

Abbreviated Financial Statement **for a 3- month period ended on September 30, 2008**

Made in compliance with
International Standards of Financial Reporting



Ząbki, November 6, 2008

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E. ISSUER'S FINANCIAL STATEMENT

1. Balance sheet
2. Profit and loss account
3. Changes in equity capital
4. Cash flow statement

F. NOTES IN THE CONSOLIDATED FINANCIAL STATEMENT

1. Fixed assets
2. Current assets
3. Liabilities
4. Revenues and operating costs

A. INTRODUCTION TO THE CONSOLIDATED FINANCIAL STATEMENT

1. GENERAL INFORMATION

J.W. Construction Holding S.A. ("JWCH") with the registered seat in Zabki, ul. Radzyminska 326, company statistical number 010621332, was registered on March 7, 1994 as the Construction and Housing Association Batory Ltd. at the register of limited and stock companies under registration number 39782. On January 15, 2001, the company turned into a stock company and was registered at the Regional Court in Warsaw under register number 63464. On July 16, 2001, the company changed its name into J.W. Construction Holding S.A., the company name that is currently binding, and it was entered at the State Court Register under number 0000028142.

The basic activity of the Company according to the Polish Classification System of Activity is the development and sale of real estates on their own account. The subject of the company's activity is the realization of construction production, design and assisting production, real estates dealing, sale of aggregates and hotel services.

2. ADOPTED PRINCIPLES (POLICY) OF ACCOUNTANCY

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

The Group's structure and the holding entity's share in the share capital of subjects belonging to the Group as at September 30, 2008 are presented in the table below:

Subject	Country of registration	Holding entity's share in share capital	Holding entity's share in the voting right	Consolidation method
Subsidiary entities:				
Lokum Sp. z o.o.	Poland	99,99%	99,99%	full consolidation
Interlokum Sp. z o.o.	Poland	99,00%	99,00%	full consolidation
Project 55 Sp. z o.o.	Poland	99,99%	99,99%	full consolidation
Towarzystwo Budownictwa Społecznego „Marki” Sp. z o.o.	Poland	99,99%	99,99%	full consolidation
Przedsiębiorstwo Turystyczne „Czarny Potok” S.A.	Poland	100,00%	100,00%	full consolidation
Deweloper Sp. z o.o.	Poland	99,00%	99,00%	full consolidation
J.W. Construction International Sp. z o.o.	Russia	100,00%	100,00%	full consolidation
J.W. Construction S.A.	Poland	99,99%	99,99%	full consolidation
JWCH Produkcja Budowlana Sp. z o.o.	Poland	99,99%	99,99%	full consolidation
JWCH Budownictwo Drogowe Sp. z o.o.	Poland	99,95%	99,95%	full consolidation
JW Projekt Sp. z o.o.	Poland	99,98%	99,98%	full consolidation
Porta Transport Sp. z o.o.	Poland	100,00%	100,00%	full consolidation
Construction Invest Sp. z o.o.	Poland	100,00%	100,00%	full consolidation

The core business of the companies composing the Group include:

- Lokum Sp. z o.o. – development and sale of real estates on their own account,
- Interlokum Sp. z o.o. – development and sale of real estates on their own account
- Project 55 Sp. z o.o. – development and sale of real estates on their own account,
- Towarzystwo Budownictwa Społecznego „Marki” Sp. z o.o. – sale and administration of public housing estates,
- Przedsiębiorstwo Turystyczne „Czarny Potok” S.A. – gastronomy and hotel business connected with the organization of tourist services and recreation,

- J.W. Construction International Sp. z o.o. – activity run in the range of general construction works connected with the construction of buildings, general construction and civil engineering, implementation of construction production,
- Deweloper Sp.z o.o. – realization of construction and erection production,
- Construction Invest Sp. z o.o. - development and sale of real estates on their own account,
- Porta Transport Sp. z o.o. – transport services,
- J.W. Construction S.A.- realization of construction production,
- JW Projekt Sp. z o.o.- design services,
- JWCH Produkcja Budowlana Sp. z o.o.- production of prefabricated products for construction industry,
- JWCH Budownictwo Drogowe Sp. z o.o.- road building.

All Companies belonging to the Group run their business activities on the territory of Poland, with an exception of the subsidiary J.W. Construction International Sp. z o.o., which concentrates its business on construction and development production on the territory of Russia. The companies included in the Group are of unlimited duration.

Drawing up the consolidated statement

Consolidated financial statements for the years 2007-2008 were drawn up on the basis of financial statements of entities included in the Capital Group J.W. Construction Holding S.A. and compiled so as to show that the Group constitutes one entity. Consolidated financial statements comprise the financial statements of the holding entity J.W. Construction Holding S.A. and the financial statements of the following subsidiary companies controlled by the holding entity:

- a) TBS „Marki” Sp. z o.o., Interlokum Sp. z o.o., Lokum Sp. z o.o., Project 55 Sp. z o.o., J.W. Construction International Sp. z o.o., Przedsiębiorstwo Turystyczne „Czarny Potok” S.A., Deweloper Sp. z o.o. – in 2007, Porta Transport Sp. z o.o., Construction Invest Sp. z o.o.- in 2007.
- b) TBS „Marki” Sp. z o.o., Interlokum Sp. z o.o., Lokum Sp. z o.o., Project 55 Sp. z o.o., J.W. Construction International Sp. z o.o., Przedsiębiorstwo Turystyczne „Czarny Potok” S.A., Deweloper Sp. z o.o. – in 2007, Porta Transport Sp. z o.o., Construction Invest Sp. z o.o., J.W. Construction S.A., JW. Projekt Sp. z o.o. , JWCH Produkcja Budowlana Sp. z o.o. , JWCH Budownictwo Drogowe Sp.z o.o. - in 2008.

The holding entity, in 2007-2008, excluded the following subordinate companies from the liability of being included in consolidation:

In 2007:

- Business Financial Construction Sp. z o.o.– 100%
- J.W. Construction AZS Politechniki Warszawskiej S.A. – 75%
- KSP Polonia Warszawa SSA – 100%
- J.W. Construction S.A.-100%
- J.W. Construction 1 Sp.z o.o.-100%
- J.W. Bułgaria Sp. z o.o.-100%
- Ośrodek Wypoczynkowy "Ogoniok" Sp. z o.o.-70%

In 2008:

- Business Financial Construction Sp. z o.o.– 100%
- J.W. Construction AZS Politechniki Warszawskiej S.A. – 75%
- KSP Polonia Warszawa SSA – 100%
- J.W. Construction 1 Sp.z o.o.-100%
- J.W. Bułgaria Sp. z o.o.-100%
- Ośrodek Wypoczynkowy "Ogoniok" Sp. z o.o. (at present, Yakor Mouse Sp. z o.o.)-70%

The conceptual assumptions defined in the International Financial Reporting Standards regarding the restrictions related to the usefulness and reliability of information constituted the legal basis applied when excluding companies from the consolidated financial statement. According to these assumptions, the advantages obtained thanks to the collected information should exceed the costs of its delivery. As has been stated, the cost of collecting information regarding the subordinate companies, which were excluded from the consolidated statement, along with the cost of taking them into account in consolidation, exceed the value of advantages attained in this process. Apart from that, as found out, an exclusion of subordinate companies from obligatory consolidation does not negatively affect a reliable and clear presentation of the assets or financial standing as well as the financial performance of the Capital Group.

Stipulating the continuation of activity and the comparability of financial statements

The Capital Group J.W. Construction Holding S.A. stipulates the continuation of activity and the comparability of financial statements. The Capital Group J.W. Construction Holding S.A., on the settlement day, does not state an existence of any circumstances indicating threat to the continuation of activity. Consolidated financial reporting is prepared according to the principle of historical cost. Consolidated financial information has not been estimated with the use of other methods, which ensures the comparability of financial statements.

Declaration of absolute conformity with International Financial Reporting Standards (IFRS)

Consolidated financial statements of the Capital Group J.W. Construction Holding S.A. comprising the holding entity and the subsidiary entities were drawn up in compliance with International Financial Reporting Standards approved by the European Union.

J.W. Construction Holding S.A made an assumption that a professional opinion of executives next to the estimation of company's accounts, had crucial importance in drawing up the financial statement.

Important estimations and stipulations.

Estimations and opinions are subject to periodical verification, as required by the Capital Group Companies. When making estimations, J.W. Construction Holding S.A assumes the following issues related to future activity.

- Estimating deductions revaluation in the liabilities accounts. The amounts of deductions revaluation are fixed in consideration of the expected risk connected with the amounts receivable and the effected security means expected to influence the effectiveness of vindication. In spite of the fact that the assumptions made are based on the best knowledge the company has in the specific area, the results can differ from the anticipated ones.
- Estimations connected with establishing the deferred tax assets pursuant to IFRS 12. Due to large trade fluctuations, it is anticipated that the financial result and the tax incentives can differ from the planned ones.
- Estimating the potential costs connected with the court and fiscal proceedings pending against the holding company. When drawing up a financial statement, the chances and risks connected with the court and fiscal proceedings pending are considered and, according to the outcomes and results of such analyses, the company sets up provisions related to potential loss. However, the risk that the court or a tax institution passes a decision that is different from the one expected by the company cannot be excluded and, in consequence, the previously set up provisions can appear insufficient.
- An entity gains revenues from the services provided by the Issuer on the basis of agreement to be executed within a fixed period of time. Services offered by the Issuer are long-term services, with the performance period of 6 months.

Accountancy policy

Intangible values

Intangible values include such property rights as: concessions, patents, licences, trade marks, copyrights, know-how and computer software. The components of intangible values are identified as the non-cash component of assets. Components of intangible values are recognizable if the following conditions are satisfied:

- a) the possibility of their identification,
- b) supervision that entitles the controlled entity to obtain future economic profit from an implementation of a given means and the entity becomes capable of preventing third parties from access to such profit.
- c) will cause future economic profits in the form of the revenues taken in sales or in the form of savings in company's expenses.
- d) the possibility of fixing the purchase price or the cost of generating a given component with reliability.

Intangible and legal values are depreciated with a straight-line method within the period corresponding to the estimated period of their economic utility.

Intangible values with an unspecified period of utility (goodwill) are not depreciated, as pursuant to ISFR 36, they are not subject to annual tests against the loss of value.

Fixed tangible assets

Fixed tangible assets comprise the resources controlled by an entity (entity's property) resulting from past events and, as anticipated, from which the entity shall draw economic benefits and which are maintained by an economic entity in order to use them in the production process or in the delivery of goods and services, also in order to put them into use by other subjects on the base of a lease agreement or for administration purposes, with an expectation that they shall be used for at least a year.

The items of fixed tangible assets are treated by the company as components of assets when they are ready for use, completed, and when it is possible to reliably estimate their cost (the purchase price or the manufacturing costs).

Fixed tangible assets are estimated according to purchase prices or manufacturing costs. Depreciation and amortization of the fixed tangible assets is done with the use of the straight-line method within the period of economic utility of respective components.

Further outlay related to particular items of fixed tangible assets increases the balance sheet value of a given component if it is probable that the economic entity shall draw economic benefits exceeding the benefits regarded as possible to obtain in the originally estimated level of financial result achieved from the already possessed assets. The costs of current use and repairs charge the expenses of the period.

The Group's Companies verified the value of possessed fixed assets. The fixed assets recognized in the statement present no deviation of their value in comparison with their assumed cost.

Loss of value of tangible fixed assets and of intangible values

If any prerequisites indicating the possibility of value loss of owned components of fixed assets and intangible assets occur, the company carries out a test against the loss of value, and the resultant deductions revaluation lower the balance sheet value of the considered asset and are transferred to the profit and loss account.

The deductions revaluation of earlier revaluated assets adjust the capital from revaluation to the amounts shown in the capital, and those below the purchase price are transferred to the profit and loss account. Deductions revaluations are settled as the balance value surplus of such components over their recovered value. The recovered value constitutes the higher one from the following values: net sale price or the use value. The values of the effected deductions revaluation back up when the reasons justifying their setting cease. The financial consequences of the deductions revaluation back up are transferred to the profit and loss account with the exception of values which previously decreased the capital following the revaluation and, accordingly, they adjust such capital to the level of lowering effected on it.

Investment properties

An investing property is an immovable property (land, building or part of a building, or both such elements) which, for the owner, is a source of revenues drawn from rents or it is kept by the owner because of its growing in its value. Such property is used neither for production, delivery of goods, providing services or administration activities nor is for sale as part of entity's regular activity.

An investing property includes particularly: land that is kept because of its long-term increase in value; land whose future use is not currently specified.

The value of an investing property is initially estimated according to the purchase price or the manufacturing costs in consideration of the operating cost.

Leasing

Leasing is a contract that puts out on lease to a leaseholder in exchange for a fixed charge or a series of charges the right to use a given assets component within a specified period of time. Lease contracts are classified by the company as operating or financial leases. Leasing is considered to be financial when essentially the entire risk and profit from possessing such assets component are taken over by the company. The initial classification of the financial leasing is effected on the date fixed as the beginning of the lease period understood as the date from which the company is entitled to use the leased subject. The financial leasing is recognized in the company's balance sheet as an assets component and a liability on the first day of the leasing arrangement:

- a) in the amount equal to the market value of the subject of lease
- b) in the current amount (discounted) of the lease charges value depending on which amount is lower.

The charges resulting from the lease contract are divided into financial expenses (recognized in the account of performance for a given period) and the installments from an acquittal of capital decreasing the liability from taking over the subject in lease. Financial expenses are recognized directly in the profit and loss account. The subjects of lease encompassed in the balance sheet statement are subject to amortization and depreciation according to the principles applied to other acquired property components of similar type. If the company does not intend to acquire the certificate of title for the leased subject after the lease period terminated, the depreciation and amortization period is equal to the period of lease.

Leasing which does not comply with the criteria binding for the financial lease is classified as an operating lease. Lease charges arising from such operating lease contract are recognized by the company as expenses in the profit and loss account equally over the lease period.

The inventory

The inventory in the form of materials, production under construction, finished goods, goods and advances for delivery are understood as assets which:

- a) constitute materials or raw materials for use in the production process or for providing services,
- b) are for sale in the course of production in regular activity,
- c) are for sale in regular activity .

Finished goods are, in particular, the components of completed projects (residential and housing estates) such as: flats, business establishments, basements, garages, car parks. The item includes other finished goods used in the company's production process.

Finished goods are estimated according to the lower value out of two: purchase price (manufacturing costs – including direct costs and the justified part of indirect costs along with the cost of exterior financing incurred up to the end of production) or the possible net sale price.

If the purchase price or the manufacturing cost is higher than the anticipated sale price, the entity effects the deduction revaluation which adjusts the original cost of sale.

Production under construction constitutes the incurred expenses connected with the construction of housing estates and the expenses connected with auxiliary production. Auxiliary production is estimated according to the manufacturing costs. The production connected with the construction of housing estates is estimated according to IRS 11 'Construction service contract' along with the principles described in item "Long-term contracts regarding development services".

Costs of exterior financing

The costs of exterior financing are the interest, currency translation differences, and other financial costs incurred by an entity in connection with loans. The Group Companies activate the costs of exterior financing, which can be directly connected with purchase (land and construction services), construction or manufacturing the assets component, as part of the purchase price, component manufacturing. Such costs are being activated until the final day of production, construction. The remaining costs of exterior financing are recognized as expenses for the period over which they incurred, independently of the manner adopted for the use of loan or borrowing.

Short- and long-term liabilities

The Company's liabilities are recognized in the financial statement in the required amount reduced by the deductions revaluation. Liabilities are revaluated in consideration of the probability of their payment by an implementation of such deduction revaluations. The deductions revaluations of liabilities are included correspondingly in the other operating expenses or financial expenses – depending on the type of the due amount referred to in revaluation. Outdated receivables redeemed, overdue debts or noncollectible debts reduce the previously effected deductions revaluation. Outdated receivables redeemed, overdue debts or noncollectible debts on which no revaluation was effected or revaluation was partial, are included correspondingly in other operating expenses or financial expenses.

Guarantee deposits

Guarantee deposits, which constitute part of amounts due retained as a security means within the guarantee and warranty period by the recipients of services under the concluded agreement, are recognized in the Group Companies assets.

Guarantee deposits, which constitute a security of Group Companies claims against subcontractors, are recognized in liabilities accounts as liabilities. Deposits are valued at balance sheet date according to the adjusted purchase price with the use of the effective rate of discount.

Cash means and their equivalents

The at bank and in hand means along with the short-term investments kept until the date of maturity are valued according to nominal value.

Active settlement of accrued expenses

The Group Companies activate the input within the active accrued expenses if there is a probability that that the incurred expenses refer to more than one reporting period and, in consideration of the principles of relevance and caution. The most relevant criterion taken into account when the expenses are to be settled in time, is the requirement of including them in the entity's assets, that is, in the resources of reliably established value, which result from past events and which shall bring economic profit for an entity.

Provisions for liabilities

Provisions are liabilities whose amount or payment deadline are unknown. Provisions are created in the Group's companies when all of the following conditions are fulfilled:

- a) the company is charged with an liability (legal or common) resulting from past events,
- b) there is a probability that meeting the liability will cause an outflow of economic profits,
- c) there is a possibility to estimate reliably the amount of such liability.

The provisions appropriated for liabilities are the following:

- a provision for guarantee repairs disclosed at amounts of guarantee repairs from past periods,
- a provision for the leaves that were not used by employees recognized based on records of days left for use by particular employees as at a given date along with their daily gross salary increased by social insurance contributions paid by the Employer,
- a provision for the retirement benefit obligations,
- a provision for the deferred income tax liabilities.

Long-term contracts for delivery of development services

The realization of development contracts is the primary activity of the Group. The characteristic feature of development contracts is the construction of dwellings which are usually financed by the customer over the whole project and this is done through the agreed advances, and, after the investment process ends, the ownership right is transferred to the dwelling's purchaser. Dealing such contracts exceeds 12 months. Advances paid by the purchasers under concluded contracts are recorded as deferred income in the accrued revenue liabilities.

