

PRESENTATION OF RESULTS FOR Q1 2016



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Most important events in Q1 of 2016

- ❑ Good ongoing sales rate with a several percent drop in comparison with the same period last year: **343 units in Q1 of 2016** in comparison with 371 units in the same period of 2015,
- ❑ **83%** sold units at Bliska Wola C community (apartment part) within less than 7 months,, **43%** of sold units at Wola Invest (aparthotel part) within less than 6 months,
- ❑ Receiving a building permit for Jerozolimskie Invest – conversion of an office building to an aparthotel with 116 units,
- ❑ Starting the realization of Zielona Dolina III in Warsaw with **54 units**.



**BLISKA
WOLA**



**WOLA
INVEST**



**JEROZOLIMSKIE
INVEST**



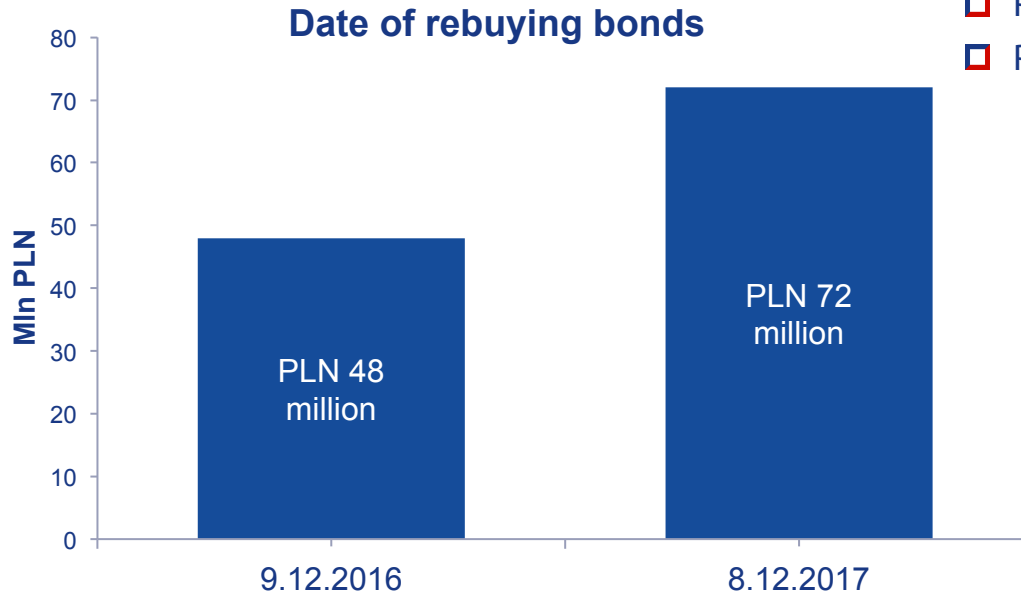
Most important events in Q1 of 2016

- ❑ Continuation of realization of remaining 10 residential investments and one aparthotel investment with 2842 units in total:
 - ❑ **Bliska Wola phase B1** with 672 units in Warsaw at Kasprzaka street, ending of construction with the planned receipt of certificate of occupancy for Q2 of 2016.
 - ❑ **Bliska Wola phase B2** with 291 units in Warsaw at Kasprzaka street, construction was ended in December 2015 with certificate of occupancy being planned for Q2 of 2016.
 - ❑ **Nowe Tysiąclecie phase A1** with 142 units in Katowice at Tysiąclecia street; the construction was ended in December 2015 and a certificate of occupancy was received in Q1;
 - ❑ **Centrum III community** with 96 units in Lodz at Tymienieckiego, street; the construction was ended in January 2016 and the certificate of occupancy was received in April 2016.
 - ❑ **Bliska Wola phase C (residential part)** with 481 units located in Warsaw at Kasprzaka street,
 - ❑ **Bliska Wola phase C – Wola Invest (aparthotel part) with** 458 units located in Warsaw at Kasprzaka street, przy ul. Kasprzaka,
 - ❑ **Zielona Dolina II phase I** with 321 units located in Warsaw at Ostródzka street
 - ❑ **Bernadowo Park phase I** with 196 units located in Gdynia at Spokojna street,
 - ❑ **Nowe Tysiąclecie phase B1 with** 122 units located in Katowice at Tysiąclecia street,
 - ❑ **Villa Campina** with 42 terraced homes in Ożarów near Warsaw,
 - ❑ **Willa One** with 21 units located in Warsaw at Marcina z Wrocimowic street.



