



Consolidated Financial Statements for the period of 3 months ended on 30 June 2008

**Prepared in accordance with the International
Financial Reporting Standards**



Ząbki, 7 August 2008

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A. INTRODUCTION TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. GENERAL INFORMATION

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

In accordance with the Polish Classification of Activities (*Polska Klasyfikacja Działalności - PKD*) the core business of the Company is developing and selling own real estate. The business comprises construction designing and support production, buying and selling real estate, selling aggregate and hotel services.

2. ACCEPTED PRINCIPLES (POLICY) OF ACCOUNTING

Basic information about the Group consisting of the parent company and its subsidiaries covered by the consolidated financial statements

The Group structure and holdings of the parent company in share capital of Group subsidiaries as at 30 June 2008 are presented in the following table:

Company	Country of registration	Parent company's holding in share capital	Parent company's holding in voting rights	Method of consolidation
Subsidiaries:				
Lokum Sp. z o.o.	Poland	99.99%	99.99%	fully consolidated
Interlokum Sp. z o.o.	Poland	99.00%	99.00%	fully consolidated
Project 55 Sp. z o.o.	Poland	99.99%	99.99%	fully consolidated
Towarzystwo Budownictwa Społecznego "Marki" Sp. z o.o.	Poland	99.99%	99.99%	fully consolidated
Przedsiębiorstwo Turystyczne "Czarny Potok" S.A.	Poland	100.00%	100.00%	fully consolidated
Deweloper Sp. z o.o.	Poland	99.00%	99.00%	fully consolidated
J.W. Construction International Sp. z o.o.	Russia	100.00%	100.00%	fully consolidated
J.W. Construction S.A.	Poland	99.99%	99.99%	fully consolidated
JWCH Produkcja Budowlana Sp. z o.o.	Poland	99.99%	99.99%	fully consolidated
JWCH Budownictwo Drogowe Sp. z o.o.	Poland	99.95%	99.95%	fully consolidated
JW Projekt Sp. z o.o.	Poland	99.98%	99.98%	fully consolidated
Porta Transport Sp. z o.o.	Poland	100.00%	100.00%	fully consolidated
Construction Invest Sp. z o.o.	Poland	100.00%	100.00%	fully consolidated

The core business of Group companies includes:

- Lokum Sp. z o.o. – developing and selling own real estate,
- Interlokum Sp. z o.o. – developing and selling own real estate,
- Project 55 Sp. z o.o. – developing and selling own real estate,
- Towarzystwo Budownictwa Społecznego "Marki" Sp. z o.o. – selling and administering social building estates,

- Przedsiębiorstwo Turystyczne "Czarny Potok" S.A. – catering and hotel activities connected with organisation of tourist services and recreation,
- J.W. Construction International Sp. z o.o. – general building works connected with erection of buildings, general building engineering and civil engineering, building production,
- Deweloper Sp. z o.o. – building and assembly production,
- Construction Invest Sp. z o.o. – developing and selling own real estate
- Porta Transport Sp. z o.o. – transport services,
- J.W. Construction S.A. – building production,
- JW Projekt Sp. z o.o. – project services,
- JWCH Produkcja Budowlana Sp. z o.o. – production of prefabricated products for construction industry
- JWCH Budownictwo Drogowe Sp. z o.o. – road construction.

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

Preparation of consolidated statements

The consolidated financial statements for 2007-2008 were prepared based on the financial statements of the J.W. Construction Holding S.A. Capital Group companies and were compiled as if the Group constituted one business entity. The consolidated financial statements cover financial statements of the parent company J.W. Construction Holding S.A. and financial statements of the following subsidiaries controlled by the parent company:

- a) TBS "Marki" Sp. z o.o., Interlokum Sp. z o.o., Lokum Sp. z o.o., Project 55 Sp. z o.o., J.W. Construction International Sp. z o.o., Przedsiębiorstwo Turystyczne "Czarny Potok" S.A., Deweloper Sp. z o.o. – in 2007, Porta Transport Sp. z o.o., Construction Invest Sp. z o.o. – in 2007.
- b) TBS "Marki" Sp. z o.o., Interlokum Sp. z o.o., Lokum Sp. z o.o., Project 55 Sp. z o.o., J.W. Construction International Sp. z o.o., Przedsiębiorstwo Turystyczne "Czarny Potok" S.A., Deweloper Sp. z o.o. – in 2007, Porta Transport Sp. z o.o., Construction Invest Sp. z o.o., J.W. Construction S.A., JW. Projekt Sp. z o.o. , JWCH Produkcja Budowlana Sp. z o.o. , JWCH Budownictwo Drogowe Sp. z o.o. – in 2008.

In the years 2007-2008, the parent company excluded the following subsidiaries from mandatory consolidation:

In 2007:

- Business Financial Construction Sp. z o.o.– 100%
- J.W. Construction AZS Politechniki Warszawskiej S.A. – 75%
- KSP Polonia Warszawa SSA – 100%
- J.W. Construction S.A.-100%
- J.W. Construction 1 Sp. z o.o.-100%
- J.W. Bułgaria Sp. z o.o.-100%
- Ośrodek Wypoczynkowy "Ogoniok" Sp. z o.o.-70%

In 2008:

- Business Financial Construction Sp. z o.o.– 100%

- J.W. Construction AZS Politechniki Warszawskiej S.A. – 75%
- KSP Polonia Warszawa SSA – 100%
- J.W. Construction 1 Sp. z o.o.-100%
- J.W. Bułgaria Sp. z o.o.-100%
- Ośrodek Wypoczynkowy "Ogoniok" Sp. z o.o. (currently Yakor Mouse Sp. z o.o.) - 70%

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

Going concern principle and comparable financial statements

The 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 day, the J.W. Construction Holding S.A. Capital Group did not find any circumstances threatening the going concern assumption. The consolidated financial reporting is prepared in accordance with the historical cost method. The consolidated financial information was not measured with any other method, which guarantees that the financial statements are comparable.

Declaration of unconditional compliance with IFRS

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

In the consolidated historical financial information J.W. Construction Holding S.A. applied all International Financial Reporting Standards valid for the periods commencing on 1 January 2007 and standards that came into force before 31 December 2007. Harmonising the principles (policy) of accounting with IFRS, in view of the issues stated below, J.W. Construction Holding S.A. assumed that apart from accounting estimates, a professional judgement of the management was significant for the financial statements.

Significant estimations and assumptions

Estimations and judgements are subject to periodic verification of the Capital Group companies. When making the estimations, J.W. Construction Holding S.A. makes the following assumptions referring to the future.

- Estimations of bad debt allowance. Bad debt allowance is established taking account of expected risk connected with receivables and established collateral having impact on effective debt collection. Although the assumptions are made in accordance with the best knowledge, real results may be different than expected.
- Estimations connected with establishing deferred tax assets in accordance with IAS 12. Due to 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, opportunities and risks connected with pending proceedings are reviewed on a case by case basis, and provisions for potential losses are created accordingly. However, there is also a risk that

a court or a fiscal authority makes a judgement or issues a decision different than expected by the entity and the created provisions may prove insufficient.

- The entity gains revenues from services performed by the Issuer based on contracts for an agreed time. Services performed by the Issuer are long-term ones and their term of performance is longer than 6 months.

Accounting policy

Intangible assets

Intangible assets cover such property rights as concessions, patents, licences, trademarks, copyrights, know-how and computer software. Intangible assets are identifiable non-monetary assets. Intangible assets are recognisable if:

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

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

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

Tangible assets

Tangible assets cover resources controlled (owned) by the entity, created as a result of past events, from which future economic benefits are expected to flow to the entity and which are kept by the same for use in production or delivery of goods and services, for rendering them for use to other entities under lease agreements, or for the purpose of administration, and which are expected to be used for more than one year.

The company recognises tangible assets as assets when they are usable, complete and their cost (acquisition price or manufacturing cost) can be measured reliably.

Tangible assets are valued at acquisition price or manufacturing cost. Tangible assets are depreciated with the straight-line method over the period of their useful life.

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

The Group Companies verified the value of the held property, plant and equipment. The value of property, plant and equipment disclosed in the financial statements was similar to their assumed cost.

Impairment of tangible assets and intangible assets

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

Impairment losses on earlier revalued assets adjust the revaluation reserve up to the amounts disclosed in equity, and below the acquisition price they are disclosed in the income statement. An impairment loss is recognised as the amount by which the carrying value of the asset exceeds its recoverable amount. The recoverable amount is the higher of the net realisable value or value in use of the asset. Impairment losses are reversed when the circumstances due to which they were made no longer exist. Impairment loss reversals are

disclosed in the income statement except for the ones which earlier reduced the revaluation reserve, and then they adjust the said reserve up to the value of earlier made reductions.

Investment real estate

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

Leases

A lease is an agreement whereby a lessor conveys to a lessee, in return for a payment or series of payments, the right to use an asset for an agreed time. The company classifies leases as operating leases or financial leases. Lease is classified as a financial lease when essentially all risks and benefits of ownership of the leased asset are transferred to the company. Financial lease is initially disclosed on the lease commencement date understood as the day from which the company is entitled to use the leased asset. As at the lease commencement date, the financial lease is disclosed in the company's balance sheet as an asset and a liability at the lower of:

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

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

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

Inventories

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

- a) being materials or raw materials intended for use during the production or service provision process,
- b) being produced for the purpose of sale in an ordinary course of business,
- c) designated for sale in the ordinary course of business.

Finished products are in particular components of completed projects (housing estates, multi-family housing estates) such as: flats, business premises, basements, garages, garage places, parking places. This item comprises other finished products used in the company's production process. Finished products are measured at the lower of acquisition price (manufacturing cost – including direct costs and a justified part of indirect costs and costs of borrowings incurred until the production completion date) and possible net realisable value.

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

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

Costs of borrowings

Costs of borrowings comprise interest, exchange losses, and other financial expenses incurred by the entity due to borrowing. The Group Companies defer costs of borrowing, which may be allocated directly to acquisition (lands and construction services), construction or manufacturing of an asset as a part of acquisition price or manufacturing cost of such asset. The said costs are deferred until the production, construction completion date. Other costs of borrowings are recognised in the period in which they were incurred, regardless of the manner of loan utilisation.

Current and non-current receivables

The Company's receivables are disclosed in the financial statements at the amount due less bad debt allowance. Receivables are revalued, taking account of the probability of their payment, by way of making bad debt allowance. Bad debt allowance is included in other operating expenses or financial expenses, respectively, depending on the type of receivables covered by bad debt allowance. Remitted, prescribed or uncollectible debts reduce the bad debt allowance earlier recognised for the same. Remitted, prescribed or uncollectible debts for which no or only some bad debt allowance was recognised are charged to other operating expenses or financial expenses, respectively.

Guarantee deposits

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

Guarantee deposits securing claims of the Group Companies against sub-contractors are disclosed as payables in liabilities. Guarantee deposits are measured as at the balance sheet date on the basis of the acquisition price adjusted for the effective discount rate.

Cash and cash equivalents

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

Prepaid expenses

The Group Companies defer expenditures in prepaid expenses when it is probable that incurred costs refer to more than one reporting period, in accordance with the principles of significance and prudence in accounting. The most important criterion for deferment of expenses is satisfaction of the definition of assets i.e. resources whose value can be measured reliably, recognised as a result of past events and from which future economic benefits are expected to flow to the entity.

Provisions for liabilities

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

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

Provisions for liabilities comprise:

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

Long-term developer contracts

The core business of the Group is performance of developer contracts. The essence of developer contracts is that construction of flats is generally financed by the principal over the whole project with contractually agreed advances and upon completion of the investment process the ownership right is transferred to the flat buyer. Such contracts are performed in the period of more than 12 months. Advances paid by buyers under concluded agreements are recorded as deferred income. Costs by nature incurred in a given period are disclosed as work in progress under inventories. The Group recognises income and expenses on developer contracts in accordance with the percentage-of-completion method. Execution of the assumed income and expense budget is the basis for accounting. The stage of completion of particular projects is established for each accounting period based on percentage of completion of construction expenses and sales budget. Execution of construction expenses is established based on the value of performed work compared to budgeted expenses. The stage of completion of revenues from sales is established by way of comparing revenues under concluded preliminary sales agreements and the projected total income based on budgeted revenues from sales.

If the stage of completion of an unfinished service or the projected total cost of its performance may not be measured reliably, income is established at costs incurred in a given reporting period (zero-profit method). In accordance with the principle of prudence in accounting the Group applies the “zero-profit” method to the first phase of an implemented project, until the following percentage is achieved:

- a) income – percentage of completion over 50% (value of income under concluded agreements/value of budgeted revenues)
- b) expenses - percentage of completion over 40% (value of work established under work inventory/budgeted value)

When the aforesaid thresholds are exceeded income and expenses are recognised in a given project as follows:

- a) income = budgeted income * (income ratio * expense ratio)
- b) expenses = budgeted expenses * (income ratio * expense ratio).

Thus established income reduces deferred income (balance sheet) and increases revenues from sales of products (income statement). If the value of so established income is higher than the value of advances in deferred income for the given project, “uninvoiced payables” increasing deferred income are disclosed simultaneously with current prepaid expenses in assets. So established expenses reduce work in progress (balance sheet) and increase costs of goods sold (income statement). If the value of so established expenses is higher than expenses disclosed under work in progress, “completed uninvoiced work” increasing work in progress is disclosed simultaneously with accrued expenses in liabilities. The Group applies the aforesaid manner of developer contract accounting until the construction is completed.

When a building is transferred for use the value of particular elements is transferred to finished products, where the said elements are disclosed until the preliminary agreement is concluded (in cases where not all elements have been sold until the construction completion).

Draft amendments to the International Accounting Standards

At the end of 2006, the International Financial Reporting Interpretation Committee (IFRIC) published a draft interpretation discussing the principles of accounting for construction and sale of housing buildings under developer activities. The document indicated significant differences between application of standards under IAS 11 and IAS 18 for developer activities. The changes referred to the moment of recognitions of revenues from housing building sales based on preliminary agreements and indicated the need to modify the current standards and their official interpretation.

Based on initially published conclusions, the authors suggest banning the application of IAS 11 (the so-called percentage-of-completion method) for construction and sales of housing buildings under developer activities and applying instead the completed-contract method – IAS 18.

When IFRIC accepts the final version, the Group will be obliged to change the principles of accounting. That may result in a change of recognition of revenues from developer contracts in particular reporting periods.

Long-term construction contracts

As a construction services provider, the Group applies the regulations under IAS 11 “Construction contracts” for accounting and recognition of construction services.

a) Zero-profit method

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

b) Percentage-of-completion method

The percentage-of-completion method is applied when the stage of completion can be measured reliably. Revenues from an unfinished building contract are disclosed proportionally to costs incurred at a given moment of its performance. Income, expenses and profits are disclosed proportionally to the stage of work completion.

Measuring the stage of completion of a construction contract, the Group applies such method which will allow it to reliably establish the stage of completion of work as at a given date. Depending on the nature of a contract, the said method may comprise:

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

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

Borrowings

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

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

Deferred income tax

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

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

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

Held-for-sale assets and discontinued operations

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

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

Liabilities

Liabilities are obligations of the Group, arising from past events, the value of which can be measured reliably and the settlement of which will result in the use of present or future assets of the entity.

Based on their characteristics, liabilities can be divided into:

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

Current liabilities are a set of trade payables and all or this part of other liabilities which fall due within 12 months of the balance sheet date. Non-current liabilities are this part of liabilities, other than trade payables, which fall due after 12 months of the balance sheet date.

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

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

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

Accrued expenses

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

Revenues

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

Revenues from sales of developer services - flats are disclosed in the manner provided under “Long-term developer contracts”.

Revenues from sales of construction services are recognised in the period of service performance, on the basis of the stage of completion of a concrete transaction, established based on percentage of actually performed work in overall services to be performed.

Other income, expenses, gains and losses

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

Financial income and expenses comprise, for example, interest connected with loans and cash loans granted and used, default interest received and paid, foreign exchange gains and losses, commissions paid and received, gains and losses on sales of securities, provisions dissolved and created against financial expenses.

Taxes

Corporate income tax expense is calculated based on taxable earnings (tax base) for a given financial year. Tax profit (loss) differs from net accounting profit (loss) as taxable income and tax deductible costs of next years are excluded, as well as non-taxable cost and income items. Tax expense is calculated at tax rates applicable in the given financial year.

