

FINANCIAL RESULTS PRESENTATION FOR 2016



Table of contents

	page
❑ Year 2016 – new projects and continuation of good sales level	3
❑ Most important events in 2016	4-6
❑ Most important events and marketing and sales policy in 2016	7
❑ Factors influencing Company activity in 2016	8-9
❑ Continuation of strategy aimed at utilizing the Group's potential	10
❑ Sales of apartments for 2016	11
❑ Selected consolidated financial data for 2016	12
❑ Selected consolidated financial data for Q4 of 2016	13
❑ Gross sales margin vs. gross sales profit	14
❑ Gross profit realization for 2016	15
❑ Overheads vs. employment	16
❑ Units on offer to be recognized in next quarters	17
❑ Investments carried out in 2016	18-32
❑ Investments planned for launching	33-36
❑ Attachments	37-45 ₂

Year 2016 – new projects and good sales dynamics

Real estate
developer of
commercial and
living spaces

In 2016, the construction of 18 investments was carried out with almost 5,000 units and the total area close to 221,000 sq. m.:

- ❑ **15 residential projects comprising 4,080 units** with the total area of almost **193,000 sq. m.**,
- ❑ **3 aparthotel and commercial investments comprising 877 units** with the total area exceeding **28,000 sq. m.**

Another 15 investments for launching were being carried out comprising 2,853 units whose area exceeded **155,000 sq. m.** and another **42,000 sq. m.** of aparthotel and commercial space (approx. **1,000 units**) of which:

- ❑ **2,028 units** with the useable area of more than **115,000 sq. m.** and an additional **22,000 sq. m.** of aparthotel and commercial space in Warsaw and the surrounding area,
- ❑ **825 units** with the total area of more than **40,000 sq. m.** and an additional **20,000 sq. m.** of aparthotel and commercial area outside Warsaw (Szczecin, Gdynia, and Katowice).

In 2016 **1,575** units were sold, including **332** aparthotel and business units

Most important events in 2016

- ❑ Very good sales dynamics remaining at a similar level in comparison with the same period last year with **1,575 units** sold in 2016 and 1,569 units in the year before. In only Q4 of 2016, **404 units** were sold as opposed to 380 units in the same period last year.

- ❑ Launching the realization of **7 investments with 2,115 units:**
 - ❑ 5 residential investments with **1,696 units:**
 - ❑ **Bliska Wola - Phase E** (residential part) in Warsaw with **781 units**,
 - ❑ **Zielona Dolina II Phase II** in Warsaw with **570 units**,
 - ❑ **Bernadowo Park Phase II** in Gdynia with **236 units**,
 - ❑ **Kamerata** in Gdynia with **55 units**,
 - ❑ **Zielona Dolina III** with **54 units**,
 - ❑ 2 apart-hotel and commercial investments with **419 units:**
 - ❑ **Bliska Wola - Phase E - Wola Invest** in Warsaw with **303 units**,
 - ❑ **Jerozolimskie Invest** – in Warsaw with **116 units**



Most important events in 2016

- ❑ Obtaining a building permit for **Hanza Tower**, a high-rise apartment building in Szczecin, with **479 apartments and almost 11,000 sq. m. for business premises** and a positive decision on the part of a bank on co-financing this investment whose construction is planned to start on March 15, 2017.

- ❑ Receiving certificates of occupancy for **5 investments with 1,397 units**:
 - ❑ 5 residential investments:
 - ❑ **Bliska Wola – Phase B1** in Warsaw for **672 units**,
 - ❑ **Bliska Wola – Phase B2** in Warsaw for **291 units**,
 - ❑ **Bernadowo Park Phase I** in Gdynia for **196 units**,
 - ❑ **Nowe Tysiąclecie Phase A1** in Katowice for **142 units**,
 - ❑ **Osiedle Centrum III** in Lodz for **96 units**.



Most important events in 2016

- ❑ Continuation of the realization of the remaining **6 investments** with **1,445 units**:
 - ❑ **Bliska Wola phase C (residential part)** with **481 units** located at Kasprzaka street in Warsaw,
 - ❑ **Bliska Wola phase C – Wola Invest (aparthotel part)** with **458 units** located at Kasprzaka street in Warsaw,
 - ❑ **Zielona Dolina II phase I** with **321 units** located at Ostródzka street in Warsaw,
 - ❑ **Nowe Tysiąclecie phase B1** with **122 units** located at Tysiąclecia street in Katowice,
 - ❑ **Villa Campina** with **42 townhouse-like single-family homes** in Ożarów Mazowiecki near Warsaw,
 - ❑ **Willa One** with **21 units** located in Warsaw at Marcina z Wrocimowic street in Warsaw.
- ❑ Company has significantly improved the structure of its balance by paying a significant part of interest debt due to the payment of bonds* with cash surpluses thus decreasing the debt for **more than PLN 100 million**

*In December of 2015 and January of 2016 Company paid in total PLN 180 million worth of bonds (PLN 120 million came from the issuance of new bonds and 60 million was financed with own funds). In December 2016, Company paid another PLN 48 million worth of the nominal value of bonds in full with own funds.