Most important events in Q1 2016

- ▣ Bond payment in the amount of PLN 180 000 000:
 - ▣ PLN 120 000 000 with the means from the new issuance
 - ▣ PLN 60 000 000 with the company own means
- ▣ Debiut of the new issuance to the sum of PLN 120 000 000 on the Catalyst market on February 12, 2016:
 - ▣ Variable interest reate WIBOR 6M + margin
 - ▣ Nomiinal value: PLN 1,000
 - ▣ Interest payable every 6 months
 - ▣ Series – JWC1217
 - ▣ Maturity date:
 - ▣ PLN 48 000 000 in December 2016
 - ▣ PLN 72 000 000 in December 2017



Most important marketing events in Q1 2016

- ❑ The “Buy a detached home in the price of a flat marketing and sales campaign,
- ❑ Intensification of marketing activities related to the search engine optimization of the Wola Invest aparthotel with “safe capital placement” and “guaranteed profit” key words
- ❑ Nationwide information campaign regarding additional payments to the government buy-down program in accordance with the realized residential investments in Warsaw, Katowice and the surrounding area of Warsaw,
- ❑ **Effective cross-marketing** – co-operation with the chain of Hotels 500 and Czarny Potok Resort & Spa hotel,



Factors influencing company activity in Q1 2016

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Related to utilizing company potential:

- ❑ As of March 31, 2016, the total number of units being realized or finished to recognize in the financial result was 2,833 units,,
- ❑ As of March 31, 2016, on the Company offer there were 872 units,
- ❑ In Q1 2016, the company was realizing 12 investments with 2,896 units (including single-family homes and aparthotel units),
- ❑ The group prepared **19 new investments** totaling **4 198 units** with almost **54,000 sq. m. of the aparthotel and commercial area**,
- ❑ **High cash surplus** on the accounts (more than PLN 114 million) and very good cash flows,

Related to beneficial external conditions :

- ❑ Good climate on the real estate market,
- ❑ Introduction of positive changes in the government buy-down program Mieszkanie dla Młodych that support the purchases of new apartments including those offered by the Company due to already depleted limit for 2016. Customer may use the funds earmarked for 2017.,
- ❑ Ongoing growth in recent years of mortgage credit contract values.

Factors influencing company activity in Q1 2016

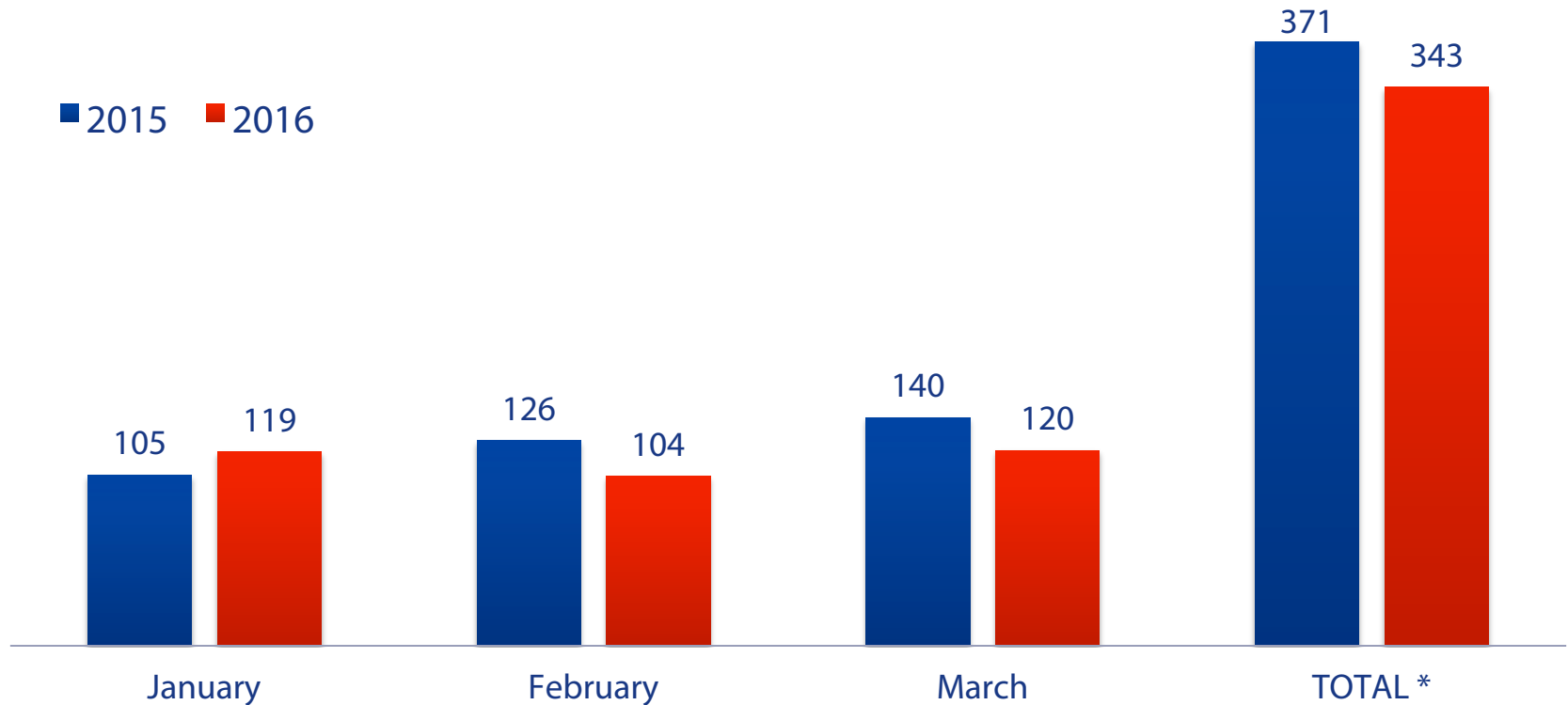
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- ❑ Developer Act introducing escrow accounts, which hampers fast proceedings in the scope of obtaining financial means and contributes to the growth of financial costs,
- ❑ Residential real estate development branch seen by financial institutions as a high-risk branch,
- ❑ Long process of obtaining necessary administrative decisions for current and prospect projects,
- ❑ Higher financial costs credits, including mortgage credits,,
- ❑ Legal and tax changes related to the real estate market are not known yet.

