

**Abbreviated Consolidated Financial Statements
for a 3 month-period ended on
30 September 2011.**

Prepared in accordance with International
Financial Reporting Standards



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A. INTRODUCTION TO THE CONSOLIDATED FINANCIAL STATEMENT

1. GENERAL INFORMATION ABOUT THE PARENT COMPANY

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

In accordance with the Polish Classification of Activities (Polska Klasyfikacja Działalności -PKD) the core business of the Company is development and sale of own properties for the Company's own account. The subject of the Company's activity is also the implementation of the building, designing and supportive production, as well as trade in real estate and hotel services.

As at 30/09/2011 the lifetime of the Company was unlimited. The accounting year of the Company is a calendar year i.e. the period from 1 January to 31 December.

2. ADOPTED PRINCIPLES (POLICY) OF ACCOUNTING

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

The Group's structure and the holding entity's share in the share capital of subjects belonging to the Group as at 30 September 2011 are presented in the table below:

Company	Country of registration	Parent company's share in share capital	Parent company's share in voting rights	Method of consolidation
Subsidiaries:				
Lokum Sp. z oo	Poland	100.00%	100.00%	full consolidation
Towarzystwo Budownictwa Społecznego „Marki” Sp. z o.o.	Poland	100.00%	100.00%	full consolidation
Deweloper Sp. z o.o.	Poland	99.00%	99.00%	full consolidation
J.W. Construction International Sp. z o.o	Russia	100.00%	100.00%	full consolidation
J.W. Construction S.A.	Poland	99.99%	99.99%	full consolidation
JWCH Produkcja Budowlana Sp. z o.o.	Poland	99.99%	99.99%	full consolidation
JWCH Budownictwo Drogowe Sp. z o.o.	Poland	99.95%	99.95%	full consolidation
JW Projekt Sp. z o.o.	Poland	99.98%	99.98%	full consolidation
Porta Transport Sp. z o.o. in liquidation	Poland	100.00%	100.00%	full consolidation
Yakor House Sp. z o.o. (former Ośrodek Wypoczynkowy "Ogoniok" Sp. z o.o.)	Russia	70.00%	70.00%	full consolidation

The core business of the Group's companies is:

- Lokum Sp. z oo - Development and sale of own properties for its own account
- Towarzystwo Budownictwa Społecznego „Marki” Sp. z o.o. - sale and administration of social building estates,
- J.W. Construction International Sp. z o.o - general building works connected with erection of buildings, general building and civil engineering, building production,
- Yakor House Sp. z o.o. (former Ośrodek Wypoczynkowy "Ogoniok" Sp. z o.o.) - Development and sale of properties for its own account

- Deweloper Sp. z o.o. - building and assembly production,
- Porta Transport Sp. z o.o. - transport services,
- J.W. Construction S.A. - building production,
- JW Projekt Sp. z o.o. - designing services,
- JWCH Produkcja Budowlana Sp. z o.o. - prefabricated units production for the building 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. and Yakor House Sp. z o.o. concentrate on building and developer production in the territory of Russia. The lifetime of the Group companies is unlimited.

Preparation of the consolidated financial statements

The consolidated financial statements for the years 2010-2011 were prepared based on separate financial statements of the companies of the Capital Group of J.W. Construction Holding S.A. and compiled in such a manner as if the Group was one company. The consolidated financial statements cover the financial statements of the parent company -J.W. Construction Holding S.A. and financial statement of the following subsidiaries of the parent company.

In the years 2010-2011 the parent company excluded the following subsidiaries from the obligatory consolidation:

In 2010:

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

In 2011:

- Business Financial Construction Sp. z o.o.-100%
- Polonia S.S.A - 100%
- J.W. Construction Bułgaria Sp. z o.o.-100%
- Architects Polska Sp. z oo - 100%
- Interim D Sp. z o.o.-100%

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

Going concern assumption and comparability of financial statements

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

Significant estimations and assumptions

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

- Estimation of impairment allowance. Impairment allowance is established taking account of expected risk connected with receivables and created collateral having impact on effective debt collection. Although the assumptions are made using the best knowledge, real results may be different than expected.

Estimations connected with establishing deferred tax assets in accordance with IAS 12. Due to the highly volatile economy it may happen that real earnings and tax income are different than planned.

- Estimation of potential costs of fiscal and court proceedings pending against the parent company. When preparing the financial statements the opportunities and risks connected with pending proceedings are reviewed on a case by case basis, and provisions for potential losses are created accordingly. However, it is also possible that a court or a fiscal authority makes a judgement or issues a decision other than expected by the company and the created provisions may prove insufficient.

- The company gains revenues from services supplied by the Issuer under contracts for a specified time. Services supplied by the Issuer are long-term ones and their term of performance is over six months.

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

The principles (policy) of accounting that were used for preparation of this abbreviated consolidated financial statements for the Q3 2011 are consistent with those used for preparation of the annual financial statements for 2010, with the exception of changes described below.

The same principles were used for the current and comparable period.

Changes resulting from changes to IFRS

The following new or revised standards or interpretations issued by the International Accounting Standards Board or IFRS Interpretations Committee are applied from 01 January 2011:

- The revised IFRS 1 First-time Adoption Of International Financial Reporting Standards
- Amendments to IAS 24 "Related Party Disclosures" issued 4 November 2009.
- Amendments to IAS 32 "Financial Instruments: Presentation "
- The amendments to different standards resulting from the annual review of the International Financial Reporting Standards (Annual Improvements)
- The amendments to IFRIC 14 Prepayments of a Minimum Funding Requirement
- IFRIC Interpretation 19 Extinguishing Financial Liabilities with Equity Instruments

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

The main consequences of the application of new regulations:

- The revised IFRS 1 First-time Adoption Of International Financial Reporting Standards

The revised IFRS 1 was published on 28 January 2010 and is applicable to annual periods Extinguishing Financial Liabilities with Equity Instruments- applicable to annual periods beginning on 01 July 2010 or after. The revised standard contains provisions regarding the limited exemption from disclosure of comparable data for IFRS 7

The amended IFRS 1 had no impact on the financial statements of the Group.

- Amendments to IAS 24 "Related Party Disclosures" issued 4 November 2009.

The amendment to IAS 24 was published on 04 November 2009 and is applicable to annual periods beginning on or after 01 January 2011. Changes include simplification of the definition of related parties and the introduction of simplifications regarding the disclosure of transactions with entities owned by the Treasury.

The amendment to IFRS 24 has no impact on the financial statements of the Group.

- Amendments to IAS 32 "Financial Instruments: Presentation "

On 8 October 2009, an amendment to the regulations related to the classification of rights issues denominated in foreign currency. Previously, such rights as derivatives were presented in the financial liabilities. After the amendment, and meeting defined requirements, they are recognized as an item of the equity, regardless of what currency they are denominated in. The amendment to IAS 32 is applicable to annual periods beginning on or after 01 February 2010.

The amendment to IFRS 32 has no impact on the financial statements of the Group.

- The amendments to different standards resulting from the annual review of the International Financial Reporting Standards (Annual Improvements)

On 6 May 2010, subsequent amendments to the seven standards arising from the draft of proposed amendments to International Financial Reporting Standards, published in August 2009 were published. They are applicable to annual periods beginning on or after 01 January 2011 (it depends on a standard).

The Group has applied revised standards in the scope of the amendments, which were made, since 1 January 2011, unless their date of entry into force is provided.

The application of the revised standard did not affect the statement of the Group.

- The amendments to IFRIC 14 Prepayments of a Minimum Funding Requirement

The amendment was published on 26 November 2009 and it is applicable to annual periods beginning on or after 01 January 2011. The amendment of the interpretation will be applicable in cases when an entity is subject to minimum funding requirements in relation to existing employee benefit programs and make pre-payment of premiums in order to meet these requirements.

The amended interpretation had no impact on the financial statements of the Group.

- IFRIC Interpretation 19 Extinguishing Financial Liabilities with Equity Instruments

IFRIC 19 Interpretation was published on 26 November 2009 and it is applicable to annual periods beginning on or after 01 July 2010. The interpretation provides guidance on recognizing transaction of extinguishing financial liabilities with equity instruments.

The amended interpretation had no impact on the financial statements of the Group.

Changes made by the Group itself

The Group did not made a correction of presentation of comparable data for the third quarter of 2011.

Not effective standards (New standards and interpretations)

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

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

- Amendments to IFRS 1 Severe hyperinflation and removal of fixed dates

The amendments to IFRS 1 were published on 20 December 2010 and are applicable to annual periods beginning on or after 01 July 2011. The changes relate to the constant reference to the date "1 January 2004" as the date of application of IFRS for the first time and change it to "the date of adoption of IFRS for the first time" in order to eliminate the need for conversion transactions that occurred before the date of transition to IFRS by the entity. In addition, some guidelines for re-use of IFRS in the periods that follow periods of significant hyperinflation, preventing full compliance with IFRS. are added to the standard.

The Group will apply the amended IFRS 1 from January 1, 2012.

The amended IFRS 1 will have no impact on the financial statements of the Group.

- Amendments to IFRS 7 Disclosures—Transfers of Financial Assets

The amendments to IFRS 7 were published on 07 October 2010 and are applicable to annual periods beginning on or after 01 July 2011. The aim of the changes in the standard is to enable users of financial statements to understand the transactions of financial assets better (eg, securitization), including understanding the potential effects of risks that are in the unit that provided assets. The changes also require additional disclosure in the case of a transfer of assets of significant value near the end of the reporting period.

The Group will apply the amended IFRS 7 from January 1, 2012.

At the date of preparation of these financial statements, it is not possible to reliably estimate the impact of applying new standard.

- IFRS 9 Financial Instruments

The new standard was published on 12 November 2009 and is the first step of IASB to replace IAS 39 Financial Instruments: Recognition and Measurement. The new standard will enter into force from 1 January 2013.

The Group will apply the new standard from January 1, 2012.

At the date of preparation of these financial statements, it is not possible to reliably estimate the impact of applying new standard.

- Amendments to IAS 12 Deferred tax: *Recovery of Underlying Assets as a basis of its determination.*

The amendment to IAS 12 was published on 20 December 2010 and is applicable to annual periods beginning on or after 01 January 2012. The change clarifies, among others, a valuation method of assets and provisions for deferred tax in the case of investment properties valued in accordance with the fair value model which is specified in IAS 40 Investment Property. Entry into force of the revised standard will also withdraw SIC 21 Income Taxes – Recovery of Revalued Non-Depreciable Assets

The Group will apply the amended IAS 12 from January 1, 2012.

At the date of preparation of these financial statements, it is not possible to reliably estimate the impact of applying new standard.

IFRS as endorsed by the EU currently does not differ significantly from regulations adopted by the International Accounting Standards Board (IASB), with the exception of the following standards, interpretations and amendments thereto which at the date of approval of these financial statements for publication have not been adopted yet to use by the EU:

- IFRS 9 Financial Instruments published on 12 November 2009 (as amended).
- Amendments to IFRS 7 Disclosures—Transfers of Financial Assets published on 07 October 2010.
- Amendments to IFRS 1 Severe hyperinflation and removal of fixed dates published on 20 December 2010.
- Amendments to IAS 12 Deferred tax: Recovery of Underlying Assets, published on 20 December 2010.

The accounting policies applied by the Group are as follows:

Intangible assets

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

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

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

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

Tangible assets

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

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

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

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

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

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

Impairment of tangible assets and intangible assets

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

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

Investment real estate

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

Lease

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

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

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

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

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

Inventories

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

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

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

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

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

Borrowing Costs

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

Current and non-current receivables

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

Guarantee deposits

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

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

Cash and cash equivalents

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

Prepaid expenses

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

Provisions for liabilities

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

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

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

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

Long-term developer contracts

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

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

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

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

Long-term developer contracts

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

a) Zero-profit method

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

b) Percentage-of-completion method

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

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

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

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

Borrowings

Borrowings are recognised at acquisition price equal to fair value of received cash less costs of acquisition. Borrowings are subsequently measured at acquisition price adjusted with an effective interest rate. All effects of the adjusted acquisition price and effects of derecognition of a liability from the balance sheet or recognition of its impairment are disclosed in the profit and loss account.

Deferred income tax

Deferred income tax assets and liabilities are estimated based on temporary differences between the value of assets and liabilities disclosed in books and their tax value and a tax loss deductible in future from the tax base. Income tax liabilities are recognised for temporary positive differences at the amount of income tax payable in future.

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

Held-for-sale assets and discontinued operations

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

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

Liabilities

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

Based on their characteristics, liabilities can be divided into:

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

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

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

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

Liabilities are measured as at the balance sheet date in the amount due.