Most important events and marketing and sales policy in 2016

- ❑ Advertising actions, such as GoogleSEO, banner campaigns, Facebook ads, remarketing, gmail, press, radio, outdoor) in relation to starting the sales of new stages of such investments as **the Bliska Wola community, Nowe Tysiąclecie** or **the Kamerata community in Gdynia**
- ❑ Concentration of promotional actions on customer needs, such as the **MdM** program and **No VAT** promotions
- ❑ Intensification of marketing activities related to the promotion of the **Wola Invest aparthotel** via the organization of **Investor Days** held on a regular basis and showcasing elements of furnishing and household equipment in the company headquarters,
- ❑ **Effective cross marketing** – co-operation with the chain of Hotels 500 and the Czarny Potok Resort & Spa hotel
- ❑ Promoting investments during trade events, such as **district real estate shows** as well as organizing **Open Days** in sales offices
- ❑ **Individual approach toward customers** – elasticity in negotiating the conditions of purchasing real estate



Factors influencing company activity in 2016

P
O
S
S
I
B
L
E

Related to utilizing company potential :

- ❑ As of December 31, 2016, the total number of units on offer to be recognized in next quarters is **3.705 units**,
- ❑ As of December 31, 2016, the company has **1,777 units on offer**,
- ❑ In 2016, the Company carried out the realization of **18 investments with 4.957 units** (including single-family homes and aparthotel units),
- ❑ The Group is preparing 15 new investments with the total number of **2,853 units and 42.135 sq. m. of aparthotel and commercial area**,
- ❑ **High cash surplus** in the accounts (more than PLN **88 m**) in spite of paying debt; good cash flow,

Related to beneficial external conditions :

- ❑ Good prosperity on the real estate market; according to the National Bank of Poland, 19,8 thousand new apartments were sold in Warsaw, which is approx. 23,6% more than in 2015*
- ❑ Low interest on cash deposits also favors buying aparthotel units,
- ❑ The perspective of the increase of the own contribution to 20% of the apartment value also contributed to the increase of sold apartments in the last year,,
- ❑ Good situation on the labor market: decreasing unemployment rate (approx. by 1,4% than in the year before and growing average wages (approx. a 4% growth)**.

* National Bank of Poland "Information on the situation of the real estate market in Warsaw in Q4 of 2016".

** Data by the Polish Central Statistical Office

Factors influencing company activity in 2016

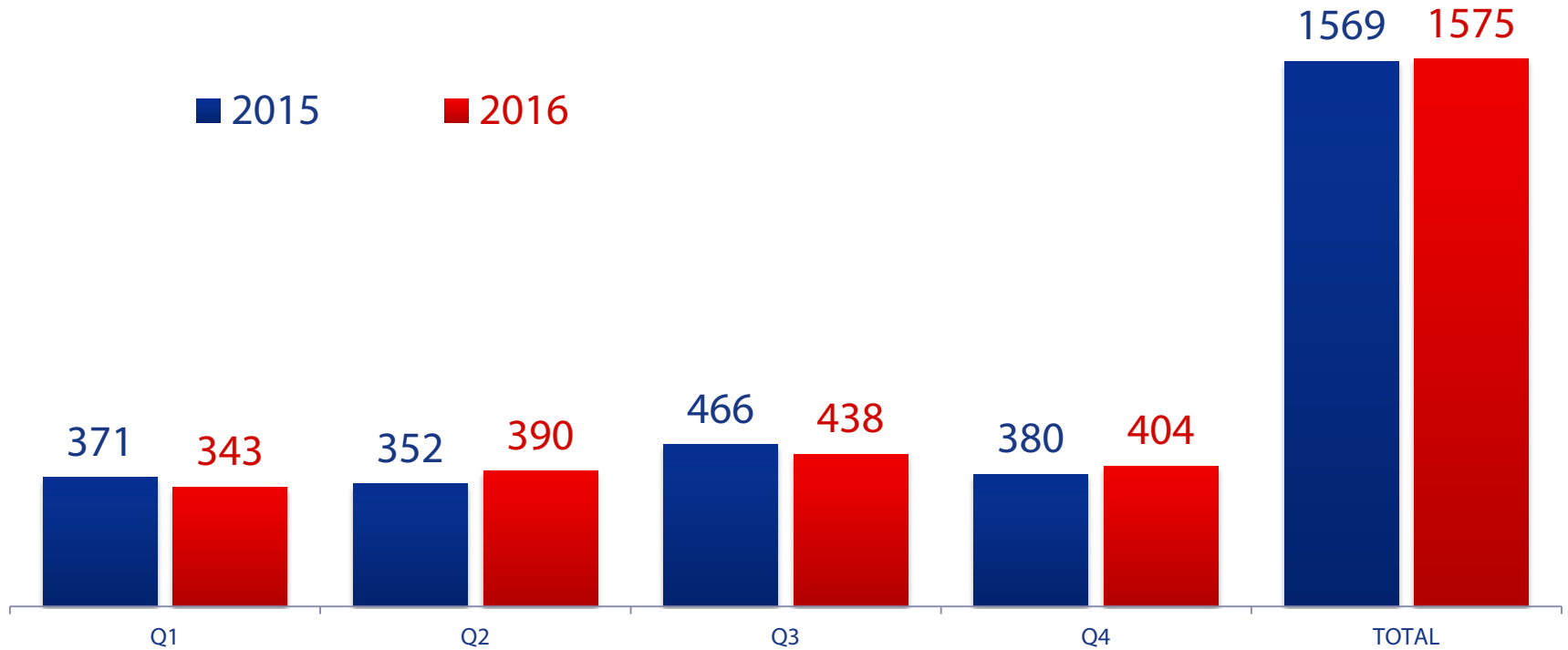
N
E
G
A
T
I
V
E

- ❑ Exhaustion of funds in the first envelope of the MdM government buydown program at the beginning of July 2016 earmarked for investments being finished in 2017.
- ❑ Unstable macroeconomic situation causing caution of the part of the banks granting loans,,
- ❑ Higher costs of financing credits, including mortgage credits,
- ❑ Long process of obtaining necessary administrative decisions for current and prospect projects,
- ❑ Tighter mortgage credit conditions by the Polish Financial Supervision Authority (including higher own contribution on the part of customers) resulting from the new provisions in the Rekomendacja S
- ❑ Unclear situation in reference to legal changes related to the real estate.

