



Condensed Consolidated  
Financial Statements

For the period of 9 months  
finished on September 30, 2016

Prepared in accordance with the International Financial Accounting  
Standards



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  11. Shareholders holding directly or indirectly through subsidiaries, at least 5% of the total number of votes at the General Meeting of the Issuer on the date of the quarterly report including the number of shares held by these entities, their percentage share in the share capital, the number of votes resulting from them and their percentage share in the total number of votes at the general meeting and changes in the ownership structure of significant blocks of the Issuer's shares in the period from the previous quarterly report.
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  15. Information on granting by the Issuer or its subsidiary guarantees of credit, loans or guarantees to a single entity or its subsidiary, if the total value of existing warranties or guarantees is equivalent to at least 10% of the equity of the Issuer.
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## 5. OPERATING INCOME AND EXPENSES

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

In accordance with the Polish Classification of Activities (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 September 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

### Basic information about the Group consisting of the parent and the subsidiaries of the parent company included in the consolidated financial statements

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 September 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
<b>Subsidiaries:</b>				
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. 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	100,00%	100,00%	full consolidation
Bliska Wola 4 Sp z o.o. 2SK	Poland	100,00%	100,00%	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
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
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. (obecnie 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,
- Berenson 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 2015-2016, excluded from an obligation to consolidate the following subsidiaries:

*In 2015:*

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

*In 2016:*

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

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 Q3 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 IFRS**

The following new or revised standards or interpretations issued by the International Accounting Standards Board or IFRS Interpretations Committee are in force since 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 IFRS 10, IFRS 12 and IAS 28: *Unit investment: an exception from consolidation*
- 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 statements.

- 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 statements.

- 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 statements.

- 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 statements.

- Changes to IFRS 10, IFRS 12 and IAS 28: *Unit investment: an exception from consolidation*

Changes to IFRS 10, IFRS 12 and IAS 28 were published on 18 December 2014 and apply to annual periods beginning on or after January 1, 2016. Their aim is to clarify the requirements for accounting units of investment.

The Group has applied these changes at a date set by the European Union as the date of entry into force of this standard - i.e. 1 January 2016.

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

- 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 has not adjusted the presentation of comparable data for the first three quarters of 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 will apply the new standard no earlier than the date set by the European Union as the date of entry into force of this standard. Due to the transitory nature of the standard, the European Commission has decided not to initiate a formal procedure of approving the standard and wait for the target standard.

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.

- Changes to IFRS 4: Application of IFRS 9 "*Financial instruments*" in IFRS 4 "*Insurance contracts*" published on September 12, 2016.

The changes apply to annual periods beginning on or after 1 January 2018.

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 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 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,
- Changes to IFRS 4: Application of IFRS 9 "*Financial instruments*" in IFRS 4 "*Insurance contracts*" published on September 12, 2016.

## B. CONSOLIDATED FINANCIAL STATEMENT

### 1. Consolidated report on the financial situation

ASSETS	Note	2016-09-30	2015-12-31
<b>FIXED ASSETS</b>		<b>813 034 462,26</b>	<b>865 498 012,25</b>
Intangible assets	1	12 566 028,23	12 745 510,23
Tangible assets	2	405 331 822,72	409 374 178,66
Investment real estate	3	348 758 007,19	405 269 174,24
Other financial assets	4	2 172 394,02	1 207 508,79
Deferred income tax assets		41 138 547,29	33 943 592,88
Trade and other receivables	5	3 067 662,81	2 958 047,44
<b>CURRENT ASSETS</b>		<b>693 803 851,17</b>	<b>832 087 213,75</b>
Inventories	6	28 846 663,71	30 154 376,85
Construction contracts	7	459 944 576,86	507 745 822,96
Trade and other receivables	8	49 404 150,89	55 620 217,53
Other financial assets	9	37 760 368,01	37 134 640,11
Cash and cash equivalents	10	106 322 848,83	188 410 473,22
Accruals	11	11 525 242,87	13 021 683,08
<b>Total assets</b>		<b>1 506 838 313,44</b>	<b>1 697 585 226,00</b>
<b>EQUITY AND LIABILITIES</b>			
<b>EQUITY</b>		<b>662 669 282,40</b>	<b>626 642 780,11</b>
Share capital		17 771 888,60	17 771 888,60
Revaluation capital		7 490 208,19	7 490 208,19
Other capital	13	651 774 831,43	632 289 847,95

Retained earnings		-49 573 465,57	-36 643 327,20
Net profit / loss		35 205 819,76	5 734 162,58
<b>LIABILITIES</b>		<b>844 169 031,03</b>	<b>1 070 942 445,90</b>
<b>Long-term liabilities</b>		<b>426 940 821,62</b>	<b>449 965 008,65</b>
Borrowings	12	166 001 707,42	161 905 635,99
Deferred income tax		53 649 701,64	37 850 859,99
Retirement benefit obligations		241 204,48	241 204,48
Provision for other liabilities and charges	15	54 969 239,83	55 013 370,26
Other liabilities	14	152 078 968,25	194 953 937,92
<b>Current liabilities</b>		<b>417 228 209,41</b>	<b>620 977 437,25</b>
Trade and other payables	15	43 153 188,05	54 627 031,59
Construction contracts	7	251 192 559,39	353 456 461,90
Borrowings	12	39 489 204,13	46 916 660,28
Provision for other liabilities and charges	15	23 157 387,76	16 474 664,03
Other liabilities	16	60 235 870,08	149 502 619,45
<b>Equity and liabilities</b>		<b>1 506 838 313,44</b>	<b>1 697 585 226,01</b>

## 2. Consolidated income statement

	Note	for the period between 01-01-2016 and 30-09-2016	for the period between 01-01-2015 and 30-09-2015	for the period between 01-07-2016 and 30-09-2016	for the period between 01-07-2015 and 30-09-2015
<b>Net revenues from sales of products, goods and materials, of which:</b>	17	<b>437 125 319,19</b>	<b>172 275 452,62</b>	<b>182 092 130,13</b>	<b>44 759 395,02</b>
Net revenues from sales of products		436 074 783,67	170 787 857,80	181 855 572,92	44 392 961,85
Net revenues from sales of goods and materials		1 050 535,52	1 487 594,82	236 557,21	366 433,17
<b>Costs of products, goods and materials sold, of which:</b>	18	<b>304 336 454,78</b>	<b>132 317 484,33</b>	<b>117 438 670,32</b>	<b>34 074 259,48</b>
Manufacturing cost of products sold		303 308 646,86	130 818 668,59	117 229 986,72	33 701 383,73
Value of goods and materials sold		1 027 807,92	1 498 815,74	208 683,60	372 875,75
<b>Gross profit (loss) on sales</b>		<b>132 788 864,41</b>	<b>39 957 968,29</b>	<b>64 653 459,81</b>	<b>10 685 135,54</b>
<b>Sales costs</b>	18	<b>18 552 708,29</b>	<b>12 724 276,47</b>	<b>5 193 408,52</b>	<b>4 503 452,69</b>
<b>Overheads</b>	18	<b>12 955 166,45</b>	<b>13 571 095,78</b>	<b>3 517 511,64</b>	<b>4 619 996,76</b>
<b>Revaluation of investment properties</b>		<b>-3 537 191,49</b>	<b>9 249 504,27</b>	<b>-1 417 719,84</b>	<b>5 623 651,90</b>
<b>Profit (loss) on sales</b>		<b>97 743 798,18</b>	<b>22 912 100,31</b>	<b>54 524 819,81</b>	<b>7 185 337,98</b>
Other operating income	19	2 181 939,55	1 512 281,45	1 019 529,43	-1 785 831,32
Other operating expenses	20	36 603 974,25	11 444 095,37	29 694 181,17	6 720 465,47

<b>Operating profit (loss)</b>		<b>63 321 763,48</b>	<b>12 980 286,39</b>	<b>25 850 168,07</b>	<b>-1 320 958,81</b>
Financial Revenues	21	2 041 427,00	1 835 799,14	-324 393,83	633 784,19
Financial costs	22	21 136 990,35	13 569 115,25	11 930 895,76	4 018 310,76
<b>Profit (loss) on business activity</b>		<b>44 226 200,13</b>	<b>1 246 970,28</b>	<b>13 594 878,48</b>	<b>-4 705 485,38</b>
<b>Gross profit (loss)</b>		<b>44 226 200,13</b>	<b>1 246 970,28</b>	<b>13 594 878,48</b>	<b>-4 705 485,38</b>
Income tax		9 020 380,37	268 112,15	4 493 385,97	-581 111,34
<b>Net profit (loss)</b>		<b>35 205 819,76</b>	<b>978 858,13</b>	<b>9 101 492,51</b>	<b>-4 124 374,03</b>

<b>Other comprehensive income:</b>		<b>820 682,53</b>	<b>-628 608,30</b>	<b>-127 354,16</b>	<b>3 853,67</b>
Foreign exchange rate operation differences		820 732,53	-632 461,97	-127 354,16	0,00
Profit/loss from acquisitions		0,00	0,00	0,00	0,00
Profit from revaluation of tangible fixed assets		0,00	0,00	0,00	0,00
Other comprehensive income		-50,00	3 853,67	0,00	3 853,67
<b>Total revenue</b>		<b>36 026 502,29</b>	<b>350 249,83</b>	<b>8 974 138,35</b>	<b>-4 120 520,36</b>

<b>CALCULATION OF BASIC AND DILUTED EARNINGS PER SHARE</b>		for the period between <b>01-01-2016</b> and <b>30-09-2016</b>	for the period between <b>01-01-2015</b> and <b>30-09-2015</b>	for the period between <b>01-07-2016</b> and <b>30-09-2016</b>	for the period between <b>01-07-2015</b> and <b>30-09-2015</b>
<b>Profits</b>					
(A) Profits of the Group disclosed in the consolidated financial statements		35 205 819,76	978 858,13	9 101 492,51	-4 124 374,03
<b>Number of shares</b>					
(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 *		62 841 299,17	62 841 299,17	62 841 299,17	54 073 280,00
(C) Number of ordinary shares and preferred shares (as to the right to vote in the General Meeting of the Company) for the purpose of calculating diluted earnings per share		62 841 299,17	62 841 299,17	62 841 299,17	54 073 280,00
<b>Basic earnings per share = (A)/(B)</b>		<b>0,56</b>	<b>0,02</b>	<b>0,14</b>	<b>-0,08</b>
<b>Diluted earnings per share = (A)/(B)</b>		<b>0,56</b>	<b>0,02</b>	<b>0,14</b>	<b>-0,08</b>

\* 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.



Condensed Consolidated Financial Statements for the period of 9 months finished on September 30, 2016.

### 3. 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
<b>As at December 31, 2015</b>	<b>17 771 888,60</b>	<b>0,00</b>	<b>7 490 208,19</b>	<b>627 935 814,58</b>	<b>7 947 357,60</b>	<b>-3 593 324,23</b>	<b>-36 643 327,20</b>	<b>5 734 162,58</b>	<b>626 642 780,11</b>
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
<b>As at January 1, 2016</b>	<b>17 771 888,60</b>	<b>0,00</b>	<b>7 490 208,19</b>	<b>627 935 814,58</b>	<b>7 947 357,60</b>	<b>-3 593 324,23</b>	<b>-36 643 327,20</b>	<b>5 734 162,58</b>	<b>626 642 780,11</b>
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	820 732,53	0,00	0,00	820 732,53
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	-2 772 591,70	-36 643 327,20	5 734 162,58	627 463 462,64
Net profit (loss) for the accounting year	0,00	0,00	0,00	0,00	0,00	0,00	0,00	35 205 819,76	35 205 819,76
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	-2 772 591,70	-36 643 327,20	40 939 982,34	662 669 282,40
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
<b>As at September 30, 2016</b>	<b>17 771 888,60</b>	<b>0,00</b>	<b>7 490 208,19</b>	<b>646 600 115,52</b>	<b>7 947 307,60</b>	<b>-2 772 591,70</b>	<b>-49 573 465,57</b>	<b>35 205 819,76</b>	<b>662 669 282,40</b>



Condensed Consolidated Financial Statements for the period of 9 months finished on September 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
<b>As at December 31, 2014</b>	<b>17 771 888,60</b>	<b>0,00</b>	<b>7 490 208,19</b>	<b>603 831 773,22</b>	<b>7 947 307,60</b>	<b>-2 775 032,01</b>	<b>-15 448 962,94</b>	<b>8 341 019,57</b>	<b>627 158 202,23</b>
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
<b>As at January 1, 2015</b>	<b>17 771 888,60</b>	<b>0,00</b>	<b>7 490 208,19</b>	<b>603 831 773,22</b>	<b>7 947 307,60</b>	<b>-2 775 032,01</b>	<b>-15 448 962,94</b>	<b>8 341 019,57</b>	<b>627 158 202,23</b>
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	3 853,67	0,00	3 853,67
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	-15 445 109,27	8 341 019,57	626 529 593,93
Net profit (loss) for the accounting year	0,00	0,00	0,00	0,00	0,00	0,00	0,00	978 858,12	978 858,12
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	-15 445 109,27	9 319 877,69	627 508 452,05
Increase / decrease of profit distribution	0,00	0,00	0,00	27 972 820,10	0,00	0,00	-19 631 800,53	-8 341 019,57	0,00
<b>As at September 30, 2016</b>	<b>17 771 888,60</b>	<b>0,00</b>	<b>7 490 208,19</b>	<b>631 804 593,31</b>	<b>7 947 307,60</b>	<b>-3 407 493,98</b>	<b>-35 076 909,80</b>	<b>978 858,12</b>	<b>627 508 452,05</b>



Condensed Consolidated Financial Statements for the period of 9 months finished on September 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
<b>As at December 31, 2014</b>	<b>17 771 888,60</b>	<b>0,00</b>	<b>7 490 208,19</b>	<b>603 831 773,22</b>	<b>7 947 307,60</b>	<b>-2 775 032,01</b>	<b>-15 448 962,94</b>	<b>8 341 019,57</b>	<b>627 158 202,23</b>
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 presentation	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
<b>As at January 1, 2015</b>	<b>17 771 888,60</b>	<b>0,00</b>	<b>7 490 208,19</b>	<b>603 831 773,22</b>	<b>7 947 307,60</b>	<b>-2 775 032,01</b>	<b>-15 448 962,94</b>	<b>8 341 019,57</b>	<b>627 158 202,23</b>
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
Shares 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
<b>As at December 31, 2015</b>	<b>17 771 888,60</b>	<b>0,00</b>	<b>7 490 208,19</b>	<b>627 935 814,57</b>	<b>7 947 357,60</b>	<b>-3 593 324,22</b>	<b>-36 643 327,20</b>	<b>5 734 162,58</b>	<b>626 642 780,12</b>

