

# Consolidated Financial Statement for the period between January 1, 2015 and December 31, 2015



Prepared in accordance with the International  
Financial Accounting Standards

Ząbki, this 17th day of March, 2016



## A. INTRODUCTION TO CONSOLIDATED FINANCIAL STATEMENT

### 1. GENERAL INFORMATION ABOUT THE DOMINANT ENTITY

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

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

As of December 31, 2015, the lifetime of the Company is unlimited. The business year of the Company is a calendar year, i.e. the period between January 1 and December 31.

This financial statement was approved by the management of the capital group on March 17, 2016 with the publishing date of March 17, 2016. If there were any significant changes that had to be disclosed, the financial statement may be amended after it was prepared prior to approval solely by the management of the Capital Group.

### ADOPTED PRINCIPLES (POLICY) OF ACCOUNTING

#### Basic information about the Group comprising the holding entity and the subsidiaries of the holding entity covered in the consolidated financial statement

The Group's structure and the holding entity's share in the share capital of subjects belonging to the Group as at December 31, 2015 are presented in the table below:

The structure of the Group and the participation of the dominant entity in the share capital of the entities being part of the Group and consolidated as of December 31, 2015 is presented in the below table:

Company	Country of registration	Parent company's share in share capital	Parent company's share in voting rights	Consolidation method
<b>Subsidiaries:</b>				
Towarzystwo Budownictwa Społecznego „Marki” Sp. z o.o.	Poland	100,00%	100,00%	full consolidation
J.W. Construction Sp. z o.o.	Poland	99,99%	99,99%	full consolidation
Porta Transport Sp. z o.o. w likwidacji (in liquidation)	Poland	100,00%	100,00%	full consolidation
JW. Marka Sp. z o.o.	Poland	100,00%	100,00%	full consolidation
Yakor House Sp. z o.o.	Russia	70,00%	70,00%	full consolidation
Seahouse Sp. z o.o.	Poland	100,00%	100,00%	full consolidation
Nowe Tysiąclecie Sp. z o.o.	Poland	100,00%	100,00%	full consolidation
Business Financial Construction Sp. z o.o.	Poland	100,00%	100,00%	full consolidation
Dana Invest Sp. z o.o.	Poland	100,00%	100,00%	full consolidation
Bałtycka Invest Sp. z o.o.	Poland	100,00%	100,00%	full consolidation
Berensona Invest Sp. z o.o.	Poland	100,00%	100,00%	full consolidation
Bliska Wola 1 Sp z o.o.	Poland	100,00%	100,00%	full consolidation
Bliska Wola 2 Sp z o.o.	Poland	100,00%	100,00%	full consolidation
Wola Invest Sp z o.o.	Poland	100,00%	100,00%	full consolidation
Bliska Wola 4 Sp z o.o.	Poland	100,00%	100,00%	full consolidation
Zdziarska Invest Sp z o.o.	Poland	100,00%	100,00%	full consolidation
Łódź Invest Sp z o.o.	Poland	100,00%	100,00%	full consolidation
Lewandów Invest Sp. z o.o.	Poland	100,00%	100,00%	full consolidation
Sochaczewska Invest Sp. z o.o.	Poland	100,00%	100,00%	full consolidation
Osada Wiślana Sp. z o.o.	Poland	100,00%	100,00%	full consolidation
Parkowa Invest Sp. z o.o.	Poland	100,00%	100,00%	full consolidation

The core business of the Group's companies is:

- J.W. Marka Sp. z o.o. – marketing activity,

- Towarzystwo Budownictwa Społecznego „Marki” Sp. z o.o. – sale and administration of social building estates,
- Yakor House Sp. z o.o. - development and sale of own properties on its own account,
- Porta Transport Sp. z o.o. w likwidacji – transport services,
- J.W. Construction Sp. z o.o. – prefabricated units production for the building industry,
- Seahouse Sp. z o.o. – development and sale of own properties on its own account,
- Nowe Tysiąclecie Sp. z o.o. - development and sale of own properties on its own account,
- Business Financial Construction Sp. z o.o. – sales and marketing,
- Dana Invest Sp. z o.o. – development and sale of own properties on its own account,
- Bałtycka Invest Sp. z o.o. – development and sale of own properties on its own account,
- Berenson Invest Sp. z o.o. – development and sale of own properties on its own account,
- Bliska Wola 1 Sp. z o.o. – development and sale of own properties on its own account,
- Bliska Wola 2 Sp. z o.o. – development and sale of own properties on its own account,
- Wola Invest Sp. z o.o. – development and sale of own properties on its own account,
- Bliska Wola 4 Sp. z o.o. – development and sale of own properties on its own account,
- Zdziarska Invest Sp. z o.o. – development and sale of own properties on its own account,
- Łódź Invest Sp. z o.o. – development and sale of own properties on its own account,
- Lewandów Invest Sp. z o.o. – development and sale of own properties on its own account,
- Sochaczewska Invest Sp. z o.o. – development and sale of own properties on its own account,
- Osada Wiślana Sp. z o.o. – development and sale of own properties on its own account,
- Parkowa Invest Sp. z o.o. – development and sale of own properties on its own account.

All Group companies operate in the territory of Poland, except for Yakor House Sp. z o.o, concentrate on building and developer production in the territory of Russia. The lifetime of the Group companies is unlimited.

#### **Preparation of the consolidated financial statement**

The consolidated financial statements for the years 2014-2015 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 controlled by the holding entity of the subsidiaries.

In H1 of 2015 there a registration of the merger by and between Issuer and the subsidiaries thereof took place:

- J.W. Group Sp. z o.o. with its business seat in Ząbki, Poland,
- J.W. Group Spółka z ograniczoną odpowiedzialnością J.W.1 SKA with its business seat in Ząbki, Poland,
- J.W. Group Spółka z ograniczoną odpowiedzialnością J.W.2 SKA with its business seat in Ząbki, Poland,
- Lokum Sp. z o.o. with its business seat in Warsaw,
- J.W. 6 Sp. z o.o. with is business seat in Ząbki, Poland,

The merger took place in accordance with the articles 492 §1 section 1 of the Polish Code of Commercial Companies through the transfer of all the assets of the companies being taken over to the Issuer (merger through acquisition).

The dominant entity, in the years 2014-2015, exclude from an obligation to consolidate the following subsidiaries:

*In 2014:*

- J.W. Construction Bulgaria Sp. z o.o.-100%
- Dana Invest Sp. z o.o. -100%

*In 2015:*

- J.W. Construction Bulgaria Sp. z o.o. - 100%
- JW. Ergo Energy sp. z o.o. - 50%

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.

#### **Going concern basis and comparability of financial statements**

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

#### **Significant estimations and assumptions**

Estimations and certain ideas are subject to periodic verification of the Company. When making estimations J.W. Construction Holding S.A. makes the following assumptions referring to the future;



- Estimation of impairment allowance. Impairment allowance is established taking account of expected risk connected with receivables and created collateral having impact on effective debt collection. Although the assumptions are made using the best knowledge, real results may be different than expected.
- Estimations connected with establishing deferred tax assets in accordance with IAS 12. Due to the highly volatile economy it may happen that real earnings and tax income are different than planned.
- Estimation of potential costs of fiscal and court proceedings pending against the parent company. When preparing the financial statements the opportunities and risks connected with pending proceedings are reviewed on a case by case basis, and provisions for potential losses are created accordingly. However, it is also possible that a court or a fiscal authority provides a verdict or issues a decision other than expected by the company and the created provisions may prove insufficient.
- The entity receives revenue from the services performed by the Issuer based on the task contracts for a fixed period of time. The services performed by the Issuer are long-term services. The period of their performance exceeds 6 months.
- The fair value of the investment real estate is determined by independent, professional entities responsible for real estate valuation. The management board verifies the valuations of real estate by comparing them with similar market transactions and other investment real estate information that is possible to receive.

### **The results of applying new standards of accounting and changes to the accounting**

The principles (policy) of accounting that were used for preparation of this financial statements for H1 of 2015 are consistent with those used for preparation of the financial statement for the financial year of 2014, with the exception of changes described below.

The same principles were applied for the current period and the period being compared.

### **The effect of the application of new accounting standards and the changes in accounting policy**

The principles (policy) of accounting that were used for preparation of this financial statements for H1 of 2015 are consistent with those used for preparation of the financial statement for the financial year of 2014, with the exception of changes described below.

#### **▪ Changes resulting from the changes to IFR**

The following new or revised standards or interpretations issued by the International Accounting Standards Board or IFRS Interpretations Committee are in force from January 1, 2015:

- Changes to various standards resulting from the annual review of the International Accounting Standards (Annual Improvements 2010-2012)
- Changes to various standards resulting from the annual review of the International Accounting Standards (Annual Improvements 2011-2013)
- Changes to International Reporting Standards 19, Defined Benefit Plans, Employee Contributions
- Interpretation of the International Accounting Standards Board: Public Levies

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

The main consequences of the application of new regulations:

- Changes to various standards resulting from an annual review of the International Standards of Financial Reporting (*Annual Improvements 2010-2012*)

On December 12, 2013 there were further changes made to seven standards resulting from the project of proposed changes to IFRS published on May 2012. The mostly apply to annual reports starting on July 1, 2014 or later.

As a result of the conducted review of the International Standards of Financial Reporting, 7 minor amendments were introduced:

- in IFRS 2 *Share-based payment*, definitions for "vesting condition" and a "market condition" were corrected. 2 new definitions were introduced, namely a definition of a "performance condition" and a "service condition". In IFRS 3 *Business combinations*, it was specified that obligations related to a conditional payment meeting the definition of a financial obligation are subject to valuation as of the day ending a reporting period up to a fair value, and the result of valuation is entered into a profit and loss report,
- in IFRS 8 *Operating segments* introduces a requirement to disclose information regarding an opinion of a company management's board used for the criteria of combining operating segments referred to in section 12 of IFRS 8 together with a short description and the utilization of indicators showing similar economic features of combined segments,
- in IFRS 13 *Fair value* a specification was introduced to the *IFRS 13 Justification of motions* explaining that the removal of B5.4.12 and AG79 from the IFRS 9 and IAS 39 should not be wrongly interpreted as an intention of the Council to remove a valuation possibility of short-term receivables and trade obligations currently valued based on a nominal value indicated in an invoice,
- in IAS 16 *Fixed assets* and IAS 38 *Intangible assets*, information on correcting balance sheet value or possible write-offs of elements of fixed assets valued for the days ending a reporting period was specified,
- in IAS 24 *Related Party Disclosures*, a new regulation was added that made a definition for determining relations between entities more precise.

The application of changed standards does not have an important impact on the financial report of the Group.

- Changes to various standards resulting from an annual review of the International Standards of Financial Accounting (*Annual Improvements 2011-2013*)

On December 12, 2013, changes to 4 standards resulting from a project of proposed changes were introduced to the International Financial Reporting Standards published in November 2012. They apply to various working periods starting on July 1, 2014 or later.

As a result of the conducted review of IFRS, minor changes were introduced into the following standards:

- IFRS 1 *Application IFRS for the first time*,
- IFRS 3 *Business combinations*,
- IFRS 13 *Fair value*,
- IAS 40 *Investment real estate*.

The application of changed standards has no significant influence on the Group's financial report.

- Changes to IFRS 19 *Employee benefits*

A new interpretation was published on November 21, 2013 and has application towards annual periods starting from July 1, 2014 or later. These changes render accounting principles more precise, and in some cases simplify them, for employee benefits (or other third parties) paid to appropriate plans. Company.

The application of the modified standard has no significant influence on the Group's financial statement due to the lack of certain benefits plans that would relate to employee contributions.

- IFRIC 21 interpretation *Public levies*

This interpretation has guidelines regarding the identification of a moment when an obligation to bear certain public levies should be entered into ledgers, other than those indicated in the current international financial reporting standards, such as IAS 12 *Income tax*. In some jurisdictions, regulations regarding the existence of certain levies show that there is a correlation between a tax payment obligation and an occurrence of certain events. Due to a complicated character of certain regulations, units did not always have clarity as to a proper moment when certain tax obligations should be entered into ledgers. In accordance with the new interpretation, an event obliging an entity to make a certain payment to the state should be an action that directly causes such an obligation. If, for instance, an obligation to bear a certain tax depends on receiving certain revenue in a given period of time, then an action causing this obligation is the generation of revenue in a current period. According to the findings of the Interpretation Committee, a business entity does not have a customary obligation to make a certain tax payment as a result of prospect actions, even though a business entity has no real possibility to stop conducting its business activity in the future. Also, it was underlined that an obligation to make a certain payment should be presented successively if an event causing a payment obligation takes place during some period of time.

- **Changes made by the Group itself**

The Group did not make a correction of presentation of comparable data for H1 of 2014 and/or for December 31, 2014.

#### **Not effective standards (New standards and interpretations)**

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

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

- IFRS 9 *Financial Instruments*

This new standard was published on July 24, 2014 and is applicable towards annual periods starting from January 1, 2018 or later. The purpose of this standard is to arrange in order the classification of financial assets and introduction of a unified approach towards the assessment of the loss of value regarding all financial instruments. This standard also introduces a new hedge accounting model in order to unify the principles for presentation of risk management information in financial statements. Company shall apply the modified standard in the scope of introduced changes from January 1, 2018. On the day on which this financial statement was prepared it was not possible to convincingly assess the influence of the application of this standard. Company started the analysis of the introduction of this new standard.

- IFRS 14 *Regulatory Deferral Accounts*

This new standard was published on January 30, 2014 and is applicable to annual periods starting on January 1, 2016 or later. It has a transitory character due to conducted work on the part of IFRS regarding the regulation of how operations shall be settled in new conditions of price regulations. This standard introduces new principles of presentation of assets and liabilities due to transactions with regulated prices when an entity decides to adopt IFRS. Company shall adopt the new standard from January 1, 2016. Adoption of the new standard has no influence on Company financial statement.

- IFRS 15 *Revenue from contracts with customers*

This new unified standard was published on May 28, 2014 and is applicable towards annual reports starting on January 1, 2017 or later and its earlier application is permitted. This standard establishes new framework for presentation of revenue and involves principles that shall replace the majority of guidelines in the scope of presentation of existing revenue currently found in IFRS, in particular in IFRS 18 Revenue, IFRS 11 Construction service contract and the interpretations related thereto.

On the day of preparation of the foregoing financial statement, it is not feasible to prepare a convincing assessment of the influence of application of this new standard. The Group has initiated the analysis of the consequences of the introduction of this new standard.

- MSSF 16 *Leasing*

This new standard was published on January 13, 2016 and applies to annual period starting on January 1, 2019 or later. Its earlier application is allowed (on the condition of the parallel application of the IFRS 15). This standard replaces current regulations regarding leasing (e.g. IFRS 17) and drastically changes the approach towards lease agreements of

various character. It makes leaseholders disclose assets and liabilities in balance sheets that relate to lease agreements no matter their type.

As of the day of the preparation of the financial statement it is not possible to reliably assess the effect of the application of this new standard. The group started the analysis of the effects of the application of this new standard.

- Changes to IFRS 11 *Joint arrangements*

Changes to IFRS 11 were published on May 6, 2014 and apply towards annual periods starting on January 1, 2016 or later. The purpose of the changes is a detailed disclosure of the guidelines explaining the way transactions regarding acquisition through common endeavors constituting a venture should be presented in. The changes require that identical principles should be utilized as during mergers of entities. The application of the changed standards shall have no significant impact on Company's financial statement.

- Changes to IAS 16 and IAS 38 *Explanations in the scope of accepted methods for presentation of write-offs and amortization*

Changes to IFRS 16 *Fixed assets* and IAS 38 *Intangible assets* were published on May 12, 2014 and are applied to the periods starting on January 1, 2016 or later. The change constitutes an additional explanation towards permitted amortization methods. The goal of the changes is to indicate whether the method for calculating a write-off basis for tangible and intangible assets bases on revenue is not appropriate but in the case of intangible assets this method can be applied in appropriate circumstances. The application of the changed standards shall have no significant impact on Group's financial statement

- Changes to IAS 16 and IAS 41 *Agriculture: Agricultural production*

Changes to IFRS 16 and 41 were published on June 30, 2014 and they are applied to annual reports starting on January 1, 2016 or later. This changes shows that plants produced should be presented in the same way as fixed assets in the scope of IAS 16. As a result produced plants should be seen through the prism of IAS 16 instead of IAS 41. Agricultural production produced through produced plants are subject to IAS 41. The application of the changed standards shall have no impact on Company's financial statement.

- Changes to IAS 27: *Ownership rights methods in separate financial statements*

Changes to IAS 27 were published on August 12, 2014 and apply to the periods starting on January 1, 2016 or later. They bring IFRS back a possibility to present in separate financial statement financial investments in related units, common enterprises and affiliated units using the ownership rights method. In case of choosing this method it is required that this method is applied to every investment in a given category.

- Changes to IFRS 10 and IAS 28: *Sale or transfer of assets between investor and its affiliated units or a common enterprise*

Changes to IFRS 10 and IAS 28 were published on September 11, 2014 and apply to annual reports starting on January 1, 2016 or later. The changes refer to the accounting aspect of transactions in which a domination unit loses control over an affiliated unit that is not a business in accordance with the definition in IFRS 3 "Merger of Units" by way of sale of all or part of units in an affiliated unit to another affiliated unit or a common enterprise presented by the ownership right method. As of the date of preparation of the foregoing financial statement it is not possible to assess convincingly the effect of the application of the new standard.

- Changes to various standards resulting from an annual review of Internal Financial Reporting Standards (*Annual Improvements 2012-2014*)

On September 25, 2014, as a result of a review of IFRS, minor changes were introduced to the 4 following standards:

- IFRS 5 Non-current assets held for sale (or for distribution to owners) within the scope of reclassification of assets or a group for sale from "held for sale" to "held for distribution of owners" and vice versa,
- IFRS 7 Financial instruments: disclosures, within the scope of but not limited to the application of changes to IFRS 7 regarding compensation of assets and financial obligations to condensed interim financial reports,
- IAS 19 Employee benefits, within the scope the currency of "high value corporate bonds" used for the determination of a discount rate,
- IAS 34 Interim Financial Reporting within the scope of specification how disclosures required by 16A of IAS 34 should be placed in a different place of an interim report.

They apply mostly to annual periods starting on January 1, 2016 or later. The Group will apply changed standards in the scope of made changes from January 1, 2016 unless a different effective date was provided for. According to the Group, the application of changed standards will not have a significant impact on the financial report of the Group except for an amendment to IAS 34 that could cause additional disclosures in interim financial reports of the Group.

- Changes to IAS 1: *Initiative in disclosure matters*

On December 18, 2014 as part of a large initiative with an eye to improving presentation and disclosure in financial reports changes to IAS 1 were published. These changes are to further encourage entities to apply professional assessment in defining what information to be disclosed in financial reports. For example, the changes render more precise the issue whether the significance regards the entirety of financial reports and whether inclusion of non-significant information can reduce the usefulness of precisely financial information. Also they render more precise whether the units should apply a professional assessment when describing which place and what order information in case of disclosure of financial information should be presented in. The published changes are also accompanied by the project of changes for IAS 7: Cash flow statement increasing the requirements for financial activity and cash and their equivalent units.

The changes can be applied immediately and it is obligatory to use them for annual reports starting on January 2016 or later. Company started an analysis of the effect of introduction of the changes. Company shall adopt the changes on January 2016 at the latest and their effect can be the change of scope/authorization form presented in the financial statement.

They apply mostly to annual periods starting on January 1, 2016 or later. The Group will apply changed standards in the scope of made changes from January 1, 2016 unless a different effective date was provided for. According to the Group, the application of changed standards will not have a significant impact on the financial report of the Group except for an amendment to IAS 34 that could cause additional disclosures in interim financial reports of the Group. .

- Changes to IFRS 10, IFRS 12 and IFRS 28: Investment units: exception from consolidation

Changes to IFRS 10, IFRS 12 and IFRS 28 were published on December 18, 2014 and are applied towards annual periods starting on January 1, 2016 or later and their purpose is to render more precise the requirements in the scope of accounting of investment units.