Accrued expenses

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

Revenues

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

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

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

Other income, expenses, gains and losses

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

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

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

Taxes

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

B. CONSOLIDATED FINANCIAL STATEMENTS
1. Consolidated balance sheet

ASSETS	Note	30 -09 -2011	31 -12 -2010
NON-CURRENT ASSETS		606,860,830.51	570,563,905.88
Intangible assets	1	4,995,073.11	5,951,536.39
Goodwill of subsidiaries	2	5,925,312.64	12,389,648.22
Tangible assets	3	396,726,333.03	389,520,877.03
Investment real estate	4	161,820,285.80	124,271,404.71
Other financial assets	5	4,659,217.49	4,600,378.60
Deferred income tax assets		17,129,391.58	19,000,801.03
Trade and other receivables	6	15,605,216.87	14,829,259.90
Accruals		0.00	0.00
CURRENT ASSETS		746,851,424.79	811,615,565.19
Inventories	7	41,482,218.66	31,935,617.82
Construction contracts	8	531,642,797.21	594,363,748.02
Trade and other receivables	9	67,460,247.59	59,610,326.41
Other financial assets	10	36,572,190.31	36,286,820.86
Cash and cash equivalents	11	43,217,210.91	68,073,570.55
Accruals	12	26,476,760.11	21,345,481.53
Total Assets		1,353,712,255.31	1,382,179,471.07
EQUITY AND LIABILITIES			
EQUITY		492,743,396.03	462,891,134.22
Share capital		10,814,656.00	10,814,656.00
Revaluation capital		7,471,818.19	7,471,818.19
Own shares		0.00	0.00
Other capital	14	495,475,776.69	410,726,737.47
Retained earnings		-51,026,869.44	-58,133,798.21
Net profit / loss		30,008,014.60	92,011,720.77
LIABILITIES		860,968,858.27	919,288,336.84
Non-current liabilities,		414,906,261.59	414,416,359.18
Borrowings	1 3	166,514,258.87	146,840,247.63
Deferred income tax liabilities		8,451,540.91	17,026,492.94
Retirement benefit obligations		474,000.00	474,000.00
Provision for other liabilities and charges	16	56,562,142.22	57,683,463.83
Other liabilities	1 5	182,904,319.59	192,392,154.78
Current liabilities		446,062,596.67	504,871,977.65
Trade and other payables	1 6	93,852,547.10	75,783,736.63
Construction contracts	8	78,580,675.18	152,148,475.50
Borrowings	1 3	100,823,408.80	108,425,137.41
Provision for other liabilities and charges	1 6	19,497,740.20	22,551,700.82
Other liabilities	1	153,308,225.40	145,962,927.30

	7		
Total Equity and Liabilities		1,353,712,255.31	1,382,179,471.06

2. Consolidated income statement

	Note	for the period 01 -01 -2011 to 30-09-2011	for the period 01 -01 -2010 to 30-09-2010
Net revenues from sales of products, goods and materials, of which:	18	290,242,525.33	457,494,046.61
Net revenues from sales of products		286,988,069.46	453,927,061.30
Net revenues from sales of goods and materials		3,254,455.87	3,566,985.31
Costs of products, goods and materials sold, of which:	19	205,793,254.39	321,136,912.98
Manufacturing cost of products sold		202,209,189.84	318,196,678.72
Value of goods and materials sold		3,584,064.55	2,940,234.26
Gross profit (loss) on sales		84,449,270.94	136,357,133.64
Selling expenses		19,382,722.49	19,139,662.36
Overhead expenses		25,187,524.50	19,773,896.95
Revaluation of investment properties		19,926,969.03	0.00
Profit (loss) on sales		59,805,992.98	97,443,574.33
Other operating income	20	9,470,657.11	12,044,643.09
Other operating expenses	21	11,835,080.09	6,213,572.54
Operating profit (loss)		57,441,570.00	103,274,644.88
Financial income	22	7,828,913.63	5,977,522.76
Financial expenses	23	28,242,517.11	25,207,871.91
Profit (loss) on ordinary activities		37,027,966.52	84,044,295.72
Results on assets held for sale			
Gross profit (loss)		37,027,966.52	84,044,295.72
Income tax		7,019,950.92	16,164,333.17
Net profit (loss)		30,008,015.60	67,879,962.55

Other comprehensive income:		0.00	0.00
Exchange differences on foreign operations conversion		0.00	0.00
Profit/loss from acquisitions		0.00	0.00
Profit from revaluation of tangible fixed assets		0.00	0.00
Other comprehensive income:		0.00	0.00
Total revenue		30,008,015.60	67,879,962.55

CALCULATION OF BASIC AND DILUTED EARNINGS PER SHARE		1 January 2011 - 30 September 2011	1 January 2011 - 30 September 2010
Profits			
(A) Profits of the Group disclosed in the consolidated financial statements		30,008,015.60	67,879,962.55
Number of shares			
(B) Number of ordinary shares and preferred shares (as to the right to vote in the General Meeting of the Company) for the purpose of calculating earnings per share *		54,073,280.00	54,486,882.94
(C) Number of ordinary shares and preferred shares (as to the right to vote in the General Meeting of the Company) for the purpose of calculating diluted earnings per share		54,073,280.00	54,486,882.94
Basic earnings per share = (A)/(B)		0.55	1.25
Diluted earnings per share = (A)/(B)		0.55	1.25

* In accordance with IAS 33 "Earnings Per Share" the number of shares assumed for calculation of basic earnings per share was the weighted average number of shares during a given period. The said number was established as the number of shares as at the beginning of the given period adjusted by the

number of shares bought back or issued during such period, weighted with an index reflecting the period of such number of shares (number of days of existence of shares to total number of days in a given period - from the day of share capital increase registration). Accordingly:
During the analysed period there were no circumstances to dilute the number of shares.

3. Consolidated statement of changes in equity

	Share Capital	Own shares (negative figure)	Revaluation capital	Supplementary capital	Other capital	Hedge valuation reserve and currency translation reserve	Retained earnings	Net earnings	Equity
As at 31 December 2010	10,814,656.00	0.00	7,471,818.19	403,502,762.76	7,320,492.68	-96,517.97	-58,133,798.21	92,011,720.77	462,891,134.22
Basic error corrections	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Corrections from changes in a presentation	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
As at 01 January 2011	10,814,656.00	0.00	7,471,818.19	403,502,762.76	7,320,492.68	-96,517.97	-58,133,798.21	92,011,720.77	462,891,134.22
Issue of shares	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Purchase of own shares	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Dividends paid	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Gains / (losses) on revaluation of fixed assets and investment properties	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Gains / (losses) on cash flow hedges	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Exchange gains / (losses) on translation of financial statements of foreign operations	0.00	0.00	0.00	0.00	0.00	-211,547.81	0.00	0.00	-211,547.81
Gains / (losses) on business acquisitions(unitary jwch)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Profit/loss from the inclusion/exclusion of companies to consolidate	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Changes in accounting policies/presentation	0.00	0.00	0.00	0.00	0.00	0.00	55,795.02	0.00	55,795.02
Consolidation adjustments	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total profit / (loss) recognised directly in equity	0.00	0.00	0.00	0.00	0.00	-211,547.81	55,795.02	0.00	-155,752.79
Net profit (loss) for the accounting year	0.00	0.00	0.00	0.00	0.00	0.00	0.00	30,008,014.60	30,008,014.60
Total profit / (loss) recognised in equity and net earnings	0.00	0.00	0.00	0.00	0.00	-211,547.81	55,795.02	30,008,014.60	29,852,261.81
Increase / decrease from profit distribution	0.00	0.00	0.00	84,333,772.11	626,814.92	0.00	7,051,133.74	-92,011,720.77	0.00
As at 30 September 2011	10,814,656.00	0.00	7,471,818.19	487,836,534.87	7,947,307.60	-308,065.78	-51,026,869.45	30,008,014.60	492,743,396.03

	Share Capital	Own shares (negative figure)	Revaluation capital	Supplementary capital	other rcapital reserves	Hedge valuation reserve and currency translation reserve	Retained earnings	Net earnings	Equity
As at 31 December 2009	10,939,656.00	-4,429,867.11	7,471,818.19	648,628,900.79	5,731,587.19	-63,389.21	-352,468,231.69	100,396,876.34	416,207,350.50
Basic error corrections	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Corrections from changes in a presentation	0.00	0.00	0.00	-44,692,030.96	0.00	0.00	0.00	0.00	-44,692,030.96
As at 01 January 2009	10,939,656.00	-4,429,867.11	7,471,818.19	603,936,869.83	5,731,587.19	-63,389.21	-352,468,231.69	100,396,876.34	371,515,319.54
Additional equity contributions	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Purchase of own shares		0.00							0.00
Share redemption	-125,000.00	4,429,867.11	0.00	-4,304,867.11	0.00	0.00	0.00	0.00	0.00
Dividends paid	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Gains/(losses) on revaluation of available-for-sale assets	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Gains / (losses) on cash flow hedges	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Exchange gains / (losses) on translation of financial statements of foreign operations	0.00	0.00	0.00	0.00	0.00	-33,128.76	0.00	0.00	-33,128.76
Gains / (losses) on business acquisitions(unitary jwch)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Changes in accounting policies/presentation	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Consolidation adjustments	0.00	0.00	0.00	0.00	0.00	0.00		0.00	0.00
Inclusion of the Company to the consolidation	0.00	0.00	0.00	0.00	0.00	0.00	-602,777.34	0.00	-602,777.34
Total profit / (loss) recognised directly in equity	10,814,656.00	0.00	7,471,818.19	599,632,002.72	5,731,587.19	-96,517.97	-353,071,009.03	100,396,876.34	370,879,413.44
Net profit (loss) for the accounting year	0.00	0.00	0.00		0.00	0.00	0.00	92,011,720.77	92,011,720.77
Total profit / (loss) recognised in equity and net earnings	10,814,656.00	0.00	7,471,818.19	599,632,002.72	5,731,587.19	-96,517.97	-353,071,009.03	192,408,597.12	462,891,134.21
Increase / decrease from profit distribution	0.00	0.00	0.00	196,129,239.96	1,588,905.49	0.00	294,937,210.81	-100,396,876.34	0.00
As at 31 December 2010	10,814,656.00	0.00	7,471,818.19	403,502,762.76	7,320,492.68	-96,517.97	-58,133,798.22	92,011,720.77	462,891,134.21

4. Consolidated cash flow statements

	1 January 2011 - 30 September 2011	1 January 2011 - 30 September 2010
Operating cash flow - two-step method		
Net profit (loss)	30,008,014.60	67,879,962.55
Total adjustments, of which:	29,717,047.20	10,688,938.46
Depreciation and amortisation	9,365,524.99	9,474,066.27
(Profits) losses on exchange differences related to investment and financial activities	0.00	1,011,741.61
(Profits) loss from investment activities	-568,223.26	-2,493,171.01
Interest and dividends	30,718,705.31	19,439,485.20
Changes in provisions and accruals	-15,363,512.45	-16,480,035.66
Other adjustments	5,564,552.61	-263,147.95
- goodwill	6,464,335.58	0.00
- other adjustments	-899,782.97	-263,147.95
Changes in working capital	-17,701,266.32	17,509,887.57
Change in inventories	-3,866,924.86	2,760,639.30
Change in construction contracts	-18,319,492.02	47,729,609.76
Change in investment properties	0.00	0.00
Changes in receivables	-8,915,678.14	353,913.56
Changes in current liabilities, except for borrowings	13,400,828.69	-33,334,275.05
	0.00	0.00
Net operating cash flows	42,023,795.48	96,078,788.58
Investment activity cash flows	0.00	0.00
Disposal of tangible and intangible assets and other non-current assets	4,056,747.75	4,642,427.35
Purchase of tangible and intangible assets and other non-current assets	-54,154,787.60	-22,379,168.54
Expenses associated with the asset to be sold	0.00	0.00
Purchase of equity instruments and debt instruments	0.00	0.00
Disposal of equity instruments and debt instruments	0.00	0.00
Loans granted	0.00	0.00
Loans repaid	0.00	0.00
Other purchase of financial assets	-13,000.00	0.00
Other disposal of financial assets	0.00	0.00
Dividends received	0.00	0.00
Interest received	0.00	0.00
Disposal of subsidiaries	0.00	0.00
Acquisition of subsidiaries	0.00	0.00
Net investment cash flow	-50,111,039.85	-17,736,741.19
Financing cash flow	0.00	0.00
Net proceeds from issue of shares, other equity instruments and additional capital contributions	0.00	0.00
Purchase of own shares or repayment of shares	0.00	0.00
Borrowings	303,810,420.29	207,080,998.81
Borrowings repaid	-292,400,191.10	-312,519,196.41
Debt securities issued	0.00	130,000,000.00
Debt securities redeemed	0.00	0.00
Payments under financial lease agreements	-4,381,311.71	-9,457,965.50
Dividends and other shared profits	0.00	0.00
Interest paid	-24,104,651.33	-21,190,660.71
Other financial proceeds (including notes)	9,359,799.99	4,500,000.00
Other financial expenditures (including notes)	-9,053,182.38	0.00
Net financing cash flow	-16,769,116.24	-1,586,823.81
NET DECREASE/(INCREASE) IN CASH	-24,856,360.61	72,563,525.88
Cash and cash equivalents at the beginning of the year	68,073,570.55	27,162,017.40
- foreign exchange gains/(losses) on cash	0.00	0.00
CLOSING BALANCE OF CASH AND CASH EQUIVALENTS	43,217,210.91	99,725,543.28

C. C. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
1. NON-CURRENT ASSETS
Note 1. Intangible assets

Intangible assets	30 -09 -2011	31 -12 -2010
a) research and development	0.00	0.00
b) goodwill on consolidation	0.00	0.00
c) other intangible assets	4,995,073.11	5,951,536.39
d) advances on intangible assets	0.00	0.00
Total intangible assets	4,995,073.11	5,951,536.39

Note 2. Goodwill of subsidiaries

Goodwill of subsidiaries	30 -09 -2011	31 -12 -2010
a) goodwill - subsidiaries	5,925,312.64	12,389,648.22
b) goodwill - fellow subsidiaries	0.00	0.00
c) goodwill - associates	0.00	0.00
Total intangible assets	5,925,312.64	12,389,648.22

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

This value concerns the acquisition of Project 55 Sp. z o.o.