#### 4. Consolidated cash flow statements

	<b>01-01-2016 until 30-09-2016</b>	<b>01-01-2015 until 30-09-2015</b>
<b>Operating cash flow - two-step method</b>		
<b>Net profit (loss)</b>	<b>35 205 819,76</b>	<b>978 858,12</b>
<b>Item adjustments</b>	<b>40 452 231,54</b>	<b>9 016 096,62</b>
Depreciation and amortization	7 743 778,02	7 442 333,47
(Profit) loss on foreign exchange differences	-416 382,45	0,00
(Profits) loss from investment activities	492 336,04	5 151 563,50
(Profits) loss from investment activities - shares	4 709,26	0,00
Interest and dividends	11 751 472,49	12 489 874,59
(Profit ) loss on valuation of investment properties at fair value	0,00	0,00
Income tax	0,00	0,00
Changes in provisions and accruals	16 738 920,75	-5 980 315,41
Other adjustments	4 137 397,43	-10 087 359,53
- investment real estate write-off	3 537 191,49	-9 021 086,76
- other adjustments	600 205,94	-1 066 272,77
<b>Changes in working capital</b>	<b>5 746 743,80</b>	<b>161 305 298,14</b>
Change in inventories	1 307 713,14	498 700,60
Change in construction contracts	7 221 089,70	161 461 453,94
Change in investment property	0,00	0,00
Change in receivables	6 106 451,27	-4 147 080,06
Changes in current liabilities, except for borrowings	-8 888 510,31	3 492 223,66
<b>Net operating cash flows</b>	<b>81 404 795,10</b>	<b>171 300 252,87</b>
<b>Investment activity cash flows</b>	<b>0,00</b>	<b>0,00</b>
Disposal of tangible and intangible assets and other non-current assets	3 042 660,18	4 859 140,00
Purchase of tangible and intangible assets and other non-current assets	-11 800 419,49	-30 318 130,93
Expenses related to assets for sale	0,00	800 000,00
Disposal of equity instruments and debt instruments	0,00	0,00
Loans granted	-789 966,69	-42 699,00
Loans repayment	0,00	0,00
<b>Net investment cash flow</b>	<b>-9 547 726,00</b>	<b>-24 701 689,93</b>
<b>Financial activity cash flow</b>	<b>0,00</b>	<b>0,00</b>
Purchase of own shares or repayment of shares	0,00	0,00
Loans and borrowings granted	48 811 578,59	61 724 571,83
Loans and borrowings repaid	-52 280 952,19	-78 109 461,67
Debt securities issued	0,00	0,00
Debt securities redeemed	-137 180 000,00	-10 570 000,00
Payments under financial lease agreements	-847 451,82	-54 443,82
Dividends and other shared profits	0,00	0,00
Interest paid	-12 447 868,06	-16 134 696,03
Other financial proceeds (including notes)	0,00	3 000 000,00
Other financial expenditures (including notes)	0,00	-2 452 420,01
<b>Net financial activities cash flow</b>	<b>-153 944 693,48</b>	<b>-42 596 449,70</b>
<b>NET DECREASE / (INCREASE) IN CASH</b>	<b>-82 087 624,38</b>	<b>104 002 113,24</b>
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
<b>CLOSING BALANCE OF CASH AND CASH EQUIVALENTS</b>	<b>106 322 848,83</b>	<b>145 322 349,33</b>

## C. NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

### 1. FIXED ASSETS

#### Note 1. Intangible assets

<b>INTANGIBLE ASSETS</b>	<b>2016-09-30</b>	<b>2015-12-31</b>
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	176 380,01	355 862,01
d) advances on intangible assets	0,00	0,00
<b>Total intangible assets</b>	<b>12 566 028,23</b>	<b>12 745 510,23</b>

#### Note 2. Tangible assets

<b>TANGIBLE ASSETS</b>	<b>2016-09-30</b>	<b>2015-12-31</b>
a) fixed assets including:	391 198 130,32	392 987 122,06
- land (including right of perpetual usufruct)	40 443 881,16	40 475 676,73
- buildings and structures	316 721 281,77	319 260 404,91
- plant and machinery	17 339 908,80	18 783 154,61
- motor vehicles	3 843 311,99	172 985,84
- other fixed assets	12 849 746,61	14 294 899,97
b) constructions in progress	14 133 692,40	16 387 056,60
c) advances on constructions in progress	0,00	0,00
<b>Total tangible assets</b>	<b>405 331 822,72</b>	<b>409 374 178,66</b>

#### Note 3. Investment real estate

<b>Other long-term investments</b>	<b>2016-09-30</b>	<b>2015-12-31</b>
a) investment properties	348 758 007,19	405 269 174,24
b) other	0,00	0,00
<b>Total other long-term investments</b>	<b>348 758 007,19</b>	<b>405 269 174,24</b>

<b>CHANGE IN INVESTMENT PROPERTIES</b>	<b>Fair value</b>	<b>Acc. to historical cost</b>	<b>Value of investment properties in total</b>
<b>a) opening balance</b>	<b>27 395 506,32</b>	<b>377 873 667,92</b>	<b>405 269 174,24</b>
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>b) increase (due to)</b>	<b>918 515,42</b>	<b>8 309 337,42</b>	<b>9 227 852,84</b>
expenditure incurred	890 920,63	7 879 427,59	8 770 348,22
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
<b>c) decrease (due to)</b>	<b>5 538 962,82</b>	<b>60 383 760,47</b>	<b>65 922 723,29</b>
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		14 284 371,42	14 284 371,42
Change in construction contracts	5 533 962,82	44 453 086,07	49 987 048,89
<b>d) closing balance</b>	<b>22 775 058,92</b>	<b>325 799 244,87</b>	<b>348 574 303,79</b>
expenditures	17 563 154,89	185 260 926,23	202 824 081,12
Financial expenses	5 211 904,03	22 207 488,77	27 419 392,80
revaluation value	0,00	118 330 829,87	118 330 829,87



Note 4. Other financial assets

<b>LONG-TERM FINANCIAL ASSETS</b>	<b>2016-09-30</b>	<b>2015-12-31</b>
a) shares	224 695,72	221 904,98
b) loans granted	1 947 698,30	985 603,81
c) other long-term investments	0,00	0,00
<b>Total long-term financial assets</b>	<b>2 172 394,02</b>	<b>1 207 508,79</b>

<b>LONG-TERM FINANCIAL ASSETS</b>	<b>2016-09-30</b>	<b>2015-12-31</b>
a) in subsidiaries	1 962 843,02	997 958,79
- shares	15 144,72	12 354,98
- debt securities	0,00	0,00
- other securities	0,00	0,00
- loans granted	1 947 698,30	985 603,81
- other long-term financial assets	0,00	0,00
b) in other parties	209 551,00	209 550,00
- shares	209 551,00	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
c) other long-term financial assets	0,00	0,00
<b>Total long-term financial assets</b>	<b>2 172 394,02</b>	<b>1 207 508,79</b>



Condensed Consolidated Financial Statements for the period of 9 months finished on September 30, 2016.

	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	nie konsolidowana	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	0,00	0,00	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	Berenson 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.2SK	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%

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	5 000,00	0,00	0,00	5 000,00	100,00%

Powiązania pośrednie											
1	Bliska Wola 4 Sp z o.o.1 SK	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 4 Sp z o.o.2SK	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 4 Sp z o.o.1SK	Ząbki	real estate development activity	subsidiary	full consolidation	26.02.2016	211,74	0,00	0,00	211,74	1,00%
4	Bliska Wola 4 Sp z o.o.2SK	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 5. Non-current receivables

<b>NON-CURRENT RECEIVABLES</b>	<b>2016-09-30</b>	<b>2015-12-31</b>
a) receivables from deposit	3 023 162,74	2 958 047,44
b) deposit receivables( lease)	44 500,07	0,00
<b>Total receivables</b>	<b>3 067 662,81</b>	<b>2 958 047,44</b>

## 2. CURRENT ASSETS

Note 6. Inventories

<b>INVENTORIES</b>	<b>2016-09-30</b>	<b>2015-12-31</b>
a) materials	2 751 506,30	2 869 014,77
b) semi-finished products and work in progress	0,00	0,00
c) finished products	295 658,50	576 011,87
d) goods	25 774 549,32	26 707 320,62
e) trade advances	24 949,59	2 029,59
<b>Total inventories</b>	<b>28 846 663,71</b>	<b>30 154 376,85</b>

Note 7. Construction contracts

<b>CONSTRUCTION CONTRACTS</b>	<b>2016-09-30</b>	<b>2015-12-31</b>
<b>CONSTRUCTION CONTRACTS (CURRENT ASSETS)</b>		
a) semi-finished products and work in progress	426 117 913,30	480 195 107,71
b) finished products	23 308 603,82	23 206 459,49
c) advances for supplies	10 399 441,67	4 225 637,69
d) short-term prepayments	118 618,07	118 618,07
<b>Total construction contracts</b>	<b>459 944 576,86</b>	<b>507 745 822,96</b>
<b>CONSTRUCTION CONTRACTS (Current liabilities)</b>		
a) accruals	251 192 559,39	353 456 461,90
<b>Total construction contracts</b>	<b>251 192 559,39</b>	<b>353 456 461,90</b>

construction contracts

<b>Accruals</b>	<b>2016-09-30</b>	<b>2015-12-31</b>
- advances on premises	248 773 324,49	347 909 657,32
- works reserves	2 162 323,25	2 574 783,29
- other	256 911,65	2 972 021,29
<b>The total value of accruals</b>	<b>251 192 559,39</b>	<b>353 456 461,90</b>

The Companies of the Group, in connection with the business activities, incur loans that are secured with the mortgage on the property. As at September 30, 2016, the Company established securities in the form of mortgages presented in inventories and construction contracts with the value of PLN 324,4 million and presented in fixed assets with the value of PLN 380,8 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 September 30, 2016, the loan liabilities amounted to PLN 200,5 million (excluding credits of TBS Marki Sp. z o.o., liabilities amount to PLN 105,4 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 September 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 September 30, 2016, the liabilities from bonds issued amounted to PLN 175,9 million.

Note 8. Current receivables

<b>CURRENT RECEIVABLES</b>	<b>2016-09-30</b>	<b>2015-12-31</b>
a) trade receivables - related parties	0,00	11 057,04
b) trade receivables - other parties	28 489 889,71	29 844 182,26
c) taxes, subsidies, customs duties, social and health insurance and other payments	10 652 449,62	16 993 666,07
d) other	10 261 811,55	8 771 312,16
<b>Total receivables</b>	<b>49 404 150,89</b>	<b>55 620 217,53</b>

Note 9. Other financial assets

<b>SHORT-TERM INVESTMENTS</b>	<b>2016-09-30</b>	<b>2015-12-31</b>
a) shares	0,00	0,00
b) loans granted	37 402 611,58	36 788 293,29
c) other investments	357 756,43	346 346,82
<b>Total value of short-term investments</b>	<b>37 760 368,01</b>	<b>37 134 640,11</b>

<b>SHORT-TERM INVESTMENTS</b>	<b>2016-09-30</b>	<b>2015-12-31</b>
a) in subsidiaries	37 347 127,04	36 732 808,75
- share	0,00	0,00
- debt securities	0,00	0,00
- other securities	0,00	0,00
- loans granted	37 347 127,04	36 732 808,75
- other short-term financial assets	0,00	0,00
b) in other parties	413 240,97	401 831,36
- shares	0,00	0,00
- debt securities	0,00	0,00
- other securities	357 756,43	346 346,82
- loans granted	55 484,54	55 484,54
- other short-term financial assets	0,00	0,00
c) other short-term investment	0,00	0,00
<b>Total short-term investment</b>	<b>37 760 368,01</b>	<b>37 134 640,11</b>

Note 10. Cash and cash equivalents

<b>CASH AND CASH EQUIVALENTS</b>	<b>2016-09-30</b>	<b>2015-12-31</b>
a) cash on hand and with bank	104 053 656,68	98 865 284,02
b) other cash	2 136 012,25	89 540 004,15
c) other cash equivalents	133 179,90	5 185,05
<b>Total cash</b>	<b>106 322 848,83</b>	<b>188 410 473,22</b>

	<b>2016-09-30</b>	<b>2015-12-31</b>
<b>Cash in escrow accounts</b>	<b>45 748 363,96</b>	<b>75 661 980,71</b>
JW. Construction Holding SA	41 588 146,49	7 475 720,76
Seahouse Sp. z o.o.	0,00	0,00
Nowe Tysiąclecie Sp. z o.o.	4 038 697,07	16 654 884,60
Bliska Wola 4 Sp. z o.o. 1SK	76 688,30	27 213 075,05
Bliska Wola 4 Sp. z o.o. 2SK	44 832,10	21 512 080,09
Łódź Invest Sp. z o.o.	0,00	2 806 220,21

Note 11. Accruals

<b>ACCRUALS</b>	<b>2016-09-30</b>	<b>2015-12-31</b>
a) short-term accruals	11 525 242,87	13 021 683,08
<b>Total value of accruals</b>	<b>11 525 242,87</b>	<b>13 021 683,08</b>

### 3. Liabilities

#### Nota 12. Borrowings

<b>BORROWINGS</b>	<b>2016-09-30</b>	<b>2015-12-31</b>
a) credits	200 535 507,69	201 612 143,86
<i>of which: long-term</i>	162 836 078,45	158 805 302,01
<i>Short-term</i>	37 699 429,24	42 806 841,85
b) loans	4 955 403,86	7 210 152,41
<i>of which: long-term</i>	3 165 628,97	3 100 333,98
<i>Short-term</i>	1 789 774,89	4 109 818,43
<b>Total borrowings</b>	<b>205 490 911,55</b>	<b>208 822 296,27</b>
<b>Borrowings - long-term</b>	<b>166 001 707,42</b>	<b>161 905 635,99</b>
<b>Borrowings - short-term</b>	<b>39 489 204,13</b>	<b>46 916 660,28</b>

<b>CREDITS PER MATURITY</b>	<b>2016-09-30</b>	<b>2015-12-31</b>
Up to 1 year	37 699 429,24	42 806 841,85
Over 1 year up to 2 years	40 267 300,42	22 211 246,09
Over 2 year up to 5 years	39 138 320,21	49 402 790,95
Over 5 years	83 430 457,82	87 191 264,97
<b>Total credits, including:</b>	<b>200 535 507,69</b>	<b>201 612 143,86</b>
- long-term	162 836 078,45	158 805 302,01
- short-term	37 699 429,24	42 806 841,85

<b>LOANS PER MATURITY</b>	<b>2016-09-30</b>	<b>2015-12-31</b>
Up to 1 year	1 789 774,89	4 109 818,43
Over 1 year up to 2 years	3 165 628,97	3 100 333,98
Over 2 year up to 5 years	0,00	0,00
Over 5 years	0,00	0,00
<b>Total loans, including:</b>	<b>4 955 403,86</b>	<b>7 210 152,41</b>
- long-term	3 165 628,97	3 100 333,98
- short-term	1 789 774,89	4 109 818,43

Including the loans taken by the Company of TBS Marki Sp. z o.o.