The Group expects that the application of the changed standards shall have no influence on Group's financial statement.

- Changes in IAS 12: *Disclosure of assets due to deferred income tax due to unrealized losses*.

Changes to IAS 12 were published on January 19, 2016 and apply to annual periods starting on January 1, 2017 or later. Their goal is to make requirements more precise regarding the disclosure of assets due to deferred tax regarding financial debt instruments assessed in fair value.

The Group expects that the application of the changed standards shall have no influence on Group's financial statement.

Company expects that the application of the changed standards shall have no influence on Company's financial statement. IFRS in the shape approved by EU to not significantly differ from the regulations adopted by the International Accounting Standards Council with the exception of those standards, interpretations and changes thereto that on the day of approval of the foregoing financial statement for publication were not yet approved for application by EU:

- IFRS 9 *Financial instruments* published on July 24, 2014,
- IFRS 14 *Regulatory Deferral Accounts* published on January 30, 2014,
- IFRS 15 *Revenue from the Contracts with Customers* published on May 28, 2014,
- MSSF 16 *Leasing* published on January 13, 2016,
- Changes to IFRS 10 and IAS 28: *Sale or transfer of assets between investor and its affiliated unit or common enterprise* published on September 11, 2014,
- Changes to IAS 10, IAS 12 and IAS 28: *Investment units: application of the exception from consolidation*,
- Changes to IAS 12: *Disclosure of assets due to deferred income tax due to unrealized losses* published on January 19, 2016

## Policy of accounting

### **Intangible assets**

Intangible assets are priced at cost and include proprietary rights such as: concessions, patents, licenses, trademarks, copyrights, know-how and computer software. Intangible assets are identifiable non-monetary assets. Intangible assets are recognizable 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 which may occur 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 amortized with the straight-line method for the period of their expected useful life.

Intangible assets of an indefinite useful life (goodwill) are not amortized 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 recognizes tangible assets as assets when they are usable, complete and their cost (acquisition price or manufacturing cost) may be measured reliably.

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

- Buildings and structures: the depreciation rates from 1,25% – 4,5%
- Machinery and equipment: 6% - 30%
- Means of transport: 12,5% - 20%



- Other fixed assets: 5% - 50%

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

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

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

#### ***Impairment of tangible assets and intangible assets***

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

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

#### ***Investment real estate***

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

After initial recognition, an entity using a model of fair value measurement, measures at the fair value all investment properties and investment properties under construction, with the exception of cases where an entity can not reliably determine the fair value of investment properties. The gain or loss arising from changes in fair value of investment property affects net profit or net loss for the period in which the change occurred.

#### ***Leasing***

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 a component of assets and liabilities:

- in the amount equal to the market value of the leased asset,
- the present (discounted) value of lease payments, depending on which amount is lower.

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 amortized and depreciated under the same principles as other purchased assets of a similar kind. The period of amortization or depreciation is equal to the period of lease unless after the end of the lease the company intends to buy the ownership right to the leased asset.

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

#### ***Inventories***

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

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

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



Should the acquisition price or manufacturing cost be higher than the expected net realizable value, the company discloses an impairment loss adjusting costs of goods sold. The depletion of finished products is performed through detailed identification of particular items.

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

#### ***Borrowing Costs***

Costs of borrowings comprise interest, exchange losses and other financial expenses incurred by the company due to borrowings. The Company defers costs of borrowings that may be allocated directly to acquisition (land and construction services), construction or manufacturing of an asset as a part of acquisition price or manufacturing cost of such asset. The said costs are deferred until the production or construction completion date. Other costs of borrowings are recognized 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 measured 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 recognized for the same. Remitted, prescribed or uncollectible debts for which no or only some impairment allowance was recognized are charged to other operating expenses or financial expenses, respectively.

#### ***Guarantee deposits***

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

#### ***Prepaid expenses***

The Company defers expenditures of prepaid expenses when it is probable that incurred costs refer to more than one reporting period, and in accordance with the principles of significance and prudence in accounting. The most important criterion for deferment of expenses is satisfaction of the definition of assets i.e. resources whose value can be measured reliably, recognized 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 recognize 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, recognized based on records on unused days of annual leaves of particular employees at a given date and their daily gross salaries plus social insurance premiums paid by the Employer,
- provision for retirement benefits,
- deferred income tax liabilities.

#### ***Long-term developer contracts***

The core business of the Issuer Group is the realization of development contracts. The core business of the Group is performance of developer contracts. The characteristic feature of developer contracts is the construction of apartments that are generally financed by the principal over the whole project, by way of contractually agreed advances, and then - after the investment process has been completed - the ownership right is transferred to the apartment buyer. Such contracts are performed for over 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. From 1 January 2009, the Group recognizes revenues and expenses regarding the developer contracts in accordance with the IFRIC 15 interpretation : "Agreements for the construction of real estate", published in July 2008. This interpretation concerns the moment of recognition of revenue from sales of property.

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

The Group changed the accounting policy for the moment of transferring the control and significant risks to the Buyer. After the amendment, the Group using the interpretation of IFRIC 15 recognizes revenue from the sale of the property after meeting the following conditions:

- date of completion:
- receiving property transfer protocol.

#### **Long-term developer contracts**

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

##### a) Zero-profit method

The zero-profit method is applied when it is not possible to measure the stage of completion of an unfinished construction service reliably. In accordance with the said method revenues from an unfinished construction service are established at a month end at costs incurred in the said month, not higher than costs probable to be covered by the principal in future. When invoiced revenues exceed incurred costs, a relevant part of revenues is transferred 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,
- measurement of works 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 recognized 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 recognition of a liability from the balance sheet or recognition of its impairment are disclosed in the profit and loss account.

#### **Deferred income tax**

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

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

Deferred income tax assets are recognized 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 realize 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 realized and the liability is discharged, based on tax rates applicable as at the balance sheet date.

#### **Held-for-sale assets and discontinued operations**

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

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

#### **Liabilities**

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

Based on their characteristics, liabilities can be divided into:

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

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

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

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

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

#### **Accrued expenses**

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

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#### **Revenues**

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

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

Revenues from sales of construction services are recognized 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 in the burden of financial expenses.

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

#### **Taxes**

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

## **B. CONSOLIDATED FINANCIAL STATEMENT**

In H1 of 2015 a merger took place between the dominant entity with its subsidiaries, namely Lokum Sp. z o.o., J.W. 6 Sp. z o.o., J.W. Group Sp. z o.o., J.W. Group Sp. z o.o. 1 S.K.A., J.W. Group Sp. z o.o. 2 S.K.A. Due to the above reasons the financial statement of the dominant entity that took over the assets of the merged companies includes data for the previous business year described in such a way as if the merger took place at the beginning of the previous business year.

#### **Consolidated report on the financial situation**

<b>ASSETS</b>	<b>Note</b>	<b>31-12-2015</b>	<b>31-12-2014</b>
<b>FIXED ASSETS</b>		<b>865 498 014,24</b>	<b>904 778 822,33</b>
Intangible assets	1,2	12 745 510,23	13 813 299,05
Tangible assets	3	409 374 178,66	388 885 904,88
Investment real estate	4	405 269 174,24	434 616 169,65
Other financial assets	5	1 207 508,79	36 753 504,22
Deferred income tax assets	15	33 943 592,88	30 261 357,39
Trade and other receivables	6	2 958 047,44	448 587,14
<b>CURRENT ASSETS</b>		<b>832 087 213,77</b>	<b>545 466 771,69</b>
Inventories	7	30 154 376,85	31 075 008,40
Construction contracts	7	507 745 822,96	391 963 458,94
Trade and other receivables	8	55 620 217,55	68 831 829,96

Other financial assets	9	37 134 640,11	1 892 075,40
Cash and cash equivalents	10	188 410 473,22	41 320 236,05
Accruals	11	13 021 683,08	10 384 162,94
<b>Total Assets</b>		<b>1 697 585 228,01</b>	<b>1 450 245 594,02</b>
<b>EQUITY AND LIABILITIES</b>			
<b>EQUITY</b>		<b>626 642 780,12</b>	<b>627 158 202,23</b>
Share capital	12	17 771 888,60	17 771 888,60
Revaluation capital		7 490 208,19	7 490 208,19
Other capital	13	632 289 847,95	609 004 048,81
Retained earnings		-36 643 327,20	-15 448 962,94
Net profit / loss		5 734 162,58	8 341 019,57
<b>LIABILITIES</b>		<b>1 070 942 447,89</b>	<b>823 087 391,79</b>
<b>Non-current liabilities</b>		<b>449 965 009,64</b>	<b>522 899 863,10</b>
Borrowings	14	161 905 635,99	194 036 892,71
Deferred income tax liabilities	15	37 850 859,99	28 098 685,78
Retirement benefit obligations	16	241 204,48	208 947,48
Provision for other liabilities and charges	17	55 013 370,26	55 373 146,15
Other liabilities	18	194 953 937,92	245 182 190,98
<b>Current liabilities</b>		<b>620 977 438,25</b>	<b>300 187 528,69</b>
Trade and other payables	19	54 627 031,59	59 964 347,49
Construction contracts	7	353 456 461,90	118 584 362,41
Borrowings	14	46 916 660,28	82 182 960,94
Provision for other liabilities and charges	17	16 474 664,03	14 992 921,45
Other liabilities	19	149 502 619,45	24 462 936,40
<b>EQUITY AND LIABILITIES</b>		<b>1 697 585 228,01</b>	<b>1 450 245 594,02</b>

**Consolidated total income statement**

	Note	for the period between 01-01-2015 and 31-12-2015	for the period between 01-01-2014 and 31-12-2014
<b>Net revenues from sales of products, goods and materials, of which:</b>	24	<b>202 176 829,94</b>	<b>212 835 707,19</b>
Net revenues from sales of products		200 036 902,29	211 489 747,05
Net revenues from sales of goods and materials		2 139 927,65	1 345 960,14
<b>Costs of products, goods and materials sold, of which:</b>	25	<b>160 936 021,41</b>	<b>171 273 755,67</b>
Manufacturing cost of products sold		158 861 674,81	169 896 856,18
Value of goods and materials sold		2 074 346,60	1 376 899,49
<b>Gross profit (loss) on sales</b>		<b>41 240 808,53</b>	<b>41 561 951,52</b>
<b>Sales costs</b>	25	18 136 636,59	18 991 609,98
<b>Overheads</b>	25	14 671 344,18	14 728 313,74
<b>Revaluation of investment properties</b>	4	31 329 588,34	28 392 993,33
<b>Profit (loss) on sales</b>		<b>39 762 416,10</b>	<b>36 235 021,13</b>
Other operating income	26	3 209 702,62	5 971 445,95
Other operating expenses	27	18 366 094,75	6 960 087,35
<b>Operating profit (loss)</b>		<b>24 606 023,97</b>	<b>35 246 379,73</b>
Financial Revenues	28	1 805 964,93	4 516 772,40
Profit (loss) on business activity	29	19 154 325,26	27 970 289,05
<b>Profit (loss) on business activity</b>		<b>7 257 663,64</b>	<b>11 792 863,08</b>
<b>Gross profit (loss)</b>		<b>7 257 663,64</b>	<b>11 792 863,08</b>
Income tax	12	1 523 501,06	3 451 843,51
<b>Net profit (loss)</b>		<b>5 734 162,58</b>	<b>8 341 019,57</b>
<b>Other comprehensive income:</b>		<b>-6 249 584,69</b>	<b>-3 258 471,73</b>
<b>including:</b>			
<b>Subject to reclassification to the profit and loss account:</b>		<b>-818 292,21</b>	<b>-3 252 421,68</b>
Foreign exchange rate operation differences		-818 292,21	-3 252 421,68
<b>Not subject to the reclassification to the profit and loss</b>		<b>-5 431 292,48</b>	<b>-6 050,05</b>



<b>account:</b>			
Profit/loss from acquisitions		3 853,67	0,00
Profit from revaluation of tangible fixed assets		-5 435 146,15	0,00
Other comprehensive income		0,00	-6 050,05
<b>Total revenue</b>		<b>-515 422,11</b>	<b>5 082 547,84</b>

### Consolidated cash flow statements

	01-01-2015 until 31-12-2015	01-01-2014 until 31-12-2014
<b>Operating cash flow - two-step method</b>		
<b>Net profit (loss)</b>	<b>5 734 162,58</b>	<b>8 341 019,57</b>
<b>Item adjustments</b>	<b>199 507,53</b>	<b>12 524 231,90</b>
Depreciation and amortization	9 960 621,38	7 818 645,05
(Profit) loss on foreign exchange differences	-2 828,22	0,00
(Profits) loss from investment activities	5 557 294,92	1 023 723,95
(Profits) loss from investment activities - shares	0,00	0,00
Interest and dividends	16 872 594,65	33 810 954,17
Changes in provisions and accruals	5 082 541,56	2 625 258,52
Other adjustments	-37 270 716,76	-32 754 349,80
- investment real estate write-off	-31 329 588,34	-28 392 993,33
- Other adjustments	-5 941 128,42	-4 361 356,47
<b>Changes in working capital</b>	<b>200 436 322,50</b>	<b>67 052 622,93</b>
Change in inventories	920 631,55	966 461,39
Change in construction contracts	187 597 731,68	108 329 010,69
Changes in receivables	2 107 969,26	-13 951 798,07
Changes in current liabilities, except for borrowings	9 809 990,01	-28 291 051,08
<b>Net operating cash flows</b>	<b>206 369 992,61</b>	<b>87 917 874,40</b>
<b>Investment activity cash flows</b>		
Disposal of tangible and intangible assets and other non-current assets	5 679 440,60	1 323 825,35
Purchase of tangible and intangible assets and other non-current assets	-39 726 898,05	-23 214 284,94
Expenses related to assets earmarked for sale	800 000,00	0,00
Purchase of equity instruments and debt instruments	0,00	-1 002 500,00
Disposal of equity instruments and debt instruments	0,00	1 000 000,00
Loans granted	-42 699,00	-376 397,20
Loans repaid	220 000,00	0,00
Other purchase of financial assets	0,00	0,00
Other disposal of financial assets	0,00	0,00
Dividends received	0,00	0,00
Interest received	202 514,28	43 062,25
Disposal of subsidiaries	0,00	0,00
Acquisition of subsidiaries:	0,00	0,00
<b>Net investment cash flow</b>	<b>-32 867 642,17</b>	<b>-22 226 294,54</b>
<b>Financing cash flow</b>		
Net proceeds from issue of shares, other equity instruments and additional capital contributions	0,00	28 915 480,76
Purchase of own shares or repayment of shares	0,00	0,00
Borrowings	64 578 060,63	110 708 404,39

Consolidated financial statement for the period between January 1 and December 31, 2015

Borrowings repaid	-132 378 524,27	-127 238 743,12
Debt securities issued	77 620 000,00	0,00
Debt securities redeemed	-10 570 000,00	-10 570 000,00
Payments under financial lease agreements	-64 136,08	-4 215 624,01
Dividends and other shared profits	0,00	0,00
Interest paid	-26 145 093,56	-36 876 332,77
Other financial proceeds (including notes)	3 000 000,00	0,00
Other financial expenditures (including notes)	-2 452 420,01	-913 037,64
<b>Net financing cash flow</b>	<b>-26 412 113,29</b>	<b>-40 189 852,39</b>
<b>NET DECREASE / (INCREASE) IN CASH</b>	<b>147 090 237,15</b>	<b>25 501 727,47</b>
Cash and cash equivalents at the beginning of the year	41 320 236,05	15 818 508,58
- foreign exchange gains/(losses) on cash	0,00	0,00
<b>CLOSING BALANCE OF CASH AND CASH EQUIVALENTS</b>	<b>188 410 473,22</b>	<b>41 320 236,05</b>



Consolidated financial statement for the period between January 1 and December 31, 2015

**Consolidated statement of changes in equity**

	Share Capital	Own shares (negative figure)	Revaluation capital	Supplementary capital	Other capital reserves	Hedge valuation reserve and currency translation reserve	Retained earnings	Net earnings	EQUITY
<b>As at December 31, 2014</b>	<b>17 771 888,60</b>	<b>0,00</b>	<b>7 490 208,19</b>	<b>603 831 773,22</b>	<b>7 947 307,60</b>	<b>-2 775 032,01</b>	<b>-15 448 962,94</b>	<b>8 341 019,57</b>	<b>627 158 202,23</b>
Basic error corrections	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
Corrections from changes in a presentation	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
<b>As at January 1, 2015</b>	<b>17 771 888,60</b>	<b>0,00</b>	<b>7 490 208,19</b>	<b>603 831 773,22</b>	<b>7 947 307,60</b>	<b>-2 775 032,01</b>	<b>-15 448 962,94</b>	<b>8 341 019,57</b>	<b>627 158 202,23</b>
Share issuance	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
Purchase of own shares	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
Share redemption	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
Dividends paid	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
Profits (losses) on revaluation of available-for-sale assets	0,00	0,00	0,00	0,00	0,00	-818 292,21	0,00	0,00	-818 292,21
Profits (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	0,00	0,00	0,00	0,00
Gains / (losses) on business acquisitions(unitary JWCH)	0,00	0,00	0,00	0,00	50,00	0,00	-5 435 196,15	0,00	-5 435 146,15
Changes in accounting policies/presentation	0,00	0,00	0,00	6 357,60	0,00	0,00	-2 503,93	0,00	3 853,67
Consolidation adjustments	17 771 888,60	0,00	7 490 208,19	603 838 130,82	7 947 357,60	-3 593 324,22	-20 886 663,01	8 341 019,57	<b>620 908 617,54</b>
Company inclusion to consolidation	0,00	0,00	0,00	0,00	0,00	0,00	0,00	5 734 162,58	<b>5 734 162,58</b>
Total profit / (loss) recognized directly in equity	17 771 888,60	0,00	7 490 208,19	603 838 130,82	7 947 357,60	-3 593 324,22	-20 886 663,01	14 075 182,15	<b>626 642 780,12</b>
Net profit (loss) for the accounting year	0,00	0,00	0,00	24 097 683,76	0,00	0,00	-15 756 664,19	-8 341 019,57	<b>0,00</b>
<b>As of December 31, 2015</b>	<b>17 771 888,60</b>	<b>0,00</b>	<b>7 490 208,19</b>	<b>627 935 814,57</b>	<b>7 947 357,60</b>	<b>-3 593 324,22</b>	<b>-36 643 327,20</b>	<b>5 734 162,58</b>	<b>626 642 780,12</b>



Consolidated financial statement for the period between January 1 and December 31, 2015

	Share Capital	Own shares (negative figure)	Revaluation capital	Supplementary capital	Other capital reserves	Hedge valuation reserve and currency translation reserve	Retained earnings	Net earnings	EQUITY
<b>As at December 31, 2013</b>	<b>10 814 656,00</b>	<b>0,00</b>	<b>7 490 208,19</b>	<b>488 506 357,82</b>	<b>7 947 307,60</b>	<b>477 117,60</b>	<b>-13 305 438,50</b>	<b>11 444 007,52</b>	<b>513 374 216,23</b>
Basic error corrections	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
Corrections from changes in a presentation	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
<b>As at January 1, 2014</b>	<b>10 814 656,00</b>	<b>0,00</b>	<b>7 490 208,19</b>	<b>488 506 357,82</b>	<b>7 947 307,60</b>	<b>477 117,60</b>	<b>-13 305 438,50</b>	<b>11 444 007,52</b>	<b>513 374 216,23</b>
Additional equity contributions	6 957 232,60	0,00	0,00	101 744 205,56	0,00	0,00	0,00	0,00	108 701 438,16
Purchase of own shares	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
Share redemption	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
Dividends paid	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
Profits (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
Profits (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	-3 252 149,61	-272,07	0,00	-3 252 421,68
Gains / (losses) on business acquisitions(unitary JWCH)	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
Changes in accounting policies/presentation	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
Consolidation adjustments	0,00	0,00	0,00	0,00	0,00	0,00	2 161,95	0,00	2 161,95
Inclusion of the Company to the consolidation	0,00	0,00	0,00	0,00	0,00	0,00	-8 212,00	0,00	-8 212,00
Total profit / (loss) recognized directly in equity	17 771 888,60	0,00	7 490 208,19	590 250 563,38	7 947 307,60	-2 775 032,01	-13 311 760,62	11 444 007,52	618 817 182,66
Net profit (loss) for the accounting year	0,00	0,00	0,00	0,00	0,00	0,00	0,00	8 341 019,57	8 341 019,57
Total profit / (loss) recognized in equity and net earnings	17 771 888,60	0,00	7 490 208,19	590 250 563,38	7 947 307,60	-2 775 032,01	-13 311 760,62	19 785 027,09	627 158 202,23
Increase / decrease from profit distribution	0,00	0,00	0,00	13 581 209,84	0,00	0,00	-2 137 202,32	-11 444 007,52	0,00
<b>As at December 31, 2014</b>	<b>17 771 888,60</b>	<b>0,00</b>	<b>7 490 208,19</b>	<b>603 831 773,22</b>	<b>7 947 307,60</b>	<b>-2 775 032,01</b>	<b>-15 448 962,94</b>	<b>8 341 019,57</b>	<b>627 158 202,23</b>



## C. SUPPLEMENTARY INFORMATION

### INFORMATION ABOUT SIGNIFICANT EVENTS REGARDING PREVIOUS YEARS IN THE FINANCIAL STATEMENT FOR THE BUSINESS YEAR

This financial statement of the Group does not disclose any other significant events than those from previous years

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

The financial statements of the Group for 2015 disclose all events that occurred until the day of these statements. i.e. until 17 March 2016 and had effect on the Consolidated Financial Statements of the Group for the period from 01 January 2014 to 31 December 2015.