B. CONSOLIDATED FINANCIAL STATEMENTS
1. BALANCE SHEET

ASSETS	30/06/2008	31/12/2007
FIXED ASSETS	383 177 702.77	381 045 178.06
Intangible assets	12 037 336.98	12 357 049.65
Goodwill on subsidiaries	21 026 397.97	16 801 419.29
Tangible assets	297 559 888.02	299 290 898.50
Investment real estate	12 295 392.01	12 264 900.36
Other financial assets	14 785 851.98	15 337 952.98
Deferred income tax assets	12 792 522.13	12 772 358.97
Trade and other receivables	12 680 313.68	12 220 598.30
CURRENT ASSETS	1 318 381 686.82	1 130 522 116.08
Inventories	31 143 790.55	28 319 047.22
Construction contracts	1 079 785 463.78	875 120 902.36
Trade and other receivables	76 366 909.46	66 389 507.18
Other financial assets	47 552 818.99	73 692 807.18
Cash and cash equivalents	75 870 153.43	75 331 769.20
Prepaid expenses	7 662 550.61	11 668 082.94
Total assets	1 701 559 389.59	1 511 567 294.14
LIABILITIES		
EQUITY	603 858 248.21	549 508 306.25
Share capital	10 939 656.00	10 939 656.00
Revaluation reserve	4 414 231.19	0.00
Treasury shares	0.00	0.00
Other capital	503 360 265.18	383 269 153.02
Retained earnings	34 215 161.80	7 195 257.85
Net profit / loss	50 928 934.04	148 104 239.39
Negative goodwill on subsidiaries	0.00	0.00
LIABILITIES	1 097 701 141.38	962 058 987.89
Non-current liabilities	446 400 187.83	370 799 040.28
Borrowings	271 698 539.65	206 406 678.76
Derivatives	0.00	0.00
Deferred income tax liabilities	80 678 778.32	68 806 200.32
Retirement benefit obligations	559 155.82	598 565.82
Provisions for other liabilities and charges	21 151 533.00	14 002 662.21
Other liabilities	72 312 181.04	80 984 933.17
Current liabilities	651 300 953.55	591 259 947.61
Trade and other payables	120 992 925.72	106 577 539.29
Construction contracts	207 520 559.41	156 479 497.27
Borrowings	85 915 633.83	156 735 191.05
Derivatives	0.00	0.00
Provisions for other liabilities and charges	10 365 788.36	18 627 623.99
Other liabilities	226 506 046.23	152 840 096.01
Total liabilities	1 701 559 389.58	1 511 567 294.14

Consolidated Financial Statements
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2. INCOME STATEMENT

	01/01/2008 - 30/06/2008	01/01/2007 - 30/06/2007	01/04/2008 - 30/06/2008	01/04/2007 - 30/06/2007
Net revenues from sales of products, goods and materials, of which:	386 110 296.25	227 465 886.10	266 515 956.52	121 135 312.67
Net revenues from sales of products	373 549 694.83	223 603 068.01	257 308 835.81	117 647 394.01
Net revenues from sales of goods and materials	12 560 601.42	3 862 818.09	9 207 120.71	3 487 918.66
Costs of products, goods and materials sold, of which:	284 683 538.40	165 643 862.31	204 270 950.32	86 105 708.37
Manufacturing cost of products sold	271 643 455.84	161 843 316.19	194 887 772.44	83 355 133.78
Value of goods and materials sold	13 040 082.56	3 800 546.12	9 383 177.88	2 750 574.59
Gross profit (loss) on sales	101 426 757.85	61 822 023.79	62 245 006.20	35 029 604.30
Costs of sales	14 120 872.11	11 368 351.24	8 149 348.23	6 936 017.89
Overhead costs	14 895 947.47	11 511 364.49	9 053 161.70	6 298 671.75
Revaluation of investment real estate	0.00	0.00	0.00	0.00
Profit (loss) on sales	72 409 938.26	38 942 308.06	45 042 496.27	21 794 914.66
Other operating income	4 619 939.34	3 976 781.13	3 433 703.42	2 434 900.88
Profit on disposal of non-financial fixed assets	1 128 568.12	807 252.67	1 022 248.73	48 631.55
Subsidies	0.00	0.00	0.00	0.00
Other operating income	3 491 371.22	3 169 528.46	2 411 454.69	2 386 269.33
Other operating expenses	5 169 032.67	2 239 061.75	4 224 537.28	1 430 441.10
Loss on disposal of non-financial fixed assets	0.00	45 933.37	0.00	44 372.88
Revaluation of non-financial assets	0.00	0.00	0.00	0.00
Other operating expenses	5 169 032.67	2 193 128.38	4 224 537.28	1 386 068.22
Operating profit (loss)	71 860 844.93	40 680 027.45	44 251 662.41	22 799 374.44
Financial income	5 230 155.90	2 459 709.38	2 268 488.83	1 546 748.11
Dividends and participation in profits	0.00	0.00	0.00	-2.58
Interest	4 327 297.17	1 958 882.66	1 954 023.87	1 178 053.20
Profit on disposal of investments	0.00	0.00	0.00	0.00
Revaluation of investments	0.00	0.00	0.00	0.00
Other	902 858.73	500 826.72	314 464.96	368 697.49
Financial expenses	14 410 825.59	11 033 891.80	7 719 863.69	6 481 786.55
Interest	13 692 051.21	10 945 735.57	7 373 425.19	6 236 115.62
Loss on disposal of investments	0.00	0.00	0.00	0.00
Revaluation of investments	0.00	0.00	-25 028.01	0.00
Other	718 774.38	88 156.23	371 466.51	245 670.93
Operating profit (loss)	62 680 175.24	32 105 845.03	38 800 287.55	17 864 336.00
Gross profit (loss)	62 680 175.24	32 105 845.03	38 800 287.55	17 864 336.00

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Income tax	107 742.73	4 970 905.92	29 476.41	1 428 197.05
Deferred tax	11 643 498.48	1 530 239.13	6 945 761.31	2 071 758.09
Other mandatory deductions from profit (loss increase)	0.00	-26 877.10	0.00	-26 877.10
Net profit (loss)	50 928 934.04	25 631 577.08	31 825 049.83	14 391 257.97

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3. STATEMENT OF CHANGES IN EQUITY

	Share capital	Revaluation reserve	Supplementary capital	Other capital	Hedge valuation reserve and currency translation reserve	Retained earnings	Net earnings	Equity attributable to shareholders of the parent company	Minority interest	Equity
As at 31 December 2007	10 939 656.00	0.00	377 696 720.04	5 576 255.17	-3 822.19	7 195 257.85	148 104 239.39	549 508 306.25	0.00	549 508 306.25
Basic error corrections	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Adjustments due to transformation to IFRS	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
As at 1 January 2008	10 939 656.00	0.00	377 696 720.04	5 576 255.17	-3 822.19	7 195 257.85	148 104 239.39	549 508 306.25	0.00	549 508 306.25
Additional paid in capital	0.00	0.00	-1 150 000.00	0.00	0.00	0.00	0.00	-1 150 000.00	0.00	-1 150 000.00
Dividends paid	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Gains/(losses) on revaluation of available-for-sale assets	0.00	4 414 231.19	0.00	0.00	0.00	0.00	0.00	4 414 231.19	0.00	4 414 231.19
Gains/(losses) on cash flow hedges	0.00	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 entities	0.00	0.00	0.00	0.00	-10 637.88	0.00	0.00	-10 637.88	0.00	-10 637.88
Gains/losses on business acquisitions	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Changes in the principles of accounting/presentation	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
First-time consolidation	0.00	0.00	205 710.74	0.00	0.00	-38 296.11	0.00	167 414.63	0.00	167 414.63
Total profit/loss recognised directly in equity	10 939 656.00	4 414 231.19	376 752 430.78	5 576 255.17	-14 460.07	7 156 961.74	148 104 239.39	552 929 314.19	0.00	552 929 314.19
Net profit (loss) for the financial year	0.00	0.00	121 046 039.32	0.00	0.00	0.00	50 928 934.04	171 974 973.35	0.00	171 974 973.35
Total profit/loss recognised in equity and net earnings	10 939 656.00	4 414 231.19	497 798 470.09	5 576 255.17	-14 460.07	7 156 961.74	199 033 173.42	724 904 287.54	0.00	724 904 287.54
Increase/decrease from profit distribution	0.00	0.00	0.00	0.00	0.00	27 058 200.07	-148 104 239.39	-121 046 039.32	0.00	-121 046 039.32
As at 30 June 2008	10 939 656.00	4 414 231.19	497 798 470.09	5 576 255.17	-14 460.07	34 215 161.80	50 928 934.04	603 858 248.22	0.00	603 858 248.22
As at 31 December 2006	10 250 000.00	0.00	74 810 512.66	2 703 534.25	-109 753.75	-26 221 694.92	132 017 400.08	193 449 998.31	0.00	193 449 998.31
Basic error corrections	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Adjustments due to transformation to IFRS	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00

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	Share capital	Revaluation reserve	Supplementary capital	Other capital	Hedge valuation reserve and currency translation reserve	Retained earnings	Net earnings	Equity attributable to shareholders of the parent company	Minority interest	Equity
As at 1 January 2007	10 250 000.00	0.00	74 810 512.66	2 703 534.25	-109 753.75	-26 221 694.92	132 017 400.08	193 449 998.31	0.00	193 449 998.31
Share issue	689 656.00	0.00	234 099 587.10	0.00	0.00	0.00	0.00	234 789 243.10	0.00	234 789 243.10
Dividends paid	0.00	0.00	0.00	0.00	0.00	-29 212 500.00	0.00	-29 212 500.00	0.00	-29 212 500.00
Gains/(losses) on revaluation of property, plant and equipment, investment real estate	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Gains/(losses) on cash flow hedges	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Exchange gains/(losses) on translation of financial statements of foreign entities	0.00	0.00	0.00	0.00	0.00	21 550.81	0.00	21 550.81	0.00	21 550.81
Gains/losses on business acquisitions (single jwch)	0.00	0.00	1 104 461.77	2 872 720.92	0.00	-2 307 898.77	0.00	1 669 283.92	0.00	1 669 283.92
First-time consolidation	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Changes in the principles of accounting/presentation	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Consolidation adjustments	0.00	0.00	225 250.34	0.00	-21.00	-225 250.34	0.00	-21.00	0.00	-21.00
Transformation to IFRS	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total profit/loss recognised directly in equity	689 656.00	0.00	235 429 299.21	2 872 720.92	-21.00	-31 724 098.30	0.00	207 267 556.83	0.00	207 267 556.83
Net profit (loss) for the financial year	0.00	0.00	0.00	0.00	0.00	0.00	25 631 577.08	25 631 577.08	0.00	25 631 577.08
Total profit/loss recognised in equity and net earnings	689 656.00	0.00	235 429 299.21	2 872 720.92	-21.00	-31 724 098.30	25 631 577.08	232 899 133.91	0.00	232 899 133.91
Increase/decrease from profit distribution	0.00	0.00	67 650 799.73	0.00	0.00	64 366 600.35	-132 017 400.08	0.00	0.00	0.00
As at 30 June 2007	10 939 656.00	0.00	377 890 611.59	5 576 255.17	-109 774.75	6 420 807.13	25 631 577.08	426 349 132.21	0.00	426 349 132.22

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4. CASH FLOW

Operating cash flows – indirect method	01/01/2008 - 30/06/2008	01/01/2007 - 30/06/2007
Net profit (loss)	50 928 934.04	25 631 577.08
Total adjustments, of which:	29 186 144.51	42 145 657.01
Depreciation and amortisation	9 929 148.60	4 452 895.81
Interest and dividends	10 015 643.01	-28 160 728.83
Income tax	0.00	4 859 666.12
Movements in provisions and accruals	8 483 400.88	51 933 340.86
Other adjustments, of which:	757 952.02	9 060 483.05
- other adjustments.	757 952.02	0.00
Movements in working capital	-143 337 379.12	-161 118 512.96
Movements in inventories	-2 855 234.98	27 386 072.60
Movements in construction contracts	-142 486 923.43	-189 482 251.77
Movements in receivables	-10 437 117.66	-23 369 765.92
Movements in current liabilities, except for borrowings	12 441 896.94	24 347 432.13
Net operating cash flows	-63 222 300.58	-93 341 278.87
Investment cash flows		
Disposals of intangible assets, tangible assets and other fixed assets	0.00	1 596 461.98
Purchase of intangible assets, tangible assets and other fixed assets	-1 467 001.49	-1 302 870.25
Expenditures on held-for-sale assets	0.00	0.00
Purchase of equity and debt instruments	-175 999 899.00	-60 000 000.00
Disposals of equity and debt instruments	236 000 000.00	0.00
Loans granted	-32 903 504.28	0.00
Loans repayments	0.00	0.00
Other purchase of financial assets	0.00	0.00
Other disposals of financial assets	0.00	0.00
Dividends received	0.00	0.00
Interest received	0.00	0.00
Disposals of subsidiaries	0.00	0.00
Acquisitions of subsidiaries	0.00	0.00
Net investment cash flows	25 629 595.23	-59 706 408.27
Financial cash flows		
Net proceeds from issue of shares (interests), other equity instruments and capital contributions	0.00	244 827 880.00
Purchase of treasury shares or repayment of interests	0.00	
Borrowings received	226 999 609.96	126 436 951.72
Repayments of borrowings	-231 528 491.23	-136 651 459.56
Issue of debt securities	229 000 000.00	266 000 000.00
Redemption of debt securities	-188 700 000.00	-105 000 000.00
Payments of liabilities under financial lease agreements	-9 062 927.47	-9 368 674.64
Dividends and other participations in profits	0.00	0.00
Interest paid	-20 577 101.69	-7 844 959.79
Other financial proceeds (including promissory notes)	32 000 000.00	0.00
Other financial expenditures	0.00	0.00
Net financial cash flows	38 131 089.57	378 399 737.73
NET DECREASE/(INCREASE) IN CASH	538 384.22	225 352 050.59
Cash and cash equivalents at the beginning of the year	75 331 769.20	37 380 444.49
- foreign exchange gains/(losses) on cash	0.00	0.00
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	75 870 153.43	262 732 495.08

C. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
1. FIXED ASSETS
Note 1. Intangible assets

INTANGIBLE ASSETS	30/06/2008	31/12/2007
a) research and development	0.00	0.00
b) goodwill on consolidation	3 047 895.06	3 047 895.06
c) other intangible assets	8 989 441.92	9 309 154.59
d) advances on intangible assets	0.00	0.00
Total intangible assets	12 037 336.98	12 357 049.65

GOODWILL ON SUBSIDIARIES	30/06/2008	31/12/2007
a) goodwill-subsidiaries	21 026 397.97	16 801 419.29
b) goodwill-fellow subsidiaries	0.00	0.00
c) goodwill-associates	0.00	0.00
Total intangible assets	21 026 397.97	16 801 419.29

Note 2. Tangible assets

TANGIBLE ASSETS	30/06/2008	31/12/2007
a) property, plant and equipment, of which:	273 743 898.15	276 986 505.09
- lands (including under perpetual usufruct)	24 822 277.85	28 239 578.77
- buildings and structures	215 555 940.89	217 525 561.13
- machines and equipment	18 007 168.32	15 324 752.82
- vehicles	10 450 658.73	11 470 757.57
- other tangible assets	4 907 852.36	4 425 854.80
b) constructions in progress	23 815 989.87	22 288 417.42
c) advances on constructions in progress	0.00	15 975.99
Total tangible assets	297 559 888.02	299 290 898.50

Note 3. Investment real estate

Other non-current investments	30/06/2008	31/12/2007
a) investment real estate	12 295 392.01	12 264 900.36
b) other	0.00	0.00
Total other non-current investments	12 295 392.01	12 264 900.36

Note 4. Other financial assets

OTHER FINANCIAL ASSETS	30/06/2008	31/12/2007
a) shares or interests	14 785 851.98	15 337 952.98
b) loans granted	0.00	0.00
c) other non-current investments	0.00	0.00
Total non-current financial assets	14 785 851.98	15 337 952.98