The costs of the same kind incurred in a given period are included in the provisions under 'production under construction' item. The Group recognizes the revenue and the costs referring to development contracts according to the proportional advancement method. The performance of the stipulated cash budget is the basis for accounting.

The level of advancement of particular projects for each accounting period is set in consideration of an analysis of the proportional performance of construction budget costs and the sale budget. The performance of construction costs is defined by an analysis of value of executed works in relation to the planned expenditure. The level of revenue advancement received from sale is established through the comparison of the revenue value resulting from signing the memorandum of sale contracts with the anticipated aggregate revenue on the basis of the revenue budget from sales.

If the level of advancement of an uncompleted service or the anticipated aggregate cost of its completion cannot be reliably established, then the revenue is settled at the level of expenditure over a given settlement period (zero method). Following the principle of caution, the Group applies the 'zero' method at the first stage of the realized project until the level is reached:

- a) revenue – advancement above 50% (revenue value resulting from contracts/value of planned revenue)
- b) costs – advancement above 40% (works value established on the basis of stocktaking/budget value)

Once the defined thresholds are exceeded, the revenue and costs are recognized for a given project in the following way:

- a) revenue = planned revenue value* (revenue index * costs index)
- b) costs = planned costs value* (revenue index * costs index).

Revenue established in such a way causes the reduction of revenue accounting among reporting periods (balance sheet) and an increase of revenue from products sale (profit and loss account). If the value of the settled revenue is larger than the value of registered advances in the interim statements referring to a given project, the 'unbilled liabilities' position is created, which increases the accrued revenue liabilities and, at the same time, the accrued short-term assets liabilities. The costs established in the described way reduce production under construction (balance) and increase the sales prime charges (profit and loss account). If the value of established costs is higher than the value of registered costs on production under construction, the position 'unbilled completed works' is created and this increases the accrued liabilities. The aforesaid manner of developer contract accounting is used by the Group until the construction completion.

When the building is put into usage, the value of particular components is transferred on the finished products, where the said elements are disclosed until the preliminary contract is concluded (in case where not all elements have been sold until the construction completion).

Changes in International Financial Reporting Standards

At the end of 2006, the Committee for Interpretation of International Financial Reporting Standards (CIIFRS) published a draft interpretation of accounting principles applied by developers in the dwellings construction and sale. This document indicates essential differences in the application of International Settlement Standards 11 and International Settlement Standards 18 for development activity. The changes concern the moment of recognition of revenues from the sale of dwelling objects based on preliminary contracts and indicate the need of modifying the currently binding standards and their official interpretation.

On July 2, 2008 the Committee for Interpretation of International Financial Reporting Standards issued an interpretation CIIFRS 15, which shall be binding for reporting periods beginning on January 1, 2009. The document includes directives concerning the interpretation of the moment of recognition of revenues from property sale.

In relation to the changes, the Company will introduce changes in accounting connected with development contracts beginning on January 1, 2009. The introduced changes shall only influence the shifts of recognized revenue and costs among periods. They shall not influence the realized margin on particular projects.

Long-term construction services contracts.

For settlement and disclosure of construction services, the Group, being the supplier of construction services, applies the regulations included in International Settlement Standards 11 'Construction service contract'.

a) Zero method

The zero method is used when there is no possibility to reliably measure the stage of construction completion. According to this method, revenue from an uncompleted construction service is set at the end of a month and at the level of expenses incurred over this period, but these expenses cannot be higher than the expenses whose defrayal by the purchaser is probable in the future.

When the invoiced revenue is higher than the incurred expenses, a respective part of revenue is subject to writing off and moving to accrued revenue liabilities.

b) Percentage-of-completion method

The percentage-of-completion method is used when there is a possibility to measure the stage of construction service completion. Revenue from an uncompleted construction service is disclosed proportionally to the expenses incurred at a specific moment of its realization. Revenue, expenses and profit are disclosed proportionally to the level of works advancement.

Defining the stage of the construction contract advancement, the Group applies such a method which will allow it to determine the stage of works completion reliably and to keep the completion deadline. These methods, depending on the contract, can include the following issues:

- determining the proportion of contract expenses incurred from the execution of works performed at a given moment in relation to the estimated aggregate cost of contract,
- surveying the works performed,
- comparing the physically performed partial works with contractual works.

When determining the stage of construction service advancement on the basis of the contract expenses incurred as at a given date, in the cost of these works, the contract expenses that are taken into account are exclusively those reflecting the state of works performed.

Bank credits and loans

Bank credits and loans are recognized according to the purchase price corresponding to the reliable value of the received cash means, reduced by the expenses related to getting them.

Bank credits and loans in the following periods are valued according to the adjusted purchase price with an effective interest rate applied. All consequences related to the adjusted purchase price along with the consequences of removing liability from balance sheet or stating its loss in value are recognized in the profit and loss account.

Deferred income tax

The provision and assets from the deferred income tax are established in consideration of transiently occurring differences between the value of assets and liabilities recognized in accounts and their tax value but also the revenue loss that is subject to deduction from the tax base.

The provision for the deferred tax is created in relation to positive transient differences in the amount corresponding to the income tax which is required to be paid in the future.

The assets from the deferred income tax are established at the level that is anticipated for deduction from the future income tax, in connection with negative transient differences and the tax loss possible to be deducted, with the principle of caution applied. The balance sheet value of the assets component from the deferred tax is subject to verification for each settling day if there is no probability to obtain the taxable revenue that is sufficient for partial or complete realization of the assets component on account of the deferred tax. The assets from deferred tax and from the provision for the deferred tax are valued according to the tax rates that shall be binding in the period when the assets component is realized or the reserve is released, adopting the base tax rate binding on the settling day.

Fixed assets for sale and abandoned activity

Fixed assets available for sale and the abandoned activity constitute the assets or their groups qualified in this category and, in the financial statement, they are recognized in the amount lower from their balance value or a reliable value reduced by the sale costs.

An inclusion of assets in this group is conditioned by an active search for a purchaser as well as by the high probability of selling these assets within a year from the day of their qualification as such, and by an availability of these assets for immediate sale.

Liabilities

Group's liabilities are such liabilities that result from their future duty to perform work of reliably estimated value and which shall ensue the use of the already owned or future entity's assets.

With regard to the characteristic features, liabilities can be divided into:

- short-term liabilities,
- long-term liabilities,
- financial liabilities,
- conditional liabilities.

Short-term liabilities constitute a set of liabilities resulting from deliveries and services, but also the whole or part of other liabilities which became required within 12 months from the balance sheet date. Long-term liabilities are part of liabilities resulting from other sources than deliveries and services and which become required within a longer period than 12 months from the balance sheet date.

Financial liabilities constitute the company's duty to issue financial assets or to exchange the financial instrument with another entity on unfavourable conditions.

Conditional liabilities constitute the company's duty to perform services whose creation depends on the occurrence of particular events. These liabilities are revealed in supplementary information and commentaries.

Liabilities are valued at balance sheet date in the required amount.

Passive statements of expenses among reporting periods

Passive statements of expenses among reporting periods are done at the level of likely liabilities falling for the current settlement period.

Revenue

The Group's Companies recognize revenues at the amount of probable economic profits flowing due to a transaction which can be measured reliably. Revenues are recognized according to the memorial principle, regardless of the date of payment.

Revenues from developer's services sale – dwellings are recognized in the way described in item 'Long-term contracts regarding development services'.

Revenues from construction service sale is recognized in the period of service performance on the basis of the stage of realization of a given transaction that is established according to the percentage of actually executed works in overall services to be performed.

Other revenue, expenses, profits and losses

The remaining revenues and operating expenses are the revenues and expenses that are not directly connected with operating activity.

Revenues and financial expenses comprise, among others: interest connected with credits and loans granted and used, default interest received and paid, currency translation differences, commissions paid and received, profits and losses on sale of securities, provisions dissolved and created against financial expenses.

Taxes

Corporate income tax expense is calculated based on taxable earnings (tax base) in a given fiscal year. Tax profit (loss) differs from the net book profit (loss) due to an exclusion of taxable revenues and tax deductible costs in the following years along with the non-taxable costs and revenues. Tax liabilities are counted based on the tax rates binding for a given fiscal year.

B. CONSOLIDATED FINANCIAL STATEMENT

1. BALANCE SHEET STATEMENT

ASSETS	Note	30-09-2008	31-12-2007
FIXED ASSETS		384 996 733,23	381 045 178,06
Intangible values	1	11 654 511,41	12 357 049,65
Value of subsidiary entities	1	21 026 397,97	16 801 419,29
Fixed tangible assets	2	299 419 565,79	299 290 898,50
Investment property	3	12 324 970,30	12 264 900,36
Financial assets available for sale		0,00	0,00
Other financial assets	4	14 785 851,98	15 337 952,98
Assets from deferred income tax		12 592 224,59	12 772 358,97
Commercial receivables and other receivables		13 193 211,19	12 220 598,30
Interim statements		0,00	0,00
CURRENT ASSETS		1 437 100 783,79	1 130 522 116,08
Provisions	5	36 037 454,41	28 319 047,22
Construction contracts	6	1 224 763 133,11	875 120 902,36
Commercial receivables and other receivables	7	74 795 322,32	66 389 507,18
Financial assets available for sale		0,00	0,00
Other financial assets	8	48 953 109,37	73 692 807,18
Cash means and its equivalents	9	29 172 735,01	75 331 769,20
Interim statements		23 379 029,57	11 668 082,94
Total assets		1 822 097 517,02	1 511 567 294,14
LIABILITIES			
EQUITY CAPITAL		616 911 469,90	549 508 306,25
Share capital		10 939 656,00	10 939 656,00
Capital from revaluation		4 414 231,19	0,00
Equity stakes (shares)		0,00	0,00
Other capital		539 443 341,94	383 269 153,02
Surplus financial result		-1 862 463,71	7 195 257,85
Net profit/loss		63 976 704,48	148 104 239,39
Minority capital		0,00	0,00
LIABILITIES		1 205 186 047,11	962 058 987,89
Long-term liabilities		430 831 350,82	370 799 040,28
Credits and loans	10	258 987 419,92	206 406 678,76
Derivative financial instruments		0,00	0,00
Deferred income tax liabilities		80 633 576,16	68 806 200,32
Retirement plans liabilities		454 437,82	598 565,82
Provisions for the remaining liabilities and charges		13 970 444,77	14 002 662,21
Other liabilities	11	76 785 472,15	80 984 933,17
Short-term liabilities		774 354 696,29	591 259 947,61
Commercial liabilities and other liabilities	12	106 106 938,65	106 577 539,29
Construction contracts	6	333 943 410,43	156 479 497,27
Credits and loans	10	156 565 298,62	156 735 191,05
Derivative financial instruments		0,00	0,00
Provisions for the remaining liabilities and other charges		19 278 297,96	18 627 623,99
Other liabilities	13	158 460 750,63	152 840 096,01
Total liabilities		1 822 097 517,01	1 511 567 294,14

2. PROFIT AND LOSS ACCOUNT

	Note	from 01-01-2008 to 30-09-2008	from 01-01-2007 to 30-09-2007	from 01-07-2008 to 30-09-2008	from 01-07-2007 to 30-09-2007
Net revenue from the sale of products, goods and materials including:	14, 16	545 526 239,80	357 576 757,17	159 415 943,55	130 110 871,06
Net revenue from the sale of products		524 060 096,31	350 535 460,18	150 510 401,48	126 932 392,16
Net revenue from the sale of goods and materials		21 466 143,49	7 041 296,99	8 905 542,07	3 178 478,90
Cost of products, goods and materials sold, including:	15	410 103 412,85	255 827 478,52	125 419 874,45	90 183 616,22
Manufacturing costs of products sold		386 837 418,04	248 030 309,99	115 193 962,20	86 186 993,81
Value of goods and materials sold		23 265 994,81	7 797 168,53	10 225 912,25	3 996 622,41
Gross sales profit (loss)		135 422 826,95	101 749 278,64	33 996 069,10	39 927 254,85
Sales expenses	15	21 534 196,97	17 870 569,45	7 413 324,86	6 502 218,21
General administration expenses	15	21 786 597,65	17 288 428,12	6 890 650,18	5 777 063,63
Investment property revaluation		0,00	0,00	0,00	0,00
Sales profit (loss)		92 102 032,33	66 590 281,07	19 692 094,06	27 647 973,01
Other operating revenues	17	6 116 166,53	5 310 965,81	1 496 227,18	1 334 184,68
Other operating expenses	18	6 635 408,95	5 104 923,20	1 466 376,28	2 865 861,45
Profit (loss) on operating activity		91 582 789,90	66 796 323,68	19 721 944,97	26 116 296,24
Financial revenues	19	9 933 065,46	6 519 544,62	4 702 909,56	4 059 835,24
Financial expenses	20	22 419 424,32	17 720 994,79	8 008 598,73	6 687 102,99
Profit (loss) on activity		79 096 431,04	55 594 873,51	16 416 255,80	23 489 028,49
Gross profit (loss)		79 096 431,04	55 594 873,51	16 416 255,80	23 489 028,49
Income tax	21	15 119 726,56	12 334 306,47	3 368 485,35	5 860 038,34
Net profit (loss)		63 976 704,48	43 260 567,04	13 047 770,44	17 628 989,96

	for 01-01-2008 - 30-09-2008
CALCULATION OF THE BASIC AND DILUTED PROFIT PER STOCK profit	
(A) Group's profit as recognized in consolidated financial statements	63 976 704,48
Number of stocks	
(B) Number of ordinary and preferred stocks as to voting at the Company General Meeting for the purpose of counting profit rate per stock*	54 698 280,00
(C) Number of ordinary and preferred stocks as to voting at the Company General Meeting for the purpose of counting diluted profit rate per stock*	54 698 280,00
Basic profit per stock = (A)/(B)	1,17
Diluted profit per stock = (A)/(B)	1,17

3. CHANGES IN EQUITY CAPITAL

	Capital stock	Capital from revaluation	Inventory capital	Other inventory capital	Capital from valuation of supporting transactions and currency translation differences from consolidation	Surplus result from prior years	Net result	Equity capital of stockholders in the holding company	Minor stockholders' capital	Equity capital
As at December 31, 2007	10 939 656,00	0,00	377 696 720,04	5 576 255,17	-3 822,19	7 195 257,85	148 104 239,39	549 508 306,25	0,00	549 508 306,25
Basic errors adjustment	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
Transformation to IFRS adjustments	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
As at January 1, 2008	10 939 656,00	0,00	377 696 720,04	5 576 255,17	-3 822,19	7 195 257,85	148 104 239,39	549 508 306,25	0,00	549 508 306,25
Capital inflow	0,00	0,00	-1 150 000,00	0,00	0,00	0,00	0,00	-1 150 000,00	0,00	-1 150 000,00
Dividend payment	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
Profit/ (loss) from revaluation of assets available for sale	0,00	4 414 231,19	0,00	0,00	0,00	0,00	0,00	4 414 231,19	0,00	4 414 231,19
Profit/ (loss) from cash flow security measures	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
Currency translation differences due to counting financial statements of foreign entities	0,00	0,00	0,00	0,00	-5 186,64	0,00	0,00	-5 186,64	0,00	-5 186,64
Profit/ (loss) from take-over of companies	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
Change of accounting/presentation principles	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
Inclusion of a company to consolidation	0,00	0,00	205 710,74	0,00	0,00	-38 296,11	0,00	167 414,63	0,00	167 414,63
Profit (loss) recognized directly in equity capital	10 939 656,00	4 414 231,19	376 752 430,78	5 576 255,17	-9 008,83	7 156 961,74	148 104 239,39	552 934 765,43	0,00	552 934 765,43
Net profit (loss) for the fiscal year	0,00	0,00	121 046 039,32	0,00	0,00	0,00	63 976 704,48	185 022 743,80	0,00	185 022 743,80
Profit (loss) recognized in equity capital and in the net result	10 939 656,00	4 414 231,19	497 798 470,09	5 576 255,17	-9 008,83	7 156 961,74	212 080 943,87	737 957 509,23	0,00	737 957 509,23
Increase/ decrease due to distribution of profits	0,00	0,00	36 077 625,50	0,00	0,00	-9 019 425,44	-148 104 239,39	-121 046 039,33	0,00	-121 046 039,33
As At September 30, 2008	10 939 656,00	4 414 231,19	533 876 095,59	5 576 255,17	-9 008,83	-1 862 463,71	63 976 704,48	616 911 469,90	0,00	616 911 469,90