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

In 2015, the Group did not make any changes regarding the accounting policy.

### 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.

### EXPLANATORY NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT

#### Note 1. Intangible assets

Intangible assets	31-12-2015	31-12-2014
a) research and development expenses	0,00	0,00
b) goodwill on consolidation	12 389 648,22	12 389 648,22
c) other intangible assets	355 862,01	1 423 650,83
d) advances on intangible assets	0,00	0,00
<b>Total intangible assets</b>	<b>12 745 510,23</b>	<b>13 813 299,05</b>

The initial presentation of intangible values takes place in accordance with the cost of acquisition of creation thereof. After the initial presentation, intangible assets are valued according to the costs of acquisition or creation decreased by a write-down or a write-off due to permanent loss of value. Intangible assets are linearly amortized in the period corresponding to the period of their economic life. A period and amortization method are verified by the end of each business year.

A key position in other intangible assets is the integrated system SAP.

As of December 31, 2015, there were no circumstances as a result of which the Company should create write-downs for intangible assets.

In the years 2014-2015, as part of the Group, there were development works conducted and no costs were incurred as a result of this. The companies did not have advancements for intangible assets.

As at 31 December 2015 there is no impairment of goodwill. This value is bound to a real estate investment, from which future cash flow is expected. The management board analyzed the loss of assets in accordance with IAS 32, e.g. through the comparison of the real estate book value (including goodwill) with

The management board analyzed the loss of the value of assets in accordance with IAS 36, e.g. the comparison of the book value of real estate with goodwill against market value.

Consolidated financial statement for the period between January 1 and December 31, 2015

Items of the group's assets	from 01-01-2015 to 31-12-2015	Goodwill	Other intangible assets	Total intangible assets
value	Opening balance	12 389 648,22	15 847 570,01	28 237 218,23
	Mergers	0,00	0,00	0,00
	Total post-merger	12 389 648,22	15 847 570,01	28 237 218,23
	Merger	0,00	0,00	0,00
	Revenues	0,00	93 412,84	93 412,84
	In-kind contribution	0,00	0,00	0,00
	Expenses	0,00	0,00	0,00
	Balance sheet at the end of the financial year	12 389 648,22	15 940 982,85	28 330 631,07
depreciation	Opening balance	12 389 648,22	14 423 919,18	26 813 567,40
	Mergers	12 389 648,22	14 423 919,18	26 813 567,40
	Total post-merger	0,00	0,00	0,00
	Merger	0,00	1 161 201,66	1 161 201,66
	Depreciation for the year	0,00	0,00	0,00
	Increase	0,00	0,00	0,00
	Decrease	0,00	0,00	0,00
	In-kind contribution	12 389 648,22	15 585 120,84	27 974 769,06
<b>Opening balance (net)</b>	<b>12 389 648,22</b>	<b>1 423 650,83</b>	<b>13 813 299,05</b>	
<b>Balance sheet at the end of the financial year (net)</b>	<b>12 389 648,22</b>	<b>355 862,01</b>	<b>12 745 510,23</b>	

Items of the group's assets	from 01-01-2014 to 31-12-2014	Goodwill	Other intangible assets	Total intangible assets
value	Opening balance	12 389 648,22	15 800 013,58	28 189 661,80
	Mergers	0,00	0,00	0,00
	Total post-merger	12 389 648,22	15 800 013,58	28 189 661,80
	Merger	0,00	0,00	0,00
	Revenues	0,00	47 556,43	47 556,43
	In-kind contribution	0,00	0,00	0,00
	Expenses	0,00	0,00	0,00
	Balance sheet at the end of the financial year	12 389 648,22	15 847 570,01	28 237 218,23
depreciation	Opening balance	12 389 648,22	13 304 332,23	25 693 980,45
	Mergers	0,00	0,00	0,00
	Total post-merger	12 389 648,22	13 304 332,23	25 693 980,45
	Merger	0,00	0,00	0,00
	Depreciation for the year	0,00	1 119 586,95	1 119 586,95
	Increase	0,00	0,00	0,00
	Decrease	0,00	0,00	0,00
	In-kind contribution	0,00	0,00	0,00
Balance sheet at the end of the financial year	12 389 648,22	14 423 919,18	26 813 567,40	
<b>Opening balance (net)</b>	<b>12 389 648,22</b>	<b>2 495 681,35</b>	<b>14 885 329,57</b>	
<b>Balance sheet at the end of the financial year (net)</b>	<b>12 389 648,22</b>	<b>1 423 650,83</b>	<b>13 813 299,05</b>	

**Note 2. Goodwill of subsidiaries**

Does not occur.

**Note 3. Tangible assets**

Tangible assets	31-12-2015	31-12-2014
a) fixed assets, including:	392 987 122,06	371 363 273,68

Consolidated financial statement for the period between January 1 and December 31, 2015

- land (including right of perpetual usufruct)	40 475 676,73	37 957 900,43
- buildings and structures	319 260 404,91	306 203 524,79
- plant and machinery	18 783 154,61	17 082 076,73
- motor vehicles	172 985,84	534 251,75
- other fixed assets	14 294 899,97	9 585 519,98
b) constructions in progress	16 387 056,60	17 522 631,20
c) advances on constructions in progress	0,00	0,00
<b>Total tangible assets</b>	<b>409 374 178,66</b>	<b>388 885 904,88</b>

The initial presentation of fixed assets takes place in accordance with the acquisition or creation cost thereof. After the initial presentation, fixed assets are valued as of a balance sheet date in accordance with the cost of their acquisition or creation decreased by a write-off and accumulated write-offs due to their loss of value. Fixed assets are linearly amortized in the period corresponding to the estimated period of their economic life.

Fixed assets under construction are valued in accordance with the direct total costs borne by their acquisition or creation decreased by write-offs as a result of their permanent loss of value. Fixed assets under construction are amortized until their construction is finished and taken over for occupancy.

The "other fixed assets" row comprises equipment, office equipment and other tools.

The Dana Invest Sp. z o.o. company in the fixed assets row activated in 2016 financial costs to the amount of 281.951,49 PLN.

The Management Board of the dominant entity, having reviewed amortization rates being applied to the Group, decided on January 1, 2013 to update balance sheet amortization rates being applied in the Czarny Potok hotel, the 500 hotel group in the scope regarding hotels, as well as other activity in other activity of the Capital Group in the scope of the amortization of the company headquarters building and sewage treatment facility in Ożarów Mazowiecki near Warsaw.



Consolidated financial statement for the period between January 1 and December 31, 2015

Group of non-current assets	from 01-01-2015 to 31-12-2015	Land (including right of perpetual usufruct)	Buildings and structures	Plant and machinery	Motor vehicles	Other fixed assets	Assets in constructions	Total tangible assets
value	<b>Opening balance</b>	<b>39 835 437,48</b>	<b>355 386 826,18</b>	<b>43 854 121,64</b>	<b>4 672 048,43</b>	<b>20 542 574,93</b>	<b>17 522 631,20</b>	<b>481 813 639,86</b>
	Total post-merger	39 835 437,48	355 386 826,18	43 854 121,64	4 672 048,43	20 542 574,93	17 522 631,20	481 813 639,86
	Revenues	2 850 000,00	20 077 338,71	3 965 073,10	3 328,76	6 432 390,69	2 738 565,56	36 066 696,82
	Relocations	236 834,62	5 317 709,57	1 892 697,19	235 421,85	37 801,88	3 874 140,16	11 594 605,27
	<b>Balance sheet at the end of the financial year</b>	<b>42 448 602,86</b>	<b>370 146 455,32</b>	<b>45 926 497,55</b>	<b>4 439 955,34</b>	<b>26 937 163,74</b>	<b>16 387 056,60</b>	<b>506 285 731,41</b>
depreciation	<b>Opening balance</b>	<b>1 877 537,05</b>	<b>49 183 301,39</b>	<b>26 772 044,91</b>	<b>4 137 796,68</b>	<b>10 957 054,95</b>	<b>0,00</b>	<b>92 927 734,98</b>
	Merger	1 877 537,05	49 183 301,39	26 772 044,91	4 137 796,68	10 957 054,95	0,00	92 927 734,98
	Total post-merger	95 389,08	4 765 077,03	1 852 586,12	364 594,67	1 721 772,82	0,00	8 799 419,72
	Decreases		3 062 328,01	1 481 288,09	235 421,85	36 564,00	0,00	4 815 601,95
	<b>Closing balance</b>	<b>1 972 926,13</b>	<b>50 886 050,41</b>	<b>27 143 342,94</b>	<b>4 266 969,50</b>	<b>12 642 263,77</b>	<b>0,00</b>	<b>96 911 552,75</b>
Revaluation descriptions	Write-offs change	0,00	0,00	0,00	0,00	0,00	0,00	0,00
	Balance sheet at the end of the financial year	0,00	0,00	0,00	0,00	0,00	0,00	0,00
<b>Opening balance (net value)</b>		<b>37 957 900,43</b>	<b>306 203 524,79</b>	<b>17 082 076,73</b>	<b>534 251,75</b>	<b>9 585 519,98</b>	<b>17 522 631,20</b>	<b>388 885 904,88</b>
<b>Closing balance (net)</b>		<b>40 475 676,73</b>	<b>319 260 404,91</b>	<b>18 783 154,61</b>	<b>172 985,84</b>	<b>14 294 899,97</b>	<b>16 387 056,60</b>	<b>409 374 178,66</b>





Consolidated financial statement for the period between January 1 and December 31, 2015

Group of non-current assets	from 01-01-2014 to 31-12-2014	Land (including right of perpetual usufruct)	Buildings and structures	Plant and machinery	Motor vehicles	Other fixed assets	Assets in constructions	Total tangible assets
value	Opening balance	40 495 367,21	374 827 222,07	43 663 776,95	5 714 775,72	20 826 567,81	17 596 113,18	<b>503 123 822,94</b>
	Merger-revaluations	0,00	0,00	0,00	0,00	0,00	0,00	<b>0,00</b>
	Total post-merger	40 495 367,21	374 827 222,07	43 663 776,95	5 714 775,72	20 826 567,81	17 596 113,18	<b>503 123 822,94</b>
	Revenues	199 822,00	72 000,00	328 574,36	95 081,67	175 972,39	126 518,02	<b>997 968,44</b>
	Relocations	0,00	0,00	0,00	0,00	0,00	0,00	<b>0,00</b>
	Expenses	859 751,73	19 512 395,89	138 229,67	1 137 808,96	459 965,27	200 000,00	<b>22 308 151,52</b>
	Balance sheet at the end of the financial year	39 835 437,48	355 386 826,18	43 854 121,64	4 672 048,43	20 542 574,93	17 522 631,20	<b>481 813 639,86</b>
depreciation	Opening balance	1 782 147,97	49 608 445,62	24 759 309,00	4 716 938,25	9 837 096,57	0,00	<b>90 703 937,41</b>
	Merger	0,00	0,00	0,00	0,00	0,00	0,00	<b>0,00</b>
	Total post-merger	1 782 147,97	49 608 445,62	24 759 309,00	4 716 938,25	9 837 096,57	0,00	<b>90 703 937,41</b>
	Depreciation for the year	95 389,08	5 146 213,39	2 152 197,09	517 464,67	1 596 691,61	0,00	<b>9 507 955,84</b>
	Relocations/in-kind contribution	0,00	0,00	0,00	0,00	0,00	0,00	<b>0,00</b>
	Increases	0,00	0,00	0,00	0,00	0,00	0,00	<b>0,00</b>
	Decreases	0,00	5 571 357,62	139 461,18	1 096 606,24	476 733,23	0,00	<b>7 284 158,27</b>
Closing balance	1 877 537,05	49 183 301,39	26 772 044,91	4 137 796,68	10 957 054,95	0,00	<b>92 927 734,98</b>	
Revaluation descriptions	Write-offs change	0,00	0,00	0,00	0,00	0,00	0,00	<b>0,00</b>
	Balance sheet at the end of the financial year	0,00	0,00	0,00	0,00	0,00	0,00	<b>0,00</b>
<b>Opening balance (net value)</b>		<b>38 713 219,24</b>	<b>325 218 776,45</b>	<b>18 904 467,95</b>	<b>997 837,47</b>	<b>10 989 471,24</b>	<b>17 596 113,18</b>	<b>412 419 885,53</b>
<b>Closing balance (net)</b>		<b>37 957 900,43</b>	<b>306 203 524,79</b>	<b>17 082 076,73</b>	<b>534 251,75</b>	<b>9 585 519,98</b>	<b>17 522 631,20</b>	<b>388 885 904,88</b>

**Note 4. Investment real estate**

<b>Other long-term investments</b>	<b>31-12-2015</b>	<b>31-12-2014</b>
a) investment properties	405 269 174,24	434 616 169,65
b) other	0,00	0,00
<b>Total other long-term investments</b>	<b>405 269 174,24</b>	<b>434 616 169,65</b>

<b>CHANGE IN INVESTMENT PROPERTIES</b>	<b>Fair value</b>	<b>Acc. to historical cost</b>	<b>Value of investment properties in total</b>
<b>a) opening balance</b>	<b>403 749 474,30</b>	<b>30 866 695,35</b>	<b>434 616 169,65</b>
expenditure incurred	272 092 999,63	29 492 117,46	301 585 117,09
Financial expenses	30 377 331,30	1 374 577,89	31 751 909,19
revaluation value	101 279 143,37	0,00	101 279 143,37
<b>b) increase (due to)</b>	<b>59 053 805,38</b>	<b>11 784 444,24</b>	<b>70 838 249,62</b>
expenditure incurred	11 682 235,52	11 596 453,77	23 278 689,29
Financial expenses	5 532 548,66	187 990,47	5 720 539,13
revaluation value	41 839 021,20	0,00	41 839 021,20
Change in construction contracts	0,00	0,00	0,00
<b>c) decrease (due to)</b>	<b>72 922 377,76</b>	<b>27 262 867,27</b>	<b>100 185 245,03</b>
incurred expenses - sale, corrections	78 801,00	4 129 314,45	4 208 115,45
Financial expenses	0,00	214 551,52	214 551,52
revaluation value	10 509 432,86	0,00	10 509 432,86
Change in construction contracts	62 334 143,90	22 919 001,30	85 253 145,20
<b>d) closing balance</b>	<b>389 880 901,92</b>	<b>15 388 272,32</b>	<b>405 269 174,24</b>
expenditures	221 362 290,25	14 040 255,48	235 402 545,73
Financial expenses	35 909 879,96	1 348 016,84	37 257 896,80
revaluation value	132 608 731,71	0,00	132 608 731,71

The Capital Group of J.W. Construction Holding S.A for the purpose of the investment property appraisal orders the preparation of appraisal report with determining the market value to independent Property Valuers, having the appropriate permissions. In order to determine the valuation, the property appraiser use the principles in accordance with General National Principles of Valuation adopted by the Polish Federation of Appraisers' Associations where the market value is the most probable price obtainable on the market at the measurement date.

In the hierarchy of the fair value estimation of the investment properties are classified to Level 3, where:

- 1 - Quoted prices, which are not adjusted, in an active market for identical assets and liabilities that the entity can access at the measurement date.
- 2 - Inputs, other than quoted prices, that are observable, either directly or indirectly.
- 3 - Unobservable inputs.

The hierarchy is determined on the basis of the lowest level of inputs.

In order to determine the market value, the property valuer determines the optimal or the most probable way of the property use by properly selected method of valuation. The property valuer especially takes into account the purpose of the valuation, the type and location of the property, destiny in the local plan, the level of equipment in the technical infrastructure and the available data on prices, income and similar real estate characteristics.

The following methods to determine the market value of the property in presented reports by the property valuers from accounting records of J.W. Construction Holding S.A were used:

- income-based valuation method
- comparison in pairs method
- residual method.

The following key assumptions were adopted to use the income-based valuation method:

<b>KEY ASSUMPTIONS</b>	<b>Values</b>
long-term profitability of investments	2,00% - 2,10%
rn - the real estate risk premium	3,00% - 5,00%
rs - the real estate risk premium (initial phase)	2,05% - 2,50%
<b>capitalization rate</b>	<b>7,40% - 9,50%</b>

**Note 5. Other financial assets**

<b>LONG-TERM FINANCIAL ASSETS</b>	<b>31-12-2015</b>	<b>31-12-2014</b>
a) shares	221 904,98	221 854,98
b) loans granted	985 603,81	36 531 649,24
c) other long-term investments	0,00	0,00
<b>Total long-term financial assets</b>	<b>1 207 508,79</b>	<b>36 753 504,22</b>

<b>LONG-TERM FINANCIAL ASSETS</b>	<b>31-12-2015</b>	<b>31-12-2014</b>
a) in subsidiaries	997 958,79	36 543 954,22
- shares	12 354,98	12 304,98
- debt securities	0,00	0,00
- other securities	0,00	0,00
- loans granted	985 603,81	36 531 649,24
- other long-term financial assets	0,00	0,00
b) in other parties	209 550,00	209 550,00
- shares	209 550,00	209 550,00
- 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
<b>Total long-term financial assets</b>	<b>1 207 508,79</b>	<b>36 753 504,22</b>

The change of the value of long-term financial assets results mainly from the reclassifying loans granted to short-term investments.