Continuation of the strategy aimed at realizing the Group's potential

- ❑ Construction on an extensive land inventory (including **4,080 units** realized in 2016 and **2,853 being planned** for launching) as well as **877** aparthotel and commercial units being realized, and **42.135 sq. m.** of aparthotel and commercial space planned for launching based on the company's own land inventory,
- ❑ Intensification of works related to the preparation of project documentation and obtaining building permits of the nearest 2 years; in October of 2016 a building permit was obtained for the construction of **Phase E of the Bliska Wola investment** in Warsaw; in December of 2016, a building permit for the construction of the **Hanza Tower high-rise apartment building** was obtained. There are next projects in preparation, including **phase D of the Bliska Wola investment** with almost 1,500 residential and commercial units,
- ❑ Conducting expansion to other areas of Poland directed at launching new projects of Gdansk, Gdynia, Sopot, Szczecin, and Katowice,
- ❑ Active actions towards non-working assets,
- ❑ Precise selection of new investment locations,
- ❑ Extending current offer with aparthotel and commercial units in several new locations (next stages of the Wola Invest investment at Kasprzaka street and Pileckiego street in Warsaw, aparthotel in Gdynia at Spokojna street, and Hanza Tower in Szczecin).

Apartment sales for 2016



- In 2016, the Company sold **1,575 units**, which is **0,4%** more than in the same period last year,
- In Q4 of 2016, the Company sold **404 units**, which is **6,3%** more than in the same period last year,

Selected consolidated financial data for 2016

Selected financial data	2016	2015	Change
Sales revenue	PLN 490,8 m	PLN 202,2 m	143%
Gross sales profit	PLN 140,9 m	PLN 41,2 m	242%
Gross sales margin	28,7%	20,4%	+ 8,3 p.p.
Profit from operations	PLN 43,1 m	PLN 24,6 m	+ 75 %
Net profit	PLN 25 m	PLN 5,7 ml	+ 336%

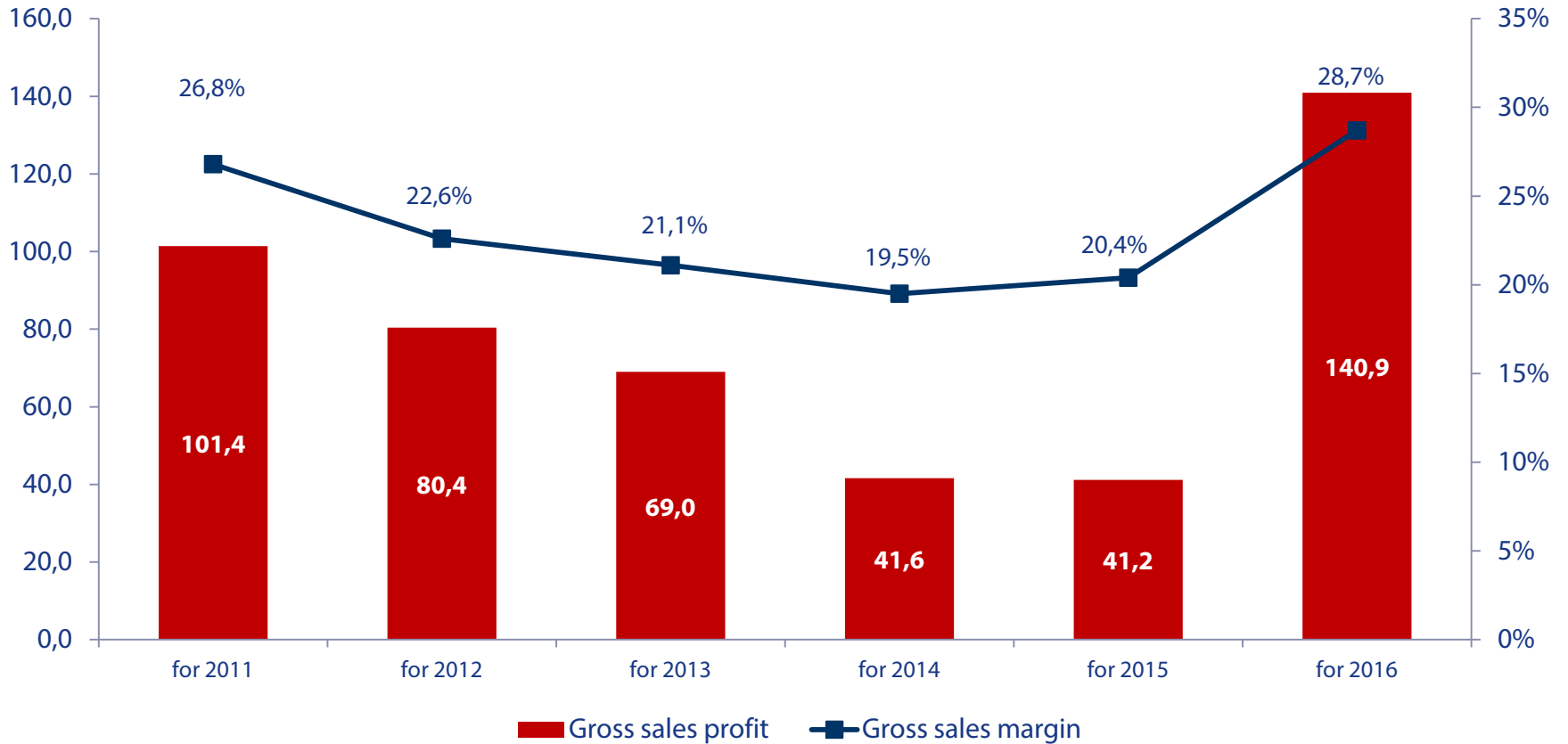
- Sales revenue for 2016 grew by 143% in comparison with the same period last year,
- Net profit for 2016 grew almost **4-fold** in comparison with the same period last year, which was mainly caused by units from the Bliska Wola: Phases B1 and B2 being taken over by customers.