	Capital stock	Capital from revaluation	Inventory capital	Remaining inventory capital	Capital from valuation of supporting transactions and currency translation differences from consolidation	Surplus result from past years	Net result	Equity capital of stockholders in the holding company	Minor stockholders' capital	Equity capital
As at December 31, 2006	10 250 000,00	0,00	74 810 512,66	2 703 534,25	-109 753,75	-26 221 694,92	132 017 400,08	193 449 998,31	0,00	193 449 998,31
Basic errors adjustment	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
Transformation to IFRS adjustments	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
As at January 1, 2007	10 250 000,00	0,00	74 810 512,66	2 703 534,25	-109 753,75	-26 221 694,92	132 017 400,08	193 449 998,31	0,00	193 449 998,31
Stocks issuance	689 656,00	0,00	234 099 587,10	0,00	0,00	0,00	0,00	234 789 243,10	0,00	234 789 243,10
Dividend payment	0,00	0,00	0,00	0,00	0,00	-29 212 500,00	0,00	-29 212 500,00	0,00	-29 212 500,00
Profit/ (loss) from revaluation of assets available for sale	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
Profit/ (loss) from cash flow security measures	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
Currency translation differences due to counting financial statements of foreign entities	0,00	0,00	0,00	0,00	0,00	21 550,81	0,00	21 550,81	0,00	21 550,81
Income tax on items directly referred to equity capital	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
Profit/ (loss) from take-over of companies (unit jvch)	0,00	0,00	1 104 461,77	2 872 720,92	0,00	-2 307 898,77	0,00	1 669 283,92	0,00	1 669 283,92
Profit/ (loss) from inclusion/exclusion of companies to/from consolidation	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
Change of the principles of accounting/presentation	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
Consolidation adjustments	0,00	0,00	225 250,34	0,00	-21,00	-225 250,34	0,00	-21,00	0,00	-21,00
Transformation to IFRS	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
Profit/loss recognized directly in equity capital	689 656,00	0,00	235 429 299,21	2 872 720,92	-21,00	-31 724 098,30	0,00	207 267 556,83	0,00	207 267 556,83
Net profit (loss) over fiscal year	0,00	0,00	0,00	0,00	0,00	0,00	43 260 567,20	43 260 567,20	0,00	43 260 567,20
Profit/loss recognized directly in equity capital and in the net result	689 656,00	0,00	235 429 299,21	2 872 720,92	-21,00	-31 724 098,30	43 260 567,20	250 528 124,03	0,00	250 528 124,03
Increase/ decrease due to distribution of profits	0,00	0,00	67 650 799,73	0,00	0,00	64 366 600,35	-132 017 400,08	0,00	0,00	0,00
As at September 30, 2007	10 939 656,00	0,00	377 890 611,59	5 576 255,17	-109 774,75	6 420 807,13	43 260 567,20	443 978 122,34	0,00	443 978 122,34

4. CASH FLOW STATEMENT

Cash flow in operating activity – indirect method	01-01-2008 to 30-09-2008	01-01-2007 to 30-09-2007
Net profit (loss)	63 976 704,48	43 260 567,20
Adjustment by item	3 788 935,89	37 779 555,75
Amortization and depreciation	13 175 053,96	8 431 986,31
Interest and dividends	-2 985 383,50	-28 160 728,83
Income tax	0,00	0,00
Change in provisions and interim statements	-7 425 301,71	48 480 285,41
Other adjustments	1 024 567,14	9 028 012,86
Acting capital change	-167 095 989,95	-241 226 169,18
Change in provisions	-7 718 407,19	15 759 175,96
Change in construction contracts	-161 041 741,73	-242 637 251,14
Change in liabilities	-9 378 428,03	-33 811 635,88
Change in short-term liabilities, except for credits and loans	11 042 587,00	19 463 541,88
Net cash flow in operating activity	-99 330 349,58	-160 186 046,22
Net cash flow in investment activity		
Inflows from sale of intangible and legal values, fixed tangible assets and other fixed assets	821 035,04	4 602 273,70
Purchasing intangible and legal values, fixed tangible assets and other fixed assets	-5 036 670,69	-14 243 076,38
Expenses incurred from handling assets for sale	0,00	0,00
Purchasing capital instruments and notes	-176 000 000,00	-330 000 000,00
Inflows from capital instruments and notes	236 000 000,00	220 000 000,00
Granted loans	-33 264 384,28	-5 679 341,18
Repayment of loans	0,00	1 507 403,07
Other purchases of financial assets	0,00	0,00
Other Inflows from financial assets	0,00	37 527,02
Received dividends	0,00	0,00
Interest received	0,00	0,00
Negotiation of subsidiary entities	0,00	0,00
Purchasing subsidiary entities:	0,00	0,00
Net cash flow in investment activity	22 519 980,07	-123 775 213,77
Net cash flow in financial activity		
Net revenues from stocks issue (shares distribution) and other capital instruments and additional capital payment	0,00	244 827 880,00
Own stocks purchase (shares) or repayment of shares	0,00	0,00
Granted credits and loans	358 892 427,59	176 694 299,31
Repayment of credits and loans	-307 012 522,37	-193 675 557,87
Debt securities issue	313 800 000,00	266 000 000,00
Debt securities redemption	-310 225 593,70	-140 000 000,00
Payment of liabilities incurred from financial lease contracts	-12 658 198,67	-12 546 272,91
Dividends and other shares in profit	0,00	0,00
Interest paid	-24 144 777,52	-7 961 715,22
Other financial revenues (bills included)	12 000 000,00	0,00
Other outflows from financial activities	0,00	0,00
Net cash flow in financial activity	30 651 335,33	333 338 633,31
NET CASH DECREASE (INCREASE)	-46 159 034,18	49 377 373,32
Beginning cash balance and its equivalents	75 331 769,20	37 380 444,49
END CASH BALANCE AND ITS EQUIVALENTS	29 172 735,01	86 757 817,80

C. NOTES IN THE CONSOLIDATED FINANCIAL STATEMENT

1. FIXED ASSETS

Note 1. Intangible values

INTANGIBLE VALUES	30-09-2008	31-12-2007
a) completed development works expenses	0,00	0,00
b) goodwill from consolidation	3 047 895,06	3 047 895,06
c) other intangible values	8 606 616,35	9 309 154,59
d) advances for intangible values	0,00	0,00
Intangible values, total	11 654 511,41	12 357 049,65

GOODWILL OF SUBSIDIARY ENTITIES	30-09-2008	31-12-2007
a) goodwill -subsidiary entities	21 026 397,97	16 801 419,29
b) goodwill -co-subsidiary entities	0,00	0,00
c) goodwill -associated entities	0,00	0,00
Intangible values, total	21 026 397,97	16 801 419,29

Note 2. Fixed tangible assets

FIXED TANGIBLE ASSETS	30-09-2008	31-12-2007
a) tangible assets, including:	273 351 651,64	276 986 505,09
- land (including the right to perpetual lease of land)	24 797 413,13	28 239 578,77
- buildings, business premises and structures of civil and water engineering	214 556 205,77	217 525 561,13
- technical appliances and machines	19 469 332,49	15 324 752,82
- means of transport	9 998 098,14	11 470 757,57
- other fixed assets	4 530 602,11	4 425 854,80
b) fixed assets under construction	26 067 914,15	22 288 417,42
c) advances for fixed assets under construction	0,00	15 975,99
Fixed tangible assets, total	299 419 565,79	299 290 898,50

Note 3. Investment properties

OTHER LONG-TERM INVESTMENTS	30-09-2008	31-12-2007
a) investment properties	12 324 970,30	12 264 900,36
b) other	0,00	0,00
Other long-term investments value	12 324 970,30	12 264 900,36

Note 4. Other financial assets

LONG-TERM FINANCIAL ASSETS	30-09-2008	31-12-2007
a) shares or stocks	14 785 851,98	15 337 952,98
b) loans granted	0,00	0,00
c) other long-term investments	0,00	0,00
Long-term financial assets value	14 785 851,98	15 337 952,98

LONG-TERM FINANCIAL ASSETS	30-09-2008	31-12-2007
a) in subsidiary entities	14 756 221,98	15 308 322,98
- shares or stocks	14 756 221,98	15 308 322,98
- 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
b) in other entities	29 630,00	29 630,00
- shares or stocks	29 630,00	29 630,00
- debt securities	0,00	0,00
- other securities	0,00	0,00
- loans granted	0,00	0,00
- other long-term financial assets	0,00	0,00
c) other long-term investments	0,00	0,00
Long-term financial assets, total	14 785 851,98	15 337 952,98

CHANGE IN LONG-TERM FINANCIAL ASSETS	30-09-2008	31-12-2007
a) state at the beginning	14 785 851,98	5 033 744,50
- shares	14 785 851,98	5 033 744,50
- loans granted	0,00	0,00
- other	0,00	0,00
b) increase (due to)	0,00	19 021 132,98
- shares	0,00	19 021 132,98
- loans granted	0,00	0,00
- other	0,00	0,00
c) decrease (due to)	0,00	8 716 924,50
- shares (with inclusion to consolidation)	0,00	8 716 924,50
- loans granted	0,00	0,00
- othes	0,00	0,00
d) as at end of period	14 785 851,98	15 337 952,98
- shares	14 785 851,98	15 337 952,98
- loans granted	0,00	0,00
- other	0,00	0,00

Lp.	A	B	C	D	E	F	G
	Name (company) of an entity and its legal status	Seat	Kind of activity	Kind of relationship	The applied consolidation method	Date of gaining control	Value of shares / stocks according to purchase price
1.	TBS Marki Sp.z o.o.	Warszawa	communal construction	subsidiary entity	complete method	14.11.2003	13 359 500,00
2.	J.W. Construction International Sp. z o.o.	Kołomna (Rosja)	construction and developer business	subsidiary entity	complete method	14.11.2003	1 272,90
3.	Przedsiębiorstwo Turystyczne "Czarny Potok" S.A.	Krynica Górská	hotel industry	subsidiary entity	complete method	16.12.2004	7 000 000,00
4.	Business Financial Construction Sp. z o.o.	Warszawa	services	subsidiary entity	not consolidated	16.06.2003	4 346 500,00
5.	Project 55 Sp. z o.o.	Warszawa	developer business	subsidiary entity	complete method	13.01.2005	19 655 537,59
6.	Interlokum Sp. z o.o.	Warszawa	developer business	subsidiary entity	complete method	23.11.2004	49 500,00
7.	Lokum Sp. z o.o.	Warszawa	developer business	subsidiary entity	complete method	13.09.2005	3 778 000,00
8.	Deweloper Sp. z o.o.	Siemianowice Śląskie	construction business	subsidiary entity	complete method	08.09.2004	49 500,00
9.	JW Projekt Sp. z o.o.	Warszawa	design and architectural business	subsidiary entity	complete method	14.11.2003	1 155 400,00
10.	Królewski Port Żerań Sp. z o.o.	Warszawa	developer business	associated entity	not consolidated	08.09.2000	500 000,00
11.	KSP Polonia Warszawa SSA	Warszawa	sports business	subsidiary entity	not consolidated	30.03.2006	15 440,00
12.	TBS Nowy Dom Sp. z o.o.	Ząbki	communal construction	associated entity	not consolidated	30.09.2006	1 000,00
13.	Construction Invest Sp. z o.o.	Ząbki	development and sale of estates	subsidiary entity	complete method	25.01.2006	50 000,00
14.	J.W.Construction AZS Politechniki Warszaw. S.A.	Warszawa	sports business	subsidiary entity	not consolidated	07.09.2006	375 000,00
15.	J.W. Construction S.A.	Ząbki	construction business	subsidiary entity	complete method	26.09.2007	11 526 617,00
16.	J.W. Construction 1 Sp.z o.o.	Londyn	services	subsidiary entity	not consolidated	31.07.2007	5 618,00
17.	J.W. Bulgaria Sp. z o.o.	Sofia	developer business	subsidiary entity	not consolidated	08.10.2007	9 854,98
18.	Porta Transport Sp. z o.o.	Szczecin	transport business	subsidiary entity	complete method	12.11.2007	19 118 737,41
19.	Ośrodek Wypoczynkowy "Ogoniok" Sp. z o.o.	Soczi	developer business	subsidiary entity	not consolidated	07.12.2007	9 810 000,00
20.	JWCH Produkcja Budowlana Sp. z o.o.	Ząbki	production of prefabricated products for construction business	subsidiary entity	complete method	19.02.2008	15 494 950,00
21.	JWCH Budownictwo Drogowe Sp. z o.o.	Ząbki	road building	subsidiary entity	complete method	07.02.2008	99 950,00

Indirect associates										
22.	TBS Marki Sp.z o.o.	Warszawa	communal construction	subsidiary entity	complete method	18.10.2006	500,00	0,00	500,00	0,01%
23.	Business Financial Construction Sp. z o.o.	Warszawa	services	subsidiary entity	not consolidated	16.06.2003	500,00	0,00	500,00	0,01%
24.	Interlokum Sp. z o.o.	Warszawa	developer business	subsidiary entity	complete method	18.10.2006	500,00	0,00	500,00	1,00%
25.	Lokum Sp. z o.o.	Warszawa	developer business	subsidiary entity	complete method	18.10.2006	500,00	0,00	500,00	0,01%
26.	Project 55 Sp. z o.o.	Warszawa	developer business	subsidiary entity	complete method	13.01.2005	500,00		500,00	
27.	Deweloper Sp. z o.o.	Siemianowice Śląskie	construction business	subsidiary entity	complete method	18.10.2006	500,00	0,00	500,00	1,00%
28.	JW Projekt Sp. z o.o.	Warszawa	design and architectural business	subsidiary entity	complete method	14.11.2003	200,00	0,00	200,00	0,01%
29.	Stadnina Mazowiecka Sp. z o.o.	Warszawa	services	subsidiary entity	not consolidated	19.02.2007	50 000,00	0,00	50 000,00	100,00%
30.	Karczma Regionalna Sp.z o.o.	Krynica Górská	hotel industry	subsidiary entity	not consolidated	16.12.2004	208 550,00	0,00	208 550,00	8,06%
31.	J.W. Construction S.A.	Ząbki	construction business	subsidiary entity	complete method	26.09.2007	1,00	0,00	1,00	0,01%
32.	JWCH Produkcja Budowlana	Ząbki	production of prefabricated products for construction business	subsidiary entity	complete method	19.02.2008	50,00	0,00	50,00	0,01%
33.	JWCH Budownictwo Drogowe	Ząbki	road building	subsidiary entity	complete method	07.02.2008	50,00	0,00	50,00	0,05%
34.	Fabryka Maszyn i Urządzeń FAMA S.A.	Kluczbork	production	associated entity	not consolidated	12.11.2007	29 630,00	0,00	29 630,00	0,04%

2. CURRENT ASSETS

Note 5. Provisions

PROVISIONS	30-09-2008	31-12-2007
a) materials	15 256 602,24	11 540 927,73
b) semi-products and products under construction	10 151 174,68	5 681 697,51
c) finished products	1 838 657,26	2 290 568,38
d) goods	8 463 338,53	8 406 826,93
e) advances for deliveries	327 681,70	399 026,67
Provisions value, total	36 037 454,41	28 319 047,22

Note 6. Construction contracts

CONSTRUCTION CONTRACTS	30-09-2008	31-12-2007
Revenue planned from current projects	4 353 058 294,83	4 874 487 515,98
Expenses planned on current projects	3 091 315 492,89	3 334 008 554,74
Margin planned on realized projects	1 261 742 801,94	1 540 478 961,23
Accumulated revenue recognized in the profit and loss account	455 571 340,62	695 777 102,08
Accumulated expenses recognized in the profit and loss account	331 378 308,59	455 544 562,70
Accumulated margin recognized in the profit and loss account	124 193 032,03	240 232 539,38
Margin liable for recognition in the following periods	1 137 549 769,91	1 300 246 421,85
Margin planned on realized projects	29,19%	31,12%
Proceeds form construction contracts presented in the current assets	1 224 763 133,11	875 120 902,36
Proceeds form construction contracts presented in the short-term liabilities	333 943 410,43	156 479 497,27
CONSTRUCTION CONTRACTS (current assets)		
a) semi-products and products under construction	563 426 566,28	283 013 096,53
b) finished products	17 880 119,13	25 264 985,54
c) interim statements	16 544 422,60	10 675 250,12
d) unbilled revenues	626 912 025,10	556 167 570,16
Aggregate value of construction contracts	1 224 763 133,11	875 120 902,36
CONSTRUCTION CONTRACTS (short-term liabilities)		
a) interim statements	333 943 410,43	156 479 497,27
Aggregate value of construction contracts	333 943 410,43	156 479 497,27

In connection with the business they run, the Group's Companies take loans on collateral, among others, in the form of mortgage on estates. As at September 30, 2008, the Group's Companies created mortgage securities on property presented in the provisions and construction contracts for the value of 768,8 mln and, in the fixed assets for the value of 212,6 mln. The mortgage value is created for the amount of the loan granted (or higher) and, in connection with this, it remarkably exceeds the value of property disclosed in the assets of the Group's Companies. As at September 30, 2008, the liability arising from the release of loans amounts to 415,6 mln.