<b>BORROWINGS</b>	<b>2016-09-30</b>	<b>2015-12-31</b>
a) credits	95 097 466,30	97 528 400,45
<i>of which: long-term</i>	89 882 559,30	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
<b>Total borrowings</b>	<b>95 097 466,30</b>	<b>97 528 400,45</b>
<b>Borrowings - long-term</b>	<b>89 882 559,30</b>	<b>92 313 493,45</b>
<b>Borrowings - short-term</b>	<b>5 214 907,00</b>	<b>5 214 907,00</b>

<b>CREDITS PER MATURITY</b>	<b>2016-09-30</b>	<b>2015-12-31</b>
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	69 022 931,30	71 453 865,45
<b>Total credits, including:</b>	<b>95 097 466,30</b>	<b>97 528 400,45</b>
- long-term	89 882 559,30	92 313 493,45
- short-term	5 214 907,00	5 214 907,00

TBS Marki Sp. z o.o. 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). These are long-term loans with repayment terms attributable to the years 2033-2044. Loans are repaid from rent received from tenants of TBS apartments.

Note 13. Other capital

<b>OTHER CAPITAL</b>	<b>2016-09-30</b>	<b>2015-12-31</b>
a) supplementary capital	646 600 115,53	627 935 814,58
b) other reserve capital	7 947 307,60	7 947 357,60
c) translation reserve	-2 772 591,70	-3 593 324,23
<b>Total other capital</b>	<b>651 774 831,43</b>	<b>632 289 847,95</b>

Note 14. Other long-term liabilities

<b>OTHER LONG-TERM LIABILITIES</b>	<b>2016-09-30</b>	<b>2015-12-31</b>
a) lease obligations	1 833 772,91	8 324,99
b) deposit liabilities	21 262 815,56	18 341 710,28
c) other non-current liabilities	4 871 361,37	4 853 097,65
d) note liabilities	611 018,41	0,00
e) bonds	123 500 000,00	171 750 805,00
<b>Total other liabilities</b>	<b>152 078 968,25</b>	<b>194 953 937,92</b>

Note 15. Trade and other payables

<b>TRADE AND OTHER PAYABLES</b>	<b>2016-09-30</b>	<b>2015-12-31</b>
a) trade payables - other parties	31 231 000,91	36 745 852,21
b) trade payables - related parties	0,00	63,32
c) taxes, customs duties, insurance and other payments	4 030 327,88	4 835 185,84
d) salaries	1 949 718,16	2 139 029,71
e) trade advances received	0,00	0,00
f) other	5 942 141,10	10 906 900,50
<b>Total trade and other payables</b>	<b>43 153 188,05</b>	<b>54 627 031,59</b>

<b>PROVISIONS FOR OTHER LIABILITIES AND CHARGES</b>	<b>2016-09-30</b>	<b>2015-12-31</b>
<b>a) short-term, of which:</b>	<b>23 157 387,76</b>	<b>16 474 664,03</b>
- accrued expenses, including:	11 604 514,50	13 445 263,56
- <i>interests charged</i>	1 618 147,04	1 572 025,00
- <i>rent deposits</i>	480 433,64	480 433,64
- <i>hotel down payments</i>	1 249 586,80	3 522 741,67
- <i>other</i>	8 256 347,02	7 870 063,25
- other provisions, including:	11 552 873,26	3 029 400,47
- <i>provision for future liabilities</i>	0,00	0,00
- <i>provisions for guarantee repairs</i>	1 509 355,90	1 509 355,90
- <i>other provisions</i>	10 043 517,36	1 520 044,57
<b>a) long-term, of which</b>	<b>54 969 239,83</b>	<b>55 013 370,26</b>
- accrued expenses, including:	54 969 239,83	55 013 370,26
- <i>participation in costs of construction -TBS Marki</i>	48 865 468,41	48 960 144,64
- <i>deferred income- loan remittance-TBS Marki</i>	6 103 771,42	6 053 225,62
<b>Provision for other liabilities and charges in total</b>	<b>78 126 627,59</b>	<b>71 488 034,29</b>

Note 16. Other liabilities

<b>OTHER LIABILITIES</b>	<b>2016-09-30</b>	<b>2015-12-31</b>
a) debt securities issue- liabilities	52 483 921,50	142 411 358,83
b) promissory note liabilities	6 309 680,22	7 012 598,47
c) financial lease liabilities	1 442 268,36	78 662,15
d) other financial liabilities	0,00	0,00
<b>Total other liabilities</b>	<b>60 235 870,08</b>	<b>149 502 619,45</b>

#### 4. OPERATING INCOME AND EXPENSES

Note 17. Operating income

<b>OPERATING INCOME</b>	<b>between 01-01-2016 and 30-09-2016</b>	<b>between 01-01-2015 and 30-09-2015</b>	<b>between 01-07-2016 and 30-09-2016</b>	<b>between 01-07-2015 and 30-09-2015</b>
Revenues from sales of products	377 654 644,37	121 966 249,15	160 218 259,45	28 138 297,64
Revenues from sales of services	58 420 139,30	48 821 608,65	21 637 313,47	16 254 664,21
Revenues from sales of goods	1 050 535,52	1 487 594,82	236 557,21	366 433,17
<b>Total operating income</b>	<b>437 125 319,19</b>	<b>172 275 452,62</b>	<b>182 092 130,13</b>	<b>44 759 395,02</b>

	<b>between 01-01-2016 and 30-09-2016</b>	<b>between 01-01-2015 and 30-09-2015</b>	<b>between 01-07-2016 and 30-09-2016</b>	<b>between 01-07-2015 and 30-09-2015</b>
<b>Proceeds from sales, including:</b>	<b>437 125 319,19</b>	<b>172 275 452,62</b>	<b>182 092 130,13</b>	<b>44 759 395,02</b>
- sales of products - units, plots, buildings	376 458 115,88	120 415 709,75	160 051 653,72	27 861 151,75
- sales of other products	1 196 528,49	1 550 539,40	166 605,73	277 145,89
- sales of services	58 420 139,30	48 821 608,65	21 637 313,47	16 254 664,21
- sales of goods	1 050 535,52	1 487 594,82	236 557,21	366 433,17

	<b>between 01-01-2016 and 30-09-2016</b>	<b>between 01-01-2015 and 30-09-2015</b>	<b>between 01-07-2016 and 30-09-2016</b>	<b>between 01-07-2015 and 30-09-2015</b>
<b>Revenues from sales of products and services per segments</b>	<b>436 074 783,67</b>	<b>170 787 857,80</b>	<b>181 855 572,92</b>	<b>44 392 961,85</b>
- developer activity	387 701 490,43	128 817 656,21	163 887 436,37	29 648 525,59
- business activity related to hotels	34 168 456,19	28 846 353,65	12 985 537,81	10 821 885,90
- construction of social and administration of social buildings	9 905 696,93	9 755 557,55	2 802 863,82	2 767 863,79
- real estate construction	4 299 140,12	3 368 290,39	2 179 734,92	1 154 686,57

	<b>between 01-01-2016 and 30-09-2016</b>	<b>between 01-01-2015 and 30-09-2015</b>	<b>between 01-07-2016 and 30-09-2016</b>	<b>between 01-07-2015 and 30-09-2015</b>
<b>Revenues from sales of products - premises, plots, buildings per geographic segments</b>	<b>376 458 115,88</b>	<b>120 415 709,75</b>	<b>160 051 653,72</b>	<b>27 861 151,75</b>
- Warsaw and the surrounding area	311 435 939,29	93 904 820,27	152 387 447,08	19 865 857,50
-Gdynia	5 153 827,31	10 713 019,63	1 421 898,65	3 269 849,45
- Łódź	21 328 568,10	3 001 135,92	3 512 791,87	1 007 055,17
- Poznań	33 371 163,92	12 796 733,93	1 572 590,27	3 718 389,63
- Katowice	5 168 617,26	0,00	1 156 925,85	0,00

	<b>between 01-01-2016 and 30-09-2016</b>	<b>between 01-01-2015 and 30-09-2015</b>	<b>between 01-07-2016 and 30-09-2016</b>	<b>between 01-07-2015 and 30-09-2015</b>
<b>Revenue from hotel services by geographical segment</b>	<b>34 168 456,19</b>	<b>28 846 353,64</b>	<b>12 985 537,81</b>	<b>10 821 885,90</b>
- Warsaw and the surrounding area	4 265 934,20	4 666 820,72	1 716 311,46	1 639 848,41
- Tarnowo	4 365 853,93	3 911 444,82	1 391 968,67	1 272 176,17
- Stryków	2 864 014,70	2 705 997,47	911 500,99	836 217,65
- Szczecin	3 654 734,58	0,00	1 159 802,58	0,00
- Krynica Górská	19 017 918,78	17 562 090,63	7 805 954,11	7 073 643,67

Nota 18. Operating expenses

<b>OPERATING EXPENSES</b>	<b>between 01-01-2016 and 30-09-2016</b>	<b>between 01-01-2015 and 30-09-2015</b>	<b>between 01-07-2016 and 30-09-2016</b>	<b>between 01-07-2015 and 30-09-2015</b>
Costs on sale of products	263 469 642,08	92 792 983,19	103 928 250,60	22 511 970,59
Costs on sale of services	39 839 004,78	38 025 685,40	13 301 736,12	11 189 413,14
Costs on sale of goods	1 027 807,92	1 498 815,74	208 683,60	372 875,75



<b>Total costs of products, services and goods sold</b>	<b>304 336 454,78</b>	<b>132 317 484,33</b>	<b>117 438 670,32</b>	<b>34 074 259,48</b>
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<b>Sales and overhead expenses</b>	<b>between 01-01-2016 and 30-09-2016</b>	<b>between 01-01-2015 and 30-09-2015</b>	<b>between 01-07-2016 and 30-09-2016</b>	<b>between 01-07-2015 and 30-09-2015</b>
Sales expenses	18 552 708,29	12 724 276,47	5 193 408,52	4 503 452,69
Overhead expenses	12 955 166,45	13 571 095,78	3 517 511,64	4 619 996,76
<b>Total sales and overhead expenses</b>	<b>31 507 874,74</b>	<b>26 295 372,25</b>	<b>8 710 920,16</b>	<b>9 123 449,45</b>

<b>Costs by type</b>	<b>between 01-01-2016 and 30-09-2016</b>	<b>between 01-01-2015 and 30-09-2015</b>	<b>between 01-07-2016 and 30-09-2016</b>	<b>between 01-07-2015 and 30-09-2015</b>
Depreciation and amortization	7 743 778,02	7 442 333,47	2 760 382,23	2 466 408,06
Cost of materials and energy	17 018 812,64	18 745 900,75	4 878 758,87	5 970 051,66
Services rendered by other contractions	160 359 200,81	132 629 983,32	59 421 695,80	61 313 478,04
Taxes and duties	8 087 252,51	9 148 250,54	2 634 641,46	3 192 450,87
Wages and Salaries	25 770 019,50	23 701 024,69	8 574 574,08	8 277 111,01
Social security and other	4 346 558,44	3 907 288,26	1 393 477,71	1 235 180,91
Other costs of type	8 486 075,75	6 237 316,78	2 914 016,91	2 077 227,72
<b>Total costs according to types</b>	<b>231 811 697,67</b>	<b>201 812 097,81</b>	<b>82 577 547,06</b>	<b>84 531 908,27</b>

Note 19. Other operating revenue

<b>OPERATING INCOME</b>	<b>between 01-01-2016 and 30-09-2016</b>	<b>between 01-01-2015 and 30-09-2015</b>	<b>between 01-07-2016 and 30-09-2016</b>	<b>between 01-07-2015 and 30-09-2015</b>
a) income from sale of non-financial fixed assets	0,00	96 915,40	0,00	-2 256 918,53
b) handling charges	785 522,29	0,00	153 289,53	0,00
c) other (including compensation, contractual fines)	1 396 417,26	1 415 366,05	866 239,90	471 087,21
<b>Total operating income</b>	<b>2 181 939,55</b>	<b>1 512 281,45</b>	<b>1 019 529,43</b>	<b>-1 785 831,32</b>

Note 20. Other operating expenses

<b>OPERATING EXPENSES</b>	<b>between 01-01-2016 and 30-09-2016</b>	<b>between 01-01-2015 and 30-09-2015</b>	<b>between 01-07-2016 and 30-09-2016</b>	<b>between 01-07-2015 and 30-09-2015</b>
a) loss on disposal of non-financial fixed assets	492 336,04	5 151 563,46	485 340,66	5 151 563,46
b) revaluation of non-financial assets	147 862,62	495 899,29	59 067,36	495 899,29
c) other operating expenses	35 963 775,59	5 796 632,62	29 149 773,15	1 073 002,72
<b>Total operating expenses</b>	<b>36 603 974,25</b>	<b>11 444 095,37</b>	<b>29 694 181,17</b>	<b>6 720 465,47</b>

Note 21. Financial income

<b>FINANCIAL INCOME</b>	<b>between 01-01-2016 and 30-09-2016</b>	<b>between 01-01-2015 and 30-09-2015</b>	<b>between 01-07-2016 and 30-09-2016</b>	<b>between 01-07-2015 and 30-09-2015</b>
a) dividends	0,00	0,00	0,00	0,00
b) interest	1 566 999,94	909 115,98	704 771,89	361 701,55
c) profit on disposal of investments	0,00	0,00	0,00	0,00
d) other	474 427,06	926 683,16	-1 029 165,72	272 082,64
<b>Total financial income</b>	<b>2 041 427,00</b>	<b>1 835 799,14</b>	<b>-324 393,83</b>	<b>633 784,19</b>

Note 22. Financial expenses

<b>FINANCIAL EXPENSES</b>	<b>between 01-01-2016 and 30-09-2016</b>	<b>between 01-01-2015 and 30-09-2015</b>	<b>between 01-07-2016 and 30-09-2016</b>	<b>between 01-07-2015 and 30-09-2015</b>
a) interest	20 927 627,03	13 391 746,82	11 844 285,67	4 251 084,70
b) loss on disposal of investments	4 709,26	0,00	0,00	0,00

c) other	204 654,06	177 368,43	86 610,09	-232 773,94
<b>Total financial expenses</b>	<b>21 136 990,35</b>	<b>13 569 115,25</b>	<b>11 930 895,76</b>	<b>4 018 310,76</b>

#### D. SUPPLEMENTARY INFORMATION

##### 1. Significant achievements or failures in the period covered by the report, including a list of key events.

In the reporting period the following significant events occurred:

###### 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.

On September 21, 2016 Company concluded an annex to the revolving credit agreement for cofinancing "Zielona Dolina III" residential project in Warsaw granted by BOŚ Bank SA in the amount of 5,000,000 zł. Under the annex the date of utilization and repayment was changed. The new repayment date was set for 31 March 2018.

