to 189.658.450 PLN.

J.W. Construction Sp. z o.o.

On 26 February 2016, a notarial deed A 2106/2016 prepared by Anna Sota in Warsaw increased the share capital of a subsidiary under the name of J.W. Construction Sp. z o.o with headquarters in Żąbki from 27.021.650 PLN to 39.767.150 PLN. The amount 12.745.500 was achieved through creation of 254.910 new shares with a nominal value of 50 PLN each. The shares were acquired by the Company in exchange for a contribution in the form of 71,604 shares with a nominal value of 3.580.200 PLN in the company under the name Bliska Wola 2 Sp. z o.o. with headquarters in Żąbki.

On 26 February 2016, exercising the above mentioned resolution an agreement was concluded on the basis of which the Company transferred 71,604 shares with a nominal value of 3,580,200 PLN to company under the name of J.W. Construction Sp. z o.o. with headquarters in Żąbki in the company under the name Bliska Wola 2 Sp. z o.o. with headquarters in Żąbki.

On 4 April 2016 the District Court of Warsaw XIV Commercial Department of the National Court Register registered the increase of share capital in the company under the name J.W. Construction Sp. z o.o. with headquarters in Żąbki in the amount of 12.745.500 PLN to 39.767.150 PLN.

Transformation of the Issuer's subsidiaries:

Bliska Wola 1 Sp. z o.o.

On 29 February 2016 the Board of the subsidiary operating under the company Bliska Wola 1 Sp. z o.o. with headquarters

in Żąbki adopted and presented to the partners the plan to transform the company into a limited partnership.

After the transformation the associates of the company will be :

- Bliska Wola 4 Sp. z o.o. with headquarters in Żąbki which is the general partner with participation in the profits of 1 % (100% subsidiary of the Issuer)
- J.W. Brand Company o.o. with headquarters in Żąbki being a limited partner with a share in the profits of 51 % (100% subsidiary of the Issuer)
- Issuer being a limited partner with a 48% share of the profits.

On 30 March 2016 shareholders of company Bliska Wola 1 Sp. z o.o. with headquarters in Żąbki adopted a resolution, recorded by a notary Radosław Walasik A1797/2016 in Warsaw, to transform Bliska Wola 1 Sp. z o.o. into a limited partnership, which will operate under the company Bliska Wola 4 Sp. z o.o. 1 Limited Partnership with headquarters in Żąbki.

On 29 April 2016 the District Court of Warsaw XIV Commercial Department of the National Court Register registered the transformation of the Issuer's subsidiary under the name of Bliska Wola 1 Sp. z o.o. with headquarters in Żąbki into a limited partnership operating under the name Bliska Wola 4 Sp. z o.o. 1 Limited Partnership with headquarters in Żąbki. The entity was registered in the register of entrepreneurs under the number KRS 0000614745.

Bliska Wola 2 Sp. z o.o.

On 29 February 2016 the board of the subsidiary operating under the company Bliska Wola 2 Sp. z o.o. with headquarters in Żąbki adopted and presented to the partners the plan to transform the company into a limited partnership.

After the transformation the associates of the company will be:

- Bliska Wola 4 Sp. z o.o. with headquarters in Żąbki which is the general partner with participation in the profits of 1% (100% subsidiary of the Issuer)
- J.W. Construction Sp. z o.o. with headquarters in Żąbki being a limited partner with a share in profits of 51% (100% subsidiary of the Issuer)
- Issuer being a limited partner with a 48% share of the profits.

On 30 March 2016 shareholders of company Bliska Wola 2 Sp. z o.o. with headquarters in Żąbki adopted a resolution, recorded by a notary Radosław Walasik A1801/2016 in Warsaw, to transform Bliska Wola 2 Sp. z o.o. into a limited partnership, which will operate under the company Bliska Wola 4 Sp. z o.o. 2 Limited Partnership with headquarters in Żąbki.

On 29 April 2016 the District Court of Warsaw XIV Commercial Department of the National Court Register registered the transformation of the Issuer's subsidiary under the name of Bliska Wola 2 Sp. z o.o. with headquarters in Żąbki into a limited partnership operating under the name Bliska Wola 4 Sp. z o.o. 2 Limited Partnership with headquarters in Żąbki. The entity was registered in the register of entrepreneurs under the number KRS 000061621.

Loans:

Annex to the loan agreement

On 21 March 2016 the Company signed an annex to the loan agreement in the current account in the amount of 16.83m PLN with Bank Millenium SA. Under the annex the agreed payment date is 23 October 2016.

On 25 April 2016 the Company signed an annex to the loan agreement in the current account in the amount of 15m PLN with Plus Bank S.A. Under the annex the utilisation and payment dates have been changed. The payment date is 25 April 2018.

On 27 April 2016 the Company signed an annex to the loan agreement in the current account in the amount of 10m PLN with PKO BP S.A. Under the annex to utilisation and payment dates have been changed. The payment date is 27 April 2017.

Loan repayment

On 29 April 2016, the Issuer's subsidiary under company Łódź Invest Sp. z o.o. with headquarters in Ząbki carried out the payment of entire revolving credit to the amount of 15.141.884 PLN for co-financing of the "Osiedle Centrum III" investment at Tymienieckiego street in Łódź granted by Bank Polskiej Spółdzielczości.

On 29 April 2016, the Issuer's subsidiary under company Łódź Invest Sp. z o.o. with headquarters in Ząbki carried out the payment of entire revolving credit to the amount of 350.000 PLN for financing VAT tax for the "Osiedle Centrum III" investment at Tymienieckiego street in Łódź granted by Bank Polskiej Spółdzielczości.

On 31 May 2016, the Issuer's subsidiary under company Nowe Tysiąclecie Sp. z o.o. with headquarters in Ząbki carried out the payment of entire investment loan to the amount of 21.000.000 PLN for co-financing of the "Nowe Tysiąclecie Budynek A1" investment in Katowice granted by Getin Noble Bank SA.