Selected consolidated financial data for Q4 of 2016

Selected financial data	Q4 of 2016	Q4 of 2015	Quarter-to-quarter change
Sales revenue	PLN 53,6 m	PLN 29,9 m	+ 79%
Gross sales profit	PLN 8,1 m	PLN 1,3 m	+ 531 %
Gross sales margin	15,1%	4,3%	+ 10,8 p.p.
Profit on operational activity	- PLN 20,2 m	- PLN 11,6 m	-
Net profit	- PLN 10,2 m	PLN 4,8 m	-

- ❑ Sales revenue grew in Q4 of 2016 by 79% in comparison with the same period last year.
- ❑ Loss in Q4 resulting mainly from the revaluation of real estate and selling non-working assets below their book value (which positively translated to cash flow).

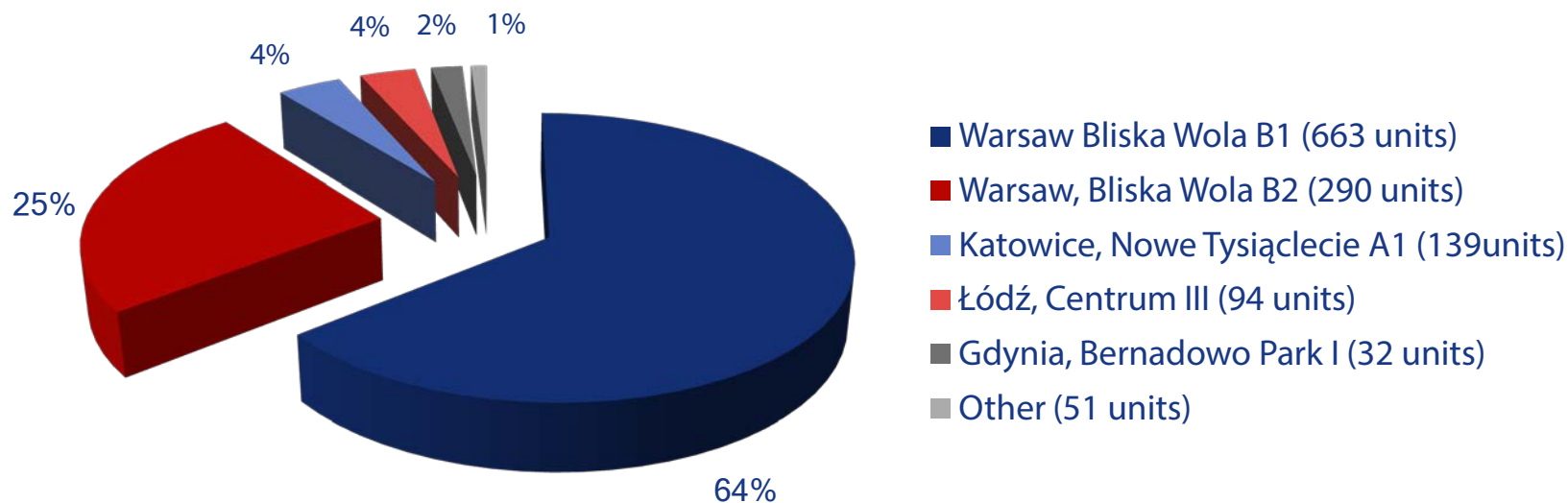
Gross sales margin vs gross sales profit



□ Gross sales margin in the long period of time remains at the level of more than **than 20%**.

Relization of gross profit from sales for 2016

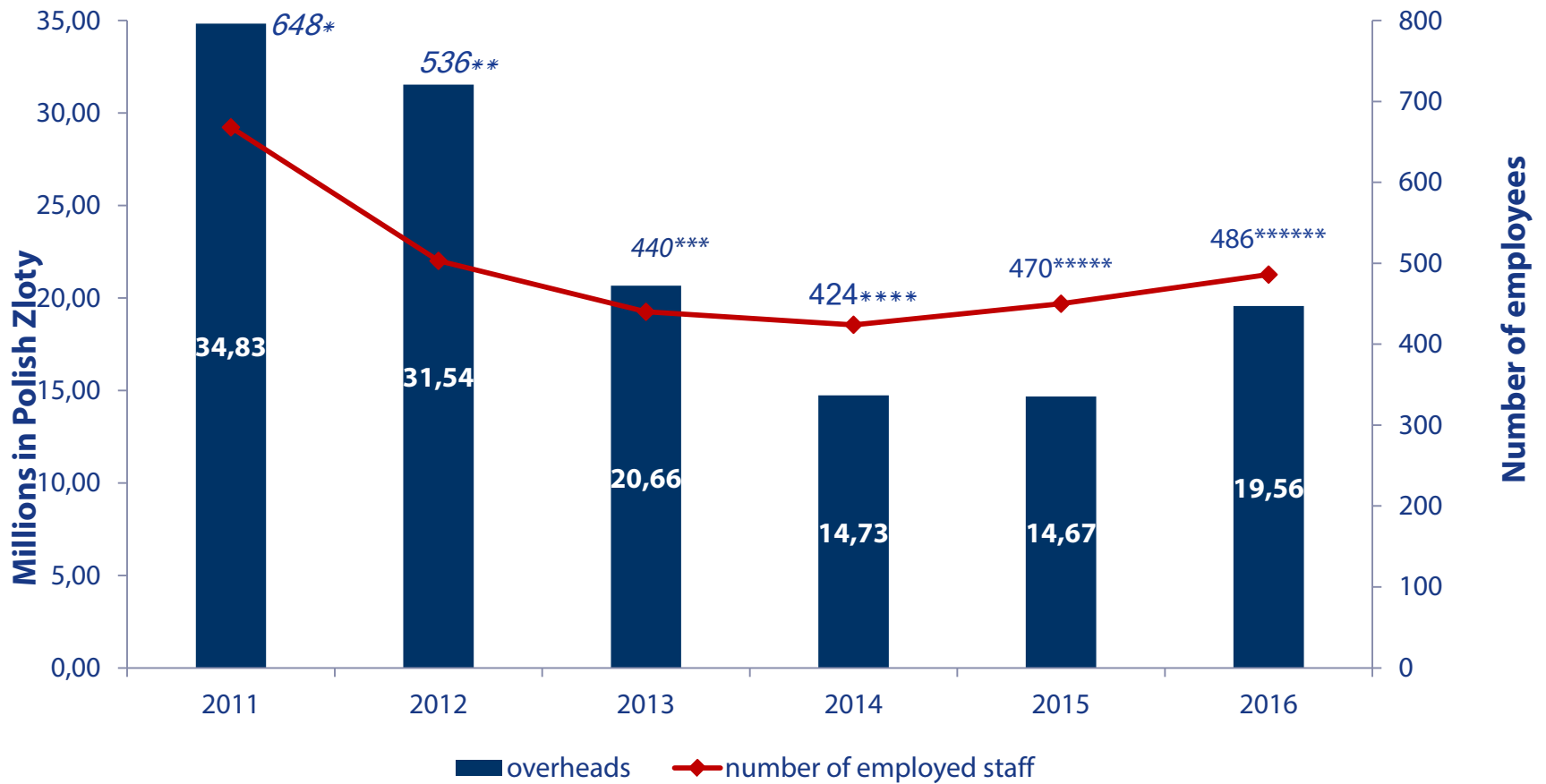
- ▣ The level of generated gross sales profit for 2016 is **PLN 140,9 million**.
 The per centage participation of real estate development project in the recognized sales profit is as follows :