Note 7. Short-term liabilities

SHORT-TERM LIABILITIES	30-09-2008	31-12-2007
a) from deliveries and services -related entities	0,00	6 221 403,61
b) from deliveries and services -other entities	27 994 718,96	24 794 453,30
c) from taxes, grants, customs duties, social and medical insurance and other benefits	39 138 990,40	32 579 423,65
d) other	7 661 612,96	2 794 226,62
Value of liabilities, total	74 795 322,32	66 389 507,18

Note 8. Other financial assets

SHORT-TERM INVESTMENTS	30-09-2008	31-12-2007
a) in subsidiary entities	37 724 107,55	6 975 933,85
- shares and stocks	0,00	0,00
- debt securities	0,00	0,00
- other securities	0,00	0,00
- loans granted	37 724 107,55	6 975 933,85
- other short-term financial assets	0,00	0,00
b) in other entities	11 229 001,82	66 716 873,33
- shares and stocks	0,00	0,00
- debt securities	0,00	0,00
- other securities	0,00	60 000 000,00
- loans granted	11 229 001,82	6 716 873,33
- other short-term financial assets	0,00	0,00
Value of short-term investments, total	48 953 109,37	73 692 807,18

***Programme of debt securities purchase by the Companies. Detailed description is enclosed in supplementary information.**

No.	Settlement date	Redemption date	Nominal value of securities as at 31.12.2007 (BO)	Increase to 31.03.2008	Reduction to 31.03.2008	Striking balance at 31.03.2008
1.	07.12.2007	17.01.2008	60 000 000,00	0,00	60 000 000,00	0,00
2.	11.01.2008	12.02.2008	0,00	38 000 000,00	38 000 000,00	0,00
3.	17.01.2008	19.02.2008	0,00	60 000 000,00	60 000 000,00	0,00
4.	12.02.2008	29.02.2008	0,00	18 000 000,00	18 000 000,00	0,00
5.	19.02.2008	29.02.2008	0,00	30 000 000,00	30 000 000,00	0,00
6.	29.02.2008	28.03.2008	0,00	30 000 000,00	30 000 000,00	0,00
	total		60 000 000,00	176 000 000,00	236 000 000,00	0,00

Note 9. Cash means and its equivalents

CASH MEANS AND ITS EQUIVALENTS	30-09-2008	31-12-2007
a) Cash at bank and in hand	26 635 818,81	28 228 135,90
b) other cash means	2 513 000,00	46 011 447,15
c) other money assets	23 916,20	1 092 186,15
Cash value, total	29 172 735,01	75 331 769,20

3. LIABILITIES

Note 10. Credits and loans

CREDITS AND LOANS	30-09-2008	31-12-2007
a) credits	415 043 727,37	362 434 992,07
<i>including: long-term</i>	<i>258 987 419,92</i>	<i>206 406 678,76</i>
<i>short-term</i>	<i>156 056 307,45</i>	<i>156 028 313,31</i>
b) loans	508 991,17	706 877,74
<i>including: long-term</i>	<i>0,00</i>	<i>0,00</i>
<i>short-term</i>	<i>508 991,17</i>	<i>706 877,74</i>
Credits and loans value, total	415 552 718,54	363 141 869,81
Credits and loans value –long-term	258 987 419,92	206 406 678,76
Credits and loans value –short-term	156 565 298,62	156 735 191,05

CREDITS IN RELATION TO MATURITY	30-09-2008	31-12-2007
Up to 1 year	156 056 307,45	156 028 313,31
Above 1 year up to 2 years	153 497 516,91	101 057 039,64
Above 2 years up to 5 years	590 500,00	1 063 000,00
Above 5 years	104 899 403,01	104 286 639,12
Credits totally, including:	415 043 727,37	362 434 992,07
- long-term	258 987 419,92	206 406 678,76
- short-term	156 056 307,45	156 028 313,31

LOANS IN RELATION TO MATURITY	30-09-2008	31-12-2007
Up to 1 year	508 991,17	706 877,74
Above 1 year up to 2 years	0,00	0,00
Above 2 years up to 5 years	0,00	0,00
Above 5 years	0,00	0,00
Loans totally, including:	508 991,17	706 877,74
- long-term	0,00	0,00
- short-term	508 991,17	706 877,74

Note 11. Other long-term liabilities

OTHER LONG-TERM LIABILITIES	30-09-2008	31-12-2007
a) other financial liabilities	62 827 828,00	69 873 691,86
b) other long-term liabilities	13 957 644,15	11 111 241,31
Value of other liabilities, total	76 785 472,15	80 984 933,17

Note 12. Commercial liabilities and other liabilities

COMMERCIAL LIABILITIES AND OTHER LIABILITIES	30-09-2008	31-12-2007
a) from deliveries and services -other entities	90 327 752,69	81 580 218,70
b) from deliveries and services -related entities	0,00	2 228 117,06
c) from taxes, grants, customs duties, social and medical insurance and other benefits	7 855 078,25	5 123 409,94
d) payroll liabilities	3 838 335,47	3 860 780,59
e) received advances for deliveries	43 389,92	132 951,06
f) others	4 042 382,32	13 652 061,93
Value of commercial liabilities and other liabilities, total	106 106 938,65	106 577 539,28

Note 13. Other liabilities

OTHER LIABILITIES	30-09-2008	31-12-2007
a) liabilities from debt securities issuance	131 400 000,00	140 500 000,00
b) bill-of-exchange liabilities	13 030 800,00	0,00
c) other financial liabilities	14 029 950,63	12 340 096,01
Value of other liabilities, total	158 460 750,63	152 840 096,01

Liabilities from bonds issuance

No.	Issue date	Buying out date	Stocks nominal value as at 31.12.2007 (BO)	Increase to 30.09.2008	Decrease to 30.09.2008	Closing balance 30.09.2008
1.	11.04.2007	11.04.2008	40 000 000,00	0,00	40 000 000,00	0,00
2.	27.04.2007	25.04.2008	10 000 000,00	0,00	10 000 000,00	0,00
3.	18.05.2007	16.05.2008	24 500 000,00	0,00	24 500 000,00	0,00
4.	20.06.2007	19.06.2008	66 000 000,00	0,00	66 000 000,00	0,00
5.	09.01.2008	09.04.2008	0,00	38 000 000,00	38 000 000,00	0,00
6.	04.04.2008	30.06.2008	0,00	10 200 000,00	10 200 000,00	0,00
7.	09.04.2008	09.07.2008	0,00	39 500 000,00	39 500 000,00	0,00
8.	11.04.2008	08.08.2008	0,00	30 000 000,00	30 000 000,00	0,00
9.	25.04.2008	25.07.2008	0,00	10 000 000,00	10 000 000,00	0,00
10.	16.05.2008	15.05.2009	0,00	18 000 000,00	0,00	18 000 000,00
11.	16.05.2008	25.07.2008	0,00	6 500 000,00	6 500 000,00	0,00
12.	18.06.2008	19.09.2008	0,00	38 000 000,00	38 000 000,00	0,00
13.	30.06.2008	22.09.2008	0,00	10 200 000,00	10 200 000,00	0,00
14.	30.06.2008	03.10.2008	0,00	28 600 000,00	0,00	28 600 000,00
15.	09.07.2008	07.10.2008	0,00	18 300 000,00	0,00	18 300 000,00
16.	09.07.2008	07.10.2008	0,00	12 000 000,00	0,00	12 000 000,00
17.	08.08.2008	05.11.2008	0,00	15 000 000,00	0,00	15 000 000,00
18.	19.09.2008	28.11.2008	0,00	39 500 000,00	0,00	39 500 000,00
			140 500 000,00	313 800 000,00	322 900 000,00	131 400 000,00

4. OPERATING REVENUE AND EXPENSES

Note 14. Operating activity revenue

OPERATING ACTIVITY REVENUE	from 01-01-2008 to 30-09-2008	from 01-01-2007 to 30-09-2007	from 01-07-2008 to 30-09-2008	from 01-07-2007 to 30-09-2007
Revenue from products sale	455 571 340,62	310 378 503,95	128 802 524,13	110 690 575,45
Revenue from services sale	68 488 755,69	40 156 956,22	21 707 877,35	16 241 816,71
Revenue from goods sale	21 466 143,49	7 041 296,99	8 905 542,07	3 178 478,90
Revenue value, total	545 526 239,80	357 576 757,17	159 415 943,56	130 110 871,06

Note 15. Operating activity expenses

OPERATING ACTIVITY EXPENSES	from 01-01-2008 to 30-09-2008	from 01-01-2007 to 30-09-2007	from 01-07-2008 to 30-09-2008	from 01-07-2007 to 30-09-2007
Revenue from products sale	331 378 308,59	219 502 774,80	99 611 200,01	75 512 748,87
Revenue from services sale	55 459 109,45	28 527 535,20	15 582 762,19	10 674 244,94
Revenue from goods sale	23 265 994,81	7 797 168,53	10 225 912,25	3 996 622,41
Value of prime sale, total	410 103 412,85	255 827 478,52	125 419 874,45	90 183 616,21

SALE EXPENSES AND ADMINISTRATION EXPENSES	from 01-01-2008 to 30-09-2008	from 01-01-2007 to 30-09-2007	from 01-07-2008 to 30-09-2008	from 01-07-2007 to 30-09-2007
Sale expenses	21 534 196,97	17 870 569,45	7 413 324,86	6 502 218,21
Administration expenses	21 786 597,65	17 288 428,12	6 890 650,18	5 777 063,63
Sale expenses and administration expenses, total	43 320 794,62	35 158 997,57	14 303 975,04	12 279 281,84

Note 16. Revenue in division into segments

	from 01-01-2008 to 30-09-2008	from 01-01-2007 to 30-09-2007	from 01-07-2008 to 30-09-2008	from 01-07-2007 to 30-09-2007
Revenue from the sale of:	545 526 239,80	357 576 757,17	159 415 943,56	130 110 871,06
- from products sale - premises	455 571 340,62	310 378 503,95	128 802 524,13	110 690 575,45
- from services sale	68 488 755,69	40 156 956,22	21 707 877,35	16 241 816,71
- from goods sale	21 466 143,49	7 041 296,99	8 905 542,07	3 178 478,90

	from 01-01-2008 to 30-09-2008	from 01-01-2007 to 30-09-2007	from 01-07-2008 to 30-09-2008	from 01-07-2007 to 30-09-2007
Revenue from the sale of products and services in divided segments	524 060 096,31	350 535 460,18	150 510 401,48	126 932 392,16
-developer activity	474 685 515,39	319 651 393,37	134 174 695,88	114 496 255,05
-hotel business	15 701 197,59	13 001 422,38	5 360 225,71	4 549 790,28
-communal construction	8 483 492,40	7 543 201,29	2 849 536,62	2 156 603,26
-transport services	10 938 987,52	0,00	3 493 506,41	0,00
-construction	14 250 903,41	10 339 443,14	4 632 436,86	5 729 743,57

	from 01-01-2008 to 30-09-2008	from 01-01-2007 to 30-09-2007	from 01-07-2008 to 30-09-2008	from 01-07-2007 to 30-09-2007
Revenue from the sale of products – premises according to geographical segments	455 571 340,62	310 378 503,95	128 802 524,14	110 690 575,46
-Warsaw and the vicinity	420 076 919,99	251 506 226,77	121 777 394,84	85 799 060,11
-Gdynia	29 172 906,01	23 251 631,22	9 285 013,66	11 837 330,40
- Łódź	0,00	29 058 886,35	0,00	13 054 184,95
-Russia	6 321 514,62	6 561 759,62	0,00	0,00

	from 01-01-2008 to 30-09-2008	from 01-01-2007 to 30-09-2007	from 01-07-2008 to 30-09-2008	from 01-07-2007 to 30-09-2007
Revenue from hotel services sale according to geographical segments	15 701 197,59	13 001 422,38	5 360 225,71	4 549 790,28
-Warszawa and the vicinity	5 971 489,16	4 545 345,78	1 996 535,21	1 673 573,17
- Tarnowo	3 825 697,51	2 881 245,64	1 624 108,78	948 716,77
- Stryków	3 279 207,95	3 576 980,48	869 688,14	1 198 867,07
- Cieszyn	936 817,44	748 615,85	365 887,08	302 432,41
- Święta Lipka	747 562,75	736 647,44	375 958,15	382 814,79
- Krynica Górská	940 422,78	512 587,19	128 048,35	43 386,07

Note 17. Operating revenues

OPERATING REVENUES	from 01-01-2008 to 30-09-2008	from 01-01-2007 to 30-09-2007	from 01-07-2008 to 30-09-2008	from 01-07-2007 to 30-09-2007
a) gain on disposal of non-financial fixed assets	845 186,29	1 301 220,92	-283 381,83	493 968,25
b) other operating revenues	5 270 980,24	4 009 744,89	1 779 609,02	840 216,43
Value of operating revenue, total	6 116 166,53	5 310 965,81	1 496 227,18	1 334 184,68

Note 18. Operating expenses

OPERATING EXPENSES	from 01-01-2008 to 30-09-2008	from 01-01-2007 to 30-09-2007	from 01-07-2008 to 30-09-2008	from 01-07-2007 to 30-09-2007
a) loss on disposal of non-financial fixed assets	0,00	262 939,74	0,00	217 006,37
b) revaluation of non-financial fixed assets value	75 825,03	200,00	75 825,03	200,00
c) other operating expenses	6 559 583,92	4 841 783,46	1 390 551,25	2 648 655,08
Value of operating expenses, total	6 635 408,95	5 104 923,20	1 466 376,28	2 865 861,45

Note 19. Financial revenue

FINANCIAL REVENUE	from 01-01-2008 to 30-09-2008	from 01-01-2007 to 30-09-2007	from 01-07-2008 to 30-09-2008	from 01-07-2007 to 30-09-2007
a) dividends	990 000,00	0,00	990 000,00	0,00
b) interest	6 686 075,58	5 606 285,69	2 358 778,41	3 647 403,03
c) revaluation of investments	0,00	0,00	0,00	0,00
d) others	2 256 989,88	913 258,93	1 354 131,15	412 432,21
Value of financial revenue, total	9 933 065,46	6 519 544,62	4 702 909,56	4 059 835,24

Note 20. Financial expenses

FINANCIAL EXPENSES	from 01-01-2008 to 30-09-2008	from 01-01-2007 to 30-09-2007	from 01-07-2008 to 30-09-2008	from 01-07-2007 to 30-09-2007
a) interest	21 597 504,60	17 575 198,67	7 905 453,39	6 629 463,10
b) revaluation of investments	0,00	0,00	0,00	0,00
c) others	821 919,72	145 796,12	103 145,34	57 639,89
Value of financial expenses, total	22 419 424,32	17 720 994,79	8 008 598,73	6 687 102,99

Note 21. Income tax

INCOME TAX	from 01-01-2008 to 30-09-2008	from 01-01-2007 to 30-09-2007	from 01-07-2008 to 30-09-2008	from 01-07-2007 to 30-09-2007
a) current income tax	3 387 107,52	5 679 399,76	3 279 364,79	708 493,84
b) deferred income tax	11 732 619,04	6 654 906,71	89 120,56	5 151 544,68
Income tax totally	15 119 726,56	12 334 306,47	3 368 485,35	5 860 038,52

D. SUPPLEMENTARY INFORMATION

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

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

Corporate events

On September 22, 2008, the Regional Court for the Capital City of Warsaw XIV Economic Division of the State Court Register registered an increase of initial capital in the subsidiary company J.W. Construction S.A. with the registered seat in Zabki, from the amount of 500.000 zł to the amount of 11.526.618 zł, i.e. by the amount of 11.026.616 zł, through generating new stocks of B series in the number of 11.026.618 having the nominal value of 1 zł per stock. The subject registration was the last element of the whole process of allocating the following business activities from the Company's structures: construction, architectural designing and prefabrication of construction elements to separate subjects, subsidiary companies.

Changes in the Company's authorities

On August 21, 2008 Mr Jerzy Zdrzałka resigned from participation in the Company's Board, where he held the position of the President of Board, resignation was tendered on August 22, 2008.

Signing contracts essential for the execution of investments

In connection with the separation from the Company's structures of construction activity and introducing it by contribution as an organized part of Company's enterprise acting under the business name J.W. Construction Holding S.A. Oddział „Budownictwo” to the subsidiary entity - J.W. Construction S.A. with the registered seat in Zabki, there arose a need to sign agreements for the completion of realization of investments that have been run by the Company's structures so far, and a need to sign general contractor services agreements of newly executed investments. In consideration of the above, on September 23, 2008 the Company signed contracts for the total net value of 189.467.346,86 zł, for finishing the following investments: ul. Lazurowa and Górczewska in Warsaw, 'Rezydencja Quatro', 'Aleja Wiślana', 'Osada Wiślana', and a contract for the execution of a new investment 'Pyry II'.

On 27.08.2008, the Company signed a general construction services agreement with J.W. Construction S.A. As contracted, the General Contractor is liable to deliver a combined construction of a complex of blocks of flats along with the exterior infrastructure and roads and the terminals, on the property localized in Warsaw, ul. Korkowa 'Osiedle Bursztynowe'. Remuneration for the execution of the contract has been agreed on 81.256.524 zł net.

Annexing the contract for the execution of investment

On July 22, 2008 the Company and the subsidiary entity Przedsiębiorstwo Turystyczne 'Czarny Potok' S.A. with the registered seat in Krynica signed an Annex to the contract for the realization of investment consisting in modernization and extension of the Recreation Centre 'Czarny Potok' in Krynica. The contract referred to in the Annex is described in detail in Chapter XXXII point 2.1 page 210 of the Company's Prospectus. The Annex increased the range of works defined in the contract and also: the Company's remuneration for the subject realization of contract was increased to 91.366.955 zł net and a new investment completion deadline was established; for the last stage of construction it falls on December 23, 2009.

Starting the stocks buy back programme with the aim of their redemption

As a result of the execution of Resolution No. 26 of Ordinary General Meeting ('OGA') from June 19, 2008, on July 9, 2008 the Company signed a contract with an investing enterprise, as defined in art.6 ch.3 letter B of the Committee Provision (CP) No. 2273/2003 from December 22, 2003, by means of which the stocks buy back programme for the purpose of redemption shall be realized ('Programme'). The conditions of the programme were defined in the contract pursuant to Resolution No.26 GCA and they anticipate the realization deadline for June 30, 2009 or until the means appropriated for its realization run short, the number of bought back stocks was set up for not less than 1.500.000 and not more than the product of the amount of 55.000.000 zł divided into the stocks purchase price, the maximum amount of means appropriated for realization of the programme 55.000.000 zł which shall come from the reserve capital of the Company. The float acquired by the Company within the limits of the programme, over the period up to the date of submission of this report, was given in the part regarding stockholders owning over 5% of Company's stocks.

Signing annex to the loan contract

On 14.08.2008, the Company signed an Annex to the contract regarding current loan signed with Bank Millennium S.A. on 23.05.2006, appropriated for financing current activity. As annexed, the value of the granted loan was increased from 11 000 000 zł to 21 492 000 zł.

Loan redemption

On 17.07.2008, the subsidiary company Lokum Sp. z o.o. redeemed the loan granted by Bank Millennium S.A. for the amount of 16 500 000 zł which was appropriated for co-financing the realization of 'Willa Konstancin' investment in Konstancin.

On 30.09.2008 the company J.W. Construction Holding S.A. redeemed the loan granted by Invest Bank S.A. for the amount of 2 700 000 zł, appropriated for the purchase of land localized in Warsaw, ul. Pulawska and Bociania.

Gaining next lands

On 12.09.2008, the Company signed a contract for the purchase of land localized in Warsaw, ul. Lewandów, having the area of 8.196 m².

