

**The Capital Group of
J.W. Construction Holding
with J.W. Construction Holding S.A
as the Parent Company
in Radzymińska 326, 05-091 Ząbki**

**A supplementary report of an independent certified auditor
on the consolidated financial statements
for the accounting year from 1 January 2012 to 31 December 2012**

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I. GENERAL INFORMATION

1. Identification particulars of the Parent Company

1.1. Name and legal form

J.W. Construction Holding Spółka Akcyjna (a joint-stock company).

1.2. Domicile

The Company is domiciled in Ząbki, at ul. Radzyńska 326.

1.3. Business

During the audited period the core business of the Company comprised building and sale of housing and commercial real estate. J.W Construction Holding S.A. implemented developer projects on its own and through special purpose vehicles (SPVs).

The real business is compliant with the one disclosed in the National Court Register.

1.4. Legal basis

J.W. Construction Holding S.A. operates under:

- the Articles of Association of the Company, drawn up as a notarial deed on 28 December 2000 (Register A 16595/2000), as amended and
- the Code of Commercial Companies of 15 September 2000 (Journal of Laws No. 94, Item 1037, as amended).

1.5. Registration with the Business Court

On 16 July 2001 the Company was registered with the National Court Register at the District Court for Warsaw, under number KRS 0000028142.

1.6. Registration with the Revenue Office and the Provincial Statistical Office

tax number NIP 125-00-28-307

statistical number REGON 010621332

1.7. Equity of the Parent Company

As at 31 December 2012 the share capital of the Company amounted to PLN 10 814 656.00 and was divided into 54 073 280 shares with a par value PLN 0.20 each.

The Shareholders holding directly, or indirectly through subsidiaries, at least 5% of the total number of votes in the General Meeting as at the end of 2011 and 2012 were as follows:

As at 31 December 2011

Shareholder	Shares		% of share capital
	Number	Value (PLN)	
EHT S.A.	18,568,300	3,713,660.00	34.34%
Mr. Józef Wojciechowski	15,413,713	3,082,742.60	28.51%
Funds managed by PKO TFI S.A	3,245,668	649,133.60	6.00%
Funds managed by Pioneer Pekao TFI	5,382,182	1,076,436.40	9.95%
Other shareholders	11,463,417	2,292,683.40	21.20%
TOTAL	54,073,280	10,814,656.00	100.00%

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The shareholding structure of the Company and its share capital value from the balance sheet date until the date of this audit report on the financial statements did not change. Therefore, the number of shareholders holding directly or indirectly through subsidiaries, at least 5% of the total number of votes at the General Assembly as at 20 March 2013, is as above.

In case of investment funds, whose share capital of the Company is in the range from 5% to 10%, they may freely buy and sell shares of the Company without any obligation to inform about the current state ownership. Therefore, the shareholding as at the date of this report is identical with the shareholding as at the balance sheet date.

As at 31 December 2012 the equity of the Company consists of the following items:

- Revaluation capital	PLN 7,493,000
- supplementary capital and other reserve capitals	PLN 511,018,000
- losses from previous years	PLN (15,598,000)
- Net profits	PLN 8,061,000

Total equity as at 31 December 2012 was positive and amounted to PLN 521,789,000.

1.8. The Management Board of the Parent Company

As at 01 January 2012 the Management Board of the Company was composed of:

- Mr. Tomasz Panabażys Vice-Chairman of Management Board
- Mr. Robert Wojcik Member of Management Board
- Mr. Wojciech Rajchert Member of Management Board
- Ms. Irmina Łopuszyńska Member of Management Board
- Ms. Bożena Malinowska Member of Management Board

During the audited period the composition of the Management Board of the Company was changed as follows:

- on 01 February 2012 pursuant to the Resolution of the Supervisory Board No.2, Mrs. Magdalena Starzyńska was appointed as the Member of the Management of the Board;
- on 25 July 2012 on the basis of personal rights entitled to the shareholder holding over 50% of the shares, Ms. Bożena Malinowska was dismissed from the Management Board of the Company;
- On 3 December 2012, Mr. Tomasz Panabażys resigned from his position as the Vice Chairman of the Management Board of the Company.