Strategy aimed at freeing up the Company potential

- ❑ Conducting the construction of investments on the large land inventory with more than **6,000 units** (including **2,438** units realized in 2015, **14,198** units planned for launching, **458** aparthotel units being realized, as well as **54, 325 sq. m. of the commercial space planned for launching including aparthotel units,**
- ❑ Intensification of works related to the preparation of project documentation and obtaining building permits of the nearest 2 years,
- ❑ 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.

Units sold in Q1 2016



- ❑ In Q1, 2016 the Company sold 343 units, which is 8% less in comparison with the same period last year,,
- ❑ Slight smaller number of sold units due to the fact that in Q1 new apartments were not introduced to the Company offer.

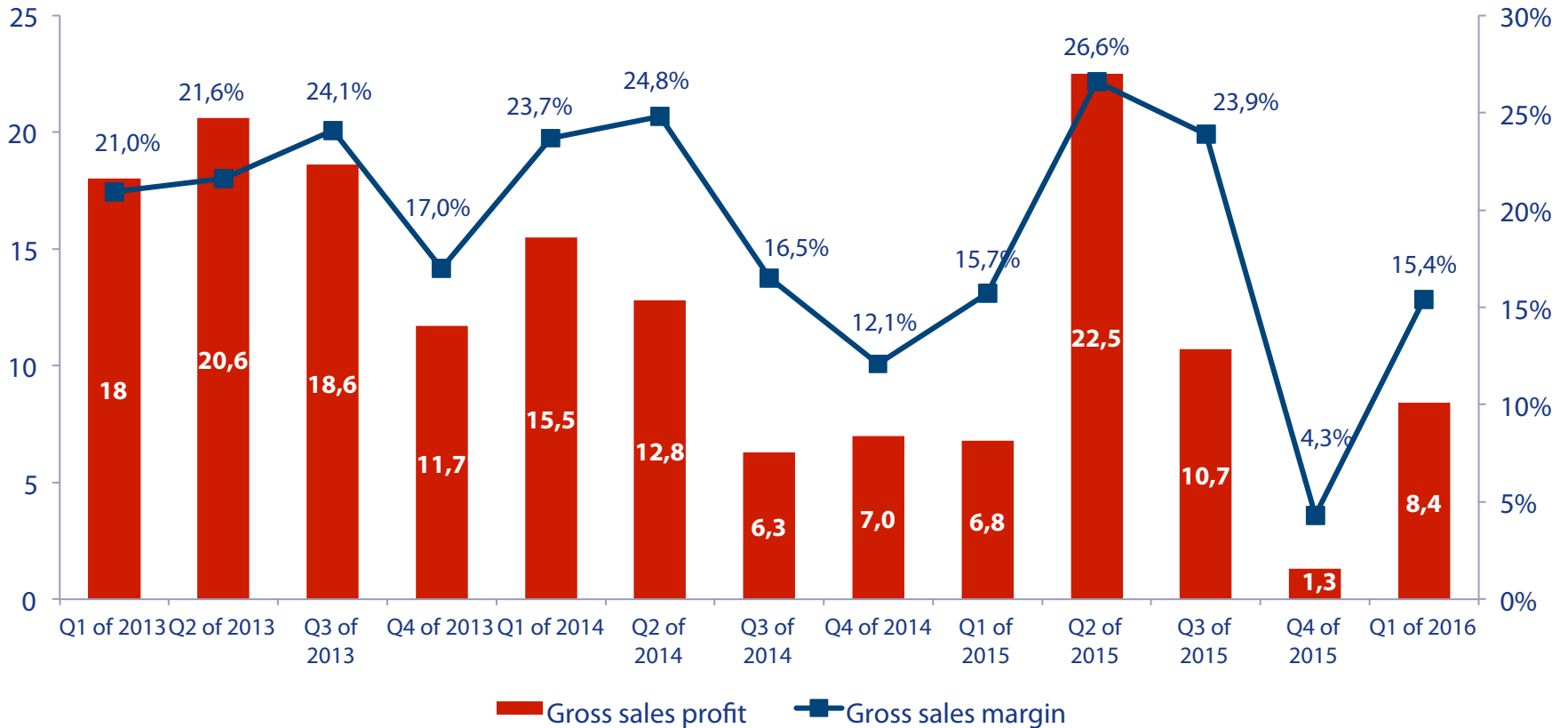
Selected consolidated data for Q1 2016

Selected financial date	Q1 2016	Q1 2015	Change
Sales revenue	PLN 54,7 million	PLN 43,0 million	+27,3%
Gross sales profit	PLN 8,4 million	PLN 6,8 million	+24,8%
Gross sales margin	15,4 %	15,7%	- 0,3 p.p.
Profit on operations*	- PLN 7,3 million	PLN 7,1 million	-
Net profit	- PLN 9,6 million	PLN 1,6 million	-

*sale of a non-working asset had a negative effect on the operations results.