Number of finished, being currently under construction and planned projects

In the table below, the summary of the number of finished, being currently under construction and planned projects is presented:

Project advancement	Number of projects	Number of flats	Number of flats for sale	Number of flats for customers
Finished projects	498	17 472	72	417
Projects currently under construction	174	6 417	1 443	4 635
Planned projects	-	15 772	15 772	-
Totally	672	39 661	17 287	5 052

Sale of premises in the 3rd quarter – value expressed

2008	Contracts value
July	16.474.910,95 zł
August	10.122.042,94 zł
September	14.838.327,61 zł
Sum	
3rd quarter 2008	41.435.281,50 zł

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

In the 3rd quarter of 2008, apart from events described above there were no events of untypical character that had a remarkable influence on the achieved financial result.

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

In principle, the sale of dwellings is not of seasonal character. Noticeably, in the Issuer's activity, cyclicity of the moment when revenue and, by the same token, financial results are recognized along with the revenues in the form of advance money from customers –depends on the level of advancement of the investment.

Dependently of the level of advancement of the investment (zero state, open unfinished state, closed unfinished state, construction completed), there are cyclic payments from customers. On the other hand, achieving a certain level of advancement in construction and a level of sale, causes the possibility of recognizing the financial result. Additionally, the level of advancement of investment can be weather dependent.

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

Bonds issue

On 9.07.2008 the Issuer issued 303 bonds having the nominal value of 100 000 zł each, which gives the total nominal value equal to 30 300 000 zł. The redemption of debt securities took place on 7.10.2008.

On 8.08.2008 the Issuer issued 150 bonds having the nominal value of 100 000 zł each, which gives the total nominal value equal to 15 000 000 zł. The redemption of debt securities took place on 5.11.2008.

On 19.09.2008 the Issuer issued 395 bonds having the nominal value of 100 000 zł each, which gives the total nominal value equal to 39 500 000 zł. The deadline for redemption is planned for 28.11.2008.

Bonds redemption

On 9.07.2008 the Issuer redeemed the bonds issued on 9.04.2008 having the total nominal value equal to 39 500 000 zł.

On 25.07.2008 the Issuer redeemed the bonds issued on 25.04.2008 and 16.05.2008 having the total nominal value equal to 16 500 000 zł.

On 8.08.2008 the Issuer redeemed the bonds issued on 11.04.2008 having the total nominal value 30 000 000 zł.

On 19.09.2008 the Issuer redeemed the bonds issued on 19.06.2008 having the total nominal value 38 000 000 zł.

On 22.09.2008 the Issuer redeemed the bonds issued on 30.06.2008 having the total nominal value 10 200 000 zł.

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

Not applicable.

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

Personnel changes in the Company

Board

On October 9, 2008 Mr Robert Wójcik was called to the Management Board for the position of a Vice President of Management Board.

Supervisory Board

On October 17 p 2008 Mr Grzegorz Ślak was recalled from the Supervisory Board of the Company.

On October 22 Mr Józef Oleksy was called to the Member of Supervisory Board of the Company.

Signing contracts essential for the realization of investment.

In connection with the separation of the construction activity from the Company's structures and introducing it by in-kind contribution as an organized part of Company's enterprise acting under the business name J.W. Construction Holding S.A. Oddział „Budownictwo” to the subsidiary entity - J.W. Construction S.A. with the registered seat in Zabki, there arose a need to conclude agreements for the completion of investments that have been run by the Company's structures so far, and a need to conclude an agreement on general construction services of newly executed investments. In relation to this, the following contracts were concluded:

- On October 3, 2008 the Company signed the Contract for the combined construction of a complex of 11 blocks of flats at the 'Kręczki – Kaputy' IA and IB housing estates and for complex execution of exterior works in the form of the whole exterior infrastructure with roads and connections to Kręczki Kaputy 1 housing estate. The value of the contract was set up for the amount of 91.573.630 zł net and the deadline for works completion for November 23, 2009.

- On October 14, 2008, two contracts were concluded, and the first of them referred to the completion of 'Wola Park' investment in the region of Olbrachta and Górczewska streets, remuneration for the realization of the subject contract was set up for the amount of 91.988.955,06 zł net, and the deadline for the works completion was set up for May 13, 2009. The second contract refers to the combined construction of blocks of flats along with the execution of exterior works in the form of the whole exterior infrastructure with roads and connections, on the estate localized in Warsaw, ul. Lewandów – 'Lewandów II' housing estate. The value of the contract was set up for the amount of 170.971.863,04 zł net and the deadline for works completion for January 28, 2010.

- On 17 October, 2008 the Company signed a contract for the completion of the combined construction of blocks of flats along with the execution of exterior works in the form of the whole exterior infrastructure with roads and connections, on the estate localised in Warsaw, ul. Lewandów – 'Lewandów I' housing estate. The contract value was set up for the amount of 76.235.664,91 zł net and the deadline for works completion for November 30, 2009.

Loan agreement

On 24.10.2008, the Company and Bank PKO Bank Polski S.A. Branch 15 in Warsaw signed a contract for an investment loan in the Polish currency for the amount of 66.803.028 zł. The loan shall be used for financing the expenses connected with hotel investment 'Czarny Potok' in Krynica Zdroj, Czarny Potok 65. The deadline for loan repayment falls for 31.12.2017.

Bonds issue

On 3.10.2008 the Issuer issued 286 bonds having the nominal value of 100 000 zł each, which gives the total nominal value equal to 28 600 000 zł. The deadline for redemption is planned for 7.01.2009.

On 7.10.2008 the Issuer issued 117 bonds having the nominal value of 100 000 zł each, which gives the total nominal value equal to 11 700 000 zł. The deadline for debt securities redemption is planned for 28.11.2008.

Bonds redemption

On 3.10.2008 the Issuer redeemed the bonds issued on 30.06.2008 having the total nominal value equal to 28 600 000 000 zł.

On 7.10.2008 the Issuer redeemed the bonds issued on 9.07.2008 having the total nominal value equal to 30 300 000 zł.

On 5.11.2008 the Issuer redeemed the bonds issued on 8.08.2008 having the total nominal value equal to 15 000 000 zł.

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

OFF BALANCE SHEET LIABILITIES	30-09-2008	31-12-2007
Secured amounts on estates – loans	967 956 519,26	747 077 076,26
Secured amounts on estates of remaining entities– loans	13 500 000,00	3 500 000,00
In blanco* bills	469 110 948,57	416 978 822,68
Others**	0,00	10 000 000,00
Assignments of revenues	4 499 600,00	4 299 600,00
Register lien on revenues from bank account	20 000 000,00	20 000 000,00
Guarantees given to TBS „Marki” Sp z o.o.	22 400 000,00	22 400 000,00
Guarantees given to Project 55 Sp. z o.o.	0,00	40 000 000,00
Guarantees given to Lokum Sp. z o.o.	0,00	16 500 000,00
Guarantees given to Interlokum Sp. z o.o.	0,00	20 600 000,00
Guarantees given to Budokrusz Sp. z o.o.	0,00	2 500 000,00
Guarantees given to JWCH Budownictwo Drogowe Sp. z o.o.	1 700 000,00	0,00
Guarantees given to JW. Construction S.A.	3 607 610,48	0,00
Guarantees given to Pebex Sp. Jawna	106 506,00	0,00

* securing amounts in the form of bills in blanco were presented up to the highest level of major liability

** the item includes securities in the form of, among others, cash blockade at bank or assignment of rights from insurance policies

The above table presents all securities resulting from the signed loan agreements constituting the security for the redemption of liabilities. As several securities were created on the particular loan agreements, the value of the securities has not been counted.

Insurance guaranties concerning the removal of faults and drawbacks granted by banks and insurance agencies occurred on September 30, 2008; the Company is their beneficiary. Additionally, for the benefit of Companies of the Capital Group J.W. Construction Holding S.A., in blanco bills were made as security for companies' entitlements resulting from the guarantees given by contractors, which are liable to fulfillment by the Companies at any time in the amount corresponding to the cost of removing faults and drawbacks. The aggregate value of guarantees on September 30, 2008 amounted to 24,2 mln zł (JW. Construction Holding SA) and 1 mln (JW. Construction SA).

8. The targets and the policy of financial risk management

Risks recognized in the Issuer: interest risk rate, liquidity risk, foreign currency and credit risks.

Interest risk rate

The Company gains financial means for its projects in the form of loans with the floating rate. In the remarkable majority, these are loans taken for the period of execution of a given investment – on average, for no longer than 1,5 year. It was assumed that the changes in the interest rate over this period did not require additional hedging options.

TBS Marki is the only company in the Group that has long-term liabilities from loans taken from the State Housing Estates Fund on entirely separate terms and conditions.

Foreign currency risk

Among the group companies of J.W. Construction Holding S.A., the companies which do not carry out transactions in PLN are the two companies of the Russian law - J.W. Construction International and Yakor House and a company of Bulgarian law - J.W. Construction Bulgaria EOOD. Settlements done by these companies, did not require additional hedging, while the Bulgarian company is at the beginning stage of its development.

Credit risk

A large number of the group's customers purchases on bank credits. The risks connected with the offered credits are secured by insuring the particular revenues on behalf of the customers. A remarkable concentration of credits risk does not occur in connection with any group of customers. Additionally, the Group does the evaluation of the payments made by customers and controls the financial situation of its customers systematically.

Liquidity risk

Group pays special attention to keeping proper balance between the financing of its investment activity and timely repayments of its liabilities. The liquidity ratios (including the current liquidity as at September 30, 2008 – 1,86) are satisfactory, which proves that the risk in this area was low.

Item in the financial statement	Item value in thous. PLN	Interest rate risk				Foreign currency risk			
		influence on result		influence on capital		influence on result		influence on capital	
		+ 50 pb in PLN	- 50 pb in PLN	+ 50 pb in PLN	- 50 pb in PLN				
		+ 25 pb w USD/EUR	- 25 pb w USD/EUR	+ 25 pb w USD	- 25 pb w USD	+ 10%	- 10%	+ 10%	- 10%
Financial assets									
Current cash at bank	26 636	133	-133						
Bank deposits	2 513	13	-13						
Owned bonds		0	0						
Credits granted		0	0						
Influence on financial assets before taxation		146	-146	0	0	0	0	0	0
Tax (19%)		-28	28	0	0	0	0	0	0
Influence on financial assets after taxes		118	-118	0	0	0	0	0	0
Financial liabilities									
Bonds issued	131 400	-657	657						
Bank credits	415 553	-2 078	2 078						
Influence on financial liabilities before taxation		-2 735	2 735	0	0	0	0	0	0
Tax (19%)		520	-520	0	0	0	0	0	0
Influence on financial current assets after taxes		-2 215	2 215	0	0	0	0	0	0
Total increase/decrease		-2 097	2 097	0	0	0	0	0	0

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

For the purpose of converting data for the balance sheet as at the last day of of settlement period January 1-September 30, 2008, the adopted Euro rate was 3,4083 zł/EURO, as set up by NBP (Polish State Bank) for that day.

For the purpose of converting data for the balance sheet as at the last day of settlement period January 1-September 30, 2007, the adopted Euro rate was 3,3,7775 zł/EURO, as set up by NBP (Polish State Bank) for that day.

For the purpose of converting data for the balance sheet s as at the last day of of settlement period January 1-December 31, 2007, the adopted Euro rate was 3,5820 zł/EURO, as set up by NBP (Polish State Bank) for that day.

For the purpose of converting the profit and loss data for the period from 01.01.2008 -30.09.2008, the average euro rate was adopted, counted as an arithmetical average of rates binding for the last day of each month over a given period, as set up by NBP (Polish State Bank) for that day, i.e. 3,4289 zł/EURO.

For the purpose of converting the profit and loss data for the period from 01.01.2007 -30.09.2007, the average euro rate was adopted, counted as an arithmetical average of rates binding for the last day of each month over a given period, as set up by NBP (Polish State Bank) for that day, i.e. 3,8314 zł/EURO.

Consolidated balance sheet item	30-09-2008		31-12-2007		30-09-2007	
	PLN	EUR	PLN	EUR	PLN	EUR
Assets totally	1 822 098	534 606	1 511 567	400 150	1 315 025	367 120
Fixed assets	384 997	112 959	381 045	100 872	331 957	92 674
Current assets	1 437 101	421 647	1 130 522	299 278	983 068	274 447
Liabilities totally	1 822 098	534 606	1 511 567	400 150	1 315 025	367 120
Equity capital	616 911	181 003	549 508	145 469	443 978	123 947
Long-term liabilities	430 831	126 407	370 799	98 160	330 830	92 359
Short-term liabilities	774 355	227 197	591 260	156 521	540 216	150 814

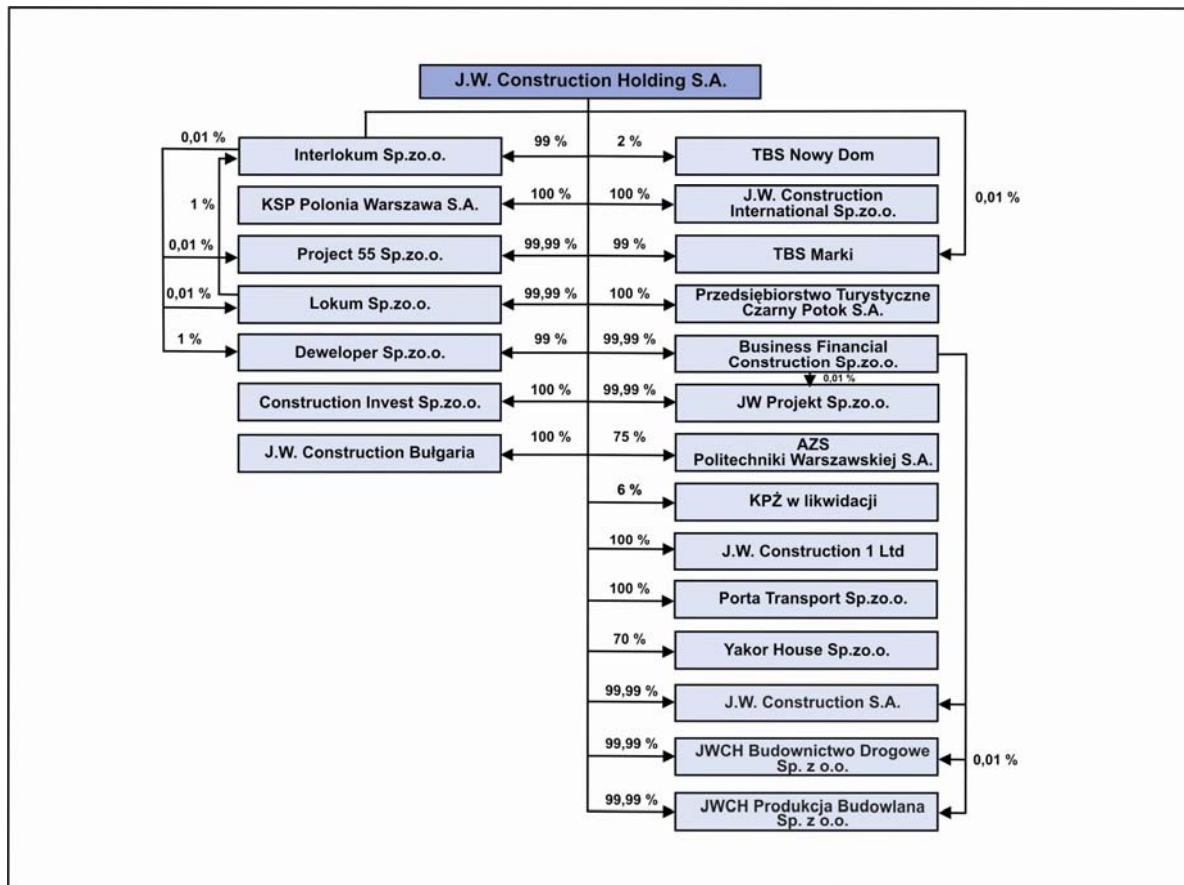
Profit and loss item on the consolidated balance sheet	01-01-2008 to 30-09-2008		01-01-2007 to 30-09-2007	
	PLN	EUR	PLN	EUR
Net revenues from products, goods and materials sold	545 526	159 283	357 577	93 329
Expenses from products, goods and materials sold	410 103	119 742	255 827	66 772
Gross profit (loss) on sale	135 423	39 541	101 749	26 557
Sales expenses	21 534	6 288	17 871	4 664
General administration expenses	21 787	6 361	17 288	4 512
Profit (loss) on sale	92 102	26 892	66 590	17 380
Profit (loss) on operating activity	91 583	26 740	66 796	17 434
Gross profit (loss)	79 096	23 095	55 595	14 510
Income tax	15 120	4 415	12 334	3 219
Net profit (loss)	63 977	18 680	43 261	11 291

Item on Issuer's balance sheet	30-09-2008		31-12-2007		30-09-2007	
	PLN	EUR	PLN	EUR	PLN	EUR
Assets totally	1 305 253	382 963	1 194 159	333 378	1 066 145	282 236
Fixed assets	271 034	79 522	285 038	79 575	237 012	62 743
Current assets	1 034 219	303 441	909 121	253 803	829 133	219 493
Liabilities totally	1 305 253	382 963	1 194 159	333 378	1 066 145	282 236
Equity capital	558 361	163 824	494 789	138 132	399 704	105 812
Long-term liabilities	281 952	82 725	214 305	59 828	145 527	38 525
Short-term liabilities	464 939	136 414	485 064	135 417	520 914	137 899

Item on Issuer's profits and loss account	01-01-2008 to 30-09-2008		01-01-2007 to 30-09-2007	
	PLN	EUR	PLN	EUR
Net revenue from of products, goods and materials sold	498 252,48	145 479,90	288 536,53	75 309,26
Expenses from products, goods and materials sold	380 283,36	111 035,24	218 575,33	57 049,08
Gross sales profit (loss)	117 969,12	34 444,66	69 961,21	18 260,17
Sales expenses	20 085,78	5 864,65	16 910,93	4 413,83
General administration expenses	14 120,72	4 122,97	15 120,17	3 946,43
Gross sales profit (loss)	83 762,62	24 457,03	37 930,10	9 899,92
Profit (loss) on operating activity	82 740,06	24 158,47	38 190,84	9 967,97
Gross profit (loss)	73 048,90	21 328,84	29 553,49	7 713,59
Income tax	13 891,09	4 055,92	5 615,16	1 465,58
Net profit (loss)	59 157,81	17 272,91	23 938,33	6 248,01

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

On September 30, 2008, the Issuer's Capital Group had the following structure:



J.W. Construction S.A.

