

**Summary Consolidated
Financial Statements**

**for the period of six months
ended on 30 June 2009**

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



Ząbki, 28 August 2009

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A. INTRODUCTION TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. GENERAL INFORMATION ABOUT THE PARENT COMPANY

J.W. Construction Holding S.A. ("JWCH"), a joint-stock company domiciled in Ząbki at ul. Radzymińska 326, REGON id. no.: 010621332 was initially registered as Towarzystwo Budowlano-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 000028142.

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

As at 30 June 2009 the lifetime of the Parent Company was unlimited. The accounting year of the Company is a calendar year i.e. the period from 1 January to 31 December.

2. ACCEPTED PRINCIPLES (POLICY) OF ACCOUNTING

Basic information about the Group consisting of the parent company and its subsidiaries consolidated in these financial statements

The Group's structure and the share of the Parent Company in share capital of the Group subsidiaries covered by consolidation as at 30 June 2009 are presented in the following table:

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 o.o.	Poland	99.99%	99.99%	fully consolidated
Interlokum Sp. z o.o.	Poland	99.00%	99.00%	fully consolidated
Project 55 Sp. z o.o.	Poland	99.99%	99.99%	fully consolidated
Towarzystwo Budownictwa Społecznego "Marki" Sp. z o.o.	Poland	99.99%	99.99%	fully consolidated
Deweloper Sp. z o.o.	Poland	99.00%	99.00%	fully consolidated
J.W. Construction International Sp. z o.o.	Russia	100.00%	100.00%	fully consolidated
J.W. Construction S.A.	Poland	99.99%	99.99%	fully consolidated
JWCH Produkcja Budowlana Sp. z o.o.	Poland	99.99%	99.99%	fully consolidated
JWCH Budownictwo Drogowe Sp. z o.o.	Poland	99.95%	99.95%	fully consolidated
JW Projekt Sp. z o.o.	Poland	99.98%	99.98%	fully consolidated
Porta Transport Sp. z o.o.	Poland	100.00%	100.00%	fully consolidated
Construction Invest Sp. z o.o.	Poland	100.00%	100.00%	fully consolidated
Ośrodek Wypoczynkowy "Ogoniok" Sp. z o.o. (presently Yakor Mouse Sp. z o.o.)	Russia	70.00%	70.00%	fully consolidated

The core business of the Group companies is:

- Lokum Sp. z o.o. – development and sale of own real estate,
- Interlokum Sp. z o.o. – development and sale of own real estate,
- Project 55 Sp. z o.o. – development and sale of own real estate,
- Towarzystwo Budownictwa Społecznego "Marki" Sp. z o.o. – sale and administration of social building estates,
- J.W. Construction International Sp. z o.o. – general building works connected with erection of buildings, general building and civil engineering, building production,
- Ośrodek Wypoczynkowy "Ogoniok" Sp. z o.o. (presently Yakor Mouse Sp. z o.o.) – development and sale of own real estate,
- Deweloper Sp. z o.o. – building and assembly production,
- Construction Invest Sp. z o.o. – development and sale of own real estate,
- Porta Transport Sp. z o.o. – transport services,
- J.W. Construction S.A. – building production,

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- JW Projekt Sp. z o.o. – designing services,
- JWCH Produkcja Budowlana Sp. z o.o. – prefabricated unit production for the building industry,
- JWCH Budownictwo Drogowe Sp. z o.o. – road construction.

All Group companies operate in the territory of Poland, except for J.W. Construction International Sp. z o.o. and Yakor Mouse Sp. z o.o. concentrated 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 2008–2009 were prepared based on separate financial statements of the companies of the Capital Group of J.W. Construction Holding S.A. and compiled in such a manner as if the Group was one company. The consolidated financial statements cover the financial statements of the parent company – J.W. Construction Holding S.A. and financial statements of the subsidiaries of the parent company.

In the years 2008–2009 the parent company excluded the following subsidiaries from the obligatory consolidation:

In 2008

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

In 2009

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

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

Going concern assumption and comparability of financial statements

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

Declaration of unconditional compliance with IFRS

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

J.W. Construction Holding S.A. has assumed that besides accounting estimates, a professional judgement of the management was significant for the financial statements.

Significant estimations and assumptions

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

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- 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.

Since it was necessary to change the principles of accounting regarding the measurement of developer contracts, the Group transformed the financial results for previous years. The data for previous years were transformed in accordance with the new principles, however, some information was established based on estimates. The final transformation will be completed on 31 December 2009. The applied method of transformation will not have any impact on financial results for 2009 but only on comparative data presented in the income statement and on "Retained Earnings" disclosed in the balance sheet.

Amendments to IFRS

In connection with amendments to the International Financial Reporting Standards ("IFRS") the Group/Company introduced the following changes in the accepted principles of accounting, beginning from 1 January 2009:

IAS 1 "Presentation of Financial Statements"

The titles and scope of particular elements of the financial statements were changed i.e.:

- Balance sheet → Statement of financial position
- Income statement → Statement of comprehensive income (covering income statement and other income so far included as revenues and expenses under other capital)
- Statement of changes in equity¹ (covers only changes arising from transactions with shareholders as the owners)
- Cash flow statement → Statement of cash flow.

IAS 23 "Borrowing Costs"

The amendment to the Standard refers to accounting of borrowing costs which can be allocated directly to acquisition, construction or production of assets whose preparation for intended use or sale requires a significant period of time. The amendment eliminated the option to recognise those costs immediately as an expense in the income statement for the period in which they were incurred. In accordance with the new requirement of the Standard the said costs should be capitalised. The Management Board expects that the said amendment will have effect on the principles (policy) of accounting applied by the Group as presently the Company applies the model approach in accordance with IAS 23.

IFRIC 15 "Agreements for the Construction of Real Estate"

The Interpretation provides for general guidance on how to determine whether an agreement for the construction of real estate is within the scope of IAS 11 "Construction Contracts" or IAS 18 "Revenue". Moreover, IFRIC 15 indicates when revenue from the construction should be recognised.

The Interpretation (IFRIC 15) prepared by the International Financial Reporting Interpretations Committee (IFRIC), referring to the moment of recognition of revenues in sales of real estate, was published on 3 July 2008 and is effective for annual periods beginning on or after 1 January 2009. The Interpretation (IFRIC 15) changed the manner of recognition of revenues from sales of real estate. So far the Group recognised revenues from sales of real estate in accordance with IAS 11 "Construction Contracts", before the ownership right to real estate was transferred to the buyer. In accordance with the Interpretation from 1 January 2009 revenues from sales and selling expenses are recognised only when real estate (apartments, retail premises) are handed over to the buyer pursuant to the sales agreement executed in the form of a notarial deed, in accordance with IAS 18 "Revenues". The change will

¹ in Polish there is also a change in the title from "Zestawienie zmian w kapitale własnym" to "Sprawozdanie ze zmian w kapitale własnym" (translator's note);

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retrospectively result in later recognition of revenues and expenses of a given developer project, however, it will not reduce the profitability of such project.

Therefore, the Company changed the principles of accounting referring to measurement of developer contracts, starting from 1 January 2009. At the same time, it made an estimate transformation of data for previous years as if the said method had been applied for all time.

The impact of the changes in the principles of accounting on particular balance sheet and income statement items in the consolidated financial statements as at 31 December 2008:

INCOME STATEMENT	IAS 11	adjustment	IAS 18
period	1 January 2008 – 31 December 2008	1 January 2008 – 31 December 2008	
Net revenues from sales of products, goods and materials, of which:	721,353,213.60	14,884,410.76	736,237,624.36
Net revenues from sales of products	705,537,959.50	14,884,410.76	720,422,370.26
Net revenues from sales of goods and materials	15,815,254.10	0.00	15,815,254.10
Costs of products, goods and materials sold, of which:	509,799,801.21	35,846,123.84	545,645,925.04
Costs of products sold	491,189,641.96	35,846,123.84	527,035,765.79
Value of goods and materials sold	18,610,159.25	0.00	18,610,159.25
Gross profit (loss) on sales	211,553,412.39	-20,961,713.07	190,591,699.32
Selling expenses	27,436,607.91	-2,629,072.89	24,807,535.02
Overhead expenses	28,794,211.49	0.00	28,794,211.49
Profit (loss) on sales	155,322,592.99	-18,332,640.18	136,989,952.81
Other operating income	8,510,328.50	0.00	8,510,328.50
Other operating expenses	22,704,106.79	0.00	22,704,106.79
Operating profit (loss)	141,128,814.69	-18,332,640.18	122,796,174.51
Financial income	13,871,362.24	0.00	13,871,362.24
Financial expenses	29,695,004.51	0.00	29,695,004.51
Profit (loss) on ordinary activities	125,305,172.42	-18,332,640.18	106,972,532.24
Profit (loss) before tax	125,305,172.42	-18,332,640.18	106,972,532.24
Income tax	10,453,043.67	0.00	10,453,043.67
Deferred tax	13,970,159.92	-1,617,364.51	12,352,795.41
Net profit (loss)	100,881,968.83	-16,715,275.67	84,166,693.16

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Consolidated balance sheet	IAS 11						IAS 18
	31 December 2008	OB	Receivables not invoiced	Deferred tax, other	Cost of sale	2008 result	
ASSETS							
NON-CURRENT ASSETS	472,360,719.67	-	-	-	-	-	472,360,719.67
CURRENT ASSETS	1,229,095,110.96	769,773,430.34	-660,818,188.39	0.00	3,808,283.47	-35,846,123.84	1,306,012,512.55
Construction contracts	1,054,142,931.82	769,773,430.34	-660,818,188.39			-35,846,123.84	1,127,252,049.94
Prepaid expenses	13,160,484.76	0.00	0.00		3,808,283.47		16,968,768.23
Total assets	1,701,455,830.63	769,773,430.34	-660,818,188.39	0.00	3,808,283.47	-35,846,123.84	1,778,373,232.22
EQUITY AND LIABILITIES							
EQUITY	655,322,513.12	-387,732,839.39	0.00	75,286,603.98	3,808,283.47	-20,961,713.07	325,722,848.11
Retained earnings	-1,049,421.43	-387,732,839.39	0.00	73,669,239.48	1,179,210.58	0.00	-313,933,810.75
Net profit / loss	100,881,968.82		0.00	1,617,364.50	2,629,072.89	-20,961,713.07	84,166,693.14
LIABILITIES	1,046,133,317.51	1,157,506,269.73	-660,818,188.39	-75,286,603.99	0.00	-14,884,410.76	1,452,650,384.10
Non-current liabilities	358,310,909.83	0.00	0.00	-75,023,256.34	0.00	0.00	283,287,653.49
Deferred income tax liabilities	93,352,101.83		0.00	-75,023,256.34	0.00		18,328,845.49
Current liabilities	687,822,407.68	1,157,506,269.73	-660,818,188.39	-263,347.65	0.00	-14,884,410.76	1,169,362,730.61
Trade and other payables	140,414,874.10	0.00	0.00	0.00	0.00	0.00	140,414,874.10
Construction contracts	104,237,341.64	1,157,506,269.73	-660,818,188.39	-263,347.65	-14,884,410.76	-14,884,410.67	585,777,664.57
Total equity and liabilities	1,701,455,830.63	769,773,430.34	-660,818,188.39	-0.01	3,808,283.47	-35,846,123.84	1,778,373,232.21

Presented data may be subject to change, due to the use of estimates when determining them. Such change shall refer to the data presented in 2008 and previous years. The estimates refer to the number of premises; they do not refer to the revenues and expenses on separate premises.

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Policy of accounting

Intangible assets

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

- 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:

- Buildings and structures: depreciation rates from 2% to 4.5%
- Machines and equipment: 6% to 30%
- Means of transport: 12.5% to 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.

Low-value items of property, plant and equipment of the value below PLN 3,500.00 are expensed on the date of purchase. Items of property, plant and equipment to have become obsolete are subject to unscheduled depreciation charged to other operating expenses.

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

Impairment of tangible assets and intangible assets

Whenever there are indications that tangible assets and intangible assets may be impaired, 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 realisable value and the value in use. Impairment losses are reversed when the circumstances due to which they were made cease to exist. Impairment loss reversals are disclosed in the income statement except for the ones which earlier reduced the revaluation reserve. They then adjust the said reserve up to the value of earlier reductions.

Investment real estate

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

As at the balance sheet date investment real estate is measured at the acquisition price model i.e. at acquisition price or manufacturing cost less depreciation and impairment losses.

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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 in particular 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 realisable 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".

Costs of borrowings

Costs of borrowings comprise interest, exchange losses and other financial expenses incurred by the company due to borrowings. Group companies defer 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 recognised 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 Company.

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.

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Prepaid expenses

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

Provisions for liabilities

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

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

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

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

deferred income tax liabilities.

Long-term developer contracts

The core business of the Issuer's Group is performance of developer contracts. The characteristic feature of developer contracts is the construction of apartments that are generally financed by the principal over the whole project, by way of contractually agreed advances, and then – after the investment process has been completed – the ownership right is transferred to the apartment buyer. Such contracts are performed for over one year. Advances paid by buyers under concluded agreements are recorded as deferred income. Costs by nature incurred in a given period are disclosed as work in progress under inventories. As at 1 January 2009 the Group recognises revenues and expenses on developer contracts in accordance with the Interpretation of IFRIC 15 "Agreements for the Construction of Real Estate" published in July 2008. The interpretation refers to the moment of recognition, the recognition of revenues in reference to the sale of real estate and applies to financial statements drawn up for the periods after 1 January 2009.

Until 31 December 2008 the Group had recognised revenues on developer contracts in accordance with the method of revenues and expenses percentage-of-completion in accordance with IAS 11 "Construction Contracts". The stage of completion of particular projects is established for each accounting period based on the percentage execution of construction expenses and sales budget. Execution of construction expenses is established based on the value of performed work compared to budgeted expenses. Execution of revenues from sales is established by way of comparing revenues under concluded preliminary sales agreements to projected total revenues based on budgeted revenues from sales.

Beginning from 2009 the Group recognises revenues from developer contracts – sale of real estate (apartments and retail premises) when the control and significant risk under the ownership right are transferred to the buyer. The control and significant risk under the ownership right to an apartment or retail premises is transferred at the latest on the day of concluding a sales agreement in the form of a notarial deed.

In accordance with IFRIC 15 the Group recognises revenues from sale of real estate after the following conditions have been satisfied:

- the occupancy permit has been obtained;
- 100% of the value of an apartment, garage, etc. has been paid by the buyer;
- premises have been accepted under a delivery and acceptance act.

Long-term construction contracts

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

a) Zero-profit method

The zero-profit method is applied when it is not possible to measure the stage of completion of an unfinished construction service reliably. In accordance with the said method revenues from an unfinished construction service

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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 income statement.