- ❑ 27,3 % growth of sales revenue in Q1 2016 in comparison with the same period last year,
- ❑ Loss at the level of PLN 9,6 million in Q1 2016 in comparison with the PLN1,6 million in the same period last year.

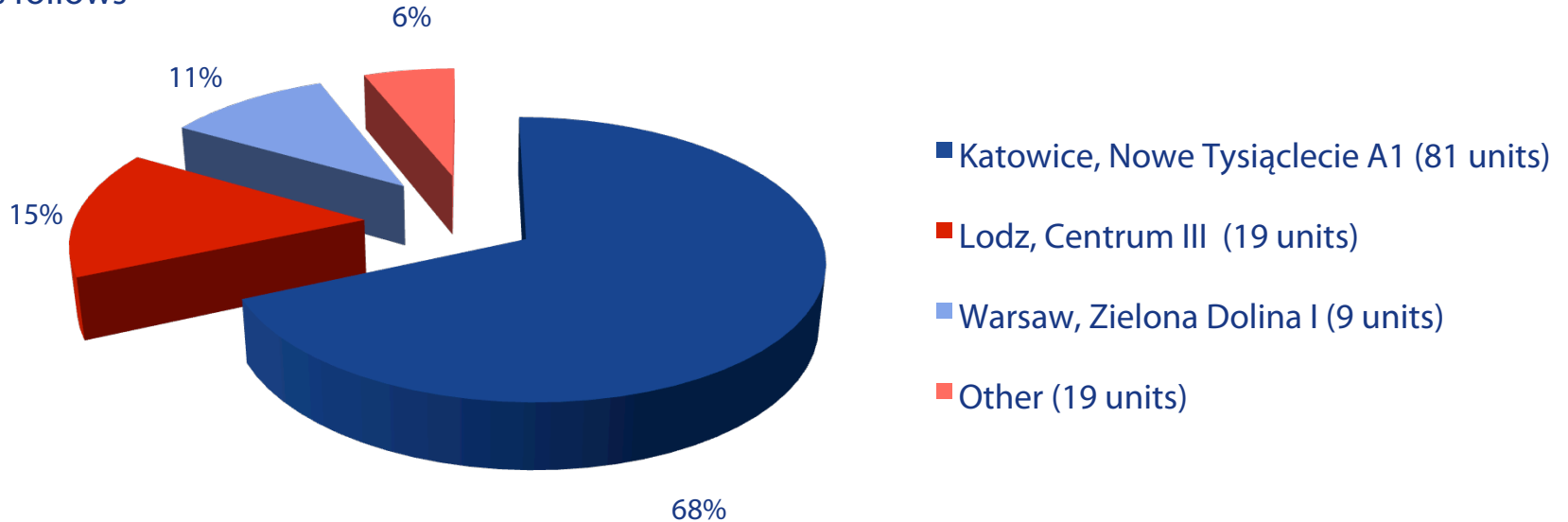
Gross sales margin vs gross sales profit