Permits:

Building permit

On 16 March 2016 the Company received a building permit for reconstruction including the change of use of an existing office building in Warsaw at Jerozolimskie 212 Av. into an aparthotel - Jerozolimska Invest.

Occupancy permit

On 12 February 2016 Group Company operating under the name Nowe Tysiąclecie Sp. z o.o. received an occupancy permit for the occupancy of a multifamily building - "Nowe Tysiąclecie etap A1" at Tysiąclecia street in Katowice. The permit is final and binding.

On 8 April 2016 Group Company - Łódź Invest Sp. z o.o. - received an occupancy permit for a multifamily estate "Łódź Centrum III" at Tymienieckiego street in Łódź. The permit is final and binding.

On 13 June 2016 Group company operating under the name Bliska Wola 4 Sp. z o.o. 2 Limited Partnership received an occupational permit for residential buildings and services - B2 building with underground garage, exits and infrastructure in the region of Ordonia street in Warsaw. The permit is final and binding.

Bonds:

Bond buyout:

On 25 January 2016 the Company redeemed bonds:

- 5782 bonds with a nominal value of 10,000 PLN each, ISIN code PLJWC0000043

- 992 bonds with a nominal value of 80,000 PLN each, ISIN code PLJWC0000050.

The buyout and payment of interest of the above bonds, together with the redemption of the bonds acquired in exchange for the issued bonds (ISIN code PLJWC00100) on 10 December 2015, mean that the payment of the Company's liabilities described above is finalised.

Listing of bonds:

As of 12 February 2016 120.000 of Company's bonds (ISIN PLJWC000100), with a nominal value of 1,000 PLN each, are listed on Catalyst.

Interest payment

On 25 January 2016 the Company carried out interest payments on bonds (ISIN PLJWC0000043) issued pursuant to the Management Board Resolution from 26 April 2012. The payment concerned the interest charged on the remaining 5,782 bonds redeemed on 25 January 2016.

On 25 January 2016 the Company carried out interest payments on bonds (ISIN PLJWC0000050) issued pursuant to the Management Board Resolution from 12 December 2012. The payment concerned the interest charged on the remaining 992 bonds redeemed on 25 January 2016.

On 8 June 2016 the Company carried out interest payments on 120.000 bonds, with a nominal value of 1.000 PLN each, issued pursuant to the Management Board Resolution from 23 November 2015. ISIN PLJWC0000100.

Note 33. Events which occurred after the balance sheet date

Loans:

Credit Agreement

On 22 July 2016 the Company entered into a revolving credit regarding co-financing of the "Bernadowo Park etap I" residential development investment in Gdynia in the amount of 33.700.000 PLN. The credit payment date was set at 30 September 2018.

On 22 August 2016 the Company entered into a revolving credit with Plus Bank S.A. for co-financing "Osiedle Kamerata" residential development investment in Gdynia in the amount of 9.700.000 PLN. The credit payment date was set at 31 October 2018.

Annex to the loan agreement

On 4 July 2016 Issuer's subsidiary - J.W. Construction Sp. z o.o. - signed an annex to the loan agreement in the current account to the amount of 7.000.000 PLN with PKO BP S.A. Under the annex the utilisation and payment dates have been extended. The new payment date is 4 July 2017.

Loan payment

On 17 August 2016 the Company carried out a payment of entire revolving credit to the amount of 3.000.000 PLN for financing current operations in Bank Polskiej Spółdzielczości S.A.

Permits:

Occupancy permits

On 1 July 2016 Group Company operating under name Bliska Wola 4 Sp. z o.o. 1 Limited Partnership received occupancy permit for residential buildings and services - B1 building with underground garage, exits and infrastructure in the region of Ordonia street in Warsaw. The permit is final and binding.

Note 34. Selected financial data including basic items of the consolidated financial statements in thousands PLN (also in EUR)

In order to convert the balance sheet data on the last day of the period between January 1 and June 30 2016 the adopted exchange rate of euro was fixed by the National Bank of Poland, which was PLN 4,4255 per 1 euro.

In order to convert the balance sheet data on the last day of the period between January 1 and December 31 2015 the adopted exchange rate of euro was fixed by the National Bank of Poland, which was PLN 4,2615 per 1 euro.

In order to convert the profit and loss account data for the period between January 1 and June 30 2016, the adopted exchange rate of euro was fixed by the National Bank of Poland, which was PLN 4,3805 per 1 euro

In order to convert the profit and loss account data for the period between January 1 and June 30 2015, the adopted exchange rate of euro was fixed by the National Bank of Poland, which was PLN 4,1341 per 1 euro.

Issuer's balance sheet item	30-06-2016		31-12-2015	
	PLN	EUR	PLN	EUR
Total Assets	1 355 407	306 272	1 315 689	308 739
Fixed assets	797 920	180 301	842 997	197 817
Current assets	557 487	125 972	472 692	110 922
Total equity and liabilities	1 355 407	306 272	1 315 689	308 739
Equity	652 436	147 426	674 695	158 323
Long-term liabilities	360 721	81 510	300 857	70 599
Short-term liabilities	342 251	77 336	340 138	79 816

Profit and loss account item	between 01-01-2016 and 30-06-2016		between 01-01-2015 and 30-06-2015	
	PLN	EUR	PLN	EUR
Net revenues from sales of products, goods and materials	57 196	13 057	131 852	31 894
Costs of products, goods and materials sold	53 319	12 172	103 441	25 021
Gross profit (loss) on sales	3 876	885	28 411	6 872
Sales costs	8 077	1 844	8 504	2 057
Overheads	7 439	1 698	6 773	1 638
Profit (loss) on sales	-13 759	-3 141	16 759	4 054
Operating profit (loss)	-19 555	-4 464	14 935	3 612
Gross profit (loss)	-26 891	-6 139	7 413	1 793