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No.	A	B	C	D	E	F	G	H	AND	J
	Name of a unit (and its legal form)	Domicile	Business	Type of relation (direct / indirect subsidiary, fellow subsidiary, associate)	Consolidation method/equity method or information that entity is not included in consolidation/equity accounting	Date of control / joint control / significant influence acquisition	Value of shares / interests at acquisition price	Revaluation adjustments (aggregate)	Carrying value of shares / interests	% of total number of votes at the General Meeting
1.	TBS Marki Sp. z o.o.	Warszawa	social building	subsidiary	fully consolidated	14/11/2003	13 359 500.00	0.00	13 359 500.00	99.99%
2.	J.W. Construction International Sp. z o.o.	Kolomna (Russia)	construction and developer activities	subsidiary	fully consolidated	14/11/2003	1 272.90	0.00	1 272.90	100.00%
3.	Przedsiębiorstwo Turystyczne "Czarny Potok" S.A.	Krynica Górská	hotel activities	subsidiary	fully consolidated	16/12/2004	7 000 000.00	0.00	7 000 000.00	100.00%
4.	Business Financial Construction Sp. z o.o.	Warszawa	services	subsidiary	not consolidated	16/06/2003	4 346 500.00	0.00	4 346 500.00	99.99%
5.	Project 55 Sp. z o.o.	Warszawa	developer activities	subsidiary	fully consolidated	13/01/2005	19 655 537.59	0.00	19 655 537.59	99.99%
6.	Interlokum Sp. z o.o.	Warszawa	developer activities	subsidiary	fully consolidated	23/11/2004	49 500.00	0.00	49 500.00	99.00%
7.	Lokum Sp. z o.o.	Warszawa	developer activities	subsidiary	fully consolidated	13/09/2005	3 778 000.00	0.00	3 778 000.00	99.99%
8.	Deweloper Sp. z o.o.	Siemianowice Śląskie	construction activities	subsidiary	fully consolidated	08/09/2004	49 500.00	0.00	49 500.00	99.00%
9.	JW Projekt Sp. z o.o.	Warszawa	architectural and design activities	subsidiary	fully consolidated	14/11/2003	1 155 400.00	0.00	1 155 400.00	99.98%
10.	Królewski Port Żerań Sp. z o.o.	Warszawa	developer activities	associate	not consolidated	08/09/2000	500 000.00	500 000.00	0.00	4.92%
11.	KSP Polonia Warszawa SSA	Warszawa	sports	subsidiary	not consolidated	30/03/2006	15 440.00	15 440.00	0.00	100.00%
12.	TBS Nowy Dom Sp. z o.o.	Ząbki	social building	associate	not consolidated	30/09/2006	1 000.00	0.00	1 000.00	2.00%
13.	Construction Invest Sp. z o.o.	Ząbki	real estate development and sale	subsidiary	fully consolidated	25/01/2006	50 000.00	0.00	50 000.00	100.00%
14.	J.W. Construction AZS Politechniki Warszaw. S.A.	Warszawa	sports	subsidiary	not consolidated	07/09/2006	375 000.00	0.00	375 000.00	75.00%
15.	J.W. Construction S.A.	Ząbki	construction activities	subsidiary	fully consolidated	26/09/2007	11 526 617.00	0.00	11 526 617.00	99.99%
16.	J.W. Construction 1 Sp. z o.o.	London	services	subsidiary	not consolidated	31/07/2007	5 618.00	0.00	5 618.00	100.00%
17.	J.W. Bułgaria Sp. z o.o.	Sofia	developer activities	subsidiary	not consolidated	08/10/2007	9 854.98	0.00	9 854.98	100.00%
18.	Porta Transport Sp. z o.o.	Szczecin	transport activities	subsidiary	fully consolidated	12/11/2007	19 118 737.41	0.00	19 118 737.41	100.00%
19.	Ośrodek Wypoczynkowy "Ogoniok" Sp. z o.o.	Sochi	developer activities	subsidiary	not consolidated	07/12/2007	9 810 000.00	0.00	9 810 000.00	70.00%
20.	JWCH Produkcja Budowlana Sp. z o.o.	Ząbki	production of prefabricated products for construction industry	subsidiary	fully consolidated	19/02/2008	15 494 950.00	0.00	15 494 950.00	99.99%

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21.	JWCH Budownictwo Drogowe Sp. z o.o.	Ząbki	road construction	subsidiary	fully consolidated	07/02/2008	99 950.00	0.00	99 950.00	99.95%
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Indirect relations										
22.	TBS Marki Sp. z o.o.	Warszawa	social building	subsidiary	fully consolidated	18/10/2006	500.00	0.00	500.00	0.01%
23.	Business Financial Construction Sp. z o.o.	Warszawa	services	subsidiary	not consolidated	16/06/2003	500.00	0.00	500.00	0.01%
24.	Interlokum Sp. z o.o.	Warszawa	developer activities	subsidiary	fully consolidated	18/10/2006	500.00	0.00	500.00	1.00%
25.	Lokum Sp. z o.o.	Warszawa	developer activities	subsidiary	fully consolidated	18/10/2006	500.00	0.00	500.00	0.01%
26.	Project 55 Sp. z o.o.	Warszawa	developer activities	subsidiary	fully consolidated	13/01/2005	500.00		500.00	
27.	Deweloper Sp. z o.o.	Siemianowice Śląskie	construction activities	subsidiary	fully consolidated	18/10/2006	500.00	0.00	500.00	1.00%
28.	JW Projekt Sp. z o.o.	Warszawa	architectural and design activities	subsidiary	fully consolidated	14/11/2003	200.00	0.00	200.00	0.01%
29.	Stadnina Mazowiecka Sp. z o.o.	Warszawa	services	subsidiary	not consolidated	19/02/2007	50 000.00	0.00	50 000.00	100.00%
30.	Karczma Regionalna Sp. z o.o.	Krynica Górská	hotel activities	subsidiary	not consolidated	16/12/2004	208 550.00	0.00	208 550.00	8.06%
31.	J.W. Construction S.A.	Ząbki	construction activities	subsidiary	fully consolidated	26/09/2007	1.00	0.00	1.00	0.01%
32.	JWCH Produkcja Budowlana	Ząbki	prefabrication of elements for construction industry	subsidiary	fully consolidated	19/02/2008	50.00	0.00	50.00	0.01%
33.	JWCH Budownictwo Drogowe	Ząbki	road construction	subsidiary	fully consolidated	07/02/2008	50.00	0.00	50.00	0.05%
34.	Fabryka Maszyn and Urządzeń FAMAK S.A.	Kluczbork	production activities	associate	not consolidated	12/11/2007	29 630.00	0.00	29 630.00	0.04%

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2. CURRENT ASSETS

Note 5. Inventories

INVENTORIES	30/06/2008	31/12/2007
a) materials	13 114 760.46	11 540 927.73
b) semi-finished products and work in progress	6 991 958.29	5 681 697.51
c) finished products	1 542 047.78	2 290 568.38
d) goods	9 312 870.50	8 406 826.93
e) trade advances	182 153.52	399 026.67
Total inventories	31 143 790.55	28 319 047.22

Note 6. Construction contracts

	30/06/2008	31/12/2007
Planned revenues from current projects	4 309 892 842.33	4 874 487 515.98
Planned costs of current projects	3 014 107 669.84	3 334 008 554.74
Planned margin on implemented projects	1 295 785 172.49	1 540 478 961.23
Cumulated revenues recognised in the income statement	326 768 816.49	695 777 102.08
Cumulated costs recognised in the income statement	231 767 108.58	455 544 562.70
Cumulated margin recognised in the income statement	95 001 707.90	240 232 539.38
Margin for recognition in next periods	1 200 783 464.59	1 300 246 421.85
Planned margin on implemented projects	30.15%	31.12%
Construction contracts presented as current assets	1 079 785 463.78	875 120 902.36
Construction contracts presented as current liabilities	207 520 559.41	156 479 497.27
CONSTRUCTION CONTRACTS (current assets)		
a) semi-finished products and work in progress	373 055 714.59	283 013 096.53
b) finished products	29 702 513.06	25 264 985.54
c) prepaid expenses	34 836 868.15	10 675 250.12
d) uninvoiced receivables	642 190 367.98	556 167 570.16
Total construction contracts	1 079 785 463.78	875 120 902.36
CONSTRUCTION CONTRACTS (current liabilities)		
a) prepaid expenses	207 520 559.41	156 479 497.27
Total construction contracts	207 520 559.41	156 479 497.27

INVENTORIES AND CONSTRUCTION CONTRACTS PLEDGED AS COLLATERAL	30/06/2008	31/12/2007
Value of investment real estate pledged as collateral – loans	932 498 519.26	575 187 076.26
Third-party real estate pledged as collateral-loans	13 500 000.00	3 500 000.00

Note 7. Current receivables

CURRENT RECEIVABLES	30/06/2008	31/12/2007
a) trade receivables - related parties	0.00	6 221 403.61
b) trade receivables - other parties	29 703 711.54	24 794 453.30
c) taxes, subsidies, customs duties, social and health insurance and other payments	42 827 012.04	32 579 423.65
d) other	3 836 185.88	2 794 226.62
Total receivables	76 366 909.46	66 389 507.18

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Note 8. Current investments

CURRENT INVESTMENTS	30/06/2008	31/12/2007
a) in subsidiaries	37 103 226.83	6 975 933.85
- shares or interests	0.00	0.00
- debt securities	0.00	0.00
- other securities	0.00	0.00
- loans granted	37 103 226.83	6 975 933.85
- other current financial assets	0.00	0.00
b) in other parties	10 449 592.16	66 716 873.33
- shares or interests	0.00	0.00
- debt securities	0.00	0.00
- other securities	0.00	60 000 000.00
- loans granted	10 449 592.16	6 716 873.33
- other current financial assets	0.00	0.00
Total current investments	47 552 818.99	73 692 807.18

*Programme of purchase of debt securities by the Company. The detailed description is found in the additional information.

No.	Settlement date	Redempti on date	Par value of bonds as at 31/12/2007 (OB)	Increase to 31/03/2008	Decrease to 31/03/2008	Closing balance as at 31/03/2008
1.	07/12/2007	17/01/2008	60 000 000.00	0.00	60 000 000.00	0.00
2.	11/01/2008	12/02/2008	0.00	38 000 000.00	38 000 000.00	0.00
3.	17/01/2008	19/02/2008	0.00	60 000 000.00	60 000 000.00	0.00
4.	12/02/2008	29/02/2008	0.00	18 000 000.00	18 000 000.00	0.00
5.	19/02/2008	29/02/2008	0.00	30 000 000.00	30 000 000.00	0.00
6.	29/02/2008	28/03/2008	0.00	30 000 000.00	30 000 000.00	0.00
	Total		60 000 000.00	176 000 000.00	236 000 000.00	0.00

Note 9. Cash and cash equivalents

CASH AND CASH EQUIVALENTS	30/06/2008	31/12/2007
a) cash on hand and with bank	33 368 481.94	28 228 135.90
b) other cash	40 956 236.09	46 011 447.15
c) other cash assets	1 545 435.40	1 092 186.15
Total cash	75 870 153.43	75 331 769.20

3. LIABILITIES
Note 10. Borrowings

BORROWINGS	30/06/2008	31/12/2007
a) loans	356 941 037.21	362 434 992.07
of which: non-current	271 698 539.65	206 406 678.76
current	85 242 497.56	156 028 313.31
b) cash loans	673 136.27	706 877.74
of which: non-current	0.00	0.00
current	673 136.27	706 877.74
Total borrowings	357 614 173.48	363 141 869.81
Borrowings - non-current	271 698 539.65	206 406 678.76
Borrowings - current	85 915 633.83	156 735 191.05

LOANS PER MATURITY	30/06/2008	31/12/2007
Up to 1 year	85 242 497.56	156 028 313.31
Over 1 year up to 2 years	150 489 351.44	101 057 039.64
Over 2 years up to 5 years	15 964 537.24	1 063 000.00

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Over 5 years	105 244 650.97	104 286 639.12
Total loans, including:	356 941 037.21	362 434 992.07
- non-current	271 698 539.65	206 406 678.76
- current	85 242 497.56	156 028 313.31

CASH LOANS PER MATURITY	30/06/2008	31/12/2007
Up to 1 year	673 136.27	706 877.74
Over 1 year up to 2 years	0.00	0.00
Over 2 years up to 5 years	0.00	0.00
Over 5 years	0.00	0.00
Total loans, including:	673 136.27	706 877.74
- non-current	0.00	0.00
- current	673 136.27	706 877.74

Note 11. Other non-current liabilities

OTHER NON-CURRENT LIABILITIES	30/06/2008	31/12/2007
a) other financial liabilities	66 631 774.03	69 873 691.86
b) other non-current liabilities	5 680 407.01	11 111 241.31
Total other liabilities	72 312 181.04	80 984 933.17

Note 12. Trade and other payables

TRADE AND OTHER PAYABLES	30/06/2008	31/12/2007
a) trade payables - other parties	94 882 203.81	81 580 218.70
b) trade payables - related parties	0.00	2 228 117.06
c) liabilities from taxes, customs duties, insurances and other benefits	8 629 022.22	5 123 409.94
d) salaries	4 069 304.35	3 860 780.59
e) trade advances received	10 663 298.03	132 951.06
f) other	2 749 097.31	13 652 061.93
Total trade and other payables	120 992 925.72	106 577 539.28

Note 13. Other liabilities

OTHER LIABILITIES	30/06/2008	31/12/2007
a) issue of debt securities	180 800 000,00	140 500 000,00
b) bills of exchange payable	34 730 800,00	0,00
c) other financial liabilities	10 975 246,23	12 340 096,01
Total other liabilities	226 506 046,23	152 840 096,01

Liabilities from issue of debt securities

No.	Issue date	Redemption date	Par value of bonds as at 31/12/2007 (OB)	Increase to 30/06/2008	Decrease to 30/06/2008	Closing balance as at 30/06/2008
1.	11/04/2007	11/04/2008	40 000 000.00	0.00	40 000 000.00	0.00
2.	27/04/2007	25/04/2008	10 000 000.00	0.00	10 000 000.00	0.00
3.	18/05/2007	16/05/2008	24 500 000.00	0.00	24 500 000.00	0.00
4.	20/06/2007	19/06/2008	66 000 000.00	0.00	66 000 000.00	0.00
5.	09/01/2008	09/04/2008	0.00	38 000 000.00	38 000 000.00	0.00
6.	04/04/2008	30/06/2008	0.00	10 200 000.00	10 200 000.00	0.00
7.	09/04/2008	09/07/2008	0.00	39 500 000.00	0.00	39 500 000.00
8.	11/04/2008	08/08/2008	0.00	30 000 000.00	0.00	30 000 000.00
9.	25/04/2008	25/07/2008	0.00	10 000 000.00	0.00	10 000 000.00
10.	16/05/2008	15/05/2009	0.00	18 000 000.00	0.00	18 000 000.00
11.	16/05/2008	25/07/2008	0.00	6 500 000.00	0.00	6 500 000.00
12.	18/06/2008	19/09/2008	0.00	38 000 000.00	0.00	38 000 000.00
13.	30/06/2008	22/09/2008	0.00	10 200 000.00	0.00	10 200 000.00
14.	30/06/2008	03/10/2008	0.00	28 600 000.00	0.00	28 600 000.00

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			140 500 000.00	229 000 000.00	188 700 000.00	180 800 000.00
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4. OPERATING INCOME AND EXPENSES

Note 14. Operating income

OPERATING INCOME	01/01/2008 - 30/06/2008	01/01/2007 - 30/06/2007	01/04/2008 - 30/06/2008	01/04/2007 - 30/06/2007
Revenues from sales of products	326 768 816.49	199 687 928.50	228 632 748.65	104 921 305.74
Revenues from sales of services	46 780 878.34	23 915 139.51	28 676 087.16	12 726 088.27
Revenues from sales of goods	12 560 601.42	3 862 818.09	9 207 120.71	3 487 918.66
Total income	386 110 296.25	227 465 886.10	266 515 956.52	121 135 312.67

Note 15. Operating expenses

OPERATING EXPENSES	01/01/2008 - 30/06/2008	01/01/2007 - 30/06/2007	01/04/2008 - 30/06/2008	01/04/2007 - 30/06/2007
Costs of products sold	231 767 108.58	143 990 025.93	169 150 882.22	74 123 190.13
Costs of services sold	39 876 347.26	17 853 290.26	25 736 890.22	9 231 943.65
Costs of goods sold	13 040 082.56	3 800 546.12	9 383 177.88	2 750 574.59
Total operating expenses	284 683 538.40	165 643 862.31	204 270 950.32	86 105 708.37
Costs of sales and overhead costs	01/01/2008 - 30/06/2008	01/01/2007 - 30/06/2007	01/04/2008 - 30/06/2008	01/04/2007 - 30/06/2007
Costs of sales	14 120 872.11	11 368 351.24	8 149 348.23	6 936 017.89
Overhead costs	14 895 947.47	11 511 364.49	9 053 161.70	6 298 671.75
Total costs of sales and overhead costs	29 016 819.58	22 879 715.73	17 202 509.93	13 234 689.64

Note 16. Income per business segments

	01/01/2008 - 30/06/2008	01/01/2007 - 30/06/2007	01/04/2008 - 30/06/2008	01/04/2007 - 30/06/2007
Revenues from sales, of which:	386 110 296.25	227 465 886.10	266 515 956.52	121 135 312.67
-from sales of products – flats	326 768 816.49	199 687 928.50	228 632 748.65	104 921 305.74
-from sales of services	46 780 878.34	23 915 139.51	28 676 087.16	12 726 088.27
-from sales of goods	12 560 601.42	3 862 818.09	9 207 120.71	3 487 918.66

	01/01/2008 - 30/06/2008	01/01/2007 - 30/06/2007	01/04/2008 - 30/06/2008	01/04/2007 - 30/06/2007
Revenues from sales of products and services per business segments	373 549 694.83	223 603 068.01	257 308 835.81	117 647 394.01
-developer activities	340 510 819.51	205 155 138.31	239 310 644.02	108 274 888.18
-hotel activities	10 340 971.88	8 451 632.10	5 968 350.69	4 802 172.30
-social building	5 633 955.78	5 386 598.03	2 934 785.94	2 739 949.53
-transport activities	7 445 481.11		3 835 990.20	
-construction	9 618 466.55	4 609 699.57	5 259 064.97	1 830 384.00

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	01/01/2008 - 30/06/2008	01/01/2007 - 30/06/2007	01/04/2008 - 30/06/2008	01/04/2007 - 30/06/2007
Revenues from sales of products-flats per geographic segments	326 768 816.49	199 687 928.50	228 632 748.65	104 921 305.74
-Warsaw and vicinity	298 299 525.14	165 707 166.66	213 845 471.23	70 940 543.90
-Gdynia	19 887 892.36	11 414 300.82	11 705 149.96	11 414 300.82
- Łódź	2 259 884.36	16 004 701.40	1 796 848.69	16 004 701.40
- Russia	6 321 514.62	6 561 759.62	1 285 278.77	6 561 759.62

	01/01/2008 - 30/06/2008	01/01/2007 - 30/06/2007	01/04/2008 - 30/06/2008	01/04/2007 - 30/06/2007
Revenues from sales of hotel services per geographic segments	10 340 971.88	8 451 632.10	5 968 350.69	4 802 172.30
-Warsaw and vicinity	3 974 953.95	2 871 772.61	2 624 239.65	1 899 695.72
- Tarnowo	2 201 588.73	1 932 528.87	1 288 716.21	985 625.27
- Stryków	2 409 519.81	2 378 113.41	1 317 106.38	1 314 961.87
- Cieszyn	570 930.36	446 183.44	292 013.30	234 624.63
- Święta Lipka	371 604.60	353 832.65	292 408.40	285 719.45
- Krynica Górská	812 374.43	469 201.12	153 866.75	81 545.36

D. ADDITIONAL INFORMATION**1. DESCRIPTION OF SIGNIFICANT ACHIEVEMENTS OR FAILURES OF THE ISSUER IN THE PERIOD COVERED BY THE REPORT, ALONG WITH THE LIST OF THE MATERIAL EVENTS RELATED TO THEM**

In the period covered by the financial statements, the following material events occurred:

Corporate events

The Extraordinary General Meeting of the Company was held on 1 April 2008. The General Meeting resolved to give consent to selling organised parts of the enterprise in the form of branches of the Issuer operating as: J.W. Construction Holding S.A. Oddział "Budownictwo" (*Branch: "Construction"*) domiciled in Ząbki, J.W. Construction Holding S.A. Oddział "Pracownia Architektoniczna" (*Branch: "Architectonic Workroom"*) domiciled in Ząbki and J.W. Construction Holding S.A. Oddział "Zakład Prefabrykacji Budowlanej" (*Branch: "Building Prefabrication Plant"*) domiciled in Ząbki by contributing them in kind to subsidiaries of the Issuer.