Deferred income tax

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

Deferred income tax assets are recognised at the amount of expected future deduction from income tax due to temporary negative differences and a deductible tax loss, in accordance with the principle of prudence in accounting. The carrying value of deferred income tax assets is verified as at each balance sheet 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.

Summary consolidated financial statements
for the period of six months ended on 30 June 2009

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

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

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

Accrued expenses

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

Revenues

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

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

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

Other income, expenses, gains and losses

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

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

Extraordinary gains and losses present the financial results of events that occur unrepeatably beyond regular activities 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.

Summary consolidated financial statements
for the period of six months ended on 30 June 2009

B. CONSOLIDATED FINANCIAL STATEMENTS

Consolidated statement of financial standing

ASSETS	Note	31 December 2009	31 December 2008
NON-CURRENT ASSETS		427,587,567.04	472,360,719.67
Intangible assets	1	10,478,099.59	11,235,023.52
Goodwill of subsidiaries	2	12,390,453.72	12,390,453.72
Tangible assets	3	348,931,996.17	354,679,921.88
Investment real estate	4	12,388,273.49	12,352,400.98
Other financial assets	5	10,625,563.66	45,110,846.59
Deferred income tax assets	15	19,148,738.53	23,073,972.76
Trade and other receivables	6	13,624,441.88	13,518,100.22
CURRENT ASSETS		1,199,500,180.69	1,306,012,512.55
Inventories	7	48,865,251.44	42,865,904.64
Construction contracts	7	1,020,979,608.10	1,127,252,049.94
Trade and other receivables	8	57,686,808.64	79,508,469.09
Other financial assets	9	40,238,284.65	2,731,543.80
Cash and cash equivalents	10	9,830,988.37	36,685,776.84
Prepaid expenses	11	21,899,239.49	16,968,768.23
Total assets		1,627,087,747.73	1,778,373,232.21
EQUITY AND LIABILITIES			
EQUITY		373,126,618.69	325,722,848.11*
Share capital	12	10,939,656.00	10,939,656.00
Revaluation reserve		7,471,818.19	7,471,818.19
Own shares		-4,429,867.11	-2,476,626.31
Other capital	13	641,942,616.59	539,555,117.84
Retained earnings		-332,154,616.35	-313,933,810.75
Net profit / loss		49,357,011.38	84,166,693.15
LIABILITIES		1,253,961,129.03	1,452,650,384.10
Non-current liabilities		332,166,088.99	283,287,653.49
Borrowings	14	224,614,845.61	168,305,639.77
Deferred income tax liabilities	15	13,334,564.93	18,328,845.49
Retirement benefit obligations	16	373,000.00	436,924.50
Provision for other liabilities and charges	17	13,132,645.66	13,368,786.83
Other liabilities	18	80,711,032.78	82,847,456.89
Current liabilities		921,795,040.03	1,169,362,730.60
Trade and other payables	19	118,295,365.48	140,414,874.10
Construction contracts	7	420,189,180.45	585,777,664.57
Borrowings	14	227,451,183.21	269,178,721.05
Provision for other liabilities and charges	17	26,226,816.07	25,741,602.20
Other liabilities	19	129,632,494.82	148,249,868.69
Total equity and liabilities		1,627,087,747.72	1,778,373,232.21

* equity after adjustment due to change of principles of accounting regarding recognising revenues from developer activity

Summary consolidated financial statements
for the period of six months ended on 30 June 2009

Consolidated statement of comprehensive income

	Note	1 January 2009 – 30 June 2009	1 January 2008 – 30 June 2008
Net revenues from sales of products, goods and materials, of which:	24	331,152,634.10	336,392,164.53
Net revenues from sales of products		328,472,917.27	323,831,563.11
Net revenues from sales of goods and materials		2,679,716.83	12,560,601.42
Costs of products, goods and materials sold, of which:	25	241,922,991.84	256,670,987.33
Costs of products sold		241,335,568.50	243,630,904.77
Value of goods and materials sold		587,423.34	13,040,082.56
Gross profit (loss) on sales		89,229,642.26	79,721,177.20
Selling expenses		8,414,327.61	14,120,872.11
Overhead expenses		12,238,213.20	14,895,947.47
Revaluation of investment real estate		0.00	0.00
Profit (loss) on sales		68,577,101.45	50,704,357.62
Other operating income	26	4,064,120.33	4,619,939.34
Other operating expenses	27	3,577,714.63	5,169,032.67
Operating profit (loss)		69,063,507.15	50,155,264.29
Financial income	28	4,787,416.26	5,230,155.90
Financial expenses	29	16,038,030.34	14,410,825.59
Profit (loss) on ordinary activities		57,812,893.07	40,974,594.60
Profit (loss) before tax		57,812,893.07	40,974,594.60
Income tax	22	8,455,881.69	5,957,882.68
Net profit (loss)		49,357,011.38	35,016,711.92

		1 January 2009– 30 June 2009	1 January 2008 – 30 June 2008
Other comprehensive income:		0.01	4,571,007.94
Exchange gains (losses) on translation of foreign operations		10,891.59	-10,637.88
Gains (losses) on business acquisitions		1,720.41	205,710.74
Gains (losses) on revaluation of tangible assets		0.00	4,414,231.19
Other comprehensive income		-12,611.99	-38,296.11
Comprehensive income		49,357,011.39	39,587,719.86

Summary consolidated financial statements
for the period of six months ended on 30 June 2009

Consolidated cash flow statement

Operating cash flow – two-step method	1 January 2009 – 30 June 2009	1 January 2008 – 30 June 2008
Net profit (loss)	49,357,011.38	35,016,711.91
Total adjustments, of which:	9,630,281.91	42,640,888.09
Depreciation and amortisation	7,376,810.49	9,929,148.60
(Profit) loss due to foreign exchange related to investment and financial activity	-2,497,803.81	0.00
(Profit) loss on investment activity	570,987.09	0.00
(Profit) loss on investment activity – shares	374,999.00	0.00
Interest and dividends	9,219,570.78	10,015,643.01
Changes in provisions and accruals	-5,330,759.01	21,938,144.46
Other adjustments	-83,522.63	757,952.02
Changes in working capital	-49,476,879.55	-140,879,900.97
Changes in inventories	-5,999,346.79	-2,824,743.33
Changes in construction contracts	-47,833,200.32	-140,059,936.92
Changes in receivables	21,715,318.80	-10,437,117.66
Changes in current liabilities, except for borrowings	-17,359,651.24	12,441,896.94
Net operating cash flow	9,510,413.74	-63,222,300.97
Investment cash flow		
Disposal of tangible and intangible assets and other non-current assets	4,641,664.29	0.00
Purchase of tangible and intangible assets and other non-current assets	-908,268.94	-1,467,001.49
Expenses related to assets on sale	0.00	0.00
Purchase of equity instruments and debt instruments	0.00	-175,999,899.00
Disposal of equity instruments and debt instruments	0.00	236,000,000.00
Loans granted	0.00	-32,903,504.28
Loans repaid	0.00	0.00
Other purchase of financial assets	-100,000.00	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	3,633,395.35	25,629,595.23
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	-1,953,240.80	0.00
Borrowings	286,008,508.88	226,999,609.96
Borrowings repaid	-277,668,658.68	-231,528,491.23
Debt securities issued	0.00	229,000,000.00
Debt securities redeemed	-71,000,000.00	-188,700,000.00
Payments under financial lease agreements	-9,655,792.19	-9,062,927.47
Dividends and other shared profits	0.00	0.00
Interest paid	-18,929,415.78	-20,577,101.69
Other financial proceeds (including notes)	76,200,000.00	32,000,000.00
Other financial expenditures (including notes)	-23,000,000.00	0.00
Net financing cash flow	-39,998,598.57	38,131,089.57
NET DECREASE/(INCREASE) IN CASH	-26,854,789.48	538,383.83
Cash and cash equivalents at the beginning of the year	36,685,776.84	75,331,769.20
- foreign exchange gains/(losses) on cash	0.00	0.00
CLOSING BALANCE OF CASH AND CASH EQUIVALENTS	9,830,988.37	75,870,153.43

Summary consolidated financial statements
for the period of six months ended on 30 June 2009

Statement of changes in consolidated equity

	Share capital	Own shares (negative figure)	Revaluation reserve	Supplementary capital	Other capital reserves	Hedge valuation reserve and currency translation reserve	Retained earnings	Net earnings	Equity
As at 31 December 2008	10,939,656.00	-2,476,626.31	7,471,818.19	533,909,791.85	5,731,587.19	-86,261.20	-313,933,810.75	84,166,693.15	325,722,848.11
Basic error corrections	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
IFRS adjustments	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
As at 1 January 2009	10,939,656.00	-2,476,626.31	7,471,818.19	533,909,791.85	5,731,587.19	-86,261.20	-313,933,810.75	84,166,693.15	325,722,848.11
Additional capital contribution	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Purchase of own shares		-1,953,240.80							
Dividends paid	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Gains / (losses) on revaluation of 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	10,891.59	1,720.41	0.00	12,612.00
Gains / (losses) on business acquisitions	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	-12,611.99	0.00	-12,611.99
First-time consolidation	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	10,939,656.00	-4,429,867.11	7,471,818.19	533,909,791.85	5,731,587.19	-75,369.61	-313,944,702.33	84,166,693.15	323,769,607.32
Net profit (loss) for the accounting year	0.00	0.00	0.00		0.00	0.00	0.00	49,357,011.38	49,357,011.38
Total profit / (loss) recognised in equity and net earnings	10,939,656.00	-4,429,867.11	7,471,818.19	533,909,791.85	5,731,587.19	-75,369.61	-313,944,702.33	133,523,704.52	373,126,618.70
Increase / decrease from profit distribution	0.00	0.00	0.00	102,376,607.16	0.00	0.00	-18,209,914.02	-84,166,693.15	-0.01
As at 30 June 2009	10,939,656.00	-4,429,867.11	7,471,818.19	636,286,399.00	5,731,587.19	-75,369.61	-332,154,616.35	49,357,011.38	373,126,618.69

Summary consolidated financial statements
for the period of six months ended on 30 June 2009

	Share capital	Own shares (negative value)	Revaluation reserve	Supplementary capital	Other capital	Hedge valuation reserve and currency translation reserve	Retained earnings	Net earnings	Equity
As at 31 December 2007	10,939,656.00	0.00	0.00	377,696,720.04	5,576,255.17	-3,822.19	71,195,257.85	148,104,239.39	549,508,306.25
Basic error corrections	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
IFRS adjustments	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
As at 1 January 2008	10,939,656.00	0.00	0.00	377,696,720.04	5,576,255.17	-3,822.19	71,195,257.85	148,104,239.39	549,508,306.25
Share issue	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Purchase of own shares	0.00	-2,476,626.31	0.00	0.00	0.00	0.00	0.00	0.00	-2,476,626.31
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 property, plant and equipment, and investment real estate	0.00	0.00	7,471,818.19	0.00	0.00	0.00	0.00	0.00	7,471,818.19
Exchange gains / (losses) on translation of financial statements of foreign operations	0.00	0.00	0.00	0.00	0.00	-82,439.01	0.00	0.00	-82,439.01
Gains / (losses) on business acquisitions (separate jwch)	0.00	0.00	0.00	71,992.35	155,332.02	0.00	0.00	0.00	227,324.37
Gains / (losses) on first-time consolidation / exclusion from consolidation	0.00	0.00	0.00	0.00	0.00	0.00	200,061.50	0.00	200,061.50
Changes in the principles of accounting / presentation	0.00	0.00	0.00	0.00	0.00	0.00	-312,884,389.32	0.00	312,884,389.32
Consolidation adjustments	0.00	0.00	0.00	0.00	0.00	0.00	-0.01	0.00	-0.01
Total profit / (loss) recognised directly in equity	0.00	-2,476,626.31	7,471,818.19	71,992.35	155,332.02	-82,439.01	-312,684,327.83	0.00	-307,544,250.59
Net profit (loss) for the accounting year	0.00	0.00	0.00	0.00	0.00	0.00	0.00	84,166,693.15	84,166,693.15
Total profit / (loss) recognised in equity and net earnings	0.00	-2,476,626.31	7,471,818.19	71,992.35	155,332.02	-82,439.01	-312,684,327.83	84,166,693.15	-223,377,557.45
Increase / decrease from profit distribution	0.00	0.00	0.00	156,141,079.46	0.00	0.00	-8,444,740.77	-148,104,239.39	-407,900.69
As at 31 December 2008	10,939,656.00	-2,476,626.31	7,471,818.19	533,909,791.85	5,731,587.19	-86,261.20	-313,933,810.75	84,166,693.15	325,722,848.11

C. ADDITIONAL INFORMATION

SIGNIFICANT PREVIOUS-YEAR EVENTS DISCLOSED IN THESE FINANCIAL STATEMENTS

These financial statements of the Group do not disclose any significant events of previous years other than mentioned above (relating to the change of the principles of accounting regarding recognising revenues).

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

The financial statements of the Group for 2009 disclose all events that occurred until the day of these statements i.e. 28 August 2009 and had effect on the financial statements for the period of six months ended on 30 June 2009.

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

In 2009 the Group made changes in the principles of accounting, which were described in part "Amendments to IFRS".

FUNCTIONAL AND PRESENTATION CURRENCY

Items presented in the financial statements of particular companies of the Group are measured with the currency of the basic economic environment where the company has a fixed establishment (functional currency).

The functional and presentation currency of the parent company is Polish zloty (PLN).

The reporting currency of the financial statements of the Group is Polish zloty (PLN).

The functional currency of some companies of the Group is other currency than Polish zloty. Financial statements of those companies, prepared in their functional currencies, are included in these consolidated financial statements upon translation into PLN in accordance with IAS 21.

NOTES TO THE BALANCE SHEET

Note 1. Intangible assets

The integrated SAP system is the key item of other intangible assets.

INTANGIBLE ASSETS	30 June 2009	31 December 2008
a) research and development	0.00	0.00
b) goodwill on consolidation	3,047,895.06	3,047,895.06
c) other intangible assets	7,430,204.53	8,187,128.46
d) advances on intangible assets	0.00	0.00
Total intangible assets	10,478,099.59	11,235,023.52

Intangible assets are initially disclosed at acquisition price or manufacturing cost.

Upon initial recognition intangible assets are measured at acquisition price or manufacturing cost less amortisation and impairment losses. Intangible assets are amortised with the straight-line method for the period of their expected useful life. The period and method of amortisation are verified at the end of each accounting year.

As at 30 June 2009 and 31 December 2008 there were no circumstances requiring the Group to make impairment allowance on intangible assets.