Consolidated financial statement for the period between January 1 and December 31, 2015

	Name of a unit (and its legal form)	Registered office	Type of business activity	Relation	Method of consolidation	Date of assuming control	Value of shares/interest at acquisition price	Write-offs up to book value of in-kind contribution	Carrying value of shares	% of total number of votes in the general meeting	Name of a unit (and its legal form)
1	TBS Marki Sp. z o.o.	Warsaw	construction of social buildings	subsidiary	full consolidation	14.11.2003	13 360 000,00	0,00	0,00	13 360 000,00	100,00%
2	Business Financial Construction Sp. z o.o.	Warsaw	services	subsidiary	full consolidation	16.06.2003	4 347 000,00	0,00	0,00	4 347 000,00	99,99%
3	J.W. Construction Bulgaria Sp. z o.o.	Varna(Bulgaria)	real estate development activity	subsidiary	not consolidated	08.10.2007	9 854,98	0,00	0,00	9 854,98	100,00%
4	Yakor House Sp. z o.o.	Sochi(Russia)	real estate development activity	subsidiary	full consolidation	07.12.2007	9 810 000,00	0,00	0,00	9 810 000,00	70,00%
5	J.W. Construction Sp. z o.o.	Ząbki	prefabricated unit production for the building industry	subsidiary	full consolidation	19.02.2008	57 451 956,00	0,00	30 430 356,00	27 021 600,00	99,99%
6	J.W. Marka Sp. z o.o.	Ząbki	lease of intellectual property	subsidiary	full consolidation	23.08.2011	155 841 000,00	0,00	155 779 575,58	61 424,42	100,00%
7	Seahouse Sp. z o.o.	Ząbki	real estate development activity	subsidiary	full consolidation	18.10.2012	10 950 000,00	0,00	0,00	10 950 000,00	100,00%
8	Nowe Tysiąclecie Sp. z o.o.	Ząbki	real estate development activity	subsidiary	full consolidation	11.06.2013	15 240 000,00	0	0	15 240 000,00	100,00%
9	Dana Invest Sp. z o.o.	Ząbki	real estate development activity	subsidiary	full consolidation	22.11.2013	10 064 950,00	0,00	0,00	10 064 950,00	99,99%
10	Bałtycka Invest Sp. z o.o.	Ząbki	real estate development activity	subsidiary	full consolidation	23.01.2014	5 000,00	0,00	0,00	5 000,00	100,00%
11	Berenzona Invest Sp. z o.o.	Ząbki	real estate development activity	subsidiary	full consolidation	28.01.2014	5 000,00	0,00	0,00	5 000,00	100,00%
12	Bliska Wola 1 Sp. z o.o.	Ząbki	real estate development activity	subsidiary	full consolidation	22.01.2014	28 535 700,00	0,00	0,00	28 535 700,00	100,00%
13	Bliska Wola 2 Sp. z o.o.	Ząbki	real estate development activity	subsidiary	full consolidation	29.01.2014	13 820 000,00	0,00	0,00	13 820 000,00	100,00%
14	Wola Invest Sp. z o.o.	Ząbki	real estate development	subsidiary	full consolidation	23.01.2014	5 000,00	0,00	0,00	5 000,00	100,00%



Consolidated financial statement for the period between January 1 and December 31, 2015

	Name of a unit (and its legal form)	Registered office	Type of business activity	Relation	Method of consolidation	Date of assuming control	Value of shares/interest at acquisition price	Write-offs up to book value of in-kind contribution	Carrying value of shares	% of total number of votes in the general meeting	Name of a unit (and its legal form)
			activity								
15	Bliska Wola 4 Sp. z o.o.	Ząbki	real estate development activity	subsidiary	full consolidation	24.01.2014	5 000,00	0,00	0,00	5 000,00	100,00%
16	Zdziarska Invest Sp. z o.o.	Ząbki	real estate development activity	subsidiary	full consolidation	22.01.2014	5 000,00	0,00	0,00	5 000,00	100,00%
17	Łódź Invest Sp. z o.o.	Ząbki	real estate development activity	subsidiary	full consolidation	22.01.2014	3 800 000,00	0,00	0,00	3 800 000,00	100,00%
18	Porta Transport Sp. z o.o. w likwidacji	Szczecin	real estate development activity	subsidiary	full consolidation	24.04.2014	19 309 914,41	0,00	0,00	19 309 914,41	100,00%
19	Lewandów Invest Sp. z o.o.	Ząbki	real estate development activity	subsidiary	full consolidation	24.07.2014	5 000,00	0,00	0,00	5 000,00	100,00%
20	Sochaczewska Invest Sp. z o.o.	Ząbki	real estate development activity	subsidiary	full consolidation	25.07.2014	5 000,00	0,00	0,00	5 000,00	100,00%
21	Osada Wiślana Sp. z o.o.	Ząbki	real estate development activity	subsidiary	full consolidation	16.07.2014	5 000,00	0,00	0,00	5 000,00	100,00%
22	Parkowa Invest Sp. z o.o.	Ząbki	real estate development activity	subsidiary	full consolidation	16.07.2014	5 000,00	0,00	0,00	5 000,00	100,00%
23	J.W. Ergo Energy Sp. z o.o.	Ząbki	real estate development activity	subsidiary	not consolidated	06.10.2014	2 500,00	0,00	0,00	2 500,00	50,00%

Indirect ties											
24	TBS Nowy Dom Sp. z o.o.	Ząbki	construction of social buildings	affiliated unit	not consolidated	30.09.2006	1 000,00	0,00	0,00	1 000,00	2,00%
25	Karczma Regionalna Sp. z o.o.	Krynica Górska	hotel services	subsidiary	not consolidated	16.12.2004	208 550,00	0,00	0,00	208 550,00	8,06%
26	J.W. Construction Sp. z o.o.	Ząbki	production of prefabricated elements for construction	subsidiary	full consolidation	19.02.2008	50,00	0,00	0,00	50,00	0,01%



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**Note 6. Non-current receivables**

<b>NON-CURRENT RECEIVABLES</b>	<b>31-12-2015</b>	<b>31-12-2014</b>
a) guarantee receivables	2 958 047,44	448 587,14
b) deposit receivables( lease)	0,00	0,00
b) other receivables	0,00	0,00
<b>Total receivables</b>	<b>2 958 047,44</b>	<b>448 587,14</b>

**Note 7. Inventories and construction contracts**

The companies of the Capital Group in relation to the realization of construction projects also prepares budgets that are compared against real costs and the completion stage of projects based on conducted cyclical inventorying.

<b>INVENTORIES</b>	<b>31-12-2015</b>	<b>31-12-2014</b>
a) materials	2 869 014,77	2 948 465,09
b) semi-finished products and work in progress	0,00	0,00
c) finished products	576 011,87	539 363,00
d) goods	26 707 320,62	27 580 050,72
e) trade advances	2 029,59	7 129,59
<b>Total inventories</b>	<b>30 154 376,85</b>	<b>31 075 008,40</b>

Every month, the Company carries out the inventorying and compares the amount of inventories against budgets and realized sales transactions through detailed analysis of every item.

Construction contracts - assets constitute expenditure in relation to realized projects, the value of ready units that have not been taken over by customers.

<b>CONSTRUCTION CONTRACTS</b>	<b>31-12-2015</b>	<b>31-12-2014</b>
<b>CONSTRUCTION CONTRACTS (CURRENT ASSETS)</b>		
a) semi-finished products and work in progress	480 195 107,71	305 213 073,85
b) finished products	23 206 459,49	83 580 514,31
c) advances for supplies	4 225 637,69	3 051 252,71
d) short-term prepayments	118 618,07	118 618,07
<b>Total construction contracts</b>	<b>507 745 822,96</b>	<b>391 963 458,94</b>
<b>CONSTRUCTION CONTRACTS (Current liabilities)</b>		
a) Accruals	353 456 461,90	118 584 362,41
<b>Total construction contracts</b>	<b>353 456 461,90</b>	<b>118 584 362,41</b>

Construction contracts - liabilities comprise paid advances by customers in relation to the completion stage of performed works. <b>ACCRUALS</b>	<b>31-12-2015</b>	<b>31-12-2014</b>
- advances on premises	347 909 657,32	110 987 387,83
- works reserves	2 574 783,29	7 138 887,90
- other	2 972 021,29	458 086,68
<b>The total value of accruals</b>	<b>353 456 461,90</b>	<b>118 584 362,41</b>

The Companies of the Group, in connection with the business activities, incur loans that are secured with the mortgage on the property. As at December 31, 2015, the Company established securities in the form of mortgages presented in inventories and construction contracts with the value of PLN 500,9 million and presented in fixed assets with the value of PLN 331,800,000. The value of the mortgage is established on the amount of the credit granted (or higher), therefore, this amount exceeds the value of the property shown in assets of the Companies of the Group. As at June 30, 2015, the loan liabilities amounted to PLN 201,6 million (excluding credits of TBS Marki Sp. z o.o., liabilities amount to PLN 136,7 million).

The Companies of the Group, in connection with the business activities, issue the bonds that are secured with the mortgage on the property. As at December 31, 2015, the Companies of the Group established securities in the form of mortgages presented in inventories and construction contracts with the value of PLN 335 m. and in the form of mortgages on foreign properties in the amount of PLN 10 m. The value of the mortgage is established on the amount of the bond issued (or higher), therefore, this amount exceeds the value of the property shown in assets of the Group's Companies. As at December 31, 2015, the liabilities from bonds issued amounted to PLN 314,1 m.

### Note 8. Current receivables

Write-downs for the amount of receivables were created in accordance with the best knowledge and experience of the Group via a detailed analysis of receivable payment risk. Costs are revenues related to the creation and cancellation of write downs are considered in the profit and loss account in the "remaining operating cash flow" category.

<b>CURRENT RECEIVABLES</b>	<b>31-12-2015</b>	<b>31-12-2014</b>
a) trade receivables - related parties	11 057,04	409,80
b) trade receivables - other parties	29 844 182,26	29 425 255,88
c) taxes, subsidies, customs duties, social and health insurance and other payments	16 993 666,09	16 712 015,70
d) other	8 771 312,16	22 694 148,59
<b>Total receivables</b>	<b>55 620 217,55</b>	<b>68 831 829,96</b>

<b>AGE STRUCTURE OF TRADE RECEIVABLES</b>	<b>31-12-2015</b>
Not overdue	23 230 842,05
Overdue for 3 months	3 899 064,29
Overdue between 3 and 6 months	826 097,75
Overdue between 6 and 1 year	807 471,40
Overdue for longer than 1 year	1 091 763,81
<b>Gross delivery and service receivables</b>	<b>29 855 239,30</b>
Write-downs updating receivables	<b>0,00</b>
<b>Net delivery and service receivables</b>	<b>29 855 239,30</b>

The company created write-downs that update the values of receivables that were not disclosed in operational costs. Write-downs were prepared in accordance with the best knowledge and experience of the Company based on individual analysis of relevant balances.

<b>CHANGE OF THE STATE OF WRITE-DOWNS UPDATING THE VALUES OF TRADE AND OTHER RECEIVABLES</b>	<b>31-12-2015</b>
As of the beginning of the period	<b>26 036 567,77</b>
a) increase	3 150 859,26
b) decrease	1 338 926,64
<b>As of the end of the period</b>	<b>27 848 500,39</b>

Write-downs related to the entirety of overdue sums.

Costs and revenues related to the creation and annulment of write-downs updating the values of receivables are properly disclosed in other operational costs and operational revenue.

As of the balance sheet days, there were no delivery and service receivables or other receivables in foreign currencies.

### Nota 9. Other financial assets

<b>SHORT-TERM INVESTMENTS</b>	<b>31-12-2015</b>	<b>31-12-2014</b>
a) shares	0,00	0,00
b) loans granted	36 788 293,29	1 561 129,15
c) other investments	346 346,82	330 946,25
<b>Total value of short-term investments</b>	<b>37 134 640,11</b>	<b>1 892 075,40</b>

<b>SHORT-TERM INVESTMENTS</b>	<b>31-12-2015</b>	<b>31-12-2014</b>
a) in subsidiaries	36 732 808,75	610 673,15
- shares	0,00	0,00
- debt securities	0,00	0,00
- other securities	0,00	0,00
- loans granted	36 732 808,75	610 673,15
- other short-term financial assets	0,00	0,00
b) in other parties	401 831,36	1 281 402,25
- shares	0,00	0,00

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- debt securities	0,00	0,00
- other securities	346 346,82	330 946,25
- loans granted	55 484,54	950 456,00
- other short-term financial assets	0,00	0,00
c) other short-term investment	0,00	0,00
<b>Total value of short-term investments</b>	<b>37 134 640,11</b>	<b>1 892 075,40</b>

The change of value of short-term financial assets results mostly from reclassifying granted loans from long-term financial assets.

**Note 10. Cash and cash equivalents**

<b>CASH AND CASH EQUIVALENTS</b>	<b>31-12-2015</b>	<b>31-12-2014</b>
a) cash on hand and with bank	98 865 284,02	41 069 226,67
b) other cash	89 540 004,15	242 802,02
c) other cash equivalents	5 185,05	8 207,36
<b>Total cash</b>	<b>188 410 473,22</b>	<b>41 320 236,05</b>

The companies of the Capital Group present in the "other cash" item mainly deposits entered into the period of less than three months.

	<b>31-12-2015</b>	<b>31-12-2014</b>
<b>Cash in escrow accounts</b>	<b>75 661 980,71</b>	<b>27 985 800,26</b>
J.W. Construction Holding SA	7 475 720,76	12 532 334,90
Seahouse Sp. z o.o.	0,00	2 470 127,57
Nowe Tysiąclecie Sp. z o.o.	16 654 884,60	4 189 728,40
Bliska Wola 1 Sp. z o.o.	27 213 075,05	1 915 596,84
Bliska Wola 2 Sp. z o.o.	21 512 080,09	6 439 974,46
Łódź Invest Sp. z o.o.	2 806 220,21	438 038,09

**Nota 11. Accruals**

<b>ACCRUALS</b>	<b>31-12-2015</b>	<b>31-12-2014</b>
a) short-term accruals	13 021 683,08	10 384 162,94
<b>The total value of accruals</b>	<b>13 021 683,08</b>	<b>10 384 162,94</b>

In other accruals, the Group presents costs borne that are related to future periods. The main item in accruals are commission costs received by sales staff for selling apartments. Those commissions are tied to concrete units/premises sold by the Group and are subject to activation when a unit is taken over by the customer.

**Note 12. Share capital**

<b>Class / issue</b>	<b>Share type</b>	<b>Type of share preference</b>	<b>Types of restrictions on rights to shares</b>	<b>Number of shares</b>	<b>Value of the series / issue according to nominal value</b>	<b>Coverage of capital</b>	<b>Registration Date</b>	<b>Dividend right (since when)</b>
A and B	Bearer		-	54 073 280	10 814 656	Assets of a transformed company - TBM Batory Sp. z o.o. / Cash	01.07.2010*	
C				34 786 163	6 957 232,60	cash	30.09.2014	
<b>Total number of shares</b>				88 859 443				
<b>Total share capital</b>					17 771 888,60			
<b>Par value of one share = PLN 0,20</b>								

\* Registration of A and B-series shares by the court into one series marked A and B due to the cancellation of 625,000 shares acquired by the Company as part of the program to re-purchase its own shares in order to cancel them.



As at 31 December, 2015 the shareholding structure was as follows”

Company	Number of shares held	% of share capital	Number of votes	% of total number of votes in the General Meeting
Józef Wojciechowski	23.917.739	26,92 %	23.917.739	26,92 %
EHT S.A.	32.494.525	36,57 %	32.494.525	36,57 %
Other <sup>x</sup>	32.447.179	36,52 %	32.447.179	36,52 %

<sup>x</sup> of which

Shareholder	Number of shares held	% of share capital	Number of votes	% of total number of votes in the General Meeting
TFI PZU S.A.	Between 5 and 10% of shares <sup>xx</sup>			

<sup>xx</sup> on July 22, 2015, Company received a notification on exceeding a 5% share threshold by the funds managed by the Towarzystwo Funduszy Inwestycyjnych PZU S.A. As of the day of the notification thereof, the number of such shares was 5,139,931, which constituted 5,7843 % of shares in the Company share capital and entitled the Towarzystwo Funduszy Inwestycyjnych S.A. to 5,7843% of the general number of votes. In accordance with the current provisions of law, a shareholder is obliged to inform the Company about exceeding a 5% share threshold, and then about exceeding a 10% threshold regarding the general number of Company shares. As of today, the Company has not received any notification from a shareholder that included information about exceeding a 5% share threshold or decreasing the number thereof under a 10% threshold.

Information on Company shareholders as of the day on which the financial statement was prepared

Shareholder	Number of shares held	% of share capital	Number of votes	% of total number of votes in the General Meeting
Józef Wojciechowski	23.917.739	26,92 %	23.917.739	26,92 %
EHT S.A.	32.494.525	36,57 %	32.494.525	36,57 %
Inni <sup>x</sup>	32.447.179	36,52 %	32.447.179	36,52 %

<sup>x</sup>W tym

Shareholder	Number of shares held	% of share capital	Number of votes	% of total number of votes in the General Meeting
Funds managed by Towarzystwo Funduszy Inwestycyjnych PZU S.A.	Between 5 and 10% of shares <sup>xx</sup>			

<sup>xx</sup> on July 21, 2015, Company received a notification on exceeding a 5% share threshold by the funds managed by the Towarzystwo Funduszy Inwestycyjnych PZU S.A. As of the day of the notification thereof, the number of such shares was 5,139,931, which constituted 5,7843 % of shares in the Company share capital and entitled the Towarzystwo Funduszy Inwestycyjnych S.A. to 5,7843% of the general number of votes. In accordance with the current provisions of law, a shareholder is obliged to inform the Company about exceeding a 5% share threshold, and then about exceeding a 10% threshold regarding the general number of Company shares. As of today, the Company has not received any notification from a shareholder that included information about exceeding a 5% share threshold or decreasing the number thereof under a 10% threshold

On May 15, 2015, Pioneer Open-ended Investment Fund managed by PPIM S.A. informed the Issuer of the fact of going under a 5% share and vote at the Annual Meeting of Shareholders threshold.

### Note 13. Other capital

OTHER CAPITAL	31-12-2015	31-12-2014
a) supplementary capital	627 935 814,58	603 831 773,22
b) other reserve capital	7 947 357,60	7 947 307,60
c) translation reserve	-3 593 324,23	-2 775 032,01
<b>Total other capital</b>	<b>632 289 847,95</b>	<b>609 004 048,81</b>

Supplementary capital in the capital company comes from the earned profit from previous years and from the surplus of the issuance value over the nominal value of issued shares.

Other reserve capitals constitute reserves earmarked for dividend.

### Note 14. Borrowings

BORROWINGS	31-12-2015	31-12-2014
a) credits	201 612 143,86	264 630 962,64
<i>of which: long-term</i>	<i>158 805 302,01</i>	<i>185 851 765,43</i>
<i>Short-term</i>	<i>42 806 841,85</i>	<i>78 779 197,21</i>
b) loans	7 210 152,41	11 588 891,04
<i>of which: long-term</i>	<i>3 100 333,98</i>	<i>8 185 127,31</i>
<i>Short-term</i>	<i>4 109 818,43</i>	<i>3 403 763,73</i>
<b>Total borrowings</b>	<b>208 822 296,27</b>	<b>276 219 853,68</b>

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<b>Borrowings - long-term</b>	<b>161 905 635,99</b>	<b>194 036 892,74</b>
<b>Borrowings - short-term</b>	<b>46 916 660,28</b>	<b>82 182 960,94</b>

<b>CREDITS PER MATURITY</b>	<b>31-12-2015</b>	<b>31-12-2014</b>
Up to 1 year	42 806 841,85	78 779 197,21
Over 1 year up to 2 years	22 211 246,09	54 665 267,06
Over 2 year up to 5 years	49 402 790,95	49 555 405,14
Over 5 years	87 191 264,97	81 631 093,23
<b>Total loans, including:</b>	<b>201 612 143,86</b>	<b>264 630 962,64</b>
- long-term	158 805 302,01	185 851 765,43
- short-term	42 806 841,85	78 779 197,21

<b>LOANS PER MATURITY</b>	<b>31-12-2015</b>	<b>31-12-2014</b>
Up to 1 year	4 109 818,43	3 403 763,73
Over 1 year up to 2 years	3 100 333,98	8 185 127,31
Over 2 year up to 5 years	0,00	0,00
Over 5 years	0,00	0,00
<b>Total loans, including:</b>	<b>7 210 152,41</b>	<b>11 588 891,04</b>
- long-term	3 100 333,98	8 185 127,31
- short-term	4 109 818,43	3 403 763,73

In 2015 and from the balance sheet date until the day on which the consolidated financial statement was prepared none of the signed credit agreements was terminated by the bank.