Note 3. Tangible assets

Tangible assets	30 -09 -2011	31 -12 -2010
a) property, plant and equipment, of which:	278,079,367.55	279,519,024.57
- land (including right of perpetual usufruct)	43,028,678.56	45,234,697.07
- buildings and structures	219,945,827.10	216,074,744.11
- plant and machinery	9,237,478.22	11,196,103.38
- motor vehicles	4,037,112.35	4,775,952.51
- other property, plant and equipment	1,830,271.32	2,237,527.49
b) constructions in progress	118,646,965.48	110,001,852.46
c) advances on constructions in progress	0.00	0.00
Total tangible assets	396,726,333.03	389,520,877.03

Note 4. Investment real estate

Other long-term investments	30 -09 -2011	31 -12 -2010
a) investment real estate	161,820,285.80	124,271,404.71
b) other	0.00	0.00
Total other long-term investments	161,820,285.80	124,271,404.71

Note 5. Other financial assets

LONG-TERM FINANCIAL ASSETS	30 -09 -2011	31 -12 -2010
a) shares	4,613,378.60	4,600,378.60
b) loans granted	45,838.89	0.00
c) other long-term investments	0.00	0.00
Total long-term financial assets	4,659,217.49	4,600,378.60

LONG-TERM FINANCIAL ASSETS	30 -09 -2011	31 -12 -2010
a) in subsidiaries	4,415,192.87	4,356,553.98
- shares	4,369,353.98	4,356,553.98
- debt securities	0.00	0.00
- other securities	45,838.89	0.00
- loans granted	0.00	0.00
- other long-term financial assets	0.00	0.00
b) in other parties	244,024.62	243,824.62
- shares	244,024.62	243,824.62
- debt securities	0.00	0.00
- other securities	0.00	0.00
- loans granted	0.00	0.00
- other long-term financial assets	0.00	0.00
c) other long-term investments	0.00	0.00
Total long-term financial assets	4,659,217.49	4,600,378.60

	Name of a unit (and its legal form)	Domicile	Business	Relation	Method of consolidation	Date of assuming control	Value of shares/interests at acquisition price	Revaluation adjustments (total)	Carrying value of shares	% of total number of votes in the general meeting
1.	TBS Marki Sp.z o.o.	Warsaw	social building	subsidiary	full consolidation	14/11/2003	13,360,000.00	0.00	13,360,000.00	100.00%
2.	J.W. Construction International Sp. z o.o	Moscow (Russia)	Construction and property development activities	subsidiary	full consolidation	14/11/2003	1,272.90	0.00	1,272.90	100.00%
3.	Business Financial Construction Sp. z o.o.	Warsaw	services	subsidiary	not consolidated	16/06/2003	4,346,500.00	0.00	4,346,500.00	99.99%
4.	Lokum Sp. z oo	Warsaw	developer activity	subsidiary	full consolidation	13/09/2005	3,778,500.00	0.00	3,778,500.00	100.00%
5.	Deweloper Sp. z o.o.	Siemianowice Slaskie	construction	subsidiary	full consolidation	08/09/2004	49,500.00	0.00	49,500.00	99.00%
6.	JW Projekt Sp. z o.o.	Warsaw	architecture and designing	subsidiary	full consolidation	14/11/2003	1,155,400.00	0.00	1,155,400.00	99.98%
7.	Królewski Port Żerań Sp. z o.o.	Warsaw	developer activity	associate	not consolidated	08/09/2000	500,000.00	500,000.00	0.00	4.92%
8.	Polonia SSA	Warsaw	sports	subsidiary	not consolidated	30/03/2006	15,440.00	15,440.00	0.00	100.00%
9.	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%
10.	J.W. Construction S.A.	Ząbki,	construction	subsidiary	full consolidation	26/09/2007	11,526,617.00	0.00	11,526,617.00	99.99%
11.	J.W. Construction Bulgaria Sp. z o.o.	Sofia (Bulgaria)	developer activity	subsidiary	not consolidated	08/10/2007	9,854.98	0.00	9,854.98	100.00%
12.	Porta Transport Sp. z o.o. in liquidation	Szczecin	transport	subsidiary	full consolidation	12/11/2007	19,118,737.41	0.00	19,118,737.41	100.00%
13.	Yakor House Sp. z o.o.	Sochi, Russia	developer activity	subsidiary	full consolidation	07/12/2007	9,810,000.00	0.00	9,810,000.00	70.00%
14.	JWCH Produkcja Budowlana Sp. z o.o.	Ząbki,	prefabricated unit production for the building industry	subsidiary	full consolidation	19/02/2008	15,494,950.00	0.00	15,494,950.00	99.99%
15.	JWCH Budownictwo Drogowe Sp. z o.o.	Ząbki,	road construction	subsidiary	full consolidation	07/02/2008	2,059,950.00	0.00	2,059,950.00	99.99%
16.	Architects Polska Sp. z o.o	Ząbki,	design activity	subsidiary	not consolidated	03/06/2011	5,000.00	0.00	5,000.00	100.00%
17.	Interim D Sp. z o.o.	Warsaw	leasing of intellectual property	subsidiary	not consolidated	23/08/2011	8,000.00	0.00	8,000.00	100.00%

Indirect ties										
18.	Business Financial Construction Sp. z o.o.	Warsaw	services	subsidiary	not consolidated	16/06/2003	500.00	0.00	500.00	0.01%
19.	Deweloper Sp. z o.o.	Siemianowice Slaskie	construction	subsidiary	full consolidation	18/10/2006	500.00	0.00	500.00	1.00%
20.	JW Projekt Sp. z o.o.	Warsaw	architecture and designing	subsidiary	full consolidation	14/11/2003	200.00	0.00	200.00	0.02%
21.	SASPOL INFRASTRUKTURE Sp. z o.o.(former Trinity Self Comapnies Sp. z o.o.)	Warsaw	participation in public tenders as a leader of the	associate	not consolidated	06/10/2009	4,644.62	0.00	4,644.62	25.00%

			consortium							
22.	Karczma Regionalna Sp.z o.o.	Krynica Górská	hotel activity	subsidiary	not consolidated	16/12/2004	208,550.00	0.00	208,550.00	8.06%
23.	J.W. Construction S.A.	Ząbki,	construction	subsidiary	full consolidation	26/09/2007	1.00	0.00	1.00	0.01%
24.	JWCH Produkcja Budowlana Sp. z o.o.	Ząbki,	prefabricated unit production for the building industry	subsidiary	full consolidation	19/02/2008	50.00	0.00	50.00	0.01%
25.	Fabryka Maszyn i Urządzeń FAMAK S.A.	Kluczbork	production	associate	not consolidated	12/11/2007	29,630.00	0.00	29,630.00	0.04%
26.	JWCH Budownictwo Drogowe Sp. z o.o.	Ząbki,	road construction	subsidiary	full consolidation	07/02/2008	50.00	0.00	50.00	0.01%

Note 6. Non-current receivables

NON-CURRENT RECEIVABLES	30 -09 -2011	31 -12 -2010
a) guarantee receivables	0.00	0.00
b) deposit receivables(leasing)	15,605,216.87	14,829,259.90
b) other receivables	0.00	0.00
Total receivables	15,605,216.87	14,829,259.90

2. CURRENT ASSETS
Note 7. Inventories

INVENTORIES	30 -09 -2011	31 -12 -2010
a) materials	3,254,260.45	2,809,774.57
b) semi-finished products and work in progress	1,138,787.69	395,201.74
c) finished products	1,256,046.89	1,229,629.54
d) goods	35,543,726.68	27,300,832.39
e) trade advances	289,396.95	200,179.58
Total inventories	41,482,218.66	31,935,617.82

Note 8. Construction contracts

CONSTRUCTION CONTRACTS	30 -09 -2011	31 -12 -2010
CONSTRUCTION CONTRACTS (current assets)		
a) semi-finished products and work in progress	366,481,866.07	259,168,783.11
b) finished products	144,234,748.74	321,650,022.39
c) advances for supplies	20,173,020.49	12,512,617.65
d) short-term prepayments	753,161.91	1,032,324.86
Total construction contracts	531,642,797.21	594,363,748.02
CONSTRUCTION CONTRACTS (current liabilities)		
a) accruals	78,580,675.18	152,148,475.50
Total construction contracts	78,580,675.18	152,148,475.50

The Companies of the Group, in connection with the business activities, incur the loans that are secured with the mortgage on the property. On 30 September 2011, the Companies of the Group established securities in the form of mortgages presented in inventories and construction contracts with the value of PLN 233,100,000, presented in fixed assets with the value of PLN 289,700,000. The value of the mortgage is established on the amount of the credit granted (or higher), that is why, this amount exceeds the value of the property shown in assets of the Group's Companies. On 30 September 2011, the liabilities of the running credits have the value of PLN 259,000,000 (excluding loans of TBS Marki Sp. z o.o., the liabilities amount to PLN 153.4 milion)

Note 9. Current receivables

CURRENT RECEIVABLES	30 -09 -2011	31 -12 -2010
a) trade receivables - related parties	438,713.19	375,026.55
b) trade receivables - other parties	45,221,839.49	41,699,306.90
c) taxes, subsidies, customs duties, social and health insurance and other payments	15,049,148.63	12,721,118.07
d) other	6,750,546.29	4,814,874.90
Total receivables	67,460,247.59	59,610,326.41

Note 10. Other financial assets

SHORT-TERM INVESTMENTS	30 -09 -2011	31 -12 -2010
a) shares	0.00	0.00
b) loans granted	36,160,065.76	36,171,079.13
c) other investments	412,124.55	115,741.73
Total value of short-term investments	36,572,190.31	36,286,820.86

SHORT-TERM INVESTMENTS	30 -09 -2011	31 -12 -2010
a) in subsidiaries	35,362,904.07	36,166,439.13
- shares	0.00	0.00
- debt securities	0.00	0.00
- other securities	0.00	0.00
- loans granted	35,362,904.07	36,166,439.13
- other short-term financial assets	0.00	0.00
b) in other parties	1,209,286.24	120,381.73
- shares	0.00	0.00
- debt securities	0.00	0.00
- other securities	412,124.55	115,741.73
- loans granted	797,161.69	4,640.00
c) other short-term investments	0.00	0.00
Total value of short-term investments	36,572,190.31	36,286,820.86

Note 11. Cash and cash equivalents

CASH AND CASH EQUIVALENTS	30 -09 -2011	31 -12 -2010
a) cash on hand and with bank	10,715,124.75	19,921,572.24
b) other cash	32,354,900.24	48,096,101.86
c) other cash equivalents	147,185.92	55,896.45
Total cash	43,217,210.91	68,073,570.55

Note 12. Accruals

ACCRUALS	30 -09 -2011	31 -12 -2010
- short-term prepayments	26,476,760.11	21,345,481.53
The total value of accruals	26,476,760.11	21,345,481.53

3. LIABILITIES
Note 13. Borrowings

BORROWINGS	30 -09 -2011	31 -12 -2010
a) credits	258,992,270.15	248,221,563.91
<i>of which: long-term</i>	<i>166,514,258.87</i>	<i>146,840,247.63</i>
<i>Short-term</i>	<i>92,478,011.28</i>	<i>101,381,316.28</i>
b) loans	8,345,397.52	7,043,821.13
<i>of which: long-term</i>	<i>0.00</i>	<i>0.00</i>
<i>Short-term</i>	<i>8,345,397.52</i>	<i>7,043,821.13</i>
Total borrowings	267,337,667.67	255,265,385.04
Borrowings - long-term	166,514,258.87	146,840,247.63
Borrowings - short-term	100,823,408.80	108,425,137.41

LOANS PER MATURITY	30 -09 -2011	31 -12 -2010
Up to 1 year	92,478,011.28	101,381,316.28
Over 1 year up to 2 years	25,888,666.99	25,496,829.57
Over 2 year up to 5 years	31,081,200.00	19,631,256.51
Over 5 years	109,544,391.88	101,712,161.55
Total loans, including:	258,992,270.15	248,221,563.91
- long-term	166,514,258.87	146,840,247.63
- short-term	92,478,011.28	101,381,316.28

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

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

BORROWINGS	30 -09 -2011	31 -12 -2010
a) credits	105,643,518.91	106,339,563.51
<i>of which: long-term</i>	<i>100,994,056.27</i>	<i>101,775,504.03</i>
<i>Short-term</i>	<i>4,649,462.64</i>	<i>4,564,059.48</i>
b) loans	0.00	0.00
<i>of which: long-term</i>	<i>0.00</i>	<i>0.00</i>
<i>Short-term</i>	<i>0.00</i>	<i>0.00</i>
Total borrowings	105,643,518.91	106,339,563.51
Borrowings - long-term	100,994,056.27	101,775,504.03
Borrowings - short-term	4,649,462.64	4,564,059.48

Note 14. Other capital

OTHER CAPITAL	30 -09 -2011	31 -12 -2010
a) supplementary capital	487,836,534.87	403,502,762.76
b) other reserve capital	7,947,307.60	7,320,492.68
c) translation reserve	-308,065.78	-96,517.97
Total other capital	495,475,776.69	410,726,737.47

Note 15. Other non-current liabilities

OTHER NON-CURRENT LIABILITIES	30 -09 -2011	31 -12 -2010
a) lease obligations	43,103,420.96	47,268,288.91
b) deposit liabilities	9,800,898.63	10,788,230.02
c) other non-current liabilities	0.00	4,335,635.85
d) note liabilities	0.00	0.00
e) bonds	130,000,000.00	130,000,000.00
Total other liabilities	182,904,319.59	192,392,154.78

Note 16. Trade and other payables

TRADE AND OTHER PAYABLES	30 -09 -2011	31 -12 -2010
a) trade payables - other parties	58,781,204.11	41,768,119.07
b) trade payables - related parties	738,642.04	1,281,887.11
c) taxes, customs duties, insurance and other payments	23,093,154.08	19,733,531.43
d) salaries	2,255,045.88	2,595,816.20
e) trade advances received	0.00	0.00
b) other	8,984,500.99	10,404,382.83
Total trade and other payables	93,852,547.09	75,783,736.63

PROVISIONS FOR OTHER LIABILITIES AND CHANGES	30 -09 -2011	31 -12 -2010
a) short-term, of which:	19,497,740.20	22,551,700.82
- accrued expenses, including:	11,772,369.20	14,876,329.82
- <i>interests charged</i>	2,634,059.16	3,883,074.64
- <i>rent deposits</i>	477,649.38	497,159.98
- <i>other</i>	8,660,660.66	10,496,095.20
- other provisions, including:	7,725,371.00	7,675,371.00
- <i>provisions for future liabilities</i>	0.00	0.00
- <i>provisions for guarantee repairs</i>	6,407,935.00	6,407,935.00
- <i>other provisions</i>	1,317,436.00	1,267,436.00
a) long-term, of which:	56,562,142.22	57,683,463.83
- accrued expenses, including:	56,562,142.22	57,683,463.83
- <i>participation in costs of construction -TBS Marki</i>	49,211,323.05	50,073,278.59
- <i>deferred income- loan remittance-TBS Marki</i>	6,305,954.62	6,305,954.62
- <i>deferred surplus of revenues from sales over the carrying value/sale and lease back</i>	1,044,864.55	1,304,230.62
Total provisions for other liabilities and charges	76,059,882.42	80,235,164.65

Note 17. Other liabilities

OTHER LIABILITIES	30 -09 -2011	31 -12 -2010
a) issue of debt securities	3,030,963.00	2,639,039.00
b) note liabilities	143,290,691.95	136,257,185.67
c) lease liabilities	6,986,570.45	7,066,702.63
d) other financial liabilities	0.00	0.00
Total other liabilities	153,308,225.40	145,962,927.30