In the years 2008–2009 the Group did not conduct any research and development and did not incur any costs on the same.

The companies did not hold any advances on intangible assets.

BALANCE SHEET INTANGIBLE ASSETS (OWNERSHIP STRUCTURE)	30 June 2009	31 December 2008
a) own	5,263,757.80	5,592,928.21
b) leasehold	5,214,341.79	5,642,095.31
TOTAL BALANCE SHEET INTANGIBLE ASSETS	10,478,099.59	11,235,023.52

In connection with development of the Group, in 2003 the Management Board resolved to change the software and implement the same in the Group. In 2003 the parent company launched implementation of the SAP integrated system. The implementation was performed in phases and accounted for in subsequent years. After the system had been implemented in the parent company, the project covered other Group companies conducting business activity similar to the one of the parent company. That project required expenditures for computer hardware, licences, software and implementation. The Group raised some funds for financing that projects from ECS International Polska Sp. z o.o. under Lease Agreement No. 27/2003 executed on 20 October 2003. As at 30 June 2009 the aggregate value of leased assets amounted to PLN 11,307,238.24.

Additional information and notes

Note 2. Goodwill of subsidiaries

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.

GOODWILL OF SUBSIDIARIES	30 June 2009	31 December 2008
a) goodwill – subsidiaries	12,390,453.72	12,390,453.72
b) goodwill – fellow subsidiaries	0.00	0.00
c) goodwill – associates	0.00	0.00
Total intangible assets	12,390,453.72	12,390,453.72

Note 3. Tangible assets

TANGIBLE ASSETS	30 June 2009	31 December 2008
a) property, plant and equipment, of which:	282,110,846.90	291,544,192.19
- land (including right of perpetual usufruct)	45,471,223.65	45,639,953.09
- buildings and structures	209,130,773.18	215,004,322.00
- plant and machinery	16,503,411.32	17,981,617.30
- motor vehicles	8,895,132.06	10,050,216.87
- other property, plant and equipment	2,110,306.68	2,868,082.93
b) constructions in progress	66,821,149.27	63,135,729.69
c) advances on constructions in progress	0.00	0.00
Total tangible assets	348,931,996.17	354,679,921.88

Tangible assets are initially disclosed at acquisition price or manufacturing cost. Upon initial recognition tangible assets are measured as at the balance sheet date at acquisition price or manufacturing cost less depreciation and accumulated impairment losses. Tangible assets are depreciated with the straight-line method for the period of their expected useful life.

Constructions in progress are measured at total costs directly connected with their acquisition or manufacturing, less impairment losses. Constructions in progress are not depreciated until their construction is completed and they are handed over for use.

BALANCE SHEET TANGIBLE ASSETS (OWNERSHIP STRUCTURE)	30 June 2009	31 December 2008
a) own	263,629,368.18	268,367,310.57
b) leased	85,302,627.99	86,312,611.31
TOTAL TANGIBLE ASSETS	348,931,996.17	354,679,921.88

In connection with development of the Group, in 2003 the Management Board resolved to change software and implement the same in the Group. In 2003 the parent company launched implementation of the SAP integrated system. The implementation was performed in stages and accounted for in subsequent years. Upon implementation of the system in the parent company, the project covered other Group companies whose business was similar to that of the parent company. Due to that project the Group had to make expenditures for computer hardware, licences, software and implementation of the system. It obtained some funds for financing that project from ECS International Polska Sp. z o.o. under Lease Agreement No. 27/2003 executed on 20 October 2003. As at 30 June 2009 the total value of leased assets amounted to PLN 11,307,238.24.

On 29 December 2004 the parent company executed the Real Estate Lease Agreement (No. O/WA/2004/615/N) with Bankowy Fundusz Leasingowy, for an office building at ul. Radzymińska 326 in Żąbki. Net value of the leased asset was PLN 20,000,000.00 (of which: land – PLN 1,328,613.00 and infrastructure – PLN 18,671,387.00).

The Group also uses services of lease companies when purchasing building equipment, trucks and passenger cars necessary for ordinary operations. In the years 2008–2009 the Group used services of BEL Leasing Sp. z o.o., Europejski Fundusz Leasingowy, Bankowy Fundusz Leasingowy and ECS International Polska Sp. z o.o. and other companies.

Sale and lease back

On 30 November 2004 the Parent Company executed a financial sale and lease back agreement for developed real estate located in Tarnów Podgórny. The total net value of the leased asset was PLN 25,941,833.10 while revenues from sale were established at PLN 30,545,000. The said real estate is a plot of land developed with a hotel building and a restaurant, as well as internal and external technical infrastructure. In accordance with IAS 17 "Lease" the Company defers revenues from sale of the leased asset exceeding the carrying value of the same for the term of the lease.

Additional information and notes

On 31 August 2001 "Hotele 500" Sp. z o.o. executed a financial sale and lease back agreement for real estate located in Zegrze Południowe. When entering into the transaction the fair value of the leased asset (PLN 19,860,048.69) was higher than revenues from its sale (PLN 18,444,200.52) due to which the Company – in accordance with IAS 17 "Lease" – immediately recognised a loss on sale in earnings for the given accounting year.

Note 4. Investment real estate

Other long-term investments	30 June 2009	31 December 2008
a) investment real estate	12,388,273.49	12,352,400.98
b) other	0.00	0.00
Total other long-term investments	12,388,273.49	12,352,400.98

Note 5. Other financial assets

LONG-TERM FINANCIAL ASSETS	30 June 2009	31 December 2008
a) shares	4,600,851.98	4,975,851.98
b) loans granted	6,024,711.68	40,134,994.61
c) other long-term investments	0.00	40,134,994.61
Total long-term financial assets	10,625,563.66	45,110,846.59

LONG-TERM FINANCIAL ASSETS	30 June 2009	31 December 2008
a) in subsidiaries	10,386,383.66	45,080,216.59
- shares	4,361,383.66	4,945,221.98
- debt securities	0.00	0.00
- other securities	0.00	0.00
- loans granted	6,024,711.68	40,134,994.61
- other long-term financial assets	0.00	0.00
b) in other parties	239,180.00	30,630.00
- shares	239,180.00	30,630.00
- debt securities	0.00	0.00
- other securities	0.00	0.00
- loans granted	0.00	0.00
- other long-term financial assets	0.00	0.00
c) other long-term investments	0.00	0.00
Total long-term financial assets	10,625,563.66	45,110,846.59

CHANGES IN LONG-TERM FINANCIAL ASSETS	30 June 2009	31 December 2008
a) opening balance	45,110,846.59	14,785,851.98
- shares	4,975,851.98	14,785,851.98
- loans granted	40,134,994.61	0.00
- other	0.00	0.00
b) increase	0.00	40,134,994.61
- shares	0.00	0.00
- loans granted	0.00	40,134,994.61
- other	0.00	0.00
c) decrease	34,485,282.93	9,810,000.00
- shares (including first-time consolidation)	375,000.00	9,810,000.00
- loans granted	34,110,282.93	0.00
- other	0.00	0.00
d) closing balance	10,625,563.66	45,110,846.59
- shares	4,600,851.98	4,975,851.98
- loans granted	6,024,711.68	40,134,994.61
- other	0.00	0.00

Additional information and notes

	Name of a unit (and its legal form)	Domicile	Business	Relation	Method of consolidation	Date of assuming control	Value of shares at acquisition price	Revaluation adjustments (total)	Carrying value of shares	% of total number of votes in the general meeting
1.	TBS Marki Sp. z o.o. (limited liability company)	Warsaw	social building	subsidiary	fully consolidated	14 November 2003	13,359,500.00	0.00	13,359,500.00	99.99%
2.	J.W. Construction International Sp. z o.o. (limited liability company)	Kolomna (Russia)	construction and developer activity	subsidiary	fully consolidated	14 November 2003	1,272.90	0.00	1,272.90	100.00%
3.	Business Financial Construction Sp. z o.o. (limited liability company)	Warsaw	services	subsidiary	not consolidated	16 June 2003	4,346,500.00	0.00	4,346,500.00	99.99%
4.	Project 55 Sp. z o.o. (limited liability company)	Warsaw	developer activity	subsidiary	fully consolidated	13 January 2005	19,655,537.59	0.00	19,655,537.59	99.99%
5.	Interlokum Sp. z o.o. (limited liability company)	Warsaw	developer activity	subsidiary	fully consolidated	23 November 2004	49,500.00	0.00	49,500.00	99.00%
6.	Lokum Sp. z o.o. (limited liability company)	Warsaw	developer activity	subsidiary	fully consolidated	13 September 2005	3,778,000.00	0.00	3,778,000.00	99.99%
7.	Developer Sp. z o.o. (limited liability company)	Siemianowice Śląskie	construction	subsidiary	fully consolidated	8 September 2004	49,500.00	0.00	49,500.00	99.00%
8.	JW Projekt Sp. z o.o. (limited liability company)	Warsaw	architecture and designing	subsidiary	fully consolidated	14 November 2003	1,155,400.00	0.00	1,155,400.00	99.98%
9.	Królewski Port Zerań Sp. z o.o. (limited liability company)	Warsaw	developer activity	associate	not consolidated	8 September 2000	500,000.00	500,000.00	0.00	4.92%
10.	KSP Polonia Warszawa SSA	Warsaw	sports	subsidiary	not consolidated	30 March 2006	15,440.00	15,440.00	0.00	100.00%
11.	TBS Nowy Dom Sp. z o.o. (limited liability company)	Ząbki	social building	associate	not consolidated	30 September 2006	1,000.00	0.00	1,000.00	2.00%
12.	Construction Invest Sp. z o.o. (limited liability company)	Ząbki	real estate development and sale	subsidiary	fully consolidated	25 January 2006	50,000.00	0.00	50,000.00	100.00%
13.	J.W. Construction S.A. (joint-stock company)	Ząbki	construction	subsidiary	fully consolidated	26 September 2007	11,526,617.00	0.00	11,526,617.00	99.99%
14.	J.W. Construction 1 Sp. z o.o. (limited liability company)	London	services	subsidiary	not consolidated	31 July 2007	5,618.00	0.00	5,618.00	100.00%
15.	J.W. Bułgaria Sp. z o.o. (limited liability company)	Sofia	developer activity	subsidiary	not consolidated	8 October 2007	9,854.98	0.00	9,854.98	100.00%
16.	Porta Transport Sp. z o.o. (limited liability company)	Szczecin	transport	subsidiary	fully consolidated	12 November 2007	19,118,737.41	0.00	19,118,737.41	100.00%
17.	Yakor House Sp. z o.o. (limited liability company)	Sochi	developer activity	subsidiary	fully consolidated	7 December 2007	9,810,000.00	0.00	9,810,000.00	70.00%
18.	JWCH Produkcja Budowlana Sp. z o.o. (limited liability company)	Ząbki	prefabricated unit production for the building industry	subsidiary	fully consolidated	19 February 2008	15,494,950.00	0.00	15,494,950.00	99.99%
19.	JWCH Budownictwo Drogowe Sp. z o.o. (limited liability company)	Ząbki	road construction	subsidiary	fully consolidated	7 February 2008	449,950.00	0.00	449,950.00	99.95%

Additional information and notes

Indirect relations										
20.	TBS Marki Sp. z o.o. (limited liability company)	Warsaw	social building	subsidiary	fully consolidated	18 October 2006	500.00	0.00	500.00	0.01%
21.	Business Financial Construction Sp. z o.o. (limited liability company)	Warsaw	services	subsidiary	not consolidated	16 June 2003	500.00	0.00	500.00	0.01%
22.	Interlokum Sp. z o.o. (limited liability company)	Warsaw	developer activity	subsidiary	fully consolidated	18 October 2006	500.00	0.00	500.00	1.00%
23.	Lokum Sp. z o.o. (limited liability company)	Warsaw	developer activity	subsidiary	fully consolidated	18 October 2006	500.00	0.00	500.00	0.01%
24.	Project 55 Sp. z o.o. (limited liability company)	Warsaw	developer activity	subsidiary	fully consolidated	13 January 2005	500.00		500.00	
25.	Deweloper Sp. z o.o. (limited liability company)	Siemianowice Śląskie	construction	subsidiary	fully consolidated	18 October 2006	500.00	0.00	500.00	1.00%
26.	JW Projekt Sp. z o.o. (limited liability company)	Warsaw	architecture and designing	subsidiary	fully consolidated	14 November 2003	200.00	0.00	200.00	0.01%
27.	Stadnina Mazowiecka Sp. z o.o. (limited liability company)	Warsaw	services	subsidiary	not consolidated	19 February 2007	50,000.00	0.00	50,000.00	100.00%
28.	Karczma Regionalna Sp. z o.o. (limited liability company)	Krynica Górská	hotel activity	subsidiary	not consolidated	16 December 2004	208,550.00	0.00	208,550.00	8.06%
29.	J.W. Construction S.A. (joint-stock company)	Ząbki	construction	subsidiary	fully consolidated	26 September 2007	1.00	0.00	1.00	0.01%
30.	JVCH Produkcja Budowlana Sp. z o.o. (limited liability company)	Ząbki	prefabricated unit production for the building industry	subsidiary	fully consolidated	19 February 2008	50.00	0.00	50.00	0.01%
31.	JVCH Budownictwo Drogowe Sp. z o.o. (limited liability company)	Ząbki	road construction	subsidiary	fully consolidated	7 February 2008	50.00	0.00	50.00	0.05%
32.	Fabryka Maszyn i Urządzeń FAMAK S.A. (joint-stock company)	Kluczbork	production	associate	not consolidated	12 November 2007	29,630.00	0.00	29,630.00	0.04%

Additional information and notes

Note 6. Non-current receivables

NON-CURRENT RECEIVABLES	30 June 2009	31 December 2008
a) security deposits receivables	0.00	0.00
b) guarantee deposits (leasing) receivables	13,624,441.88	13,518,100.22
c) other receivables	0.00	0.00
Total receivables	13,624,441.88	13,518,100.22

Non-current receivables include a security deposit for the lease of hotels (securing receivables of the financing party under the sale and lease back agreement) and a guarantee deposit paid by the Company in accordance with the schedule appended to the lease agreement for real estate located in Ząbki (office building).

Note 7. Inventories and construction contracts

INVENTORIES	30 June 2009	31 December 2008
a) materials	8,316,538.22	6,608,049.28
b) semi-finished products and work in progress	12,082,968.82	10,455,871.15
c) finished products	1,485,812.02	1,523,507.89
d) goods	26,641,976.16	23,879,438.18
e) trade advances	337,956.22	399,038.15
Total inventories	48,865,251.44	42,865,904.64

Costs connected with impairment allowance on inventories were disclosed in the income statement under other operating expenses.