###### 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.

###### Occupancy permit

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 Ordona street in Warsaw.

###### Ongoing investments

Ongoing investments as at September 30, 2016:

Residential investments	Units	Useable are (m2)	% of sold units	% of construction advancement
Zielona Dolina II phase II, Warsaw– J.W. Construction Holding SA	570	25 337	2%	10%
Bliska Wola - Phase C, Warsaw – J.W. Construction Holding SA	481	21 392	94%	50%
Zielona Dolina II phase I, Warsaw – J.W. Construction Holding SA	321	12 832	45%	75%
Bernadowo Park phase II, Gdynia – J.W. Construction Holding SA	236	13 185	14%	13%
Bernadowo Park phase I, Gdynia – J.W. Construction Holding SA	196	11 471	83%	98%
Nowe Tysiąclecie, Katowice phase B1 – Nowe Tysiąclecie Sp. z o.o.	122	6 951	82%	64%
Kamerata (ul. Sochaczewska) Gdynia,– J.W. Construction Holding SA	55	3 420	20%	5%
Zielona Dolina III, Warsaw – J.W. Construction Holding SA	54	2 254	28%	31%
Villa Campina – terraced houses, Ożarów– J.W. Construction Holding SA	42	4 442	74%	15%-96%
Willa One, Warsaw – J.W. Construction Holding SA	21	957	29%	72%
<b>RAZEM Inwestycje mieszkaniowe</b>	<b>2 098</b>	<b>102 241</b>		

Aparthotel investments	Units	Useable area (m2)	% of sold units	% of construction advancement
Bliska Wola - Phase C - Wola Invest – J.W. Construction Holding SA	458	14 559	75%	29%
Jerozolimskie Invest, Warsaw – J.W. Construction Holding SA	116	3 479	*	40%
<b>Total aparthotel investments</b>	<b>574</b>	<b>18 038</b>		
<b>Total residential and aparthotel investments</b>	<b>2 672</b>	<b>120 279</b>		

\* not available for individual investors

In Q3 2016 Company had 10 ongoing investments for a total of 2098 units with area of use of 102 241 m2 including terraced and detached houses. Included investments:

- in Warsaw: Bliska Wola phase C, Osiedle Willa One, Osiedle Zielona Dolina II phase I i II and Zielona Dolina III as well as terraced and detached houses – Villa Campina near Warsaw close to Ożarów Mazowiecki,
- in Gdynia: Osiedle Bernadowo Park phase I and II, and Kamerata,
- in Katowice: Osiedle Nowe Tysiąclecie phase B1.

Additionally, in Q3 2016 Company had 2 aparthotel investments in Warsaw for a total of 574 units and area of use of 18 038 m2. These were: Wola Invest and Jerozolimskie Invest.

#### Sales

Sales in the period from 1 January to 30 September 2016 amounted to 1 171 units, in the third quarter alone 438 units were sold.

#### Transference

In the period between 1 January 2016 and 30 September 2016 Company delivered for use and recognised in its income 1 199 units. In Q3 2016 Company number of units delivered for use was 496.

3 426 units are present in the offer and to be recognised in subsequent quarters including: 2 672 units from aforementioned investments, 64 units from already completed investments, and 690 units available in booking sale construction of which has not yet begun (Bliska Wola Phase E and the next phase of terraced houses investment in Ożarów).

#### Planned investments

Based on its land portfolio Company plans to launch investments for a total of 3 5999 units with an estimated area of 188 415 m2, and an additional 44 133 m2 of aparthotels:

- Investments in Warsaw and the surrounding area:

Investment	Units	Useable area(m2)	Commercial space (m2)
Warsaw, Bliska Wola phase D	934	48 620	14 503
Warsaw, Bliska Wola - Phase E*	779	35 073	10 501
Warsaw, Berensona street	259	11 733	
Warsaw, Antoniewska street	221	13 763	
Ożarów, Villa Campina – houses**	125	18 750	
Warsaw, Lewandów Park III phase I	103	3 723	
Warsaw, Odkryta II street	82	4 158	
Warsaw, Lewandów Park IV	81	2 989	
Warsaw, Lewandów Park III phase II	77	2 875	
Warsaw, Aluzyjna II street	68	3 670	
Warsaw, Aluzyjna I street	32	1 850	
Warsaw, Pileckiego - Aparthotel	Aparthotel		8 016
<b>Total investments in Warsaw and the surrounding area</b>	<b>2 774</b>	<b>148 384</b>	<b>33 020</b>

\* 669 units for booking sale.

\*\*21 houses for booking sale

• Investments outside of Warsaw

Investment	Units	Useable area(m <sup>2</sup> )	Commercial space (m <sup>2</sup> )
Katowice, Nowe Tysiąclecie phase III	346	18 257	
Szczecin, Hanza Tower	479	21 774	11 113
<b>Total investments outside of Warsaw</b>	<b>825</b>	<b>40 031</b>	<b>11 113</b>
<b>TOTAL INVESTMENTS</b>	<b>3 599</b>	<b>188 415</b>	<b>44 133</b>

**2. Description of factors and events, especially of extraordinary nature, having a significant impact on financial results.**

Events having impact on the financial results in Q3 2016 were:

- On 27 September 2016 second instance court ruled in a lawsuit filed by the City of Warsaw for payment of fees for perpetual usufruct of the land plot no. 2/6 in Warsaw near 181 Górczewska street between years 2009 and 2013. The court awarded the City of Warsaw amount of 14.123.787 zł plus interest and cost of process. Company made the payment of the amount of principal debt in the amount of 14,123,787 which is included in the report in other operating costs and interest in the amount of 7,965,870 included in financial expenses. Company disagrees with the ruling and after receiving justification of the sentence will most likely file a cassation appeal to the Supreme Court.
- In accordance with the precautionary principle, a provision in the amount of 9.230.000 zł regarding fees for perpetual usufruct of the land plot no. 2/6 in Warsaw at 181 Górczewska street between years 2014 and 2016 with interest. The ground for it was the aforementioned court ruling from 27 September, 2016. The amount of the provision was recognised in other operating expenses.
- Valuation of investments Jerusalem Invest in the amount of incurred costs compared to revenues achievable from this investment - impairment losses in the amount of 3,127,342 recognized in other operating expenses.

**3. Issuer's seasonal and cyclical nature in the reporting period.**

Not applicable.

**4. Information concerning the issue, redemption and repayment of debt and equity securities.**

Not applicable.

**5. Information on paid and/or declared dividend in total and per one share, divided into ordinary shares and preference shares.**

Not applicable.

**6. Significant after-balance sheet date events not disclosed in this Financial Statements.**

Building permit

On 19 October 2016 Company received a building permit for a residential and service complex "Bliska Wola phase E" in the area of Ordonia, Kasprzaka streets, and Prymasa Tysiąclecia av. in Warsaw. The permit allows the construction of 669 flats and aparthotel space of 14.458 m<sup>2</sup>. Company plans to apply for a substitute building permit to change the amount of residential units to 779 and aparthotel space to 10.501 m<sup>2</sup>.

On 3 November 2016 Company received a building permit for terraced houses in Kręczi Kaputy village, Ożarów Mazowiecki. The permit allows the construction of 21 houses.

Credit agreement

On 3 October 2016 Company entered into a revolving credit agreement with BOŚ S.A. for cofinancing "Zielona Dolina II phase II" residential investment in Warsaw for the amount of 49.500.000 zł. Earlier, an escrow account for this investment had been established. The maturity date of the loan was set to 31 March 2019.

Annex to the loan agreement – Bank Millennium

On 20 October 2016 Company signed an annex to the credit agreement in the current account in the amount of 16.830.000 zł with Bank Millennium S.A. Under the annex the payment date was set to 23 October 2017.

Purchase of SPE for Hanza Tower investment and a resolution on capital increase.

On 26 October 2016 Company acquired 100 000 series A shares with a nominal value of 1 zł each and a total value of 100 000 zł, representing 100% of the share capital in the company under the name HOMSLY Investments S.A. based in Warsaw. On 31 October 2016 a resolution was passed on increasing the share capital of the aforementioned company for 41.000.000 zł through the issue of 41 000 000 new series B shares with a par value of 1 zł each. Intended date of

payment of series B shares is 31 December 2016. HOMSLY INVESTMENT S.A. is renamed to Hansa Invest S.A. Its role in the Issuer's group is to be SPE for the Hanza Tower investment in Szczecin.

#### 7. Information on changes in contingent liabilities or contingent assets that have occurred since the end of the last financial year.

<b>OFF-BALANCE SHEET COLLATERALS - credit agreements</b>	<b>30-09-2016</b>
The sum for securities on owned real estate - loans	673 668 517,64
The sum for securities on other real estate - loans	31 500 000,00
Blank bills	249 042 230,52
Registered pledge	60 000 000,00
Writs of execution	12 956 850,00
Assignment of the insurance contract	246 526 771,61
A guarantee granted by Company to BZ WBK SA /Dana Invest/	25 956 431,61
Registered pledge on Company shares in Dana Invest	23 499 581,61
Registered pledge on Company shares in Nowe Tysiąclecie	36 000 000,00

<b>OFF-BALANCE SHEET COLLATERALS - other</b>	<b>30-09-2016</b>
Investment real estate pledged as collateral - loans	125 000 000,00
Writs of execution	1 134 750,00
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

The table above presents all collateral under concluded loan agreements to secure the payment of liabilities. Due to the fact that more than one security was laid down under the individual loan agreements no summary of total value of collateral was done.

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 September 30, 2016, the total value of guarantees was PLN 17,3m EUR and 1m EUR (JW. Construction Holding SA); 2,4m and 99 thousand EUR (J.W. Construction sp. z o.o.).

#### 8. Selected financial data including basic items of the condensed financial statement (also in euro).

In order to convert the balance sheet data on the last day of the period between January 1 and September 30 2016 the adopted exchange rate of euro was fixed by the National Bank of Poland, which was PLN 4,3120 per 1 euro.

In order to convert the balance sheet data on the last day of the period between January 1 and September 30 2015 the adopted exchange rate of euro was fixed by the National Bank of Poland, which was PLN 4,2386 per 1 euro.

In order to convert the balance sheet data for the period between January 1 and December 31 2016, 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 September 30 2016, the adopted exchange rate of euro was fixed by the National Bank of Poland, which was PLN 4,3688 per 1 euro

In order to convert the profit and loss account data for the period between January 1 and September 30 2015, the adopted exchange rate of euro was fixed by the National Bank of Poland, which was PLN 4,1585 per 1 euro.

Balance sheet item	30-09-2016		31-12-2015		30-09-2015	
	PLN	EUR	PLN	EUR	PLN	EUR
<b>Total assets</b>	<b>1 506 838</b>	<b>349 452</b>	<b>1 697 585</b>	<b>398 354</b>	<b>1 585 505</b>	<b>374 063</b>
Fixed assets	813 034	188 552	865 498	203 097	867 542	204 677
current assets	693 804	160 901	832 087	195 257	717 963	169 387
<b>Total equity and liabilities</b>	<b>1 506 838</b>	<b>349 452</b>	<b>1 697 585</b>	<b>398 354</b>	<b>1 585 504</b>	<b>374 063</b>
Equity	662 669	153 680	626 643	147 047	627 508	148 046
Long-term liabilities	426 941	99 012	449 965	105 588	354 885	83 727
Short-term liabilities	417 228	96 760	620 977	145 718	603 111	142 290

Profit and loss account item	between 01-01-2016 and 30-09-2016		between 01-01-2015 and 30-09-2015	
	PLN	EUR	PLN	EUR
Net revenues from sales of products, goods and materials	437 125	100 057	172 275	41 427
Costs of products, goods and materials sold	304 336	69 662	132 317	31 818
<b>Gross profit (loss) on sales</b>	<b>132 789</b>	<b>30 395</b>	<b>39 958</b>	<b>9 609</b>
Sales costs	18 553	4 247	12 724	3 060
Overheads	12 955	2 965	13 571	3 263
Profit (loss) on sales	97 744	22 373	22 912	5 510
Operating profit (loss)	63 322	14 494	12 980	3 121
<b>Gross profit (loss)</b>	<b>44 226</b>	<b>10 123</b>	<b>1 247</b>	<b>300</b>
Income tax	9 020	2 065	268	64
<b>Net profit (loss)</b>	<b>35 206</b>	<b>8 059</b>	<b>979</b>	<b>235</b>

Balance sheet item	30-09-2016		31-12-2015		30-09-2015	
	PLN	EUR	PLN	EUR	PLN	EUR
<b>Total assets</b>	<b>1 426 357</b>	<b>330 788</b>	<b>1 315 689</b>	<b>308 739</b>	<b>1 219 470</b>	<b>287 706</b>
Fixed assets	800 059	185 542	842 997	197 817	833 627	196 675
Current assets	626 298	145 245	472 692	110 922	385 843	91 031
<b>Equity and liabilities</b>	<b>1 426 357</b>	<b>330 788</b>	<b>1 315 689</b>	<b>308 739</b>	<b>1 219 470</b>	<b>287 706</b>
Equity	615 112	142 651	674 695	158 323	660 027	155 718
Long-term liabilities	279 745	64 876	300 857	70 599	195 881	46 214
Short-term liabilities	531 500	123 261	340 138	79 816	363 562	85 774

Profit and loss account item	between 01-01-2016 and 30-09-2016		between 01-01-2015 and 30-09-2015	
	PLN	EUR	PLN	EUR
Net revenues from sales of products, goods and materials	80 319	18 385	178 267	42 868
Costs of products, goods and materials sold	71 228	16 304	141 636	34 059
<b>Gross profit (loss) on sales</b>	<b>9 091</b>	<b>2 081</b>	<b>36 631</b>	<b>8 809</b>
Sales costs	12 299	2 815	13 122	3 156
Overheads	10 672	2 443	10 680	2 568
Profit (loss) on sales	-17 418	-3 987	22 078	5 309
Operating profit (loss)	-48 931	-11 200	11 808	2 839
<b>Gross profit (loss)</b>	<b>-70 530</b>	<b>-16 144</b>	<b>638</b>	<b>153</b>
Income tax	-10 948	-2 506	265	64
<b>Net profit (loss)</b>	<b>-59 582</b>	<b>-13 638</b>	<b>372</b>	<b>90</b>

**9. Effects of changes in the structure of the business unit, including mergers, acquisitions or sale of Group entities, long-term investments, division, restructuring and discontinued operations.**

No events occurred that would affect the structure or activity of the business unit.