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Income tax	-4 631	-1 057	1 216	294
Net profit (loss)	-22 259	-5 081	6 197	1 499

Issuer's balance sheet item	30-06-2016		31-12-2015	
	PLN	EUR	PLN	EUR
Total Assets	1 580 098	357 044	1 697 585	398 354
Fixed assets	812 846	183 673	865 498	203 097
Current assets	767 251	173 371	832 087	195 257
Total equity and liabilities	1 580 098	357 044	1 697 585	398 354
Equity	653 695	147 711	626 643	147 047
Long-term liabilities	434 683	98 222	449 965	105 588
short-term liabilities	491 720	111 111	620 977	145 718

Consolidated Profit and loss account item	from 01-01-2016 to 30-06-2016		from 01-01-2015 to 30-06-2015	
	PLN	EUR	PLN	EUR
Net revenues from sales of products, goods and materials	255 033	58 220	127 516	30 845
Costs of products, goods and materials sold	186 898	42 666	98 243	23 764
Gross profit (loss) on sales	68 135	15 554	29 273	7 081
Sales expenses	13 359	3 050	8 221	1 989
Overheads	9 438	2 154	8 951	2 165
Profit (loss) on sales	43 219	9 866	15 727	3 804
Operating profit (loss)	37 472	8 554	14 301	3 459
Gross profit (loss)	30 631	6 993	5 952	1 440
Income tax	4 527	1 033	849	205
Net profit (loss)	26 104	5 959	5 103	1 234

Note 35. Off-balance sheet entries

OFF-BALANCE SHEET COLLATERALS - credit agreements	30-06-2016
The sum for securities on owned real estate - loans	636 488 517,64
The sum for securities on other real estate - loans	17 500 000,00
Blank bills	320 950 787,91
Writs of execution	352 807 311,83
Assignment of the insurance contract	267 549 067,61
A guarantee granted by Company to BZ WBK SA /Dana Invest/	23 499 581,61
Registered pledge on Company shares in Dana Invest	23 499 581,61
Surety granted by JWCH to the benefit of Nowe Tysiąclecie - credit loan	67 500 000,00
Registered pledge on Company shares in Nowe Tysiąclecie	67 500 000,00

OFF-BALANCE SHEET COLLATERALS - other	30-06-2016
Investment real estate pledged as collateral - loans	125 000 000,00
Writs of execution	Writs of execution
Sureties to the benefit J.W.Construction Sp. z o.o.	7 000 000,00
Sureties to the Capital City of Warsaw	151 300,00
Sureties to the benefit of TBS "Marki" Sp z o.o.	22 400 000,00

As at June 30, 2016, 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 the capital group 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 of June 30, 2016, the total value of guarantees was PLN 1,2m EUR (J.W. Construction Holding SA); 2,6m and 99,4 thousand EUR (J.W. Construction sp. z o.o.).

Note 36. Significant issues in litigation

As at June 30, 2016 the Company was a party to the lawsuit brought in its name the value of which is 108,9m PLN. The lawsuit brought by Company with the largest value that exceeded 10 % of Company equity is the court proceedings started on April 26, 2012 consisting in suing the Capital City of Warsaw ("Defendant") a petition for

commitment of the Defendant to submit a declaration of intent for the acquisition from the Company right of perpetual use of the plot no 2/6 with the area of 3,2605 ha for which the District Court for Warsaw- Mokotów, X Division of Land Registry maintains a land and mortgage registry no WA4M/00413015/1 KW ("Property") for a net price of PLN 91,130,975 together with interest from the date of 8 January 2010. The company filed a petition according to the Article 36.1 point. 2) of the Act of 27 March 2003 on spatial planning and development (Journal of Laws 2003.80.717) in connection with the adoption by the Respondent of the area development plan area of Olbrachta Street (approved by the resolution of the City of Warsaw No. LVI/1669/2009, which entered into force on 3 August 2009) ("Plan"). The property has been earmarked for the N-S Route. In the period when the Company acquired the Property, the zoning plan of the property was not obligatory. With the adoption of the Plan and as a result of this adoption, there has been a significant restriction on the use of the Property by the Company, therefore the Company has the right to request to redeem to purchase/buy out the Property by the Defendant.

The Company applied to the Defendant with a request to take steps to voluntary purchase of the Property by the Respondent but the request was refused. On 20 May 2016, in connection with judgement of second instance court dismissing the Company's plea, a cassation appeal was filed to the Supreme Court. As at June 30, 2016, the value of court actions against the Company does not exceed 10% of the Company share capital.

Note 37. Significant risk factors and threats

The risks recognized by the Group include: interest rate risk, credit risk, liquidity risk, risks associated with administrative decisions and risks associated with competition on the real estate market.

Interest rate risk

The Company raises funds for the implementation of its projects through loans with variable interest rate. The vast majority of them are incurred for the duration of the construction of a given investment - on average 2 to 3 years. Also, the Company holds variable interest rate bonds. Significant reductions of base rates in the last year are going to have positive impact on the level of financial costs.

Credit risk

A significant part of the Company's customers makes purchases with bank loans. Risks associated with offered loans are secured with insurance of particular debts on behalf of clients. In relation to no customer group is there a significant concentration of credit risk. Furthermore, the Company systematically evaluates payments made and the financial situation of its customers.

Liquidity risk

The Company pays special attention to keeping the balance between financing its investment activities and timely payment of its obligations. Maintaining liquidity is dependent on the credit policy of banks in granting mortgages and investment credits as well. Lack of funding from banks especially along with the requirements of developer act developer and escrow accounts. In the case of developers and individuals it can affect: start of new investments, the demand for housing, timeliness of payments and thus cash flows.

Administrative decisions risk

The basis for real estate activities are administrative decisions required in connection with present or future projects. The lack of licenses, permits or concessions or failing to obtain them in time may adversely affect the ability to commence, conduct or complete present and new investments by the Company. All of these factors may have an impact on financial flows and overall operations.