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

<b>BORROWINGS</b>	<b>31-12-2015</b>	<b>31-12-2014</b>
a) credits	97 528 400,45	100 585 434,78
<i>of which: long-term</i>	92 313 493,45	95 775 205,11
<i>Short-term</i>	5 214 907,00	4 810 229,67
b) loans	0,00	0,00
<i>of which: long-term</i>	0,00	0,00
<i>Short-term</i>	0,00	0,00
<b>Total borrowings</b>	<b>97 528 400,45</b>	<b>100 585 434,78</b>
<b>Borrowings - long-term</b>	<b>92 313 493,45</b>	<b>95 775 205,11</b>
<b>Borrowings - short-term</b>	<b>5 214 907,00</b>	<b>4 810 229,67</b>

<b>CREDITS PER MATURITY</b>	<b>31-12-2015</b>	<b>31-12-2014</b>
Up to 1 year	5 214 907,00	4 810 229,67
Over 1 year up to 2 years	5 214 907,00	4 810 229,67
Over 2 year up to 5 years	15 644 721,00	14 430 689,01
Over 5 years	71 453 865,45	76 534 286,43
<b>Total loans, including:</b>	<b>97 528 400,45</b>	<b>100 585 434,78</b>
- long-term	92 313 493,45	95 775 205,11
- short-term	5 214 907,00	4 810 229,67

**Note 15. Deferred income tax assets**

The applicable rate of income tax for 2015 and 2014 was 19%.

DEFERRED INCOME TAX ASSETS AND A RESERVE FOR DEFERRED INCOME TAX	31-12-2015		
	Deferred income tax assets	Deferred tax reserve	Net value
Tangible assets	5 667 511,31	5 990 911,86	-323 400,55
Investment real estate	0,00	25 152 259,70	-25 152 259,70
Intangible assets	0,00	4 517 385,68	-4 517 385,68
Investments in subsidiaries, joint subsidiaries and affiliated companies	0,00	0,00	0,00
Other financial assets	1 890 534,66	-2 977 059,68	4 867 594,35
Non-current receivables	0,00	4 400 277,01	-4 400 277,01
Inventories and construction contracts	0,00	0,00	0,00
Trade and other receivables	0,00	609 815,20	-609 815,20
Income tax receivables	42 323,96	0,00	42 323,96
Accruals	8 052 142,56	0,00	8 052 142,56
Cash and cash equivalents	96 515,85	0,00	96 515,85
Borrowings	2 904 659,18	0,00	2 904 659,18
Provisions	15 289 905,36	157 270,23	15 132 635,13
Trade and other receivables	<b>33 943 592,88</b>	<b>37 850 859,99</b>	<b>-3 907 267,11</b>

DEFERRED INCOME TAX ASSETS AND DEFERRED INCOME TAX LIABILITIES	31-12-2014		
	Deferred income tax assets	Deferred tax reserve	Net value
Tangible assets	5 978 409,45	6 399 805,20	-421 395,74
Investment real estate	78 828,86	13 312 510,52	-13 233 681,66
Intangible assets	0,00	0,00	0,00
Investments in subsidiaries, joint subsidiaries and affiliated companies	0,00	0,00	0,00
Other financial assets	0,00	3 910 553,68	-3 910 553,68
Non-current receivables	0,00	0,00	0,00
Inventories and construction contracts	986 639,30	-1 329 846,19	2 316 485,50
Trade and other receivables	3 424 275,93	4 400 277,01	-976 001,08
Income tax receivables	3 301 558,34	0,00	3 301 558,34
Accruals	34 313,20	911 412,94	-877 099,74
Cash and cash equivalents	0,00	0,00	0,00
Borrowings	0,00	0,00	0,00
Provisions	328 289,33	0,00	328 289,33
Trade and other receivables	2 103 905,05	0,00	2 103 905,05
Other financial liabilities	3 554 111,97	0,00	3 554 111,97
Other	10 471 025,96	493 972,63	9 977 053,33
<b>Deferred income tax assets / liabilities disclosed in the balance sheet</b>	<b>30 261 357,39</b>	<b>28 098 685,78</b>	<b>2 162 671,62</b>

INCOME TAX	od 01-01-2015 do 31-12-2015	od 01-01-2014 do 31-12-2014
a) current income tax	888 758,50	318 578,00
b) deferred income tax	634 742,56	3 133 265,51
<b>Total income tax</b>	<b>1 523 501,06</b>	<b>3 451 843,51</b>

<b>CHANGE OF THE STATE OF DEFERRED INCOME TAX</b>	<b>31-12-2015</b>
Change of the assets towards the deferred tax	3 682 235,49
Change of the reserves towards the deferred tax	-9 752 174,21
<b>Change of the deferred tax in total</b>	<b>-6 069 938,72</b>
<b>Deferred tax disclosed in the profit and loss account</b>	<b>634 742,56</b>
<b>Deferred income tax included in total revenue</b>	<b>5 435 196,16</b>

**Note 16. Retirement benefit obligations**

<b>CHANGE IN RETIREMENT BENEFIT OBLIGATIONS</b>	<b>31-12-2015</b>	<b>31-12-2014</b>
Opening balance	208 947,48	161 777,01
Increases	32 257,00	47 170,47
Decreases	0,00	0,00
<b>Closing balance</b>	<b>241 204,48</b>	<b>208 947,48</b>

Pension benefits constitute the calculation of retirement gratuities in accordance with the Polish Labour Code and are created in accordance in IAS 19.

**Note 17. Provision for other liabilities and charges**

<b>PROVISIONS FOR OTHER LIABILITIES AND CHARGES</b>	<b>31-12-2015</b>	<b>31-12-2014</b>
<b>a) short-term, of which:</b>	<b>16 474 664,03</b>	<b>14 992 921,45</b>
- accrued expenses, including:	13 445 263,56	12 607 578,98
- <i>interests charged</i>	1 572 025,00	1 538 100,81
- <i>rent deposits</i>	480 433,64	477 649,38
- <i>other</i>	3 522 741,67	2 402 437,56
- other provisions, including:	7 870 063,25	8 189 391,23
- <i>provisions for guarantee repairs</i>	3 029 400,47	2 385 342,47
- <i>other provisions</i>	1 509 355,90	1 509 355,90
<b>a) short-term, of which:</b>	<b>1 520 044,57</b>	<b>875 986,57</b>
<b>a) long-term, of which:</b>	<b>55 013 370,26</b>	<b>55 373 146,15</b>
- accrued expenses, including:	55 013 370,26	55 373 146,15
- <i>participation in costs of construction - TBS Marki</i>	48 960 144,64	49 269 374,73
- <i>deferred income- loan remittance- TBS Marki</i>	6 053 225,62	6 103 771,42
<b>Provision for other liabilities and charges in total</b>	<b>71 488 034,29</b>	<b>70 366 067,60</b>

The TBS Marki Sp. z o.o. realized communities in the form of the construction of social buildings with the utilization of the credit loans from the National Apartment Fund. As part of their apartment reservoir it signs participation contracts. When an agreement is signed, a participation payment is made (30% of the construction costs) that is settled after a living unit is left.

**Note 18. Other long-term liabilities**

<b>OTHER LONG-TERM LIABILITIES</b>	<b>31-12-2015</b>	<b>31-12-2014</b>
a) lease obligations	8 324,99	67 112,46
b) deposit liabilities	18 341 710,28	3 265 478,95
c) other non-current liabilities	4 853 097,65	4 782 023,08
d) note liabilities	0,00	6 007 576,49
e) bonds	171 750 805,00	231 060 000,00
<b>Total other liabilities</b>	<b>194 953 937,92</b>	<b>245 182 190,98</b>

All lease receivables are in Polish zloty. The fair value of lease receivables corresponds to its book value and constitutes PLN 86.987,14 as of December 31, 2015, PLN 8.324,99 of which constitutes long-term obligations.

**Note 19. Trade and other payables**

<b>TRADE AND OTHER PAYABLES</b>	<b>31-12-2015</b>	<b>31-12-2014</b>
a) trade payables - other parties	36 745 552,21	46 789 783,14
b) trade payables - related parties	363,32	0,00
c) taxes, customs duties, insurance and other payments	4 835 185,84	4 378 729,66
d) salaries	2 139 029,71	1 860 883,14
e) trade advances received	0,00	0,00
f) other	10 906 900,50	6 934 951,55
<b>Total trade and other payables</b>	<b>54 627 031,59</b>	<b>59 964 347,49</b>

<b>OTHER LIABILITIES</b>	<b>31-12-2015</b>	<b>31-12-2014</b>
a) debt securities issue- liabilities	142 411 358,83	15 958 342,56
b) promissory note liabilities	7 012 598,47	0,00
c) financial lease liabilities	78 662,15	8 504 593,84
d) other financial liabilities	0,00	0,00
<b>Total other liabilities</b>	<b>149 502 619,45</b>	<b>24 462 936,40</b>

All lease obligations are presented in PLN. The fair value of receivables corresponds to the book value and constitutes long-term financial obligations.

**Note 20. Risk Management**

The main financial instruments used by the Group include bank loans, bonds and financial leasing. The main purpose of these financial instruments is to raise funds for the activities of the Group. The Group also has other financial instruments such as receivables, trade payables, which are formed directly in the course of the Group's activities and cash of the Companies of the Group does not include transactions with participation of derivatives.

The main risks arising from the Group's financial instruments include interest rate risk, currency risk, liquidity risk and credit risk. The Management Board verify and agree principles of managing each of these risks - the principles are briefly described below.

**Interest rate risk**

The Group has credit liabilities, for which interest are calculated on the basis of the variable interest rate, and therefore there is a risk of growth of interest in relation to the moment of the agreement conclusion. Due to the fact that the Group had, during the reporting period, both assets and liabilities with variable rate, which counterbalanced the risk, and due to slight fluctuations of interest rates in recent periods, as well as the lack of expected rapid changes of interest rates in subsequent reporting periods, the Group did not apply any interests rate securities as at 31 December 2015, considering that the interest rate risk is not significant.

Regardless of the current situation, the Group monitors its exposure to interest rate risk and interest rate forecasts and does not preclude the adoption of the precautionary measures in the future.

The following table shows the sensitivity of the gross financial result for reasonably possible changes of interest rates, assuming that other factors remain unchanged (in connection with the variable rate liabilities. The influence on the Group's equity is not shown. The analysis does not include the credit in TBS Marki Sp. Ltd., which is a preferential credit, procured on different principles, where the risk is limited..

	<b>Increase/decrease in the percentage points</b>	<b>The influence on gross profit in thousands of PLN</b>
PLN	1%	-3 336
PLN	-1%	3 336

**Currency risk**

The Group is The Group is not exposed to currency risk as foreign currency loans were granted to subsidiaries, which are consolidated. Other transactions in foreign currencies have a negligible impact on the financial results of the Group.

**Credit Risk**



The Group is exposed to the credit risk which is defined as the risk that creditors do not fulfill their obligations and thereby make the Company incur losses.

When it comes to a loan for a related company, the risk is considered irrelevant due to ongoing monitoring of financial standing and the control.

The maximum exposure to credit risk is PLN 53 368 at the balance sheet day was estimated as the carrying value of trade payables from other companies.

In the assessment of the Management Board of the Parent Company, the credit risk is included in the financial statements in the position of write-downs. The credit risk associated with bank deposits is considered insignificant, because the Group concludes transactions with institutions that have well-established financial position.

#### Liquidity Risk

The Group is exposed to the liquidity risk, defined as the risk of losing the ability to settle liabilities in a timely manner. The risk results from potential restriction of access to financial markets, which may result in inability to obtain new financing or refinancing its debt.

#### Note 21. Earnings per share

CALCULATION OF BASIC AND DILUTED EARNINGS PER SHARE	between 01-01-2015 and 31-12-2015	between 01-01-2014 and 31-12-2014
<b>Profits</b>		
(A) Profits of the Group disclosed in the consolidated financial statements	5 734 162,58	8 341 019,57
<b>Number of shares</b>		
(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 *	88 859 443,00	62 841 299,17
(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	88 859 443,00	62 841 299,17
<b>Basic earnings per share = (A)/(B)</b>	<b>0,06</b>	<b>0,13</b>
<b>Diluted earnings per share = (A)/(B)</b>	<b>0,06</b>	<b>0,13</b>

\* 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 analyzed period there were no circumstances to dilute the number of shares.

#### Note 22. Income tax

INCOME TAX	between 01-01-2015 and 31-12-2015	between 01-01-2014 and 31-12-2014
a) Current income tax	888 758,50	318 578,00
b) Deferred income tax	634 742,56	3 133 265,51
<b>Total income tax</b>	<b>1 523 501,06</b>	<b>3 451 843,51</b>

In 2015 the Group companies paid a total amount of PLN 888.758,50 of corporate income tax.

Reconciliation of effective tax rate	from 01-01-2015 to 31-12-2015	from 01-01-2014 to 31-12-2014
Gross Profit / (loss) before tax from continuing operations	7 257 663,64	11 792 863,08
Profit / (loss) before tax from abandoned operations	0,00	0,00
<b>Gross profit (loss) before tax</b>	<b>7 257 663,64</b>	<b>11 792 863,08</b>
TBS revenue exempted from tax	-274 392,44	-392 201,06
<b>Gross profit (loss) before tax</b>	<b>6 983 271,20</b>	<b>11 400 662,02</b>
<b>Income tax (charge) shown in the profit and loss account</b>	<b>1 523 501,06</b>	<b>3 451 843,51</b>
<i>including</i>		
current	888 758,50	318 578,00
deferred	634 742,56	3 133 265,51
Tax at statutory tax rate of 19%	<b>1 326 821,53</b>	<b>2 166 125,78</b>
Unrealized tax loss of JWC	0,00	3 509 409,90
Deferred taxes not created in previous years	543 159,30	3 617 702,43
Expenditure not constituting tax deductible expenses - permanent differences	3 433 752,44	1 206 053,50
J.W. Marka tax advantage	-543 642,77	-984 571,05
Assets not created due to losses	0,00	0,00
Consolidation correction regarding sales, shares and interest	-2 398 113,54	4 819 331,19

Other	0,00	34 205,57
Investment real estate appraisal	0,00	-5 435 196,15
<b>Adjusted income tax</b>	<b>8 018 426,64</b>	<b>18 167 597,41</b>
<b>Gross profit (loss) before tax</b>	<b>1 523 501,06</b>	<b>3 451 843,51</b>

### Note 23 . Segment Reporting

#### Branch Segments

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

- developer activity
- social building
- hotel services

Pursuant to 8 „ Reporting concerning segments of activity’, when drawing up financial data concerning particular segments of activity, according to the principle applied revenue and expenses along with assets and liabilities of a segment are established before the moment of consolidation when the settlement of balance sheet statements and transactions carried out among the Group’s economic entities are excluded, with an exception of cases where this type of settling balances among entities were done within one segment. Internal transactions within the segment’s framework were eliminated. Financial data concerning the particular segments of activity include individual financial statements of Group’s companies without the exclusions of balance sheet statements and transactions made, while the exclusion of revenue, expenses and mutual statements were presented in the ‘Elimination’ column. Developer activity in which consolidation of individual statements of companies running this kind of business was made, is an exception. In 2012, the segment was comprised of the following entities: J.W. Construction Holding SA, Seahouse Sp. z o.o., Nowe Tysiąclecie Sp. z o.o., Łódź Invest Sp. z o.o.. The primary kind of goods and services within the framework of each branch segment:

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



Consolidated financial statement for the period between January 1 and December 31, 2015

01.01.2015-31.12.2015	Real estate development activity	Business activity related to hotels	Construction of social buildings	Real estate construction	Transport activity, other	Eliminations	Total
<b>Net revenues from sales of products, goods and materials, including:</b>	<b>144 100 203,21</b>	<b>34 921 388,93</b>	<b>13 026 686,07</b>	<b>95 759 260,88</b>	<b>4 035 622,74</b>	<b>-89 666 331,89</b>	<b>202 176 829,94</b>
Net revenues from sales of products	142 325 106,12	34 910 845,02	13 002 378,37	95 402 798,97	4 035 107,32	-89 639 333,51	200 036 902,29
Net revenues from sales of goods and materials	1 775 097,09	10 543,91	24 307,70	356 461,91	515,42	-26 998,38	2 139 927,65
<b>Costs of products, goods and materials sold, of which, including:</b>	<b>113 488 858,20</b>	<b>29 838 650,71</b>	<b>7 369 405,90</b>	<b>87 105 760,93</b>	<b>3 282 477,19</b>	<b>-80 149 131,52</b>	<b>160 936 021,41</b>
Manufacturing cost of products sold	111 681 832,37	29 828 071,04	7 345 098,20	86 846 844,57	3 281 961,77	-80 122 133,14	158 861 674,81
Value of goods and materials sold	1 807 025,83	10 579,67	24 307,70	258 916,36	515,42	-26 998,38	2 074 346,60
<b>Gross profit (loss) on sales</b>	<b>30 611 345,01</b>	<b>5 082 738,22</b>	<b>5 657 280,17</b>	<b>8 653 499,95</b>	<b>753 145,55</b>	<b>-9 517 200,37</b>	<b>41 240 808,53</b>
<b>Sales costs</b>	<b>22 099 325,57</b>	<b>3 570 305,88</b>	<b>0,00</b>	<b>45 191,55</b>	<b>0,00</b>	<b>-7 578 186,41</b>	<b>18 136 636,59</b>
<b>Overheads</b>	<b>7 211 455,86</b>	<b>2 001 621,62</b>	<b>923 525,33</b>	<b>1 959 847,45</b>	<b>2 849 286,36</b>	<b>-274 392,44</b>	<b>14 671 344,18</b>
<b>Revaluation of investment properties</b>	<b>31 329 588,34</b>	<b>0,00</b>	<b>0,00</b>	<b>0,00</b>	<b>0,00</b>	<b>0,00</b>	<b>31 329 588,34</b>
<b>Profit (loss) on sales</b>	<b>32 630 151,92</b>	<b>-489 189,28</b>	<b>4 733 754,84</b>	<b>6 648 460,95</b>	<b>-2 096 140,81</b>	<b>-1 664 621,52</b>	<b>39 762 416,10</b>
Other revenue from operations	1 817 027,16	96 727,72	237 192,99	1 053 081,65	3 673,10	0,00	3 207 702,62
Other costs related to operations	13 799 003,12	292 308,39	286 872,78	3 900 153,43	85 757,03	0,00	18 364 094,75
<b>Operating profit (loss)</b>	<b>20 648 175,96</b>	<b>-684 769,95</b>	<b>4 684 075,05</b>	<b>3 801 389,17</b>	<b>-2 178 224,74</b>	<b>-1 664 621,52</b>	<b>24 606 023,97</b>
Financial revenue	4 281 802,51	4 461,05	1 028 516,59	16 696,54	888 886,99	-4 414 398,75	1 805 964,93
Financial expenses	16 807 511,13	1 687 600,73	4 198 090,75	857 429,77	18 091,63	-4 414 398,75	19 154 325,26
<b>Profit (loss) on economic activity</b>	<b>8 122 467,34</b>	<b>-2 367 909,63</b>	<b>1 514 500,89</b>	<b>2 960 655,94</b>	<b>-1 307 429,38</b>	<b>-1 664 621,52</b>	<b>7 257 663,64</b>
<b>Gross profit (loss)</b>	<b>8 122 467,34</b>	<b>-2 367 909,63</b>	<b>1 514 500,89</b>	<b>2 960 655,94</b>	<b>-1 307 429,38</b>	<b>-1 664 621,52</b>	<b>7 257 663,64</b>
<b>Net profit (loss)</b>	<b>6 713 031,82</b>	<b>-3 090 626,10</b>	<b>1 474 146,89</b>	<b>2 150 569,80</b>	<b>-1 656 606,38</b>	<b>143 646,55</b>	<b>5 734 162,58</b>



Consolidated financial statement for the period between January 1 and December 31, 2015