CONSTRUCTION CONTRACTS	30 June 2009	31 December 2008
CONSTRUCTION CONTRACTS (current assets)		
a) semi-finished products and work in progress	759,135,735.18	935,980,856.35
b) finished products	238,127,724.30	139,643,699.26
c) trade advances	2,349,505.10	11,922,118.97
d) short-term accruals	21,366,643.53	39,705,375.35
Total construction contracts	1,020,979,608.10	1,127,252,049.94
CONSTRUCTION CONTRACTS (current liabilities)		
a) accruals	420,189,180.45	585,777,664.57
Total construction contracts	420,189,180.45	585,777,664.57

Due to the conducted activity the Group companies take loans secured among other things with mortgage on real estate. As at 30 June 2009 the Company established collateral in the form of mortgage on real estate presented as inventories and construction contracts at PLN 777.5 million and presented as property, plant and equipment at PLN 296.2 million. Additionally, the Company established collateral on third party real estate worth PLN 10.0 million. The value of mortgage is established at the amount of the granted loan (or higher), therefore, it is significantly higher than the value of real estate disclosed in assets of the Company. As at 30 June 2009 loan liabilities amounted to PLN 443.6 million.

Note 8. Trade and other receivables

Impairment allowance was made in accordance with the best knowledge and experience of the Group, by way of detailed analysis of the risk of debt repayment. Income and expenses connected with making and dissolving the allowance were recognised in the income statement under other operating income or expenses.

CURRENT RECEIVABLES	30 June 2009	31 December 2008
a) trade receivables – related parties	6,026,511.26	3,516,829.90
b) trade receivables – other parties	25,608,838.85	33,952,718.18
c) taxes, subsidies, customs duties, social and health insurance and other payments	24,214,268.47	41,291,971.31
d) other	1,837,190.06	746,949.71
Total receivables	57,686,808.64	79,508,469.09

Additional information and notes

Note 9. Other short-term financial assets

SHORT-TERM INVESTMENTS	30 June 2009	31 December 2008
a) in subsidiaries	32,285,313.38	0.00
- shares	0.00	0.00
- debt securities	0.00	0.00
- other securities	0.00	0.00
- loans granted	32,285,313.38	0.00
- other short-term financial assets	0.00	0.00
b) in other parties	7,952,971.27	2,731,543.80
- shares	0.00	0.00
- debt securities	0.00	0.00
- other securities	107,604.17	0.00
- loans granted	7,845,367.10	2,731,543.80
- other short-term financial assets	0.00	0.00
Total short-term investments	40,238,284.65	2,731,543.80

CHANGE IN SHORT-TERM INVESTMENTS	30 June 2009	31 December 2008
a) opening balance	2,731,543.80	73,692,807.18
- shares	0.00	0.00
- loans granted	2,731,543.80	13,692,807.18
- other	0.00	0.00
- other securities	0.00	60,000,000.00
b) increase (due to)	37,506,740.85	3,042,941.60
- shares	0.00	0.00
- loans granted	37,399,136.68	3,042,941.60
- other	0.00	0.00
- other securities	107,604.17	0.00
c) decrease (due to)	0.00	74,004,204.98
- shares	0.00	0.00
- loans granted	0.00	14,004,204.98
- other	0.00	0.00
- other securities	0.00	60,000,000.00
d) closing balance	40,238,284.65	2,731,543.80
- shares	0.00	0.00
- loans granted	40,130,680.48	2,731,543.80
- other	0.00	0.00
- other securities	107,604.17	0.00

Note 10. Cash and cash equivalents

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

CASH AND CASH EQUIVALENTS	30 June 2009	31 December 2008
a) cash on hand and with bank	7,367,170.32	22,612,348.83
b) other cash	2,404,102.92	14,025,942.41
c) other cash equivalents	59,715.13	47,485.60
Total cash	9,830,988.37	36,685,776.84

Additional information and notes

Note 11. Current prepaid expenses

Prepaid expenses	30 June 2009	31 December 2008
- interest	3,598,552.92	3,585,018.09
- commission expenses	8,956,234.89	8,837,445.86
- other	9,344,451.68	4,546,304.28
Total prepaid expenses	21,899,239.49	16,968,768.23

Other prepaid expenses of the Group record costs incurred in connection with deferred income. The main item are expenses incurred on commissions received by salesmen for sale of apartments. The said commissions are allocated to concrete apartments/premises sold by the Group and are deferred until premises are delivered to the buyer.

Note 12. Share capital

SHARE CAPITAL (STRUCTURE) as at 30 June 2009								
Class/issue	Share type	Type of preference	Type of restriction	Number of shares	Par value of class/issue	Coverage of capital	Date of registration	Right to dividend (from)
A	Bearer		-	51,250,000	10,250,000	Assets of a transformed company – TBM Batory Sp. z o.o. / cash	28 Feb 2007	
B	Bearer	-	-	3,448,280	689,656.00	cash	27 Jun 2007	1 Jan 2008
Total number of shares				54,698,280				
Total share capital					10,939,656			
Par value of one share = PLN 0.20								

As at 30 June 2009 the shareholding structure was as follows:

Shareholder	Number of shares	% of share capital	Number of votes	% of total votes in the General Meeting
EHT S.A.	25,448,300	46.52%	25,448,300.00	46.52%
Józef Wojciechowski	19,385,213.00	35.44%	19,385,213.00	35.44%
Company (own shares)	625,000.00	1.14%	625,000.00	1.14%
Other	9,239,767.00	16.89%	9,239,767.00	16.89%

In connection with Resolution No. 26 taken by the Annual General Meeting on 19 June 2008, authorising the Management Board to buy back own shares for the purpose of their redemption, on 9 July 2008 the Company concluded an agreement with an investment firm, within the meaning of Article 6.3.B) of Commission Regulation (EC) No. 2273/2003 of 22 December 2003. The Company buys back own shares through the said firm, for the purpose of their redemption, in accordance with the principles provided under the Commission Regulation and Resolution No. 26 of the Annual General Meeting. In accordance with the said resolution the number of shares to be bought back is set at not less than 1,500,000 pieces and not more than the product of the amount of PLN 55,000,000 divided by the price for which shares will be bought. The maximum amount of funds allocated for the programme is PLN 55,000,000. The said funds will come from the supplementary capital of the Company.

Note 13. Other capital

OTHER CAPITAL	30 June 2009	31 December 2008
a) supplementary capital	636,286,399.01	533,909,791.85
b) other reserve capital	5,731,587.19	5,731,587.19
c) translation reserve	-75,369.61	-86,261.20
Total other capital	641,942,616.59	539,555,117.84

Additional information and notes

Note 14. Borrowings

In the first six months of 2009 and from the balance sheet date until the date of these financial statements none of the concluded loan agreements was terminated by the bank.

BORROWINGS	30 June 2009	31 December 2008
a) loans	443,604,334.94	437,215,401.29
of which: long-term	224,614,845.94	168,305,639.77
short-term	218,989,489.33	268,909,761.52
b) cash loans	8,461,693.88	268,959.53
of which: long-term	0.00	0.00
short-term	8,461,693.88	268,959.53
Total borrowings	452,066,028.82	437,484,360.82
Borrowings – long-term	224,614,845.61	168,305,639.77
Borrowings – short-term	227,451,183.21	269,178,721.05

LOANS PER MATURITY	30 June 2009	31 December 2008
Up to 1 year	218,989,489.33	268,909,761.52
Over 1 year up to 2 years	121,103,396.23	64,180,438.04
Over 2 years up to 5 years	387,000.00	516,000.00
Over 5 years	103,124,449.38	103,609,201.73
Total loans, of which:	443,604,334.94	437,215,401.29
- long-term	224,614,845.61	168,305,639.77
- short-term	218,989,489.33	268,909,761.52

CASH LOANS PER MATURITY	30 June 2009	31 December 2008
Up to 1 year	8,461,693.88	268,959.53
Over 1 year up to 2 years	0.00	0.00
Over 2 years up to 5 years	0.00	0.00
Over 5 years	0.00	0.00
Total loans, of which:	8,461,693.88	268,959.53
- long-term	0.00	0.00
- short-term	8,461,693.88	268,959.53

Note 15. Deferred income tax assets and liabilities

The below items are the main items of deferred income tax assets and liabilities disclosed in the period covered by historical financial information.

In the presented period deferred income tax assets and deferred income tax liabilities were not compensated as temporary differences arising from various items and reversed in various periods are not subject to compensation.

DEFERRED INCOME TAX ASSETS AND DEFERRED INCOME TAX LIABILITIES	30 June 2009		
	Deferred income tax assets	Deferred income tax liabilities	Net value
Tangible assets	7,266,670.33	2,321,260.98	4,945,409.35
Investment real estate	0.00	0.00	0.00
Intangible assets	0.00	0.00	0.00
Investments in subsidiaries, fellow subsidiaries and associates	0.00	-97,933.60	97,933.60
Other financial assets	1,951,565.76	20,444.79	1,931,120.97
Non-current receivables	0.00	0.00	0.00
Inventories and construction contracts	5,368,471.83	8,907,067.70	-3,538,595.87
Trade and other receivables	0.00	0.00	984,134.29
Income tax receivables	0.00	0.00	0.00
Prepayments and accruals	1,701,684.63	683,725.05	1,017,959.57
Cash and cash equivalents	0.00	0.00	0.00
Borrowings	0.00	0.00	0.00
Provisions	444,281.28	0.00	444,281.28

Additional information and notes

Trade and other payables	0.00	0.00	0.00
Other financial liabilities	0.00	0.00	0.00
Other	2,416,064.71	1,500,000.00	916,064.71
Deferred income tax assets / liabilities disclosed in the balance sheet	19,148,738.54	13,334,564.93	5,814,173.61

Note 16. Retirement benefit obligations

CHANGE IN RETIREMENT BENEFIT OBLIGATIONS	30 June 2009	31 December 2008
Opening balance	436,924.50	598,565.82
Increase	0.00	0.00
Decrease	63,924.50	161,641.32
Closing balance	373,000.00	436,924.50

Note 17. Provisions for other liabilities and charges

PROVISIONS FOR OTHER LIABILITIES AND CHARGES	30 June 2009	31 December 2008
a) short-term, of which:	26,226,816.07	25,741,602.20
- accrued expenses, including:	24,261,493.56	22,710,614.09
- <i>provision for guarantee repairs</i>	11,451,543.12	11,451,543.12
- <i>other</i>	12,809,950.44	11,259,070.97
- other provisions, including:	1,965,322.51	3,030,988.11
- <i>provisions for future liabilities</i>	1,000,000.00	1,008,835.54
- <i>provisions for severance pays (Porta Transport)</i>	0.00	1,027,787.84
- <i>other provisions</i>	965,322.51	994,364.73
b) long-term, of which:	13,132,645.66	13,368,786.83
- accrued expenses, including:	13,132,645.66	13,368,786.83
- <i>participation in costs of construction - TBS Marki</i>	4,731,072.99	4,735,473.30
- <i>deferred income - loan remittance - TBS Marki</i>	6,406,867.02	6,408,449.53
- <i>deferred surplus of revenues from sales over the carrying value/sale and lease back</i>	1,994,705.65	2,224,864.00
- <i>other</i>		0.00
Total provisions for other liabilities and charges	39,359,461.73	39,110,389.03

Note 18. Other non-current liabilities

OTHER NON-CURRENT LIABILITIES	30 June 2009	31 December 2008
a) lease liabilities	57,801,892.92	64,698,174.41
b) security deposits liabilities	14,221,420.93	13,444,213.47
c) other non-current liabilities	8,687,718.93	4,705,069.01
Total other liabilities	80,711,032.78	82,847,456.89

In the years 2008–2009 other financial liabilities comprised among other things liabilities under concluded lease agreements. The detailed description of leased assets is presented under “Lease” in the note on “Intangible assets” and “Tangible assets”. Other financial liabilities included among other things liabilities to subcontractors due to received security deposits.

Additional information and notes

Note 19. Trade and other payables

TRADE AND OTHER PAYABLES	30 June 2009	31 December 2008
a) trade payables – other parties	91,391,629.07	114,868,951.15
b) trade payables – related parties	1,065,308.89	1,186,439.07
c) taxes, customs duties, insurance and other payments	11,235,906.62	14,926,515.43
d) salaries	3,064,302.77	3,638,025.38
e) trade advances received	0.00	52,934.71
f) other	11,538,218.14	5,742,008.36
Total trade and other payables	118,295,365.48	140,414,874.10

OTHER LIABILITIES	30 June 2009	31 December 2008
a) issue of debt securities	0.00	71,000,000.00
b) note liabilities	116,274,371.34	59,565,872.85
c) other financial liabilities	13,358,123.48	17,683,995.84
Total other liabilities	129,632,494.82	148,249,868.69

* On 17 November 2006 three agreements were concluded with BRE Bank S.A. pertaining to implementation of the bonds issue programme i.e. dealer agreement, agency agreement and underwriting agreement. BRE Bank S.A. was appointed as an issuing agent, payment agent, depository and dealer. The maximum value of the programme is PLN 250,000,000. The lifetime of the programme, during which bonds may be issued, is three years i.e. until 17 November 2009. Bonds may be issued in tranches of at least PLN 3,000,000 each. Bonds are not designated for issue under public offering. As at 30 June 2009 the programme has been closed.

Note 20. Risk management

Risk management is described under the Management Commentary.

Note 21. Earnings per share

CALCULATION OF BASIC AND DILUTED EARNINGS PER SHARE	For the period 1 January 2009 – 30 June 2009	For the period 1 January 2008 – 30 June 2008
Profits		
(A) Profits of the Group disclosed in the consolidated financial statements	49,357,011.38	35,016,711.92
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 *	54,698,280.00	54,698,280.00
(C) Number of ordinary shares and preferred shares (as to the right to vote in the General Meeting of the Company) for the purpose of calculating diluted earnings per share*	54,698,280.00	54,698,280.00
Basic earnings per share = (A)/(B)	0.90	0.64
Diluted earnings per share = (A)/(B)	0.90	0.64

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

Additional information and notes

Note 22. Income tax

INCOME TAX	1 January 2009 – 30 June 2009	1 January 2008 – 30 June 2008
a) current income tax	7,689,546.00	107,742.73
b) deferred income tax	766,335.69	5,850,139.95
Total income tax	8,455,881.69	5,957,882.68

Note 23. Segment reporting

Business segments

It was assumed that the primary division into segments is based on business segments. The Group operates mainly in three following segments:

- developer activity,
- social building,
- hotel activity.