**10. The Management Board's statement regarding implementation of previously published results for the year, in the light of the results presented in the quarterly report in relation to forecasted results.**

The Company does not publish financial forecasts for the Company and the Group.

**11. Shareholders holding directly or indirectly through subsidiaries, at least 5% of the total number of votes at the General Meeting of the Issuer on the date of the quarterly report including the number of shares held by these entities, their percentage share in the share capital, the number of votes resulting from them and their percentage share in the total number of votes at the general meeting and changes in the ownership structure of significant blocks of the Issuer's shares in the period from the previous quarterly report.**

The share capital of Company amounts to 17.771.888,60 zł and is divided into 88.859.443 ordinary bearer series A, B and C shares with a nominal value of 0.20 zł each. Each of them entitles to one vote at the General Meeting of Shareholders.

As at 14 November 2016.

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 %
TFI PZU S.A.	Pomiędzy 5 a 10 % akcji <sup>x</sup>			

<sup>x</sup> 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.

Mr. Józef Wojciechowski controls the Company EHT SA based in Luxembourg.

In the period from 30 August 2016. (Date of submission of the report for the first half of 2016.) until the date of this report there were no changes in significant holdings of the Issuer.

## 12. Statement of ownership of the Issuer's shares or rights to them (options) by persons managing and supervising the Issuer on the date of the quarterly report, with an indication of changes in ownership during the period from the previous quarterly report, separately for each person.

Statement of ownership of the Issuer's shares or rights to them by persons managing and supervising the Issuer:

As at 14 November 2016.

Person	Function	Number of shares
Józef Wojciechowski	President of the Supervisory Board	23.917.739
Laura Michnowicz	Member of the Supervisory Board	2.200.000

No changes in the reporting period.

## 13. Litigation.

As at 30 September 2016 the value of lawsuits filed by Company in common courts (i.e. first and second instance) does not exceed 10% of the Company equity. However, it should be noted that on June 27, 2016 Company appealed to the Supreme Court (case no. ICSK Act 361/16) against the sentence dismissing the claim against the Capital City of Warsaw ("Defendant") to oblige Defendant to issue a declaration of intent for the acquisition of right of perpetual usufruct of the land plot no 2/6 (3.2605 hectares) belonging to Company. The District Court for Warsaw-Mokotów, X Division of Land Registry has maintained KW No. WA4M / 00413015/1 ("Property") for a net price of 91,130,975 zł with interest since 8 January 2010. Company filed a lawsuit on the grounds of Art. 36 par. 1 point 2 of "Planning and Spatial Development" (D2.U.2003.80.717) Act from 27 March 2003. Defendant adopted a general local development plan for area of Olbracht street (approved by resolution of the City of Warsaw No. LVI/1669/2009, entered into force on 3 August 2009 ("Plan"). In Plan Property has been intended for the N-S route. When Company acquired property there was no zoning plan. At the moment and as a result of the adoption of Plan there has been a significant restriction in possibility of utilising Property by Company. Therefore, Company has the right to request the redemption of Property by Defendant. Company requested Defendant to take action to voluntarily purchase Property, however, was met with a decline. Taking into account the above case, the total value of lawsuits brought by Company as at 30 September 2016 amounts to 104,738,874.02 zł, which exceeds 10% of Company equity.

As at 30 September 2016 the total value of proceedings against Company does not exceed 10% of Company equity.

## 14. Information on the conclusion by the Issuer or its subsidiary of one or more transactions with related entities, if individually or jointly they are significant and were concluded on other than market terms.

COMPANY NAME	Receivables from related parties	
	30-09-2016	31-12-2015
JW. Construction Sp. z o.o.	16 338 415,51	11 379 373,95
Dana Invest Sp. z o.o.	156 751,14	366 178,26
JW. Marka Sp. z o.o.	0,00	561 558,64

TBS Marki Sp. z o.o.	620 392,42	121 707,97
BFC Sp. z o.o.	101 040,82	347,38
Seahouse Sp. z o.o.	288 594,06	402 730,80
Nowe Tysiąclecie Sp. z o.o.	4 035 608,16	1 336 235,48
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
Berensona Invest Sp. z o.o.	14 245,86	14 245,86
Bliska Wola 4 Sp. z o.o. 1 SK	4 370 592,81	2 830 782,78
Bliska Wola 4 Sp. z o.o. 2 SK	2 246 116,42	1 585 627,17
Bliska Wola 4 Sp. z o.o.	14 635,60	14 245,86
Łódź Invest Sp. z o.o.	1 389 509,75	727 895,88

COMPANY NAME	Liabilities to related parties	
	30-09-2016	31-12-2015
JW. Construction Sp. z o.o.	24 837 266,03	8 847 589,59
TBS Marki Sp. z o.o.	30 382 435,79	29 653 707,26
JW. Marka Sp. z o.o.	461 254,75	0,00
BFC Sp. z o.o.	2 818 939,55	1 067 332,12
Seahouse Sp. z o.o.	9 757 437,18	117,00
Porta Transport Sp. z o.o.	17 380 033,61	0,00
Bliska Wola 4 Sp. z o.o. 1 SK	101 378 580,10	23 526,05
Bliska Wola 4 Sp. z o.o. 2 SK	36 089 601,92	0,00

All transactions concluded in 2016 by the Company or a subsidiary with the related parties are concluded on market terms.

**15. Information on granting by the Issuer or its subsidiary guarantees of credit, loans or guarantees to a single entity or its subsidiary, if the total value of existing warranties or guarantees is equivalent to at least 10% of the equity of the Issuer.**

In the reported period, the Company did not grant any warranties or guarantees which value would amount to 10% of its equity.

**16. Other information that is relevant, in the opinion of the Issuer, for assessing its personnel situation, financial result and their changes and information that are relevant for assessing the feasibility of Issuer's liabilities.**

Not present

**17. Factors which in the Issuer's opinion will affect its results in the perspective of at least next quarter.**

The most important factors that may affect Company's results:

- Rate of transfer of units in the following investments: at the turn of the year: Bernadowo Park phase I, next year: Bliska Wola phase C, Nowe Tysiąclecie phase B1, Zielona Dolina II phase I and III, Willa One, Jerzolimaska Invest, houses - Villa Campina, and others..
- Maintaining a high rate of sales along with expanding the offer, which is conditioned upon::
  - Launching new projects,
  - Availability of mortgage loans on real estate market,
  - Low level of interest rates - reduced cost of servicing the loan for Company and flat buyers, which can have positive impact on sales rates,
  - Expanding the offer for more aparthotel units,
  - Rate of depletion of funds from the government "Mieszkanie dla Młodych" program,
  - Launching projects on schedule.
- State of the economy, real estate market in particular.
- Other one-time events, eg. connected with revaluation of property. Company verifies valuation once a year (usually at the end of the year) and takes decisions regarding revaluation.



**18. Information on revenues and results of each business or geographical segments depending on the basic classification.**

**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.

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

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

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



Condensed Consolidated Financial Statements for the period of 9 months finished on September 30, 2016.

01.01.2016-30.09.2016	Real estate development activity	Business activity related to hotels	Construction of social buildings	Real estate construction	Other activity	Eliminations	Total
<b>Net revenues from sales of products, goods and materials, including:</b>	<b>385 868 161,59</b>	<b>34 172 028,07</b>	<b>9 926 761,75</b>	<b>49 434 815,03</b>	<b>2 209 137,60</b>	<b>-44 485 584,85</b>	<b>437 125 319,19</b>
Net revenues from sales of products	385 063 231,34	34 168 456,19	9 905 696,93	49 203 561,49	2 207 955,42	-44 474 117,70	436 074 783,67
Net revenues from sales of goods and materials	804 930,25	3 571,88	21 064,82	231 253,54	1 182,18	-11 467,15	1 050 535,52
<b>Costs of products, goods and materials sold, of which, including:</b>	<b>267 156 723,75</b>	<b>26 329 369,39</b>	<b>5 661 003,86</b>	<b>48 151 475,13</b>	<b>647 935,45</b>	<b>-43 610 052,80</b>	<b>304 336 454,78</b>
Manufacturing cost of products sold	266 374 310,78	26 325 666,32	5 639 939,04	47 920 563,10	646 753,27	-43 598 585,65	303 308 646,86
Value of goods and materials sold	782 412,97	3 703,07	21 064,82	230 912,03	1 182,18	-11 467,15	1 027 807,92
<b>Gross profit (loss) on sales</b>	<b>118 711 437,84</b>	<b>7 842 658,68</b>	<b>4 265 757,89</b>	<b>1 283 339,90</b>	<b>1 561 202,15</b>	<b>-875 532,05</b>	<b>132 788 864,41</b>
<b>Sales costs</b>	15 513 002,97	3 791 322,32	0,00	144,00	0,00	-751 761,00	<b>18 552 708,29</b>
<b>Overheads</b>	7 552 457,53	2 054 996,18	794 695,92	1 043 531,64	1 714 793,23	-205 308,05	<b>12 955 166,45</b>
<b>Revaluation of investment properties</b>	-3 537 191,49	0,00	0,00	0,00	0,00	0,00	<b>-3 537 191,49</b>
<b>Profit (loss) on sales</b>	<b>92 108 785,85</b>	<b>1 996 340,18</b>	<b>3 471 061,97</b>	<b>239 664,26</b>	<b>-153 591,08</b>	<b>81 537,00</b>	<b>97 743 798,18</b>
Other revenue from operations	1 799 504,29	32 545,82	123 848,31	208 690,39	17 350,74	0,00	2 181 939,55
Other costs related to operations	34 283 829,47	241 451,38	249 362,87	1 872 922,26	64,69	-43 656,42	36 603 974,25
<b>Operating profit (loss)</b>	<b>59 624 460,67</b>	<b>1 787 434,62</b>	<b>3 345 547,41</b>	<b>-1 424 567,61</b>	<b>-136 305,03</b>	<b>125 193,42</b>	<b>63 321 763,48</b>
Financial revenue	5 021 357,98	2 549,48	776 743,29	207,37	691 154,67	-4 450 585,79	2 041 427,00
Financial expenses	22 117 675,71	1 268 142,33	1 646 520,70	555 818,65	-581,25	-4 450 585,79	21 136 990,35
<b>Profit / loss on excluding subsidiary from consolidation</b>							<b>0,00</b>
<b>Profit (loss) on economic activity</b>	<b>42 528 142,94</b>	<b>521 841,77</b>	<b>2 475 770,00</b>	<b>-1 980 178,89</b>	<b>555 430,89</b>	<b>125 193,42</b>	<b>44 226 200,13</b>
<b>Gross profit (loss)</b>	<b>42 528 142,94</b>	<b>521 841,77</b>	<b>2 475 770,00</b>	<b>-1 980 178,89</b>	<b>555 430,89</b>	<b>125 193,42</b>	<b>44 226 200,13</b>
<b>Net profit (loss)</b>	<b>33 181 940,43</b>	<b>169 872,86</b>	<b>2 475 770,00</b>	<b>-1 274 910,85</b>	<b>361 602,82</b>	<b>291 544,51</b>	<b>35 205 819,76</b>



Condensed Consolidated Financial Statements for the period of 9 months finished on September 30, 2016.