The company J.W. Construction S.A. with the seat in Ząbki registered at the register of companies under number KRS (State Court Register) 0000290315. The share capital amounts to 11.526.618 zł and is divided into 11.526.618 stocks having the nominal value of 1 zł each, took over the Company's activity in the range of construction business. The Company owns 99,99 % of J.W. Construction S.A. share capital.

JWCH Produkcja Budowlana Sp. z o.o.

The company JWCH Produkcja Budowlana Sp. z o.o. with the seat in Ząbki, on March 7, 2008 was registered at the register of companies under number KRS (State Court Register) 0000300959. The company owns 99,9% of company's shares. The share capital amounts to 15.495.000 zł and is divided into 307.900 shares having the nominal value of 50 zł each. JWCH Produkcja Budowlana Sp. z o.o. began the activity in the range of manufacturing prefabricated construction materials.

JW Projekt Sp. z o.o.

The company JW Projekt Sp. z o.o. with the seat in Warsaw, on February 20, 2004 was registered under number KRS (State Court Register) 195210. The company owns 99,9% of shares. The share capital amounts to 1.155.000 zł and is divided into 5.778 shares having the nominal value of 200 zł each. Activity in range of architecture and esigning was transferred to this company.

Construction Invest Sp. z o.o.

The company Construction Invest Sp. z o.o. with the seat in Ząbki, on February 9, 2006 was registered at the register of enterprises under number KRS (State Court Register) 250688. The company owns 100% of shares. The share capital amounts to 50.000 zł and is divided into 100 shares having the nominal value of 500 zł each. Construction Invest Sp. z o.o. runs activity in the range of development and sale of estates on its own account. It was created with the purpose to purchase estates, arranging permits for construction, and then to transfer the estate together with the permit for construction for the benefit of the Company. Construction Invest Sp. z o.o. is one of the companies created for the purpose of realizing a particular investment.

TBS Marki Sp. z o.o.

The company TBS Marki Sp. z o.o. with the seat in Warsaw, on November 28, 2001 was registered at the register of enterprises under number KRS (State Court Register) 65232. The company owns 99,9% of shares in TBS Marki. The share capital amounts to 13.360.000 zł and is divided into 22.720 shares having the nominal value of 500 zł each. TBS Marki Sp. z o.o. was created as a social housing association pursuant to the principles defined in the provision about Certain Forms of Supporting Housing Business. The company is an investor of four enterprises, i.e. 'Lisi Jar', 'Marki V', 'Warszawa Białoleka' i „Sochaczew, ul. Piłsudskiego”.

Lokum Sp. z o.o.

The company Lokum Sp. z o.o. with the seat in Warsaw, on August 20, 2003 was registered at the register of enterprises under number KRS (State Court Register) 170570. The company owns 99,9% of company's shares. The share capital amounts to 3.778.500 zł and is divided into 7.557 shares having the nominal value of 500 zł each. Lokum Sp. z o.o. is an intentional company. Since 2006 it has been realizing 'Willa Konstancin' investment in Konstancin-Jeziorna.

Business Financial Construction Sp. z o.o. (BFC)

The company Business Financial Construction Sp. z o.o. with the seat in Warsaw, on May 24, 2002 was registered at the register of enterprises under number KRS (State Court Register) 114675. The company owns 99,9% of company's shares. The share capital amounts to 4.347.000 zł and is divided into 8.694 shares having the nominal value of 500 zł each. The subject business of Business Financial Construction Sp. z o.o. consists in dealing the process of flats sale constructed by the Company and other entities from the Group.

Project 55 Sp. z o.o.

The company Project 55 Sp. z o.o. with the seat in Warsaw, on November 22, 2002 was registered at the register of enterprises under number KRS (State Court Register) 139665. The company owns 99,9% of company's shares. The share capital amounts to 7.528.500 zł and is divided into 15.057 shares having the nominal value of 500 zł each. Project 55 Sp. z o.o. is an intentional company responsible for developer business. Project 55 Sp. z o.o. is an investor of Górczewska housing estate.

Interlokum Sp. z o.o.

The company Interlokum Sp. z o.o. with the seat in Warsaw, on August 18, 2003 was registered at the register of enterprises under number KRS (State Court Register) 170216. The company owns 99% of company's shares. The share capital of Interlokum Sp. z o.o. amounts to 50.000 zł and is divided into 100 shares having the nominal value of 500 zł each. Interlokum Sp. z o.o. is an intentional company created for the realization of 'Skarpa IV' investment.

Przedsiębiorstwo Turystyczne Czarny Potok S.A.

The company Przedsiębiorstwo Turystyczne Czarny Potok S.A. with the seat in Krynica, on February 14, 2002 was registered at the register of enterprises under number KRS (State Court Register) 91153. The company owns

100% of company's shares. The share capital of the company amounts to 1.994.000 zł and is divided into 500 inscribed shares series A having the nominal value of 100 zł each and 19.440 inscribed shares series B having the nominal value of 100 zł each. The company runs the hotel business. The enterprise runs a resort in Krynica. The permit for its extension was obtained in 2006. Modernization of the hotel building is under construction. Arrangements concerning the inclusion of this company to J.W. Construction Holding S.A. structures are under construction. The end of these arrangements is anticipated for the end of this year.

Deweloper Sp. z o.o.

The company Deweloper Sp. z o.o. with the seat in Siemianowice Śląskie, on August 22, 2003 was registered at the register of enterprises under number KRS (State Court Register) 170493. The company owns 99% of company's shares. The share capital of the company amounts to 50.000 zł and is divided into 100 shares having the nominal value of 500 zł each. The company runs road building activity, in the structure of the Capital Group it was assigned a role of the general contractor of a housing estate in Katowice.

Polonia Warszawa S.S.A. (previously Klub Sportowy Piłkarski Polonia Warszawa S.S.A.)

The company Klub Sportowy Piłkarski Polonia Warszawa S.S.A. with the seat in Warsaw, on September 19, 2003 was registered at the register of enterprises under number KRS (State Court Register) 173656. The company owns 100% of company's shares. The share capital of the company amounts to 1.544.000 zł and is divided into 5.000 inscribed shares series A having the nominal value of 100 zł each and 10.440 inscribed shares series B having the nominal value of 100 zł each. The company Klub Sportowy Piłkarski Polonia Warszawa S.S.A. runs a football team.

J.W. Construction - Akademicki Związek Sportowy Politechniki Warszawskiej S.A.

The company J.W. Construction - Akademicki Związek Sportowy Politechniki Warszawskiej S.A. with the seat in Warsaw, on October 24, 2005 was registered at the register of enterprises under number KRS (State Court Register) 243759. The company owns 75% of company's shares. The share capital of the company amounts to 500.000 zł and is divided into 5.000 shares having the nominal value of 100 zł each. The company Spółka J.W. Construction - AZS Politechniki Warszawskiej S.A. runs the volleyball team in a Polish Premiere League.

J.W. Construction International Sp. z o.o.

The company J.W. Construction International Sp. z o.o. is registered on the territory of Russia, the Company owns 100% of share capital in J.W. Construction International Sp. z o.o. It runs the investment business in the area of housing construction on the territory of The Russian Federation. At present it constructs Victoria Park estate in Kolomna in the vicinity of Moscow.

J.W. Construction 1 Ltd

The company J.W. Construction 1 Ltd. with the seat In London, registered in Great Britain, the Company owns 1.000 of shares having the nominal value of 1 GBP each share and the total nominal value of 1.000 GBP, which constitutes 100% of share capital in J.W. Construction 1 Ltd.

J.W. Construction Bułgaria EOOD

The company J.W. Construction Bułgaria EOOD was registered by the Municipal Court In Sophia (Bulgaria) on October 8, 2007 under the firm J.W. Construction Bułgaria EOOD with the seat in Sophia (founded in compliance with Bulgarian law – a counterpart of the Polish company of limited liability), in which the Company owns 500 (say: five hundred) shares having the nominal value of 10 (say: ten) BGN each and a aggregate value of 5.000 (say: five thousand) BGN. These shares constitute 100% of share capital under the company J.W. Construction Bułgaria EOOD. By proxy of J.W. Construction Bułgaria EOOD.

Porta Transport Sp. z o.o.

The company Porta Transport spółka z o.o. with the seat in Szczecin, was registered at the register of enterprises under number KRS (State Court Register) 0000177420. The share capital of the company is divided into 258.308 shares having the nominal value of 100 zł each share. The company delivers transport services for the benefit of Porta Szczecin Nowa Spółka z o.o. on the territory of the shipyard in Szczecin and runs dispatches services on the territory of Poland and abroad. The company owns 100% of company's share capital.

JWCH Budownictwo Drogowe Sp. z o.o.

The company JWCH Budownictwo Drogowe Sp. z o.o. with the seat in Ząbki, on February 21, 2008 was registered at the register of enterprises under number KRS (State Court Register) 0000299665. The company owns 99,95% of company's shares. The share capital of the company amounts to 100.000 zł and is divided into 2.000 shares having the nominal value of 50 zł each share. The company JWCH Budownictwo Drogowe Sp. z o.o. runs business In the area of road building.

Yakor House (poprzednio Ośrodek Wypoczynkowy „Ogoniok”) Sp. z o.o.

The company Yakor House Sp. z o.o. with the seat in Sochi, the Russian Republic, owns 70% of share capital in the company, which amounts to 10.500.000 rubels. The company owns an estate in Sochi and it plans to start an investment in housing and services business.

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

In the organizational structure of the Issuer's capital group, the following changes occurred; they are described in detail in his report:

Raising of share capital done on September 22, 2008 by the Regional Court for the Capital City of Warsaw XIV Economic Division of the State Court Register in the subsidiary company J.W. Construction S.A. with the registered seat in Zabki from the amount of 500.000 zł to 11.526.618 zł, i.e. by an amount of 11.026.616 zł by the creation of new stocks B series in the number of 11.026.618 having the nominal value of 1 zł each stock. Registration of the subject raising by the Court was the last element of the process of allocating from the Company's structures of activities run in the area of: construction, architectural designing and prefabrication of construction elements to separate subsidiary companies. The result of the construction business allocation is the need to conclude general contractor agreements.

Balance sheet items	JWCH Produkcja Budowlana Sp. z o.o.	J.W. Construction S.A.	J.W Projekt Sp. z o.o.
Assets totally	16 487 334,30	33 886 607,34	1 738 299,38
Fixed assets	11 098 372,83	13 254 477,35	437 225,70
Current assets	5 388 961,47	20 632 129,99	1 301 073,68
Liabilities totally	1 092 380,17	22 859 988,68	634 810,35
Liabilities	1 092 380,17	22 859 988,68	634 810,35

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

On October 31, 2008, the Management Board revoked its anticipations of results for 2008. The Management Board's decision was taken in consideration of the change in the macroeconomic situation in the Company's business environment, arising independently of the Company and having a remarkable influence on its results. In connection with the worldwide crisis on the bank market, influencing the Polish economic situation, the following circumstances occurred independently of the Company:

- Change of policy of banks granting mortgage loans to individual customers, whose result is observed in a remarkable fall down in the borrowing capacity of the Polish and, by the same token, a decrease in the demand on real estates market.
- Change of banks policy in the range of granting investment loans, resulting from the difficulties with gaining means on the financial market among banks. The Company, in the course of execution of investments, benefits from financing its current expenses by bank loans which are, in turn, paid off by buyers of dwellings, which is done within the framework of agreements with customers. If access to bank loans is impeded, the Company will be forced to cover part of expenses from own funds.
- Decrease in demand for dwellings causes the necessity to make new plans in the course of the execution of new investments of the Company, and this will probably mean the shift in the deadlines connected with the investment execution, and revenue from these investments was the basis for calculating the financial anticipations.

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

Stockholders owning directly or indirectly over 5% of the general number of votes at the General Meeting on selected days:
As at 30.06.2008.

Subject	Number of owned stocks	Share in share capital	Number of votes	Share in the general number of votes at the General Meeting
Józef Wojciechowski	19.340.758	35,36 %	19.340.758	35,36%
EHT	25.448.300	46,52 %	25.448.300	46,52 %

As at 30.09.2008.

Subject	Number of owned stocks	Share in share capital	Number of votes	Share in the general number of votes at the General Meeting
Józef Wojciechowski	19.355.423	35,39 %	19.355.423	35,39 %
EHT	25.448.300	46,52 %	25.448.300	46,52 %

Stocks ownership change within the period of: 30.06.2008 – 30.09.2008

Stockholder	Increase of the number of owned stocks	Increase of share in the share capital	Increase of the number of votes	Increase of share in in the general number of votes at the General Meeting
Józef Wojciechowski	14.665	0,03 %	14.665	0,03 %

As at 7.08.2008– publication date of the statement for the second quarter of 2008

Stockholder	Number of owned stocks	Share in share capital	Number of votes	Share in the general number of votes at the General Meeting
Józef Wojciechowski	19.354.073	35,38 %	19.354.073	35,38 %
EHT S.A.	25.448.300	46,52 %	25.448.300	46,52 %

As at 6.11.2008 r. – publication date of the statement for the third quarter of 2008

Stockholder	Number of owned stocks	Share in share capital	Number of votes	Share in the general number of votes at the General Meeting
Józef Wojciechowski	19.375.423	35,42 %	19.375.423	35,42 %
EHT S.A.	25.448.300	46,52 %	25.448.300	46,52 %

Stocks ownership change from 07.08.2008 to 06.10.2008 (between the dates of statements' for the second and third quarters publication)

Stockholder	Increase in the number of owned stocks	Increase of share in the share capital	Increase in the number of votes	Increase of share in in the general number of votes at the General Meeting
Józef Wojciechowski	21.350	0,04%	21.350	0,04 %

Information concerning the % share were rounded up/down to two figures after the comma

Mr Józef Wojciechowski – indirectly, through Famhold S.A. with the seat in Luxemburg controls the company Spółkę EHT S.A. with the seat in Luxemburg

Information concerning stocks purchased by the Company within the framework of the stocks buy back programme with the purpose to write them off.

As at 7.08.2008 r. – publication date of the statement for the second quarter of 2008

Number of owned stocks	Share in share capital	Number of votes	Share in the general number of votes at the General Meeting
17.848	0,03 %	17.848	0,03 %

As at 6.11.2008 r. – publication date of the statement for the second quarter of 2008

Number of owned stocks	Share in share capital	Number of votes	Share in the general number of votes at the General Meeting
97.951	0,18 %	97.951	0,18 %

Stocks ownership change within the period of: 07.08.2008 – 06.10.2008 (between the dates of statements' for the second and third quarters publication)

Increase in the number of owned stocks	Increase of share in share capital	Increase in the number of votes	Increase of share in the general number of votes at the General Meeting
80.103	0,15%	80.103	0,15 %

14. The statement of the Issuer's stocks ownership or the entitlement to stocks (options) given to the persons, who in the day of submission of the quarterly statement manage and supervise the Issuer, along with an indication of changes in ownership since the date of submission of the last quarterly statement, separately for each person.

Statement of issuer's stocks ownership made by persons sitting on in company's bodies

As at 6.11.2008 r. – publication date of the report for the third quarter of 2008

person	Position	Number of owned stocks	Increase In the number of owned stocks Since the date of publication of last quarterly report
Józef Wojciechowski	Chairman of the Supervisory Board	19.375.423	21.350

15. Litigation above 10% of equity capitals.

Neither the Issuer nor any other subsidiary subject is a party in court proceedings or in other bodies proper for arbitration or in an agency of public administration, whose value exceeds 10% of Issuer's own capital.

16. Information about concluding, by the Issuer or by its subsidiary entity, one or many transactions with the related subjects if the value of these transactions (aggregate value of all transactions concluded from the beginning of the fiscal year) exceeds the expressed in PLN equivalent of 500.000 Euro.

The Issuer or its subsidiary entities were a party in the transactions described below, whose value exceeds the expressed in PLN equivalent amount of 500.000 euro, and these transactions are not typical or routine ones, drawn up following the market conditions among the related entities, whose character and conditions result from the current operating activity.

Loans granted

Since the beginning of the year, the Company granted loans for the benefit of the subsidiary company acting under the firm J.W. Construction Bulgaria EOOD with the seat in Sophia, which were appropriated for the purchase of estate localized in Warna, the region of Gold Sands, and for the expenses connected with this enterprise, all in an aggregate value of 8.038.867,42 Euro. The loans bear interest on market conditions counted on the basis of the LIBOR 3M rate increased by margin. Loans were granted until June 30, 2010 with the possibility of redemption on one-off basis at the end of the period for which the contracts were signed or earlier, in installments.

Since the beginning of the year, the Company granted loans for the benefit of the subsidiary company acting under the firm YAKOR HOUSE (previously Ośrodek Wypoczynkowy „Ogoniok”) with the seat in Sochi, in an aggregate value of 2.200.000 USD for the expenses connected with the execution of the investment. The loans

were granted within the framework of an liability defined in point 3.4 of the Contract from December 7, 2007 for the purchase of stocks and §2 point 2 of the agreement about co-operation signed on the same day. The loans bear interest on market conditions counted on the basis of the LIBOR 3M rate increased by margin. Loans were granted until December 31, 2008 with the possibility of redemption on one-off basis at the end of the period for which the contracts were signed or earlier, in installments.