- ▣ Units recognized in the result **for the year 2016 vs. 2015**



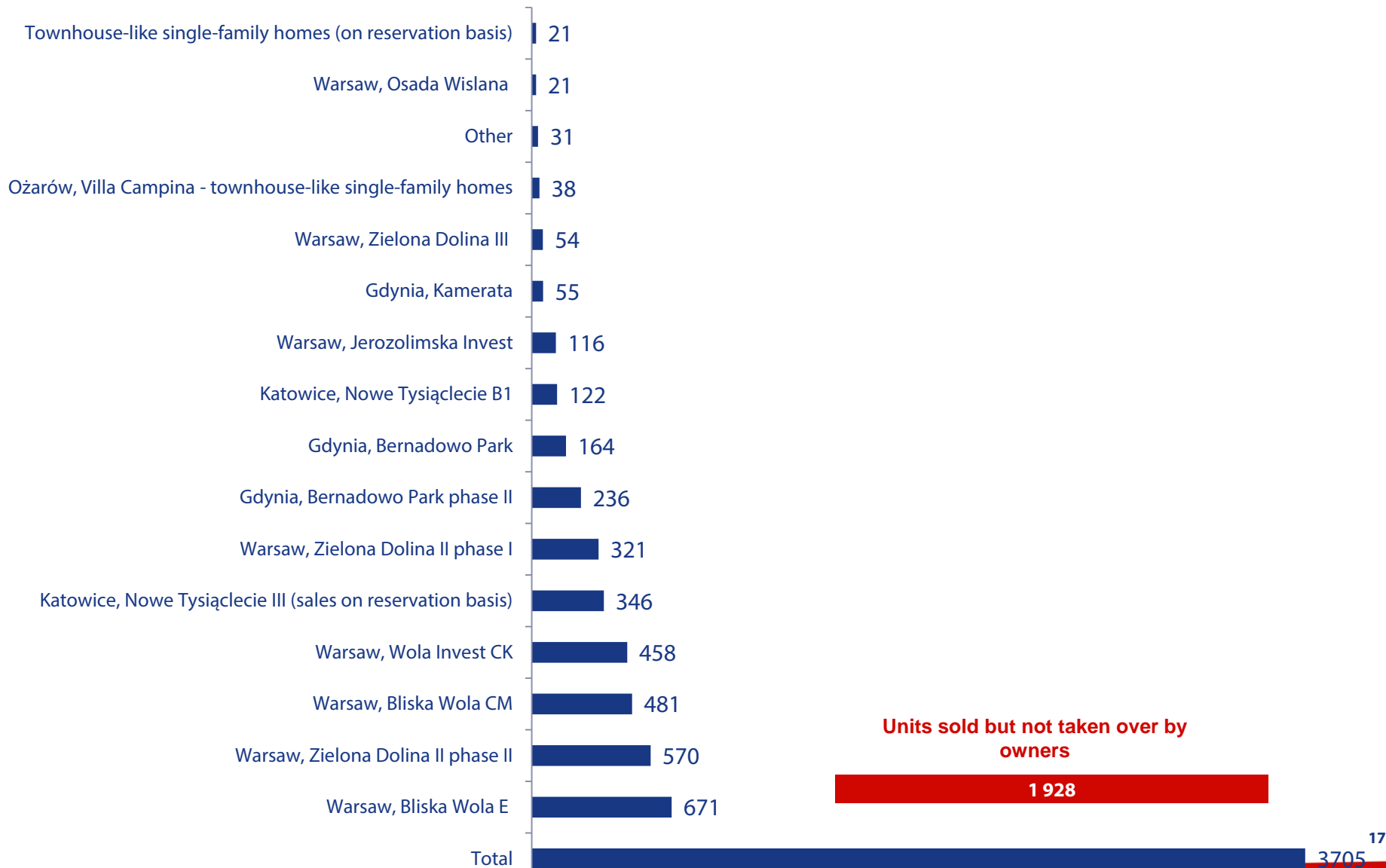
Overheads vs. employment



Including employment in hotels:

- * 88 persons
- ** 136 persons
- *** 149 persons
- **** 133 persons
- ***** 183 persons
- ***** 202 osoby

Units (in numbers) being on offer to recognize in the quarters to come



Investments carried out in 2016

- In 2016, the Group realized **15 residential investments** and **3 aparthotel investments** with the total useable area of **221 028 sq. m.**