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

Realization of gross sales profit for Q1 2016

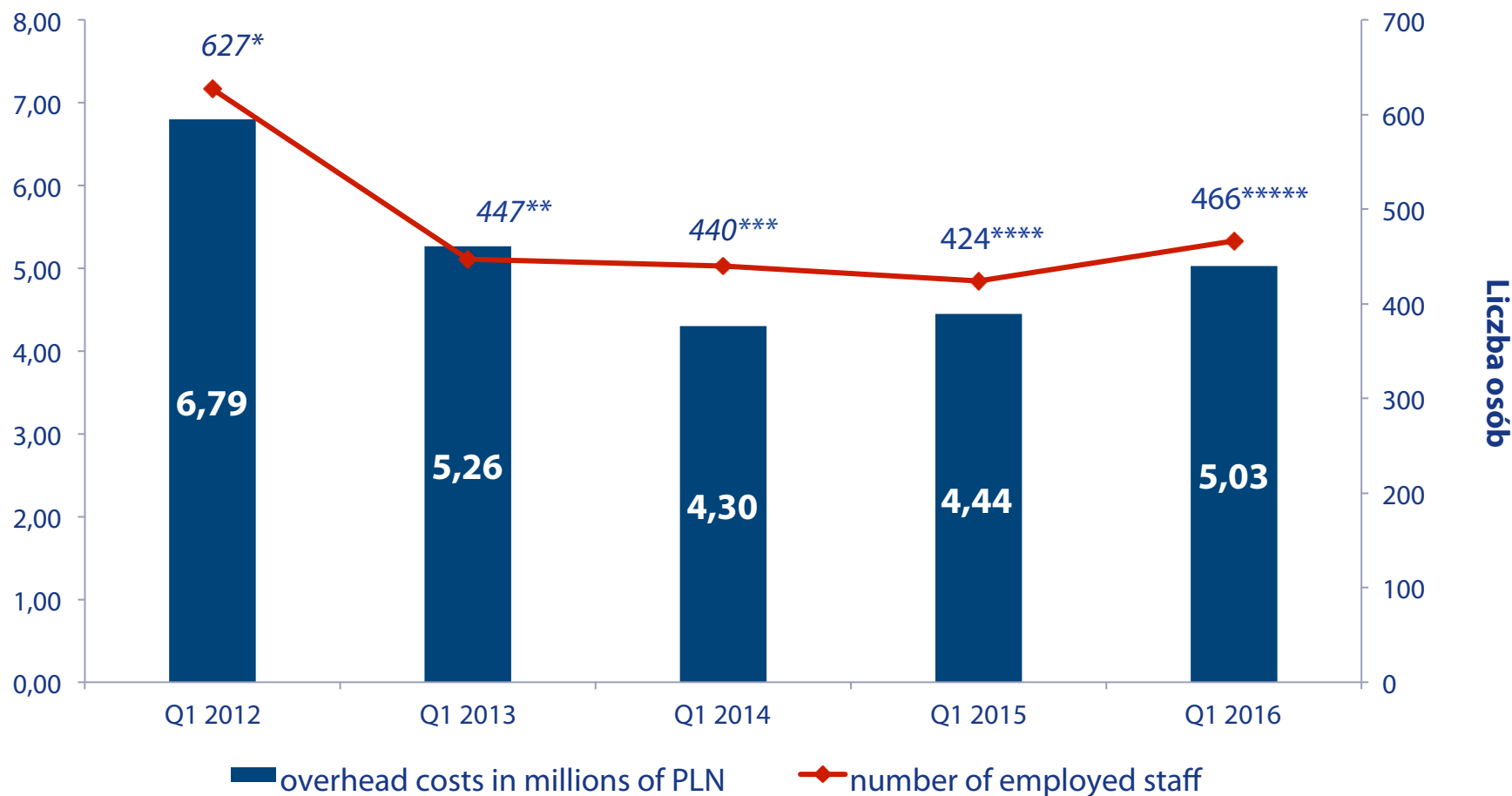
- The level of produced gross sales profit for Q1 2016 is **PLN 8,4** million. The percentage participation of real estate development project in the recognized sales profit is as follows