In the period from the balance sheet date until the end of the audit the composition of the Management Board of the Company was changed as follows:

- On 07 February 2013, Mr. Robert Wójcik resigned from his position as the Member of the Management Board of the Company.

As at the date of stand-alone annual financial statements of the Company the Management Board of the Company for the trading year 2012 was composed of:

- Mr. Wojciech Rajchert Member of Management Board
- Ms. Irmina Łopuszyńska Member of Management Board
- Ms. Magdalena Starzyńska Member of Management Board

1.9. The Management Board of the Parent Company

As at 01 January 2012 the Supervisory Board of the Company was composed of:

- Mr. Józef Wojciechowski Chairman of Supervisory Board
- Mr. Józef Oleksy Vice Chairman of Supervisory Board
- Mr. Marcin Michnicki Vice Chairman of Supervisory Board
- Mr. Andrzej Podsiadło Member of Supervisory Board
- Mr. Jarosław Król Member of Supervisory Board

During the audited period the composition of Supervisory Board of the Company was changed as follows:

- on 22 October 2012 on the basis of personal rights entitled to the shareholder holding over 50% of the shares, Mr. Marek Samarcew was appointed to the Supervisory Board of the Company;

- on 22 October 2012 on the basis of personal rights entitled to the shareholder holding over 50% of the shares, Mr. Andrzej Podsiadło was dismissed from the Supervisory Board of the Company;
- on 22 October 2012 pursuant to the Resolution of the General Assembly No.4, Mr. Marcin Michnicki was dismissed from the position of the Vice- Chairman of the Supervisory Board.
- on 22 October 2012 pursuant to the Resolution of the General Assembly No.5, Mr. Andrzej Podsiadło was appointed as the Member of the Supervisory Board.

In the period from the balance sheet date until the end of the audit the composition of the Supervisory Board wasn't changed.

As at the date of stand-alone annual financial statements of the Company for the financial year 2012 the Supervisory Board of the Company was composed of:

- Mr. Józef Wojciechowski, Chairman of Supervisory Board
- Mr. Marek Samarcew Vice Chairman of Supervisory Board
- Mr. Józef Oleksy Vice Chairman of Supervisory Board
- Mr. Andrzej Podsiadło Member of Supervisory Board
- Mr. Jarosław Król Member of Supervisory Board

2. Companies of the Capital Group

2.1. The Parent Company

The financial statements of J.W Construction Holding S. A was prepared as at 31 December 2012 and covered the period from 01 January 2012 to 31 December 2012.

The financial statements were audited by BDO Sp.z o.o under the direction of by the certified auditor Edyta Kalińska (Registration No. 10336) and received an unqualified opinion.

Balance sheet total	PLN 1,452,050,000
EarningsNet profit/loss	PLN 8,061,000
Increase in equity	PLN 1,057,000
Decrease in cash	PLN 25,718,000
Revenues from sales	PLN 282,961,000

2.2. Information the merger of the Companies

2.2.1 The merger of the companies registered on 31 October 2012

Pursuant to the Resolution No.3 of the Ordinary General Assembly of the Shareholders of 22 October 2012, the merger of the Company of J.W. Construction Holding S.A with subsidiaries occurred. On 05 November 2012, the Company took the information that District Court for the City of Warsaw, XIV Commercial Division of the National Court Register registered the merger of the Company with its subsidiaries on 31 October 2012:

- 1) a company under the name of JW Projekt Sp. z o.o with its seat in Ząbki ("the Acquired Company"), a wholly owned subsidiary which was a company operating in the field of architectural design;
- 2) a company under the name of Architects Polska Sp. z o.o. with its seat in Ząbki ("the Acquired Company"), a wholly owned subsidiary which recently did not conduct any business activity;
- 3) a company under the name of JWCH Budownictwo Drogowe Sp. z o.o. with its seat in Ząbki ("the Acquired Company"), a wholly owned subsidiary which recently did not conduct any business activity;

The merger was in accordance with art. 492.1.1 of the Commercial Companies Code by transferring all the assets of the Acquired Companies to the Company (merger by acquisition).