Residential investments:	Units	Useable area (in sq. M.)	% of sold units	% of construction completion
Bliska Wola - phase E – residential part , Warsaw– J.W. Construction Holding SA	781	35 112	53%	0%
Bliska Wola – phase B1, Warsaw – Bliska Wola 4 Sp. z o.o. 1 sp. kom.	672	30 408	100%	100%
Zielona Dolina II phase II, Warsaw– J.W. Construction Holding SA	570	25 360	4%	20%
Bliska Wola - phase C, Warsaw– J.W. Construction Holding SA	481	21 375	97%	68%
Zielona Dolina II phase I, Warsaw – J.W. Construction Holding SA	321	12 809	53%	89%
Bliska Wola – phase B2, Warsaw – Bliska Wola 4 Sp. z o.o. 1 sp. kom.	291	12 898	100%	100%
Bernadowo Park phase II, Gdynia – J.W. Construction Holding SA	236	13 180	18%	24%
Bernadowo Park phase I, Gdynia – J.W. Construction Holding SA	196	11 450	91%	100%
Nowe Tysiąclecie, Katowice phase A1 – Nowe Tysiąclecie Sp. z o.o.	142	7 008	99%	100%
Nowe Tysiąclecie, Katowice phase B1 – Nowe Tysiąclecie Sp. z o.o.	122	7 128	97%	84%
Osiedle Centrum III, Łódź – Łódź Invest Sp. z o.o.	96	4 865	99%	100%
Kamerata (ul. Sochaczewska) Gdynia,– J.W. Construction Holding SA	55	3 420	60%	12%
Zielona Dolina III, Warsaw– J.W. Construction Holding SA	54	2 269	30%	44%
Villa Campina – single-family homes in Ożarów – J.W. Construction Holding SA	42	4 620	79%	15-96%
Willa One, Warsaw – J.W. Construction Holding SA	21	957	33%	97%
Residential investments IN TOTAL:	4 080	192 859		
Aparthotel and commercial units in total:				
Bliska Wola - Etap C - Wola Invest – J.W. Construction Holding SA	458	14 559	91%	39%
Bliska Wola - Etap E - Wola Invest – J.W. Construction Holding SA	303	10 050	0%	0%
Jerozolimskie Invest, Warsaw – J.W. Construction Holding SA*	116	3 437	0%*	59%
Aparthotel and commercial unitin total	877	28 169		
TOTAL	4 957	221 028		

* Not available on offer for individual investors

Investments planned for launching as of December 31, 2016

- Company based on its land inventory plans to launch **2,853** units and **42,135 sq. m.** of the aparthotel and commercial area :

Investments in Warsaw and the surrounding area

Project name	Total number of units	Useable area (sq. m.)	Commercial space(sq. m.)
Warsaw, Bliska Wola stage D	925	47 422	14 398
Ożarów, Villa Campina – single-family homes*	162	20 572	
Warsaw, Antoniewska street	221	13 763	
Warsaw, Berensona steet	264	11 855	
Warsaw, Lewandów Park III phase I	103	4 834	
Warsaw, Odkryta II steet	82	4 158	
Warsaw, Aluzyjna II street	68	3 670	
Warsaw, Lewandów Park IV	81	2 990	
Warsaw, Lewandów Park III phase II	77	2 538	
Warsaw, Aluzyjna I street	32	1 850	
Warsaw, Nowodworska street	13	1 180	
Warsaw, Pileckiego - Aparthotel	Aparthotel		8 016
Total	2 028	114 834	22 414

*The sales of 21 single-family homes were initiated on a reservation basis.

Investments planned for launching as of December 31, 2016

Investments outside Warsaw

Investment	Number of units	Useable area (sq. m.)	Commercial space (sq. m.)
Szczecin, Hanza Tower	479	21 952	10 721
Katowice, Nowe Tysiąclecie etap III*	346	18 264	
Gdynia, Spokojna street	aparthotel		9 000
Total:	825	40 216	19 721

*Sales started.

HANZA TOWER



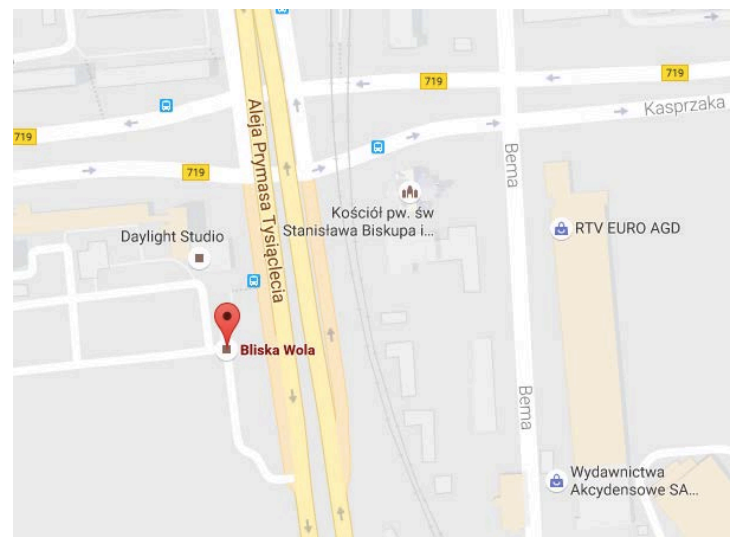
NOWE TYSIĄCLECIE



Attachments

Projects planned for launching in the nearest 12 months to come: Warsaw, Bliska Wola, Stage D –living apartments and aparthotel

Project	Warsaw, Bliska Wola
Location	Warsaw, Wola
Number of units	925
Useable area	47 422
Useable area of commercial and aparthotel units,	14 398



Characteristics

- ❑ Perfect location – only 3 km to the very city center,
- ❑ Perfectly developed communication infrastructure - the Daszyńskiego roundabout, a subway station,
- ❑ Recreational terrain inside the community,
- ❑ interesting, modern building architecture,
- ❑ Competitive apartment prices.