- Units recognized in the financial result for **Q1 2015** vs. **Q1 2016**



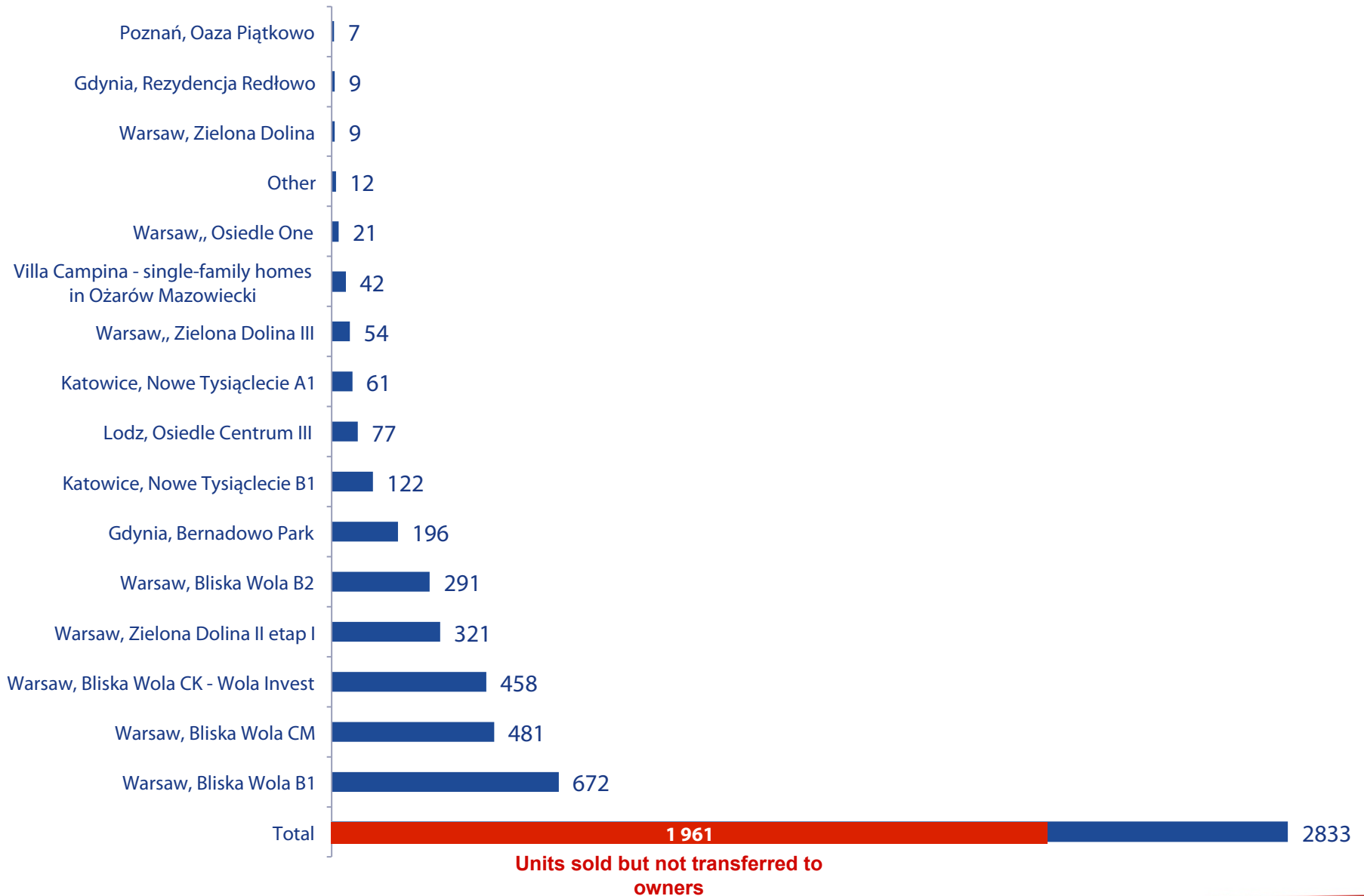
Overheads vs. employment



□ Including employment in hotels:

- * 99 people
- ** 140 people
- *** 140 people
- **** 134 people
- ***** 188 people.

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



Investments realized in Q1 of 2016

- In Q1 2016, the Group realized 11 residential investments and 1 aparthotel investment with the total useable area of 130,292 sq. m.

Residential investments	Units	Useable area (sq. m.)	% of sold units	% of construction advancement
Bliska Wola – phase B1, Warszawa – Bliska Wola 1 Sp. z o.o.	672	30 368	100%	95%
Bliska Wola - phase C, Warszawa – J.W. Construction Holding S.A.	481	21 392	83%	23%
Zielona Dolina II phase I, Warszawa – J.W. Construction Holding S.A.	321	12 832	23%	42%
Bliska Wola – phase B2, Warszawa – Bliska Wola 2 Sp. z o.o.	291	12 960	100%	100%
Gdynia, Bernadowo Park phase I – J.W. Construction Holding SA	196	11 471	60%	60%
Nowe Tysiąclecie, Katowice phase A1 – Nowe Tysiąclecie Sp. z o.o.	142	7 085	96%	100%
Nowe Tysiąclecie, Katowice phase B1 – Nowe Tysiąclecie Sp. z o.o.	122	6 951	52%	39%
Centrum III community, Łódź – Łódź Invest Sp. z o.o.	96	4 886	77%	100%
Zielona Dolina III, Warsaw – J.W. Construction Holding S.A.	54	2 254	4%	1%
Villa Campina – single-family homes, Ożarów Mazowiecki	42	4 442	26%	5%-95%
Willa One, Warsaw– J.W. Construction Holding S.A.	21	957	10%	34%
TOTAL	2 438	115 598		
Aparthotel investments	Units	Useable area (sq. m.)		
Bliska Wola – phase C - Wola Invest, Warszawa – J.W. Construction Holding S.A.	458	14 694	43%	11%
TOTAL	458	14 695		
TOTAL: residential and aparthotel investments	2 896	130 292		

Investments planned for launching as of March 31, 2016

- Company based on its land inventory plans to launch **4 198** units and **154 325 sq. m.** of the aparthotel and commercial area :

Investments in Warsaw and the surr. area

Project name	Total number of units	Useable area (sq. M.)	Commercial space(sq. m.)
Warszawa, Zielona Dolina II etap II	567	25 337	
Warszawa, ul. Berensona	259	11 733	
Warszawa, Bliska Wola IV etap D	814	38 811	17 968
Warszawa, Bliska Wola V etap E	790	34 908	8 788
Warszawa, ul. Odkryta II	82	4 158	
Warszawa, ul. Aluzyjna I	32	1 850	
Warszawa, ul. Aluzyjna II	68	3 670	
Warszawa, Lewandów Park III	209	7 552	
Warszawa, Lewandów Park IV	108	3 939	
Warszawa, Lewandów Park I/16	27	1 128	
Warszawa, ul. Antoniewska	221	13 763	
Warszawa, ul. Nowodworska	13	1 179	
Ożarów, Villa Campina – domy	125	18 750	
Warszawa, Jerozolimskie Invest		Aparthotel	3 479
Warszawa, Pileckiego		Aparthotel	8 049
Suma	3 315	166 778	38 284

Investments planned for launching as of March 31, 2016

Investments outside Warsaw

Investment	Number of units	Useable area	Commercial space(sq. M.)
Katowice, Nowe Tysiąclecie stage 3	329	18 060	
Gdynia, Bernadowo Park stage II	236	13 185	
Gdynia, Kamerata (Sochaczewska street)	55	3 478	
Szczecin, Hanza Tower	263	14 554	16 041
Total:	883	49 277	16 041