2.2.2 The merger of the companies registered on 26 November 2012

Pursuant to the Resolution No.1 of the General Meeting of Shareholders of 27 February 2012, the merger of the Company of J.W. Construction Holding S.A with J.W.Construction S.A. occurred. On 26 November 2012, the District Court for the City of Warsaw, XIV Commercial Division of the National Court Register registered the merger of the Companies.

The merger was in accordance with art. 492.1.1 of the Commercial Companies Code by transferring all the assets of the Acquired Companies to the Company (merger by acquisition).

2.3. Subsidiaries

The financial statements of most of the subsidiaries were prepared in accordance with the principles (policy) of accounting under the International Accounting Standards, International Financial Reporting Standards and related interpretations published in the form of European Community regulations and to the extent not provided thereunder - in accordance with the Act on Accounting and executory provisions issued under the same. Other financial statements of subsidiaries were prepared in accordance with the provisions under the Accounting Act, and for the purpose of the consolidation of the Group in the consolidated financial statements include the appropriate adjustments and transforms according to the principles of accounting in accordance with IAS/IFRS.

All financial statements cover the period from 01 January 2012 to 31 December 2012, unless otherwise noted.

As at 31 December 2012 the Company controlled or jointly controlled the following subsidiaries or fellow subsidiaries directly included in the consolidated financial statements:

1. Lokum Sp. z o.o.

Domicile:	Warsaw
Business:	real estate development and sale
Method of consolidation:	full consolidation
Ownership structure:	100% JWCH S.A
Period covered by this report:	from 01 January 2012 to 31 December 2012
Opinion:	not audited

2. TBS Marki Sp. z o.o.

Domicile:	Warsaw
Business:	social building
Method of consolidation:	full consolidation
Ownership structure:	99.99% JWCH S.A
Period covered by this report:	from 01 January 2012 to 31 December 2012
The entity authorized to audit:	BDO Sp. z o.o.
Opinion:	subject to the following terms:

"1 / Towarzystwo Budownictwa Społecznego „MARKI” Sp. z o.o. on the basis of "economic events records in Towarzystwo Budownictwa Społecznego (Housing Societies) connected with of crediting investment-construction projects from the funds of the National Housing Fund and the principles of economic analysis, and acquiring of information", issued by the Bank Gospodarstwa Krajowego on 30 September 2003, presented in the item "Long-term accruals" in the amount of PLN 1,071,246.07 This item comprises fully capitalized interest on the investment credit, which covers the period from 2001 to 2012, ie for the loan repayment period from the date of transmission facilities constructed for use.

In our opinion, capitalized interest raising a credit capital to repay the loan should not be capitalized because it does not meet the requirements under Art. 3.1.12 of the Accounting Act. Credit interest which was calculated by the bank, in the period of its rising, should aggravate financial costs.

2 / In accordance with § 21 of the Company Agreement, the Company may establish funds and other reserves in accordance with the resolution of the Shareholders Assembly, including but not limited to: repair and investment fund. Based on the relevant resolution of the Shareholders Assembly, the Company established the repair fund and transferred the amount of PLN 2,215,720.41 from the profit for the years 2009 and 2010 to this fund.

The Extraordinary General Assembly of Shareholders, with resolutions of 14 September 2011 and 31 December 2011, decided to cover the cost of housing repairs made in 2011 in the total amount of PLN 1,646,461.00 from the repair fund. The Extraordinary General Assembly of Shareholders, with a resolution No. 29/2012 of 17 December 2012, decided to cover the cost of housing repairs made in 2012 in the total amount of PLN 378,308.80 from the repair fund.

Based on the above resolutions, the Company settled aforementioned costs excluding profit and loss account, directly into the repair fund encumbrance. "

The Parent Company presented interests and costs of repairs properly in the consolidated financial statements.

