



J.W.CONSTRUCTION HOLDING S.A.

PRESS RELEASE

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JWC Holding Established a New Subsidiary

The Management Board of J.W. Construction Holding S.A. has decided to establish a new company under the name of J.W. Construction S.A. In the future, the new company will carry the construction activity. It is an important step towards spinning the construction business off the Company, simplifying its corporate structure and accelerating its business in respective market areas of the holding.

JWCH has taken 100% of the share capital of the new company, consisting of 500,000 series A registered shares with a par value of PLN 1 each. The subscription was funded with the holding's own funds.

“By the future separation of the development business from other areas of business, we want to enhance our corporate transparency. Thanks to this change, we will be able to improve the control over our results and to compete better in different areas of the market”, explains Jerzy Zdrzałka, President of J.W. Construction Holding S.A. Management Board.

The decision to establish a new company fits into the long-term development strategy of J.W. Construction Holding and, also, means that the Management Board focuses on a further specialization in different areas of business. The fact of being its own contractor provides the Company with an important competitive advantage. The Company wants to spin that business off and develop it in order to become independent of subcontractors. That, in turn, should permit better margins and even a more competitive offer for customers.

“We want to develop intensely a construction-profile company which, in the future, following the transfer of assets owned by JWC Holding to that company, will become an important player in the contracting market”, adds Jerzy Zdrzałka.

J.W. Construction is the largest residential developer in Poland, present mainly in Warsaw but also in Łódź and Gdynia, and abroad. The Company is the leader of the Warsaw residential market where it has been engaged in development activity since 1994. In addition to the pursuit of development projects, the company also handles construction in the capacity of general contractor of the majority of its investments. J.W. Construction owns and operates the Hotels 500 network, consisting of five hotels: in Zegrze, Stryków, Tarnów Podgórny, Cieszyn and Św. Lipka. On 4 June 2007, the Company had its debut on the Warsaw Stock Exchange. In 2006, J.W. Construction earned PLN 132 million net, with revenue of PLN 726 million.