In accordance with IAS 14 "Segment Reporting" financial data on particular business segments are prepared in accordance with the principle that income and expenses, as well as assets and liabilities of a segment are established before intercompany balances and related party transactions are eliminated under the consolidation, except when such balances and transactions have been made within one segment. Internal transactions within one segment are eliminated.

Financial data about particular business segments include separate financial statements of the Group companies without eliminating balances and transactions, while exclusions of income, expenses and mutual balances are presented in column "Eliminations".

An exception is developer activity under which separate financial statements of companies conducting such activity have been consolidated. In 2008 that segment was composed of J.W. Construction Holding SA, Project 55 Sp. z o.o., Lokum Sp. z o.o., Interlokum Sp. z o.o. and Construction Invest. The basic type of goods and services under each business segment:

- developer activity – building production, designing and supporting works, sale of real estate,
- social building – sale and administration of social building housing estates,
- other construction – building and assembly production,
- transport,
- hotel activity – catering and hotel services connected with organisation of tourist and recreational services.

Additional information and notes

30 June 2009		Developer activity	Hotel activity	Social building	Construction	Other	Eliminations	Total
A.	Non-current assets	215,987,696.80	94,828,282.61	163,056,780.43	19,065,603.41	27,465,345.36	-92,816,141.57	427,587,567.04
I.	Intangible assets	10,406,905.09	1,571.00	0.00	32,529.00	37,094.50	0.00	10,478,099.59
II.	Goodwill of subsidiaries	12,390,453.72	0.00	0.00	0.00	0.00	0.00	12,390,453.72
III.	Tangible assets	98,085,929.41	84,606,707.36	159,286,750.95	11,291,838.98	24,360,666.52	-28,699,897.06	348,931,996.17
IV.	Non-current receivables	4,048,411.32	9,545,000.00	0.00	3,589,666.02	115,378.34	-3,674,013.80	13,624,441.88
V.	Long-term investments	83,980,807.06	208,550.00	500.00	0.00	2,863,609.00	-64,039,628.91	23,013,837.15
VI.	Non-current prepaid expenses	7,075,190.20	466,454.25	3,769,529.48	4,151,569.41	88,597.00	3,597,398.20	19,148,738.53
B.	Current assets	1,080,791,432.04	3,831,399.03	25,675,326.73	109,483,050.45	26,376,236.93	-46,657,264.50	1,199,500,180.68
I.	Inventories	25,262,492.24	319,908.59	1,199,577.00	5,822,155.81	16,261,117.80	0.00	48,865,251.44
II.	Current receivables	41,775,208.78	2,616,237.54	566,240.16	78,909,900.42	6,632,798.36	-72,813,576.62	57,686,808.64
III.	Short-term investments	45,720,516.01	197,771.27	23,857,828.07	788,342.43	773,401.99	-21,268,586.75	50,069,273.02
IV.	Current prepaid expenses	17,802,628.74	697,481.63	51,681.50	631,688.64	2,715,758.98	0.00	21,899,239.49
VI.	Construction contracts	1,024,838,298.90	0.00	0.00	23,330,963.15	0.00	-27,189,653.94	1,020,979,608.10
	correction of Group balances	-74,607,712.62	0.00	0.00	0.00	-6,840.20	74,614,552.81	-0.01
	Total assets	1,296,779,128.84	98,659,681.64	188,732,107.16	128,548,653.86	53,841,582.29	-139,473,406.07	1,627,087,747.72
A.	Equity	365,035,126.59	983,005.20	63,611,512.85	26,139,318.24	29,015,700.77	-111,658,044.95	373,126,618.69
D.	Liabilities and provisions for liabilities	977,894,903.23	51,525,775.46	125,120,594.31	102,409,335.62	24,825,881.52	-27,815,361.12	1,253,961,129.03
I.	Provisions for liabilities	18,611,866.17	1,844,946.16	12,640.33	660,010.44	0.00	-5,443,935.33	15,685,527.77
II.	Non-current liabilities	148,184,703.02	40,020,428.67	108,088,273.41	8,854,148.75	178,324.54	0.00	305,325,878.39
III.	Current liabilities	374,914,059.45	6,945,352.21	5,673,966.10	89,665,967.15	23,089,768.52	-24,910,069.91	475,379,043.52
IV.	Accrued expenses	18,143,032.50	2,715,048.42	11,345,714.47	3,049,073.58	1,557,788.46	570,841.46	37,381,498.89
V.	Construction contracts	418,041,242.09	0.00	0.00	180,135.70	0.00	1,967,802.66	420,189,180.45
	exclusions – branch H500	-46,150,900.98	46,150,900.98	0.00	0.00	0.00	0.00	0.00
	Total equity and liabilities	1,296,779,128.84	98,659,681.64	188,732,107.16	128,548,653.86	53,841,582.29	-139,473,406.07	1,627,087,747.72

Additional information and notes

1 January 2009 – 30 June 2009	Developer activity	Hotel activity	Social building	Construction	Other	Other adjustments
Net revenues from sales of products, goods and materials, of which:	302,897,481.31	7,451,926.46	6,145,823.20	82,607,203.83	17,937,171.24	-85,886,971.94
Net revenues from sales of products	301,536,298.71	7,442,372.58	6,145,823.20	81,833,631.72	15,117,003.80	-83,602,212.74
Net revenues from sales of goods and materials	1,361,182.60	9,553.88	0.00	773,572.11	2,820,167.44	-2,284,759.20
Costs of products, goods and materials sold, of which:	216,184,948.42	7,661,698.45	3,071,268.02	75,752,609.42	17,408,882.59	-78,156,415.06
Costs of products sold	215,173,106.14	7,654,844.00	3,071,268.02	75,077,418.52	16,411,175.98	-76,052,244.16
Value of goods and materials sold	1,011,842.28	6,854.45	0.00	675,190.90	997,706.61	-2,104,170.90
Gross profit (loss) on sales	86,712,532.89	-209,771.99	3,074,555.18	6,854,594.41	528,288.65	-7,730,556.88
Selling expenses	8,405,410.14	0.00	0.00	8,917.47	0.00	0.00
Overhead expenses	6,570,356.97	241,727.35	496,681.91	2,960,478.47	2,100,425.64	-131,457.14
Profit (loss) on sales	71,736,765.78	-451,499.34	2,577,873.27	3,885,198.47	-1,572,136.99	-7,599,099.74
Other operating income	1,445,669.87	232,873.62	503,483.14	508,032.77	1,374,060.93	0.00
Other operating expenses	2,092,276.55	572,241.27	552,775.09	249,441.26	110,980.46	0.00
Operating profit (loss)	71,090,159.10	-790,866.99	2,528,581.32	4,143,789.98	-309,056.52	-7,599,099.74
Financial income	3,670,198.81	336,535.48	1,051,916.59	98,157.04	129,948.31	0.00
Financial expenses	11,831,650.33	1,837,858.04	2,251,278.35	287,855.24	328,728.35	0.00
Profit (loss) on ordinary operations	62,928,707.58	-2,292,189.55	1,329,219.56	3,954,091.78	-507,836.56	-7,599,099.74
Gross profit (loss)	62,928,707.58	-2,292,189.55	1,329,219.56	3,954,091.78	-507,836.56	-7,599,099.74
Income tax	8,462,654.83	176,026.81	28,806.00	1,209,658.00	22,565.00	-1,443,828.95
Net profit (loss)	54,466,052.75	-2,468,216.36	1,300,413.56	2,744,433.78	-530,401.56	-6,155,270.79

Additional information and notes

NOTES TO THE CONSOLIDATED INCOME STATEMENT OF COMPREHENSIVE INCOME

Note 24. Operating income

OPERATING INCOME	1 January 2009 – 30 June 2009	1 January 2008 – 30 June 2008
Revenues from sales of products	284,869,050.51	277,050,684.77
Revenues from sales of services	43,603,866.76	46,780,878.34
Revenues from sales of goods	2,679,716.83	12,560,601.42
Total income	331,152,634.10	336,392,164.53

	1 January 2009 – 30 June 2009	1 January 2008 – 30 June 2008
Revenues from sales, of which:	331,152,634.10	336,392,164.52
- sales of products – premises	284,869,050.51	277,050,684.76
- sales of products – other	2,984,414.47	0.00
- sales of services	40,619,452.29	46,780,878.34
- sales of goods	2,679,716.83	12,560,601.42

	1 January 2009– 30 June 2009	1 January 2008 – 30 June 2008
Revenues from sales of products and services per business segments	328,472,917.27	323,831,563.11
- developer activity	307,328,982.89	290,792,687.79
- hotel activity	7,442,372.58	10,340,971.88
- social building	6,145,823.20	5,633,955.78
- transport	3,483,142.31	7,445,481.11
- construction	4,072,596.29	9,618,466.55

Note 25. Operating expenses

OPERATING EXPENSES	1 January 2009 – 30 June 2009	1 January 2008 – 30 June 2008
Costs on sale of products	201,317,607.26	203,754,557.51
Costs on sale of services	40,017,961.24	39,876,347.26
Costs on sale of goods	587,423.34	13,040,082.56
Total costs of products, services and goods sold	241,922,991.84	256,670,987.33

Selling and overhead expenses	1 January 2009 – 30 June 2009	1 January 2008 – 30 June 2008
Selling expenses	8,414,327.61	14,120,872.11
Overhead expenses	12,238,213.20	14,895,947.47
Total selling and overhead expenses	20,652,540.81	29,016,819.58

Expenses by nature	1 January 2009 – 30 June 2009	1 January 2008 – 30 June 2008
Depreciation and amortisation	7,376,810.49	9,566,858.30
Materials and power	42,895,803.74	68,436,213.92
Outsourcing	108,817,191.47	191,593,833.55
Fees and taxes	4,517,710.55	5,235,758.29
Salaries	28,489,210.75	30,963,145.31
Social insurance and other payments	5,465,270.69	6,910,609.07
Other expenses by nature	7,071,265.83	10,234,940.28
Total expenses by nature	204,633,991.52	322,941,358.72

Additional information and notes

Note 26. Other operating income

OPERATING INCOME	1 January 2009 – 30 June 2009	1 January 2008 – 30 June 2008
a) profit on disposal of non-financial fixed assets	106,775.02	1,128,568.12
b) other operating income	3,957,345.31	3,491,371.22
Total operating income	4,064,120.33	4,619,939.34

Note 27. Other operating expenses

OPERATING EXPENSES	1 January 2009 – 30 June 2009	1 January 2008 – 30 June 2008
a) loss on disposal of non-financial fixed assets	1,075,255.52	0.00
b) revaluation of non-financial assets	6,480.25	0.00
c) other operating expenses	2,495,978.86	5,169,032.67
Total operating expenses	3,577,714.63	5,169,032.67

Note 28. Financial income

FINANCIAL INCOME	1 January 2009 – 30 June 2009	1 January 2008 – 30 June 2008
a) dividends	0.00	0.00
b) interest	2,378,598.75	4,327,297.17
c) revaluation of investments	0.00	0.00
d) other	2,408,817.51	902,858.73
Total financial income	4,787,416.26	5,230,155.90

Note 29. Financial expenses

FINANCIAL EXPENSES	1 January 2009 – 30 June 2009	1 January 2008 – 30 June 2008
a) interest	12,332,840.04	13,692,051.21
b) revaluation of investments	0.00	0.00
c) other	3,705,190.30	718,774.38
Total financial expenses	16,038,030.34	14,410,825.59

Note 30. Transactions with related parties

All transactions with related parties were concluded on market terms.

INTERCOMPANY BALANCES (from the point of view of the parent company)*

COMPANY NAME	Receivables from related parties		Liabilities to related parties	
	30 June 2009	31 December 2008	30 June 2009	31 December 2008
Wojciechowski Józef	0.00	0.00	307,495.83	225,000.00
Zalubice Development Sp. z o.o.	1,163,501.64	824,914.84	0.00	337,557.93
Zakład Produkcji Marmurów Promar Sp. z o.o.	1,788,165.44	1,726,643.20	307,512.82	318,414.94
Zakład Produkcji Szalunków J.W. System Sp. z o.o.	246,588.35	272,145.10	135,794.14	364,196.26
Zakład Produkcji Metalowej Metalcon Sp. z o.o.	5,260,689.75	5,263,885.83	1,235,638.53	1,652,420.71
J.W. Agro Sp. z o.o.	3,719,426.53	3,580,990.28	5,659,689.04	0.00
Interlokum Sp. z o.o.	285,000.00	4,124,054.95	11,536,349.25	3,831,814.57
Project 55 Sp. z o.o.	0.00	6,251,953.71	29,240.53	9,624,633.40
Lokum Sp. z o.o.	4,131,004.47	4,206,852.88	307,512.82	0.00
Construction Invest Sp. z o.o.	3,541,546.14	3,433,912.12	0.00	0.00
J.W. Construction International Sp. z o.o.	9,762,923.79	7,806,330.77	0.00	0.00
TBS Marki Sp. z o.o.	0.00	0.00	20,778,768.06	19,304,785.00
Business Financial Construction Sp. z o.o.	0.00	0.00	2,607,941.61	2,647,292.19
JW. Projekt Sp. z o.o.	1,738,074.58	1,008,569.79		1,348,796.99
KSP Polonia Warszawa SSA	9,892,381.93	9,887,427.51	0.00	
Królewski Port Żerań Sp z o.o.	7,286,431.29	7,286,431.29	0.00	0.00
J.W. Consulting J.W. 3 S.K.A	8,296.00	5,541.50	94,939,654.05	32,495,700.00
J.W. Consulting J.W. 4 S.K.A	8,296.00	5,368.00	9,491,572.85	9,491,572.85
Stadnina Mazowiecka Sp. z o.o.	5,137,843.06	4,986,621.30	0.00	0.00
Yakor House Sp. z o.o.	5,706,469.03	6,888,497.03	0.00	0.00
JWCH Budownictwo Drogowe Sp. z o.o.	1,743,492.44	887,472.26	3,920.99	0.00
JWCH Produkcja Budowlana Sp. z o.o.	6,162,335.66	4,533,769.73	7,947.27	26,356.63
J.W. Construction Bułgaria EOOD	29,994,937.41	35,153,265.81	0.00	0.00

* The aforesaid statement presents balances with related parties from the point of view of the parent company. The said balances cover the following transactions between the related parties: trade receivables and payables, loans, direct charge, paid security deposits, advances and other transactions, except for the amounts derived from valuation of construction contracts concluded by the parent company with special purpose vehicles (above PLN 200,000).

Additional information and notes

Note 31. Remuneration of members of authorities of the Company

Below is presented remuneration for 2009. The tables contain aggregate data of members of authorities of the Parent Company per remuneration for offices held in Group Companies, employment in Group Companies and other forms of remuneration.