01.01.2015-30.09.2015	Real estate development activity	Business activity related to hotels	Construction of social buildings	Real estate construction	Other activity	Eliminations	Total
<b>Net revenues from sales of products, goods and materials, including:</b>	<b>126 906 179,60</b>	<b>28 847 847,94</b>	<b>9 771 436,56</b>	<b>61 186 527,16</b>	<b>2 953 601,93</b>	<b>-57 390 140,57</b>	<b>172 275 452,62</b>
Net revenues from sales of products	125 686 803,77	28 846 353,65	9 755 557,55	60 929 800,21	2 953 200,19	-57 383 857,57	170 787 857,80
Net revenues from sales of goods and materials	1 219 375,83	1 494,29	15 879,01	256 726,95	401,74	-6 283,00	1 487 594,82
<b>Costs of products, goods and materials sold, of which, including:</b>	<b>95 533 893,93</b>	<b>24 306 988,79</b>	<b>5 435 924,86</b>	<b>54 182 338,46</b>	<b>2 456 909,13</b>	<b>-49 598 570,84</b>	<b>132 317 484,33</b>
Manufacturing cost of products sold	94 222 114,85	24 305 243,63	5 420 322,92	54 006 767,64	2 456 507,39	-49 592 287,84	130 818 668,59
Value of goods and materials sold	1 311 779,08	1 745,16	15 601,94	175 570,82	401,74	-6 283,00	1 498 815,74
<b>Gross profit (loss) on sales</b>	<b>31 372 285,67</b>	<b>4 540 859,15</b>	<b>4 335 511,70</b>	<b>7 004 188,70</b>	<b>496 692,80</b>	<b>-7 791 569,73</b>	<b>39 957 968,29</b>
<b>Sales costs</b>	<b>12 588 725,27</b>	<b>2 609 896,18</b>	<b>0,00</b>	<b>40 951,47</b>	<b>0,00</b>	<b>-2 515 296,45</b>	<b>12 724 276,47</b>
<b>Overheads</b>	<b>8 935 475,94</b>	<b>1 294 306,35</b>	<b>643 011,71</b>	<b>917 061,26</b>	<b>1 987 292,45</b>	<b>-206 051,93</b>	<b>13 571 095,78</b>
<b>Revaluation of investment properties</b>	<b>9 249 504,27</b>	<b>0,00</b>	<b>0,00</b>	<b>0,00</b>	<b>0,00</b>	<b>0,00</b>	<b>9 249 504,27</b>
<b>Profit (loss) on sales</b>	<b>19 097 588,73</b>	<b>636 656,62</b>	<b>3 692 499,99</b>	<b>6 046 175,97</b>	<b>-1 490 599,65</b>	<b>-5 070 221,35</b>	<b>22 912 100,31</b>
Other revenue from operations	655 487,53	49 453,31	115 114,88	686 558,51	5 667,22	0,00	1 512 281,45
Other costs related to operations	10 830 294,69	150 317,23	157 006,08	293 435,48	13 041,89	0,00	11 444 095,37
<b>Operating profit (loss)</b>	<b>8 922 781,57</b>	<b>535 792,70</b>	<b>3 650 608,79</b>	<b>6 439 299,00</b>	<b>-1 497 974,32</b>	<b>-5 070 221,35</b>	<b>12 980 286,39</b>
Financial revenue	1 691 848,35	929,67	762 336,24	9 670,52	661 834,99	-1 290 820,63	1 835 799,14
Financial expenses	11 420 665,43	1 298 936,46	1 383 569,52	739 508,12	17 256,35	-1 290 820,63	13 569 115,25
<b>Profit (loss) on economic activity</b>	<b>-806 035,51</b>	<b>-762 214,09</b>	<b>3 029 375,51</b>	<b>5 709 461,40</b>	<b>-853 395,68</b>	<b>-5 070 221,35</b>	<b>1 246 970,28</b>
<b>Gross profit (loss)</b>	<b>-806 035,51</b>	<b>-762 214,09</b>	<b>3 029 375,51</b>	<b>5 709 461,40</b>	<b>-853 395,68</b>	<b>-5 070 221,35</b>	<b>1 246 970,28</b>
<b>Net profit (loss)</b>	<b>-1 203 698,25</b>	<b>-762 214,09</b>	<b>3 029 375,51</b>	<b>4 613 751,73</b>	<b>-1 108 533,68</b>	<b>-3 589 823,10</b>	<b>978 858,13</b>

## E. ISSUER'S FINANCIAL STATEMENTS

### 1. Report on the financial situation

<b>ASSETS</b>	<b>Note</b>	<b>2016-09-30</b>	<b>31-12-2015</b>
<b>FIXED ASSETS</b>		<b>800 058 665,27</b>	<b>842 997 161,93</b>
Intangible assets	1	12 564 953,18	12 743 704,03
Tangible assets	2	228 532 882,77	227 400 157,30
Investment real estate	3	348 574 303,79	405 269 174,24
Other financial assets	4	184 010 889,80	178 339 779,28
Deferred income tax assets		24 587 471,94	17 478 087,72
Trade and other receivables	5	1 788 163,79	1 766 259,37
<b>CURRENT ASSETS</b>		<b>626 298 373,67</b>	<b>472 692 002,41</b>
Inventories	6	426 512 877,23	27 822 881,13
Construction contracts	7	12 925 628,19	267 739 043,96
Trade and other receivables	8	55 738 315,30	53 473 215,20
Other financial assets	9	42 702 783,85	42 030 670,09
Cash and cash equivalents	10	78 902 536,87	73 600 261,65
Accruals	11	9 516 232,23	8 025 930,38
<b>Total assets</b>		<b>1 426 357 038,94</b>	<b>1 315 689 164,35</b>
<b>EQUITY AND LIABILITIES</b>			
<b>EQUITY</b>		<b>615 112 412,54</b>	<b>674 694 704,07</b>
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		-5 679 509,98	-5 679 509,99
Net profit / loss		-59 582 291,54	15 039 584,26
<b>LIABILITIES</b>		<b>811 244 626,40</b>	<b>640 994 460,27</b>
<b>Non-current liabilities</b>		<b>279 744 919,72</b>	<b>300 856 821,59</b>
Borrowings	12	60 123 656,55	50 841 566,42
Deferred income tax liabilities		34 405 620,58	38 243 749,24
Retirement benefit obligations		200 416,45	200 416,45
Provision for other liabilities and charges	14	0,00	0,00
Other liabilities	13	185 015 226,14	211 571 089,48
<b>Current liabilities</b>		<b>531 499 706,68</b>	<b>340 137 638,68</b>
Trade and other payables	14	205 697 783,28	112 913 932,77
Construction contracts	7	213 165 068,52	51 892 131,72
Borrowings	12	33 453 385,13	13 667 098,43
Provision for other liabilities and charges	14	18 947 599,67	12 161 856,31
Other liabilities	15	60 235 870,08	149 502 619,45
<b>EQUITY AND LIABILITIES</b>		<b>1 426 357 038,94</b>	<b>1 315 689 164,35</b>

## 2. Total income statement

	Note	between 01-01-2016 and 30-09-2016	between 01-01-2015 and 30-09-2015	between 01-07-2016 and 30-09-2016	between 01-07-2015 and 30-09-2015
<b>Net revenues from sales of products, goods and materials, of which:</b>	16	<b>80 318 863,74</b>	<b>178 267 346,43</b>	<b>23 123 063,16</b>	<b>46 415 160,18</b>
Net revenues from sales of products		77 931 234,67	177 022 922,53	22 756 572,42	46 025 072,59
Net revenues from sales of goods and materials		2 387 629,07	1 244 423,90	366 490,74	390 087,59
<b>Costs of products, goods and materials sold, of which:</b>	17	<b>71 228 122,44</b>	<b>141 636 497,10</b>	<b>17 908 762,64</b>	<b>38 195 146,93</b>
Manufacturing cost of products sold		68 863 059,46	140 299 419,08	17 596 499,73	37 766 992,81
Value of goods and materials sold		2 365 062,98	1 337 078,02	312 262,91	428 154,12
<b>Gross profit (loss) on sales</b>		<b>9 090 741,30</b>	<b>36 630 849,33</b>	<b>5 214 300,52</b>	<b>8 220 013,25</b>
<b>Sales costs</b>	17	<b>12 299 436,24</b>	<b>13 122 270,38</b>	<b>4 222 808,01</b>	<b>4 617 920,37</b>
<b>Overheads</b>	17	<b>10 671 815,59</b>	<b>10 680 256,45</b>	<b>3 232 650,53</b>	<b>3 907 010,11</b>
<b>Revaluation of investment properties</b>		<b>-3 537 191,49</b>	<b>9 249 504,27</b>	<b>-1 417 719,84</b>	<b>5 623 651,90</b>
<b>Profit (loss) on sales</b>		<b>-17 417 702,02</b>	<b>22 077 826,77</b>	<b>-3 658 877,86</b>	<b>5 318 734,67</b>
Other operating income	18	1 989 416,13	698 890,45	1 146 520,06	-1 872 580,21
Other operating expenses	19	33 502 338,17	10 969 152,67	26 863 338,01	6 573 090,48
<b>Operating profit (loss)</b>		<b>-48 930 624,06</b>	<b>11 807 564,55</b>	<b>-29 375 695,81</b>	<b>-3 126 936,02</b>
Financial Revenues	20	1 979 397,45	2 500 105,37	-1 208 352,76	903 898,69
Financial expenses	21	23 578 577,49	13 670 160,26	13 055 223,90	4 552 088,26
<b>Profit (loss) on business activity</b>		<b>-70 529 804,10</b>	<b>637 509,66</b>	<b>-43 639 272,47</b>	<b>-6 775 125,59</b>
<b>Gross profit (loss)</b>		<b>-70 529 804,10</b>	<b>637 509,66</b>	<b>-43 639 272,47</b>	<b>-6 775 125,59</b>
Income tax		-10 947 512,56	265 201,51	-6 316 083,34	-950 681,99
<b>Net profit (loss)</b>		<b>-59 582 291,54</b>	<b>372 308,15</b>	<b>-37 323 189,13</b>	<b>-5 824 443,60</b>

<b>Other comprehensive income</b>		<b>0,00</b>	<b>0,00</b>	<b>0,00</b>	<b>0,00</b>
Foreign exchange rate operation differences		0,00	0,00	0,00	0,00
Profit/loss from acquisitions		0,00	0,00	0,00	0,00
Profit from revaluation of tangible fixed assets		0,00	0,00	0,00	0,00
Other comprehensive income		0,00	0,00	0,00	0,00
<b>Total revenue</b>		<b>-59 582 291,54</b>	<b>372 308,15</b>	<b>-37 323 189,13</b>	<b>-5 824 443,60</b>

<b>CALCULATION OF BASIC AND DILUTED EARNINGS PER SHARE</b>		between 01-01-2016 and 30-09-2016	between 01-01-2015 and 30-09-2015	between 01-07-2016 and 30-09-2016	between 01-07-2015 and 30-09-2015
<b>Profits</b>					



Condensed Consolidated Financial Statements for the period of 9 months finished on September 30, 2016.

(A) Profits of the Group disclosed in the consolidated financial statements		-59 582 291,54	372 308,15	-37 323 189,13	-5 824 443,60
<b>Number of shares</b>					
(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 *		62 841 299,17	62 841 299,17	62 841 299,17	62 841 299,17
(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		62 841 299,17	62 841 299,17	62 841 299,17	62 841 299,17
<b>Basic earnings per share = (A)/(B)</b>		<b>-0,95</b>	<b>0,01</b>	<b>-0,59</b>	<b>-0,09</b>
<b>Diluted earnings per share = (A)/(B)</b>		<b>-0,95</b>	<b>0,01</b>	<b>-0,59</b>	<b>-0,09</b>



Condensed Consolidated Financial Statements for the period of 9 months finished on September 30, 2016.

### 3. Statement of changes in equity

	Share capital	Own shares (negative figure)	Revaluation reserve	Supplementary capital	Other capital	Retained earnings	Net earnings	Equity
<b>As at 31 December 2015</b>	<b>17 771 888,60</b>	<b>0,00</b>	<b>7 493 208,19</b>	<b>634 337 945,82</b>	<b>5 731 587,19</b>	<b>-5 679 509,99</b>	<b>15 039 584,26</b>	<b>674 694 704,07</b>
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
<b>As at 1 January 2016</b>	<b>17 771 888,60</b>	<b>0,00</b>	<b>7 493 208,19</b>	<b>634 337 945,82</b>	<b>5 731 587,19</b>	<b>-5 679 509,99</b>	<b>15 039 584,26</b>	<b>674 694 704,07</b>
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	0,00	0,00	0,00
Conversion to IFRS	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
<b>Total profit / (loss) recognized directly in equity</b>	<b>0,00</b>	<b>0,00</b>	<b>0,00</b>	<b>0,00</b>	<b>0,00</b>	<b>0,00</b>	<b>0,00</b>	<b>0,00</b>
Net profit (loss) for the accounting year	0,00	0,00	0,00	0,00	0,00	0,00	-59 582 291,54	-59 582 291,54
<b>Total profit / (loss) recognized in equity and net earnings</b>	<b>0,00</b>	<b>0,00</b>	<b>0,00</b>	<b>0,00</b>	<b>0,00</b>	<b>0,00</b>	<b>-59 582 291,54</b>	<b>-59 582 291,54</b>
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
<b>As at 30 September 2016</b>	<b>17 771 888,60</b>	<b>0,00</b>	<b>7 493 208,19</b>	<b>649 377 530,08</b>	<b>5 731 587,19</b>	<b>-5 679 509,99</b>	<b>-59 582 291,54</b>	<b>615 112 412,53</b>



Condensed Consolidated Financial Statements for the period of 9 months finished on September 30, 2016.

	Share capital	Own shares (negative figure)	Revaluation reserve	Supplementary capital	Other capital	Retained earnings	Net earnings	Equity
<b>As at 31 December 2014</b>	<b>17 771 888,60</b>	<b>0,00</b>	<b>7 493 208,19</b>	<b>612 458 642,24</b>	<b>5 731 587,19</b>	<b>-3 398 696,37</b>	<b>19 598 489,97</b>	<b>659 655 119,82</b>
Basic error corrections	0,00	0,00	0,00	0,00	0,00	0,00	0,00	<b>0,00</b>
Adjustments for conversion to IFRS	0,00	0,00	0,00	0,00	0,00	0,00	0,00	<b>0,00</b>
<b>As at 1 January 2015</b>	<b>17 771 888,60</b>	<b>0,00</b>	<b>7 493 208,19</b>	<b>612 458 642,24</b>	<b>5 731 587,19</b>	<b>-3 398 696,37</b>	<b>19 598 489,97</b>	<b>659 655 119,82</b>
Share issuance	0,00	0,00	0,00	0,00	0,00	0,00	0,00	<b>0,00</b>
Share redemption	0,00	0,00		0,00				<b>0,00</b>
Purchase of own shares	0,00	0,00	0,00	0,00	0,00	0,00	0,00	<b>0,00</b>
Dividends paid	0,00	0,00	0,00	0,00	0,00	0,00	0,00	<b>0,00</b>
Gains / (losses) on business acquisitions(unitary JWCH)	0,00	0,00		0,00	0,00	0,00	0,00	<b>0,00</b>
Changes in accounting policies/presentation	0,00	0,00	0,00	0,00	0,00	0,00	0,00	<b>0,00</b>
Adjustments	0,00	0,00	0,00	0,00	0,00	0,45	0,00	<b>0,45</b>
Conversion to IFRS	0,00	0,00	0,00	0,00	0,00	0,00	0,00	<b>0,00</b>
<b>Total profit / (loss) recognized directly in equity</b>	<b>0,00</b>	<b>0,00</b>	<b>0,00</b>	<b>0,00</b>	<b>0,00</b>	<b>0,45</b>	<b>0,00</b>	<b>0,45</b>
Net profit (loss) for the accounting year	0,00	0,00	0,00	0,00	0,00	0,00	372 308,15	<b>372 308,15</b>
<b>Total profit / (loss) recognized in equity and net earnings</b>	<b>0,00</b>	<b>0,00</b>	<b>0,00</b>	<b>0,00</b>	<b>0,00</b>	<b>0,45</b>	<b>372 308,15</b>	<b>372 308,60</b>
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	<b>-0,46</b>
<b>As at 30 September 2015</b>	<b>17 771 888,60</b>	<b>0,00</b>	<b>7 493 208,19</b>	<b>634 337 945,82</b>	<b>5 731 587,19</b>	<b>-5 679 509,99</b>	<b>372 308,15</b>	<b>660 027 427,96</b>





Condensed Consolidated Financial Statements for the period of 9 months finished on September 30, 2016.