On 30 April 2008, in the Issuer's subsidiary, a company named J.W. Construction S.A. domiciled in Ząbki, an Extraordinary General Meeting was held, which resolved to increase the share capital from PLN 500,000 to PLN 11,526,618, i.e. by PLN 11,026,618, by way of issuing 11,026,618 B-class registered ordinary shares of a par value of PLN 1 each. The entire issue was taken up by the Issuer and covered with an in-kind contribution in the form of a branch of the Company operating as J.W. Construction Holding S.A. Oddział "Budownictwo" (*Branch: "Construction"*) domiciled in Ząbki. In performance of the said resolution an agreement for taking up shares was executed between the Issuer and J.W. Construction S.A. domiciled in Ząbki. On the same day, an agreement was executed between the Issuer and J.W. Construction S.A. domiciled in Ząbki transferring the ownership to an organised part of the enterprise in the form of a branch of the Issuer which operated as J.W. Construction Holding S.A. Oddział "Budownictwo" (*Branch: "Construction"*) domiciled in Ząbki.

On 30 April 2008, in the Issuer's subsidiary, a company named JW Projekt Spółka z o.o. domiciled in Warsaw, an Extraordinary Meeting of Shareholders was held, which resolved to increase the share capital from PLN 52,000 to PLN 1,155,600, i.e. by PLN 1,103,600, by way of issuing 5,518 shares of a par value of PLN 200 each. The entire issue was taken up by the Issuer and covered with an in-kind contribution in the form of the Issuer's branch operating as J.W. Construction Holding S.A. Oddział "Pracownia Projektowa" (*Branch: "Design Workroom"*) domiciled in Ząbki. In performance of the said resolution, the Issuer made a representation on taking up the newly issued shares. On the same day, an agreement was executed between the Issuer and JW Projekt Spółka z o.o. domiciled in Warsaw, transferring the ownership to an organised part of the enterprise in the form of the Issuer's branch which operated as J.W. Construction Holding S.A. Oddział "Pracownia Projektowa" (*Branch: "Design Workroom"*) domiciled in Ząbki.

On 30 April 2008, in the Issuer's subsidiary, a company named JWCH Produkcja Budowlana Spółka z o.o. domiciled in Ząbki, an Extraordinary Meeting of Shareholders was held, which resolved to increase the share capital from PLN 100,000 to PLN 15,495,000, i.e. by PLN 15,395,000, by way of issuing 307,900 shares of a par value of PLN 50 each. The entire issue was taken up by the Issuer and covered with an in-kind contribution in the form of the Issuer's branch operating as J.W. Construction Holding S.A. Oddział "Zakład Prefabrykacji Budowlanej"

(Branch: "Building Prefabrication Plant") domiciled in Ząbki. In performance of the said resolution, the Issuer made a representation on taking up the newly issued shares. On the same day an agreement was executed between the Issuer and JWCH Produkcja Budowlana Spółka z o.o. domiciled in Ząbki transferring the ownership to an organised part of the enterprise in the form of the Issuer's branch which operated as J.W. Construction Holding S.A. Oddział "Zakład Prefabrykacji Budowlanej" (Branch: "Building Prefabrication Plant") domiciled in Ząbki.

On 26 May 2008, the District Court for the capital city of Warsaw, XII Business Department of the National Court Register, registered an increase in the share capital in the subsidiary JW Projekt Spółka z o.o. domiciled in Warsaw from PLN 52,000 to PLN 1,155,600, i.e. by PLN 1,103,600, by way of issuing 5,518 shares of a par value of PLN 200 each.

On 30 May 2008, the District Court for the capital city of Warsaw, XIV Business Department of the National Court Register, registered an increase in the share capital in the subsidiary JWCH Produkcja Budowlana Spółka z o.o. domiciled in Ząbki from PLN 100,000 to PLN 15,495,000, i.e. by PLN 15,395,000, by way of issuing 307,900 shares of a par value of PLN 50 each.

On 19 June 2008, an Ordinary General Meeting of the Company was held, which made resolutions required by the Code of Commercial Companies on accepting and approving the individual financial statements of the Company as well as the consolidated financial statements of the Company's Capital Group, on accepting and approving the Management Board's report on activity of the Company and of the Company's Capital Group in the previous financial year, on granting the vote of approval to Members of the Company Governing Bodies for performing their functions in 2007, on the distribution of profit which was earmarked in total for the supplementary capital.

Furthermore, the Shareholders agreed for the purchase by the Company of its own shares to redeem them, starting from 30 June 2009 when not less than 1,500,000 shares for not more than PLN 55,000,000 are to be purchased.

On 30 June 2008, the Company signed the Plan of Combination with its subsidiary, Przedsiębiorstwo Turystyczne "Czarny Potok" S.A. domiciled in Krynica ("Acquired Company"); the combination takes place under Article 492 §1 (1) of the Code of Commercial Companies by transferring total assets of the Acquired Company to the Company. In connection with holding by the Company 100% of the share capital of the Acquired Company, the combination takes place without increasing the share capital of the Company.

The combination is consistent with the policy of enlargement of the hotel network within one entity, presented earlier by the Company, reduction of operating expenses related to operation of the Acquired Company, and also simplification of the structure of management of the individual business lines within the framework of activity of the Capital Group of the Company.

Changes in composition of the Company's governing bodies

On 13 June 2008, Mr Marek Rocki, and independent Member of the Supervisory Board of the Company, resigned from membership in the Supervisory Board of the Company for personal reasons.

On 19 June 2008, the main shareholder of the Company used his personal right and under §16 (2) of the Statutes of the Company dismissed Mr Jacek Obłąkowski from the Supervisory Board of the Company.

On 19 June 2008, the main shareholder of the Company used his personal right, and under §16 (2) of the Statutes of the Company appointed Mr Grzegorz Ślak to the Supervisory Board of the Company.

On 19 June 2008, the Ordinary General Meeting of the Company increased the composition of the Supervisory Board of the Company by an independent Member the Supervisory Board who is Mr Jacek Obłąkowski.

Executing a loan agreement

On 28/05/2008, J.W. Construction Holding S.A. executed with Fortis Bank Polska S.A. a loan agreement for PLN 35 000 000, with final repayment date 30/07/2010; the loan is to be intended for partial funding of implementation of the investment "Wiślana Aleja" at ul. Odkryta in Warsaw.

On 24/06/2008, J.W. Construction Holding S.A. executed with Bank PKO BP S.A. two loan agreements:

- a) for PLN 43 000 000, with final repayment date 31/08/2010, for partial funding of implementation of the investment Lewandów Park I.
- b) for PLN 45 000 000, with final repayment date 30/09/2010, for partial funding of implementation of the investment Lewandów Park II.

Executing an annex to the loan agreement

On 11/04/2008, the Company executed Annex No. 2 to loan agreement executed with Bank Ochrony Środowiska S.A. on 17/09/2007 for partial funding of implementation of the investment "Górczewska Park". By virtue of the annex, the loan value was increased from PLN 60 000 000 to PLN 115 000 000.

Repayment of loans

- 1) On 04/04/2008, a subsidiary Project 55 Sp. z o.o. repaid a loan incurred with Bank Millennium S.A. for PLN 40 000 000, for the purpose of partial funding of implementation of the investment "Osiedle Górczewska" at ul. Górczewska in Warsaw.
- 2) On 30/04/2008, a subsidiary Interlokum Sp. z o.o. repaid a loan taken from Bank PKO BP S.A. for PLN 20 600 000, for the purpose of partial funding of implementation of the investment "Rezydencja na Skarpie" in Warsaw.
- 3) On 01/06/2008, J.W. Construction Holding S.A. repaid a loan taken from Bank PKO BP S.A. for PLN 23 325 047, for the purpose of purchase of land plots at ul. Lewandów in Warsaw.

Obtaining a building permit

On 09/04/2008, the Company obtained a legally binding permit for building the housing estate "Aleja Ludwinowska II" in Warsaw.

On 11/04/2008, the Company obtained a legally binding permit for building the housing estate "Lewandów II" at ul. Lewandów in Warsaw.

On 28/04/2008, the Company obtained a legally binding permit for building the first stage of the housing estate "Ożarów I" in the town Kręczki-Kaputy, gmina (district) Ożarów Mazowiecki.

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On 30/05/2008, the Company obtained a legally binding permit for building the housing estate "Bursztynowe Osiedle" at ul. Korkowa in Warsaw.

Acquisition of subsequent land plots

1. On 17/04/2008, a subsidiary J.W. Construction Bułgaria EOOD domiciled in Sofia, executed the final agreement on acquisitions of real estate located in Złote Piaski (Bulgaria) of a surface area of 14,667 m². The acquisition price was EUR 7,778,867.42 (including VAT) – which is PLN 26,685,404.69 after translation from Euro on the basis of the average NBP exchange rate of 17/04/2008.
2. On 24/06/2008, the Company executed a conditional agreement on acquisitions of real estate located in Warsaw in the Mokotów quarter, at ul. Antoniewska, of a surface area of 15,763 m².
3. In the period between April 2008 and 30 June 2008, the Company executed subsequent agreements on acquisitions from natural persons of real estate located in Warsaw in the Białołęka quarter, of a total surface area of 4 926.5 m².

Quantitative specification of implemented projects, current projects and planned projects

Advancement status of the project	Number of projects	Number of flats	Number of flats for sale	Number of flats to be transferred customers
Implemented projects	487	15 600	42	62
Current projects	185	8 289	1 452	5 716
Planned projects	-	15 799	15 799	-
Total	672	39 688	17 293	5 778

Sales of flats in Q2 – by value

2008	Value of executed agreements
April	PLN 10,220,923.88
May	PLN 31,336,768.39
June	PLN 18,386,778.35
Total Q2 2008	PLN 59,944,470.62

Awards, distinctions and ranking lists - Q2 2008

- The Company was included in the ranking list of the Home&Market magazine "500 Sales and Service Enterprises". The ranking list presents the major companies of the service and commercial sector in Poland in 2007 – May 2008
- Title "Benefactor of the Year 2007" in the category "Company Cooperation with a Non-Governmental Organisation", a competition organised by the Academy of Development of Philanthropy in Poland – May 2008
- J.W. Construction Holding S.A. among "500 largest Polish enterprises" on the ranking list of the "Polityka" weekly – May 2008
- "European Medal" for Services of the Hotel 500 Network awarded by the Polish Business Club in the 16th edition of the "European Medal for Services" – April 2008

- The Company was included in the ranking list of the “Newsweek” weekly and A. T. Kearney among “100 most valuable companies” – April 2008
- The Company was found in the “List of 500” top companies of the Polish business, kept by the Editing Board of the “Rzeczpospolita” daily – April 2008
- Nomination to the award “Master of Construction” in the category of the Best Construction Contractor granted by the Editing Board of the “Home&Market” monthly – April 2008
- Fifth diamond to the statuette of the Polish Business Leader awarded by the Business Centre Club – June 2008
- The Company was included in the list of “1000 Largest Enterprises in Poland” of Gazeta Finansowa – June 2008

2. DESCRIPTION OF FACTORS AND EVENTS, IN PARTICULAR OF UNTYPICAL NATURE, HAVING A MATERIAL IMPACT ON THE OBTAINED FINANCIAL RESULTS

In Q2 2008, no untypical events occurred, other than the events described above, which would have an effect on the financial results obtained.

3. EXPLANATIONS ON THE SEASONALITY AND CYCLICAL NATURE OF THE ISSUER’S ACTIVITY IN THE PRESENTED PERIOD

In principle, the sale of flats does not display any seasonality. However, in the Issuer’s activity cyclical nature of the moment of recognition of income and thus of the financial results as well as of the cash inflows in the form of advances from customers can be noticed – these depend on the stage of completion of the investments.

Depending on the stage of completion of the investment (zero status, open shell status, cold shell status, building completion), cyclical cash inflows from the customers are noted. On the other hand, attaining a certain stage of completion of the construction and status of sales results in the possibility of recognising the financial result. On the other hand, also atmospheric conditions may influence the stage of completion of the investment.

4. INFORMATION ON ISSUE, REDEMPTION AND REPAYMENT OF DEBT AND EQUITY SECURITIES

Issue of bonds

In the period between 1 April 2008 and 30 June 2008, the Company made several issues of bonds totalling 1,910 bonds of a par value of PLN 100,000 each and of a total par value of PLN 191,000,000, with time to maturity of up to 12 months.

Redemption of bonds

In the period between 1 April 2008 and 30 June 2008, the Company redeemed 1,887 bonds of a par value of PLN 100,000 each and of a total par value of PLN 188,700,000.

5. INFORMATION ON PAID AND (OR DECLARED) DIVIDEND IN TOTAL AND CALCULATED PER ONE SHARE, BROKEN DOWN BY ORDINARY AND PREFERRED SHARES

Not applicable.

6. EVENTS AFTER THE DATE OF THE CONSOLIDATED QUARTERLY FINANCIAL STATEMENTS, NOT REFLECTED IN THESE STATEMENTS BUT WITH A POTENTIAL MATERIAL EFFECT ON THE FUTURE FINANCIAL RESULTS OF THE ISSUER

Launch of the programme of buy back of own shares of the Company for the purpose of their redemption

The Company executed an agreement with an investment enterprise within the meaning of Article 6 (3) B) of Commission Regulation (EC) No. 2273/2003 of 22 December 2003 concerning the implementation of the programme of buy back of own shares for the purpose of their redemption. The programme will be implemented up to 30 June 2009 or until exhaustion of the funds earmarked for its implementation. The number of shares purchased was set as not less than 1,500,000 and not more than PLN 55,000,000, which amount is the number of shares multiplied by the price at which they will be purchased. The maximum amount of funds intended for programme implementation is PLN 55,000,000; the funds will originate from the supplementary capital of the Company.

Issue of bonds

On 09/07/2008, the Issuer issued 303 bonds of a par value of PLN 100 000 each and the total par value of PLN 30 300 000. Redemption of debt securities is planned for 7 October 2008.

Repayment of bonds

On 09/07/2008, the Issuer redeemed the bonds issued on 09/04/2008, of the total par value of PLN 39 500 000.

On 25/07/2008, the Issuer redeemed the bonds issued on 25/04/2008 and 16/05/2008 of the total par value of PLN 16 500 000.

Repayment of loan

On 15/07/2008, the subsidiary Lokum Sp. z o.o. repaid a loan from Bank Millennium S.A. for PLN 16 500 000, for the purpose of partial funding of implementation of the investment "Willa Konstancin" in Konstancin.

Land purchase

On 31/07/2008, the Company executed a conditional agreement on purchase of a real estate located in Warsaw, in the Mokotów quarter, at ul. Antoniewska, of a surface area of 10,744 m².