Remuneration of the Management Board	1 January 2009 – 30 June 2009
For offices held in the Group	171,000.00
For employment in the Group	654,000.00
Other remuneration in the Group	0.00
Total remuneration	825,000.00

Remuneration of the Supervisory Board	1 January 2009 – 30 June 2009
For offices held in the Group	48,000.00
For employment in the Group	0.00
Other remuneration in the Group	72,000.00
Total remuneration	120,000.00

JW Construction Holding S.A	1 January 2009 – 30 June 2009
Management Board	
Czyż Barbara	39,000.00
Łopuszyńska Irmina	132,000.00
Malinowska Bożena	0.00
Rajchert Wojciech	0.00
Szafranowska Grażyna	0.00
Wójcik Robert	0.00
Supervisory Board	
Kobyliński Roman	12,000.00
Obłəkowski Jacek	12,000.00
Oleksy Józef	12,000.00
Pietraszkiewicz Henryk	12,000.00
Wojciechowski Józef	0.00

Other Group companies	1 January 2009 – 30 June 2009
Management Board	
Czyż Barbara	90,000.00
Łopuszyńska Irmina	0.00
Malinowska Bożena	132,000.00
Rajchert Wojciech	156,000.00
Szafranowska Grażyna	156,000.00
Wójcik Robert	120,000.00
Supervisory Board	
Kobyliński Roman	0.00
Obłəkowski Jacek	0.00
Oleksy Józef	72,000.00
Pietraszkiewicz Henryk	0.00
Wojciechowski Józef	0.00

Average headcount in the Parent Company per occupational groups

Occupational group	30 June 2009	31 December 2008
Management Board	2	2
Managers	22	29
Administration	191	199
Other employees	103	131
Total	318	361

Note 32. Significant events during the accounting year

The following events occurred during the reporting period:

Corporate events:

On 9 April 2009 an application was submitted to the District Court for Szczecin-Centrum in Szczecin, 13th Business Division of the National Court Register, for initiating a liquidation procedure for a subsidiary – Porta Transport Sp. z o.o. domiciled in Szczecin. The resolution on dissolution of Porta Transport Sp. z o.o. upon liquidation was passed by the Extraordinary General Meeting on 1 April 2009.

On 27 May 2009 the Company sold all 3,750 shares with a par value of PLN 375,000 with J.W. Construction Akademicki Związek Sportowy Politechniki Warszawskiej S.A. (*Academic Sports Association of the Warsaw University of Technology*) domiciled in Warsaw. The shares were sold to other shareholders of the said company. The Annual General Meeting of the Company was held on 24 June 2009. The General Meeting passed resolutions required under the Code of Commercial Companies on acceptance and approval of the separate financial statements of the Company and consolidated financial statements of the Capital Group of the Company, acceptance and approval of the Management Commentary on the Company and the Capital Group of the Company for the previous financial year, acknowledgment of fulfilment of duties by members of authorities of the Company for 2008, distribution of profit which was entirely allocated for supplementary capital.

Significant agreement for implementation of investments

On 6 January 2009 the Company concluded an agreement with a subsidiary – J.W. Construction S.A. for an investment task consisting in completion of complex modernisation and development of a recreational centre – “Czarny Potok” with technical infrastructure, located in Krynica-Zdrój at ul. Czarny Potok 65 (plots no. 146, 163/1, 163/2, 164/1, 164/2, 164/3, 164/4, 164/5, 165, 172, 173, 174/1, 174/2, 174/3, 174/4, 174/5, 174/6, 174/7, 227/1, 227/2, 227/3, 227/4, 227/5, 227/6, 227/7, 62 of precincts Krynica Wieś 002). Until the day of the agreement the general contractor of the said investment was the Company.

The works were divided into two phases, the date of completion was set in the agreement for 21 August 2009 for phase I and 23 December 2009 for phase II. The fee for performance of the agreement was set based on the value of all elements contained in the schedule of works and expenditures at PLN 59,700,504 net.

Loan agreements

On 31 March 2009 the Company concluded a PLN non-revolving working capital loan agreement for PLN 17,300,000 with PKO Bank Polski S.A. Branch 15 in Warsaw, for the purpose of financing its current operations. The final repayment date of the loan was set at 31 August 2010.

Annex to the loan agreement

On 9 January 2009 the Company executed Annex No. 3 to the investment loan agreement concluded with Bank Polskiej Spółdzielczości S.A. for financing an investment – “Bursztynowe Osiedle” at ul. Korkowa in Warsaw. By virtue of the annex the loan amount was increased from PLN 16,000,000 to PLN 50,000,000 and the final repayment date was postponed until 31 December 2010.

On 4 February 2009 the Company executed Annex No. 12 to the working capital loan agreement with Invest Bank S.A. By virtue of the annex a part of the debt – PLN 7,500,000 is to be repaid on 25 February 2009 and the repayment date of the outstanding part of the debt – PLN 7,500,000 was postponed until 25 January 2010.

On 29 May 2009 the Company executed Annex No. 1 to the loan agreement with Bank Millennium S.A. for the purchase of real estate located in Ożarów Mazowiecki. The annex amended the provision for loan repayment. In accordance with the aforesaid annex the loan will be repaid in 18 equal monthly instalments of PLN 1,034,448.00 beginning from 30 June 2009. The total loan repayment date was set for 30 November 2010.

On 24 June 2009 the Company executed Annex No. 12 to the agreement for a short-term credit facility in current account with Bank Millennium S.A. By virtue of the annex the facility repayment date was changed from 25 June 2009 to 24 December 2009.

Loan repayment

On 4 February 2009 the Parent Company concluded Annex No. 12 to the working capital loan agreement with Invest Bank S.A. By virtue of the annex a part of the debt – PLN 7,500,000 was repaid on 25 February 2009 and the repayment date of the outstanding part of the debt – PLN 7,500,000 was postponed until 25 January 2010.

On 23 April 2009 the investment loan for 2,800,000, incurred with WBK Bank Zachodni S.A. for the purpose of financing an investment – “Święta Lipka”, was repaid.

On 30 June 2009 the investment loan for PLN 4,500,000, incurred with Invest Bank S.A. for the purpose of financing the construction of a housing estate – “Uroczyso” in Katowice at ul. Bałtycka, was repaid.

Additional information and notes

Debt securities purchased by the Company

In the 1st half of 2009 the Company did not enter into any agreements for purchase of debt securities.

Redemption of debt securities purchased by the Company

In the 1st half of 2009 the Company did not redeem any debt securities.

Bonds issued by the Company

On 7 January 2009 the Issuer issued 286 bonds with a par value of PLN 100,000 each and the total par value of PLN 28,600,000. The bonds were redeemed on 8 April 2009.

Bonds redeemed by the Company

On 6 January 2009 the Issuer redeemed bonds issued on 28 November 2008 with the total par value of PLN 24,400,000.

On 7 January 2009 the Issuer redeemed bonds issued on 3 October 2008 with the total par value of PLN 28,600,000.

On 8 April 2009 the Issuer redeemed bonds issued on 7 January 2009 with the total par value of PLN 28,600,000.

On 15 May 2009 the Issuer redeemed bonds issued on 16 May 2008 with the total par value of PLN 18,000,000.

Acquisition of more land

During the reporting period the Company purchased land located in Warsaw in the Białoleka district, of the area of 8,504 m², and land located in Warsaw in the Mokotów district, of the area of 15,763 m².

Note 33. Significant events after the balance sheet date

Loan repaid

On 27 July 2009 the working capital loan of PLN 22,400,000 with BRE Bank S.A. was repaid.

On 31 July 2009 the investment loan of PLN 26,000,000, incurred with Bank Ochrony Środowiska S.A. for financing of an investment – “Rezydencja Quarto” in Warsaw at ul. Łukowska, was repaid.

On 19 August 2009 the investment loan of PLN 53,300,000, incurred with Bank Millennium S.A. for financing of an investment – “Osiedle Lazurowa” in Warsaw at ul. Lazurowa, was repaid.

Occupancy permits received

In August 2009 the Company was granted an occupancy permit for next six buildings in the “Górczewska Park” investment (491 premises).

Other events are described in the Management Commentary.

Note 34. Selected financial data presenting key items of the financial statements (also translated into EUR) in thousands

(also translated into EUR) in thousands

The balance sheet as at the end of the period from 1 January 2008 to 31 December 2008 was translated into EUR at the rate established by the National Bank of Poland as at the said day i.e. PLN / EUR 4.1724

The balance sheet as at the end of the period from 1 January 2009 to 30 June 2009 was translated into EUR at the rate established by the National Bank of Poland as at the said day i.e. PLN / EUR 4.4696.

The income statement for the period from 1 January 2008 to 31 December 2008 was translated into EUR at the average rate calculated as the arithmetic average of rates applicable as at the last day of each month in the given period, established by the National Bank of Poland as at the said day i.e. PLN / EUR 3.4779.

The income statement for the period from 1 January 2009 to 31 December 2009 was translated into EUR at the average rate calculated as the arithmetic average of rates applicable as at the last day of each month in the given period, established by the National Bank of Poland as at the said day i.e. PLN / EUR 4.5184.

Additional information and notes

Consolidated balance sheet item	30 June 2009		31 December 2008	
	PLN	EUR	PLN	EUR
Total assets	1,627,088	364,034	1,778,373	530,193
Non-current assets	427,588	95,666	472,361	140,827
Current assets	1,199,500	268,369	1,306,013	389,366
Total equity and liabilities	1,627,088	364,034	1,778,373	530,193
Equity	373,127	83,481	325,723	97,109
Non-current liabilities	332,166	74,317	283,288	84,458
Current liabilities	921,795	206,237	1,169,363	348,626

Consolidated income statement item	1 January 2009 – 31 December 2009		1 January 2008 – 31 December 2008	
	PLN	EUR	PLN	EUR
Net revenues from sales of products, goods and materials	331,153	73,290	336,392	96,724
Costs of products, goods and materials sold	241,923	53,542	256,671	73,802
Gross profit (loss) on sales	89,230	19,748	79,721	22,923
Selling expenses	8,414	1,862	14,121	4,060
Overhead expenses	12,238	2,709	14,896	4,283
Profit (loss) on sales	68,577	15,177	50,704	14,579
Operating profit (loss)	69,064	15,285	50,155	14,421
Gross profit (loss)	57,813	15,285	40,975	11,782
Income tax	8,456	1,871	5,958	1,713
Net profit (loss)	49,357	10,924	35,017	10,068

Balance sheet item of the Issuer	30 June 2009		31 December 2008	
	PLN	EUR	PLN	EUR
Total assets	1,426,976	319,262	1,459,221	435,043
Non-current assets	317,950	71,136	356,311	106,228
Current assets	1,109,025	248,126	1,102,910	328,815
Total equity and liabilities	1,426,976	319,262	1,459,221	435,043
Equity	348,583	77,990	323,545	96,460
Non-current liabilities	201,639	45,114	144,049	42,946
Current liabilities	876,753	196,159	991,627	295,637

Income statement item of the Issuer	1 January 2009 – 30 June 2009		1 January 2008 – 30 June 2008	
	PLN	EUR	PLN	EUR
Net revenues from sales of products, goods and materials	215,583	47,712	200,390	57,619
Costs of products, goods and materials sold	163,109	36,099	155,872	44,819
Gross profit (loss) on sales	52,473	11,613	44,518	12,800
Selling expenses	7,465	1,652	13,475	3,875
Overhead expenses	6,088	1,347	10,127	2,912
Profit (loss) on sales	38,921	8,614	20,916	6,014
Operating profit (loss)	37,964	8,402	19,792	5,691
Gross profit (loss)	32,427	7,177	12,662	3,641
Income tax	5,436	1,203	2,500	719
Net profit (loss)	26,991	5,974	10,162	2,922

Additional information and notes

Note 35. Off-balance sheet items

OFF-BALANCE SHEET LIABILITIES	31 March 2009
Investment real estate pledged as collateral – loans	919,008,032.00
Blank promissory notes*	561,703,450.86
Execution titles	725,578,096.00
Assignment of receivables	200,000.00
Transfer of receivables from insurance agreement	4,000,000.00
Guarantees to the benefit of TBS "Marki" Sp z o.o.	22,400,000.00
Guarantees to the benefit of JWCH Budownictwo Drogowe sp. z o.o.	781,870.49
Guarantees to the benefit of JW. Construction S.A.	4,000,000.00
Guarantees to the benefit of ZPM Metalcon Sp. z o.o.	1,600,000.00
Guarantees to the benefit of JWCH Produkcja Budowlana sp. z o.o.	447,823.94

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

** the item covers collateral in the form of a freeze on bank accounts, assignment of rights under insurance policies and other.

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 June 2009 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 companies of the Capital Group of J.W. Construction Holding S.A. to secure rights of such companies under guarantees granted by counterparties, which the companies may fill in at any time with the amount corresponding to the costs of failure and defect removal. As at 30 June 2009 the total value of guarantees was PLN 24.9 million (JW. Construction Holding SA) and PLN 1 million (JW. Construction SA).

Note 36. Significant issues in litigation

In 2009 there were no procedures pending before a court, arbitration tribunal or public administration authority, regarding liabilities or receivables of J.W. Construction Holding SA or its subsidiaries, the total value of which would constitute at least 10% of equity of the Company.

Note 37. Financial instruments and hedge accounting

In 2009 the Group did not apply hedge accounting and did not hold embedded derivatives.

Note 38. Changes in composition of the Management Board and Supervisory Board of the parent company in the Group – JW. Construction Holding SA

Management Board

As at 1 January 2009 the Management Board of the Company was composed of:

- Ms. Barbara Czyż Vice-President of the Management Board
- Mr. Robert Wójcik Vice-President of the Management Board
- Ms. Grażyna Maria Szafarowska Member of the Management Board
- Ms. Bożena Regina Malinowska Member of the Management Board
- Ms. Irmina Łopuszyńska Member of the Management Board
- Mr. Wojciech Rajchert Member of the Management Board

In the reporting period the composition of the Management Board did not change.

After the end of the reporting period the composition of the Management Board was changed as follows on 9 July 2009:

The following persons were dismissed from their offices:

- Ms. Irmina Łopuszyńska
- Ms. Bożena Malinowska

Additional information and notes

The following persons were appointed:

- Mr. Piotr Ciszewski
- Mr. Tomasz Panabażys.