01.01.2014-31.12.2014	Real estate development activity	Business activity related to hotels	Construction of social buildings	Real estate construction	Transport activity, other	Eliminations	Total
<b>Net revenues from sales of products, goods and materials, including:</b>	<b>150 285 575,14</b>	<b>33 799 243,95</b>	<b>12 890 287,91</b>	<b>76 981 459,18</b>	<b>3 858 705,96</b>	<b>-64 979 564,95</b>	<b>212 835 707,19</b>
Net revenues from sales of products	149 174 373,08	33 794 978,74	12 870 539,13	76 766 147,96	3 848 888,29	-64 965 180,15	211 489 747,05
Net revenues from sales of goods and materials	1 111 202,06	4 265,21	19 748,78	215 311,22	9 817,67	-14 384,80	1 345 960,14
<b>Costs of products, goods and materials sold, of which, including:</b>	<b>123 292 868,45</b>	<b>30 646 645,84</b>	<b>7 988 180,64</b>	<b>71 539 869,25</b>	<b>1 505 780,98</b>	<b>-63 699 589,49</b>	<b>171 273 755,67</b>
Manufacturing cost of products sold	122 165 565,83	30 641 639,92	7 968 146,70	71 310 739,11	1 495 969,31	-63 685 204,69	169 896 856,18
Value of goods and materials sold	1 127 302,62	5 005,92	20 033,94	229 130,14	9 811,67	-14 384,80	1 376 899,49
<b>Gross profit (loss) on sales</b>	<b>26 992 706,69</b>	<b>3 152 598,11</b>	<b>4 902 107,27</b>	<b>5 441 589,93</b>	<b>2 352 924,98</b>	<b>-1 279 975,46</b>	<b>41 561 951,52</b>
<b>Sales costs</b>	<b>21 980 317,55</b>	<b>2 425 926,69</b>	<b>0,00</b>	<b>89 080,09</b>	<b>-5 503 714,35</b>	<b>0,00</b>	<b>18 991 609,98</b>
<b>Overheads</b>	<b>8 609 683,24</b>	<b>1 118 704,31</b>	<b>1 057 786,54</b>	<b>2 358 693,53</b>	<b>1 859 125,80</b>	<b>-275 679,68</b>	<b>14 728 313,74</b>
<b>Revaluation of investment properties</b>	<b>28 392 993,33</b>	<b>0,00</b>	<b>0,00</b>	<b>0,00</b>	<b>0,00</b>	<b>0,00</b>	<b>28 392 993,33</b>
<b>Profit (loss) on sales</b>	<b>24 795 699,23</b>	<b>-392 032,89</b>	<b>3 844 320,73</b>	<b>2 993 816,31</b>	<b>5 997 513,53</b>	<b>-1 004 295,78</b>	<b>36 235 021,13</b>
Other revenue from operations	4 762 695,43	671 553,93	206 059,82	323 029,53	8 107,24	0,00	5 971 445,95
Other costs related to operations	-662 758,62	2 375 601,77	137 552,12	5 102 223,37	7 468,71	0,00	6 960 087,35
<b>Operating profit (loss)</b>	<b>30 221 153,28</b>	<b>-2 096 080,73</b>	<b>3 912 828,43</b>	<b>-1 785 377,53</b>	<b>5 998 152,06</b>	<b>-1 004 295,78</b>	<b>35 246 379,73</b>
Financial revenue	2 993 641,67	561 026,89	1 222 316,76	1 513 138,22	877 470,07	-2 650 821,21	4 516 772,40
Financial expenses	24 046 073,95	3 194 775,82	2 650 297,50	718 320,98	11 642,01	-2 650 821,21	27 970 289,05
<b>Profit (loss) on economic activity</b>	<b>9 168 721,00</b>	<b>-4 729 829,66</b>	<b>2 484 847,69</b>	<b>-990 560,29</b>	<b>6 863 980,12</b>	<b>-1 004 295,78</b>	<b>11 792 863,08</b>
<b>Gross profit (loss)</b>	<b>9 168 721,00</b>	<b>-4 729 829,66</b>	<b>2 484 847,69</b>	<b>-990 560,29</b>	<b>6 863 980,12</b>	<b>-1 004 295,78</b>	<b>11 792 863,08</b>
<b>Net profit (loss)</b>	<b>6 379 367,44</b>	<b>-4 729 829,66</b>	<b>2 404 927,69</b>	<b>-1 508 639,57</b>	<b>6 556 294,12</b>	<b>-761 100,44</b>	<b>8 341 019,57</b>

**EXPLANATORY NOTES TO CONSOLIDATED FINANCIAL STATEMENTS REGARDING TOTAL REVENUE**

**Note 24. Operating income**

<b>OPERATING INCOME</b>	<b>between 01-01-2015 and 31-12-2015</b>	<b>between 01-01-2014 and 31-12-2014</b>
Revenues from sales of products	133 975 644,28	135 477 820,19
Revenues from sales of services	66 061 258,01	76 011 926,86
Revenues from sales of goods	2 139 927,65	1 345 960,14
<b>Total income</b>	<b>202 176 829,94</b>	<b>212 835 707,19</b>

	<b>between 01-01-2015 and 31-12-2015</b>	<b>between 01-01-2014 and 31-12-2014</b>
<b>Proceeds from sales, including:</b>	<b>202 176 829,94</b>	<b>212 835 707,19</b>
- sales of products - units, plots, buildings	131 470 869,92	130 621 013,25
- sales of other goods	2 504 774,36	4 856 806,94
- sales of services	66 061 258,01	76 011 926,86
- sales of goods	2 139 927,65	1 345 960,14

	<b>between 01-01-2015 and 31-12-2015</b>	<b>between 01-01-2014 and 31-12-2014</b>
<b>Revenues from sales of products - premises, plots, buildings per geographic segments</b>	<b>200 036 902,29</b>	<b>211 489 747,05</b>
- developer activity	146 449 855,66	145 332 154,50
- business activity related to hotels	35 172 001,40	33 794 978,74
-construction of social and administration of social buildings	13 002 378,37	12 870 539,13
- transport services	0,00	0,00
-real estate construction	5 412 666,86	19 492 074,68

	<b>between 01-01-2015 and 31-12-2015</b>	<b>between 01-01-2014 and 31-12-2014</b>
<b>Revenues from sales of products - premises, plots, buildings per geographic segments</b>	<b>131 470 869,92</b>	<b>130 621 013,25</b>
-Warsaw and the surrounding area	99 916 944,92	91 908 405,03
-Gdynia	13 408 688,45	6 763 830,86
- Łódź	3 182 326,69	7 079 206,21
- Poznań	14 962 909,86	24 869 571,15

	<b>between 01-01-2015 and 31-12-2015</b>	<b>between 01-01-2014 and 31-12-2014</b>
<b>Revenue from hotel services by geographical segment</b>	<b>35 172 001,40</b>	<b>33 794 978,74</b>
-Warsaw and the surrounding area	5 973 221,22	5 217 030,29
- Tarnowo	5 456 985,97	5 341 423,73
- Stryków	3 622 850,56	3 533 471,33
- Cieszyn	0,00	245 186,59
- Szczecin	261 156,38	0,00
- Krynica Górská	19 857 787,27	19 457 866,80

**Note 25. Operating expenses**

<b>OPERATING EXPENSES</b>	<b>between 01-01-2015 and 31-12-2015</b>	<b>between 01-01-2014 and 31-12-2014</b>
Costs on sale of products	102 349 950,69	112 033 487,34
Costs on sale of services	56 511 724,12	57 863 368,84
Costs on sale of goods	2 074 346,60	1 376 899,49
<b>Total costs of products, services and goods sold</b>	<b>160 936 021,41</b>	<b>171 273 755,67</b>

<b>Sales and overhead expenses</b>	<b>between 01-01-2015</b>	<b>between 01-01-2014</b>
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Consolidated financial statement for the period between January 1 and December 31, 2015

	<b>and 31-12-2015</b>	<b>and 31-12-2014</b>
Sales expenses	18 136 636,59	18 991 609,98
Overhead expenses	14 671 344,18	14 728 313,74
<b>Total sales and overhead expenses</b>	<b>32 807 980,77</b>	<b>33 719 923,72</b>

<b>Costs by type</b>	<b>between 01-01-2015 and 31-12-2015</b>	<b>between 01-01-2014 and 31-12-2014</b>
Depreciation and amortization	9 960 621,38	7 818 645,05
Cost of materials and energy	23 621 528,52	25 938 367,77
Services rendered by other contractions	180 588 483,86	107 087 873,59
Taxes and duties	12 683 444,96	10 711 394,88
Wages and Salaries	32 141 266,22	28 661 433,99
Social security and other payments to the benefit of employees	5 278 508,10	4 786 764,94
Other costs of type	8 625 414,54	10 283 385,93
<b>Total costs according to types</b>	<b>272 899 267,58</b>	<b>195 287 866,15</b>

**Nota 26. Other operating revenue**

<b>OPERATING INCOME</b>	<b>between 01-01-2015 and 31-12-2015</b>	<b>between 01-01-2014 and 31-12-2014</b>
a) income from sale of non-financial fixed assets	0,00	0,00
b) other operating income	3 209 702,62	5 971 445,95
<b>Total operating income</b>	<b>3 209 702,62</b>	<b>5 971 445,95</b>

<b>OPERATING INCOME</b>	<b>between 01-01-2015 and 31-12-2015</b>	<b>between 01-01-2014 and 31-12-2014</b>
a) profit from disposal of non-financial fixed assets	0,00	0,00
b) handling charges	271 539,04	0,00
c) reserves	505 711,09	1 041 040,57
d) assets disclosure	0,00	0,00
e) other (including compensation, contractual fines)	2 432 452,49	4 930 405,38
<b>Total operating expenses</b>	<b>3 209 702,62</b>	<b>5 971 445,95</b>

**Note 27. Other operating expenses**

<b>OPERATING EXPENSES</b>	<b>between 01-01-2015 and 31-12-2015</b>	<b>between 01-01-2014 and 31-12-2014</b>
a) loss on disposal of non-financial fixed assets	5 557 294,88	2 008 951,21
b) revaluation of non-financial assets	495 899,29	0,00
c) other operating expenses	12 312 900,58	4 951 136,14
<b>Total operating expenses</b>	<b>18 366 094,75</b>	<b>6 960 087,35</b>

<b>OPERATING EXPENSES</b>	<b>between 01-01-2015 and 31-12-2015</b>	<b>between 01-01-2014 and 31-12-2014</b>
a) loss on sale of non-financial fixed assets	5 557 294,88	2 008 951,21
b) revaluation of non-financial assets	495 899,29	0,00
c) reserves	3 057 447,33	8 442,53
d) compensation, penalties and damages	2 508 721,47	1 469 792,60
e) compensation fees	53,80	16 141,47
f) other (including indemnification, settlements, the Financial Supervision Authority)	6 746 677,98	3 456 759,54
<b>Total operating expenses</b>	<b>18 366 094,75</b>	<b>6 960 087,35</b>

**Nota 28. Financial income**

<b>FINANCIAL INCOME</b>	<b>between 01-01-2015 and 31-12-2015</b>	<b>between 01-01-2014 and 31-12-2014</b>
a) dividends	0,00	0,00
b) interest	1 713 480,47	1 865 944,99

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c) profit on disposal of investments	0,00	0,00
d) other	92 484,46	2 650 827,41
<b>Total financial income</b>	<b>1 805 964,93</b>	<b>4 516 772,40</b>

<b>Financial income</b>	<b>between 01-01-2015 and 31-12-2015</b>	<b>between 01-01-2014 and 31-12-2014</b>
a) dividends	0,00	0,00
b) interests from customers	308 113,52	515 431,13
c) loan interest	554 005,06	628 068,31
d) deposit interest	135 344,62	35 226,55
e) interest on promissory notes	15 400,57	61 609,07
f) other interest	700 616,70	625 609,93
g) profit on disposal of investments	0,00	0,00
h) foreign exchange differences	6 432,62	0,00
i) other	86 051,84	2 650 827,41
<b>Total</b>	<b>1 805 964,93</b>	<b>4 516 772,40</b>

**Note 29. Financial expenses**

<b>FINANCIAL EXPENSES</b>	<b>between 01-01-2015 and 31-12-2015</b>	<b>between 01-01-2014 and 31-12-2014</b>
a) interest	18 978 633,94	27 731 726,17
b) loss on disposal of investments	0,00	0,00
c) loss on disposal of investments	175 691,32	238 562,88
<b>Total financial expenses</b>	<b>19 154 325,26</b>	<b>27 970 289,05</b>

**Note30. Transactions with related companies**

The Company within its business activity enters into transactions with related companies especially in the scope of the management of sales, administrative services, rental property, execution of works, the provision of guarantees, financing. Below, there are transactions with subsidiaries and other affiliated companies, the value of which in 2015 was significant from the point of view of the presented data. Materiality threshold was adopted for commercial transactions over PLN 100 thousand with the remaining 10% of equity. All transactions concluded in 2015 by the Company or a subsidiary with the related parties were concluded on market terms.

<b>COMPANY NAME</b>	<b>Receivables from related parties</b>	
	<b>31-12-2015</b>	<b>31-12-2014</b>
TBS Marki Sp. z o.o.	121 707,97	121 414,69
J.W. Construction Bulgaria	0,00	37 134 740,49
Yakor House Sp.z o.o.	0,00	19 470 996,33
J.W. Marka Sp. z o. o.	561 558,64	5 315 690,31
J.W.Group Sp. z o.o. 1 SKA	0,00	76 100 344,73
Lokum Sp. z o.o.	0,00	6 900,12
Business Financial Construction Sp. z o.o.	347,38	0,00
Seahouse Sp. z o.o.	402 730,80	1 262 298,86
J.W. Construction Sp. z o.o.	11 379 373,95	21 340 462,08
Nowe Tysiąclecie Sp. Z o.o.	1 336 235,48	1 290 259,16
Dana Invest Sp. z o.o.	366 178,26	571 830,46
Porta Transport Sp. z o.o.w likwidacji (in liquidation)	14 760,00	0,00
Bałtycka Invest Sp. z o.o.	13 089,66	0,00
Berensona Invest Sp. Z o.o.	14 245,86	0,00
Bliska Wola 1 Sp. Z o.o.	2 830 782,78	2 948 573,11
Bliska Wola 2 Sp. Z o.o.	1 585 627,17	626 947,28
Bliska Wola 4 Sp. Z o.o.	14 245,86	0,00
Łódź Invest Sp. Z o.o.	727 895,88	793 935,64

	<b>Liabilities to related parties</b>
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Consolidated financial statement for the period between January 1 and December 31, 2015

COMPANY NAME	31-12-2015	31-12-2014
TBS Marki Sp. z o.o.	0,00	30 131 436,07
J.W. Marka Sp. z o. o.	0,00	6 006 803,49
Business Financial Construction Sp. z o.o.	1 067 332,12	2 858 256,88
J.W. Construction Sp. z o.o.	8 847 589,59	24 679 149,88
Nowe Tysiąclecie Sp. Z o.o.	40 994,46	0,00
Porta Transport Sp. z o.o.w likwidacji (in liquidation)	0,00	14 202 453,46
Bliska Wola 1 Sp. Z o.o.	23 526,05	0,00

**J.W. Construction Holding S.A. as the party rendering (selling) services (transactions for more than PLN 100 thousand)**

COUNTERPARTY TO TRANSACTION	TRANSACTION/AGREEMENT SUBJECT	between 01-01-2015 and 31-12-2015	between 01-01-2014 and 31-12-2014
J.W. Marka Sp. Z o.o.	marketing services	524 806,40	497 100,00
J.W. Marka Sp. Z o.o.	licensing fee for trademark	3 764 467,56	4 496 982,66
Business Financial Construction Sp. z o.o.	marketing services	2 326 252,52	2 001 939,33
J.W. Construction Sp. z o.o.	construction work - interior design services Zdziarska I	1 856 538,77	58 461,16
J.W. Construction Sp. z o.o.	construction work Ożarów Domki	510 401,14	2 063 511,37
J.W. Construction Sp. z o.o.	construction work Poznań	0,00	403 000,00
J.W. Construction Sp. z o.o.	construction work Zdziarska II	10 413 345,66	0,00
J.W. Construction Sp. z o.o.	construction work Katowice	0,00	189 751,24
J.W. Construction Sp. z o.o.	construction work Kasprzaka	3 821 330,84	0,00
Nowe Tysiąclecie sp zo.o.	re invoicing(electric energy)	149 203,86	0,00

**J.W. Construction Holding S.A. as the party rendering (selling) services (transactions for more than PLN 100 thousand)**

COUNTERPARTY TO TRANSACTION	TRANSACTION/AGREEMENT SUBJECT	between 01-01-2015 and 31-12-2015	between 01-01-2014 and 31-12-2014
TBS Marki Sp. z o.o.	real estate administration	159 144,36	153 161,15
TBS Marki Sp. z o.o.	other services	813 230,58	0,00
J.W. Group Sp. Z o.o. 1 SKA	administrative services	0,00	517 368,00
J.W. Group Sp. Z o.o. 1 SKA	other services	0,00	201 596,10
J.W. Group Sp. Z o.o. 1 SKA	sales services	0,00	625 584,00
Seahouse Sp. z o.o.	administrative services	200 000,00	315 394,00
Seahouse Sp. z o.o.	sales services	262 992,00	262 992,00
Seahouse Sp. z o.o.	other services	0,00	193 456,00
J.W. Construction Sp. z o.o.	re invoicing - other	380 880,40	260 252,58
J.W. Construction Sp. z o.o.	other services	816 242,20	0,00
J.W. Construction Sp. z o.o.	real estate rental	0,00	634 140,84
J.W. Construction Sp. z o.o.	administrative services	755 594,00	911 098,00
J.W. Construction Sp. z o.o.	guaranteed repair work	836 396,31	2 796 492,72
J.W. Construction Sp. z o.o.	headquarters building rental	634 140,84	0,00
Nowe Tysiąclecie Sp. Z o.o.	construction and fitting services	19 297 949,11	8 121 082,89
Nowe Tysiąclecie Sp. Z o.o.	design services	463 841,69	123 854,10
Nowe Tysiąclecie Sp. Z o.o.	administrative services	366 240,00	366 242,00
Nowe Tysiąclecie Sp. Z o.o.	sales services	255 408,00	127 704,00
Nowe Tysiąclecie Sp. Z o.o.	goods	4 290 000,00	0,00
Dana Invest Sp. Z o.o.	design services	0,00	1 000 000,00
Dana Invest Sp. Z o.o.	administrative services	667 278,00	669 990,00
Dana Invest Sp. Z o.o.	other services	119 187,84	108 358,56
Porta Transport Sp. z o.o. w likwidacji (in liquidation)	real estate rental	144 000,00	146 437,00
Bliska Wola 1 Sp. Z o.o.	administrative services	3 548 400,00	3 398 400,00
Bliska Wola 1 Sp. Z o.o.	sales services	658 356,00	438 904,00
Bliska Wola 2 Sp. Z o.o.	administrative services	2 581 227,24	1 920 818,18

COUNTERPARTY TO TRANSACTION	TRANSACTION/AGREEMENT SUBJECT	between 01-01-2015 and 31-12-2015	between 01-01-2014 and 31-12-2014
Bliska Wola 2 Sp. Z o.o.	sales services	534 624,00	200 484,00
Bliska Wola 2 Sp. Z o.o.	design services	156 447,00	0,00
Łódź Invest Sp. Z o.o.	design work documentation sale	0,00	195 000,00
Łódź Invest Sp. Z o.o.	administrative services	366 180,00	501 518,00
Łódź Invest Sp. Z o.o.	construction services	7 963 450,00	3 617 823,00
Łódź Invest Sp. Z o.o.	sales services	163 728,00	0,00

Within the Capital Group, J.W. Construction Holding S.A. acts in the capacity of a general contractor towards entities affiliated directly or indirectly. In 2014, Company carried out transactions with Łódź Invest sp. z o.o. with the value of PLN 7.963.450 and with Nowe Tysiąclecie sp. z o.o. with the value of PLN 19,297,949,11.

### Note 31. Remuneration of the Management Board and Supervisory Board of the Company of the Capital Group, employment structure

Below the figures regarding remuneration for 2015 can be found. Data regarding cumulative remuneration of the persons being part of the Management Board and Supervisory Board of the dominant entity divided into categories related to fulfilled functions in companies of the capital Group, type of employment in companies of the capital Group, as well as other forms of employment is presented.