7. INFORMATION ON CHANGES IN CONTINGENT LIABILITIES OR ASSETS, WHICH OCCURRED AFTER THE END OF THE LAST FINANCIAL YEAR

OFF-BALANCE SHEET LIABILITIES	30/06/2008	31/12/2007
Value of investment real estate pledged as collateral – loans	932 498 519.26	747 077 076.26
Other companies' real estate pledged as collateral – loans	13 500 000.00	3 500 000.00
Blank promissory notes*	434 276 618.99	416 978 822.68
Other**	0.00	10 000 000.00
Transfer of receivables	4 499 600.00	4 299 600.00
Registered pledge on a bank account liability***	20 000 000.00	20 000 000.00
Guarantees to the benefit of TBS "Marki" Sp z o.o.	22 400 000.00	22 400 000.00
Guarantees to the benefit of Project 55 Sp. z o.o.	0.00	40 000 000.00
Guarantees to the benefit of Lokum Sp. z o.o.	16 500 000.00	16 500 000.00
Guarantees to the benefit of Interlokum Sp. z o.o.	0.00	20 600 000.00
Guarantees to the benefit of Budokrusz Sp. z o.o.	0.00	2 500 000.00
Guarantees to the benefit of JWCH Budownictwo Drogowe Sp. z o.o.	1 700 000.00	0.00
Guarantees to the benefit of JW. Construction S.A.	720 910.29	0.00
Guarantees to the benefit of JWCH Produkcja Budowlana sp. z o.o.	4 056 574.80	0.00
Guarantees to the benefit of Pebex Sp. Jawna	106 506.00	0.00

* the amounts of collateral in the form of blank promissory notes are presented up to the full value of the principal liability

** the item covers collateral *inter alia* in the form of a freeze on bank accounts, assignment or rights under insurance policies

The table above presents all collaterals under the executed loan agreements constituting the security for repayment of liabilities. Since several items of collateral were established under individual loan agreements, the values of the collaterals were not summed up.

As at 30 June 2008, there were realised guarantees to remove failures and defects under insurance granted by banks and insurance institutions to the benefit of the Company. Moreover, there were blank promissory notes issued to the benefit of J.W. Construction Holding S.A. to secure rights of the Company under guarantees granted by counterparties, which may be filled in by the Issuer at any time with the amount corresponding to costs of failure and defect removal. As at 30 June 2008, the total value of guarantees was PLN 25.5 million.

8. AIMS AND POLICY OF FINANCIAL RISK MANAGEMENT

Risks recognised by the Issuer: interest rate risk, liquidity risk, currency and credit risk.

Interest rate risk

The Company raises funds for implementation of its projects based on floating interest rate loans. Those were mainly loans incurred for the period of construction of a given investment - on the average for 1.5 years. It was assumed that in such period the interest rate risk did not require additional hedging options.

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

Currency risk

Within the whole J.W. Construction Group, the only companies not to conclude transactions in PLN were: J.W. Construction International and Yakor House, Russian law-based companies, and J.W. Construction Bulgaria EOOD, a Bulgarian law-based company. Settlements did not require additional hedging. The Bulgarian company is in the beginning phase of its activities.

Credit risk

A very significant part of the Group's clients make purchases on the basis of bank loans. The risks associated with the offered loans are secured with insurance of particular debts on behalf of the clients. There is no significant credit risk concentration in any group of clients. Moreover, the Group systematically evaluates payments made by the clients, as well as their financial standing.

Liquidity risk

The Group pays special attention to keeping the balance between financing its investment activities and timely repayment of its liabilities. Liquidity ratios (including current debt ratio as at 30 June 2008 – 2.0) are satisfactory, which proves that the risk in this area was low.

Financial statements item	Value in PLN '000	Interest rate risk				Currency risk				Other pricing risks			
		Impact on earnings		Impact on equity		Impact on earnings		Impact on equity		Impact on earnings		Impact on equity	
		+ 50 b.p. in PLN	- 50 b.p. in PLN	+ 50 b.p. in PLN	- 50 b.p. in PLN								
		+ 25 b.p. in USD/EUR	- 25 b.p. in USD/EUR	+ 25 pb w USD	- 25 pb w USD	+ 10%	- 10%	+ 10%	- 10%	+ 6%	- 6%	+ 6%	- 6%
Financial assets													
Cash in current accounts	16 852	84	-84										
Bank deposits	40 133	201	-201										
Bonds held	0	0	0										
Loans granted in PLN	64 280	321	-321										
Loans granted in USD	4 570	11	-11			457	-457						
Loans granted in EUR	8 161	20	-20			816	-816						
Impact on financial assets before tax		638	-638	0	0	1 273	-1 273	0	0				
Tax (19%)		-121	121	0	0	-242	242	0	0				
Impact on		517	-517	0	0	1 031	-1 031	0	0				

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financial assets after tax													
Financial liabilities													
Bonds issued	180 800	-904	904										
Bank loans	244 623	-1 223	1 223										
Impact on financial liabilities before tax		-2 127	2 127	0	0	0	0	0	0				
Tax (19%)		404	-404	0	0	0	0	0	0				
Impact on financial liabilities after tax		-1 723	1 723	0	0	0	0	0	0				
Total increase/ (decrease)		-1 206	1 206	0	0	1 031	-1 031	0	0	0,00	0,00	0,00	0,00

9. SELECTED FINANCIAL DATA INCLUDING THE BASIC ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (ALSO TRANSLATED INTO EURO)

The balance sheet as at the day ending the period of 1 January to 30 June 2008 was translated into EUR at the rate established by the National Bank of Poland as at the said day, i.e. PLN / EUR 3.3542.

The balance sheet as at the day ending the period of 1 January to 30 June 2007 was translated into EUR at the rate established by the National Bank of Poland as at the said day, i.e. PLN / EUR 3.7658.

The balance sheet as at the day ending the period of 1 January to 31 December 2007 was translated into EUR at the rate established by the National Bank of Poland as at the said day, i.e. PLN / EUR 3.5820.

The income statement for the period 01/01/2008 - 30/06/2008 was translated into EUR at the average rate calculated as the arithmetic average of rates applicable as at the last day of each month in the given period, established by the National Bank of Poland as at these days, i.e. PLN / EUR 3.4779.

The income statement for the period 01/01/2007 - 30/06/2007 was translated into EUR at the average rate calculated as the arithmetic average of rates applicable as at the last day of each month in the given period, established by the National Bank of Poland as at these days, i.e. PLN / EUR 3.8486.

Consolidated balance sheet item	30/06/2008		31/12/2007		30/06/2007	
	PLN	EUR	PLN	EUR	PLN	EUR
Total assets	1 701 559	507 292	1 511 567	401 393	1 363 071	380 533
Fixed assets	383 178	114 238	381 045	101 186	329 925	92 106
Current assets	1 318 382	393 054	1 130 522	300 208	1 033 146	288 427
Total liabilities	1 701 559	507 292	1 511 567	401 393	1 363 071	380 533
Equity	603 858	180 030	549 508	145 921	426 349	119 025
Non-current liabilities	446 400	133 087	370 799	98 465	351 428	98 109
Current liabilities	651 301	194 175	591 260	157 008	585 294	163 399

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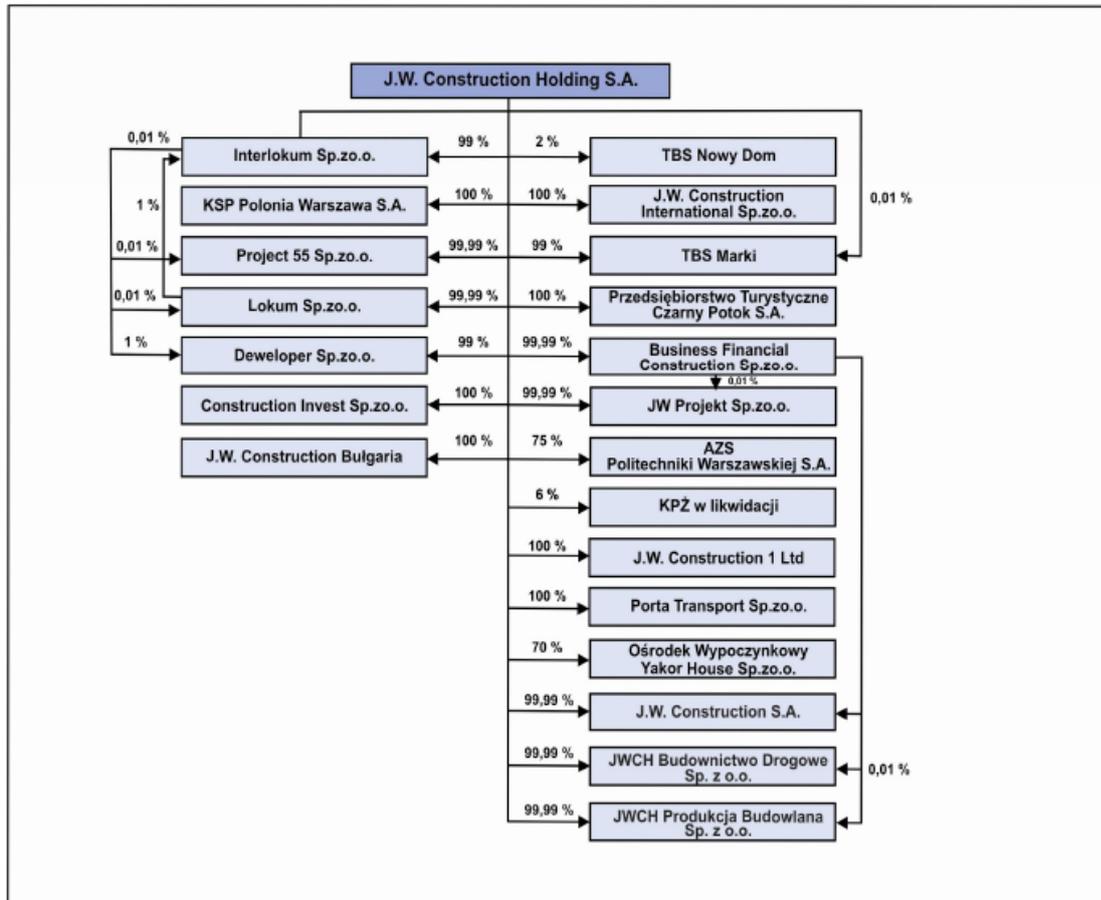
Consolidated income statement item	01/01/2008 - 30/06/2008		01/01/2007 - 30/06/2007	
	PLN	EUR	PLN	EUR
Net revenues from sales of products, goods and materials	386 110	111 020	227 466	59 103
Costs of products, goods and materials sold	284 684	81 856	165 644	43 040
Gross profit (loss) on sales	101 427	29 164	61 822	16 063
Costs of sales	14 121	4 060	11 368	2 954
Overhead costs	14 896	4 283	11 511	2 991
Profit (loss) on sales	72 410	20 820	38 942	10 119
Operating profit (loss)	71 861	20 662	40 680	10 570
Gross profit (loss)	62 680	18 023	32 106	8 342
Income tax	11 751	3 379	6 474	1 682
Net profit (loss)	50 929	14 644	25 632	6 660

Issuer's balance sheet item	30/06/2008		31/12/2007		30/06/2007	
	PLN	EUR	PLN	EUR	PLN	EUR
Total assets	1 323 645	394 623	1 194 159	333 378	1 131 786	300 543
Fixed assets	277 019	82 589	285 038	79 575	294 078	78 092
Current assets	1 046 625	312 034	909 121	253 803	837 708	222 452
Total liabilities	1 323 645	394 623	1 194 159	333 378	1 131 786	300 543
Equity	541 210	161 353	494 789	138 132	387 462	102 890
Non-current liabilities	293 289	87 439	214 305	59 828	157 638	41 860
Current liabilities	489 146	145 831	485 064	135 417	586 686	155 793

Issuer's income statement item	01/01/2008 - 30/06/2008		01/01/2007 - 30/06/2007	
	PLN	EUR	PLN	EUR
Net revenues from sales of products, goods and materials	347 876.83	100 026.40	175 309.17	45 551.22
Costs of products, goods and materials sold	264 045.37	75 922.01	134 998.24	35 077.08
Gross profit (loss) on sales	83 831.46	24 104.39	40 310.93	10 474.14
Costs of sales	13 475.05	3 874.53	10 633.62	2 762.97
Overhead costs	10 126.63	2 911.75	10 167.25	2 641.79
Profit (loss) on sales	60 229.78	17 318.11	19 510.07	5 069.37
Operating profit (loss)	59 105.78	16 994.92	21 174.26	5 501.78
Gross profit (loss)	51 976.03	14 944.87	14 414.18	3 745.29
Income tax	9 969.33	2 866.52	2 718.00	706.23
Net profit (loss)	42 006.70	12 078.35	11 696.18	3 039.06

10. DESCRIPTION OF ORGANISATION OF THE ISSUER'S CAPITAL GROUP, WITH INDICATION OF THE CONSOLIDATED ENTITIES

As at 30 June 2008, the structure of the Issuer's Capital Group was as follows:



Construction Invest Sp. z o.o.

Construction Invest Sp. z o.o. domiciled in Warsaw was registered in the Register of Entrepreneurs on 9 February 2006 under KRS number 250688. The Company holds 100% of shares in the company. The share capital is PLN 50,000 and is divided in 100 shares of a par value of PLN 500 each. Construction Invest Sp. z o.o. conducts the business of developing and selling own real estate. It was founded for the purpose of purchasing real estate, obtaining building permits, and then transferring the real estate along with the building permit to the Company. Construction Invest Sp. z o.o. is one of the special purpose vehicles set up for the purpose of implementing the specific investment.

TBS Marki Sp. z o.o.

TBS Marki Sp. z o.o. domiciled in Warsaw was entered into the Register of Entrepreneurs on 28 November 2001, under KRS number 65232. The Company holds 99.99% of shares in TBS Marki. The share capital is PLN 13,360,000 and is divided in 22,720 shares of a par value of PLN 500 each. TBS Marki Sp. z o.o. was

established as a social building association within the meaning of the provisions of the Act on Certain Forms of Supporting the Residential Construction Sector. The Company is the investor of four investments, i.e. "Lisi Jar", "Marki V", "Warszawa Białoleka (TBS)" and "Sochaczew, ul. Piłsudskiego (TBS)".

Lokum Sp. z o.o.

Lokum Sp. z o.o. domiciled in Warsaw was registered in the Register of Entrepreneurs under KRS number 170570 on 20 August 2003. The Company holds 99.99% of shares in the company. The share capital is PLN 3,778,500 and is divided in 7,557 shares of a par value of PLN 500 each. Lokum sp. z o.o. is a special purpose vehicle. Since 2006, it has conducted the investment Willa Konstancin in Konstancin - Jeziorna.

Business Financial Construction Sp. z o.o. (BFC)

Business Financial Construction Sp. z o.o. domiciled in Warsaw was entered into the Register of Entrepreneurs on 24 May 2002, under KRS number 114675. The Company holds 99.99% of shares in the company. The share capital is PLN 4,347,000 and is divided in 8,694 shares of a par value of PLN 500 each. The core business of Business Financial Construction Sp. z o.o. is handling of the process of sale of the flats constructed by the Company and by other entities of the Group.

JW Projekt Sp. z o.o.

JW Projekt Sp. z o.o. domiciled in Warsaw was entered into the Register of Entrepreneurs on 20 February 2004 under KRS number 195210. The Company holds 99.99% of shares in the company. The share capital is PLN 1,155,000 and is divided in 5,778 shares of a par value of PLN 200 each. The Company has transferred to the company the activity in architecture and design.

Project 55 Sp. z o.o.

Project 55 Sp. z o.o. domiciled in Warsaw was entered into the Register of Entrepreneurs on 22 November 2002 under KRS number 139665. The Company holds 99.99% of shares in the company. The share capital is PLN 7,528,500 and is divided in 15,057 shares of a par value of PLN 500 each. Project 55 Sp. z o.o. is a special purpose vehicle conducting developer activity. Project 55 Sp. z o.o. is the investor of the housing estate Górczewska.

Interlokum Sp. z o.o.

Interlokum Sp. z o.o. domiciled in Warsaw was registered in the Register of Entrepreneurs under KRS number 170216 on 18 August 2003. The Company holds 99% of shares in the company. The share capital of Interlokum Sp. z o.o. is PLN 50,000 and is divided in 100 shares of a par value of PLN 500 each. Interlokum Sp. z o.o. is a special purpose vehicle established for implementation of the investment "Skarpa IV".

Przedsiębiorstwo Turystyczne Czarny Potok S.A.

Przedsiębiorstwo Turystyczne Czarny Potok S.A. domiciled in Krynica was entered into the Register of Entrepreneurs under KRS number 91153 on 14 February 2002. The Company holds 100% of the company shares. The share capital is PLN 1,994,000 and is divided in 500 registered shares of A-series, of a par value of PLN 100 each, and 19,440 registered shares of B-series, of a par value of PLN 100 each. The core business of the company is hotel activities. The enterprise operates a holiday centre in Krynica Górska. In 2006, a permit for its enlargement was obtained. Currently, the hotel site is being upgraded.

Deweloper Sp. z o.o.

Deweloper Sp. z o.o. domiciled in Siemianowice Śląskie was registered in the Register of Entrepreneurs under KRS number 170493 on 22 August 2003. The Company holds 99% of shares in the company. The share capital is PLN 50,000 and is divided in 100 shares of a par value of PLN 500 each. The Company deals with road construction. In the Capital Group structure it has been entrusted with the role of the general contractor of a housing estate in Katowice.