3. Deweloper Sp. z o.o.

Domicile:	Siemianowice Śląskie
Business:	building and assembly production,
Method of consolidation:	full consolidation
Ownership structure:	99% JWCH S.A
Period covered by this report:	from 01 January 2012 to 31 December 2012
Opinion:	not audited

4. Porta Transport Sp. z o.o. in liquidation

Domicile:	Szczecin
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Business: transport services,
Method of consolidation: full consolidation
Ownership structure: 100% JWCH S.A
Period covered by this report: from 01 January 2012 to 31 December 2012
Opinion: not audited

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

Domicile: Ząbki
Business: prefabricated materials production
Method of consolidation: full consolidation
Ownership structure: 99.99% JWCH S.A
Period covered by this report: from 01 January 2012 to 31 December 2012
The entity authorized to audit: BDO Sp. z o.o.
Opinion: unqualified

6. YAKOR HOUSE Sp. z oo

Domicile: Sochi, Russia
Business: developer activity
Method of consolidation: full consolidation
Ownership structure: 70% JWCH S.A
Period covered by this report: from 01 January 2012 to 31 December 2012
Opinion: not audited

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

Domicile: Ząbki
Business: services
Method of consolidation: full consolidation
Ownership structure: 100% JWCH S.A
Period covered by this report: from 01 January 2012 to 31 December 2012
Opinion: not audited

8. Seahouse Sp. z o.o.

Domicile: Ząbki
Business: developer activity
Method of consolidation: full consolidation
Ownership structure: 100% JWCH S.A
Period covered by this report: from 01 January 2012 to 31 December 2012
Opinion: not audited

9. J.W. 2 Sp. z o.o.

Domicile: Ząbki
Business: developer activity
Method of consolidation: full consolidation
Ownership structure: 100% JWCH S.A
Period covered by this report: from 01 January 2012 to 31 December 2012
Opinion: not audited

10. J.W. 6 Sp. z o.o.

Domicile:	Ząbki
Business:	developer activity
Method of consolidation:	full consolidation
Ownership structure:	100% JWCH S.A
Period covered by this report:	from 01 January 2012 to 31 December 2012
Opinion:	not audited

11. J.W. Group Sp. z o.o.

Domicile:	Ząbki
Business:	developer activity
Method of consolidation:	full consolidation
Ownership structure:	100% JWCH S.A
Period covered by this report:	from 01 January 2012 to 31 December 2012
Opinion:	not audited

12. J.W. Group Sp. z o.o. 1 S.K.A.

Domicile:	Ząbki
Business:	developer activity
Method of consolidation:	full consolidation
Ownership structure:	100% JWCH S.A
Period covered by this report:	from 01 January 2012 to 31 December 2012
Opinion:	not audited

13. J.W. Group Sp. z o.o. 2 S.K.A.

Domicile:	Ząbki
Business:	developer activity
Method of consolidation:	full consolidation
Ownership structure:	100% JWCH S.A
Period covered by this report:	from 01 January 2012 to 31 December 2012
Opinion:	not audited

2.4. Entities excluded from consolidation

In 2012 the Parent Company excluded the following subsidiaries from the obligatory consolidation:

- Business Financial Construction Sp. z o.o domiciled in Warsaw-99.9% (a subsidiary);
- Polonia SSA,domiciled in Warsaw - 100% (a subsidiary);
- J.W. Bułgaria Sp. z o.o domiciled in Warna, Bulgaria - 100% (a subsidiary);

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

3. Particulars of the audited consolidated financial statements

The audit covered the consolidated financial statements of the Capital Group of J.W. Construction Holding S.A. for the period from 01 January 2012 to 31 December 2012, comprised of:

- consolidated statement of financial position as at 31 December 2012 with total assets and total equity and liabilities of PLN 1,556,107,000
- consolidated income statement for the period from 01 January 2012 to 31 December 2012 with net profit of PLN 9,533,000;
- consolidated statement of comprehensive income for the period from 01 January 2012 to 31 December 2012 with net profit of PLN 9,809,000;
- consolidated statement of changes in equity for the period from 01 January 2012 to 31 December 2012 with an increase in equity by PLN 9,809,000 ;
- consolidated statement of cash flow for the period from 01 January 2012 to 31 December 2012 with a decrease in cash by PLN 26,267,000 net;
- additional information and notes presenting the applied principles of accounting, notes to the consolidated financial statements and notes to off-balance sheet items

and the Management Commentary on the Company for 2012

4. Particulars of the licensed auditing firm and the certified auditor conducting the audit

Report on the consolidated financial statements of the Capital Group of J.W Construction Holding domiciled in Ząbki for the trading year 2012 was conducted by BDO Sp. z o.o. domiciled in Warsaw, at ul.Postępu 12 in Warsaw, a licensed auditing firm registered with the National Board of Certified Auditors under number 3355.

The certified auditor was chosen by the Supervisory Board of the audited Company by virtue of its Resolution No. 15 of 13 June 2012.

The audit was conducted pursuant to the audit agreement concluded on 02 July 2012 by the certified auditor Edyta Kalińska (Reg. No. 10336).

We represent that BDO Sp. Ltd., its Management Board, the certified auditor with the teams auditing the above-mentioned statements meet the requirements for issuing an objective and independent opinion on the audited financial statements - in accordance with the article 56.3 and 4 of the Act on certified auditors, their self-government and entities authorised to audit financial statements and on public supervision. (Journal of Laws of 2009, No. 77, item 649).

The Parent Company made all the representations and explanations and provided all the information necessary to conduct the audit and requested by the certified auditor during the audit. The Company also informed that no significant events occurred in the period from the balance sheet date to the day of the representation.

There were no audit scope limitations and the certified auditor was not limited in choosing appropriate methods of auditing.

5. Information on financial statements for the previous year

The opening balance was based on the consolidated financial statements for the period from 01 January 2011 to 31 December 2011, audited by BDO Sp. z o.o. and was given an opinion without any objections.

The consolidated financial statements of the Capital Group for the period from 01 January 2011 to 31 December 2011 and the Management Commentary on the Capital Group for 2011 were approved with Resolutions No. 5 of the Annual General Meeting of 26 June 2012 drawn up as a notarial deed register Reg. A No.: 4667/2012.

The consolidated financial statements for 2011 were submitted to the Tax Office of the proper venue and to the National Court Register.

The consolidated financial statements of the Capital Group for 2011 were published in the Monitor Polski B official bulletin No. 3263 on 10 December 2012.

II. FINANCIAL ANALYSIS

Below are presented selected items of the income statement and balance sheet in thousands of zlotys as well as key financial ratios compared to the same items for the previous years. The following analysis is presented based on carrying values of the Capital Group, without the effect of inflation.

1. Key items from the income statement

(in thousands of PLN)

Detailed list	2012	Dynamics 2012/2011	2011	Dynamics 2011/2010	2010
Revenues from sales	355,559	93.91%	378,632	61.07%	620,026
Costs of goods and products sold	275,185	99.25%	277,269	62.67%	442,404
Gross profit on sales	80,374	79.29%	101,363	57.07%	177,622
Selling and overhead expenses	52,375	84.80%	61,760	107.56%	57,419
Revaluation of investment properties	23,556	104.98%	22,439	220.18%	10,191
Profit on sales	51,555	83.1%	62,042	51.6%	120,203
Other operating income	8,017	439.77%	1,823	15.16%	12,027
Financial net	(47,256)	193.75%	(24,390)	84.04%	(29,021)
Gross profit	12,316	31.20%	39,475	38.25%	103,209
Income tax	2,763	33.62%	8,219	38.43%	21,388
Net profit	9,553	30.56%	31,256	38.20%	81,821

2. The key values of the financial position

(in thousands of PLN)