Risk associated with competition on the real estate market

Housing offer of most developers operating in the same markets is to an extent similar in terms of quality and technical parameters of the premises. Therefore, other factors, such as location, variety of offers in terms of structure, adequate promotion of the project developer's image among customers, gain on importance. The Warsaw market, which is the focus of the Group's activities, is characterized by considerable competition from real estate companies. The competition processes have intensified in recent years due to the fact that the supply of flats has been higher than the demand. One must reckon with the fact that there is a risk from other real estate companies acquiring cheaper land, plots of better location or superior offer advertising campaign to the one of the Capital Group. All these elements may result in the slide of housing sales (decrease in number of contracts). As a result, in order to achieve the presumed sales level, the Group will be forced to initiate sales promotion which will contribute to a reduction in cash receipts, lower sales margin, and therefore, lower profits.

Note 38. Financial instruments and hedge accounting

In 2016 the Group does not apply hedge accounting and does not have any embedded derivatives..

Note 39. Changes in the Management and Supervisory Board of the Dominant Entity in the Capital Group - J.W. Construction Holding S.A.

Management Board

As of 30.06.2016 Management Board was composed of:

Wojciech Rajchert – Board Member
Magdalena Starzyńska – Board Member
Małgorzata Ostrowska – Board Member
Piotr Suprynowicz – Board Member

In the first half of 2016 there were no changes to the management board.

Supervisory Board

As of 30.06.2016 Supervisory Board was composed of:

Józef Wojciechowski – the president of the supervisory board
Irmina Łopuszyńska – supervisory board member
Małgorzata Szwarz - Sroka – supervisory board member
Laura Michnowicz – supervisory board member
Barbara Czyż – supervisory board member

In the first half of 2016 there were no changes to the supervisory board.

D. CONDENSED INTERIM FINANCIAL STATEMENTS OF THE DOMINANT ENTITY(ISSUER) AS AT JUNE 30, 2016

Financial situation report

ASSETS	Nota	30-06-2016	31-12-2015
FIXED ASSETS		797 920 004,98	842 997 161,93
Intangible assets	1	12 626 694,28	12 743 704,03
Tangible assets	2	229 120 258,86	227 400 157,30
Investment real estate	3	347 207 580,49	405 269 174,24
Other financial assets	4	185 227 935,97	178 339 779,28
Deferred income tax assets		21 873 174,95	17 478 087,72
Trade and other receivables	5	1 864 360,43	1 766 259,37
CURRENT ASSETS		557 487 440,10	472 692 002,41
Inventories	6	27 504 951,64	27 822 881,13
Construction contracts	7	371 761 321,26	267 739 043,96
Trade and other receivables	8	54 728 269,79	53 473 215,20
Other financial assets	9	43 661 835,89	42 030 670,09
Cash and cash equivalents	10	47 690 709,76	73 600 261,65

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Accruals	11	12 140 351,76	8 025 930,38
Total assets		1 355 407 445,08	1 315 689 164,35
EQUITY AND LIABILITIES			
EQUITY		652 435 601,66	674 694 704,07
Share capital		17 771 888,60	17 771 888,60
Revaluation capital		7 493 208,19	7 493 208,19
Other capital		655 109 117,27	640 069 533,01
Retained earnings		-5 679 509,99	-5 679 509,99
Net profit / loss		-22 259 102,41	15 039 584,26
LIABILITIES		702 971 843,43	640 994 460,28
Non-current liabilities		360 720 977,75	300 856 821,59
Borrowings	12	72 757 220,42	50 841 566,42
Deferred income tax liabilities		38 007 407,25	38 243 749,24
Retirement benefit obligations		200 416,45	200 416,45
Provision for other liabilities and charges		0,00	0,00
Other liabilities	13	249 755 933,63	211 571 089,48
Current liabilities		342 250 865,69	340 137 638,69
Trade and other payables	14	95 965 161,87	112 913 932,78
Construction contracts	7	138 199 973,42	51 892 131,72
Borrowings	12	37 938 478,66	13 667 098,43
Provision for other liabilities and charges	13	10 268 805,95	12 161 856,31
Other liabilities	14	59 878 445,79	149 502 619,45
EQUITY AND LIABILITIES		1 355 407 445,09	1 315 689 164,35

Consolidated total income statement

	Note	for the period between 01-01-2016 and 30-06-2016	for the period between 01-01- 2015 and 30-06- 2015
Net revenues from sales of products, goods and materials, of which:	15	57 195 800,58	131 852 186,25
Net revenues from sales of products		55 174 662,25	130 997 849,94
Net revenues from sales of goods and materials		2 021 138,33	854 336,31
Costs of products, goods and materials sold, of which:	16	53 319 359,80	103 441 350,17
Manufacturing cost of products sold		51 266 559,73	102 532 426,27
Value of goods and materials sold		2 052 800,07	908 923,90
Gross profit (loss) on sales		3 876 440,78	28 410 836,08
Sales costs	16	8 076 628,23	8 504 350,01
Overheads	16	7 439 165,06	6 773 246,34
Revaluation of investment propertie		-2 119 471,65	3 625 852,37
Profit (loss) on sales		-13 758 824,16	16 759 092,10
Other operating income	17	842 896,07	2 571 470,66
Other operating expenses	18	6 639 000,16	4 396 062,19

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Operating profit (loss)		-19 554 928,25	14 934 500,57
Financial Revenues	19	3 187 750,21	1 596 206,68
Financial expenses	20	10 523 353,59	9 118 072,00
Profit (loss) on business activity		-26 890 531,63	7 412 635,25
Gross profit (loss)		-26 890 531,63	7 412 635,25
Income tax		-4 631 429,22	1 215 883,50
Net profit (loss)		-22 259 102,41	6 196 751,75

Other comprehensive income		0,00	0,00
Foreign exchange rate operation differences		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		-22 259 102,41	6 196 751,75