Due to the above changes, the composition of the Management Board of the Parent Company as at the day of drawing up these consolidated financial statements for the first six months of 2009 is as follows:

- Ms. Barbara Czyż Vice-President of the Management Board
- Mr. Robert Wójcik Vice-President of the Management Board
- Ms. Grażyna Maria Szafarowska Member of the Management Board
- Mr. Wojciech Rajchert Member of the Management Board
- Mr. Piotr Ciszewski Member of the Management Board
- Mr. Tomasz Panabażys Member of the Management Board

Supervisory Board

As at 1 January 2009 the Supervisory Board of the Company was composed of:

- Mr. Józef Kazimierz Wojciechowski Chairman of the Supervisory Board
- Mr. Henryk Pietraszkiewicz Deputy Chairman of the Supervisory Board
- Mr. Roman Kobyliński Member of the Supervisory Board
- Mr. Jacek Obłąkowski Member of the Supervisory Board
- Mr. Józef Oleksy Member of the Supervisory Board

In the reporting period the composition of the Supervisory Board did not change.

As at 30 June 2009 the Supervisory Board of the Company was composed of:

- Mr. Józef Kazimierz Wojciechowski Chairman of the Supervisory Board
- Mr. Henryk Pietraszkiewicz Deputy Chairman of the Supervisory Board
- Mr. Roman Kobyliński Member of the Supervisory Board
- Mr. Jacek Obłąkowski Member of the Supervisory Board
- Mr. Józef Oleksy Member of the Supervisory Board

From the balance sheet date until the date of these financial statements for the first six months of 2009 the composition of the Supervisory Board of the Company did not change.

Additional information and notes

**D. SUMMARY FINANCIAL STATEMENTS FOR SIX MONTHS OF 2009 OF THE PARENT COMPANY (ISSUER)
AS AT 30 JUNE 2009**

Consolidated statement of financial standing

ASSETS	Note	30 June 2009	31 December 2008
NON-CURRENT ASSETS		317,950,167.48	356,310,598.83
Intangible assets	1	7,359,216.37	7,939,486.53
Goodwill of subsidiaries		3,047,895.06	3,047,895.06
Tangible assets	2	172,565,237.07	175,378,259.22
Investment real estate	3	8,375,619.09	8,342,866.58
Shares	4	105,095,199.56	139,230,482.49
Deferred income tax assets		7,913,589.01	9,250,515.93
Trade and other receivables	5	13,593,411.32	13,121,093.02
CURRENT ASSETS		1,109,025,437.82	1,102,910,059.05
Inventories	6	8,950,277.46	6,285,032.06
Construction contracts	6	959,941,721.87	963,650,350.30
Trade and other receivables	8	58,137,913.38	72,920,668.58
Other financial assets	9	60,173,124.08	20,841,763.00
Cash and cash equivalents	10	4,539,570.38	23,369,456.66
Prepaid expenses		17,282,830.65	15,842,788.45
Total assets		1,426,975,605.30	1,459,220,657.88
EQUITY AND LIABILITIES			
EQUITY		348,582,660.30	323,544,721.06
Share capital		10,939,656.00	10,939,656.00
Revaluation reserve		7,471,818.19	7,471,818.19
Own shares		-4,429,867.11	-2,476,626.31
Other capital		586,502,062.09	484,243,271.26
Retained earnings		-278,892,188.52	-195,918,804.42
Net profit / loss		26,991,179.65	19,285,406.34
LIABILITIES		1,078,392,945.01	1,135,675,936.82
Non-current liabilities		201,639,489.76	144,049,180.29
Borrowings	11	121,490,396.23	64,696,438.04
Deferred income tax liabilities		10,116,783.54	9,093,239.32
Retirement benefit obligations		373,000.00	373,000.00
Provision for other liabilities and charges	12	1,994,705.65	2,224,864.00
Other liabilities	12	67,664,604.34	67,661,638.93
Current liabilities		876,753,455.25	991,626,756.52
Trade and other payables	13	135,188,514.27	160,004,152.12
Construction contracts	7	392,682,828.74	425,249,213.66
Borrowings	11	214,369,251.12	264,782,389.77
Provision for other liabilities and charges	12	20,293,298.38	18,963,434.38
Other liabilities	13	114,219,562.74	122,627,566.59
Total equity and liabilities		1,426,975,605.30	1,459,220,657.88

Additional information and notes

Consolidated statement of comprehensive income

	Note	1 January 2009 – 30 June 2009	1 January 2008 – 30 June 2008
Net revenues from sales	15	215,582,738.63	200,389,961.67
Net revenues from sales of products		209,843,803.97	189,892,032.86
Net revenues from sales of goods and materials		5,738,934.66	10,497,928.81
Costs of products, services and goods sold	16	163,109,268.99	155,872,457.76
Costs of products sold		157,722,374.08	145,199,428.22
Value of goods and materials sold		5,386,894.91	10,673,029.54
Gross profit (loss) on sales		52,473,469.64	44,517,503.91
Selling expenses		7,464,636.17	13,475,046.32
Overhead expenses		6,088,191.42	10,126,634.78
Revaluation of investment real estate		0.00	0.00
Profit (loss) on sales		38,920,642.05	20,915,822.81
Other operating income	17	1,603,487.96	3,077,288.45
Other operating expenses	18	2,559,640.61	4,201,284.40
Operating profit (loss)		37,964,489.40	19,791,826.86
Financial income	19	5,457,115.50	4,409,140.14
Financial expenses	20	10,994,562.12	11,538,893.64
Profit (loss) on ordinary activities		32,427,042.78	12,662,073.36
Profit (loss) before tax		32,427,042.78	12,662,073.36
Income tax		5,435,863.13	2,499,677.89
Net profit (loss)		26,991,179.65	10,162,395.47
Other comprehensive income:		0.00	0.00
Exchange gains (losses) on translation of foreign operations		0.00	0.00
Gains (losses) on business acquisitions		0.00	0.00
Gains (losses) on revaluation of tangible assets		0.00	0.00
Other comprehensive income		0.00	0.00
Comprehensive income		26,991,179.65	10,162,395.47

CALCULATION OF BASIC AND DILUTED EARNINGS PER SHARE	For the period 1 January 2009 – 30 June 2009	For the period 1 January 2008 – 30 June 2008
Profits		
(A) Profits of the Group disclosed in the consolidated financial statements	26,991,179.65	10,162,395.47
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 *	54,698,280.00	54,698,280.00
(C) Number of ordinary shares and preferred shares (as to the right to vote in the General Meeting of the Company) for the purpose of calculating diluted earnings per share*	54,698,280.00	54,698,280.00
Basic earnings per share = (A)/(B)	0.49	0.19
Diluted earnings per share = (A)/(B)	0.49	0.19

Additional information and notes

Cash flow statement

Operating cash flow – two-step method	1 January 2009 – 30 June 2009	1 January 2008 – 30 June 2008
Net profit (loss)	26,991,179.65	10,162,395.47
Total adjustments, of which:	13,171,143.04	16,267,325.21
Depreciation and amortisation	3,967,336.05	5,942,429.10
(Profit) loss due to foreign exchange	-3,526,087.86	0.00
(Profit) loss on investment activity	945,986.09	0.00
Interest and dividends	9,039,205.41	6,782,504.37
Changes in provisions and accruals	2,713,344.86	5,071,928.34
Changes in investment real estate	-32,752.51	-29,711.70
Other adjustments:	64,111.00	-1,499,824.90
- other adjustments	64,111.00	-1,499,824.90
Changes in working capital	-31,414,051.32	-141,651,589.50
Changes in inventories	-2,665,245.40	9,049,385.32
Changes in construction contracts	-17,339,042.01	-200,074,887.38
Changes in receivables	14,310,436.90	37,458,001.47
Changes in current liabilities, except for borrowings	-25,720,200.81	11,915,911.09
Operating cash flow	8,748,271.36	-115,221,868.82
Investment cash flow		
Disposal of tangible and intangible assets and other non-current assets	3,000,000.00	101.00
Purchase of tangible and intangible assets and other non-current assets	-4,164,869.11	-1,467,001.49
Expenses related to assets on sale	0.00	0.00
Purchase of equity instruments and debt instruments	-100,000.00	-176,000,000.00
Disposal of equity instruments and debt instruments	0.00	236,000,000.00
Loans granted	-360,000.00	-36,665,994.28
Loans repaid	0.00	0.00
Other purchase of financial assets	0.00	-200,000.00
Other disposal of financial assets	0.00	0.00
Dividends received	0.00	0.00
Interest received	91,796.00	0.00
Disposal of subsidiaries	1.00	0.00
Acquisition of subsidiaries	-350,000.00	0.00
Net investment cash flow	-1,883,072.11	21,667,105.23
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	-1,953,240.80	0.00
Borrowings	284,697,181.13	237,710,332.38
Borrowings repaid	-277,668,658.68	-163,952,402.42
Debt securities issued	0.00	229,000,000.00
Debt securities redeemed	-71,000,000.00	-188,700,000.00
Payments under financial lease agreements	-5,253,817.75	-9,062,927.47
Dividends and other shared profits	0.00	0.00
Interest paid	-19,120,549.43	-18,628,418.96
Other financial proceeds (including notes)	72,604,000.00	12,748,794.77
Other financial expenditures (including payment of notes)	-8,000,000.00	0.00
Net financing cash flow	-25,695,085.53	99,115,378.30
NET DECREASE/(INCREASE) IN CASH	-18,829,886.28	5,560,614.71
Cash and cash equivalents at the beginning of the year	23,369,456.66	51,866,374.15
- foreign exchange gains/(losses) on cash		
CLOSING BALANCE OF CASH AND CASH EQUIVALENTS	4,539,570.38	57,426,988.87

Additional information and notes

Statement of changes in equity

	Share capital	Own shares (negative value)	Revaluation reserve	Supplementary capital	Other capital	Hedge valuation reserve and currency translation reserve	Retained earnings	Net earnings	Equity
As at 31 December 2008	10,939,656.00	-2,476,626.31	7,471,818.19	478,511,684.07	5,731,587.19	0.00	-195,918,804.42	19,285,406.35	323,544,721.06
Basic error corrections	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
IFRS adjustments	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
As at 1 January 2009	10,939,656.00	-2,476,626.31	7,471,818.19	478,511,684.07	5,731,587.19	0.00	-195,918,804.42	19,285,406.35	323,544,721.06
Share issue	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Purchase of own shares	0.00	-1,953,240.80	0.00	0.00	0.00	0.00	0.00	0.00	-1,953,240.80
Dividends paid	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Gains / (losses) on revaluation of property, plant and equipment, and investment real estate	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Exchange gains / (losses) on translation of financial statements of foreign operations	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Gains / (losses) on business acquisitions (separate jwch)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Gains / (losses) on first-time consolidation / exclusion from consolidation	0.00	0.00	0.00	-0.01	0.00	0.00	0.00	0.00	0.00
Changes in the principles of accounting / presentation	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Consolidation adjustments	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Amendments to IFRS	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00

Additional information and notes

Total profit / (loss) recognised directly in equity	0.00	-1,953,240.80	0.00	-0.01	0.00	0.00	0.39	0.00	-1,953,240.42
Net profit (loss) for the accounting year	0.00	0.00	0.00	0.00	0.00	0.00	0.00	26,991,179.65	26,991,179.65
Total profit / (loss) recognised in equity and net earnings	0.00	-1,953,240.80	0.00	-0.01	0.00	0.00	0.39	26,991,179.65	25,037,939.23
Increase / decrease from profit distribution	0.00	0.00	0.00	102,258,790.84	0.00	0.00	-82,973,384.49	- 19,285,406.35	0.00
As at 30 June 2009	10,939,656.00	-4,429,867.11	7,471,818.19	580,770,474.90	5,731,587.19	0.00	-278,892,188.52	26,991,179.65	348,582,660.29

Additional information and notes

	Share capital	Own shares (negative value)	Revaluation reserve	Supplementary capital	Other capital	Hedge valuation reserve and currency translation reserve	Retained earnings	Net earnings	Equity
As at 31 December 2007	10,939,656.00	0.00	0.00	359,500,344.45	5,344,776.65	0.00	-404,512.13	119,409,027.74	494,789,292.71
Basic error corrections	0.00	0.00	0.00	0.00	0.00	0.00	-0.01	0.00	-0.01
IFRS adjustments	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
As at 1 January 2008	10,939,656.00	0.00	0.00	359,500,344.45	5,344,776.65	0.00	-404,512.14	119,409,027.74	494,789,292.70
Share issue	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Purchase of own shares	0.00	-2,476,626.31	0.00	0.00	0.00	0.00	0.00	0.00	-2,476,626.31
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 property, plant and equipment, and investment real estate	0.00	0.00	4,414,231.19	0.00	0.00	0.00	0.00	0.00	4,414,231.19
Exchange gains / (losses) on translation of financial statements of foreign operations	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Gains / (losses) on business acquisitions (separate jwch)	0.00	0.00	3,057,587.00	6,824.02	386,810.54	0.00	0.00	0.00	-195,665,840.43
Gains / (losses) on first- time consolidation / exclusion from consolidation	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Changes in the principles of accounting / presentation	0.00	0.00	0.00	-0.01	0.00	0.00	-195,665,840.42	0.00	-195,665,840.43
Consolidation adjustments	0.00	0.00	0.00	0.00	0.00	0.00	-51,920.01	0.00	-51,920.01
Amendments to IFRS	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total profit / (loss) recognised directly in equity	0.00	-2,476,626.31	7,471,818.19	6,824.01	386,810.54	0.00	-195,918,804.42	0.00	-190,529,977.98
Net profit (loss) for the accounting year	0.00	0.00	0.00	0.00	0.00	0.00	0.00	19,285,406.34	19,285,406.34
Total profit / (loss) recognised in equity and net earnings	0.00	-2,476,626.31	7,471,818.19	6,824.01	386,810.54	0.00	-195,918,804.42	19,285,406.34	-171,244,571.64
Increase / decrease from profit distribution	0.00	0.00	0.00	119,004,515.61	0.00	0.00	404,512.13	-119,409,027.74	0.00
As at 31 December 2008	10,939,656.00	-2,476,626.31	7,471,818.19	478,511,684.07	5,731,587.19	0.00	-195,918,804.42	19,285,406.34	323,544,721.06

Additional information and notes

E. NOTES TO THE SUMMARY BALANCE SHEET OF THE ISSUER FOR SIX MONTHS AS AT 30 JUNE 2009

1. FIXED ASSETS

Note 1. Intangible assets

INTANGIBLE ASSETS	30 June 2009	31 December 2008
a) research and development	0.00	0.00
b) goodwill on consolidation	3,047,895.06	3,047,895.06
c) other intangible assets	7,359,216.37	7,939,486.53
d) advances on intangible assets	0.00	0.00
Total intangible assets	10,407,111.43	10,987,381.59