JW Construction Holding S.A.	from 01-01-2015 to 31-12-2015	from 01-01-2014 to 31-12-2014
<b>Management Board</b>		
Rajchert Wojciech	242 500,00	243 000,00
Łopuszyńska Irmína	0	196 304,35
Starzyńska Magdalena	218 031,28	193 875,15
Ostrowska Małgorzata	175 152,00	162 552,00
Suprynowicz Piotr	12 500,00	0,00

JW Construction Holding S.A.	from 01-01-2015	from 01-01-2014
<b>Supervisory Board</b>		
Wojciechowski Józef	0,00	0,00
Szwarc-Sroka Małgorzata	220 283,73	0,00
Łopuszyńska Irmína	233 842,47	0,00
Czyż Barbara	142 920,61	0,00
Michnowicz Laura	21 763,47	0,00
Król Jarosław	3 800,00	24 000,00
Oleksy Józef	2 500,00	150 000,00
Podsiadło Andrzej	3 800,00	24 000,00
Samarcew Marek	23 750,00	150 000,00
Murawski Jacek	0,00	45 000,00

Other companies of the Capital Group	from 01-01-2015 to 31-12-2015	from 01-01-2014 to 31-12-2014
<b>Management Board</b>		
Rajchert Wojciech	15 500,00	0,00
Starzyńska Magdalena	36 132,76	15 600,00
Ostrowska Małgorzata	73 948,00	41 448,00
Suprynowicz Piotr	240 000,00	0,00

Other companies of the Capital Group, other contracts	from 01-01-2015 to 31-12-2015	from 01-01-2014 to 31-12-2014
<b>Supervisory Board</b>		
Wojciechowski Józef	0,00	0,00
Szwarc-Sroka Małgorzata	81 249,93	0,00
Łopuszyńska Irmina	81 900,00	0,00
Czyż Barbara	0,00	0,00
Michnowicz Laura	21 380,00	0,00

**Information on average employment at the Dominant Company divided into professional groups (in Capital Group)**

Professional group	31-12-2015	31-12-2014
Management	3	3
Directors	13	24
Administrative staff	159	178
Other employees	85	108
<b>In total</b>	<b>260</b>	<b>313</b>

Contracts	31-12-2015	31-12-2014
Employment contracts	260	260
Commission contracts	247	271
Contracts for a specific task	4	3
<b>In total</b>	<b>511</b>	<b>534</b>

**Nota 32. Significant events during the business year**

**In 2015, the Capital Group received the following decisions regarding permits:**

a) building permit:

On January 29, 2015, the Company received a building permit for the construction of 9 residential buildings and semi-detached buildings located in Gdynia at Soczaczewska/Płocka street. The permit is final and binding.

On May 21, 2015, the Company received a building permit for the construction of a multi-family building with an underground garage in Warsaw at Marcina z Wrocimowic/Sprawna streets, i.e. "Willa One" community. The permit is final and binding.

On May 25, 2015, the Company received a building permit for the construction of a community of multi-family buildings "Zielona Dolina II" with business premises, a kindergarten, garages located in Warsaw in the region of Zdziarska and Ostródzka streets. The permit is final and binding.

On June 17, 2015, J.W. Group Sp. z o.o. 1 S.K.A., a Company's subsidiary, received a building permit for the construction of the residential and business complex "Bliska Wola etap C" [phase C] that comprises the "Cm" multifamily building with business premises and an underground part, the "Ck" building being an aparthotel with business services and technical infrastructure in the region of Ordonia, Kasprzaka, Al. Prymasa Tysiąclecia streets in Warsaw. The permit is final and binding.

On July 3, 2015, J.W. Group Sp. z o.o. 1 SKA was taken over by the Company. Since then the investment has been realized by the Company.

On September 2, 2015, the Company received a building permit for the construction of a multifamily building at Zielona Dolina III community located in Warsaw in Białołęka district. This building permit is final and binding.

On August 27, 2015 and September 23, 2015, the company received a building permit for the construction of semi-detached homes located in Kręczki Kaputy near Ożarów Mazowiecki. The permit is final and binding. On October 6, November 19 and November 25, the Dominant Company received the building permits for the construction of multifamily homes as part of the realization of Bernadowo Park community at Leśna and Parkowa street in Gdynia, stage 2. The permit is final and binding.

b) occupancy permit:

On March 18 and March 25 the Dominant Entity received an occupancy permit for the occupancy of 2 single-family homes on the Villa Campina community in Ożarów Mazowiecki. The permits are final and binding.

On May 2, 2015, a company of the Group, namely J.W. Group Sp. z o.o. 1 S.K.A., received an occupancy permit for a multifamily building community Bliska Wola stage at Ordona/Kasprzaka in Warsaw. The permit is final and binding. On July 3, 2015, J.W. Group Sp. z o.o. 1 SKA was taken over by the Company. Since then the sales process has been performed by the Company.

On August 14, 2015, the dominant entity received an occupancy permit for a multi-family home at Villa Campina community in Ożarów Mazowieckie. The permit is final and binding.

In Q4 of 2015, a company of the Group, namely Dana Invest sp. z o.o., finished the revitalization and modernization of the Hotel Dana Business and Conference, a 4-star hotel in Szczecin with 100 rooms, 5 conference rooms, restaurants and SPA zones.

**In 2015, the entities being part of the group entered into the following credit agreements:**

On February 10, 2015, the dominant entity entered into the investment credit regarding co-financing of the Bernadowo Park residential development investment in Gdynia stage 1 in the amount of PLN 39.900.000. The credit payment date was set at December 20, 2017.

On April 29, 2015, Nowe Tysiąclecie sp. z o.o., a subsidiary of the Issuer entered into an agreement with Getin Noble Bank SA regarding an investment credit regarding the co-financing of the realization of the Nowe Tysiąclecie, B1 building in Katowice to the amount of PLN 24.000.000. The payment date was set at December 20, 2017.

On August 31, 2015, Dana Invest z o.o. with its business seat in Ząbki, the Issuer's subsidiary entered into a credit agreement regarding an investment loan in the Jessica fund to the amount of PLN 1.637.900 regarding co-financing of the modernization of the basement of the Stara Dana in Szczecin.

On September 10, 2015, the dominant entity entered into an agreement with BOŚ Bank S.A. on a revolving credit for co-financing of the realization costs of residential development investment, namely Zielona Dolina III in Warsaw to the amount of PLN 5.000.000. The credit payment date was set on September 30, 2017.

On September 10, 2015, the dominant entity entered into an agreement with BOŚ Bank S.A. on a revolving credit for co-financing of the realization costs of residential development investment, namely Zielona Dolina II stage I in Warsaw to the amount of PLN 35.000.000. The credit payment date was set on October 31, 2017.

**In 2015 the companies from the Group paid the following credits:**

On February 2, 2015, the dominant entity carried out the payment of entire revolving credit to the amount of PLN 21.000.000 for co-financing of the Oaza Piątkowo investment at Jaroczyńskiego street in Poznan granted by Banku Millennium.

On April 15, 2015, the dominant entity fully paid the revolving credit to the amount of PLN 30.000.000 earmarked for financing current activity granted by Bank Polskiej Spółdzielczości S.A.

On May 27, 2015, the dominant entity fully paid the investment credit for financing tasks related to the protection of natural environment, i.e. refinancing costs related to the realization of the sewage system and sewage treatment facility in Ożarów Mazowiecki in the amount of PLN 13.874.000.

On May 28, 2015, the dominant entity carried out the entire payment of a non-revolving credit to the amount of PLN 13.000.000 earmarked for financing of current activity granted by the BOS S.A. bank.

On May 18, 2015, Seahouse sp. z o.o the Issuer's subsidiary carried out a partial payment of an investment credit granted to the amount of PLN 12.467.423 for the financing of the construction of the Rezydencja Redłowo community in Gdynia.

On October 29, 2015 Bliska Wola 2 Sp. z o.o., the Issuer's subsidiary carried out a partial payment of a credit loan granted to the amount of PLN 47.764.710. The credit was earmarked for the financing of the part of the realization costs of the Wola stage B2 real estate investment in Warsaw and Kasprzaka street.



On December 29, 2015, Dana Invest Sp. z o.o., an issuer's subsidiary carried out full payment of a credit loan to the amount of PLN 1.500.000. The credit was earmarked for financing the costs related to the VAT tax borne as a result of the realization of the Dana hotel investment in Szczecin.

**In 2015, there were significant changes in credit loan agreements entered into in previous years:**

On March 17, 2015, the dominant entity signed an annex to a credit agreement in the current account entered into with Bank Millennium S.A. Based on the annex, the payment date was set on September 23 and due to a partial payment, the limit of the credit was decreased to the amount of PLN 4 670 000, i. e. the sum of PLN 16 830 000. On September 15, 2015, the company signed another annex to the agreement. Based on the annex the payment and the utilization date was extended. The day for the credit payment was set on March 23, 2016.

On April 23, May 20, December 22, 2015, the Company signed an annex to the revolving credit agreement granted by Bank Polskiej Spółdzielczości S.A. in the final sum of PLN 6.944.327 that was earmarked for financing current activity. Based on the annexes, the utilization date was extended, and a new payment schedule was agreed upon. The new payment date was set on December 31, 2016.

On April 27, 2015, the dominant entity signed an annex to a credit agreement in the current account granted by PKO BP S.A. in the amount of PLN 10.000.000. Based on the annex, the payment and utilization dates were extended. The final payment date was set on April 27, 2016.

On July 3, 2015, J.W. Construction sp. z o.o, an Issuer's subsidiary signed an annex to the credit agreement in the current account granted by PKO BP S.A. to the amount of PLN 7.000.000. Based on the annex, the payment and utilization dates were extended. The new payment date was set on April 4, 2016.

On September 21, 2015, Dana Invest sp. z o.o., an Issuer's subsidiary signed an annex to a revolving credit agreement granted by Bank BZ WBK to the amount of PLN 1.500.000. Based on the annex, the credit payment date was extended. The new payment date was set on December 31, 2015.

**Bond issuance**

In the reporting period, the dominant entity carried out unsecured bonds of the JWC1217 series in the amount of 120.000 units with the nominal value of PLN 1.000.each

The basis for the issuance of bonds was the Company decision no. 1 made on November 23, 2015 pursuant to which the maximum issuance program was to be PLN 120.000.000, The proposals to acquire new bonds were to be directed to individually selected addresses in the amount not larger than 149 people. The bonds are in the form of documents, and there are registered and settled by the national depository of security papers in Warsaw.

On December 4, 2015, the management board of the dominant entity made a decision no.1 pursuant to which it carried out partial assignment of bonds to Investors.

On December 9, 2015, the management board of the national depository of security papers in Warsaw by way of a decision no. 845/2015 carried out partial registration of the JWC1217 series and assigned them the ISIN PLJWC0000100 code.

The bonds were issued on December 10, 2015 for the period of 2 years with partial buyout thereof on December 9, 2016 and the final buyout date planned on December 8, 2017.

The bond interest is accrued based on the WIBOR 6M+ margin, interest is paid every 6 months.

The financial means received from the issuance of bonds were earmarked for the payment of the Company indebtedness due to the JWX0415 JWC415 (PLJWC0000043) series bonds and the JWC0116 (PLJWC0000050) series bonds, as well as on the financing of current activity of the Company, including land purchase.

**Partial bond buyout**

On April 25, the dominant entity partially bought out the nominal value of bonds issued based on the company decision of December 12, 2011 in the amount of 1,057 units with the nominal value of PLN 90.000 each and the total value of PLN 95.130.000 marked in the national depository of security papers with the ISIN PLJWC0000050 code. The buyout also encompassed the 10% value of the initial bond issuance (100.000). The buyout took place in the timeframe and on the conditions provided for in the bond issuance conditions.

**Bond buyout**

On December 10, 2015, the dominant entity carried out a partial buyout of bonds:

- 65 bond units with the nominal value of PLN 80,0000, each of the JWC0116 (PLJWC0000050) series;
- 3.718 bond units with the value of 10.000, each of the JWX0415 JWC415 (PLJWC0000043) series.

The buyout was carried out before the planned date of January 25, 2016 due to the fact that the holders of the bonds subscribed to the bonds of the JWC1217 (PLJWC0000100) series, and carried out partial payment of newly issued bonds with the already held bonds.

#### **The change of the bond buyout date**

The dominant entity received the permission of the bond holders holding the JWX0116 to change the issuance conditions consisting in the extension of the buyout date. The new date of the JWX0116 repayment was set on January 26, 2018.

The JWX0116 bonds were issued on April 24, 2013.

At the same time, the company in the reporting period serviced the issued bonds by paying interest thereon.

#### **Sale of real estate to subsidiaries**

On April 27, 2015 an agreement was signed entered into the notary's record no. A 3959/2015 whose subject was to sell by the Issuer to Nowe Tysiąclecie Spółka z o.o. with its business seat in Ząbki, Poland, a subsidiary, the right of perpetual usufruct to the plots no. 43/9 and 52/5 with the total value of 0,4634 ha for which the district court in Katowice - Wschód in Katowice XI Division of Land Registers maintains a land register no. KA1K 00127396/0. Together with the real estate subject to sale was also project documentation being the basis for the issuance of a building permit for a multifamily living building.

#### **Increase of the share capital in subsidiaries**

On March 19, 2015, the extraordinary meeting of shareholders of Dana Invest Sp. z o.o. with its business seat in Ząbki, Poland made a decision taken into the protocol by Ewa Rokos into the register no. A 2513/2015, a notary in Warsaw, regarding the increase of the share capital from the sum of PLN 7.985.000 to the sum of PLN 8.415.000, i.e. by the sum of PLN 430.000 by way of creation of 8,600 new shares with the value of PLN 50 each. All shares were taken over by the Issuer as the former partner.

On September 19, 2015, the extraordinary meeting of shareholders of Dana Invest Sp. z o.o. with its business seat in Ząbki, Poland made a decision taken into the protocol by Ewa Rokos into the register no. A 9897/2015, a notary in Warsaw, regarding the increase of the share capital from the sum of PLN 8.415.000 to the sum of PLN 10.065.000, i.e. by the sum of PLN 430.000 by way of creation of 33.000 new shares with the value of PLN 50 each. All shares were taken over by the Issuer as the former partner.

On May 8, 2015, the extraordinary meeting of shareholders of Nowe Tysiąclecie Sp. z o.o. with its business seat in Ząbki, Poland made a decision taken into the protocol by Ewa Rokos into the register no. A 4384/2015, a notary in Warsaw, regarding the increase of the share capital from the sum of PLN 8.385.000 to the sum of PLN 15.240.000, i.e. by the sum of PLN 137.100 by way of creation of 6.855.000 new shares with the value of PLN 50 each. All shares were taken over by the Issuer as the former partner.

#### **Extraordinary General Meeting**

On February 26, 2015 the extraordinary meeting of the Issuer's shareholders took place during which decision were made regarding the change of the composition of the supervisory board and changed the way of the compensation thereof.

#### **Annual General Meeting**

On May 25, 2015, the annual general meeting took place that in addition to decisions regarding the adoption and approval of the financial statement and the statement of the management board regarding the activity of the Issuer and the entire Capital Group of 2014, the way of loss coverage from 2014 and the

On May 25, 2015, the general meeting of shareholders took place that in addition to the receipt and approval of the financial statement and the statement of the management board on the activity of the Issuer and its Capital Group in 2014, the way of loss coverage for 2014 and granting the vote of approval to the management board members regarding the performance of their duties in 2014, also made a decision regarding the merger of the Issuer with the subsidiaries thereof on the conditions agreed upon in the merger plan of March 16, 2015.

#### **Merger registration**

On July 3, 2015 the district court for the capital city of Warsaw, XIV Economic Division of the National Court Register issued a decision based on which a merger took place between the Issuer with the subsidiaries thereof, namely J.W. Group Sp. z o.o. with its business seat in Ząbki, J.W. Group Spółka z ograniczoną odpowiedzialnością J.W.1 SKA with its business seat in Ząbki, J.W. Group Spółka z ograniczoną odpowiedzialnością J.W.2 SKA with its business seat in Ząbki, Lokum Sp. z o.o. with its business seat in Ząbki and J.W. 6 Sp. z o.o. with its business seat in Ząbki. The merger took place in the way described in art. 492 §1 section 1 of the Polish Code of Commercial Companies through the transfer of all the assets of the companies being taken over to the Issuer (merger through acquisition).

### Nota 33. Events which occurred after the balance sheet date

#### Bond buyout

On January 25, 2016 the Company carried out the buyout of the bonds:

- 5.782 bond items with the nominal value of PLN 10.000 each marked as ISIN PLJWC0000043
- 992 bond items with the nominal value of PLN 80.000 each marked as ISIN PLJWC0000050.

The buyout and payment on this day of the described bonds with together with the bond redemption on December 10, 2015 that were acquired in exchange for the issuance of the ISIN PLJWC000050 bonds means the repayment of those two bond issuances.

#### Bonds quotations

On February 12, 2016 the Company bonds of the JWC1217 series (ISIN PLJWC000050) in the amount of 120.000 pieces with the nominal value of PLN 120.000.000 are quoted on Catalyst.

#### Increase of share capital

##### J.W. Marka Sp. z o.o.

On February 8, 2016, pursuant to a notary deed, number in register Rep. A 1189/2016, prepared by Anna Sota, a notary in Warsaw, the share capital was increased in Dana Invest Sp. z o.o with its business seat in Ząbki, a subsidiary. The share capital was increased from PLN 10.065.000 to the sum of PLN 11.125.850, i.e. by the sum of PLN 1.060.850 by way of creation of 21.217 new shares with the nominal value of PLN 50 each and the issuance value of PLN 200 each. The shares were fully taken over in exchange for a cash contribution.

On February 26, 2016, pursuant to a notary deed, number in register Rep. A 2096/2016, prepared by Anna Sota, a notary in Warsaw, the share capital was increased in J.W. Marka Sp. z o.o with its business seat in Ząbki, a subsidiary. The share capital was increased from PLN 158.838.000 to the sum of PLN 189.658.450, i.e. by the sum of PLN 30.820.450 by way of creation of 616.409 new shares with the nominal value of PLN 50. The shares were fully taken over by the Company in exchange for a contribution in kind in the form of 145.558 shares with the nominal value of PLN 7.277.900 in Bliska Wola 1 Sp. z o.o. with its business seat in Ząbki, Poland.

On February 26, 2016 by way of the exercise of the above-mentioned decision and a statement on taking over shares, a new agreement was entered into based on which the Company transferred to J.W. Marka Sp. z o.o. with its business seat in Ząbki 145.558 shares with the nominal value of PLN 7.277.900 held in the company Bliska Wola 1 Sp. z o.o. with its business seat in Ząbki, Poland.

On March 14, 2016, the district court for the capital city of Warsaw in Warsaw, XIV Economic Register of the National Court Register registered the increase of the capital in J.W. Marka Sp. z o.o. with its business seat in Ząbki, Poland by the sum of PLN 30.820.450 to the sum of PLN 189.658.450.

##### J.W. Construction Sp. z o.o.

On February 26, 2016, pursuant to a notary deed, number in register Rep. A 2106/2016, prepared by Anna Sota, a notary in Warsaw, the share capital was increased in J.W. Construction Sp. z o.o. with its business seat in Ząbki, a subsidiary. The share capital was increased from PLN 27.021.650 to the sum of PLN 39.767.150, i.e. by the sum of PLN 12.745.500 by way of creation of 254.910 new shares with the nominal value of PLN 50 each and the issuance value of PLN 200 each. The shares were fully taken over by the company in exchange for a contribution in kind in the form of 71.604 shares with the nominal value of PLN 3.580.200 in Bliska Wola 2 Sp. z o.o. with its business seat in Ząbki, Poland.

On February 26, 2016 by way of the exercise of the above-mentioned decision and a statement on taking over shares, a new agreement was entered into based on which the Company transferred to J.W. Construction Sp. z o.o. with its business seat in Ząbki 71.604 shares with the nominal value of PLN 3.580.200 held in the company Bliska Wola 2 sp. z o.o. with its business seat in Ząbki, Poland.