Since the beginning of the year, the Company handed over to the subsidiary company acting under the firm J.W. Construction International with the seat in Himki (Russian Federation) an amount of 1.500.000 USD in the form of a borrowing appropriated for covering the expenses connected with supplying flats for people leaving the eAs at which the company will construct a block of flats marked with a working symbol A-3 in Kolomna quarter 21. The borrowing bears interest on market conditions counted on the basis of the LIBOR 1M rate increased by margin. Loans were granted until December 31, 2008 with the possibility of redemption on one-off basis at the end of the period for which the contracts were signed or earlier, in installments.

Loans received

Since the beginning of the year the Company has raised loans for an aggregate amount of 17.200.000 zł from the subsidiary company TBS Marki Sp. z o.o. with the seat in Warsaw. The contract for the highest amount, i.e. 7.000.000 zł, was signed on June 12, 2008 with the pay off deadline on May 31, 2009. The borrowing bears interest on market conditions counted on the basis of the 3M WIBOR rate increased by margin. Borrowing was granted for running activity with the possibility of redemption on one-off basis at the end of the period for which the contracts were signed or earlier, in installments.

Bills

On April 24, 2008 the subsidiary company Interlokum Sp. z o.o. with the seat in Warsaw drew a bill for the amount of 20.000.000 zł with the retire period of 6 months, which was purchased by J.W. Consulting Spółka z o.o. J.W.4 Spółka komandytowo-akcyjna (partnership-stock co.) with the seat in Warsaw, where 100% of stocks is owned by Fundusz Inwestycyjny Zamknięty SEZAM II. The subject bill was paid off in the amount of 18.227.400 zł on September 30, 2008.

On April 24, 2008 the Company drew a bill in the amount of 12.000.000 zł with the retire period of 12 months which was purchased by J.W. Consulting Spółka z o.o. J.W.4 Spółka komandytowo-akcyjna (partnership-stock co.) with the seat in Warsaw, where 100% of stocks is owned by Fundusz Inwestycyjny Zamknięty SEZAM II.

Transfer of in-kind contribution contracts

On April 30, 2008, the Company concluded with the subsidiary entity JW Projekt Spółka z o.o. with the seat in Warsaw, an agreement in the form of notarial deed which concerned the transfer of the organized part of enterprise acting as a branch company under the name J.W. Construction Holding S.A. Oddział „Pracownia Architektoniczna” with the seat in Ząbki, in the realization of a liability resulting from the resolution regarding an increase of the share capital of JW Projekt Sp. z o.o. and from the declaration regarding the share subscription agreement.

On April 30, 2008, the Company signed with the subsidiary entity JWCH Produkcja Budowlana Spółka z o.o. with the seat in Ząbki, an agreement in the form of notarial deed which concerned the transfer of the organized part of enterprise acting as a branch company under the name Spółka z o.o. „Zakład Prefabrykacji Budowlanej” with the seat in Ząbki, in the realization of a liability resulting from the resolution regarding an increase of the share capital of JWCH Produkcja Budowlana Sp. z o.o. and from the declaration regarding the share subscription agreement.

On April 30, 2008, the Company signed with the subsidiary entity J.W. Construction S.A. with the seat in Ząbki, an agreement in the form of notarial deed which concerned the transfer of the organized part of enterprise acting as a branch company under the name J.W. Construction Holding S.A. Oddział „Budownictwo” with the seat in Ząbki, in the realization of a liability resulting from the resolution regarding an increase of the share capital of J.W. Construction S.A. and from the declaration regarding the share subscription agreement.

Company name	Revenues from linked entities		Liabilities against linked entities	
	30-09-2008	31-12-2007	30-09-2008	31-12-2007
EHT	909 070,17	870 449,04	0,00	38 621,13
REM S.A.	303 967,62	540 173,17	0,00	199 297,78
Załubice Development Sp. z o.o.	613 872,78	1 055 590,50	0,00	775 476,14
Zakład Produkcji Marmurów Promar Sp.z o.o.	1 713 790,60	1 427 365,48	0,00	570 205,29
Zakład Produkcji Szalunków J.W. System Sp. z o.o.	435 033,56	16 398,02	0,00	931 604,73
Zakład Produkcji Metalowej Metalcon Sp. z o.o.	4 859 176,38	3 269 338,25	846 276,43	2 060 185,75
J.W.Agro Sp. z o.o.	3 376 116,92	3 254 729,03	0,00	0,00

Hotel 500 Sp. z o.o.	2 989,00	1 232,20	0,00	0,00
Interlokum Sp. z o.o.	0,00	14 772 971,87	0,00	0,00
KSP Polonia Warszawa SSA	9 096 229,03	8 782 261,56	602 350,48	0,00
Project 55 Sp. z o.o.	2 543 603,43	67 758 821,42	0,00	0,00
Lokum Sp. z o.o.	7 382 053,28	14 701 018,37	201 058,15	7 379,77
Deweloper Sp. z o.o.	169 568,53	1 171,08	0,00	266 318,62
Construction Invest Sp. z o.o.	3 358 779,44	2 993 520,69	1 755,00	0,00
TBS Nowy Dom Sp. z o.o.	0,00	7 370,94	0,00	1 000,00
JW. Construction International Sp. z o.o.	6 659 527,11	3 094 325,38	0,00	0,00
TBS Marki Sp. z o.o.	28 343,66	0,00	19 849 842,23	1 999 448,88
Przedsiębiorstwo Turystyczne "Czarny Potok" S.A.	0,00	150 223,94	0,00	0,00
Business Financial Construction Sp. z o.o.	0,00	0,00	2 304 388,81	2 602 531,13
JW. Projekt Sp. z o.o.	289 166,31	0,00	1 650,27	216 131,14
Królewski Port Żerań Sp z o.o.	5 396 764,70	5 396 764,70	0,00	0,00
J.W.Construction 1 LTD	0,00	104 827,49	0,00	0,00
J.W.Consulting J.W. 1	4 229,25	813,25	0,00	0,00
J.W.Consulting J.W. 2	3 904,00	0,00	0,00	0,00
J.W.Consulting J.W. 3	3 904,00	0,00	0,00	0,00
J.W.Consulting J.W. 4	3 904,00	0,00	0,00	0,00
J.W.Consulting J.W. 5	3 904,00	732,00	0,00	0,00
J.W.Consulting J.W. 6	3 904,00	0,00	0,00	0,00
J.W.Consulting Sp. z o.o.	3 904,00	0,00	0,00	
Stadnina Mazowiecka Sp. z o.o.	4 884 807,13	4 605 367,75	0,00	0,00
J.W.1 Sp z o.o.	586,82	0,00	0,00	0,00
J.W.2 Sp z o.o.	586,82	0,00	0,00	0,00
J.W.3 Sp z o.o.	586,82	0,00	0,00	0,00
Porta Transport Sp. z o.o.	39 492,08	0,00	0,00	0,00
Ośrodek Wypoczynkowy OGONIOK	5 259 382,45	0,00	0,00	0,00
JWCH Budownictwo Drogowe Sp. z o.o.	1 008 868,89	0,00	0,00	0,00
JWCH Produkcja Budowlana Sp. z o.o.	3 211 344,89	0,00	0,00	0,00
J.W.Construction Bułgaria EOOD	28 843 820,45	0,00	0,00	0,00
JW. Construction SA	1 081 865,54	0,00	32 417 907,12	0,00

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

Not applicable.

18. Other information which is, in the issuer's opinion, crucial for the evaluation of its personnel, assets-related and financial situations, financial result and changes relating to them along with the information that is essential for the evaluation of the possibilities of realization of Issuer's liabilities.

Did not occur apart from the above mentioned.

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

Major factors:

- execution of successive stages of works on particular investments in compliance with the earlier accepted schedule of construction-erection works (initiation of new investments included),
- completion of the flats sale.

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

Branch segments

As assumed, the primary division of activity into segments is the division based on branch segments. Primarily, the group runs business in the following three segments:

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

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

Financial data concerning the particular segments of activity include individual financial statements of Group's companies without the exclusions of balance sheet statements and transactions made, while the exclusion of revenue, expenses and mutual statements were presented in the 'Elimination' column. Developer activity in which consolidation of individual statements of companies running this kind of business was made, is an exception. In 2007, this segment included: JW Construction Holding SA, Project 55 Sp. z o.o., Lokum Sp. z o.o. and Interlokum Sp. z o.o. Additionally, in 2007, the transport business' segment concerning the subsidiary company Porta Transport Sp. z o.o. involved in consolidation in a given fiscal year, was singled out. In 2007, the core activity of this company were, among others, transport services.

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

- developer activity,
- execution of construction, design and supporting business along with the estates sale,
- communal building – sale and administration of communal building estates,
- remaining construction activity – executing the construction-erection production,
- hotel business – gastronomy-hotel services connected with tourist and recreation services organization.

for the period from 1-01-2008 to 30-09-2008	development	hotel business	communal construction	construction	transport	other adjustments
Net revenue from products, goods and materials sales, including:	498 566 175,24	15 783 621,47	8 483 492,40	14 616 748,58	10 948 512,97	-2 872 310,86
Net revenue from products sales	477 557 826,25	15 701 197,59	8 483 492,40	14 250 903,41	10 938 987,52	-2 872 310,86
Net revenue from goods and materials sales	21 008 348,99	82 423,88	0,00	365 845,17	9 525,45	0,00
Costs of selling products, goods and materials, including:	373 459 487,25	12 076 714,95	4 904 037,87	12 556 188,95	9 594 492,09	-2 487 508,26
Manufacturing costs of sold products	350 630 041,69	12 015 705,53	4 904 037,87	12 188 932,12	9 586 209,09	-2 487 508,26
Value of goods and materials sold	22 829 445,56	61 009,42	0,00	367 256,83	8 283,00	0,00
Gross profit (loss) on sales	125 106 687,99	3 706 906,52	3 579 454,53	2 060 559,63	1 354 020,88	-384 802,60
Sales expenses	20 874 316,17	659 880,80	0,00	0,00	0,00	0,00
General administration expenses	18 413 185,17	457 210,69	642 676,25	811 524,28	1 659 172,52	-197 171,26
Investment property revaluation	0,00	0,00	0,00	0,00	0,00	0,00
Profit (loss) on sales	85 819 186,65	2 589 815,03	2 936 778,28	1 249 035,35	-305 151,64	-187 631,34
Other operating revenue	4 050 332,79	370 524,08	897 551,45	23 141,91	774 616,30	0,00
Other operating expenses	5 562 542,00	17 376,54	921 853,37	34 631,42	99 005,62	0,00
Profit (loss) on operating activity	84 306 977,43	2 942 962,57	2 912 476,36	1 237 545,84	370 459,04	-187 631,34
Financial revenue	7 577 266,30	1 074 848,14	1 107 389,67	4 047,75	179 113,60	-9 600,00
Financial expenses	16 546 743,02	2 491 135,40	3 274 766,08	422,65	115 957,17	-9 600,00
Profit (loss) on activity	75 337 500,71	1 526 675,31	745 099,95	1 241 170,94	433 615,47	-187 631,34
Gross profit (loss)	75 337 500,71	1 526 675,31	745 099,95	1 241 170,94	433 615,47	-187 631,34
Income tax	3 260 591,52	33 915,00	37 134,00	55 467,00	0,00	0,00
Deferred tax	11 275 809,98	269 683,01	0,00	222 776,00	0,00	-35 649,95
Net profit (loss)	60 801 099,21	1 223 077,30	707 965,95	962 927,94	433 615,47	-151 981,39

for the period from 1-01-2007 to 30-09-2007	development	hotel business	communal construction	construction	other adjustments
Net revenue from products, goods and materials sales, including:	331 655 768,07	8 513 878,10	7 543 201,29	9 863 909,71	0,00
Net revenue from products sales	324 696 315,80	8 495 018,17	7 543 201,29	9 800 924,92	0,00
Net revenue from goods and materials sales	6 959 452,27	18 859,93	0,00	62 984,79	0,00
Costs of selling products, goods and materials, including:	236 769 346,51	7 148 321,83	4 460 236,81	7 577 542,28	-127 968,91
Manufacturing costs of sold products	229 023 561,80	7 136 508,61	4 460 236,81	7 537 971,68	-127 968,91
Value of goods and materials sold	7 745 784,71	11 813,22	0,00	39 570,60	0,00
Gross profit (loss) on sales	94 886 421,56	1 365 556,27	3 082 964,48	2 286 367,43	127 968,91
Sales costs	17 229 740,07	640 829,38	0,00	0,00	0,00
General management costs	15 331 917,27	334 993,56	526 313,52	1 095 203,77	0,00
Profit (loss) on sales	62 324 764,22	389 733,33	2 556 650,96	1 191 163,66	127 968,91
Other operating revenue	3 897 319,13	341 075,75	982 711,68	89 859,25	0,00
Other operating expenses	3 726 704,52	2 060,33	1 299 440,27	76 718,08	0,00
Profit (loss) on operating activity	62 495 378,83	728 748,75	2 239 922,37	1 204 304,83	127 968,91
Financial revenue	5 284 609,83	528 096,95	703 391,91	3 445,93	0,00
Financial expenses	13 038 509,56	1 574 208,50	3 083 517,69	24 759,04	0,00
Profit (loss) on activity	54 741 479,10	-317 362,80	-140 203,41	1 182 991,72	127 968,91
Gross profit (loss)	54 741 479,10	-317 362,80	-140 203,41	1 182 991,72	127 968,91
Income tax	5 420 470,76	0,00	0,00	258 929,00	0,00
Deferred tax	6 770 368,65	-157 774,03	17 998,00	0,00	24 314,09
Net profit (loss)	42 550 639,69	-159 588,77	-158 201,41	924 062,72	103 654,81

E. ISSUER'S FINANCIAL STATEMENT

1. BALANCE SHEET STATEMENT

ASSETS	Nota	30-09-2008	31-12-2007
FIXED ASSETS		271 033 695,61	285 037 691,03
Intangible values	1	8 229 649,72	9 306 220,46
Subsidiary entities goodwill value	1	3 047 895,06	3 047 895,06
Tangible fixed assets	2	127 423 807,79	154 109 973,09
Investment properties	3	8 324 015,35	8 264 725,36
Financial assets available for sale		0,00	0,00
Other financial assets	4	105 886 937,88	78 161 820,88
Assets from the deferred income tax		5 222 032,31	5 265 762,39
Commercial revenues and other revenues		12 899 357,50	26 881 293,79
Interim statements		0,00	0,00
Current assets		1 034 219 016,22	909 120 983,02
Provisions	5	11 136 463,54	23 528 107,87
Construction contracts	6	865 013 657,96	611 531 835,73
Commercial receivables and other receivables	7	72 862 040,08	126 616 840,75
Financial assets available for sale			
Other financial assets	8	58 863 551,31	84 598 389,16
Cash means and its equivalents	9	19 373 150,52	51 866 374,15
Interim statements		6 970 152,81	10 979 435,36
Total assets		1 305 252 711,83	1 194 158 674,05
LIABILITIES			
EQUITY CAPITAL		558 361 334,16	494 789 292,70
Share capital		10 939 656,00	10 939 656,00
Capital from revaluation		4 414 231,19	0,00
Equity stakes (shares)		0,00	0,00
Other capital		483 849 636,70	364 845 121,10
Surplus financial result		0,00	-404 512,14
Net profit/loss		59 157 810,27	119 409 027,74
Minority capital		0,00	0,00
LIABILITIES		746 891 377,67	699 369 381,35
Long-term liabilities		281 951 891,57	214 305 496,09
Credits and loans	10	154 088 016,91	86 474 600,61
Derivative financial instruments		0,00	0,00
Deferred income tax liabilities		59 866 796,43	47 738 302,51
Retirement plans liabilities		373 000,00	373 000,00
Provisions for the remaining liabilities and charges		2 685 180,69	2 685 180,69
Other liabilities	11	64 938 897,54	77 034 412,28
Short-term liabilities		464 939 486,10	485 063 885,26
Commercial liabilities and other liabilities	12	71 746 332,57	99 052 002,15
Construction contracts	6	69 163 873,92	118 536 013,05
Credits and loans	10	153 285 187,81	96 792 357,21
Derivative financial instruments		0,00	0,00
Provisions for the remaining liabilities and charges		16 357 777,99	17 929 561,14
Other liabilities	13	154 386 313,81	152 753 951,71
Total liabilities		1 305 252 711,83	1 194 158 674,05

2. PROFIT AND LOSS ACCOUNT

	Note	from 01-01-2008 to 30-09-2008	from 01-01-2007 to 30-09-2007	from 01-07-2008 to 30-09-2008	from 01-07-2007 to 30-09-2007
Net revenue from products, goods and materials sold, including:	14	498 252 482,67	288 536 533,89	150 375 654,16	113 227 359,64
Net revenue from products sales		482 182 959,29	281 577 081,62	144 804 059,59	110 118 324,57
Net revenue from goods and materials sales		16 069 523,38	6 959 452,27	5 571 594,57	3 109 035,07
Cost of products, goods and materials sold, including:	15	380 283 357,95	218 575 326,21	116 237 989,85	83 577 086,53
Manufacturing costs of sold products		364 053 807,01	210 829 541,50	110 681 468,45	79 623 483,34
Sold goods and materials value		16 229 550,94	7 745 784,71	5 556 521,40	3 953 603,19
Gross sales profit (loss)		117 969 124,72	69 961 207,68	34 137 664,31	29 650 273,11
Sales expenses		20 085 782,38	16 910 934,52	6 610 736,06	6 277 313,62
General administration expenses		14 120 719,65	15 120 170,49	3 994 084,87	4 952 922,07
Investment property revaluation		0,00	0,00	0,00	0,00
Sales profit (loss)		83 762 622,69	37 930 102,67	23 532 843,38	18 420 037,42
Other operating revenue		3 651 841,68	3 731 645,39	574 553,23	867 735,98
Other operating expenses		4 674 399,98	3 470 912,08	473 115,58	2 271 196,09
Profit (loss) on operating activity		82 740 064,39	38 190 835,98	23 634 281,03	17 016 577,31
Financial revenue		8 222 397,68	5 752 149,57	3 813 257,54	3 451 381,33
Financial expenses		17 913 562,77	14 389 492,12	6 374 669,13	5 328 650,08
Profit (loss) on economic activity		73 048 899,30	29 553 493,43	21 072 869,44	15 139 308,56
Gross profit (loss)		73 048 899,30	29 553 493,43	21 072 869,44	15 139 308,56
Income tax		13 891 089	5 615 164	3 921 759	2 897 161
Net profit (loss)		59 157 810,27	23 938 329,68	17 151 110,04	12 242 147,82