ASSETS	2012	% of balance sheet total	2011	% of balance sheet total	2010	% of balance sheet total
Non-current assets	909,477	58.4%	687,359	49.8%	570,564	41.3%
Intangible assets	15,912	1.0%	17,063	1.2%	18,341	1.3%
Tangible assets	446,768	28.7%	428,754	31.1%	389,521	28.2%
Non-current receivables	18,220	1.2%	15,774	1.1%	14,829	1.1%
Long-term investments	402,482	25.9%	208,260	15.1%	128,872	9.3%
Long-term accruals	26,095	1.7%	17,508	1.3%	19,001	1.4%
Current assets	646,630	41.6%	693,447	50.2%	811,615	58.7%
Inventories	31,546	2.0%	38,374	2.8%	31,936	2.3%
Current receivables	57,526	3.7%	64,824	4.7%	59,610	4.3%
Short-term investments	31,409	2.0%	43,544	3.2%	104,360	7.6%
Long-term accruals	13,429	0.9%	23,735	1.7%	21,345	1.5%
Construction contracts	512,720	32.9%	522,970	37.9%	594,364	43.0%
TOTAL ASSETS	1,556,107	100.0%	1,380,806	100.0%	1,382,179	100.0%
EQUITY AND LIABILITIES						
Equity	503,256	32.3%	493,447	35.7%	462,891	33.5%

Liabilities and reserves						
for liabilities	1,052,851	67.7%	887,359	64.3%	919,288	66.5%
Provisions for liabilities	24,059	1.5%	19,423	1.4%	25,176	1.8%
Non-current liabilities	583,566	37.5%	389,061	28.2%	340,218	24.6%
Current liabilities	292,769	18.8%	341,802	24.8%	329,833	23.9%
Accruals	68,646	4.4%	67,498	4.9%	71,913	5.2%
Accruals	83,811	5.4%	69,575	5.0%	152,148	11.0%
TOTAL LIABILITIES	<u>1,556,107</u>	100.0%	<u>1,380,806</u>	100.0%	<u>1,382,179</u>	100.0%

3. Key financial ratios

Liquidity ratios	2012	2011	2010
Liquidity ratios I			
$\frac{\text{total current assets}}{\text{current liabilities}}$	2.2	2.0	2.5
Liquidity ratios II			
$\frac{\text{total current assets- inventories}}{\text{current liabilities}}$	2.1	1.9	2.4
Activity ratios			
Receivables turnover in days			
$\frac{\text{average trade receivables *) x 365}}{\text{Revenues from sales}}$	45	44	24
Inventories turnover in days			
$\frac{\text{average inventories *) x 365}}{\text{cost of products, goods and services sold}}$	733	782	517
Return ratios			
Net profit margin on sales			
$\frac{\text{Net profit/loss}}{\text{Revenues from sales}}$	2.7%	8.3%	13.2%
Return on sales			
$\frac{\text{operating income}}{\text{Revenues from sales}}$	22.6%	26.8%	28.6%
ROA			
$\frac{\text{Net profit/loss}}{\text{total assets}}$	0.6%	2.3%	5.9%
ROE			
$\frac{\text{Net profit/loss}}{\text{Equity}}$	1.9%	6.3%	17.7%
Debt ratios			
Payables turnover in days			
$\frac{\text{average trade payables *) x 365 days}}{\text{cost of products, goods and services sold}}$	114	87	51
Debt ratio			

	liabilities and provisions for liabilities			
	Total liabilities	67.7%	64.3%	66.5%
Efficiency of shares				
BVPS in PLN				
	Equity			
	number of shares	9.20	9.02	8.46
Net profit/loss per share in PLN				
	Net profit/loss			
	number of shares	0.17	0.57	1.50

**) average receivables, inventories and payables are calculated as arithmetic mean of the value of the items in the opening balance sheet and in the closing one.*

4. Interpretation

In the audited period, the Company generated profit of PLN 9,533,000.

The main source of profit generated by the Capital Group, in the audited period, were revenues from sales under the Parent Company's activity.

The Capital Group's balance sheet structure did not change significantly in comparison to the previous year except for the value of long-term investment. The share of long-term investments in the assets went up to 25.9% (15.1% last year) and results from the implementation of commercial investments qualified to investment properties.