4. Operating income and expenses
Note 18. Operating income

OPERATING INCOME	from 01-01-2011 to 30-09-2011	from 01-01-2010 to 30-09-2010
Revenues from sales of products	238,256,000.62	413,733,547.00
Revenues from sales of services	48,732,068.84	40,193,514.30
Revenues from sales of goods	3,254,455.87	3,566,985.31
Total income	290,242,525.33	457,494,046.61

	from 01-01-2011 to 30-09-2011	from 01-01-2010 to 30-09-2010
Revenues from sales, of which:	290,242,525.33	457,494,046.61
- sales of products - premises	236,059,955.67	412,653,491.33
- sales of products - other	2,196,044.95	1,080,055.67
- sales of services	48,732,068.84	40,193,514.30
- sales of goods	3,254,455.87	3,566,985.31

	from 01-01-2011 to 30-09-2011	1 January 2010 - 30 September 2010
Revenues from sales of products and services per business segment	286,988,069.46	453,927,061.30
developer activity	255,344,993.42	425,588,203.24
hotel activities	11,364,040.90	11,265,479.83
social building	9,219,246.77	8,284,773.06
- transport services,	156,048.82	0.00
- construction	10,903,739.55	8,788,605.17

	from 01-01-2011 to 30-09-2011	from 01-01-2010 to 30-09-2010
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Revenues from sales of products - premises per geographic segments		
	236,059,955.67	412,653,491.33
- Warsaw and vicinity	231,620,782.32	384,377,004.38
- Gdynia	4,648,103.33	11,899,112.65
- Łódź	-212,002.86	6,432,088.10
- Katowice	3,072.88	1,576,297.13
- Russia	0.00	8,368,989.07

	from 01-01-2011 to 30-09-2011	from 01-01-2010 to 30-09-2010
Revenues from sales of hotel services per geographic segments	11,364,040.90	11,265,479.83
- Warsaw and vicinity	4,189,898.28	3,990,122.80
- Tarnowo	3,774,409.28	3,799,948.61
- Stryków	2,210,761.00	2,223,251.11
- Cieszyn	948,941.29	1,028,557.81
- Krynica Górská	240,031.05	223,599.50

Note 19. Operating expenses

Operating expenses	from 01-01-2011 to 30-09-2011	from 01-01-2010 to 30-09-2010
Costs on sale of products	163,309,144.71	288,555,751.22
Costs on sale of services	38,900,045.13	29,640,927.50
Costs on sale of goods	3,584,064.55	2,940,234.26
Total costs of products, services and goods sold	205,793,254.39	321,136,912.98

Selling and overhead expenses	from 01-01-2011 to 30-09-2011	from 01-01-2010 to 30-09-2010
Selling expenses	19,382,722.49	19,139,662.36
Overhead expenses	25,187,524.50	19,773,896.95
Total selling and overhead expenses	44,570,246.99	38,913,559.31

Costs according to types	from 01-01-2011 to 30-09-2011	from 01-01-2010 to 30-09-2010
Depreciation and amortisation	9,365,524.99	9,474,066.27
Cost of materials and energy	36,039,622.92	53,957,424.84
Services made by other contractions	96,706,761.93	89,302,387.70
Taxes and duties	9,696,269.62	6,277,781.55
Wages and Salaries	31,723,244.34	33,014,982.93
Services for the benefit of employees	5,555,206.27	5,959,747.64
Other costs	15,693,167.65	11,738,031.14
Total costs according to types	204,779,797.72	209,724,422.07

Note 20. Other operating income

OPERATING INCOME	from 01-01-2011 to 30-09-2011	from 01-01-2010 to 30-09-2010
a) profit from disposal of non-financial fixed assets	568,223.26	2,640,743.41
b) other operating income	8,902,433.85	9,403,899.68
Total operating income	9,470,657.11	12,044,643.09

Note 21. Other operating expenses

OPERATING EXPENSES	from 01-01-2011 to 30-09-2011	from 01-01-2010 to 30-09-2010
a) loss on disposal of non-financial fixed assets	0.00	147,572.40
b) revaluation of non-financial assets	0.00	0.00
c) other operating expenses	11,835,080.09	6,066,000.14
Total operating expenses	11,835,080.09	6,213,572.54

Note 22. Financial income

FINANCIAL INCOME	from 01-01-2011 to 30-09-2011	from 01-01-2010 to 30-09-2010
a) dividends	0.00	0.00
b) interest	3,761,887.11	3,895,213.94
c) revaluation of investment	0.00	0.00
d) other	4,067,026.52	2,082,308.82
Total financial income	7,828,913.63	5,977,522.76

Note 23. Financial expenses

FINANCIAL EXPENSES	from 01-01-2011 to 30-09-2011	from 01-01-2010 to 30-09-2010
a) interests	28,014,800.93	22,729,083.39
b) revaluation of investment	0.00	0.00
c) other	227,716.18	2,478,788.52
Total financial expenses	28,242,517.11	25,207,871.91

D. SUPPLEMENTARY INFORMATION

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

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

Conclusion of a significant agreement

On 22 August 2011, the Company concluded two agreements on the implementation of the investment of a multi-family construction of Zielona Dolina I with J.W. Construction S.A with its seat in Ząbki, a wholly owned subsidiary. The project was divided into two stages:

Stage I includes 11 multi-family buildings with 290 residential and service dwellings. The date of completion of works is set on 21.12.2012, the date of obtaining an occupancy permit for 30 days from the date of the final acceptance. The value of fixed remuneration for the contract was agreed for the amount of PLN 43,785,047 net.

Stage II includes 12 multi-family buildings with 306 residential and service dwellings. The date of completion of works is set on 15.12.2012, the date of obtaining an occupancy permit for 30 days from the date of the final acceptance. The value of fixed remuneration for the contract was agreed for the amount of PLN 42.717.745 net.

In other provisions, the agreements are similar and include in its scope comprehensive assembly works in the buildings along with land development, with full accompanying infrastructure in the form of roads, sidewalks, fences, etc.

On 29.09.2011, the Company concluded with a subsidiary of J.W. Construction S.A with its seat in Ząbki, an agreement on the implementation in the scope of a general contractor of a group of 4 buildings at Lewandów Street Lewandów Street in Warsaw. The project contains 208 flats and the scheduled time of completion is dated on 31 December 2012.

Concluding loan agreements

On 21 September 2011, the Company concluded two revolving credit facilities with Bank Ochrony Środowiska S.A.:

1. in the amount of PLN 41,000,000 - for the implementation of the first stage of "Zielona Dolina I" investment at Zdziarska Street in Warsaw, the date of a repayment is set on 31 March 2014.
2. in the amount of PLN 46.000.000 - for the implementation of the second stage of "Zielona Dolina I" investment at Zdziarska Street in Warsaw, the date of a repayment is set on 31 May 2014.

A building permit

On 09 August 2011, the Company received the decision on building permit for 4 multi-family buildings "Lewandów buildings 3-6, at Lewandów Street in Warsaw. The permit is final.

On 12 July 2011, the Company received the decision on building permit of single-family houses in Kręczi Kaputy in a commune of Ożarów Mazowiecki. The permit is final.

The purchase of a property

On 04 August 2011 the company concluded an agreement with the trustee in bankruptcy of "Buditalia" Sp. z o.o on purchase of ownership rights to the plot with number No. 104 / 5 with an area of 7,014 m² located in Lodz, at Ks. Bp. Tymienieckiego 16 Street and for which a land and mortgage register with No. LD1M/00111879/7 is kept . The value of the agreement is PLN 4,247,000 gross.

Merger of the Companies

On 29 July 2011, the District Court for the City of Warsaw, XIV Commercial Division of the National Court Register registered the merger of the Company with its subsidiaries: Project 55 Sp. z o.o with its seat in Warsaw, Interlokum Sp. z o. with its seat in Warsaw, Stadnina Mazowiecka Sp. z o.o with its seat in Ząbki and Construction Invest Sp. z o.o with its seat in Ząbki. The acquired companies were subject to consolidation in the consolidated financial statements.

Implemented investments of

In Q3 2011, the Company continued previously started investments: in Warsaw: " Zielona Dolina I", "Osiedle Centrum II" at Tymienieckiego Street in Łódź, "Słoneczny Park" and "Willa Park" - houses in Ożarów.

The company commenced the investment of "Osiedle Światowida" at Światowida Street and "Lewandów buildings 3-6" at Lewandów Street in Warsaw.

The company realised 6 residential projects together with the total number of 1 619 flats and 12 single-family houses comprising 79,003 square metres of UFS.

Simultaneously with residential investments, the Company realised commercial investments: Hanza Tower in Szczecin, which will have 34,077 m² of UFS, hotel investment „Czarny Potok” in Krynica Zdrój with 20,500 m² of UFS and in Warsaw at Badyłarska Street with 4,157 m² of UFS.

In the Q3 of 2011, the Company was implementing the following investment:

No.	Housing investments	Number of units
1	„Osiedle Centrum II”, Łódź	255
2	„Słoneczny Park” 1st stage, Ożarów	376
3	"Willa Park" - houses, Ożarów	12
4	Zielona Dolina I , Warsaw	596
5	„Osiedle Światowida”, Warsaw	184
6	„Osiedle Lewandów build. 3-6, Warsaw	208

No.	Commercial and hotel investments	Usable Space
1	„Jerozolimskie Point” Badyłarska - Warsaw	4,157
2	„Czarny Potok” – Krynica Zdrój	20,500
3	"Hanza Tower" - Szczecin	34,077

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

In Q1 2011, apart from events described above there were no events of untypical character that had a remarkable influence on the achieved financial results.

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

In the Company's activity, a cyclicity of the moment when inflows in the form of advance money from customers can be noticed – it depends on the level of advancement of the investment.

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

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

In the third quarter of 2011, the Company did not perform any issue or repayment of bonds.

On 26 September 2011, the Company paid bond interests, which the Company issued on 25 June 2010 in the total number of 1,300 pieces. Interests were paid in accordance with a rate based on 3M WIBOR plus a margin percentage. Bonds on which interests were paid, are long-term, unsecured, with a nominal value of PLN 100,000 each. Maturity date was set on 25 June 2013

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

Not applicable.

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

Changes in the Board

On 27 October 2011, the Company received a statement of the shareholder entitled to make use of personal power and dismissal of Mr. Marek Samarcew from the Management Board.

On 28 October 2011, the Company received a statement of the shareholder entitled to make use of personal power and appointment of Ms. Irmina Łopuszyńska to the Management Board.

On 28 October 2011, the Company received a statement of the shareholder entitled to make use of personal power and appointment of Ms. Bożena Malinowska to the Management Board.

Concluding loan agreements

On 03 October 2011, the Company concluded a revolving credit with Bank Polskiej Spółdzielczości S.A in the amount of PLN 3.0 million. The repayment date was set on 02 October 2014.

Conclusion of the annex to the credit agreement

On 28 October 2011, the Company concluded an Annex to the investment loan agreement with PKO BP S.A for financing "Czarny Potok" investment in Krynica Górska. In virtue of the annex, the credit use date was rescheduled till 31 March 2012, the repayment date was also rescheduled till 31 March 2020.

Conclusion of a significant agreements

On 04 October 2011, the Company concluded an agreement on the implementation of general contractor of a group of 4 buildings at Światowida Street in Warsaw with J.W. Construction S.A with its seat in Ząbki. The project envisages a construction of 184 residential and service units in total. The completion date of works is set on 31 March 2013.

On 4 October 2011, the Company concluded an agreement with J.W. Construction S.A based in Ząbki, a subsidiary of the Company, an agreement on the implementation of the reconstruction of the center "Czarny Potok" in Krynica Górska, involving the execution of works on the basis of design documentation revised after 9 January 2009, the value of the work was set for PLN 42,506,931.

On 24 October 2011, the Company concluded an agreement with "Wroński" a registered partnership with its seat in Leszno, near Kartuz ("Contractor") in the amount of PLN 61,600,000 net ("Agreement"). The subject of the agreement is the construction, performed by the Contractor as a general contractor, on a property located in Gdynia, at Leśna, Parkowa and Spacerowa Street (cadastral parcels 70/1 and 22/1 k.m93) of a multi-family residential buildings with garages and parking lots, and the necessary infrastructure from the Contractor's own materials. A total usable floor space of flats will be about 24,640 m². In the case of amendment to the total floor area of flats in the final decision on the building permit, the Parties shall change the remuneration with the annex, taking into consideration the final floor area of flats multiplied by PLN 2.500 per 1 m² of that area to set the amount of the agreement. The parties agreed that in case when the Company will not have obtained the final decision on the building permit by 30 June 2012, for at least one Stage of the investment, the Agreement shall terminate.

On 28 October 2011, the Company concluded an agreement with INTERIM D Spółka z o.o with its in Warsaw, in the amount of PLN 155.833.000 ("Agreement"). The agreement was concluded in performance of obligations resulting from the adopted resolution No. 1 of the Extraordinary Meeting of Shareholders of INTERIM D Sp. z o. o. of 24 October 2011, on the share capital increase by the amount of PLN 155,833,000 and the statements of the Company, of 24 October 2011., on taking up newly created shares and covering them with capital contribution in a form of an organized part of the Company's Marketing Department and Intellectual Property ("ZCP"). The agreement was concluded in performance of obligations of the Company to transfer ZCP as the in-kind contribution to the benefit of INTERIM D Sp. z o. o. to cover the value of the newly acquired shares in INTERIM D Sp. z o. o. in the total amount 3,116,660 units, the nominal value of PLN 50 each, and the total value of PLN 155.833 million. The ZCP includes components associated with their activities in the field of marketing, including the right to trademark protection, "JW CONSTRUCTION " both in word and in graphic. The agreement has a dispositive character and transfers the organised part of the enterprise components ownership rights to the benefit of INTERIM D Sp. z o.o

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

OFF-BALANCE SHEET LIABILITIES	30 -09 -2011
Investment real estate pledged as collateral - loans	522,793,936.00
blank bill	242,776,864.70
Executory titles	365,854,313.98
Guarantees to the benefit of TBS "Marki" Sp z o.o.	22,400,000.00
Guarantees to the benefit of ZPM Metalcon Sp z o.o.	800,000.00
Guarantees to the benefit of J.W Wronia Sp. z o.o.	75,000,000.00
Guarantees to the benefit of J.W Consulting Sp. z.o.o J.W.2 partnership limited by shares	39,653,100.00

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

The table above presents all collateral under concluded loan agreements. Since several items of collateral were established under particular loan agreements, the value of collateral was not summed up.