	Share capital	Own shares (negative figure)	Revaluation reserve	Supplementary capital	Other capital	Retained earnings	Net earnings	Equity
<b>As at 31 December 2014</b>	<b>17 771 888,60</b>	<b>0,00</b>	<b>7 493 208,19</b>	<b>612 458 642,24</b>	<b>5 731 587,19</b>	<b>-3 398 696,37</b>	<b>19 598 489,97</b>	<b>659 655 119,82</b>
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
<b>As at 1 January 2015</b>	<b>17 771 888,60</b>	<b>0,00</b>	<b>7 493 208,19</b>	<b>612 458 642,24</b>	<b>5 731 587,19</b>	<b>-3 398 696,37</b>	<b>19 598 489,97</b>	<b>659 655 119,82</b>
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
<b>Total profit / (loss) recognized directly in equity</b>	<b>0,00</b>	<b>0,00</b>	<b>0,00</b>	<b>0,00</b>	<b>0,00</b>	<b>0,45</b>	<b>0,00</b>	<b>0,45</b>
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
<b>Total profit / (loss) recognized in equity and net earnings</b>	<b>0,00</b>	<b>0,00</b>	<b>0,00</b>	<b>0,00</b>	<b>0,00</b>	<b>0,45</b>	<b>15 039 584,26</b>	<b>15 039 584,71</b>
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
<b>As at 31 December 2015</b>	<b>17 771 888,60</b>	<b>0,00</b>	<b>7 493 208,19</b>	<b>634 337 945,82</b>	<b>5 731 587,19</b>	<b>-5 679 509,99</b>	<b>15 039 584,26</b>	<b>674 694 704,07</b>

#### 4. Cash flow statement

	<b>01-01-2016 until 30-09-2016</b>	<b>01-01-2015 until 30-09-2015</b>
<b>Operating cash flow - two-step method</b>		
<b>Net profit (loss)</b>	<b>-59 582 291,54</b>	<b>372 308,15</b>
<b>Item adjustments</b>	<b>17 150 746,93</b>	<b>4 225 314,55</b>
Depreciation and amortization	5 288 398,80	5 605 615,05
(Profit) loss on foreign exchange differences	-193 083,97	-1 058 946,99
(Profits) loss from investment activities	-169 508,89	-2 311 918,53
Interest and dividends	14 339 821,56	11 751 411,87
Changes in provisions and accruals	-5 652 071,06	-650 677,79
Changes in investment property	3 537 191,49	-9 249 504,27
Other item adjustments	-1,00	139 335,21
- other adjustments	-1,00	139 335,21
<b>Changes in working capital</b>	<b>78 845 386,04</b>	<b>36 480 223,77</b>
Change in inventories	1 016 405,72	334 666,30
Change in construction contracts	77 794 679,04	40 220 710,34
Changes in receivables	-2 641 040,29	5 313 958,81
Changes in current liabilities, except for borrowings	2 675 341,57	-9 389 111,68
<b>Operating cash flows</b>	<b>36 413 841,43</b>	<b>41 077 846,47</b>
<b>Investment activity cash flows</b>		
Disposal of tangible and intangible assets and other non-current assets	578 688,18	8 893 539,45
Acquisition of tangible and intangible assets and other non-current assets	-11 603 303,25	-18 680 604,11
Loans granted	-2 077 260,94	-654 699,00
Loans repaid	1 100 000,00	2 826 200,00
Interest received	26 246,90	23 074,79
Disposal of subsidiaries	10 390,74	10 000,00
Acquisition of subsidiaries	-4 245 900,00	-7 285 000,00
<b>Net investment activity cash flow</b>	<b>-16 211 138,37</b>	<b>-14 867 488,87</b>
<b>Investment activity cash flow</b>		
Loans and borrowings granted	42 300 396,12	9 167 884,85
Loans and borrowings repaid	-13 370 008,17	-40 294 683,09
Redemption of debt securities	-137 180 000,00	-10 570 000,00
Payments under financial lease agreements	-847 451,82	-54 443,82
Interest paid	-11 214 088,36	-12 797 108,16
Other financial proceeds (including notes)	110 810 000,00	35 750 000,00
Other financial expenditures (including notes)	-5 399 275,30	0,00
<b>Net financing cash flow</b>	<b>-14 900 427,53</b>	<b>-18 798 350,22</b>
<b>NET DECREASE / (INCREASE) IN CASH</b>	<b>5 302 275,53</b>	<b>7 412 007,38</b>
Cash and cash equivalents at the beginning of the year	73 600 261,65	16 180 647,26
- foreign exchange gains/(losses) on cash		
<b>CLOSING BALANCE OF CASH AND CASH EQUIVALENTS</b>	<b>78 902 536,87</b>	<b>23 592 654,64</b>

## F. NOTES TO THE ISSUER'S FINANCIAL STATEMENTS

### 1. FIXED ASSETS

#### Note 1. Intangible assets

<b>INTANGIBLE ASSETS</b>	<b>2016-09-30</b>	<b>2015-12-31</b>
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	175 304,96	354 055,81
d) advances on intangible assets	0,00	0,00
<b>Total intangible assets</b>	<b>12 564 953,18</b>	<b>12 743 704,03</b>

#### Note 2. Tangible assets

<b>TANGIBLE ASSETS</b>	<b>2016-09-30</b>	<b>2015-12-31</b>
a) fixed assets including:	224 401 777,37	223 915 997,69
- land (including right of perpetual usufruct)	14 969 731,64	14 969 731,64
- buildings and structures	185 667 877,42	187 145 322,61
- plant and machinery	12 395 872,46	13 155 230,72
- motor vehicles	3 836 077,99	115 845,92
- other fixed assets	7 532 217,86	8 529 866,80
b) constructions in progress	4 131 105,40	3 484 159,61
c) advances on constructions in progress	0,00	0,00
<b>Total tangible assets</b>	<b>228 532 882,77</b>	<b>227 400 157,30</b>

#### Note 3. Investment real estate

<b>Other long-term investments</b>	<b>2016-09-30</b>	<b>2015-12-31</b>
a) investment properties	348 574 303,79	405 269 174,24
b) other	0,00	0,00
<b>Total other long-term investments</b>	<b>348 574 303,79</b>	<b>405 269 174,24</b>

#### Note 4. Other financial assets

<b>LONG-TERM FINANCIAL ASSETS</b>	<b>2016-09-30</b>	<b>2015-12-31</b>
a) shares	160 818 294,81	156 587 493,81
b) loans granted	23 192 594,99	21 752 285,47
c) other long-term investments	0,00	0,00
<b>Total long-term financial assets</b>	<b>184 010 889,80</b>	<b>178 339 779,28</b>

<b>LONG-TERM FINANCIAL ASSETS</b>	<b>2016-09-30</b>	<b>2015-12-31</b>
a) in subsidiaries	183 801 338,80	178 130 229,28
- shares	160 608 743,81	156 377 943,81
- other securities	0,00	0,00
- loans granted	23 192 594,99	21 752 285,47
- other long-term financial assets	0,00	0,00
b) in other parties	209 551,00	209 550,00
- shares	209 551,00	209 550,00
- other securities	0,00	0,00
- loans granted	0,00	0,00
- other long-term financial assets	0,00	0,00
<b>Total long-term financial assets</b>	<b>184 010 889,80</b>	<b>178 339 779,28</b>

Note 5. Non-current receivables

<b>NON-CURRENT RECEIVABLES</b>	<b>2016-09-30</b>	<b>2015-12-31</b>
a) guarantee receivables	0,00	0,00
b) deposit receivables( lease)	44 500,07	0,00
b) other receivables	1 743 663,72	1 766 259,37
<b>Total receivables</b>	<b>1 788 163,79</b>	<b>1 766 259,37</b>

**2. CURRENT ASSETS**

Note 6. Inventories

<b>INVENTORIES</b>	<b>2016-09-30</b>	<b>2015-12-31</b>
a) materials	1 207 187,50	1 314 821,92
b) semi-finished products and work in progress	399 704 466,62	0,00
c) finished products	0,00	0,00
d) goods	25 576 273,52	26 507 109,62
e) trade advances	24 949,59	949,59
<b>Total inventories</b>	<b>426 512 877,23</b>	<b>27 822 881,13</b>

Note 7. Construction contracts

<b>CONSTRUCTION CONTRACTS</b>	<b>2016-09-30</b>	<b>2015-12-31</b>
a) semi-finished products and work in progress	0,00	247 413 025,92
b) finished products	4 308 268,57	18 039 749,45
c) advances for supplies	8 498 741,55	2 167 650,52
d) short-term prepayments	118 618,07	118 618,07
<b>Total construction contracts</b>	<b>12 925 628,19</b>	<b>267 739 043,96</b>

<b>CONSTRUCTION CONTRACTS</b>	<b>2016-09-30</b>	<b>2015-12-31</b>
a) Accruals	213 165 068,52	51 892 131,72
<b>Total construction contracts</b>	<b>213 165 068,52</b>	<b>51 892 131,72</b>

<b>ACCRUALS</b>	<b>2016-09-30</b>	<b>2015-12-31</b>
- advances on premises	212 232 613,62	47 932 749,45
- works reserves	719 616,09	3 318 602,58
- other	212 838,81	640 779,69
<b>The total value of accruals</b>	<b>213 165 068,52</b>	<b>51 892 131,72</b>

Note 8. Trade and other receivables

<b>CURRENT RECEIVABLES</b>	<b>2016-09-30</b>	<b>2015-12-31</b>
a) trade receivables - related parties	23 744 500,26	17 112 489,72
b) trade receivables - other parties	21 335 399,01	24 409 019,29
c) taxes, subsidies, customs duties, social and health insurance and other payments	5 428 230,95	7 536 526,50
d) other	5 230 185,08	4 415 179,69
<b>Total receivables</b>	<b>55 738 315,30</b>	<b>53 473 215,20</b>

Note 9. Other financial assets

<b>SHORT-TERM INVESTMENTS</b>	<b>2016-09-30</b>	<b>2015-12-31</b>
a) shares	0,00	0,00
b) loans granted	42 345 027,42	41 684 323,27
c) other investments	357 756,43	346 346,82
<b>Total value of short-term investments</b>	<b>0,00</b>	<b>0,00</b>
a) shares	<b>42 702 783,85</b>	<b>42 030 670,09</b>

<b>SHORT-TERM INVESTMENTS</b>	<b>2016-09-30</b>	<b>2015-12-31</b>

a) in subsidiaries	42 297 124,78	41 628 838,73
- shares	0,00	0,00
- other securities	0,00	0,00
- loans granted	42 297 124,78	41 628 838,73
- other short-term financial assets	0,00	0,00
b) in other parties	405 659,07	401 831,36
- shares	0,00	0,00
- other securities	357 756,43	346 346,82
- loans granted	47 902,64	55 484,54
- other short-term financial assets	0,00	0,00
<b>Total value of short-term investments</b>	<b>42 702 783,85</b>	<b>42 030 670,09</b>

Note 10. Cash and cash equivalents

<b>CASH AND CASH EQUIVALENTS</b>	<b>2016-09-30</b>	<b>2015-12-31</b>
cash on hand and with bank	78 855 870,67	16 953 072,45
b) other cash	747,80	56 642 004,15
c) other cash equivalents	45 918,40	5 185,05
<b>Total cash</b>	<b>78 902 536,87</b>	<b>73 600 261,65</b>

<b>CASH IN ESCROW ACCOUNTS</b>	<b>2016-09-30</b>	<b>2015-12-31</b>
<b>Cash in escrow accounts</b>	<b>41 588 146,49</b>	<b>7 475 720,76</b>
JW. Construction Holding SA	41 588 146,49	7 475 720,76

Note 11. Accruals

<b>ACCRUALS</b>	<b>2016-09-30</b>	<b>2015-12-31</b>
a) short-term accruals	9 516 232,23	8 025 930,38
<b>The total value of accruals</b>	<b>9 516 232,23</b>	<b>8 025 930,38</b>

<b>Accruals</b>	<b>2016-09-30</b>	<b>2015-12-31</b>
- property insurance	118 834,49	20 376,24
- interest	1 206 000,00	3 538 277,06
- commission expenses	5 839 634,56	3 209 553,66
- property tax, perpetual usufruct, road tax	1 393 310,11	0,00
- other	958 453,13	1 257 723,42
<b>Total accruals</b>	<b>9 516 232,29</b>	<b>8 025 930,38</b>

### 3. LIABILITIES

Note 12. Borrowings

<b>BORROWINGS</b>	<b>2016-09-30</b>	<b>2015-12-31</b>
a) credits	88 621 637,82	57 298 512,44
<i>of which: long-term</i>	<i>56 958 027,58</i>	<i>47 741 232,44</i>
<i>Short-term</i>	<i>31 663 610,24</i>	<i>9 557 280,00</i>
b) loans	4 955 403,86	7 210 152,41
<i>of which: long-term</i>	<i>3 165 628,97</i>	<i>3 100 333,98</i>
<i>Short-term</i>	<i>1 789 774,89</i>	<i>4 109 818,43</i>
<b>Total borrowings</b>	<b>93 577 041,68</b>	<b>64 508 664,85</b>
<b>Borrowings - long-term</b>	<b>60 123 656,55</b>	<b>50 841 566,42</b>
<b>Borrowings - short-term</b>	<b>33 453 385,13</b>	<b>13 667 098,43</b>