Klub Sportowy Piłkarski Polonia Warszawa .S.A.

Klub Sportowy Piłkarski Polonia Warszawa S.A. domiciled in Warsaw was registered in the Register of Entrepreneurs on 19 September 2003 under KRS number 173656. The Company holds 100% of shares in the company. The share capital is PLN 1,544,000 and is divided in 5,000 A-Series registered shares of a par value of PLN 100 each and 10,440 B-Series registered shares of a par value of PLN 100 each. Klub Sportowy Piłkarski Polonia Warszawa S.A. manages a football team.

J.W. Construction – Akademicki Związek Sportowy Politechniki Warszawskiej S.A.

J.W. Construction – Akademicki Związek Sportowy Politechniki Warszawskiej S.A. domiciled in Warsaw was entered into the Register of Entrepreneurs on 24 October 2005 under KRS number 243759. The Company holds 75% of shares in the company. The share capital is PLN 500,000 and is divided in 5,000 shares with a par value of PLN 100 each. J.W. Construction – AZS Politechniki Warszawskiej S.A. manages a volleyball team in the Polish premier league of volleyball.

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

J.W. Construction International Sp. z o.o. registered in Russia, the Company holds 100% of share capital in the company. J.W. Construction International Sp. z o.o. deals with investment activity in the sector of residential construction in the Russian Federation. Currently, it is the Victoria Park investment in Kolomna, in the Moscow area.

J.W. Construction 1 Ltd

J.W. Construction 1 Ltd. domiciled in London registered in the United Kingdom, the Company holds 1,000 shares with a par value of 1 pound each and a total par value of 1,000 sterling pounds, which is 100% of share capital.

J.W. Construction Bułgaria EOOD

J.W. Construction Bulgaria EOOD was registered by the Municipal Court in Sofia (Bulgaria) on 8 October 2007, as J.W. Construction Bulgaria EOOD domiciled in Sofia (created under the Bulgarian law – corresponding to the Polish limited liability company), in which the Company holds 500 (five hundred) shares with a par value of BGN 10 (ten) each and a total value of BGN 5,000 (five thousand). These shares represent 100% of share capital of the company named J.W. Construction Bulgaria EOOD. Through the company named J.W. Construction Bulgaria EOOD, the Company intends to conduct business in the territory of Bulgaria.

J.W. Construction S.A.

J.W. Construction S.A. domiciled in Ząbki, registered in the Register of Entrepreneurs under KRS No. 0000290315. The share capital is divided in 500,000 shares of a par value of PLN 1 each. J.W. Construction S.A. took over the construction business from the Company. The Company holds 99.99% of share capital of J.W. Construction S.A.

Porta Transport Sp. z o.o.

Porta Transport spółka z o.o. domiciled in Szczecin, registered in the Register of Entrepreneurs under KRS No. 0000177420. The share capital of the Company is divided in 258,308 shares of a par value of PLN 100 each. It conducts the business of providing transport services for Porta Szczecińska Nowa Spółka z o.o. in the territory of the Szczecin shipyard, and also provides freight services in Poland and abroad. The Company holds 100% of its share capital.

JWCH Budownictwo Drogowe Sp. z o.o.

JWCH Budownictwo Drogowe Sp. z o.o. domiciled in Ząbki was entered into the Register of Entrepreneurs on 21 February 2008 under KRS number 0000299665. The Company holds 99.95% of shares in the company. The share capital is PLN 100,000 and is divided in 2,000 shares of a par value of PLN 50 each. JWCH Budownictwo Drogowe Sp. z o.o. conducts the business of road construction.

JWCH Produkcja Budowlana Sp. z o.o.

JWCH Produkcja Budowlana Sp. z o.o. domiciled in Ząbki was entered into the Register of Entrepreneurs on 07 March 2008 under KRS number 0000300959. The Company holds 99.99% of shares in the company. The share capital is PLN 15,495,000 and is divided in 309,900 shares of a par value of PLN 50 each. JWCH Produkcja Budowlana Sp. z o.o. took over the business of producing prefabricated construction elements from the Company.

Yakor House (formerly Ośrodek Wypoczynkowy “Ogoniok”) Sp. z o.o.

Yakor House Sp. z o.o. domiciled in Sochi, the Russian Republic, the Company holds 70% of share capital in the company, which is 10,500,000 roubles. Yakor House Sp. z o.o. possesses real estate in Sochi, where it intends to start a housing and service investment.

11. EFFECTS OF CHANGES IN THE STRUCTURE OF THE ECONOMIC ENTITY, INCLUDING THOSE RESULTING FROM COMBINATION OF ENTERPRISES, TAKEOVER OR SALE OF ENTITIES OF THE ISSUER’S CAPITAL GROUP,

NON-CURRENT INVESTMENTS, DIVISION, RESTRUCTURING AND DISCONTINUATION OF BUSINESS

The following occurred in the organisational structure of the Issuer's Capital Group, described in detail in this report :

Registration of an increase in the share capital in the subsidiary JW Projekt Spółka z o.o. domiciled in Warsaw from PLN 52,000 to PLN 1,155,600, i.e. by PLN 1,103,600, by way of issuing 5,518 shares of a par value of PLN 200 each. The entire issue was taken up by the Company and covered with an in-kind contribution in the form of a branch of the Company operating as J.W. Construction Holding S.A. Oddział "Pracownia Architektoniczna" (*Branch: "Architectonic Workroom"*) domiciled in Ząbki, which was separated from the Company's structure.

Registration of an increase in the share capital in the subsidiary JWCH Produkcja Budowlana Spółka z o.o. domiciled in Ząbki from PLN 100,000 to PLN 15,495,000, i.e. by PLN 15,395,000, by way of issuing 307,900 shares of a par value of PLN 50 each. The entire issue was taken up by the Company and covered with an in-kind contribution in the form of a branch of the Company operating as J.W. Construction Holding S.A. Oddział "Zakład Prefabrykacji Budowlanej" (*Branch: "Building Prefabrication Plant"*) domiciled in Ząbki, which was separated from the Company's structure.

During the conducted process of increase of the share capital in the subsidiary J.W. Construction S.A. domiciled in Ząbki, an agreement was executed transferring an organised part of the enterprise in the form of a branch of the Company which operated as J.W. Construction Holding S.A. Oddział "Budownictwo" (*Branch: "Construction"*) domiciled in Ząbki, which was separated from the Company's structure.

Balance sheet item	JWCH Produkcja Budowlana Sp. z o.o.	J.W. Construction S.A.	J.W Projekt Sp. z o.o.
Total assets	16 487 334.30	33 886 607.34	1 738 299.38
Fixed assets	11 098 372.83	13 254 477.35	437 225.70
Current assets	5 388 961.47	20 632 129.99	1 301 073.68
Total liabilities	1 092 380.17	22 859 988.68	634 810.35
Liabilities	1 092 380.17	22 859 988.68	634 810.35

12. THE MANAGEMENT BOARD'S POSITION ON THE POSSIBILITY OF ATTAINING THE PREVIOUSLY PUBLISHED FORECASTS OF RESULTS FOR THE YEAR, IN LIGHT OF THE RESULTS PRESENTED IN THE QUARTERLY REPORT AS COMPARED TO THE FORECAST RESULTS

The Management Board makes adjustments of the forecast of the financial results for the Issuer for 2008, disclosed to the public in report 3/2008 of 8 January 2008.

Previous forecast for 2008

Revenues on sales:	PLN 1 085.4 million
Profit on sales:	PLN 345.7 million
Operating result:	PLN 295.5 million
Gross profit:	PLN 278.2 million
Net profit:	PLN 219.7 million

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New forecast for 2008

Revenues on sales:	PLN 819.9 million
Profit on sales:	PLN 256.5 million
Operating result:	PLN 207.0 million
Gross profit:	PLN 190.2 million
Net profit:	PLN 150.6 million

The adjustment results mainly from moving to subsequent years the revenues and expenses related to the investments Zdziarska, Światowida, Łódź – Tymienieckiego II. It should be noted that in relation to the principles of recognising the result of developer projects applied by the Issuer and consistent with IAS 11, the moment of recognising the profit on the investment depends on obtaining at least 50% completion of sales and 40% advancement of costs.

The factors contributing to the change of the financial results of 2008, specified in publication of the forecast, include.

- The lack of the respective administrative decisions on the above-listed investments up to the dates assumed in the previous schedules or considerable delays in issue of such decisions, which results in delays in implementation of such investments,
- Lower demand in the residential real estate market than expected when the previous forecasts were made.

Forecast implementation will be monitored quarterly, and the potential changes of the forecast values exceeding 10% of the current forecasts will be disclosed to the public in the form of an ongoing report.

13. IDENTIFICATION OF THE SHAREHOLDERS HOLDING DIRECTLY OR INDIRECTLY THROUGH SUBSIDIARIES AT LEAST 5% OF THE TOTAL NUMBER OF VOTES AT THE ISSUER'S GENERAL MEETING AS AT THE DAY OF SUBMITTING THE QUARTERLY REPORT, AND IDENTIFICATION OF THE NUMBER OF SHARES HELD BY THESE ENTITIES, THEIR % OF SHARE CAPITAL, THE NUMBER OF VOTES CORRESPONDING TO THEM AND THEIR % OF TOTAL VOTES AT THE GENERAL MEETING AND IDENTIFICATION OF CHANGES IN THE STRUCTURE OF OWNERSHIP OF MAJOR BLOCKS OF THE ISSUER'S SHARES IN THE PERIOD AFTER THE SUBMITTAL OF THE PREVIOUS QUARTERLY REPORT

Shareholders holding directly or indirectly more than 5% of the total number of votes at the General Meeting on selected dates:

As at 31/03/2008

Shareholder	Number of shares	% of share capital	Number of votes	% of total votes at the General Meeting
Józef Wojciechowski	19,308,752	35.30%	19,308,752	35.30%
EHT	25,448,300	46.52%	25,448,300	46.52%

As at 30/06/2008

Shareholder	Number of	% of share	Number of votes	% of total votes
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	shares	capital		at the General Meeting
Józef Wojciechowski	19,326,588	35.33%	19,326,588	35.33%
EHT	25,448,300	46.52%	25,448,300	46.52%

Change in the share holding status in the period between 31/03/2008 and 30/06/2008

Shareholder	Increase in the number of shares	Increase in the % of share capital	Increase in the number of votes	Increase in the % of total votes at the General Meeting
Józef Wojciechowski	17,836	0.03%	17,836	0.03%

As at 14/05/2008 – day of publication of the report for Q1 2008

Shareholder	Number of shares	% of share capital	Number of votes	% of total votes at the General Meeting
Józef Wojciechowski	19,308,752	35.30%	19,308,752	35.30%
EHT S.A.	25,448,300	46.52%	25,448,300	46.52%

As at 07/08/2008 – day of publication of the report for Q2 2008

Shareholder	Number of shares	% of share capital	Number of votes	% of total votes at the General Meeting
Józef Wojciechowski	19,339,903	35.36%	19,339,903	35.36%
EHT S.A.	25,448,300	46.52%	25,448,300	46.52%

Change in the share holding status in the period between 14/05/2008 and 07/08/2008
(between the dates of publication of the reports for Q1 and Q2 2008)

Shareholder	Increase in the number of shares	Increase in the % of share capital	Increase in the number of votes	Increase in the % of total votes at the General Meeting
Józef Wojciechowski	31,151	0.06%	31,151	0.06%

The % share figures were rounded up to two decimal places.

Treasury shares purchased by the Company within the framework of implementation of the programme of buy back of own shares for the purpose of their redemption

As at 07/08/2008 - day of publication of the report for Q2 2008

Number of shares	% of share capital	Number of votes at the General Meeting	% of total votes at the General Meeting
17,848	0.03%	17,848	0.03%

Mr Józef Wojciechowski – indirectly, through Famhold S.A. domiciled in Luxembourg – controls EHT S.A. domiciled in Luxembourg

14. LIST OF ISSUER'S SHARES OR RIGHTS TO SHARES (OPTIONS) HELD BY THE ISSUER'S MANAGING AND SUPERVISING PERSONS AS OF THE DAY

OF SUBMITTAL OF THE QUARTERLY REPORT, WITH IDENTIFICATION OF CHANGES IN THE HOLDING STATUS IN THE PERIOD AFTER THE SUBMITTAL OF THE PREVIOUS QUARTERLY REPORT, SEPARATELY FOR EACH PERSON

Details on the Issuer's shares held by members of the governing bodies of the Company

As at 07/08/2008 – day of publication of the report for Q2 2008

Person	Position	Number of shares	Increase in the number of held shares after the date of publication of the previous quarterly report
Józef Wojciechowski	Chairman of the Supervisory Board	19,339,903	31,151

15. LITIGATIONS FOR MORE THAN 10% OF EQUITY

Neither the Issuer nor any of its subsidiaries is a party to any proceedings before a court or an competent authority for arbitration or a public administration authority, the total value of which would exceed 10% of the Issuer's equity.

16. INFORMATION ON ENTERING BY THE ISSUER OR ITS SUBSIDIARY ONE OR MORE TRANSACTIONS WITH RELATED PARTIES IF THE VALUE OF THESE TRANSACTIONS (TOTAL VALUE OF ALL TRANSACTIONS ENTERED INTO FROM THE BEGINNING OF THE FINANCIAL YEAR) EXCEEDS THE ZLOTY EQUIVALENT OF EUR 500,000

The Issuer or its subsidiaries were parties to the transactions described below, the value of which exceeds the in zloty equivalent of EUR 500,000, and which transactions are not typical and routine transactions entered into at arms length between related parties, the nature and terms of which arise from the current operating activity.

Loans granted

Since the beginning of the year, the Company has granted to its subsidiary operating as J.W. Construction Bulgaria EOOD domiciled in Sofia loans for the purchase of the real estate situated in Varna, in the Golden Sands region, and for the related costs of EUR 8,038,867.42 in total. The loans bear interest determined at arms length, on the basis of the LIBOR 3M rate increased by a margin. The loans were granted to 30 June 2010, with an option of a one-off repayment at the end of the period for which the agreements were executed or earlier in instalments.

Since the beginning of the year, the Company has granted to its subsidiary operating as YAKOR HOUSE (formerly Ośrodek Wypoczynkowy "Ogoniok") domiciled in Sochi, loans in total amount of USD 2,050,000, for covering the costs related to investment implementation. The loans were granted within the framework of the obligation stipulated in paragraph 3.4 of the Agreement on share acquisitions of 7 December 2007 and §2.2 of the Understanding on Cooperation of the same day. The loans bear interest determined at arms length, on the basis of the LIBOR 3M rate increased by a

margin. The loans were granted to 31 December 2008, with an option of a one-off repayment at the end of the period for which the agreements were executed or earlier in instalments.

Since the beginning of the year, the Company transferred in total USD 1,500,000 to its subsidiary operating as J.W. Construction International domiciled in Himki (Russian Federation) as a loan for funding the costs related to providing residential flats for persons leaving the real estate on which the Company will construct a multi-family residential building marked with the working symbol A-3 in Kolomna, quarter 21. The loan bears interest determined at arms length, on the basis of the LIBOR 1M rate increased by a margin. The loan was granted to 31 December 2008, with an option of a one-off repayment at the end of the period for which the agreements were executed or earlier in instalments.

Loans received

Since the beginning of the year, the Company took from its subsidiary TBS Marki Sp. z o.o. domiciled in Warsaw loans totalling PLN 17,200,000. The agreement of the largest value was executed on 12 June 2008, for PLN 7,000,000, for a period to 31 May 2009. The loan bears interest determined at arms length, on the basis of the 3M WIBOR rate increased by a margin. The loan is intended for conducting business activity and may be repaid as a one-off repayment at the end of the period for which it was executed or earlier in instalments.

Promissory notes

On 24 April 2008, the subsidiary Interlokum Sp. z o.o. domiciled in Warsaw issued a promissory note for PLN 20,000,000, with time to maturity of 6 months, which was purchased by the company named J.W. Consulting Spółka z o.o. J.W.4 Spółka komandytowo-akcyjna (a limited joint-stock partnership) domiciled in Warsaw, 100% of shares of which are held by Fundusz Inwestycyjny Zamknięty SEZAM II.

On 24 June 2008, the Company issued a promissory note for PLN 12,000,000 time to maturity 12 months, which was purchased by the company named J.W. Consulting Spółka z o.o. J.W.4 Spółka komandytowo-akcyjna (a limited joint-stock partnership) domiciled in Warsaw, 100% of shares of which are held by Fundusz Inwestycyjny Zamknięty SEZAM II.

Agreements on transfer of the contribution in kind

On 30 April 2008, the Company executed, in the form of a notarial deed, an agreement with its subsidiary JW Projekt Spółka z o.o. domiciled in Warsaw, the subject matter of which was the transfer of an organised part of the enterprise in the form of a branch operating as J.W. Construction Holding S.A. Oddział "Pracownia Architektoniczna" domiciled in Żąbki, within the framework of performance of the obligation arising from the adopted resolution on increase of the share capital of JW Projekt Sp. z o.o. and from the submitted declaration on claiming of the shares.