KALKULACJA ZYSKU PODSTAWOWEGO I ROZWODNIONEGO NA AKCJĘ		for the period between 01-01-2016 and 30-06-2016	for the period between 01-01- 2015 and 30-06- 2015
Zyski			
(A) Zysk wynikający ze sprawozdań finansowych		-22 259 102,41	6 196 751,75
Liczba akcji			
(B) Liczba akcji zwykłych oraz uprzywilejowanych co do głosu na WZA Spółki dla celu wyliczenia wskaźnika zysku na akcję*		88 859 443	88 859 443
(C) Liczba akcji zwykłych oraz uprzywilejowanych co do głosu na WZA Spółki dla celu wyliczenia wskaźnika rozwodnionego zysku na akcję		88 859 443	88 859 443
Podstawowy zysk na akcję = (A)/(B)		-0,25	0,07
Rozwodniony zysk na akcję = (A)/(B)		-0,25	0,07

Cash flow statements

	for the period between 01-01-2016 and 30-06- 2016	for the period between 01-01-2015 and 30-06- 2015
Operating cash flow - two-step method		
Net profit (loss)	-22 259 102,41	6 196 751,75
Item adjustments	2 736 722,53	7 336 722,25
Depreciation and amortization	3 334 900,89	3 741 582,76
(Profit) loss on foreign exchange differences	-1 833 611,61	-618 801,12
(Profits) loss from investment activities	107 463,07	-2 263 918,53
Interest and dividends	9 647 399,50	10 548 420,73
Changes in provisions and accruals	-10 638 900,97	-865 357,82
investment real estate write-off	2 119 471,65	-3 625 852,37
Other adjustments	0,00	420 648,60
- Other adjustments	0,00	420 648,60
Changes in working capital	43 722 661,98	26 047 389,82

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Change in inventories	317 929,49	349 499,39
Change in construction contracts	44 636 207,54	23 709 042,65
Changes in receivables	-1 905 893,08	11 168 340,54
Changes in current liabilities, except for borrowings	674 418,03	-9 179 492,76
Net operating cash flow	24 200 282,10	39 580 863,82
Investment activity cash flows		
Disposal of tangible and intangible assets and other non-current assets	195 211,89	4 706 225,00
Purchase of tangible and intangible assets and other non-current assets	-7 407 975,06	-12 238 703,99
Disposal of capital instruments and debt instruments	0,00	27 750 000,00
Loans granted	-1 808 562,02	-298 233,40
Loans repaid	0,00	2 826 200,00
Other disposal of financial assets	0,00	5 000,00
Dividends received	0,00	0,00
Interest received	0,00	23 074,79
Disposal of subsidiaries	10 390,74	0,00
Acquisition of subsidiaries	-4 243 400,00	-7 285 000,00
Net investment cash flow	-13 254 334,45	15 488 562,40
Financing cash flow		
Borrowings	54 778 283,31	4 589 186,83
Borrowings repaid	-8 139 772,95	-30 741 752,10
Debt securities redeemed	-137 180 000,00	-10 570 000,00
Payments under financial lease agreements	-405 582,82	-38 196,68
Dividends and other shared profits	0,00	0,00
Interest paid	-9 859 151,77	-9 102 850,71
Other financial proceeds (including notes)	69 350 000,00	0,00
Other financial expenditures (including notes)	-5 399 275,30	0,00
Net financing cash flow	-36 855 499,53	-45 863 612,66
NET DECREASE / (INCREASE) IN CASH	-25 909 551,88	9 205 813,56
Cash and cash equivalents at the beginning of the year	73 600 261,65	16 180 647,26
- foreign exchange gains/(losses) on cash		
CLOSING BALANCE OF CASH AND CASH EQUIVALENTS	47 690 709,76	25 386 460,82

Consolidated statement of changes in equity

	Share capital	Own shares (negative figure)	Revaluation capital	Supplementary capital	Other capital reserves	Retained earnings	Net earnings	Equity
As at December 31, 2015	17 771 888,60	0,00	7 493 208,19	634 337 945,82	5 731 587,19	-5 679 509,99	15 039 584,26	674 694 704,07
Basic error corrections	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
Adjustments for conversion to IFRS	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
As at January 1, 2016	17 771 888,60	0,00	7 493 208,19	634 337 945,82	5 731 587,19	-5 679 509,99	15 039 584,26	674 694 704,07
Share issuance	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
Share redemption	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
Dividends paid	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	0,00	0,00
Company inclusion/exclusion to consolidation	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
Changes in accounting policies/presentation adjustments	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
Conversion to IFRS	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
Total profit / (loss) recognized directly in equity	0,00	0,00	0,00	0,00	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	-22 259 102,41	-22 259 102,41
Total profit / (loss) recognized in equity and net earnings	0,00	0,00	0,00	0,00	0,00	0,00	-22 259 102,41	-22 259 102,41
Increase / decrease from profit distribution	0,00	0,00	0,00	15 039 584,26	0,00	0,00	-15 039 584,26	0,00
As at June 30, 2016	17 771 888,60	0,00	7 493 208,19	649 377 530,08	5 731 587,19	-5 679 509,99	-22 259 102,41	652 435 601,67