<b>CREDITS PER MATURITY</b>	<b>2016-09-30</b>	<b>2015-12-31</b>
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Up to 1 year	31 663 610,24	9 557 280,00
Over 1 year up to 2 years	33 230 827,75	13 036 761,87
Over 2 year up to 5 years	23 493 599,21	33 758 069,95
Over 5 years	233 600,62	946 400,62
<b>Total credits, including:</b>	<b>88 621 637,82</b>	<b>57 298 512,44</b>
- long-term	56 958 027,58	47 741 232,44
- short-term	31 663 610,24	9 557 280,00

<b>LOANS PER MATURITY</b>	<b>2016-09-30</b>	<b>2015-12-31</b>
Up to 1 year	1 789 774,89	4 109 818,43
Over 1 year up to 2 years	3 165 628,97	3 100 333,98
Over 2 year up to 5 years	0,00	0,00
Over 5 years	0,00	0,00
<b>Total loans, including:</b>	<b>4 955 403,86</b>	<b>7 210 152,41</b>
- long-term	3 165 628,97	3 100 333,98
- short-term	1 789 774,89	4 109 818,43

Note 13. Other long-term liabilities

<b>OTHER LONG-TERM LIABILITIES</b>	<b>2016-09-30</b>	<b>2015-12-31</b>
a) lease obligations	1 833 772,91	8 324,99
b) deposit liabilities	26 725 155,75	23 086 165,86
c) liabilities from securities	123 500 000,00	171 750 805,00
d) other long-term liabilities	0,00	0,00
e) promissory notes payable-related	32 345 279,07	16 725 793,63
f) promissory notes payable-other	611 018,41	0,00
g) borrowings-related entities	0,00	0,00
<b>Total other long-term liabilities</b>	<b>185 015 226,14</b>	<b>211 571 089,48</b>

Note 14. Trade and other payables

<b>TRADE AND OTHER PAYABLES</b>	<b>2016-09-30</b>	<b>2015-12-31</b>
a) trade payables - other parties	21 569 018,09	15 588 723,89
b) trade payables - related parties	7 808 884,07	10 646 605,42
c) taxes, customs duties, insurance and other payments	2 354 901,92	1 761 239,26
d) salaries	1 606 882,15	1 647 925,07
e) trade advances received	0,00	0,00
f) loans granted – related parties	24 489 099,10	23 970 953,26
g) promissory notes – related parties	141 008 744,55	47 779 391,56
h) other	6 860 253,40	11 519 094,31
<b>Total trade and other payables</b>	<b>205 697 783,28</b>	<b>112 913 932,77</b>

<b>PROVISION FOR OTHER LIABILITIES AND CHARGES</b>	<b>2016-09-30</b>	<b>2015-12-31</b>
<b>a) short-term, of which:</b>	<b>18 947 599,67</b>	<b>12 161 856,31</b>
- accrued expenses, including:	9 063 276,97	10 819 506,40
- interest charged	1 574 074,20	1 572 025,00
- <i>rent deposit</i>	480 433,64	480 433,64
- <i>hotel down payments</i>	1 249 586,80	3 522 741,67
- <i>other</i>	5 759 182,33	5 244 306,09
- other provisions, including:	9 884 322,70	1 342 349,91
- <i>other provisions</i>	9 884 322,70	1 342 349,91
<b>Total provision for other liabilities and charges</b>	<b>18 947 599,67</b>	<b>12 161 856,31</b>

Note 15. Other liabilities

<b>OTHER LIABILITIES</b>	<b>2016-09-30</b>	<b>2015-12-31</b>
a) debt securities issue liabilities	52 483 921,50	142 411 358,83

b) promissory note liabilities - other	6 309 680,22	7 012 598,47
c) lease liabilities	1 442 268,36	78 662,15
<b>Total other liabilities</b>	<b>60 235 870,08</b>	<b>149 502 619,45</b>

#### 4. OPERATING INCOME AND EXPENSES

##### Note 16. Operating income

<b>OPERATING INCOME</b>	<b>01-01-2016 until 30-09-2016</b>	<b>01-01-2015 until 30-09-2015</b>	<b>01-07-2016 until 30-09-2016</b>	<b>01-07-2015 until 30-09-2015</b>
Revenues from sales of products	14 995 340,79	114 008 352,86	1 529 377,33	24 591 302,30
Revenues from sales of services	62 935 893,88	63 014 569,67	21 227 195,09	21 433 770,29
Revenues from sales of goods	2 387 629,07	1 244 423,90	366 490,74	390 087,59
<b>Total Income</b>	<b>80 318 863,74</b>	<b>178 267 346,43</b>	<b>23 123 063,16</b>	<b>46 415 160,18</b>

	<b>01-01-2016 until 30-09-2016</b>	<b>01-01-2015 until 30-09-2015</b>	<b>01-07-2016 until 30-09-2016</b>	<b>01-07-2015 until 30-09-2015</b>
<b>Proceeds from sales, including:</b>	<b>80 318 863,74</b>	<b>178 267 346,43</b>	<b>23 123 063,16</b>	<b>46 415 160,18</b>
-sales of products – units, plots, buildings	14 995 340,79	114 008 352,86	1 529 377,33	24 591 302,30
-sales of services	62 935 893,88	63 014 569,67	21 227 195,09	21 433 770,29
-sales of goods	2 387 629,07	1 244 423,90	366 490,74	390 087,59

	<b>01-01-2016 until 30-09-2016</b>	<b>01-01-2015 until 30-09-2015</b>	<b>01-07-2016 until 30-09-2016</b>	<b>01-07-2015 until 30-09-2015</b>
<b>Revenues from sales of products and services by segment</b>	<b>77 931 234,67</b>	<b>177 022 922,53</b>	<b>22 756 572,42</b>	<b>46 025 072,59</b>
-real estate activity	43 612 207,50	144 341 680,27	9 666 284,38	34 202 875,86
-business activity related to hotels	30 513 721,61	28 846 353,65	11 825 735,23	10 821 885,90
-real estate management	3 805 305,56	3 834 888,61	1 264 552,81	1 000 310,83

	<b>01-01-2016 until 30-09-2016</b>	<b>01-01-2015 until 30-09-2015</b>	<b>01-07-2016 until 30-09-2016</b>	<b>01-07-2015 until 30-09-2015</b>
<b>Revenues from sales of products – premises, plots, buildings by geographic segment</b>	<b>14 995 340,79</b>	<b>114 008 352,86</b>	<b>1 529 377,33</b>	<b>24 591 302,30</b>
-Warsaw and the surrounding area	8 824 204,60	93 904 820,27	372 451,48	19 865 857,50
-Gdynia	10 777,23	15 661,74	0,00	0,00
- Łódź	190 760,82	3 001 135,92	0,00	1 007 055,17
- Łódź (Pogonowskiego)	800 980,88	4 290 001,00	0,00	0,00
- Katowice	5 168 617,26	12 796 733,93	1 156 925,85	3 718 389,63

	<b>01-01-2016 until 30-09-2016</b>	<b>01-01-2015 until 30-09-2015</b>	<b>01-07-2016 until 30-09-2016</b>	<b>01-07-2015 until 30-09-2015</b>
<b>Revenue from hotel services by geographical segment</b>	<b>30 513 721,61</b>	<b>28 846 353,64</b>	<b>11 825 735,23</b>	<b>10 821 885,90</b>
-Warszawa and the surrounding area	4 265 934,20	4 666 820,72	1 716 311,46	1 639 848,41
- Tarnowo	4 365 853,93	3 911 444,82	1 391 968,67	1 272 176,17
- Stryków	2 864 014,70	2 705 997,47	911 500,99	836 217,65
- Krynica Górská	19 017 918,78	17 562 090,63	7 805 954,11	7 073 643,67

##### Note 17. Operating expenses

<b>OPERATING EXPENSES</b>	<b>01-01-2016 until 30-09-2016</b>	<b>01-01-2015 until 30-09-2015</b>	<b>01-07-2016 until 30-09-2016</b>	<b>01-07-2015 until 30-09-2015</b>
Costs on sale of products	23 033 092,25	91 753 399,40	3 320 386,40	21 923 765,84
Costs on sale of services	45 829 967,21	48 546 019,68	14 276 113,33	15 843 226,97
Costs on sale of goods	2 365 062,98	1 337 078,02	312 262,91	428 154,12
<b>Total costs of products, services and</b>	<b>71 228 122,44</b>	<b>141 636 497,10</b>	<b>17 908 762,64</b>	<b>38 195 146,93</b>

<b>goods sold</b>				
<b>Sales and overhead expenses</b>	<b>01-01-2016 until 30-09-2016</b>	<b>01-01-2015 until 30-09-2015</b>	<b>01-07-2016 until 30-09-2016</b>	<b>01-07-2015 until 30-09-2015</b>
Sales expenses	12 299 436,24	13 122 270,38	4 222 808,01	4 617 920,37
Overhead expenses	10 671 815,59	10 680 256,45	3 232 650,53	3 907 010,11
<b>Total sales and overhead expenses</b>	<b>22 971 251,83</b>	<b>23 802 526,83</b>	<b>7 455 458,54</b>	<b>8 524 930,48</b>

Note 18. Other operating income

<b>OPERATING INCOME</b>	<b>01-01-2016 until 30-09-2016</b>	<b>01-01-2015 until 30-09-2015</b>	<b>01-07-2016 until 30-09-2016</b>	<b>01-07-2015 until 30-09-2015</b>
a) profit on disposal of non-financial fixed assets	174 218,15	0,00	174 218,15	-2 263 918,53
b) other operating income	1 815 197,98	698 890,45	972 301,91	391 338,32
<b>Total other operating income</b>	<b>1 989 416,13</b>	<b>698 890,45</b>	<b>1 146 520,06</b>	<b>-1 872 580,21</b>

<b>OPERATING INCOME</b>	<b>01-01-2016 until 30-09-2016</b>	<b>01-01-2015 until 30-09-2015</b>	<b>01-07-2016 until 30-09-2016</b>	<b>01-07-2015 until 30-09-2015</b>
a) profit on disposal of non-financial fixed assets	174 218,15	0,00	174 218,15	-2 263 918,53
b) handling charges, penalties	785 522,29	142 585,26	153 289,53	35 189,78
c) reserves	0,00	0,00	0,00	0,00
d) assets disclosure	0,00	0,00	0,00	0,00
e) other (including compensation)	1 029 675,69	556 305,19	819 012,38	356 148,54
<b>Total operating income</b>	<b>1 989 416,13</b>	<b>698 890,45</b>	<b>1 146 520,06</b>	<b>-1 872 580,21</b>

Nota 19. Other operating expenses

<b>OPERATING EXPENSES</b>	<b>01-01-2016 until 30-09-2016</b>	<b>01-01-2015 until 30-09-2015</b>	<b>01-07-2016 until 30-09-2016</b>	<b>01-07-2015 until 30-09-2015</b>
a) loss on disposal of non-financial fixed assets	0,00	5 151 563,46	-102 753,81	5 151 563,46
b) revaluation of non-financial assets	0,00	495 899,29	0,00	495 899,29
c) other operating expenses	33 502 338,17	5 321 689,92	26 966 091,82	925 627,73
<b>Total operating expenses</b>	<b>33 502 338,17</b>	<b>10 969 152,67</b>	<b>26 863 338,01</b>	<b>6 573 090,48</b>

<b>OPERATING EXPENSES</b>	<b>01-01-2016 until 30-09-2016</b>	<b>01-01-2015 until 30-09-2015</b>	<b>01-07-2016 until 30-09-2016</b>	<b>01-07-2015 until 30-09-2015</b>
a) loss on disposal of non-financial fixed assets	0,00	5 151 563,46	-102 753,81	5 151 563,46
b) revaluation of non-financial assets	0,00	495 899,29	0,00	495 899,29
c) reserves	13 463 859,21	1 088 146,45	12 354 914,67	0,00
d) compensation, penalties and damages	2 135 021,91	1 117 480,51	153 414,53	92 820,04
e) litigation costs	452 199,31	332 994,30	195 634,09	63 069,91
f) costs of discontinued investments	3 027 669,84	0,00	82 137,50	0,00
g) other (including perpetual usufruct - lawsuit)	14 423 587,90	2 783 068,66	14 179 991,03	769 737,78
<b>Total operating expenses</b>	<b>33 502 338,17</b>	<b>10 969 152,67</b>	<b>26 863 338,01</b>	<b>6 573 090,48</b>

Note 20. Other financial income


<b>FINANCIAL INCOME</b>	<b>01-01-2016 until 30-09-2016</b>	<b>01-01-2015 until 30-09-2015</b>	<b>01-07-2016 until 30-09-2016</b>	<b>01-07-2015 until 30-09-2015</b>
a) dividends	0,00	0,00	0,00	0,00
b) interest	1 730 022,95	1 371 750,49	426 816,93	429 487,42
c) revaluation of investments	0,00	0,00	0,00	0,00
d) profit on disposal of investments	0,00	0,00	0,00	0,00
e) other	249 374,50	1 128 354,88	-1 635 169,69	474 411,27
<b>Total financial income</b>	<b>1 979 397,45</b>	<b>2 500 105,37</b>	<b>-1 208 352,76</b>	<b>903 898,69</b>



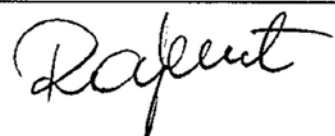
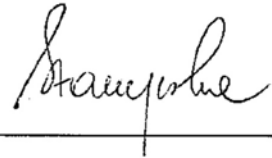

Note 21. Other financial expenses

<b>FINANCIAL EXPENSES</b>	<b>01-01-2016 until 30-09-2016</b>	<b>01-01-2015 until 30-09-2015</b>	<b>01-07-2016 until 30-09-2016</b>	<b>01-07-2015 until 30-09-2015</b>
a) interest	23 571 555,80	13 669 766,44	13 055 112,33	4 586 494,08
b) revaluation of investment	0,00	0,00	0,00	0,00
c) loss on disposal of investments	4 709,26	0,00	0,00	0,00
d) other	2 312,43	393,82	111,57	-34 405,82
<b>Total financial expenses</b>	<b>23 578 577,49</b>	<b>13 670 160,26</b>	<b>13 055 223,90</b>	<b>4 552 088,26</b>

## 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, 14 listopada 2016 r.