On 30 April 2008, the Company executed, in the form of a notarial deed, an agreement with its subsidiary JWCH Produkcja Budowlana Spółka z o.o. domiciled in Żąbki, the subject matter of which was the transfer of an organised part of the enterprise in the form of a branch operating as J.W. Construction Holding S.A.

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Oddział "Zakład Prefabrykacji Budowlanej" domiciled in Ząbki, within the framework of performance of the obligation arising from the adopted resolution on increase of the share capital of JWCH Produkcja Budowlana Sp. z o.o. and from the submitted declaration on claiming of the shares.

On 30 April 2008, the Company executed, in the form of a notarial deed, and agreement with its subsidiary J.W. Construction S.A. domiciled in Ząbki, the subject matter of which was the transfer of an organised part of the enterprise in the form of a branch operating as J.W. Construction Holding S.A. Oddział "Budownictwo" domiciled in Ząbki, within the framework of performance of the obligation arising from the adopted resolution on increase of the share capital of J.W. Construction S.A. and from the signed agreement on claiming of the shares of the new issue.

NAME OF A COMPANY	Receivables from related parties		Liabilities to related parties	
	30/06/2008	31/12/2007	30/06/2008	31/12/2007
EHT	870 449.04	870 449.04	0.00	38 621.13
REM S.A.	302 374.85	540 173.17	0.00	199 297.78
Załużbice Development Sp. z o.o.	435 268.80	1 055 590.50	0.00	775 476.14
Zakład Produkcji Marmurów Promar Sp. z o.o.	1 656 040.16	1 427 365.48	118 968.13	570 205.29
Zakład Produkcji Szalunków J.W. System Sp. z o.o.	108 894.11	16 398.02	256 764.62	931 604.73
Zakład Produkcji Metalowej Metalcon Sp. z o.o.	4 680 867.45	3 269 338.25	115 191.25	2 060 185.75
J.W. Agro Sp. z o.o.	3 246 016.47	3 254 729.03	0.00	0.00
Hotel 500 Sp. z o.o.	2 403.40	1 232.20	0.00	0.00
Interlokum Sp. z o.o.	6 380 897.49	14 772 971.87	179 887.22	0.00
KSP Polonia Warszawa SSA	8 914 280.94	8 782 261.56	592 350.48	0.00
Project 55 Sp. z o.o.	10 547 872.68	67 758 821.42	155 478.68	0.00
Lokum Sp. z o.o.	15 102 268.31	14 701 018.37	198 568.15	7 379.77
Deweloper Sp. z o.o.	1 782.21	1 171.08	2 400.00	266 318.62
Construction Invest Sp. z o.o.	3 293 556.97	2 993 520.69	1 755.00	0.00
TBS Nowy Dom Sp. z o.o.		7 370.94		1 000.00
JW. Construction International Sp. z o.o.	6 390 822.52	3 094 325.38	0.00	0.00
TBS Marki Sp. z o.o.	4 707.98	0.00	19 448 720.93	1 999 448.88
Przedsiębiorstwo Turystyczne "Czarny Potok" S.A.	0.00	150 223.94		0.00
Business Financial Construction Sp. z o.o.	0.00	0.00	2 102 364.57	2 602 531.13
JW. Project Sp. z o.o.	137 163.06	0.00	155 478.68	216 131.14
J.W. Construction-Akademicki Związek Sportowy Politechniki	0.00	0.00	0.00	0.00

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Warszawskiej S.A.				
Królewski Port Żerań Sp z o.o.	5 396 764.70	5 396 764.70	0.00	0.00
J.W. Construction 1 LTD	0.00	104 827.49	87 790.91	0.00
J.W. Consulting J.W. 1	3 741.25	813.25	0.00	0.00
J.W. Consulting J.W. 2	3 253.25	0.00	0.00	0.00
J.W. Consulting J.W. 3	3 360.00	0.00	0.00	0.00
J.W. Consulting J.W. 4	3 253.33	0.00	0.00	0.00
J.W. Consulting J.W. 5	3 660.00	732.00	0.00	0.00
J.W. Consulting J.W. 6	3 253.25	0.00	0.00	0.00
J.W. Consulting Sp. z o.o.	2 928.00	0.00	0.00	
Stadnina Mazowiecka Sp. z o.o.	4 787 323.37	4 605 367.75	0.00	0.00
J.W.1 Sp z o.o.	170.80	0.00	0.00	0.00
J.W.2 Sp z o.o.	170.80	0.00	0.00	0.00
J.W.3 Sp z o.o.	170.80	0.00	0.00	0.00
Porta Transport Sp. z o.o.	29 280.00	0.00	8 278.92	0.00
Ośrodek Wypoczynkowy OGONIOK	4 798 301.93	0.00	0.00	0.00
J.W. Consulting Sp. z o.o.	0.00	0.00	0.00	0.00
JWCH Budownictwo Drogowe Sp. z o.o.	870 071.02	0.00	556 948.21	0.00
JWCH Produkcja Budowlana Sp. z o.o.	1 957 329.02	0.00	178 423.91	0.00
J.W. Construction Bułgaria EOOD	28 393 101.10	0.00	0.00	0.00
JW. Construction SA	5 128 658.02	0.00	31 624 846.84	0.00

17. INFORMATION ON GRANTING BY THE ISSUER OR ITS SUBSIDIARY A LOAN GUARANTEE OR ANOTHER GUARANTEE, IN TOTAL TO ONE ENTITY OR A SUBSIDIARY OF THIS ENTITY IF THE TOTAL VALUE OF THE EXISTING GUARANTEES IS AN EQUIVALENT OF AT LEAST 10% OF THE ISSUER'S SHAREHOLDERS' EQUITY

Not applicable.

18. OTHER INFORMATION MATERIAL, AS JUDGED BY THE ISSUER, FOR ASSESSMENT OF ITS PERSONNEL, PROPERTY OR FINANCIAL STANDING, FINANCIAL RESULT, AND THEIR CHANGES, AND THE INFORMATION MATERIAL FOR ASSESSMENT OF THE POSSIBILITY OF MEETING THE LIABILITIES BY THE ISSUER

None occurred apart from those disclosed above.

19. IDENTIFICATION OF THE FACTORS WHICH, AS JUDGED BY THE ISSUER, WILL HAVE A MATERIAL EFFECT ON THE ISSUER'S RESULTS IN AT LEAST THE NEXT QUARTER

Main factors:

- implementing the subsequent stages of work on individual investments in accordance with the earlier adopted schedule of construction and assembly work (including initiation of new investments),
- speed of flat sale, taking into account the stagnation observed in the housing sector.

**20. INFORMATION ON REVENUES AND RESULTS ATTRIBUTED TO
INDIVIDUAL BUSINESS SECTORS OR TO GEOGRAPHIC AREAS,
DEPENDING ON WHICH DIVISION IS THE BASIC ONE**

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01/01/2008 - 30/06/2008	developer	hotel	social building	construction	transport	other adjustments
Net revenues from sales of products, goods and materials, of which:	352 700 251.55	10 397 768.86	5 633 955.78	12 799 798.86	7 450 832.06	-2 872 310.86
Net revenues from sales of products	340 510 819.51	10 340 971.88	5 633 955.78	12 490 777.41	7 445 481.11	-2 872 310.86
Net revenues from sales of goods and materials	12 189 432.04	56 796.98	0.00	309 021.45	5 350.95	0.00
Costs of products, goods and materials sold, of which:	258 550 223.98	7 887 444.01	3 324 596.11	10 965 129.07	6 443 653.49	-2 487 508.26
Manufacturing cost of products sold	245 867 362.36	7 841 235.79	3 324 596.11	10 658 769.35	6 439 000.49	-2 487 508.26
Value of goods and materials sold	12 682 861.62	46 208.22	0.00	306 359.72	4 653.00	0.00
Gross profit (loss) on sales	94 150 027.57	2 510 324.85	2 309 359.67	1 834 669.79	1 007 178.57	-384 802.60
Costs of sales	13 633 816.37	487 055.74	0.00	0.00	0.00	0.00
Overhead costs	12 756 160.18	289 300.18	409 030.07	542 770.63	1 030 133.92	-131 447.51
Revaluation of investment real estate	0.00	0.00	0.00	0.00	0.00	0.00
Profit (loss) on sales	67 760 051.02	1 733 968.93	1 900 329.60	1 291 899.16	-22 955.35	-253 355.09
Other operating income	3 214 837.69	248 042.23	573 334.07	20 836.73	562 888.62	0.00
Other operating expenses	4 495 734.32	15 725.43	604 359.96	30 382.32	22 830.64	0.00
Operating profit (loss)	66 479 154.39	1 966 285.73	1 869 303.71	1 282 353.57	517 102.63	-253 355.09
Financial income	3 632 358.16	860 652.14	609 208.59	4 029.38	133 507.63	-9 600.00
Financial expenses	10 483 062.89	1 662 102.72	2 170 369.92	361.08	104 528.98	-9 600.00
Operating profit (loss)	59 628 449.66	1 164 835.15	308 142.38	1 286 021.87	546 081.28	-253 355.09
Gross profit (loss)	59 628 449.66	1 164 835.15	308 142.38	1 286 021.87	546 081.28	-253 355.09
Income tax	20 286.73	45 877.00	4 601.00	36 978.00	0.00	0.00
Deferred tax	11 005 737.93	269 683.01	0.00	416 215.00	0.00	-48 137.47
Net profit (loss)	48 602 425.00	849 275.14	303 541.38	832 828.87	546 081.28	-205 217.63

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01/01/2007 - 30/06/2007	developer	hotel	social building	construction	other adjustments
Net revenues from sales of products, goods and materials, of which:	201 239 445.69	8 462 516.14	5 386 598.03	4 611 216.42	146 382.00
Net revenues from sales of products	197 389 028.49	8 451 632.10	5 386 598.03	4 609 699.57	146 382.00
Net revenues from sales of goods and materials	3 850 417.20	10 884.04	0.00	1 516.85	0.00
Costs of products, goods and materials sold, of which:	143 897 359.21	7 143 553.60	3 318 790.58	3 664 132.55	-146 083.45
Manufacturing cost of products sold	140 105 177.69	7 136 508.61	3 318 790.58	3 662 812.94	-146 083.45
Value of goods and materials sold	3 792 181.52	7 044.99	0.00	1 319.61	0.00
Gross profit (loss) on sales	57 342 086.48	1 318 962.54	2 067 807.45	947 083.87	292 465.45
Costs of sales	10 922 210.95	446 140.29	0.00	0.00	146 382.00
Overhead costs	10 036 844.13	291 967.03	356 740.20	825 813.13	0.00
Profit (loss) on sales	36 383 031.40	580 855.22	1 711 067.25	121 270.74	146 083.45
Other operating income	2 970 588.42	265 041.48	668 887.88	72 263.35	0.00
Other operating expenses	1 447 408.43	1 820.33	713 119.11	76 713.88	0.00
Operating profit (loss)	37 906 211.39	844 076.37	1 666 836.02	116 820.21	146 083.45
Financial income	1 559 823.82	528 096.84	426 340.83	3 445.93	-57 998.04
Financial expenses	7 490 291.82	1 574 115.58	2 011 250.52	16 231.92	-57 998.04
Operating profit (loss)	31 975 743.39	-201 942.37	81 926.33	104 034.22	146 083.45
Gross profit (loss)	31 975 743.39	-201 942.37	81 926.33	104 034.22	146 083.45
Income tax	4 923 684.92	0.00	0.00	47 221.00	0.00
Deferred tax	1 660 257.30	-157 774.03	0.00	0.00	27 755.86
Net profit (loss)	25 418 678.27	-44 168.34	81 926.33	56 813.22	118 327.60

E. ISSUER'S FINANCIAL STATEMENTS

1. BALANCE SHEET

ASSETS	30/06/2008	31/12/2007
FIXED ASSETS	277 019 313.73	285 037 691.03
Intangible assets	8 512 050.41	9 306 220.46
Goodwill on subsidiaries	3 047 895.06	3 047 895.06
Tangible assets	128 817 553.62	154 109 973.09
Investment real estate	8 294 437.06	8 264 725.36
Other financial assets	105 886 937.88	78 161 820.88
Deferred income tax assets	5 222 032.31	5 265 762.39
Trade and other receivables	17 238 407.39	26 881 293.79
Prepaid expenses	0.00	0.00
CURRENT ASSETS	1 046 625 472.67	909 120 983.02
Inventories	14 478 722.55	23 528 107.87
Construction contracts	807 552 528.42	611 531 835.73
Trade and other receivables	98 801 725.68	126 616 840.75
Other financial assets	63 061 460.13	84 598 389.16
Cash and cash equivalents	57 426 988.87	51 866 374.15
Prepaid expenses	5 304 047.02	10 979 435.36
Total assets	1 323 644 786.40	1 194 158 674.05
LIABILITIES		
EQUITY	541 210 224.12	494 789 292.70
Share capital	10 939 656.00	10 939 656.00
Revaluation reserve	4 414 231.19	0.00
Treasury shares	0.00	0.00
Other capital	483 849 636.70	364 845 121.10
Retained earnings	0.00	-404 512.14
Net profit / loss	42 006 700.23	119 409 027.74
LIABILITIES	782 434 562.28	699 369 381.35
Non-current liabilities	293 288 879.35	214 305 496.09
Borrowings	166 453 888.68	86 474 600.61
Deferred income tax liabilities	57 663 902.05	47 738 302.51
Retirement benefit obligations	373 000.00	373 000.00
Provisions for other liabilities and charges	2 685 180.69	2 685 180.69
Other liabilities	66 112 907.93	77 034 412.28
Current liabilities	489 145 682.93	485 063 885.26
Trade and other payables	125 353 775.12	99 052 002.15
Construction contracts	73 671 265.83	118 536 013.05
Borrowings	78 842 608.93	96 792 357.21
Provisions for other liabilities and charges	7 356 771.53	17 929 561.14
Other liabilities	203 921 261.52	152 753 951.71
Total liabilities	1 323 644 786.40	1 194 158 674.05

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2. INCOME STATEMENT

	01/01/2008 - 30/06/2008	01/01/2007 - 30/06/2007	01/04/2008 - 30/06/2008	01/04/2007 - 30/06/2007
Net revenues from sales of products, goods and materials, of which:	347 876 828.51	175 309 174.25	245 009 996.47	105 628 461.00
Net revenues from sales of products	337 378 899.70	171 458 757.05	237 691 701.95	102 142 844.29
Net revenues from sales of goods and materials	10 497 928.81	3 850 417.20	7 318 294.52	3 485 616.71
Costs of products, goods and materials sold, of which:	264 045 368.10	134 998 239.68	199 742 873.31	79 602 883.73
Manufacturing cost of products sold	253 372 338.	131 206 058.16	192 540 472.56	76 854 806.68
Value of goods and materials sold	10 673 029.54	3 792 181.52	7 202 400.75	2 748 077.05
Gross profit (loss) on sales	83 831 460.41	40 310 934.57	45 267 123.16	26 025 577.27
Costs of sales	13 475 046.32	10 633 620.90	7 923 667.42	6 369 119.52
Overhead costs	10 126 634.78	10 167 248.42	5 298 384.16	5 854 111.61
Revaluation of investment real estate	0.00		0.00	
Profit (loss) on sales	60 229 779.31	19 510 065.25	32 045 071.58	13 802 346.14
Other operating income	3 077 288.45	2 863 909.41	2 591 992.60	1 716 059.41
Profit on disposal of non-financial fixed assets	488 252.50	760 705.81	487 803.50	3 286.95
Subsidies	0.00	0.00	0.00	0.00
Other operating income	2 589 035.95	2 103 203.60	2 104 189.10	1 712 772.46
Other operating expenses	4 201 284.40	1 199 715.99	3 768 643.99	743 071.75
Loss on disposal of non-financial fixed assets	0.00	0.00	0.00	0.00
Revaluation of non-financial assets	0.00	0.00	0.00	0.00
Other operating expenses	4 201 284.40	1 199 715.99	3 768 643.99	743 071.75
Operating profit (loss)	59 105 783.36	21 174 258.67	30 868 420.19	14 775 333.80
Financial income	4 409 140.14	2 300 768.24	1 752 088.06	1 621 514.37
Dividends and participation in profits	0.00	0.00	0.00	0.00
Interest	3 522 192.79	1 803 387.45	1 438 605.44	1 253 838.18
Profit on disposal of investments	0.00	0.00	0.00	0.00
Revaluation of investments	0.00	0.00	0.00	0.00
Other	886 947.35	497 380.79	313 482.62	367 676.19
Financial expenses	11 538 893.64	9 060 842.04	6 050 360.82	5 585 094.18
Interest,	10 913 976.71	8 975 892.85	5 771 419.34	5 338 506.95
Loss on disposal of investments	0.00	0.00	0.00	0.00
Revaluation of investments	0.00	0.00	0.00	0.00
Other	624 916.93	84 949.19	278 941.48	246 587.23
Operating profit (loss)	51 976 029.86	14 414 184.87	26 570 147.43	10 811 753.99
Gross profit (loss)	51 976 029.86	14 414 184.87	26 570 147.43	10 811 753.99
Income tax	0.00	4 859 666	0.00	1 365 249.16
Deferred tax	9 969 329.63 -	2 141 663	5 041 065.24	429 817.22
Other mandatory deductions from profit (loss increase)	0.00	0.00	0.00	0.00
Net profit (loss)	42 006 700.23	11 696 181.86	21 529 082.19	9 016 687.61