Note 2. Tangible assets

TANGIBLE ASSETS	30 June 2009	31 December 2008
a) property, plant and equipment, of which:	114,441,368.58	120,582,549.74
- land (including right of perpetual usufruct)	21,325,367.03	21,444,367.03
- buildings and structures	81,914,830.89	86,807,843.71
- plant and machinery	4,342,886.79	4,506,881.31
- motor vehicles	6,602,956.48	7,544,069.40
- other property, plant and equipment	255,327.39	279,388.29
b) constructions in progress	58,123,868.49	54,795,709.48
c) advances on constructions in progress	0.00	0.00
Total tangible assets	172,565,237.07	175,378,259.22

Note 3. Investment real estate

Other long-term investments	30 June 2009	31 December 2008
a) investment real estate	8,375,619.09	8,342,866.58
b) other	0.00	1.00
Total other long-term investments	8,375,619.09	8,342,866.58

Note 4. Other financial assets

LONG-TERM FINANCIAL ASSETS	30 June 2009	31 December 2008
a) shares	99,070,487.88	99,095,487.88
b) loans granted	6,024,711.68	40,134,994.61
c) other long-term investments	0.00	0.00
Total long-term financial assets	105,095,199.56	139,230,482.49

LONG-TERM FINANCIAL ASSETS	30 June 2009	31 December 2008
a) in subsidiaries	104,885,649.56	139,229,482.49
- shares	98,860,937.88	99,094,487.88
- other securities	0.00	0.00
- loans granted	6,024,711.68	40,134,994.61
- other long-term financial assets	0.00	0.00
b) in other parties	209,550.00	1,000.00
- shares	209,550.00	1,000.00
- 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	105,095,199.56	139,230,482.49

Additional information and notes

CHANGES IN LONG-TERM FINANCIAL ASSETS	30 June 2009	31 December 2008
a) opening balance	139,230,482.49	78,161,820.88
- shares	99,095,487.88	78,161,820.88
- loans granted	40,134,994.61	0.00
- other	0.00	0.00
b) increase	558,550.00	68,068,661.61
- shares	558,550.00	27,933,667.00
- loans granted	0.00	40,134,994.61
- other	0.00	0.00
c) decrease	34,693,832.93	7,000,000.00
- shares (including first-time consolidation)	583,550.00	7,000,000.00
- loans granted	34,110,282.93	0.00
- other	0.00	0.00
d) closing balance	105,095,199.56	139,230,482.49
- shares	99,070,487.88	99,095,487.88
- loans granted	6,024,711.68	40,134,994.61
- other	0.00	0.00

Note 5. Trade and other receivables

NON-CURRENT RECEIVABLES	30 June 2009	31 December 2008
a) security deposits receivables	0.00	0.00
b) guarantee deposits (leasing) receivables	13,593,411.32	13,121,093.02
c) other receivables	0.00	0.00
Total receivables	13,593,411.32	13,121,093.02

2. CURRENT ASSETS

Note 6. Inventories and construction contracts

INVENTORIES	30 June 2009	31 December 2008
a) materials	1,831,350.80	2,761,927.24
b) semi-finished products and work in progress	923,622.66	0.00
c) finished products	4,062.48	24,473.39
d) goods	6,028,748.74	3,335,331.02
e) trade advances	162,492.78	163,300.41
Total inventories	8,950,277.46	6,285,032.06

CONSTRUCTION CONTRACTS	30 June 2009	31 December 2008
a) semi-finished products and work in progress	691,096,673.43	848,824,987.01
b) finished products	266,226,576.50	106,868,712.92
c) trade advances	2,313,198.90	7,651,377.33
d) short-term accruals	305,273.04	305,273.04
Total construction contracts	959,941,721.87	963,650,350.30

Note 7. Construction contracts

CONSTRUCTION CONTRACTS	30 June 2009	31 December 2008
a) accruals	392,682,828.74	425,249,213.66
Total construction contracts	392,682,828.74	425,249,213.66

Additional information and notes

Note 8. Trade and other receivables

CURRENT RECEIVABLES	30 June 2009	31 December 2008
a) trade receivables – related parties	24,747,117.64	27,150,921.69
b) trade receivables – other parties	19,740,933.35	20,973,819.67
c) taxes, subsidies, customs duties, social and health insurance and other payments	12,139,639.62	24,453,733.79
d) other	1,510,222.77	342,193.43
Total receivables	58,137,913.38	72,920,668.58

Note 9. Other financial assets

SHORT-TERM INVESTMENTS	30 June 2009	31 December 2008
a) shares	0.00	0.00
b) loans granted	60,065,519.91	20,841,763.00
c) other securities	107,604.17	0.00
d) other short-term investment	0.00	0.00
Total long-term financial assets	60,173,124.08	20,841,763.00

SHORT-TERM INVESTMENTS	30 June 2009	31 December 2008
a) in subsidiaries	58,244,864.49	18,110,219.20
- shares	0.00	0.00
- other securities	0.00	0.00
- loans granted	58,244,864.49	18,110,219.20
- other short-term financial assets	0.00	0.00
b) in other parties	1,928,259.59	2,731,543.80
- shares	0.00	0.00
- other securities	107,604.17	0.00
- loans granted	1,820,655.42	2,731,543.80
- other short-term financial assets	0.00	0.00
Total short-term investments	60,173,124.08	20,841,763.00

CHANGE IN SHORT-TERM INVESTMENTS	30 June 2009	31 December 2008
a) opening balance	20,841,763.00	84,598,389.16
- shares	0.00	0.00
- other securities	0.00	60,000,000.00
- loans granted	20,841,763.00	24,598,389.16
- other short-term financial assets	0.00	0.00
b) increase (due to)	39,423,157.08	11,623,128.13
- shares	0.00	0.00
- other securities	107,604.17	0.00
- loans granted	39,315,552.91	11,623,128.13
- other short-term financial assets		0.00
c) decrease (due to)	91,796.00	75,379,754.29
- shares	0.00	0.00
- other securities	0.00	60,000,000.00
- loans granted	91,796.00	15,379,754.29
- other short-term financial assets	0.00	0.00
d) closing balance	60,173,124.08	20,841,763.00
- shares	0.00	0.00
- other securities	107,604.17	0.00
- loans granted	60,065,519.91	20,841,763.00
- other short-term financial assets	0.00	0.00

Additional information and notes

Note 10. Cash and cash equivalents

CASH AND CASH EQUIVALENTS	30 June 2009	31 December 2008
a) cash on hand and with bank	4,478,618.55	11,124,231.86
b) other cash	1,236.70	12,197,939.20
c) other cash equivalents	59,715.13	47,285.60
Total cash	4,539,570.38	23,369,456.66

3. LIABILITIES

Note 11. Borrowings

BORROWINGS	30 June 2009	31 December 2008
a) loans	335,821,026.22	329,209,868.28
of which: long-term	121,490,396.23	64,696,438.04
short-term	214,330,629.99	264,513,430.24
b) cash loans	38,621.13	268,959.53
of which: long-term	0.00	0.00
short-term	38,621.13	268,959.53
Total borrowings	335,859,647.35	329,478,827.81
Borrowings – long-term	121,490,396.23	64,696,438.04
Borrowings – short-term	214,369,251.12	264,782,389.77

LOANS PER MATURITY	30 June 2009	31 December 2008
Up to 1 year	214,330,629.99	264,513,430.24
Over 1 year up to 2 years	121,490,396.23	64,180,438.04
Over 2 years up to 5 years	0.00	516,000.00
Over 5 years	0.00	0.00
Total loans, of which:	335,821,026.22	329,209,868.28
- long-term	121,490,396.23	64,696,438.04
- short-term	214,330,629.99	264,513,430.24

CASH LOANS PER MATURITY	30 June 2009	31 December 2008
Up to 1 year	0.00	268,959.53
Over 1 year up to 2 years	0.00	0.00
Over 2 years up to 5 years	0.00	0.00
Over 5 years	0.00	0.00
Total loans, of which:	0.00	268,959.53
- long-term	0.00	0.00
- short-term	0.00	268,959.53

Note 12. Other non-current liabilities

PROVISIONS FOR OTHER LIABILITIES AND CHARGES	30 June 2009	31 December 2008
a) current, of which:	20,293,298.38	18,963,434.38
- accrued expenses, including:	18,327,975.87	16,998,111.87
- provision for guarantee repairs	9,766,400.12	9,766,400.12
- other	8,561,575.75	7,231,711.75
- other provisions, including:	1,965,322.51	1,965,322.51
- provisions for future liabilities	1,000,000.00	1,000,000.00
- other provisions	965,322.51	965,322.51
b) non-current, of which:	1,994,705.65	2,224,864.00
- accrued expenses, including:	1,994,705.65	2,224,864.00
- deferred surplus of revenues from sales over the carrying value/sale and lease back	1,994,705.65	2,224,864.00
Total provisions for other liabilities and charges	22,288,004.03	21,188,298.38

Additional information and notes

OTHER NON-CURRENT LIABILITIES	30 June 2009	31 December 2008
a) leasing liabilities	57,737,173.89	62,092,928.08
b) security deposits liabilities	5,895,107.11	5,568,710.85
c) other non-current liabilities	4,032,323.34	0.00
Total other liabilities	67,664,604.34	67,661,638.93

Note 13. Trade and other payables

TRADE AND OTHER PAYABLES	30 June 2009	31 December 2008
a) trade payables – other parties	24,053,539.49	26,493,025.16
b) trade payables – related parties	62,588,622.96	93,875,314.71
c) taxes, customs duties, insurance and other payments	2,357,403.62	3,979,808.92
d) salaries	974,731.51	1,185,407.82
e) trade advances received	0.00	52,934.71
f) loans received – related parties	37,481,492.97	19,029,906.11
f) promissory notes – related parties	0.00	11,455,637.35
f) other	7,732,723.72	3,932,117.34
Total trade and other payables	135,188,514.27	160,004,152.12

OTHER LIABILITIES	30 June 2009	31 December 2008
a) issue of debt securities	0.00	71,000,000.00
b) note liabilities	105,433,060.23	41,987,272.85
c) lease liabilities	8,786,502.51	9,640,293.74
d) other financial liabilities	0.00	0.00
Total other liabilities	114,219,562.74	122,627,566.59

Additional information and notes

4. OPERATING INCOME AND EXPENSES

Note 15. Operating income

OPERATING INCOME	1 January 2009 – 30 June 2009	1 January 2008 – 30 June 2008
Revenues from sales of products	193,628,168.84	175,653,578.10
Revenues from sales of services	16,215,635.13	14,238,454.76
Revenues from sales of goods	5,738,934.66	10,497,928.81
Total income	215,582,738.63	200,389,961.67

	1 January 2009– 31 December 2009	1 January 2008 – 31 December 2008
Revenues from sales of products and services per business segments	209,843,803.97	189,892,032.86
- developer activity	200,735,173.03	178,038,023.27
- hotel activity	7,442,372.58	9,528,597.45
- real estate management	1,666,258.36	2,325,412.14
- construction	0.00	0.00

Note 16. Operating expenses

OPERATING EXPENSES	1 January 2009 – 30 June 2009	1 January 2008 – 30 June 2008
Costs on sale of products	144,141,921.30	123,383,984.62
Costs on sale of services	13,580,452.78	21,815,443.60
Costs on sale of goods	5,386,894.91	10,673,029.54
Total costs of products, services and goods sold	163,109,268.99	155,872,457.76

Selling and overhead expenses	1 January 2009 – 30 June 2009	1 January 2008 – 30 June 2008
Selling expenses	7,464,636.17	13,475,046.32
Overhead expenses	6,088,191.42	10,126,634.78
Total selling and overhead expenses	13,552,827.59	23,601,681.10

Expenses by nature	1 January 2009 – 30 June 2009	1 January 2008 – 30 June 2008
Depreciation and amortisation	3,967,336.05	5,971,168.67
Materials and power	13,086,066.13	59,347,390.59
Outsourcing	123,526,316.20	181,755,860.23
Fees and taxes	2,455,305.55	3,465,364.80
Salaries	9,154,859.51	22,016,975.32
Social insurance and other payments	1,787,233.74	3,978,042.90
Other expenses by nature	4,817,066.58	7,637,869.32
Total expenses by nature	158,794,183.76	284,172,671.83

Note 17. Other operating income

OPERATING INCOME	1 January 2009 – 30 June 2009	1 January 2008 – 30 June 2008
a) profit on disposal of non-financial fixed assets	0.00	488,252.50
b) other operating income	1,603,487.96	2,589,035.95
Total operating income	1,603,487.96	3,077,288.45

Additional information and notes

Note 18. Other operating expenses

OPERATING EXPENSES	1 January 2009 – 30 June 2009	1 January 2008 – 30 June 2008
a) loss on disposal of non-financial fixed assets	1,075,255.52	0.00
b) revaluation of non-financial assets	0.00	0.00
c) other operating expenses	1,484,385.09	4,201,284.40
Total operating expenses	2,559,640.61	4,201,284.40

Note 19. Financial income

FINANCIAL INCOME	1 January 2009 – 30 June 2009	1 January 2008 – 30 June 2008
a) dividends	0.00	0.00
b) interest	2,062,762.23	3,522,192.79
c) revaluation of investments	0.00	0.00
d) other	3,394,353.27	886,947.35
Total financial income	5,457,115.50	4,409,140.14

Note 20. Financial expenses

FINANCIAL EXPENSES	1 January 2009 – 30 June 2009	1 January 2008 – 30 June 2008
a) interest	10,775,492.42	10,913,976.71
b) revaluation of investments	0.00	0.00
c) other	219,069.70	624,916.93
Total financial expenses	10,994,562.12	11,538,893.64

Additional information and notes

Signature of the preparer of the Financial Statements

Irmína Łopuszyńska Chief Accountant	Signature: /-/ Irmína Łopuszyńska CHIEF ACCOUNTANT
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Signatures of Members of the Management Board

Barbara Czyż Vice-President of the Management Board	Signature: /-/ Barbara Czyż Vice-President of the Management Board J.W. CONSTRUCTION HOLDING S.A.
Robert Wójcik Vice-President of the Management Board	Signature: /-/ Robert Wójcik Vice-President of the Management Board J.W. CONSTRUCTION HOLDING S.A.
Grażyna Szafarowska Member of the Management Board	Signature: /-/ Grażyna Szafarowska MANAGEMENT BOARD MEMBER
Wojciech Rajchert Member of the Management Board	Signature: /-/ Wojciech Rajchert MANAGEMENT BOARD MEMBER
Tomasz Panabażys Member of the Management Board	Signature: /-/ Tomasz Panabażys MANAGEMENT BOARD MEMBER
Piotr Ciszewski Member of the Management Board	Signature:

Ząbki, 28 August 2009