As at 30 September 2011 there were disclosed insurance guarantees to remove failures and defects, granted by banks and insurance institutions to the benefit of the Company. Moreover, there were blank promissory notes issued to the benefit of J.W. Construction Holding S.A. to secure rights of such companies under guarantees granted by counterparties, which the Companies may fill in at any time with the amount corresponding to the costs of failure and

defect removal. As at 31 March 2011 the total value of guarantees was PLN 19.4 million (J.W. Construction Holding S.A) and PLN 2,700,000 (J.W. Construction S.A.) and EUR 6.650,00 (JW. Construction. S.A.)

On 23 June 2011, the agreement was concluded in which the Company granted the guarantee to Klosters Beteligungsgesellschaft GmbH, with its seat in Kempen ("Buyer") in respect of the sale agreement for the benefit of the aforesaid entity by Sezam II Closed Investment Fund and J.W. Consulting Sp. z.o.o J.W. 5 - Partnership limited by shares - with its seat in Warsaw (the "Seller") of shares representing 100% of the share capital of the company operating under the name J.W Agro Ltd. with its seat in Nowogard ("JWA"). The company ensured that all statements submitted by the sellers in the sale agreement are true and correct and do not mislead in any significant scope that is covered by them, while ensuring fulfilment of obligations of the Sellers which result from the agreement. The buyer, in case of untrue and incomplete data, or if the assurance provided is misleading in a significant way about the condition of JWA or purchased shares, has the right to demand the restoration which would have occurred if the assurance was consistent with the truth, to pay an amount of money required to bring the state to a consistent one with the provision of the agreement, or to demand a reduction in a selling price.

8. The targets and the policy of financial risk management

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

Interest rate risk

The Group raises funds for implementation of its projects based on floating interest rate loans. Those are mainly loans incurred for the period of the construction of a given investment project – on average for 1.5- 2 years. It is assumed that in such period the interest rate risk would not require additional hedging options.

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

Currency risk

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

Credit Risk

A very significant part of the Group's clients purchase with bank loans. Risks connected with the offered loans are secured with insurance of particular debts on behalf of clients. There is no significant credit risk concentration in any group of clients. Moreover, the Group systematically evaluates payments made by the clients, as well as their financial standing. However, the lower availability of mortgage credits which is indirectly related with restricted conditions for granting loans- credit policy change in the government program "Rodzina na Swoim" (increase of conversion rate of the replacement cost of 1m2 of usable floor space of residential buildings, borrower's age restriction, the termination of the program in December 2012 ., a lack of alternative programs to support), the introduction of a new recommendation by the FSC S III for banks since January 2012 (less creditworthy buyers premises, stricter conditions for granting loans in foreign currencies). In effect, this may result in a reduced demand for housing.

Liquidity risk

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

Administrative risk

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

Competition risk

In recent years, competition in the property market has increased - still a wide range of units is ready in the market.

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

In order to convert the balance for the period from 1 January 2010 – 30 September 2011, the average EUR exchange rate was assumed, that was determined by the National Bank of Poland on that day; the exchange rate PLN 4.4112/ EUR

In order to convert the balance for the period from 1 January 2010 – 31 December, the average EUR exchange rate was assumed, that was determined by the National Bank of Poland on that day; the exchange rate PLN 3.9603/ EUR

In order to convert the income statement for the period from 01/01/2011 – 30 /09/2011, the average EUR exchange rate was assumed, that was calculated as the arithmetic mean of exchange rates on the last day of month of the given period, as determined by the National Bank of Poland on that day; the exchange rate PLN 4.0413 / EURO.

In order to convert the income statement for the period from 01/01/2010 – 30 /09/2010, the average EUR exchange rate was assumed, that was calculated as the arithmetic mean of exchange rates on the last day of month of the given period, as determined by the National Bank of Poland on that day; the exchange rate PLN 4.0027 / EURO.

Consolidated balance sheet item	30 -09 -2011		31 -12 -2010	
	PLN	EUR	PLN	EUR
Total Assets	1,353,712	306,881	1,382,179	349,009
Non-current assets	606,861	137,573	570,564	144,071
Current assets	746,851	169,308	811,616	204,938
Total Equity and Liabilities	1,353,712	306,881	1,382,179	349,009
Equity	492,743	111,703	462,891	116,883
Non-current liabilities,	414,906	94,057	414,416	104,643
Current liabilities	446,063	101,120	504,872	127,483

Consolidated income statement item	1 January 2011 - 30 September 2011		1 January 2010 - 30 September 2010	
	PLN	EUR	PLN	EUR
Net revenues from sales of products, goods and materials	290,243	71,819	457,494	114,297
Costs of products, goods and materials sold	205,793	50,922	321,137	80,230
Gross profit (loss) on sales	84,449	20,896	136,357	34,066
Selling expenses	19,383	4,796	19,140	4,782
Overhead expenses	25,188	6,232	19,774	4,940
Profit (loss) on sales	59,806	14,799	97,444	24,345
Operating profit (loss)	57,442	14,214	103,275	25,801
Gross profit (loss)	37,028	9,162	84,044	20,997
Income tax	7,020	1,737	16,164	4,038
Net profit (loss)	30,008	7,425	67,880	16,959

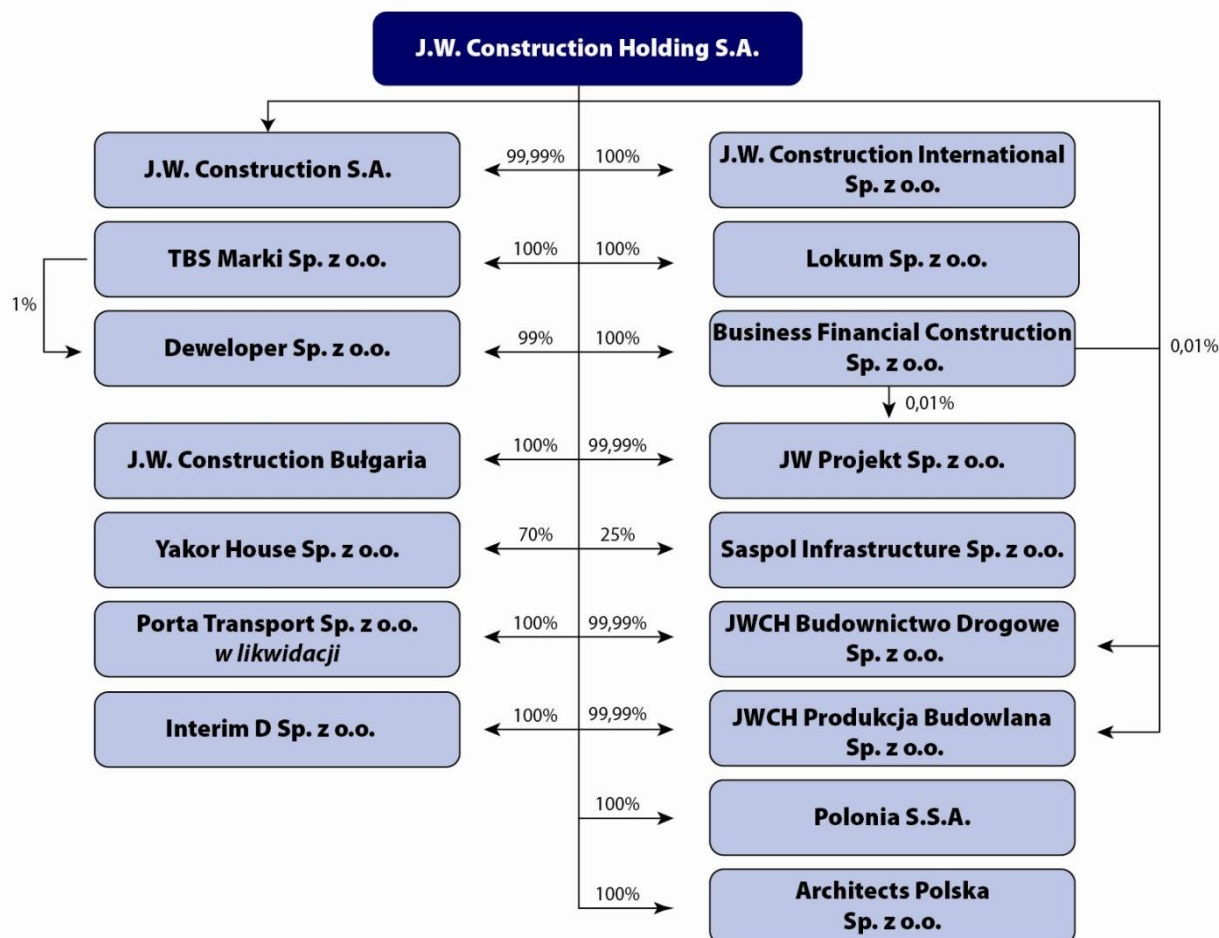
Issuer's balance sheet item	30 -09 -2011		31 -12 -2010	
	PLN	EUR	PLN	EUR
Total Assets	1,218,427	276,212	1,259,524	318,038
Non-current assets	492,931	111,745	445,005	112,366
Current assets	725,496	164,467	814,520	205,671
Total Equity and Liabilities	1,218,427	276,212	1,259,524	318,038
Equity	511,298	115,909	482,949	121,948
Non-current liabilities,	267,344	60,606	256,399	64,742
Current liabilities	439,785	99,697	520,176	131,348

Consolidated income statement item	1 January 2011 - 30 September 2011		1 January 2010 - 30 September 2010	
	PLN	EUR	PLN	EUR
Net revenues from sales of products, goods and materials	260,074	64,354	421,843	105,390
Costs of products, goods and materials sold	193,645	47,916	308,829	77,155
Gross profit (loss) on sales	66,429	16,438	113,014	28,234
Selling expenses	19,228	4,758	18,785	4,693
Overhead expenses	17,638	4,364	10,708	2,675
Profit (loss) on sales	49,490	12,246	83,520	20,866

Operating profit (loss)	52,417	12,970	89,147	22,272
Gross profit (loss)	35,104	8,686	72,217	18,042
Income tax	6,754	1,671	13,348	3,335
Net profit (loss)	28,349	7,015	58,869	14,707

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

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



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

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

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

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

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

JW Projekt Sp. z o.o., a limited liability company domiciled in Warsaw entered in the register of entrepreneurs of the National Court Register entered in the register of entrepreneurs of the National Court Register 195210 on 20 February 2004. The Company holds 99.99% of its shares. Share capital of JW Projekt Sp. z o.o. amounts to PLN 1.155.600 and is divided into 5,778 shares with a par value of PLN 200 each. The business of JW Projekt Sp. z o.o. is architecture and designing.

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

The Company TBS Marki Sp. z o.o., a limited liability company domiciled in Warsaw entered in the register of entrepreneurs of the National Court Register entered in the register of entrepreneurs of the National Court Register 65232 on 28 November 2001. The Company holds 100% of its shares. Share capital of TBS Marki Sp. z o.o. amounts to PLN 13,360,000 and is divided into 26,720 shares with a par value of PLN 500 each. TBS Marki Sp. z o.o. was established as a social building society, within the meaning of the Act on Some Forms of Supporting Housing Building Projects. TBS Marki Sp. z o.o. is an investor responsible for implementation of four projects i.e. "Lisi Jar", "Marki V", "Warszawa Białoleka" and "Sochaczew, ul. Piłsudskiego".

Lokum Sp. z oo (full consolidation)

The Company Lokum Sp. z o.o., a limited liability company domiciled in Warsaw entered in the register of entrepreneurs of the National Court Register entered in the register of entrepreneurs of the National Court Register 170570 on 20 August 2003. The Company holds 100% of its shares. Share capital of Lokum Sp. z o.o. amounts to PLN 3,778,500 and is divided into 7,557 shares with a par value of PLN 500 each. Lokum Sp. z o.o. is a special purpose vehicle. An investment project – "Willa Konstancin" in Konstancin-Jeziorna was implemented under its structures.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Architects Polska Sp. z o.o (not subject to consolidation)

Architects Poland Sp. z o. o. based in Żąbki (formerly Sami Tito Architects Poland Sp.z.o.o) registered in the register of entrepreneurs on 19 January 2011 under the KRS number 0000376090, where the capital amounts to PLN 5,000 and is divided into 100 shares at PLN 50,00 each, the Company operates in architecture and design. The company took control of Architects Polska Sp. z o. o. in June 2011.

Interim D Sp. z o.o (not subject to consolidation)

Interim D Sp. z o. o. with its seat in Warsaw registered in the register of entrepreneurs on 20 December 2010 under the KRS number 0000373684, where the capital amounts to PLN 5,000 and is divided into 100 shares at PLN 50,00 each, the Company operates in the scope of marketing and rights management to the mark. The Company obtained 100% of shares in Interim D Sp. z.o.o on 23 August 2011

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

On 29 July 2011, the District Court for the City of Warsaw, XIV Commercial Division of the National Court Register issued a decision in a case of Ref. number: WA XIV NS-REJ.KRS/017275/11962, with which registered the merger of the Issuer with four subsidiaries:

Project 55 Sp. z o.o. with its seat in Warsaw (KRS 0000139665);
 Interlokum Sp. z o.o. with its seat in Warsaw (KRS 0000170216);
 Stadnina Mazowiecka Sp. z o.o. with its seat in Ząbki (KRS 0000271065);
 Construction Invest Sp. z o.o. with its seat in Ząbki (KRS 0000250688);

The merger was in accordance with art. 492 § 1. A Code of Commercial Companies by transferring all the assets of merged companies to the Issuer. The merged companies were subject to termination without the liquidation process. With the date of a merger, with the date of issue of the above provisions, the Issuer entered into all the rights and obligations of the merged companies. Due to the fact that the Issuer was the sole shareholder of the merged companies, the merger took place without an increase in the share capital of the Issuer.