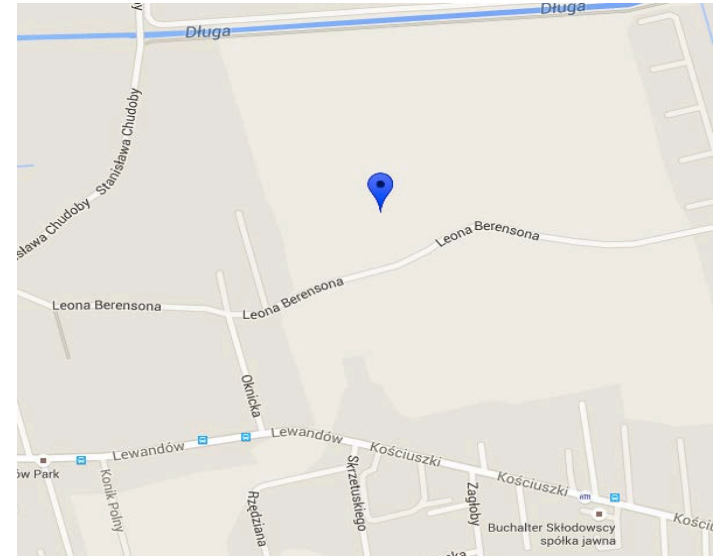


Projects planned for launching within the nearest 12 months: Warsaw, Berensona street

Project	Warsaw, Berensona street
Location	Warszw, Berensona street
Number of apartments	264
Useable area (in sq. m.)	11 855

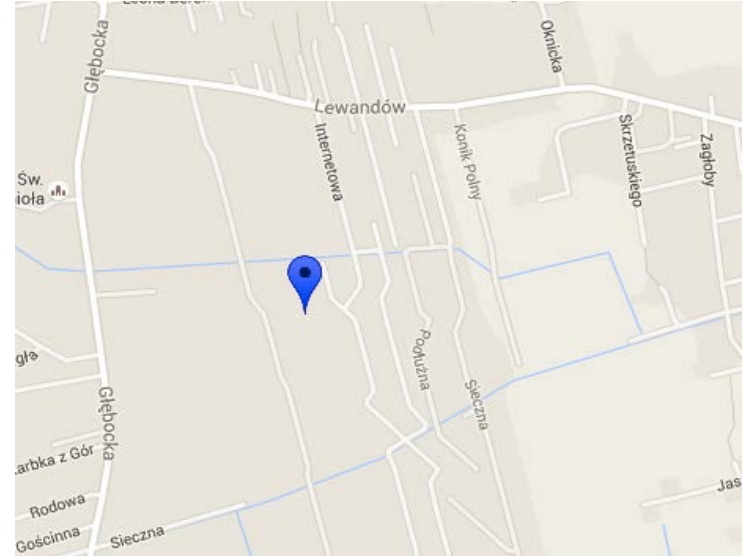
Characteristics

- ❑ There are 12 buildings in the project,
- ❑ Low-rise, prestigious infrastructure,
- ❑ Located in Białołęka – the fastest growing district of Warsaw,,
- ❑ Safe playing grounds in the community,
- ❑ Close proximity of big city amenities, such as kindergartens, shopping malls,
- ❑ Quick access to the city center



Projects planned for launching in the nearest 12 months to come: Warsaw, Lewandów Park III Phases I and II plus Lewandów Park IV (a.k.a Wrzosowa Aleja)

Project name	Warsaw, Lewandów Park
Location	Warsaw, Lewandów street
Number of apartments	Lewandów Park III phase I – 103 Lewandów Park III phase II – 77 Lewandów Park IV - 81
Useable area (in sq. m.)	10 362



Characteristics

- ❑ Low-rise, prestigious architecture,
- ❑ Safe playing grounds in the community,
- ❑ Fast access to the city center and recreational terrains, such as the Zegrzyńskie Lake,
- ❑ Friendly location in Warsaw's Białołęka, which is an location that is most often chosen by people looking for their first apartment,
- ❑ Close proximity of big city amenities, such as shopping malls, schools, and restaurants.



Projects planned for launching in the nearest 12 months to come : single-family homes in Warsaw, Nowodworska street

Project	Warsaw, Single-family homes
Location	Warsaw, Nowodworska street
Number of single-family homes	13
Useable area(in sq. m.)	1 180



Characteristics

- ❑ In the project there are 13 single-family homes in a townhouse-like arrangement
- ❑ Every building has 3 stories, including the attic
- ❑ Homes located in Warsaw's Nowodwory in the Białołęka District with an easy access to the Młociny subway stations
- ❑ Close proximity of the city infrastructure allowing for easy access to schools, public healthcare, attractive commercial places, recreational and sports terrains

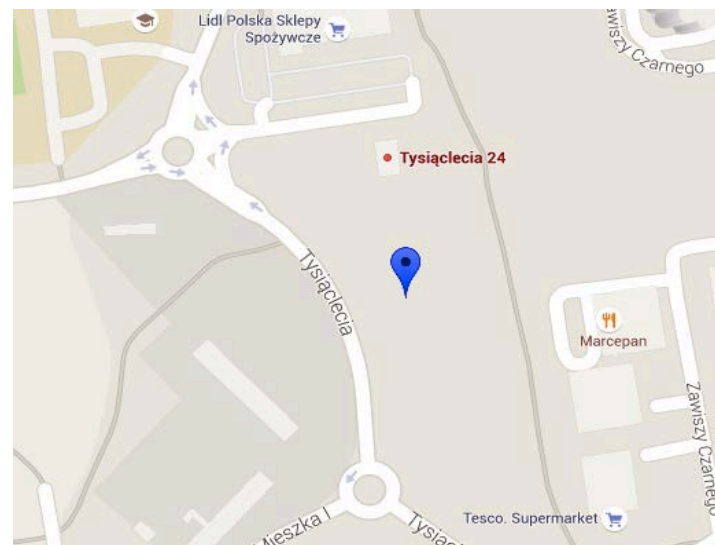


Projects planned for launching within the nearest 12 months: Katowice, Nowe Tysiąclecie, stage III