#### Arranging merger plans

##### Bliska Wola 1 Sp. z o.o.

On February 29, 2016, the management board of Bliska Wola 1 Spółka z o.o. with its business seat in Ząbki, Poland, a subsidiary, adopted and presented to its partners a plan to transform the company to a limited liability partnership.

The partners of the company after the transformation will be:

- Bliska Wola 4 Spółka z o.o. with its business seat in Ząbki being the general partner with the 1% participation in profits ( the Issuer's subsidiary with 100% shares therein),
- J.W. Marka Spółka z o.o. with its business seat in being the general partner with the 51% participation in profits ( the Issuer's subsidiary with 100% shares therein),
- the Issuer being the limited partner with the 49% participation in the profits.

**Bliska Wola 2 Sp. z o.o.**

On February 29, 2016, the management board of Bliska Wola 2 Spółka z o.o. with its business seat in Ząbki, Poland, a subsidiary, adopted and presented to its partners a plan to transform the company to a limited liability partnership.

The partners of the company after the transformation will be:

- Bliska Wola 4 Spółka z o.o. with its business seat in Ząbki being the general partner with the 1% participation in profits (the Issuer's subsidiary with 100% shares therein),
- J.W. Construction Spółka z o.o. with its business seat in being the general partner with the 51% participation in profits (the Issuer's subsidiary with 100% shares therein),
- the Issuer being the limited partner with the 49% participation in the profits.

**Note 34. Selected financial data including basic items of the consolidated financial statements in thousands PLN**

In order to convert the balance sheet data on the last day of the period between January 1, 2015 through 31, 2015 the adopted exchange rate of euro was fixed by the National Bank of Poland, which was PLN 4,2615 per 1 euro.

In order to convert the balance sheet data on the last day of the period between January 1, 2014 through December 31, 2014 the adopted exchange rate of euro was fixed by the National Bank of Poland, which was PLN 4,2623 per 1 euro.

In order to convert the profit and loss account data for the period between January 1, 2015 through December 31, 2015, the adopted exchange rate of euro was fixed by the National Bank of Poland, which was PLN 4,1848 per 1 euro.

In order to convert the profit and loss account data for the period between January 1, 2014 through December 31, 2014, the adopted exchange rate of euro was fixed by the National Bank of Poland, which was PLN 4,1893 per 1 euro

Balance sheet's item	31-12-2015		31-12-2014	
	PLN	EUR	PLN	EUR
<b>Total Assets</b>	<b>1 697 585</b>	<b>398 354</b>	<b>1 450 246</b>	<b>340 250</b>
Fixed assets	865 498	203 097	904 779	212 275
Current assets	832 087	195 257	545 467	127 975
<b>Total equity and liabilities</b>	<b>1 697 585</b>	<b>398 354</b>	<b>1 450 246</b>	<b>340 250</b>
Equity	626 643	147 047	627 158	147 141
Long-term liabilities	449 965	105 588	522 900	122 680
Short-term liabilities	620 977	145 718	300 188	70 429

Consolidated profit and loss account item	from 01-01-2015 to 31-12-2015		from 01-01-2014 to 31-12-2014	
	PLN	EUR	PLN	EUR
Net revenues from sales of products, goods and materials	202 177	48 312	212 836	50 805
Costs of products, goods and materials sold	160 936	38 457	171 274	40 884
<b>Gross profit (loss) on sales</b>	<b>41 241</b>	<b>9 855</b>	<b>41 562</b>	<b>9 921</b>
Sales costs	18 137	4 334	18 992	4 533
Overheads	14 671	3 506	14 728	3 516
Profit (loss) on sales	39 762	9 502	36 235	8 650
Operating profit (loss)	24 606	5 880	35 246	8 414
<b>Gross profit (loss)</b>	<b>7 258</b>	<b>1 734</b>	<b>11 793</b>	<b>2 815</b>
Income tax	1 524	364	3 452	824
<b>Net profit (loss)</b>	<b>5 734</b>	<b>1 370</b>	<b>8 341</b>	<b>1 991</b>

Issuer's balance sheet item	31-12-2015		31-12-2014	
	PLN	EUR	PLN	EUR
<b>Total Assets</b>	<b>1 315 689</b>	<b>308 739</b>	<b>1 282 977</b>	<b>301 006</b>
Fixed assets	842 997	197 817	871 787	204 534

Consolidated financial statement for the period between January 1 and December 31, 2015

Current assets	472 692	110 922	411 191	96 472
<b>Total equity and liabilities</b>	<b>1 315 689</b>	<b>308 739</b>	<b>1 282 977</b>	<b>301 006</b>
Equity	674 695	158 323	659 655	154 765
Long-term liabilities	300 857	70 599	377 326	88 526
Short-term liabilities	340 138	79 816	245 996	57 714

Profit and loss account item	from 01-01-2015 to 31-12-2015		from 01-01-2014 to 31-12-2014	
	PLN	EUR	PLN	EUR
Net revenues from sales of products, goods and materials	207 880	49 675	269 514	64 335
Costs of products, goods and materials sold	166 511	39 790	233 287	55 687
<b>Gross profit (loss) on sales</b>	<b>41 369</b>	<b>9 886</b>	<b>36 228</b>	<b>8 648</b>
Sales expenses	22 777	5 443	21 741	5 190
Overheads	11 106	2 654	10 688	2 551
Profit (loss) on sales	38 816	9 276	32 191	7 684
Operating profit (loss)	26 638	6 365	35 919	8 574
<b>Gross profit (loss)</b>	<b>18 351</b>	<b>4 385</b>	<b>24 867</b>	<b>5 936</b>
Income tax	3 312	791	5 268	1 258
<b>Net profit (loss)</b>	<b>15 040</b>	<b>3 594</b>	<b>19 598</b>	<b>4 678</b>

**Note 35. Off-balance sheet entries**

OFF-BALANCE SHEET COLLATERALS - credit agreements	31-12-2015
The sum for securities on owned real estate - loans	650 083 517,64
The sum for securities on other real estate - loans	17 500 000,00
Blank bills *	320 950 787,91
Writs of execution	352 807 311,83
Assignment of the insurance contract	275 410 405,00
A guarantee granted by Company to BZ WBK SA /Dana Invest/	28 056 975,52
A guarantee granted by Company to BPS /Łódź Invest/	30 983 768,78
Registered pledge on Company shares in Dana Invest	23 499 581,61
Surety granted by JWCH to the benefit of Nowe Tysiąclecie - credit loan	67 500 000,00
Registered pledge on Company shares in Nowe Tysiąclecie	67 500 000,00
Registered pledge on Company shares in Łódź Invest	23 237 826,58

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

The above table presents all the collaterals arising from loan agreements to secure the payment obligations. Due to the fact that within particular loan agreements several collaterals were established, the summary of collateral values was not made.

OFF-BALANCE SHEET COLLATERALS - other	31-12-2015
Investment real estate pledged as collateral - loans	335 000 000,00
Writs of execution	1 134 750,00
Registered pledge as a result of having a bank account	23 237 826,58
Sureties to the benefit J.W.Construction Sp. z o.o.	7 000 000,00
Sureties to the Capital City of Warsaw	151 300,00
Sureties to the benefit of TBS "Marki" Sp z o.o.	22 400 000,00

As at December 31, 2015, 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 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 of December 31, 2015, the total value of guarantees was PLN 1,1, and EUR 0 thousand (JW. Construction Holding SA); PLN 4,0m and 101,4 thousand Euro (J.W. Construction sp. z o.o.).

### Note 36. Significant issues in litigation

As at December 31, 2015, the Company a party to the lawsuits brought in its name the value of which is PLN 113m. The lawsuit brought by Company with the largest value that exceeded 10 % of Company equity is the court proceedings started on April 26, 2012 consisting in suing the Capital City of Warsaw ("Defendant") a petition for commitment of the Defendant to submit a declaration of intent for the acquisition from the Company right of perpetual use of the plot no 2/6 with the area of 3,2605 ha for which the District Court for Warsaw- Mokotów, X Division of Land Registry maintains a land and mortgage registry no WA4M/00413015/1 KW ("Property") for a net price of PLN 91,130,975 together with interest from the date of 8 January 2010. The company filed a petition according to the Article 36.1 point. 2) of the Act of 27 March 2003 on spatial planning and development (Journal of Laws 2003.80.717) in connection with the adoption by the Respondent of the area development plan area of Olbrachta Street (approved by the resolution of the City of Warsaw No. LVI/1669/2009, which entered into force on 3 August 2009) ("Plan"). The property has been earmarked for the N-S Route. In the period when the Company acquired the Property, the zoning plan of the property was not obligatory. With the adoption of the Plan and as a result of this adoption, there has been a significant restriction on the use of the Property by the Company, therefore the Company has the right to request to redeem to purchase/buy out the Property by the Defendant. The Company applied to the Defendant with a request to take steps to voluntary purchase of the Property by the Respondent but the request was refused.

On March 24, 2015, the court of first instance dismissed the claim of the Company. On March 31, 2015, the Company filed an appeal against the judgment as the Company believes that the claim has valid merits and a favourable judgment should be made in accordance with the Company's claim.

As at December 31, 2015, the value of court actions against the Company does not exceed 10% of the Company share capital.

### Note 37. Financial instruments and hedge accounting

The Group does not use derivatives. The Group uses banks loans, issues bonds and enters into financial lease contracts. The main financial assets of the Capital Group constitute a loan to the tied, unconsolidated Capital Group and cash and equivalents thereof.

#### The fair values of particular classes of financial instruments

The following table shows a comparison of the balance sheet values and fair values of all financial instruments of the Company, divided into different classes and categories of assets and liabilities.

	Category	Balance sheet value		Fair value	
		December 31, 2015	December 31, 2014	December 31, 2015	December 31, 2014
	<i>in accordance with IAS 39</i>				
<b>Financial assets</b>					
Long term financial assets in related entities	DDS	12 354,98	12 304,98	0,00	0,00
Long term financial assets in other entities	DDS	209 550,00	209 550,00	0,00	0,00
Short-term loans	PiN	0,00	0,00	0,00	0,00
Trade and other receivables	PiN	38 626 551,46	52 119 814,27	38 626 551,46	52 119 814,27
Cash and cash equivalents	WwWGpWF	188 410 473,22	41 320 236,05	188 410 473,22	41 320 236,05
<b>Financial liabilities</b>					
Loans with a floating interest rate	PZFwgZK	201 612 143,86	264 630 962,64	201 612 143,86	264 630 962,64
Loans from related or 3-rd party companies	PZFwgZK	7 210 152,41	11 588 891,04	7 210 152,41	11 588 891,04
Liabilities from long-term financial lease	PZFwgZK	8 324,99	67 112,46	8 329,99	47 268 288,91
Short-term financial lease obligations	PZFwgZK	78 662,15	8 504 593,84	78 662,15	7 066 702,63
Trade and other	PZFwgZK	47 652 816,03	53 724 734,68	47 652 816,03	53 724 734,68



Consolidated financial statement for the period between January 1 and December 31, 2015

receivables					
Bonds	PZFWgZK	314 162 163,83	247 018 342,56	314 162 163,83	247 018 342,56
Promissory notes liabilities	PZFWgZK	7 012 598,47	6 007 576,49	7 012 598,47	6 007 576,49

UdtW – Financial assets held to maturity,  
WwWGpWF – assets / liabilities at fair value through profit/loss,  
PiN – Loans and receivables,  
DDS – Financial assets available for sale,  
PZFWgZK – Other financial liabilities measured at amortized cost

**Interest rate risk**

The following table presents the carrying amount of the Financial Group's financial instruments which are exposed to interest rate risk, in division into particular age categories.

<b>December 31, 2015 - floating interest rate</b>	<b>up to 1 year</b>	<b>1 to 2 years</b>	<b>2 - 5 years</b>	<b>more than 5 lat</b>	<b>Total</b>
Cash Assets	188 410 473,22	0,00	0,00	0,00	188 410 473,22
Financial assets - short-term loans	0,00	0,00	0,00	0,00	0,00
Loans from related companies	7 210 152,41	0,00	0,00	0,00	7 210 152,41
Bank Loans	42 806 841,85	22 211 246,09	49 402 790,95	87 191 264,97	201 612 143,86
Bond obligations	142 411 358,83	171 750 805,00	0,00	0,00	314 162 163,83

**Collaterals**

The Company does not apply hedge accounting

**Nota 38. Changes in the Management and Supervisory Board of the Dominant Entity in the Capital Group - J.W. Construction Holding S.A.**

**Management Board:**

As of 01.01.2015 Company Management Board was composed of :  
Wojciech Rajchert – Board Member  
Magdalena Starzyńska – Board Member  
Małgorzata Ostrowska – Board Member

As of 31.12.2015 Company Management Board was composed of :  
Wojciech Rajchert – Board Member  
Magdalena Starzyńska – Board Member  
Małgorzata Ostrowska – Board Member  
Piotr Suprynowicz – Board Member

In 2015, there were following changes in the composition of the Company management board:  
- on August 3, 2015, the Company received a statement of the authorized shareholder to appoint Mr. Piotr Suprynowicz to the management board. The appointment was exercised based on personal authorization granted by the Company statutes.

**Supervisory Board:**

As of 01.01.2015, the Company supervisory board was comprised of:  
Józef Wojciechowski – the president of the supervisory board  
Józef Oleksy – the vice president of the supervisory board  
Jarosław Król – supervisory board member  
Marek Samarcew – supervisory board member  
Andrzej Podsiadło – supervisory board member  
Barbara Czyż – supervisory board member

As of 31.12.2015, the Company supervisory board was comprised of:  
Józef Wojciechowski – the president of the supervisory board  
Irmina Łopuszyńska – supervisory board member  
Małgorzata Szwarz - Sroka – supervisory board member  
Barbara Czyż – supervisory board member

Laura Michnowicz– supervisory board member

In 2015, the following changes took part in the composition of the supervisory board:

- on January 9, Mr. Józef Oleksy died
- on February 26, 2015, an extraordinary general meeting of shareholders made the decisions to:
  - dismiss Mr. Andrzej Podsiadło from the supervisory board of the company;
  - dismiss Mr. Jarosław Król from the supervisory board of the company;
  - appoint Mrs. Małgorzata Szwarz – Sroka to the supervisory board of the company.
- on February 26, 2015, the company received notification of the exercise of the personal right of the shareholder with more than 50% of shares to:
  - dismiss Mr. Marek Samarcew from the supervisory board of the company;
  - appoint Mrs. Irmina Łopuszyńska to the supervisory board of the company;
  - appoint Mrs. Laura Michnowicz to the supervisory board of the company;

### Note 39. Capital Management

Company manages its capital in order to maintain the capacity to continue operations including the implementation of the planned investments, in order to generate returns for shareholders and benefits to other stakeholders.

In accordance with market practice, the Company monitors its capital, among other things, on the basis of equity ratio and the ratio of loans, credits and other financing sources / EBITDA.

The equity ratio is calculated as the ratio of net tangible assets (equity diminished by the value of intangible assets) to total assets.

The ratio of credits, loans and other financing sources / EBITDA is calculated as the ratio of credits, loans and other financing sources to EBITDA. Credits, loans and other financing sources presents a total amount of liabilities arising from credits, loans and lease, while EBITDA presents an operating profit after adding depreciation.

In order to maintain a liquidity and the credit capacity allowing to attract an external financing with a reasonable level of costs, the Company intends to maintain the equity ratio at the level no lower than 0.3.

	December 31, 2015	December 31, 2014
Interest-bearing loans and borrowings	208 822 296,27	276 219 853,68
Trade and other receivables	862 120 151,63	546 867 538,14
Minus cash and cash equivalents	-188 410 473,22	-41 320 236,05
Net debt	882 531 974,68	781 767 155,76
Company Equity	626 642 780,11	627 158 202,23
Net unrealized gains reserves	0	0,00
Total capital	626 642 780,11	627 158 202,23
Capital and net debt	1 509 174 754,79	1 408 925 357,99
Equity ratio	41,52%	32,69%
Credits ratio	58,48%	67,31%

### Nota 40. Information on the agreement with the entity authorized to audit the financial statement and conduct the review of the consolidated financial statement

On August 6, 2015, the company signed an agreement with BDO Sp. z o.o., an entity authorized to review interim financial statement as well the financial statement for 2015.

The auditor's remuneration for the inspection of the financial statement prepared for the business year ended on December 31, 2015 was set on the sum of PLN 175,000, PLN 125 thousand of which for the review and inspection of the unitary financial statement and PLN 50 thousand for the review of the interim and consolidated annual financial statement. The auditor's remuneration for the services related to consolidated financial statements prepared for the business year ended on December 31, 2015 was PLN 50 thousand, and PLN 25 thousand for the interim consolidated financial statement. The auditor's remuneration for the services related to unitary financial statements for the business year ended on December 31, 2015 was PLN 125 thousand, PLN 85 thousand of which for the annual unitary inspection. PLN 40 thousand for the interim review. The presented sums are net sums.

The companies of the capital group of the Issuer signed an agreement with BDO sp. z o.o. for the review and inspection of financial statements of subsidiaries being part of the J.W. Construction capital group for 2915L TBS Marki Spółka z o.o. with its business seat in Warsaw (the sum of remuneration was PLN 14,5 thousand). J.W. Construction Sp. z o.o. remuneration sum was PLN 40,5, Seahouse Spółka z o.o. with its business seat in Ząbki remuneration sum PLN 5 thousand, Dana Invest Spółka z o.o. with its business seat in Ząbki (remuneration sum PLN 5 thousand), and J.W. Marka Spółka z o.o. with its business seat in Ząbki (remuneration sum of PLN 8 thousand). PLN. Also agreements were signed regarding the merger of companies as part of the dominant entity, the remuneration sum being PLN 6,5 thousand.


The auditor's remuneration for the inspection of the financial statement prepared for the business year ended on December 31, 2015 was set on the sum of PLN 175,000, PLN 125 thousand of which for the review and inspection of the unitary financial statement and PLN 50 thousand for the review of the interim and consolidated annual financial statement. The auditor's remuneration for the services related to consolidated financial statements prepared for the business year ended on December 31, 2015 was PLN 50 thousand, and PLN 25 thousand for the interim consolidated financial statement. The auditor's remuneration for the services related to unitary financial statements for the business year ended on December 31, 2014 was PLN 125 thousand, PLN 85 thousand of which for the annual unitary inspection. PLN 40 thousand for the interim review. The presented sums are net sums.

Also, the agreements were signed with BDO Sp. z o.o. for the inspection of financial statements of the Company subsidiaries being part of the capital J.W. Construction Holding S.A. group: TBS Marki Spółka z o.o. with its business seat in Warsaw (remuneration sum) 14,5 tys. PLN, J.W. Construction Spółka z o.o. with its business seat in Ząbki (remuneration sum) PLN 40,5 thousand, Seahouse Spółka z o.o with its business seat in Ząbki (remuneration sum) PLN 5 thousand, Bliska Wola 2 Spółka z o.o with its business seat in Ząbki (remuneration sum) 5 thousand. PLN and the inspection of J.W. Marka Sp. z o.o. for the previous business year (remuneration sum was PLN 15 thousand).

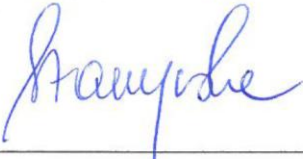
**Note 41. Information on the approval of the consolidated financial statement for the previous year**

The consolidated financial statement for 2013 was approved by General Meeting of Shareholders on May 15, 2015..

Podpis osoby sporządzającej Sprawozdanie Finansowe

Małgorzata Pisarek Główny Księgowy	Podpis 
---------------------------------------	--------------------------------------------------------------------------------------------

Podpisy Członków Zarządu

Wojciech Rajchert Członek Zarządu	Podpis 
Magdalena Starzyńska Członek Zarządu	Podpis 
Małgorzata Ostrowska Członek Zarządu	Podpis 
Piotr Suprynowicz Członek Zarządu	Podpis 

Ząbki, 17 marca 2016 roku

The foregoing table includes the name of the chief accountant who prepared the financial statement and the signatures of management board members who have signed the consolidated financial statement.