An analysis of the structure of equity and liabilities proved that in the audited period the business activity of the Capital Group in 2012 was financed in 32.3% with equity and in 67.7% with external capital. Financing structure did not change significantly in comparison to the previous year, while the share of long-term liabilities in the structure increased by 9.3 percentage points.

Profitability of profit of the Capital Group, in comparison to the last year, is almost three times lower than net profit in 2012. ROS declined by 4.2 percentage points, while ROE decreased by 4.4 percentage points.

In comparison to the previous year, the level of the Group's liquidity did not change, however, the indicators are still at the appropriate levels.

In the analysed period, the collection ratio of payments remained at a similar level in comparison to the previous period.

The average inventory ratio shortened in comparison to the previous year, due to lower inventory levels. Long cycle inventory turnover is characteristic of the development industry, in which the Company operates.

III. SPECIFIC INFORMATION

1. Principles of consolidation of the financial statements

The consolidated financial statements of the Capital Group, with J.W. Construction Holding S.A. as the parent company, were prepared in accordance with the principles of the International Accounting Standards, International Financial Reporting Standards and related interpretations published in the form of European Community regulations and to the extent not provided thereunder - in accordance with the Act on Accounting and supporting regulations issued under the same as well as based on correct books of accounts.

The Capital Group adopted the same standard principles and methods of measurement of particular assets, income and expenses as well as presentation of financial data.

Financial statements of entities covered by the consolidated financial statements were prepared as at the same balance sheet date as the financial statements of the parent company.

2. Additional information to the consolidated financial statement

The Capital Group of J.W. Construction Holding prepared in the correct additional information covering the applied principles of accounting, notes to the financial statements, as well as additional information and notes in accordance with the International Financial Reporting Standards, and to the extent not regulated in these standards - in accordance with the requirements of the Act on Accounting (Journal of Laws of 2009, No. 152, Item 1223, as amended) and executory provisions regulations issued under the same.

The additional information is complete and the figures contained in the same are compliant with other elements of the audited consolidated financial statements.

3. Consolidated statement of changes in equity

The consolidated statement of changes in consolidated equity was prepared accurately and it is correctly connected with the consolidated balance sheet and consolidated income statement.

The data presented in the statement of changes in consolidated equity show the changes in equity of the Group in a fair and correct manner.

4. Consolidated cash flow statements

The cash flow statement was prepared correctly with a two-step method in accordance with the principles (policy) of accounting under the International Accounting Standards, International Financial Reporting Standards and related interpretations published in the form of European Community regulations and to the extent not provided thereunder - in accordance with the Act on Accounting and executory provisions issued under the same.

5. Parent Company's Management Commentary on the Capital Group

In accordance with Article 49 of the Act on Accounting, the Code of Commercial Companies and the Regulation of the Minister of Finance of 19 February 2009 on Current and Periodic Filings of Issuers

of Securities and Conditions for Recognising Filings Required under Regulations of a Non-member State as Equivalent (Journal of Laws of 2009 No. 33, Item 259), the Management Board prepared the Management Commentary on the Capital Group of J.W. Construction Holding for the audited period.

Information presented in the Management Commentary on the Group complies with the information presented in the audited consolidated financial statements.

6. Statement of the Management Board of the Parent Company

The Management Board of the Parent Company of J.W. Construction Holding S.A. made a written statement that all data were recognised in books of accounts, all contingent liabilities were disclosed as well as all events that are significant for the Capital Group of J.W. Construction Holding and occurred after the balance sheet date.

Poznań, 20 March 2013

**BDO Sp. z oo ul. Postępu 12
02-676 Warszawa
Registration number 3355**

**Key auditor:
przeprowadzający badania:**

Edyta Kalińska
Certified Auditor Reg.
No. 10336

**Acting for
BDO Sp. z o.o.:**

Dr. André Helin
President of the Management Board
Certified Auditor Reg. No.
90004