CALCULATION OF THE BASIC AND DILUTED PROFIT PER STOCK	for 01-01-2008 - 30-09-2008
Profit	
(A) Group's profit as recognized in consolidated financial statements	59 157 810,27
Number of stocks	
(B) Number of ordinary and preferred stocks as to voting at the Company General Meeting for the purpose of counting profit rate per stock*	54 698 280,00
(C) Number of ordinary and preferred stocks as to voting at the Company General Meeting for the purpose of counting diluted profit rate per stock*	54 698 280,00
Basic profit per stock = (A)/(B)	1,08
Diluted profit per stock = (A)/(B)	1,08

3. CHANGES IN EQUITY CAPITAL

	Capital stock	Capital from revaluation	Reserve capital	Other capital	Capital from valuation of supporting transactions and currency translation differences from consolidation	Surplus result from prior years	Net result	Equity capital
As at December 31, 2007	10 939 656,00	0,00	359 500 344,45	5 344 776,65	0,00	-404 512,13	119 409 027,74	494 789 292,71
Basic errors adjustment	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
Transformation to IFRS adjustments	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
As at January 1, 2008	10 939 656,00	0,00	359 500 344,45	5 344 776,65	0,00	-404 512,13	119 409 027,74	494 789 292,71
Stock issuance	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
Dividend payment	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
Profit/(loss) from of fixed assets and investment properties revaluation	0,00	4 414 231,19	0,00	0,00	0,00	0,00	0,00	4 414 231,19
Profit/(loss) from revaluation of assets available for sale	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
Profit/(loss) from cash flow security	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
Currency translation differences from counting financial statements of foreign entities	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
Income tax recognized directly in equity capital	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
Profit/(loss) from take-over of companies (single jchw)	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
Profit/(loss) from inclusion/exclusion of companies in consolidation	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
Changes in the principles of accounting/presentation	0,00	0,00	-0,01	0,00	0,00	0,00	0,00	-0,01
Consolidation adjustments	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
Transformation to IFRS	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
Profit/loss recognized directly in equity capital	0,00	4 414 231,19	-0,01	0,00	0,00	0,00	0,00	4 414 231,18
Net profit (loss) over fiscal year	0,00	0,00	0,00	0,00	0,00	0,00	59 157 810,27	59 157 810,27
Total profit/loss show in equity capital and in net result	0,00	4 414 231,19	-0,01	0,00	0,00	0,00	59 157 810,27	63 572 041,45
Increase/decrease from the distribution of profits	0,00	0,00	119 004 515,61	0,00	0,00	404 512,13	-119 409 027,74	0,00
As at September, 30 2008	10 939 656,00	4 414 231,19	478 504 860,05	5 344 776,65	0,00	0,00	59 157 810,27	558 361 334,16

	Capital stock	Capital from revaluation	Reserve capital	Other capital	Capital from valuation of supporting transactions and currency translation differences from consolidation	Surplus result from prior years	Net result	Equity capital
As at December 31, 2006	10 250 000,00	0,00	57 198 118,91	2 472 055,73	0,00	1 903 386,64	96 696 095,16	168 519 656,44
Basic errors adjustment	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
Transformation to IFRS adjustments	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
As at January 1, 2007	10 250 000,00	0,00	57 198 118,91	2 472 055,73	0,00	1 903 386,64	96 696 095,16	168 519 656,44
Stock issuance	689 656,00	0,00	234 099 587,10	0,00	0,00	0,00	0,00	234 789 243,10
Dividend payment	0,00	0,00	0,00	0,00	0,00	-29 212 500,00	0,00	-29 212 500,00
Profit/(loss) from fixed assets and investment properties revaluation	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
Profit/(loss) from revaluation of assets available for sale	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
Profit/(loss) from cash flow security	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
Currency translation differences from counting financial statements of foreign entities	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
Income tax recognized directly in equity capital	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
Profit/(loss) from take-over of companies (single jchw)	0,00	0,00	1 104 461,77	2 872 720,92	0,00	-2 307 898,77	0,00	1 669 283,92
Profit/(loss) from inclusion/exclusion of companies in consolidation	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
Changes in the principles of accounting/presentation	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
Consolidation adjustments	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
Transformation to IFRS	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
Profit/loss recognized directly in equity capital	689 656,00	0,00	235 204 048,87	2 872 720,92	0,00	-31 520 398,77	0,00	207 246 027,02
Net profit (loss) over fiscal year	0,00	0,00	0,00	0,00	0,00	0,00	23 938 329,84	23 938 329,84
Total profit/loss recognized in equity capital and in net result	689 656,00	0,00	235 204 048,87	2 872 720,92	0,00	-31 520 398,77	23 938 329,84	231 184 356,86
Increase/decrease from the distribution of profits	0,00	0,00	67 483 595,16	0,00	0,00	29 212 500,00	-96 696 095,16	0,00
As at September, 30 2007	10 939 656,00	0,00	359 885 762,94	5 344 776,65	0,00	-404 512,13	23 938 329,84	399 704 013,30

4. CASH FLOW

	from 01-01-2008 to 30-09-2008	from 01-01-2007 to 30-09-2007
Cash flow in operating activity – indirect method		
Net profit (loss)	59 157 810,27	23 938 329,84
Adjustment by item	10 212 015,76	-20 096 404,75
Amortization and depreciation	7 706 952,51	5 426 114,24
Interest and dividend	-11 794 748,65	-29 212 500,00
Change in provisions and interim statements	14 609 723,40	-5 354 029,06
Change in investment property	-59 289,99	0,00
Other adjustments	-250 621,51	9 044 010,07
Acting capital change	-254 020 406,75	-152 911 666,31
Change in provisions	12 391 644,33	-6 233 523,11
Change in construction contracts	-293 887 713,59	-87 277 266,07
Change in liabilities	66 746 736,96	-65 803 276,04
Change in short-term liabilities, except for credits and loans	-39 271 074,45	6 402 398,91
Cash flow in operating activity	-184 650 580,72	-149 069 741,22
Cash flow in investment activity		
Inflows from the sale of intangible and legal values, fixed tangible assets and other fixed assets	821 035,04	4 602 273,65
Purchasing intangible and legal values, fixed tangible assets and other fixed assets	-3 347 424,99	-15 772 265,75
Expenses incurred from handling assets for sale		0,00
Purchasing capital instruments and debts	-176 000 000,00	-330 000 000,00
Inflows from capital instruments and debts	236 000 000,00	220 000 000,00
Granted loans	-37 082 584,28	-5 679 341,18
Repayment of loans	4 784 978,24	1 507 403,07
Other purchases of financial assets	-200 000,00	0,00
Other inflows from financial assets	0,00	0,00
Dividends received	990 000,00	0,00
Interest received	0,00	0,00
Negotiaition of subsidiary entities	0,00	0,00
Subsidiary entities purchase	0,00	0,00
Net cash flow in operating activity	25 966 004,01	-125 341 930,21
Cash flow in investment activity		
Net revenues from stocks issue (shares distributing) and other capital instruments and additional capital payment	0,00	244 827 880,00
Treasury stocks purchase (shares) or repayment of shares	0,00	0,00
Loans and credits received	370 092 427,59	119 365 331,04
Repayment of loans	-235 014 271,51	-147 266 545,09
Debt securities issuance	313 800 000,00	266 000 000,00
Redemption of debt securities	-310 225 593,70	-140 000 000,00
Payment of liabilities incurred from financial leasing contracts	-12 313 952,41	-12 663 013,65
Dividends and other profit sharing	0,00	0,00
Interest paid	-12 896 051,66	-7 018 231,41
Other inflows from financial activities (bills included)	12 748 794,77	0,00
Other outflows from financial activities	0,00	0,00
Net cash flow in financial activity	126 191 353,08	323 245 420,89
NET CASH DECREASE (INCREASE)	-32 493 223,63	48 833 749,46
Cash opening balance and its equivalents	51 866 374,15	29 550 080,27
END CASH BALANCE AND ITS EQUIVALENTS	19 373 150,52	78 383 829,73

F. NOTES IN ISSUER'S FINANCIAL STATEMENT

1. Fixed assets

Note 1. Intangible assets

INTANGIBLE ASSETS	30-09-2008	31-12-207
a) completed development works expenses	0,00	0,00
b) goodwill from consolidation	3 047 895,06	3 047 895,06
c) other intangible assets	8 229 649,72	9 306 220,46
d) advances for intangible assets	0,00	0,00
Intangible values, total	11 277 544,78	12 354 115,52

Note 2. Tangible fixed assets

TANGIBLE FIXED ASSETS	30-09-2008	31-12-207
a) fixed assets, including:	112 679 724,39	132 514 225,16
- land (including the right to perpetual lease of land)	13 296 727,03	14 830 942,83
- buildings, business premises and structures of civil and water engineering	86 318 420,48	91 689 435,14
- technical appliances and machines	4 860 964,10	11 618 011,60
- means of transport	7 956 814,40	10 002 345,31
- other fixed assets	246 798,38	4 373 490,28
b) fixed assets under construction	14 744 083,40	21 595 747,93
c) advances for fixed assets under construction	0,00	0,00
Fixed tangible assets, total	127 423 807,79	154 109 973,09

Note 3. Investment property

OTHER LONG-TERM INVESTMENTS	30-09-2008	31-12-207
a) investment property	8 324 015,35	8 264 725,36
b) others	0,00	0,00
Other long-term investments value	8 324 015,35	8 264 725,36

Note 4. Other financial assets

LONG-TERM FINANCIAL ASSETS	30-09-2008	31-12-207
a) shares or stocks	105 886 937,88	78 161 820,88
b) loans granted	0,00	0,00
c) other long-term investments	0,00	0,00
Long-term financial assets value	105 886 937,88	78 161 820,88

LONG-TERM FINANCIAL ASSETS	30-09-2008	31-12-207
a) in subsidiary entities	105 885 937,88	78 160 820,88
- shares or stocks	105 885 937,88	78 160 820,88
- other securities	0,00	0,00
- loans granted	0,00	0,00
- other long-term financial assets	0,00	0,00
b) in other entities	1 000,00	1 000,00
- shares or stocks	1 000,00	1 000,00
- other securities	0,00	0,00
- loans granted	0,00	0,00
- other long-term financial assets	0,00	0,00
c) other long-term investments	0,00	0,00
Long-term financial assets, total	105 886 937,88	78 161 820,88

2. CURRENT ASSETS

Note 5. Provisions

PROVISIONS	30-09-2008	31-12-207
a) materials	3 134 025,63	11 111 116,27
b) semi-products and products under construction	2 350 467,54	5 774 162,45
c) finished products	1 346 684,13	2 290 568,38
d) goods	4 302 433,98	4 330 616,79
e) advances for deliveries	2 852,26	21 643,98
Provisions value, total	11 136 463,54	23 528 107,87

Note 6. Construction contracts

CONSTRUCTION CONTRACTS	30-09-2008	31-12-207
a) semi-products and products under construction	273 887 859,21	240 241 385,93
b) finished products	17 923 238,79	23 450 878,42
c) advances for deliveries	8 935 917,87	10 675 250,12
d) short-term interim statements	564 266 642,09	337 164 321,26
Aggregate value of construction contracts	865 013 657,96	611 531 835,73

CONSTRUCTION CONTRACTS	30-09-2008	31-12-207
a) interim statements	69 163 873,92	118 536 013,05
Aggregate value of construction contracts	69 163 873,92	118 536 013,05

Note 7. Short-term liabilities

SHORT-TERM LIABILITIES	30-09-2008	31-12-207
a) from deliveries and services – related entities	20 131 682,06	83 444 692,81
b) from deliveries and services – other entities	19 180 512,52	18 159 420,99
c) from taxes, grants, customs duties, social and medical insurance and other benefits	29 678 949,27	22 257 605,18
d) other	3 870 896,23	2 755 121,77
Value of liabilities, total	72 862 040,08	126 616 840,75

Note 8. Short-term investments

SHORT-TERM INVESTMENTS	30-09-2008	31-12-207
a) in subsidiary entities	58 863 551,31	17 898 469,14
- shares or stocks	0,00	0,00
- other securities	0,00	0,00
- loans granted	58 863 551,31	17 898 469,14
- other short-term financial assets	0,00	0,00
b) in other entities	0,00	66 699 920,02
- shares or stocks	0,00	0,00
- other securities	0,00	60 000 000,00
- loans granted	0,00	6 699 920,02
- other short-term financial assets	0,00	0,00
Value of short-term investments, total	58 863 551,31	84 598 389,16

Note 9. Cash means and its equivalents

CASH MEANS AND ITS EQUIVALENTS	30-09-2008	31-12-207
a) cash at bank and in hand	17 880 234,32	23 524 995,74
b) other money means	1 469 000,00	28 291 530,80
c) other money assets	23 916,20	49 847,61
Cash value, total	19 373 150,52	51 866 374,15

3. LIABILITIES

Note 10. Credits and loans

LCREDITS AND LOANS	30-09-2008	31-12-2007
a) credits	306 864 213,55	182 560 080,08
<i>including: long-term</i>	154 088 016,91	86 474 600,61
<i>short-term</i>	152 776 196,64	96 085 479,47
b) loans	508 991,17	706 877,74
<i>including: long-term</i>	0,00	0,00
<i>short-term</i>	508 991,17	706 877,74
Credits and loans value, total	307 373 204,72	183 266 957,82
Credits and loans value – long-term	154 088 016,91	86 474 600,61
Credits and loans value – short term	153 285 187,81	96 792 357,21

CREDITS IN RELATION TO MATURITY	30-09-2008	31-12-2007
Up to 1 year	152 776 196,64	96 085 479,47
Above 1 year up to 2 years	153 497 516,91	85 411 600,61
Above 2 years up to 5 years	590 500,00	1 063 000,00
Above 5 years		0,00
Credits totally, including:	306 864 213,55	182 560 080,08
- long-term	154 088 016,91	86 474 600,61
- short-term	152 776 196,64	96 085 479,47

Note 11. Other long-term liabilities

OTHER LONG-TERM LIABILITIES	30-09-2008	31-12-2007
a) other financial liabilities	62 427 353,59	69 805 346,79
b) other long-term liabilities	2 511 543,95	7 229 065,49
Value of other liabilities, total	64 938 897,54	77 034 412,28

Note 12. Commercial liabilities and other liabilities

COMMERCIAL LIABILITIES AND OTHER LIABILITIES	30-09-2008	31-12-2007
a) from deliveries and services – other entities	17 859 062,96	77 415 253,27
b) from deliveries and services –related entities	25 031 410,78	1 789 665,78
c) from taxes, grants, customs duties, social and medical insurance and other benefits	814 269,11	4 043 987,96
d) payroll liabilities	1 103 512,24	3 430 272,52
e) received advances for deliveries	32 912,74	132 951,06
f) other	26 905 164,74	12 239 871,56
Value of commercial liabilities and other liabilities, total	71 746 332,57	99 052 002,15

Note 13. OTHER LIABILITIES

OTHER LIABILITIES	30-09-2008	31-12-2007
a) liabilities from debt securities issuance	131 400 000,00	140 500 000,00
b) bill-of-exchange liabilities	13 030 800,00	0,00
c) other financial liabilities	9 955 513,81	12 253 951,71
Value of other liabilities, total	154 386 313,81	152 753 951,71

4. OPERATING REVENUE AND EXPENSES

Note 14. Operating activity revenue

OPERATING ACTIVITY REVENUE	from 01-01-2008 to 30-09-2008	from 01-01-2007 to 30-09-2007	from 01-07-2008 to 30-09-2008	from 01-07-2007 to 30-09-2007
Revenue from products sale	459 159 555,36	167 655 252,25	136 019 110,42	8 958 416,52
Revenue from services sale	23 023 403,93	113 921 829,37	8 784 949,17	101 159 908,05
Revenue from goods sale	16 069 523,38	6 959 452,27	5 571 594,57	3 109 035,07
Revenue value, total	498 252 482,67	288 536 533,89	150 375 654,16	113 227 359,64

Note 15. Operating activity expenses

OPERATING ACTIVITY EXPENSES	from 01-01-2008 to 30-09-2008	from 01-01-2007 to 30-09-2007	from 01-07-2008 to 30-09-2008	from 01-07-2007 to 30-09-2007
Revenue from products sale	334 678 626,43	131 777 237,26	103 121 731,47	10 794 460,22
Revenue from services sale	29 375 180,58	79 052 304,24	7 559 736,98	68 829 023,12
Revenue from goods sale	16 229 550,94	7 745 784,71	5 556 521,40	3 953 603,19
Value of prime sale, total	380 283 357,95	218 575 326,21	116 237 989,85	83 577 086,53

Sale expenses and administration expenses	from 01-01-2008 to 30-09-2008	from 01-01-2007 to 30-09-2007	from 01-07-2008 to 30-09-2008	from 01-07-2007 to 30-09-2007
Sale expenses	20 085 782,38	16 910 934,52	6 610 736,06	6 277 313,62
Administration expenses	14 120 719,65	15 120 170,49	3 994 084,87	4 952 922,07
Sale expenses and administration expenses, total	34 206 502,03	32 031 105,01	10 604 820,93	11 230 235,69

Signature of person drawing up the financial statement

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

Robert Wójcik Vice- President of Board	Signature
Grażyna Szafarowska Member of Board	Signature
Barbara Czyż Member of Board	Signature
Bożena Malinowska Member of Board	Signature
Wojciech Rajchert Member of Board	Signature

Ząbki, November 6, 2008.