The following resolutions were the basis of the merger:

of the General Meeting of shareholders of the Issuer, Resolution No. 23 of 29.06.2011 was recorded in the notary deed Rep. A No. 10300/2011 drawn by a notary Anna Sota in Warsaw;
 of the Extraordinary General Meeting of shareholders of Project 55 Sp. z o.o with its seat in Warsaw, Resolution No.1 of 11.07.2011 was recorded in the notary deed Rep. A No. 10819/2011 drawn by a notary Anna Sota in Warsaw;
 of the Extraordinary General Meeting of shareholders of Interlokum Sp. z o.o with its seat in Warsaw, Resolution No.1 of 11.07.2011 was recorded in the notary deed Rep. A No. 10814/2011 drawn by a notary Anna Sota in Warsaw;
 of the Extraordinary General Meeting of shareholders of Stadnina Mazowiecka Sp. z o.o with its seat in Ząbki, Resolution No.1 of 11.07.2011 was recorded in the notary deed Rep. A No. 10822/2011 drawn by a notary Anna Sota in Warsaw;
 of the Extraordinary General Meeting of shareholders of Construction Invest Sp. z o.o with its seat in Ząbki, Resolution No.1 of 11.07.2011 was recorded in the notary deed Rep. A No. 10816/2011 drawn by a notary Anna Sota in Warsaw;
 The merged Companies were subject to consolidation and the merger did not effect on the consolidated statement. At the same time, the unitary data of the Issuer were transformed. Effect of changes in assets and liabilities item are presented in the section on financial data of the Issuer.

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

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

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

Share capital of the Company amounts to PLN 10,814,656 and is divided into 54,073,280 A-and-B-class ordinary bearer with a par value of PLN 0.20 each, which each of them entitles to one vote at the General Meeting of Shareholders.

As at 11/05/2011 – the day of publication of a report for Q1 2011

<i>Shareholder</i>	<i>Number of shares held</i>	<i>% of share capital</i>	<i>Number of votes</i>	<i>% of total number of votes in the General Meeting</i>
Józef Wojciechowski	15.413.713	28.51 %	15.413.713	28.51 %
EHT S.A.	18.568.300	34.34 %	18.568.300	34.34 %
Investment funds managed by PKO TFI S.A	Between 5 and 10% of the shares ^x			
Pioneer Open-End Investment Fund owned by Pioneer Pekao TFI SA	Between 5 and 12 % of the shares ^{xx}			

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

^{xx} on 05 May 2011, the Company received a notification on exceeding a 10 % threshold of the share capital of the Company by the Pioneer Open_End Investment Fund managed by Pioneer Pekao TFI S.A, as at 5 May 2011 it was 5.411.843 shares representing 10.008 % of the share capital of the Company entitling to 5.411.843 votes at the General Meeting of the Company and representing 10.008 % of the total number of votes. In accordance with applicable law, a shareholder must notify the Company of exceeding the

threshold of 10 %, which after being exceeded, the shareholder informs about each change in the number of shares over 2 % of the total number of shares of the Company. To date, the Company has not received any notice from a shareholder, which would include information about reducing the number of shares held less than 10 % or a change by over 2 % of the share capital of the Company.

As at 09/11/2011 – the day of publication of a report for Q3 2011

Shareholder	Number of shares held	% of share capital	Number of votes	% of total number of votes in the General Meeting
Józef Wojciechowski	15.413.713	28.51 %	15.413.713	28.51 %
EHT S.A.	18.568.300	34.34 %	18.568.300	34.34 %
Investment funds managed by PKO TFI S.A	Between 5 and 10% of the shares ^x			
Pioneer Open-End Investment Fund owned by Pioneer Pekao TFI SA	Between 5 and 12 % of the shares ^{xx}			

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

^{xx} on 05 May 2011, the Company received a notification on exceeding a 10 % threshold of the share capital of the Company by the Pioneer Open_End Investment Fund managed by Pioneer Pekao TFI S.A, as at 5 May 2011 it was 5.411.843 shares representing 10.008 % of the share capital of the Company entitling to 5.411.843 votes at the General Meeting of the Company and representing 10.008 % of the total number of votes. In accordance with applicable law, a shareholder must notify the Company of exceeding the threshold of 10 %, which after being exceeded, the shareholder informs about each change in the number of shares over 2 % of the total number of shares of the Company. To date, the Company has not received any notice from a shareholder, which would include information about reducing the number of shares held less than 10 % or a change by over 2 % of the share capital of the Company.

In the period between 11 May 2010, a 09 November 2011 (dates of publication of reports for the first quarter 2011 and third quarter of 2011) there were no changes.

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

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

As at 09/11/2011 – publication of the report for Q3 2011

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

15. Lawsuits

The Company is a party to a significant procedure. This is a proceeding instituted an action by the Company against SAWA Residential Fund Ltd. with its seat in Warsaw ("Respondent") for a payment of the amount of PLN 58,876,568.28 of surcharge of the rest of the money for a sale of 100 premises, which the Company committed to build and transfer the ownership to the Respondent, after paying the full payment by the Respondent as it was agreed between the Parties. The Company obtained an order for payment in the writ proceedings, the Court adjudicated for the Company the whole demanded amount of money. The defendant lodged an objection against an order issued by a court regarding a payment in the writ proceedings. The Company has been reaching the implementation of provisions of the agreement in accordance with its terms.

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

No.	COMPANY NAME	Receivables from related parties		Liabilities to related parties	
		30-09-2011	31-12-2010	30-09-2011	31-12-2010
1.	TBS Marki Sp. z o.o.	74,729.09	10,878.25	24,459,335.68	23,459,075.35
2.	J.W. Construction International Sp. z o.o	12,997,382.93	14,859,173.91	0.00	0.00
3.	Business Financial Construction Sp. z o.o.	17,443.00	24,754.13	2,400,473.44	3,076,242.48
4.	Project 55 Sp. z o.o.	0.00	0.00	0.00	5,963,891.71
5.	Interlokum Sp. z o.o.	0.00	0.00	0.00	5,963,748.86
6.	Lokum Sp. z oo	170,304.36	121,514.11	61,177.34	1,452,654.93
7.	Deweloper Sp. z o.o.	117,902.38	112,201.47	20,000.00	20,000.00
8.	JW Projekt Sp. z o.o.	1,823,655.22	3,345,187.42	835,690.19	327,443.69
9.	Construction Invest Sp. z o.o.	0.00	4,096,571.76	0.00	0.00
10.	JW. Construction S.A.	2,116,638.22	332,194.72	50,109,330.17	69,107,931.33
11.	J.W. Bulgaria	31,446,613.26	35,152,442.71	0.00	0.00
12.	Porta Transport Sp. z o.o. in liquidation	16,041.00	30,561.00	8,999,908.40	5,482,016.64
13.	Yakor House Sp. z o.o.	9,939,440.34	9,794,255.25	0.00	0.00
14.	JWCH Produkcja Budowlana Sp. z o.o.	13,582,346.78	10,304,420.09	63,597.39	18,690.98
15.	JWCH Budownictwo Drogowe Sp. z o.o.	3,087,397.65	2,501,484.39	1,312.72	0.00
16.	SASPOL INFRASTRUKTURE Sp. z o.o. (former Trinity Self Companies)	45,838.89	40,000.00	0.00	0.00
17.	Architects Polska Sp. z o.o	460,406.66	0.00	8,209.57	0.00
18.	Stadnina Mazowiecka Sp. z o.o.	0.00	5,555,269.74	0.00	0.00

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

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

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

On 20 September 2011, the Issuer granted personal joint security for the liabilities of J.W. Wronia Spółka z o.o in favor of Bank Millennium S.A with its seat in Warsaw ("Bank") under a revolving credit agreement to finance the housing of 02.08.2011 ("Loan") granted to J.W. Wronia Spółka z o.o with its seat in Ząbki ("Debtor"). The credit was granted in the amount of PLN 75 million for a partial financing of the investment in Warsaw in 45 Wronia Street. The surety shall include all existing liabilities of the Debtor at the time of granting a guarantee, and these which may arise in the future in relation to credit along with the commissions, fees and other costs, in case the debtor has not performed its obligations. The surety has been granted till 30 April 2014. The guarantee was provided without remuneration, J.W. Construction S.A with its seat in Ząbki, a subsidiary of the Issuer is the general contractor of the investment that is being carried out by the Debtor and financed with the Credit, the Issuer already informed about concluding an agreement on general performance both in the report for the first half of 2011 as well as in the current report No. 9 / 2011of May 25, 2011. Between the Issuer and the Debtor there are personal ties in the person of Mr. Tomasz Panabażys, who is Vice Chairman of the Board and board member of the Debtor and Mr. Józef Wojciechowski, who is the Chairman of the Supervisory Board and the parent entity in relation to the Company and the parent entity in relation to the Debtor.

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

None besides the aforesaid ones.

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

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

- maintaining the appropriate pace and schedules of the transferring already finished premises to the customers, what is also connected with the acquisition of financing sources in order to purchase such premises,
- implementation of the assumed level of sales;
- obtaining necessary administrative decisions in relation to the currently ongoing and future projects;
- no changes in legislation and taxation – rapid changes could influence in an uncontrolled way on the market demand for products offered by the Company;
- conducted banks' credit policy in the scope of mortgage and investment credits- restricted credit conditions limit the source of financing the purchase of the property ;
- interest rate, in particular for the loans in the Polish currency (PLN);

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

Branch Segments

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

developer activity

social building

hotel activities

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

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

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

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

2011	Developer activity	Hotel activity	social building	construction	transport	eliminations	Total
Net revenues from sales of products, goods and materials, of which:	248,780,110.78	11,364,040.90	9,219,246.77	121,133,575.52	4,764,912.37	-105,019,361.01	290,242,525.33
Net revenues from sales of products	246,679,015.71	11,364,040.90	9,219,246.77	119,876,543.01	4,764,806.45	-104,915,583.38	286,988,069.46
Net revenues from sales of goods and materials	2,101,095.07	0.00	0.00	1,257,032.51	105.92	-103,777.63	3,254,455.87
Costs of products, goods and materials sold, of which:	169,716,920.79	10,845,689.40	5,411,817.46	120,308,688.55	2,917,446.14	-103,407,307.95	205,793,254.39
Manufacturing cost of products sold	167,585,727.18	10,845,689.40	5,411,817.46	118,752,145.90	2,917,340.22	-103,303,530.32	202,209,189.84
Value of goods and materials sold	2,131,193.61	0.00	0.00	1,556,542.65	105.92	-103,777.63	3,584,064.55
Gross profit (loss) on sales	79,063,189.99	518,351.50	3,807,429.31	824,886.97	1,847,466.23	-1,612,053.06	84,449,270.94
Selling expenses	19,258,457.38	0.00	0.00	124,265.11	0.00	0.00	19,382,722.49
Overhead expenses	17,255,889.71	395,593.15	776,133.99	4,329,460.84	2,026,193.01	404,253.79	25,187,524.50
Revaluation of investment properties	19,926,969.03	0.00	0.00	0.00	0.00	0.00	19,926,969.03
Profit (loss) on sales	62,475,811.93	122,758.35	3,031,295.32	-3,628,838.98	-178,726.78	-2,016,306.85	59,805,992.98
Other operating income	7,533,758.37	319,827.89	53,838.55	1,199,578.06	1,545,515.19	-1,181,860.95	9,470,657.11
Other operating expenses	10,738,640.12	2,861.77	59,169.61	661,664.22	2,171,601.37	-1,798,857.00	11,835,080.09
Operating profit (loss)	59,270,930.17	439,724.47	3,025,964.26	-3,090,925.14	-804,812.96	-1,399,310.80	57,441,570.00
Financial income	5,726,227.24	496,246.81	1,183,161.99	946,935.91	459,407.74	-983,066.06	7,828,913.63
Financial expenses	22,491,707.77	1,134,256.22	3,419,843.79	1,148,228.65	48,480.68	0.00	28,242,517.11
Profit (loss) on ordinary activities	42,505,449.64	-198,284.94	789,282.46	-3,292,217.88	-393,885.90	-2,382,376.86	37,027,966.52
Gross profit (loss)	42,505,449.64	-198,284.94	789,282.46	-3,292,217.88	-393,885.90	-2,382,376.86	37,027,966.52
Income tax	8,071,363.32	47,089.10	45,442.00	51,934.86	95,516.00	-1,291,394.36	7,019,950.92
Net profit (loss)	34,434,086.32	-245,374.04	743,840.46	-3,344,152.74	-489,401.90	-1,090,982.50	30,008,015.60

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

ASSETS	Note	30 -09 -2011	31 -12 -2010	31 -12 -2010*
NON-CURRENT ASSETS		492,930,738.76	445,004,609.62	459,791,862.46
Intangible assets	1	4,920,156.25	5,859,636.91	5,859,636.91
Goodwill of subsidiaries		0.00	0.00	0.00
Tangible assets	2	225,862,551.35	215,177,955.20	215,177,955.20
Investment real estate	3	157,838,304.40	120,289,423.31	115,735,797.61
Financial assets available for sale		0.00	0.00	0.00
Other financial assets	4	81,300,049.68	80,925,476.91	100,730,514.50
Deferred income tax assets		7,736,927.18	8,266,681.39	7,802,522.34
Trade and other receivables	5	15,272,749.90	14,485,435.90	14,485,435.90
Accruals		0.00	0.00	0.00
CURRENT ASSETS		725,496,288.09	814,519,800.07	791,078,042.37
Inventories	6	36,098,913.10	27,820,299.04	8,156,639.50
Construction contracts	7	498,680,000.76	583,505,955.52	580,943,684.19
Trade and other receivables	8	70,525,619.07	63,903,721.46	60,973,311.15
Financial assets available for sale				
Other financial assets	9	57,424,147.94	57,167,498.59	63,775,565.67
Cash and cash equivalents	10	37,517,927.39	61,691,057.18	60,694,071.17
Accruals	11	25,249,679.83	20,431,268.28	16,534,770.69
Total Assets		1,218,427,026.85	1,259,524,409.68	1,250,869,904.83
EQUITY AND LIABILITIES				
EQUITY		511,298,230.04	482,949,006.05	472,795,372.14
Share capital		10,814,656.00	10,814,656.00	10,814,656.00
Revaluation capital		7,471,818.19	7,471,818.19	7,471,818.19
Own shares		0.00	0.00	0.00
Other capital		485,636,997.77	404,563,238.21	375,107,851.54
Retained earnings		-20,974,465.91	-19,301,752.76	0.00
Net profit / loss		28,349,223.99	79,401,046.41	79,401,046.41
LIABILITIES		707,128,796.81	776,575,403.64	778,074,532.69
Non-current liabilities,		267,344,093.30	256,399,107.56	261,564,232.15
Borrowings	12	65,520,202.60	45,128,086.08	45,128,086.08
Deferred income tax liabilities		12,568,123.12	19,809,587.46	19,598,476.05
Retirement benefit obligations		373,000.00	373,000.00	373,000.00
Provision for other liabilities and charges		1,044,864.55	1,304,230.62	1,304,230.62
Other liabilities	13	187,837,903.03	189,784,203.40	195,160,439.40
Current liabilities		439,784,703.51	520,176,296.08	516,510,300.54
Trade and other payables	14	115,678,941.33	131,252,977.68	132,529,634.36
Construction contracts		77,318,085.21	144,307,050.86	141,187,127.70
Borrowings	12	82,280,727.10	95,123,744.32	95,123,744.32
Provision for other liabilities and charges		12,461,040.38	13,624,617.01	13,537,292.76
Other liabilities	15	152,045,909.49	135,867,906.21	134,132,501.40
Total Equity and Liabilities		1,218,427,026.85	1,259,524,409.68	1,250,869,904.83

*data provided prior to the merger with subsidiaries.