	Share capital	Own shares (negative figure)	Revaluation capital	Supplementary capital	Other capital reserves	Retained earnings	Net earnings	Equity
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J.W. Construction Holding SA
Skrócone skonsolidowane sprawozdanie finansowe
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		figure)						
As at December 31, 2014	17 771 888,60	0,00	7 493 208,19	612 458 642,24	5 731 587,19	-3 398 696,37	19 598 489,97	659 655 119,82
Basic error corrections	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
Adjustments for conversion to IFRS	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
As at January 1, 2015	17 771 888,60	0,00	7 493 208,19	612 458 642,24	5 731 587,19	-3 398 696,37	19 598 489,97	659 655 119,82
Shares issuance	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
Share redemption	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
Dividends paid	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	0,00	0,00
Inclusion/exclusion of the Company to the consolidation	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	0,45	0,00	0,45
Conversion to IFRS	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
Total profit / (loss) recognized directly in equity	0,00	0,00	0,00	0,00	0,00	0,45	0,00	0,45
Net profit (loss) for the accounting year	0,00	0,00	0,00	0,00	0,00	0,00	6 196 751,75	6 196 751,75
Total profit / (loss) recognized in equity and net earnings	0,00	0,00	0,00	0,00	0,00	0,45	6 196 751,75	6 196 752,20
Increase / decrease from profit distribution	0,00	0,00	0,00	21 863 395,74	0,00	-2 264 905,77	-19 598 489,97	0,00
As at June 30, 2015	17 771 888,60	0,00	7 493 208,19	634 322 037,98	5 731 587,19	-5 663 601,69	6 196 751,75	665 851 872,02

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	Share capital	Own shares (negative figure)	Kapitał z aktualizacji wyceny	Revaluation capital	Other capital	Retained earnings	Net earnings	Equity
As at December 31, 2014	17 771 888,60	0,00	7 493 208,19	612 458 642,24	5 731 587,19	-3 398 696,37	19 598 489,97	659 655 119,82
Basic error corrections	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
Adjustments for conversion to IFRS	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
As at January 1, 2015	17 771 888,60	0,00	7 493 208,19	612 458 642,24	5 731 587,19	-3 398 696,37	19 598 489,97	659 655 119,82
Share issuance	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
Share redemption	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
Dividends paid	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	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	0,45	0,00	0,45
Conversion to IFRS	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
Total profit / (loss) recognized directly in equity	0,00	0,00	0,00	0,00	0,00	0,45	0,00	0,45
Net profit (loss) for the accounting year	0,00	0,00	0,00	0,00	0,00	0,00	15 039 584,26	15 039 584,26
Total profit / (loss) recognized in equity and net earnings	0,00	0,00	0,00	0,00	0,00	0,45	15 039 584,26	15 039 584,71
Increase / decrease from profit distribution	0,00	0,00	0,00	21 879 303,58	0,00	-2 280 814,07	-19 598 489,97	-0,46
As at December 31, 2015	17 771 888,60	0,00	7 493 208,19	634 337 945,82	5 731 587,19	-5 679 509,99	15 039 584,26	674 694 704,07

E. Notes to the issuer's condensed interim financial statement as at June 30, 2016

1. FIXED ASSETS

Note 1. Intangible assets

Intangible assets	30-06-2016	31-12-2015
a) research and development expenses	0,00	0,00
b) goodwill	12 389 648,22	12 389 648,22
c) other intangible assets	237 046,06	354 055,81
d) advances on intangible assets	0,00	0,00
Total intangible assets	12 626 694,28	12 743 704,03

On 1 January 2013, after reviewing the Group's depreciation rates, Management Board of the dominant entity decided to update the balance sheet depreciation rates applicable to the Capital Group.

Note 2. Tangible assets

TANGIBLE ASSETS	30-06-2016	31-12-2015
a) fixed assets, including:	225 310 619,69	223 915 997,69
- land (including right of perpetual usufruct)	14 969 731,64	14 969 731,64
- buildings and structures	185 885 758,44	187 145 322,61
- plant and machinery	12 480 203,23	13 155 230,72
- motor vehicles	4 108 644,65	115 845,92
- other fixed assets	7 866 281,73	8 529 866,80
b) constructions in progress	3 809 639,17	3 484 159,61
c) advances on constructions in progress	0,00	0,00
Total tangible assets	229 120 258,86	227 400 157,30

On 1 January 2013, after reviewing the Group's depreciation rates, Management Board of the dominant entity decided to update the balance sheet depreciation rates applicable to the Capital Group.

Note 3. Investment real estate

Other long-term investments	30-06-2016	31-12-2015
a) investment properties	347 207 580,49	405 269 174,24
b) other	0,00	0,00
Total other long-term investments	347 207 580,49	405 269 174,24

Changes in the value of investment property are due to change in investment destination reclassification to construction contracts.

Note 4. Other financial assets

LONG-TERM FINANCIAL ASSETS	30-06-2016	31-12-2015
a) shares	160 815 793,81	156 587 493,81
b) loans granted	24 412 142,16	21 752 285,47
c) other long-term investments	0,00	0,00
Total long-term financial assets	185 227 935,97	178 339 779,28

LONG-TERM FINANCIAL ASSETS	30-06-2016	31-12-2015
a) in subsidiaries	185 018 385,97	178 130 229,28
- shares	160 606 243,81	156 377 943,81
- debt securities	0,00	0,00
- loans granted	24 412 142,16	21 752 285,47
- other long-term financial assets	0,00	0,00
b) in other parties	209 550,00	209 550,00
- shares	209 550,00	209 550,00
- other securities	0,00	0,00
- loans granted	0,00	0,00
- other long-term financial assets	0,00	0,00
Total long-term financial assets	185 227 935,97	178 339 779,28

Note 5. Trade and other receivables

NON-CURRENT RECEIVABLES	30-06-2016	31-12-2015
a) guarantee receivables	0,00	0,00
b) deposit receivables(leasing)	41 659,64	0,00
b) other receivables	1 822 700,79	1 766 259,37
Total receivables	1 864 360,43	1 766 259,37

2. CURRENT ASSETS

Note 6. Inventories

INVENTORIES	30-06-2016	31-12-2015
a) materials	1 174 569,14	1 314 821,92
b) semi-finished products and work in progress	0,00	0,00
c) finished products	23,02	0,00
d) goods	26 329 409,89	26 507 109,62
e) trade advances	949,59	949,59
Total inventories	27 504 951,64	27 822 881,13

Note 7. Construction contracts

CONSTRUCTION CONTRACTS	30-06-2016	31-12-2015
a) semi-finished products and work in progress	356 422 117,77	247 413 025,92
b) finished products	5 918 694,10	18 039 749,45
c) advances for supplies	8 675 159,68	2 167 650,52
d) short-term prepayments	745 349,71	118 618,07
Total construction contracts	371 761 321,26	267 739 043,96