HANZA TOWER



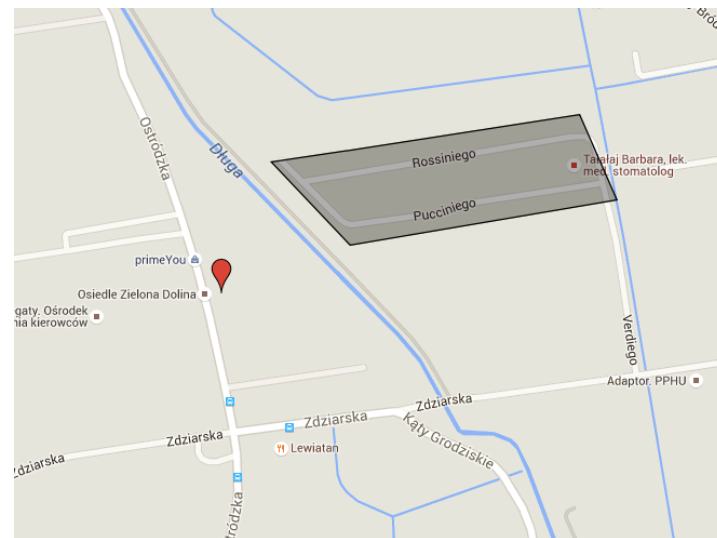
Attachments

Projects planned for launching within the nearest 12 months : Warsaw, Zielona Dolina II subphase II

Project	Warsaw, Zielona Dolina II subphase II
Location	Warsaw, Białołęka
Number of units	567
Useable area(in .sq. m.)	25 337

Characteristics

- ❑ Green surrounding area,
- ❑ Recreational surroundings,
- ❑ Good access to the city center,,
- ❑ 1,2 and 3-room apartments, ,
- ❑ Flexible floorplants,
- ❑ Playing grounds,
- ❑ Fenced community with security.

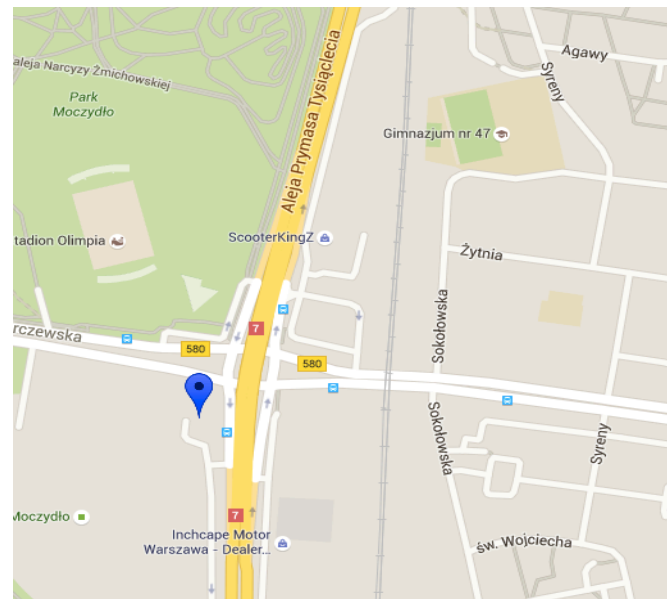


Projects planned for launching in the nearest 12 months : Warsaw, Bliska Wola, phases D, E – living apartments and aparthotel

Project	Bliska Wola
Location	Warsaw, Wola
Number of units, stage D	814
Useable area, stage D	38 811
Useable area of commercial and aparthotel units, stage D	17 968
Number of units, stage E	790
Useable area, stage E	34 908
Useable area of commercial and aparthotel units, stage E	8 788

Characteristics

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

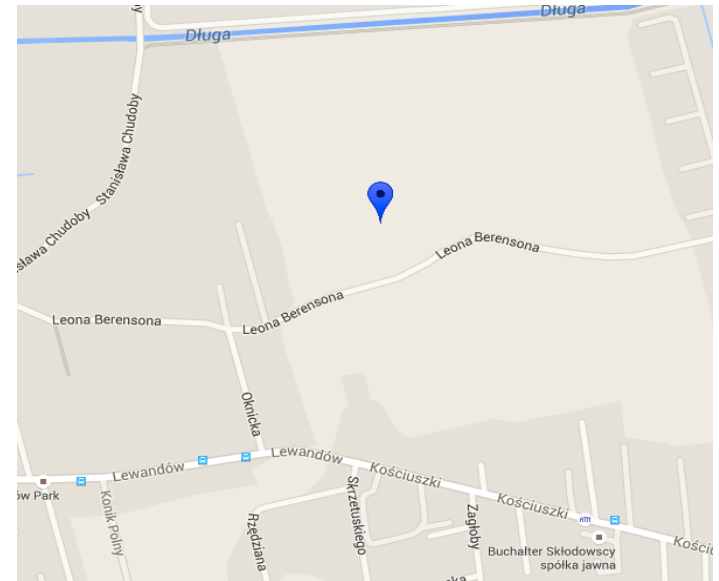


Projects planned within the nearest 12 months: Warsaw, Berensona street

Project	Warsaw, Berensona street
Location	Warsaw, Berensona street
Number of units	259
Useable area(in sq. m.)	11 733

Characteristics

- ❑ Project comprises 12 buildings,
- ❑ Low, prestigious buildings,
- ❑ Located in Białołęka – the fastest growing district of Warsaw,
- ❑ Safe playing grounds on the community,
- ❑ Close proximity of amenities of a large city, including schools, kindergartens, and shopping malls,
- ❑ Quick access to the city center.