Project name	Katowice, Tysiąclecia street
Location	Katowice, Tysiąclecia street
Number of apartments	346
Useable area (in sq. m.)	18 264

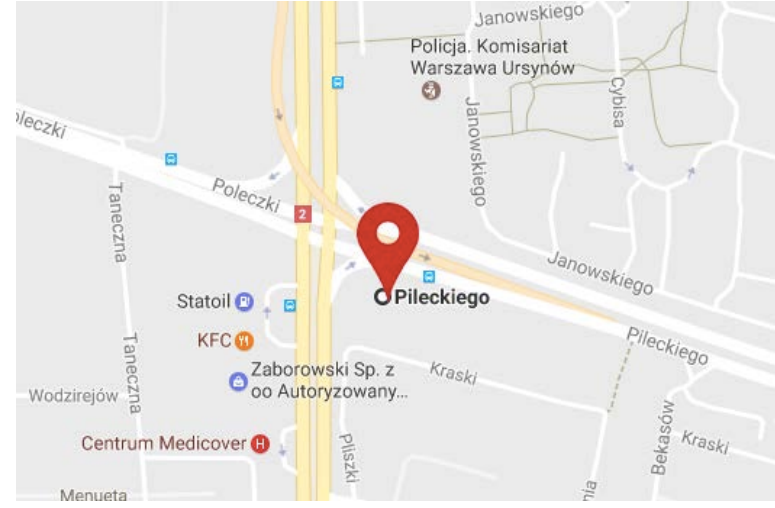
Characteristics

- ❑ Modern architecture – numerous glass elements,
- ❑ Attractive location allows for comfortable and quick communication with the city center,
- ❑ Zoning plan includes numerous bushes and trees,
- ❑ Broad range of floor-plan selection,
- ❑ Proximity of green terrains, including the Silesian Part (the largest city park in Europe).



Projects planned for launching in the nearest 12 months to come : Aparthotel at Pileckiego street in Warsaw

Project name	Warsaw, Aparthotel Pileckiego
Location	Warsaw, Pileckiego street
Number of aparthotel units	224
Number of business premises	16
Useable area of commercial and aparthotel units	8 016 sq. m.



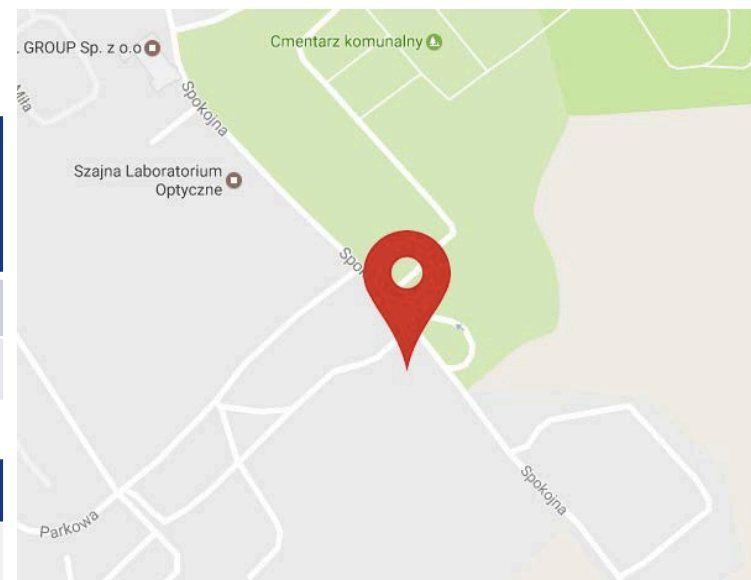
Characteristics

- ❑ In the project there are 224 aparthotel units with an area starting from 17 sq. m. as well as commercial space
- ❑ Amenities for prospect residents, including reception, laundry, services
- ❑ Transparent settlements with owners, full hotel-like, finishing, furnishing, ready equipment allowing for living in or renting,
- ❑ Attractive location at Puławska street in Warsaw's Ursynów
- ❑ Quick access to the city center, an international airport, a railway station and main city communication arteries



Projects planned for launching in the nearest 12 months to come: Aparthotel at Spokojna street in Gdynia

Project name	Gdynia, Aparthotel Spokojna street
Location	Gdynia, Spokojna street
Useable area sq. m.	9 000 sq. m.



Characteristics

- Compact mini-apartments starting from 20 sq. m.
- Amenities for prospect residents, including reception, services
- Proximity of recreational terrains such as the Trójmiejski Landscape Park
- Attractive location



Projects planned for launching in the nearest 12 months to come : Hanza Tower in Szczecin

Project name	Szczecin, Hanza Tower
Location	Szczecin
Number of units	479
Useable area (in sq. m.)	21 952
Useable area of commercial and aparthotel units	10 721



Characteristics

- ❑ The design represents an almost 100-meter-high towers in the shape of a sail
- ❑ In the project there are 479 residential units and a commercial space with possible apart-hotel units,
- ❑ Amenities for prospect dwellers. Including an own swimming pool, concierge services,
- ❑ Attractive location in the very center of Szczecin
- ❑ Direct connection to Hotel Dana

FINANCIAL RESULTS PRESENTATION FOR 2016

Thank you for your attention

INVESTOR RELATIONS:

Małgorzata Szwarc-Sroka

J.W. Construction Holding S.A. Supervisory Board Member
supervising investor relations

Monika Matejuk

Aleksander Oksiuta

Phone: 22 771 77 85

e-mail: relacje.inwestorskie@jwconstruction.com.pl