CONSTRUCTION CONTRACTS	30-06-2016	31-12-2015
a) accruals	138 199 973,42	51 892 131,72
Total construction contracts	138 199 973,42	51 892 131,72

Accruals	30-06-2016	31-12-2015
- advances on premises	135 834 426,61	47 932 749,45
- work reserves	1 965 546,81	3 318 602,58
- other	400 000,00	640 779,69
Total value of accruals	138 199 973,42	51 892 131,72

Note 8. Trade and other receivables

CURRENT RECEIVABLES	30-06-2016	31-12-2015
a) trade receivables – related parties	23 206 870,13	17 112 489,72
b) trade receivables – other parties	20 424 920,54	24 409 019,29
c) taxes, subsidies, customs duties, social and health insurance and other payments	6 044 034,76	7 536 526,50
d) other	5 052 444,36	4 415 179,69
Total receivables	54 728 269,79	53 473 215,20

Note 9. Other financial assets

LONG-TERM INVESTMENTS	30-06-2016	31-12-2015
a) shares	0,00	0,00
b) loans granted	43 307 892,67	41 684 323,27
c) other securities	353 943,22	346 346,82
d) other long-term investments	0,00	0,00
Total value of long-term investments	43 661 835,89	42 030 670,09

SHORT-TERM INVESTMENTS	30-06-2016	31-12-2015
a) in subsidiaries	43 259 990,03	41 628 838,73

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- shares	0,00	0,00
- other securities	0,00	0,00
- loans granted	43 259 990,03	41 628 838,73
- other short-term financial assets	0,00	0,00
b) in other parties	401 845,86	401 831,36
- shares	0,00	0,00
- other securities	353 943,22	346 346,82
- loans granted	47 902,64	55 484,54
- other short-term financial assets	0,00	0,00
Total value of short-term investments	43 661 835,89	42 030 670,09

Note 10. Cash and cash equivalents

CASH AND CASH EQUIVALENTS	30-06-2016	31-12-2015
a) cash on hand and with bank	47 588 269,96	16 953 072,45
b) other cash	50 940,30	56 642 004,15
c) other cash equivalents	51 499,50	5 185,05
Total cash	47 690 709,76	73 600 261,65

Note 11. Accruals

ACCRUALS	30-06-2016	31-12-2015
a) short-term accruals	12 140 351,76	8 025 930,38
Total value of accruals	12 140 351,76	8 025 930,38

3. Payables

Note 12. Borrowings

BORROWINGS	30-06-2016	31-12-2015
a) credits	105 777 022,80	57 298 512,44
of which: long-term	69 613 848,23	47 741 232,44
short-term	36 163 174,57	9 557 280,00
b) loans	4 918 676,28	7 210 152,41
of which: long-term	3 143 372,19	3 100 333,98
short-term	1 775 304,09	4 109 818,43
Total borrowings	110 695 699,08	64 508 664,85
Borrowings – long-term	72 757 220,42	50 841 566,42
Borrowings – short term	37 938 478,66	13 667 098,43

CREDITS PER MATURITY	30-06-2016	31-12-2015
Up to 1 year	36 163 174,57	9 557 280,00
Over 1 year up to 2 years	41 209 150,61	13 036 761,87
Over 2 years up to 5 years	27 933 497,00	33 758 069,95
Over 5 years	471 200,62	946 400,62
Total loans including:	105 777 022,80	57 298 512,44
- long-term	69 613 848,23	47 741 232,44
- short-term	36 163 174,57	9 557 280,00

LOANS PER MATURITY	30-06-2016	31-12-2015
Up to 1 year	1 775 304,09	4 109 818,43
Over 1 year up to 2 years	3 143 372,19	3 100 333,98
Over 2 years up to 5 years	0,00	0,00
Over 5 years	0,00	0,00
Total loans including:	4 918 676,28	7 210 152,41
- long-term	3 143 372,19	3 100 333,98
- short-term	1 775 304,09	4 109 818,43

Note 13. Provision for other liabilities and charges

PROVISION FOR OTHER LIABILITIES AND CHARGES	30-06-2016	31-12-2015
a) short-term, of which:	10 268 805,95	12 161 856,31
- accrued expenses, including:	9 036 456,04	10 819 506,40
- interest charged	1 574 149,23	1 572 025,00
- <i>rent deposit</i>	480 433,64	480 433,64
- <i>hotel down payments</i>	1 416 627,79	3 522 741,67
- <i>other</i>	5 565 245,38	5 244 306,09
- other provisions, including:	1 232 349,91	1 342 349,91
- <i>provision for future liabilities</i>	0,00	0,00
- <i>provisions for guarantee repairs</i>	0,00	0,00
- <i>other provisions</i>	1 232 349,91	1 342 349,91
a) long-term, of which:	0,00	0,00
- accrued expenses, including:	0,00	0,00
- <i>accounting for excess sales revenue over the carrying amount/leaseback</i>	0,00	0,00
Total provision for other liabilities and charges	10 268 805,95	12 161 856,31

OTHER LONG-TERM LIABILITIES	30-06-2016	31-12-2015
a) lease obligations	2 115 528,48	8 324,99
b) deposit liabilities	25 307 648,24	23 086 165,86
c) securities liabilities	123 500 000,00	171 750 805,00
d) other long-term liabilities	0,00	0,00
e) promissory notes liabilities - related	98 229 569,79	16 725 793,63
f) promissory notes liabilities - other	603 187,12	0,00
g) loans granted - related	0,00	0,00
Total other liabilities	249 755 933,63	211 571 089,48