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3. STATEMENT OF CHANGES IN EQUITY

	Share capital	Revaluation reserve	Supplementary capital	Other capital	Hedge valuation reserve and currency translation reserve	Retained earnings from previous years	Financial result	Equity
As at 31 December 2007	10 939 656.00	0.00	359 500 344.45	5 344 776.65	0.00	-404 512.13	119 409 027.74	494 789 292.71
Basic error corrections	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Adjustments due to transformation to IFRS	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
As at 1 January 2008	10 939 656.00	0.00	359 500 344.45	5 344 776.65	0.00	-404 512.13	119 409 027.74	494 789 292.71
Share issue	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Dividends paid	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Gains / (losses) on revaluation of property, plant and equipment, investment real estate	0.00	4 414 231.19	0.00	0.00	0.00	0.00	0.00	4 414 231.19
Gains / (losses) on revaluation of available-for-sale assets	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Gains / (losses) on cash flow hedges	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Exchange gains / (losses) on translation of financial statements of foreign entities	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Income tax on items recognised directly in equity	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Gains / losses on business acquisitions (single jwch)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Gains / (losses) on first-time consolidation/exclusion from consolidation	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Changes in the principles of accounting / presentation	0.00	0.00	-0.01	0.00	0.00	0.00	0.00	-0.01
Consolidation adjustments	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Transformation to IFRS	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total profit/loss recognised directly in equity	0.00	4 414 231.19	-0.01	0.00	0.00	0.00	0.00	4 414 231.18
Net profit (loss) for the financial year	0.00	0.00	0.00	0.00	0.00	0.00	42 006 700.23	42 006 700.23
Total profit/loss recognised in equity and net earnings	0.00	4 414 231.19	-0.01	0.00	0.00	0.00	42 006 700.23	46 420 931.41
Increase / decrease from profit distribution	0.00	0.00	119 004 515.61	0.00	0.00	404 512.13	-119 409 027.74	0.00
As at 30 June 2008	10 939 656.00	4 414 231.19	478 504 860.05	5 344 776.65	0.00	0.00	42 006 700.23	541 210 224.12
As at 31 December 2006	10 250 000.00	0.00	57 198 118.91	2 472 055.73	0.00	1 903 386.64	96 696 095.16	168 519 656.44
Basic error corrections	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Adjustments due to transformation to IFRS	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
As at 1 January 2007	10 250 000.00	0.00	57 198 118.91	2 472 055.73	0.00	1 903 386.64	96 696 095.16	168 519 656.44
Share issue	689 656.00	0.00	234 099 587.10	0.00	0.00	0.00	0.00	234 789 243.10

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for the period of 3 months ended on 30 June 2008

	Share capital	Revaluation reserve	Supplementary capital	Other capital	Hedge valuation reserve and currency translation reserve	Retained earnings from previous years	Financial result	Equity
Dividends paid	0.00	0.00	0.00	0.00	0.00	-29 212 500.00	0.00	-29 212 500.00
Gains / (losses) on revaluation of property, plant and equipment, investment real estate	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Gains / (losses) on revaluation of available-for-sale assets	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Gains / (losses) on cash flow hedges	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Exchange gains / (losses) on translation of financial statements of foreign entities	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Income tax on items recognised directly in equity	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Gains / losses on business acquisitions (single jwch)	0.00	0.00	1 104 461.77	2 872 720.92	0.00	-2 307 898.77	0.00	1 669 283.92
Gains / (losses) on first-time consolidation/exclusion from consolidation	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Changes in the principles of accounting / presentation	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	0.00	0.00
Transformation to IFRS	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total profit/loss recognised directly in equity	689 656.00	0.00	235 204 048.87	2 872 720.92	0.00	-31 520 398.77	0.00	207 246 027.02
Net profit (loss) for the financial year	0.00	0.00	0.00	0.00	0.00	0.00	11 696 181.86	0.00
Total profit/loss recognised in equity and net earnings	689 656.00	0.00	235 204 048.87	2 872 720.92	0.00	-31 520 398.77	11 696 181.86	218 942 208.88
Increase / decrease from profit distribution	0.00	0.00	67 483 595.16	0.00	0.00	29 212 500.00	-96 696 095.16	0.00
As at 30 June 2007	10 939 656.00	0.00	359 885 762.94	5 344 776.65	0.00	-404 512.13	11 696 181.86	387 461 865.32

Consolidated Financial Statements
for the period of 3 months ended on 30 June 2008

4. CASH FLOW

Operating cash flows – indirect method	01/01/2008 - 30/06/2008	01/01/2007 - 30/06/2007
Net profit (loss)	42 006 700.23	11 696 181.86
Total adjustments, of which:	16 267 325.22	10 651 301.66
Depreciation and amortisation	6 304 719.40	4 452 895,81
Interest and dividends	6 782 504.37	-28 160 728,83
Movements in provisions and accruals	5 071 928.35	7 411 165,33
Movements in investment real estate	-29 711.70	0,00
Other adjustments, of which:	-1 862 115.20	26 947 969,35
- other adjustments	-1 862 115.20	-192 513,70
Movements in working capital	-173 495 894.26	-96 304 938.01
Movements in inventories	9 049 385.32	-4 919 822,00
Movements in construction contracts	-231 919 192.14	-60 050 415,31
Movements in receivables	37 458 001.47	-35 857 978,73
Movements in current liabilities, except for borrowings	11 915 911.09	4 523 278,03
Operating cash flows	-115 221 868.81	-73 957 454.49
Investment cash flows		
Disposals of intangible assets, tangible assets and other fixed assets	101.00	1 596 461,97
Acquisition of intangible assets, tangible assets and other fixed assets	-1 467 001.49	-1 302 870,25
Expenditures on held-for-sale assets	0.00	0,00
Purchase of equity and debt instruments	-176 000 000.00	-60 000 000,00
Disposals of equity and debt instruments	236 000 000.00	0,00
Loans granted	-36 665 994.28	0,00
Loans repayments	0.00	0,00
Other purchase of financial assets	-200 000.00	0,00
Other disposals of financial assets	0.00	0,00
Dividends received	0.00	0,00
Interest received	0.00	0,00
Disposals of subsidiaries	0.00	0,00
Acquisitions of subsidiaries	0.00	0,00
Net investment cash flows	21 667 105.23	-59 706 408.28
Financial cash flows		
Net proceeds from issue of shares (interests), other equity instruments and capital contributions	0.00	244 827 880,00
Purchase of treasury shares or repayment of interests	0.00	0,00
Borrowings received	237 710 332.38	64 033 381,06
Repayments of borrowings	-163 952 402.42	-93 293 353,10
Issue of debt securities	229 000 000.00	266 000 000,00
Redemption of debt securities	-188 700 000.00	-105 000 000,00
Payments of liabilities under financial lease agreements	-9 062 927.47	-9 368 674,64
Dividends and other participations in profits	0.00	0,00
Interest paid	-18 628 418.96	-7 844 959,79
Other financial proceeds (including promissory notes)	12 748 794.77	0,00
Other financial expenditures	0.00	0,00
Net financial cash flows	99 115 378.30	359 354 273.53
NET DECREASE/(INCREASE) IN CASH	5 560 614.72	225 690 410.76

Consolidated Financial Statements
for the period of 3 months ended on 30 June 2008

Cash and cash equivalents at the beginning of the year	51 866 374.15	29 550 080.27
- foreign exchange gains/(losses) on cash		0,00
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	57 426 988.87	255 240 491.03

F. NOTES TO THE ISSUER'S FINANCIAL STATEMENTS

1. FIXED ASSETS

Note 1. Intangible assets

INTANGIBLE ASSETS	30/06/2008	31/12/2007
a) research and development	0.00	0.00
b) goodwill on consolidation	3 047 895.06	3 047 895.06
c) other intangible assets	8 512 050.41	9 306 220.46
d) advances on intangible assets	0.00	0.00
Total intangible assets	11 559 945.47	12 354 115.52

Note 2. Tangible assets

TANGIBLE ASSETS	30/06/2008	31/12/2007
a) property, plant and equipment, of which:	114 328 124.88	132 514 225.16
- lands (including under perpetual usufruct)	13 296 727.03	14 830 942.83
- buildings and structures	87 036 936.90	91 689 435.14
- machines and equipment	5 218 481.41	11 618 011.60
- vehicles	8 519 342.58	10 002 345.31
- other tangible assets	256 636.96	4 373 490.28
b) constructions in progress	14 489 428.74	21 595 747.93
c) advances on constructions in progress	0.00	0.00
Total tangible assets	128 817 553.62	154 109 973.09

Note 3. Investment real estate

Other non-current investments	30/06/2008	31/12/2007
a) investment real estate	8 294 437.06	8 264 725.36
b) other	0.00	0.00
Total other non-current investments	8 294 437.06	8 264 725.36

Note 4. Other financial assets

NON-CURRENT FINANCIAL ASSETS	30/06/2008	31/12/2007
a) shares or interests	105 886 937.88	78 161 820.88
b) loans granted	0.00	0.00
c) other non-current investments	0.00	0.00
Total non-current financial assets	105 886 937.88	78 161 820.88

2. CURRENT ASSETS

Note 5. Inventories

INVENTORIES	30/06/2008	31/12/2007
a) materials	5 516 863.72	11 111 116.27
b) semi-finished products and work in progress	2 607 729.82	5 774 162.45
c) finished products	1 171 248.52	2 290 568.38
d) goods	5 181 670.09	4 330 616.79
e) trade advances	1 210.40	21 643.98
Total inventories	14 478 722.55	23 528 107.87

Consolidated Financial Statements
for the period of 3 months ended on 30 June 2008

Note 6. Construction contracts

CONSTRUCTION CONTRACTS	30/06/2008	31/12/2007
a) semi-finished products and work in progress	239 152 406.48	240 241 385.93
b) finished products	29 826 122.75	23 450 878.42
c) trade advances	29 145 118.07	10 675 250.12
d) short-term prepaid expenses	509 428 881.12	337 164 321.26
Total construction contracts	807 552 528.42	611 531 835.73

CONSTRUCTION CONTRACTS	30/06/2008	31/12/2007
a) prepaid expenses	73 671 265.83	118 536 013.05
Total construction contracts	73 671 265.83	118 536 013.05

Note 7. Current receivables

CURRENT RECEIVABLES	30/06/2008	31/12/2007
a) trade receivables - related parties	35 919 901.56	83 444 692.81
b) trade receivables - other parties	22 081 065.50	18 159 420.99
c) taxes, subsidies, customs duties, social and health insurance and other payments	37 304 619.47	19 653 915.84
d) other	3 496 139.15	2 755 121.77
Total receivables	98 801 725.68	124 013 151.41

Note 8. Current investments

CURRENT INVESTMENTS	30/06/2008	31/12/2007
a) in subsidiaries	52 611 867.97	17 898 469.14
- shares or interests	0.00	0.00
- other securities	0.00	0.00
- loans granted	52 611 867.97	17 898 469.14
- other current financial assets	0.00	0.00
b) in other parties	10 449 592.16	66 699 920.02
- shares or interests	0.00	0.00
- other securities	0.00	60 000 000.00
- loans granted	10 449 592.16	6 699 920.02
- other current financial assets	0.00	0.00
Total current investments	63 061 460.13	84 598 389.16

Note 9. Cash and cash equivalents

CASH AND CASH EQUIVALENTS	30/06/2008	31/12/2007
a) cash on hand and with bank	16 747 727.15	23 524 995.74
b) other cash	40 133 396.47	28 291 530.80
c) other cash assets	545 865.25	49 847.61
Total cash	57 426 988.87	51 866 374.15

3. LIABILITIES
Note 10. Borrowings

BORROWINGS	30/06/2008	31/12/2007
a) loans	244 623 361.34	182 560 080.08
<i>of which: non-current</i>	<i>166 453 888.68</i>	<i>86 474 600.61</i>
<i>current</i>	<i>78 169 472.66</i>	<i>96 085 479.47</i>
b) cash loans	673 136.27	706 877.74
<i>of which: non-current</i>	<i>0.00</i>	<i>0.00</i>
<i>current</i>	<i>673 136.27</i>	<i>706 877.74</i>
Total borrowings	245 296 497.61	183 266 957.82
Borrowings - non-current	166 453 888.68	86 474 600.61

Consolidated Financial Statements
for the period of 3 months ended on 30 June 2008

Borrowings - current	78 842 608.93	96 792 357.21
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LOANS PER MATURITY	30/06/2008	31/12/2007
Up to 1 year	78 169 472.66	96 085 479.47
Over 1 year up to 2 years	150 489 351.44	85 411 600.61
Over 2 years up to 5 years	15 964 537.24	1 063 000.00
Over 5 years	0.00	0.00
Total loans, including:	244 623 361.34	182 560 080.08
- non-current	166 453 888.68	86 474 600.61
- current	78 169 472.66	96 085 479.47

CASH LOANS PER MATURITY	30/06/2008	31/12/2007
Up to 1 year	673 136.27	706 877.74
Over 1 year up to 2 years	0.00	0.00
Over 2 years up to 5 years	0.00	0.00
Over 5 years	0.00	0.00
Total loans, including:	673 136.27	706 877.74
- non-current	0.00	0.00
- current	673 136.27	706 877.74

Note 11. Other non-current liabilities

OTHER NON-CURRENT LIABILITIES	30/06/2008	31/12/2007
a) other financial liabilities	64 947 943.80	69 805 346.79
b) other non-current liabilities	1 164 964.13	7 229 065.49
Total other liabilities	66 112 907.93	77 034 412.28

Note 12. Trade and other payables

TRADE AND OTHER PAYABLES	30/06/2008	31/12/2007
a) trade payables - other parties	12 704 236.73	77 415 253.27
b) trade payables - related parties	53 700 065.62	1 789 665.78
c) taxes, customs duties, insurances and other benefits	1 266 683.29	4 043 987.96
d) salaries	1 211 903.91	3 430 272.52
e) trade advances received	131 582.59	132 951.06
f) other	56 339 302.98	12 239 871.56
Total trade and other payables	125 353 775.12	99 052 002.15

Note 13. Other liabilities

OTHER LIABILITIES	30/06/2008	31/12/2007
a) issue of debt securities	180 800 000.00	140 500 000.00
b) bills of exchange payable	13 030 800.00	0.00
c) other financial liabilities	10 090 461.52	12 253 951.71
Total other liabilities	203 921 261.52	152 753 951.71

4. OPERATING INCOME AND EXPENSES

Note 14. Operating income

OPERATING INCOME	01/01/2008 - 30/06/2008	01/01/2007 - 30/06/2007	01/04/2008 - 30/06/2008	01/04/2007 - 30/06/2007
Revenues from sales of products	323 140 444.94	158 696 835.73	230 008 550.88	94 902 736.38
Revenues from sales of services	14 238 454.76	12 761 921.32	7 683 151.07	7 240 107.91
Revenues from sales of goods	10 497 928.81	3 850 417.20	7 318 294.52	3 485 616.71

Consolidated Financial Statements
for the period of 3 months ended on 30 June 2008

Total income	347 876 828.51	175 309 174.25	245 009 996.47	105 628 461.00
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Note 15. Operating expenses

OPERATING EXPENSES	01/01/2008 - 30/06/2008	01/01/2007 - 30/06/2007	01/04/2008 - 30/06/2008	01/04/2007 - 30/06/2007
Costs of products sold	231 556 894.96	120 982 777.04	176 418 248.58	71 384 515.99
Costs of services sold	21 815 443.60	10 223 281.12	16 122 223.98	5 470 290.69
Costs of goods sold	10 673 029.54	3 792 181.52	7 202 400.75	2 748 077.05
Total operating expenses	264 045 368.10	134 998 239.68	199 742 873.31	79 602 883.73

Costs of sales and overhead costs	01/01/2008 - 30/06/2008	01/01/2007 - 30/06/2007	01/04/2008 - 30/06/2008	01/04/2007 - 30/06/2007
Costs of sales	13 475 046.32	10 633 620.90	7 923 667.42	6 369 119.52
Overhead costs	10 126 634.78	10 167 248.42	5 298 384.16	5 854 111.61
Total costs of sales and overhead costs	23 601 681.10	20 800 869.32	13 222 051.58	12 223 231.13

Signature of the preparer of the Financial Statements

Irmina Łopuszyńska Chief Accountant Management Board Member	Signature
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Signatures of the Management Board Members

Jerzy Zdrzałka President of the Management Board	Signature
Grażyna Szafarowska Management Board Member	Signature
Barbara Czyż Management Board Member	Signature
Bożena Malinowska Management Board Member	Signature
Wojciech Rajchert Management Board Member	Signature

Ząbki, 7 June 2008