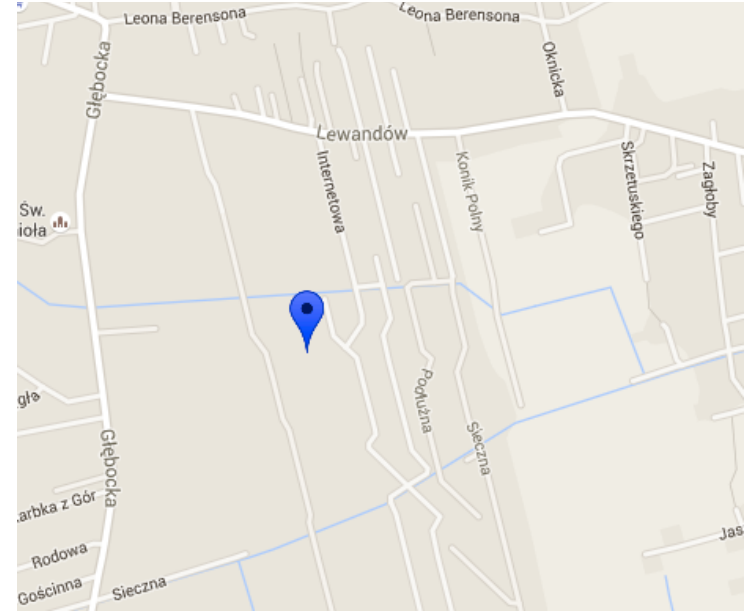


Projects planned for launching within the nearest 12 months: Warsaw, Lewandów Park I/16, III, IV

Project	Warsaw, Lewandów Park
Location	Warsaw, Lewandów street
Number of units	344
Useable area(in sq. m.)	12 619

Characteristics

- ❑ low, prestigious buildings,
- ❑ safe playing grounds on the community,
- ❑ quick access to the city center and recreational areas – Zalew Zegrzyński,
- ❑ safe playing grounds on the community,
- ❑ friendly location in Białołęka, most often chosen by people looking for their first apartment,
- ❑ proximity of large city amenities such as shopping malls, cinemas, and restaurants.



Projects planned for launching withinin the nearest 12 months: Katowice, Nowe Tysiąclecie , phaselll

Project	Katowice, Tysiąclecia street
Location	Katowice, Tysiąclecia street
Number of apartments	329
Useable area (in sq. m.)	18 060
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).

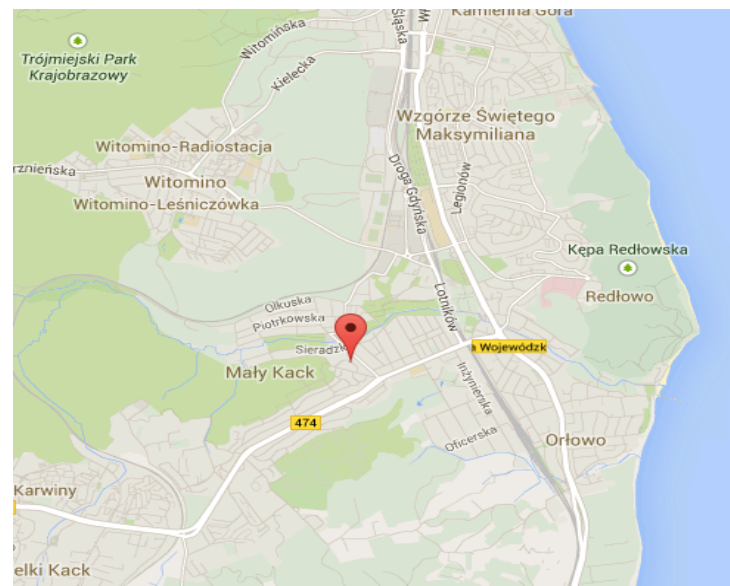


Projects planned for launching withinin the nearest 12 months: Gdynia, Kamerata

Project	Gdynia, Kamerata
Location	Gdynia, Sochaczewska street
Number of apartments	55
Useable area(in sq. m.)	3 478

Characteristics

- ▣ attractive location –Sochaczewska street area
- ▣ green surrounding area, close proximity of the beach, rich city infrastructure,
- ▣ small, low buildings
- ▣ interesting architecture,
- ▣ different sizes of spaces, multiple floorplans.



PRESENTATION OF RESULTS FOR Q1 2016

Thank you for your attention

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