Note 14. Trade and other payables

TRADE AND OTHER PAYABLES	30-06-2016	31-12-2015
a) trade payables – other parties	18 340 311,65	15 588 723,89
b) trade payables – related parties	7 427 004,05	10 646 605,42
c) taxes, customs duties, insurance and other payments	4 863 249,32	1 761 239,26
d) salaries	1 648 724,79	1 647 925,07
e) trade advances received	0,00	0,00
f) loans granted – related parties	24 315 656,59	23 970 953,26
g) promissory note payables – related parties	32 032 981,68	47 779 391,56
h) other	7 337 233,79	11 519 094,31
Total trade and other payables	95 965 161,87	112 913 932,77

OTHER LIABILITIES	30-06-2016	31-12-2015
a) debt securities issue liabilities	51 692 315,00	142 411 358,83
b) promissory note liabilities - other	6 583 748,99	7 012 598,47
c) lease liabilities	1 602 381,80	78 662,15
d) other financial liabilities	0,00	0,00
Total other liabilities	59 878 445,79	149 502 619,45

4. OPERATING INCOME AND EXPENSES

Note 15. Operating income

OPERATING INCOME	between 01-01-2016 and 30-06-2016	between 01-01-2015 and 30-06-2015
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Revenues from sales of products	13 465 963,46	89 417 050,56
Revenues from sales of services	41 708 698,79	41 580 799,38
Revenues from sales of goods	2 021 138,33	854 336,31
Total Income	57 195 800,58	131 852 186,25

	between 01-01-2016 and 30-06-2016	between 01-01-2015 and 30-06-2015
Proceeds from sales, including:	57 195 800,58	131 852 186,25
-sales of products – units, plots, buildings	13 465 963,46	89 417 050,56
-sales of services	41 708 698,79	41 580 799,38
-sales of goods	2 021 138,33	854 336,31

	between 01-01-2016 and 30-06-2016	between 01-01-2015 and 30-06-2015
Revenues from sales of products and services by segment	55 174 662,25	130 997 849,94
-real estate activity	33 945 923,12	110 138 804,41
-business activity related to hotels	18 687 986,38	18 024 467,75
-real estate management	2 540 752,75	2 834 577,78

	between 01-01-2016 and 30-06-2016	between 01-01-2015 and 30-06-2015
Revenues from sales of products – premises, plots, buildings by geographic segment	13 465 963,46	89 417 050,56
-Warsaw and the surrounding area	8 451 753,12	74 038 962,77
-Gdynia	10 777,23	15 661,74
- Łódź	190 760,82	1 994 080,75
- Pogonowskiego	800 980,88	4 290 001,00
- Katowice	0,00	0,00
- Poznań	4 011 691,41	9 078 344,30
- Sopot	0,00	0,00

	between 01-01-2016 and 30-06-2016	between 01-01-2015 and 30-06-2015
Revenue from hotel services by geographical segment	18 687 986,38	18 024 467,74
-Warszawa and the surrounding area	2 549 622,74	3 026 972,31
- Tarnowo	2 973 885,26	2 639 268,65
- Stryków	1 952 513,71	1 869 779,82
- Cieszyn	0,00	0,00
- Krynica Górská	11 211 964,67	10 488 446,96

Note 16. Operating expenses

OPERATING EXPENSES	between 01-01-2016 and 30-06-2016	between 01-01-2015 and 30-06-2015
Costs on sale of products	19 712 705,85	69 829 633,56
Costs on sale of services	31 553 853,88	32 702 792,71
Costs on sale of goods	2 052 800,07	908 923,90
Total costs of products, services and goods sold	53 319 359,80	103 441 350,17

	between 01-01-2016 and 30-06-2016	between 01-01-2015 and 30-06-2015
Sales and overhead expenses		
Sales expenses	8 076 628,23	8 504 350,01
Overhead expenses	7 439 165,06	6 773 246,34
Total sales and overhead expenses	15 515 793,29	15 277 596,35

Note 17. Other operating revenue

OPERATING INCOME	between 01-01-2016 and 30-06-2016	between 01-01-2015 and 30-06-2015
a) income from sale of non-financial fixed assets	0,00	2 263 918,53

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b) other operating income	842 896,07	307 552,13
Total operating income	842 896,07	2 571 470,66

Note 18. Other operating expenses

OPERATING EXPENSES	between 01-01-2016 and 30-06-2016	between 01-01-2015 and 30-06-2015
a) loss on disposal of non-financial fixed assets	102 753,81	0,00
b) revaluation of non-financial assets	0,00	0,00
c) other operating expenses	6 536 246,35	4 396 062,19
Total operating expenses	6 639 000,16	4 396 062,19


Note 19. Financial income

FINANCIAL INCOME	between 01-01-2016 and 30-06-2016	between 01-01-2015 and 30-06-2015
a) dividends	0,00	0,00
b) interest	1 303 206,02	942 263,07
c) revaluation of investments	0,00	0,00
d) profit on disposal of investments	0,00	0,00
e) other	1 884 544,19	653 943,61
Total financial income	3 187 750,21	1 596 206,68


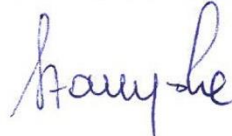


Note 20. Financial expenses

FINANCIAL EXPENSES	between 01-01-2016 and 30-06-2016	between 01-01-2015 and 30-06-2015
a) interest	10 516 443,47	9 083 272,36
b) revaluation of investment	0,00	0,00
c) loss on disposal of investments	4 709,26	0,00
d) other	2 200,86	34 799,64
Total financial expenses	10 523 353,59	9 118 072,00

Podpis osoby sporządzającej Sprawozdanie Finansowe

Małgorzata Pisarek Główny Księgowy	Podpis 
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Podpisy Członków Zarządu

Wojciech Rajchert Członek Zarządu	Podpis 
Magdalena Starzyńska Członek Zarządu	Podpis 
Małgorzata Ostrowska Członek Zarządu	Podpis 
Piotr Suprynowicz Członek Zarządu	Podpis 

Ząbki, 30 sierpnia 2016 r.