2. Profit and loss account

	Note	for the period 01 -01 -2011 to 30-09-2011	for the period 01 -01 -2010 to 30-09-2010
Net revenues from sales of products, goods and materials, of which:	16	260,074,104.07	421,842,714.53
Net revenues from sales of products		257,215,955.83	416,559,895.35
Net revenues from sales of goods and materials		2,858,148.24	5,282,819.18
Costs of products, goods and materials sold, of which:	17	193,644,651.54	308,828,980.17
Manufacturing cost of products sold		190,756,404.76	303,980,136.39
Value of goods and materials sold		2,888,246.78	4,848,843.78
Gross profit (loss) on sales		66,429,452.53	113,013,734.36
Selling expenses		19,227,830.62	18,785,210.55
Overhead expenses		17,638,217.02	10,708,142.78
Revaluation of investment properties		19,926,969.03	0.00
Profit (loss) on sales		49,490,373.92	83,520,381.03
Other operating income	18	7,198,079.32	8,785,328.62
Other operating expenses	19	4,271,459.11	3,159,083.46
Operating profit (loss)		52,416,994.13	89,146,626.19
Financial income	20	9,230,298.31	4,831,560.12
Financial expenses	21	26,543,603.27	21,761,102.36
Profit (loss) on ordinary activities		35,103,689.17	72,217,083.95
Gross profit (loss)		35,103,689.17	72,217,083.95
Income tax		6,754,464.18	13,347,933.56
Net profit (loss)		28,349,224.99	58,869,150.39

Other comprehensive income:	0.00	0.00
Exchange differences on foreign operations conversion	0.00	0.00
Profit/loss from acquisitions	0.00	0.00
Profit from revaluation of tangible fixed assets	0.00	0.00
Other comprehensive income:	0.00	0.00
Total revenue	28,349,224.99	58,869,150.39

CALCULATION OF BASIC AND DILUTED EARNINGS PER SHARE	for the period 01 -01 -2011 to 30-09-2011	for the period 01 -01 -2010 to 30-09-2010
Profits		
(A) Profit disclosed in the consolidated financial statements	28,349,224.99	58,869,150.39
Number of shares		
(B) Number of ordinary shares and preferred shares (as to the right to vote in the General Meeting of the Company) for the purpose of calculating earnings per share *	54,073,280.00	54,486,882.94
(C) Number of ordinary shares and preferred shares (as to the right to vote in the General Meeting of the Company) for the purpose of calculating diluted earnings per share	54,073,280.00	54,486,882.94
Basic earnings per share = (A)/(B)	0.52	1.08
Diluted earnings per share = (A)/(B)	0.52	1.08

3. Statement of changes in equity

	Share Capital	Own shares (negative figure)	Revaluation capital	Supplementary capital	Other capital	Retained earnings	Net earnings	Equity
As at 31 December 2010	10,814,656.00	0.00	7,471,818.19	398,831,651.02	5,731,587.19	-19,301,752.76	79,401,046.41	482,949,006.05
Basic error corrections	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
IFRS adjustments	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
As at 01 January 2011	10,814,656.00	0.00	7,471,818.19	398,831,651.02	5,731,587.19	-19,301,752.76	79,401,046.41	482,949,006.05
Issue of shares	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Share redemption	0.00	0.00		0.00				0.00
Purchase of own shares	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Dividends paid	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Gains / (losses) on revaluation of fixed assets and investment properties	0.00	0.00		0.00	0.00	0.00	0.00	0.00
Gains/(losses) on revaluation of available-for-sale assets	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Gains / (losses) on cash flow hedges	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Exchange gains / (losses) on translation of financial statements of foreign operations	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Income tax referring to items attributed to equity	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Gains / (losses) on business acquisitions(unitary jwch)	0.00	0.00		1,672,713.15		-1,672,713.15	0.00	0.00
Profit/loss from the inclusion/exclusion of companies to consolidate	0.00	0.00	0.00	0.00	0.00			0.00
Changes in accounting policies/presentation	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Adjustments	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Transformation to IFRS	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total profit / (loss) recognised directly in equity	0.00	0.00	0.00	1,672,713.15	0.00	-1,672,713.15	0.00	0.00
Net profit (loss) for the accounting year	0.00	0.00	0.00	0.00	0.00	0.00	28,349,223.99	28,349,223.99
Total profit / (loss) recognised in equity and net earnings	0.00	0.00	0.00	1,672,713.15	0.00	-1,672,713.15	28,349,223.99	28,349,223.99
Increase / decrease from profit distribution	0.00	0.00	0.00	79,401,046.41	0.00	0.00	-79,401,046.41	0.00
As at 30 September 2011	10,814,656.00	0.00	7,471,818.19	479,905,410.58	5,731,587.19	-20,974,465.91	28,349,223.99	511,298,230.04

	Share Capital	Own shares (negative figure)	Revaluation capital	Supplementary capital	Other capital	Retained earnings	Net earnings	Equity
As at 31 December 2009	10,939,656.00	-4,429,867.11	7,471,818.19	580,770,474.92	5,731,587.19	-284,231,365.01	77,142,021.56	393,394,325.73
Basic error corrections	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
IFRS adjustments	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
As at 01 January 2010	10,939,656.00	-4,429,867.11	7,471,818.19	580,770,474.92	5,731,587.19	-284,231,365.01	77,142,021.56	393,394,325.73
Issue of shares	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Share redemption	-125,000.00	4,429,867.11		-4,304,867.11				
Purchase of own shares	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Dividends paid	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Gains / (losses) on revaluation of fixed assets and investment properties	0.00	0.00		0.00	0.00	0.00	0.00	0.00
Gains/(losses) on revaluation of available-for-sale assets	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Gains / (losses) on cash flow hedges	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Exchange gains / (losses) on translation of financial statements of foreign operations	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Income tax referring to items attributed to equity	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Gains / (losses) on business acquisitions(unitary jwch)	0.00	0.00		29,455,386.67		169,145.68	0.00	29,624,532.35
Profit/loss from the inclusion/exclusion of companies to consolidate	0.00	0.00	0.00	0.00	0.00	-19,470,898.44	0.00	-19,470,898.44
Changes in accounting policies/presentation	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Adjustments	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Transformation to IFRS	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total profit / (loss) recognised directly in equity	-125,000.00	4,429,867.11	0.00	25,150,519.56	0.00	-19,301,752.76	0.00	10,153,633.91
Net profit (loss) for the accounting year	0.00	0.00	0.00	0.00	0.00	0.00	79,401,046.41	79,401,046.41
Total profit / (loss) recognised in equity and net earnings	-125,000.00	4,429,867.11	0.00	25,150,519.56	0.00	-19,301,752.76	79,401,046.41	89,554,680.32
Increase / decrease from profit distribution	0.00	0.00	0.00	-207,089,343.45	0.00	284,231,365.01	-77,142,021.56	0.00
As at 31 December 2010	10,814,656.00	0.00	7,471,818.19	398,831,651.02	5,731,587.19	-19,301,752.76	79,401,046.41	482,949,006.05

4. Cash flow statements

	1 January 2011 - 30 September 2011	1 January 2011 - 30 September 2010
Operating cash flow - two-step method		
Net profit (loss)	28,349,223.99	58,869,150.39
Total adjustments, of which:	-12,184,410.56	-25,805,261.78
Depreciation and amortisation	5,339,034.39	5,241,753.51
(Profits) losses on exchange differences related to investment and financial activities	-5,183,632.54	682,727.15
(Profits) loss from investment activities	-231,793.44	147,572.40
Interest and dividends	21,304,508.95	17,099,756.63
Changes in provisions and accruals	-12,953,064.38	-6,022,260.63
Change in investment properties	-19,926,969.03	-42,992,095.88
Other adjustments:	-532,494.51	37,285.04
- other adjustments	-532,494.51	37,285.04
Changes in working capital	-5,700,910.93	58,425,014.76
Change in inventories	-2,598,938.08	350,645.17
Change in construction contracts	22,647,687.71	96,444,892.26
Changes in receivables	-7,409,211.61	-5,267,661.17
Changes in current liabilities, except for borrowings	-18,340,448.95	-33,102,861.50
Operating cash flow	10,463,902.50	91,488,903.36
Investment activity cash flows		
Disposal of tangible and intangible assets and other non-current assets	4,056,747.75	314,700.85
Purchase of tangible and intangible assets and other non-current assets	-41,313,455.86	-22,379,168.54
Expenses associated with the asset to be sold	0.00	0.00
Purchase of equity instruments and debt instruments	0.00	0.00
Disposal of equity instruments and debt instruments	704,133.41	0.00
Loans granted	-693,029.50	-666,140.00
Loans repaid	5,905,689.89	0.00
Other purchase of financial assets	0.00	0.00
Other disposal of financial assets	0.00	0.00
Dividends received	0.00	0.00
Interest received	0.00	0.00
Disposal of subsidiaries	0.00	0.00
Acquisition of subsidiaries	-13,000.00	-1,486,000.00
Net investment cash flow	-31,352,914.31	-24,216,607.69
Financing cash flow		
Net proceeds from issue of shares, other equity instruments and additional capital contributions	0.00	0.00
Purchase of own shares or repayment of shares	0.00	0.00
Borrowings	261,031,908.86	201,887,884.87
Borrowings repaid	-253,460,172.42	-308,068,728.12
Debt securities issued	0.00	130,000,000.00
Debt securities redeemed	0.00	0.00
Payments under financial lease agreements	-3,315,421.81	-8,409,484.97
Dividends and other shared profits	0.00	0.00
Interest paid	-17,646,471.35	-17,561,044.26
Other financial proceeds (including notes)	12,140,000.00	29,336,400.00
Other financial expenditures (including notes)	-2,033,961.26	-17,900,020.58
Net financing cash flow	-3,284,117.98	9,285,006.94
NET DECREASE/(INCREASE) IN CASH	-24,173,129.79	76,557,302.61
Cash and cash equivalents at the beginning of the year	61,691,057.18	17,584,685.48
- foreign exchange gains/(losses) on cash		
CLOSING BALANCE OF CASH AND CASH EQUIVALENTS	37,517,927.39	94,141,988.09

F. NOTES TO THE FINANCIAL STATEMENTS OF THE ISSUER
1. NON-CURRENT ASSETS

Note 1. Intangible assets

Intangible assets	30 -09 -2011	31 -12 -2010	31 -12 -2010
a) research and development	0.00	0.00	0.00
b) goodwill	0.00	0.00	0.00
c) other intangible assets	4,920,156.25	5,859,636.91	5,859,636.91
d) advances on intangible assets	0.00	0.00	0.00
Total intangible assets	4,920,156.25	5,859,636.91	5,859,636.91

Note 2. Tangible assets

Tangible assets	30 -09 -2011	31 -12 -2010	31 -12 -2010
a) property, plant and equipment, of which:	121,332,180.02	119,258,547.90	119,258,547.90
- land (including right of perpetual usufruct)	19,101,856.32	21,236,333.02	21,236,333.02
- buildings and structures	96,964,064.30	91,820,994.03	91,820,994.03
- plant and machinery	2,499,710.46	2,819,138.81	2,819,138.81
- motor vehicles	2,610,388.80	3,197,837.58	3,197,837.58
- other property, plant and equipment	156,160.14	184,244.46	184,244.46
b) constructions in progress	104,530,371.33	95,919,407.30	95,919,407.30
c) advances on constructions in progress	0.00	0.00	0.00
Total tangible assets	225,862,551.35	215,177,955.20	215,177,955.20

Note 3. Investment real estate

Other long-term investments	30 -09 -2011	31 -12 -2010	31 -12 -2010
a) investment real estate	157,838,304.40	120,289,423.31	115,735,797.61
b) other	0.00	0.00	0.00
Total other long-term investments	157,838,304.40	120,289,423.31	115,735,797.61

Note 4. Other financial assets

LONG-TERM FINANCIAL ASSETS	30 -09 -2011	31 -12 -2010	31 -12 -2010
a) shares	80,938,476.91	80,925,476.91	100,730,514.50
b) loans granted	361,572.77	0.00	0.00
c) other long-term investments	0.00	0.00	0.00
Total long-term financial assets	81,300,049.68	80,925,476.91	100,730,514.50

LONG-TERM FINANCIAL ASSETS	30 -09 -2011	31 -12 -2010	31 -12 -2010
a) in subsidiaries	81,085,855.06	80,711,282.29	100,516,319.88
- shares	80,724,282.29	80,711,282.29	100,516,319.88
- other securities	0.00	0.00	0.00
- loans granted	361,572.77	0.00	0.00
- other long-term financial assets	0.00	0.00	0.00
b) in other parties	214,194.62	214,194.62	214,194.62
- shares	214,194.62	214,194.62	214,194.62
- other securities	0.00	0.00	0.00
- loans granted	0.00	0.00	0.00
- other long-term financial assets	0.00	0.00	0.00
c) other long-term investments	0.00	0.00	0.00
Total long-term financial assets	81,300,049.68	80,925,476.91	100,730,514.50

Note 5. Non-current receivables

NON-CURRENT RECEIVABLES	30 -09 -2011	31 -12 -2010	31 -12 -2010
a) guarantee receivables	0.00	0.00	0.00
b) deposit receivables(leasing)	15,272,749.90	14,485,435.90	14,485,435.90

b) other receivables	0.00	0.00	0.00
Total receivables	15,272,749.90	14,485,435.90	14,485,435.90

2. CURRENT ASSETS

Note 6. Inventories

INVENTORIES	30 -09 -2011	31 -12 -2010	31 -12 -2010
a) materials	677,371.03	743,291.77	743,291.77
b) semi-finished products and work in progress	12,423.14	0.00	0.00
c) finished products	0.00	0.00	0.00
d) goods	35,122,721.98	26,879,827.69	7,242,336.37
e) trade advances	286,396.95	197,179.58	171,011.36
Total inventories	36,098,913.10	27,820,299.04	8,156,639.50

Note 7. Construction contracts

CONSTRUCTION CONTRACTS	30 -09 -2011	31 -12 -2010	31 -12 -2010
a) semi-finished products and work in progress	327,736,668.67	245,855,355.84	245,855,355.84
b) finished products	155,310,937.57	327,581,669.22	325,019,397.89
c) advances for supplies	15,212,642.41	9,439,998.57	9,439,998.57
d) short-term prepayments	419,752.11	628,931.89	628,931.89
Total construction contracts	498,680,000.76	583,505,955.52	580,943,684.19

CONSTRUCTION CONTRACTS	30 -09 -2011	31 -12 -2010	31 -12 -2010
a) accruals	77,318,085.21	144,307,050.86	141,187,127.70
Total construction contracts	77,318,085.21	144,307,050.86	141,187,127.70

Accruals	30 -09 -2011	31 -12 -2010	31 -12 -2010
-advances on the premises	74,206,523.69	141,110,777.73	137,990,854.57
-provisions for works	2,189,042.73	2,232,770.73	2,232,770.73
-other	922,518.79	963,502.40	963,502.40
The total value of accruals	77,318,085.21	144,307,050.86	141,187,127.70

Note 8. Trade and other receivables

CURRENT RECEIVABLES	30 -09 -2011	31 -12 -2010	31 -12 -2010
a) trade receivables - related parties	24,632,069.47	22,428,673.45	22,488,677.17
b) trade receivables - other parties	32,100,204.49	29,645,670.23	28,691,050.13
c) taxes, subsidies, customs duties, social and health insurance and other payments	7,460,691.51	7,068,785.68	5,035,110.75
d) other	6,332,653.60	4,760,592.10	4,758,473.10
Total receivables	70,525,619.07	63,903,721.46	60,973,311.15

Note 9. Other financial assets

SHORT-TERM INVESTMENTS	30 -09 -2011	31 -12 -2010	31 -12 -2010
a) shares	0.00	0.00	0.00
b) loans granted	55,483,193.38	63,659,823.94	63,659,823.94
c) other securities	1,940,954.56	115,741.73	115,741.73
d) other short-term investments	0.00	0.00	0.00
Total long-term financial assets	57,424,147.94	63,775,565.67	63,775,565.67

SHORT-TERM INVESTMENTS	30 -09 -2011	31 -12 -2010	31 -12 -2010
a) in subsidiaries	56,504,661.69	57,051,756.86	63,659,823.94
- shares	0.00	0.00	0.00
- other securities	1,818,630.00	2,429,567.66	0.00
- loans granted	54,686,031.69	54,622,189.20	63,659,823.94

- other short-term financial assets	0.00	0.00	0.00
b) in other parties	919,486.25	115,741.73	115,741.73
- shares	0.00	0.00	0.00
- other securities	122,324.56	115,741.73	115,741.73
- loans granted	797,161.69	0.00	0.00
- other short-term financial assets	0.00	0.00	0.00
Total value of short-term investments	57,424,147.94	57,167,498.59	63,775,565.67

Note 10. Cash and cash equivalents

CASH AND CASH EQUIVALENTS	30 -09 -2011	31 -12 -2010	31 -12 -2010
a) cash on hand and with bank	6,969,260.03	16,319,442.29	15,322,456.28
b) other cash	30,514,900.24	45,315,718.44	45,315,718.44
c) other cash equivalents	33,767.12	55,896.45	55,896.45
Total cash	37,517,927.39	61,691,057.18	60,694,071.17

Note 11. Accruals

ACCRUALS	30 -09 -2011	31 -12 -2010	31 -12 -2010
- short-term prepayments	25,249,679.83	20,431,268.28	16,380,221.15
The total value of accruals	25,249,679.83	20,431,268.28	16,380,221.15

3. LIABILITIES

Note 12. Borrowings

BORROWINGS	30 -09 -2011	31 -12 -2010	31 -12 -2010
a) credits	147,800,929.70	140,213,209.27	140,213,209.27
<i>of which: long-term</i>	<i>65,520,202.60</i>	<i>45,128,086.08</i>	<i>45,128,086.08</i>
<i>Short-term</i>	<i>82,280,727.10</i>	<i>95,085,123.19</i>	<i>95,085,123.19</i>
b) loans	0.00	38,621.13	38,621.13
<i>of which: long-term</i>	<i>0.00</i>	<i>0.00</i>	<i>0.00</i>
<i>Short-term</i>	<i>0.00</i>	<i>38,621.13</i>	<i>38,621.13</i>
Total borrowings	147,800,929.70	140,251,830.40	140,251,830.40
Borrowings - long-term	65,520,202.60	45,128,086.08	45,128,086.08
Borrowings - short-term	82,280,727.10	95,123,744.32	95,123,744.32

LOANS PER MATURITY	30 -09 -2011	31 -12 -2010	31 -12 -2010
Up to 1 year	82,280,727.10	95,085,123.19	95,085,123.19
Over 1 year up to 2 years	25,888,666.99	25,496,829.57	25,496,829.57
Over 2 year up to 5 years	31,081,200.00	19,631,256.51	19,631,256.51
Over 5 years	8,550,335.61		
Total loans, including:	147,800,929.70	140,213,209.27	140,213,209.27
- long-term	65,520,202.60	45,128,086.08	45,128,086.08
- short-term	82,280,727.10	95,085,123.19	95,085,123.19

Note 13. Other non-current liabilities

OTHER NON-CURRENT LIABILITIES	30 -09 -2011	31 -12 -2010	31 -12 -2010
a) lease obligations	42,402,374.63	45,573,433.11	45,573,433.11
b) deposit liabilities	4,237,502.18	9,113,295.63	9,113,295.63
c) liabilities from securities	130,000,000.00	130,000,000.00	130,000,000.00
d) other non-current liabilities	0.00	0.00	0.00
e) bill-of-exchange liabilities	11,198,026.22	5,097,474.66	10,473,710.66
Total other liabilities	187,837,903.03	189,784,203.40	195,160,439.40

Note 14. Trade and other payables

TRADE AND OTHER PAYABLES	30 -09 -2011	31 -12 -2010	31 -12 -2010
a) trade payables - other parties	15,025,421.88	12,468,067.35	12,112,679.45
b) trade payables - related parties	31,419,934.08	51,354,574.16	52,935,082.70
c) taxes, customs duties, insurance and other payments	18,903,141.49	15,823,508.49	11,587,781.11
d) salaries	1,211,150.38	1,384,836.05	1,384,487.43
e) trade advances received	0.00	0.00	0.00
f) loans granted- related parties	22,233,792.78	21,341,586.12	21,341,586.12
f) liabilities on bill of exchange - related parties	16,586,843.20	19,546,160.71	24,242,023.21
b) other	10,298,657.52	9,334,244.80	8,925,994.34
Total trade and other payables	115,678,941.33	131,252,977.68	132,529,634.36

PROVISIONS FOR OTHER LIABILITIES AND CHANGES	30 -09 -2011	31 -12 -2010	31 -12 -2010
a) short-term, of which:	12,461,040.38	13,624,617.01	13,537,292.76
- accrued expenses, including:	8,639,604.38	9,898,181.01	9,810,856.76
- <i>interests charged</i>	2,634,059.16	3,883,074.64	3,883,074.64
- <i>rent deposits</i>	477,649.38	497,159.98	497,159.98
- <i>other</i>	5,527,895.84	5,517,946.39	5,430,622.14
- other provisions, including:	3,821,436.00	3,726,436.00	3,726,436.00
- <i>provisions for future liabilities</i>	0.00	0.00	0.00
- <i>provisions for guarantee repairs</i>	3,000,000.00	3,000,000.00	3,000,000.00
- <i>other provisions</i>	821,436.00	726,436.00	726,436.00
a) long-term, of which:	1,044,864.55	1,304,230.62	1,304,230.62
- accrued expenses, including:	1,044,864.55	1,304,230.62	1,304,230.62
- <i>deferred surplus of revenues from sales over the carrying value/sale and lease back</i>	1,044,864.55	1,304,230.62	1,304,230.62
Total provisions for other liabilities and charges	13,505,904.93	14,928,847.63	14,841,523.38

Note 15. Other liabilities

OTHER LIABILITIES	30 -09 -2011	31 -12 -2010	31 -12 -2010
a) issue of debt securities	3,030,963.00	2,639,039.00	2,639,039.00
b) lease liabilities - foreign	143,290,691.95	127,360,249.34	125,624,844.53
c) lease liabilities	5,724,254.54	5,868,617.87	5,868,617.87
d) other financial liabilities	0.00	0.00	0.00
Total other liabilities	152,045,909.49	135,867,906.21	134,132,501.40

4. Operating income and expenses

Note 16. Operating income

OPERATING INCOME	from 01-01-2011 to 30-09-2011	from 01-01-2010 to 30-09-2010
Revenues from sales of products	235,513,464.29	392,406,673.30
Revenues from sales of services	21,702,491.54	24,153,222.05
Revenues from sales of goods	2,858,148.24	5,282,819.18
Total income	260,074,104.07	421,842,714.53

	from 01-01-2011 to 30-09-2011	from 01-01-2010 to 30-09-2010
Revenues from sales, of which:	260,074,104.07	421,842,714.53
- sales of products - premises	235,513,464.29	392,406,673.30
- sales of services	21,702,491.54	24,153,222.05
- sales of goods	2,858,148.24	5,282,819.18

	from 01-01-2011 to 30-09-2011	from 01-01-2010 to 30-09-2010
Revenues from sales of products and services per business segment	257,215,955.83	416,559,895.35
developer activity	240,348,150.05	402,140,111.44
hotel activities	11,364,040.90	11,265,479.83
- property management	5,503,764.88	3,154,304.08

	from 01-01-2011 to 30-09-2011	from 01-01-2010 to 30-09-2010
Revenues from sales of products - premises per geographic segments	235,513,464.29	392,406,673.30
- Warsaw and vicinity	231,074,290.94	372,499,175.42
-Gdynia	4,648,103.33	11,899,112.65
- Łódź	-212,002.86	6,432,088.10
- Katowice	3,072.88	1,576,297.13

	from 01-01-2011 to 30-09-2011	from 01-01-2010 to 30-09-2010
Revenues from sales of hotel services per geographic segments	11,364,040.90	11,265,479.83
- Warsaw and vicinity	4,189,898.28	3,990,122.80
- Tarnowo	3,774,409.28	3,799,948.61
- Stryków	2,210,761.00	2,223,251.11
- Cieszyn	948,941.29	1,028,557.81
- Krynica Górská	240,031.05	223,599.50

Note 17. Operating expenses

Operating expenses	from 01-01-2011 to 30-09-2011	from 01-01-2010 to 30-09-2010
Costs on sale of products	173,648,694.34	286,105,476.30
Costs on sale of services	17,107,710.42	17,874,660.09
Costs on sale of goods	2,888,246.78	4,848,843.78
Total costs of products, services and goods sold	193,644,651.54	308,828,980.17

Selling and overhead expenses	from 01-01-2011 to 30-09-2011	from 01-01-2010 to 30-09-2010
Selling expenses	19,227,830.62	18,785,210.55
Overhead expenses	17,638,217.02	10,708,142.78
Total selling and overhead expenses	36,866,047.64	29,493,353.33

Costs according to types	from 01-01-2011 to 30-09-2011	from 01-01-2010 to 30-09-2010
Depreciation and amortisation	5,339,034.39	5,241,753.51
Cost of materials and energy	18,582,435.89	33,746,447.05
Services made by other contractions	92,410,739.33	105,905,607.97
Taxes and duties	8,300,854.24	4,593,940.20
Wages and Salaries	16,969,295.54	14,341,141.68
Services for the benefit of employees	3,030,205.24	2,448,347.39
Other costs	14,642,504.25	10,150,122.59
Total costs according to types	159,275,068.88	176,427,360.39

Note 18. Other operating income

OPERATING INCOME	from 01-01-2011 to 30-09-2011	from 01-01-2010 to 30-09-2010
a) profit from disposal of non-financial fixed assets	231,793.44	3,278.69
b) other operating income	6,966,285.88	8,782,049.93
Total operating income	7,198,079.32	8,785,328.62

Note 19. Other operating expenses

OPERATING EXPENSES	from 01-01-2011 to 30-09-2011	from 01-01-2010 to 30-09-2010
a) loss on disposal of non-financial fixed assets	0.00	147,572.40
b) revaluation of non-financial assets	0.00	0.00
c) other operating expenses	4,271,459.11	3,011,511.06
Total operating expenses	4,271,459.11	3,159,083.46

Note 20. Other financial income

FINANCIAL INCOME	from 01-01-2011 to 30-09-2011	from 01-01-2010 to 30-09-2010
a) dividends	0.00	0.00
b) interest	4,107,783.26	4,509,196.90
c) revaluation of investment	0.00	0.00
d) other	5,122,515.05	322,363.22
Total financial income	9,230,298.31	4,831,560.12

Note 21. Other financial expenses

FINANCIAL EXPENSES	from 01-01-2011 to 30-09-2011	from 01-01-2010 to 30-09-2010
a) interests	26,483,545.66	21,162,522.85
b) revaluation of investment	0.00	0.00
c) other	60,057.61	598,579.51
Total financial expenses	26,543,603.27	21,761,102.36

Signature of the preparer of the Financial Statements

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

Tomasz Panabażys Vice President	Signature
Wojciech Rajchert Member of the Management Board	Signature
Robert Wójcik Member of the Management Board	Signature
Bożena Malinowska Member of the Management Board	Signature

Ząbki, 09 November 2011 r.