

PRESENTATION OF RESULTS FOR H3 OF 2015



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Most important events in Q3 of 2015

- ❑ Very good sales dynamics - a **47%** increase in comparison to the same period last year,
- ❑ **97% of sold units at Bliska Wola B1 and B2 investments half year earlier than** the planned construction finish date,

- ❑ Starting completion and sales of apartments in following investments:
 - ❑ **Bliska Wola, phase C (residential part)** for 481 living units and business premises in Warsaw at Kasprzaka street,
 - ❑ **Bliska Wola phase C – Wola Invest (aparthotel part) with 460 uits located in Warsaw at Kasprzaka street,**
 - ❑ **Zielona Dolina II phasel with 321 units** located in Warsaw at Ostródzka street,
 - ❑ **Willa One with 21 units located in Warsaw at Marcina z Wrocimowic street.**
- ❑ **Receiving a building permit for the construction of Zielona Dolina III with 54 units.**



Most important events in Q3 of 2015

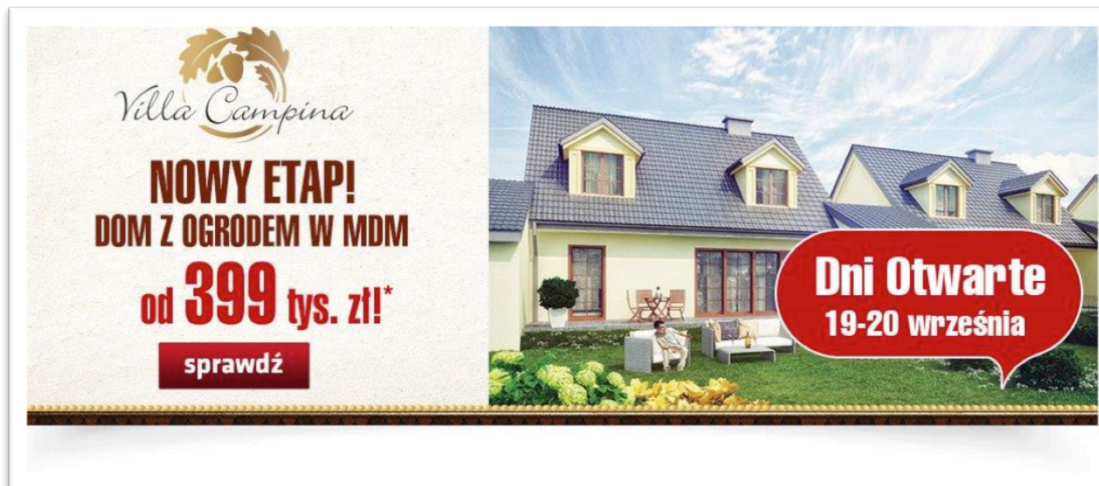
- ❑ Realization of other investments in accordance with the Polish Real Estate Development Act with open-ended and close-ended escrow accounts:
 - ❑ Bliska Wola 1 sp. z o.o. (Bliska Wola, phase B1 with 673 units, Warsaw),
 - ❑ Bliska Wola 2 sp. z o.o. (Bliska Wola phase B2 with 291 units, Warsaw),
 - ❑ Nowe Tysiąclecie sp. z o.o. (Nowe Tysiąclecie community, phase A1 with 149 units and B1 with 122 units in Katowice),
 - ❑ Łódź Invest sp. z o.o. (Centrum III community, with 96 units, Lodz),
 - ❑ J.W. Construction Holding S.A. (Bernadowo Park with 196 units in Gdynia and Villa Campina, a community of single-family homes).

- ❑ Final construction stage of Stara Dana hotel in Szczecin by Dana Invest sp. z o.o. co-financed from the Jessica fund. Planned opening on November 27, 2015.



Sales and marketing policy in Q3 of 2015

- ❑ Concentration on promotional events related to starting apartment sales in new projects, including Wola Invest Aparthotel apartments and the advertisement of ready apartments available in the Apartments for the Young (Mieszkania dla Młodych) government buy-down program,
- ❑ The Real Estate Developer of the Year 2015 Emblem awarded by the Central National Certification Office for the quality of rendered services, solidarity of completed investments and perfect familiarity with the real estate market,
- ❑ Promotion of investments during local business events including local real estate trade shows as well as the organization of Open Days at sales offices,
- ❑ **Effective cross-marketing** – co-operation with the Hotel 500 hotel chain and Czarny Potok Resort & Spa in the scope of cross-marketing activities.



Villa Campina

NOWY ETAP!
DOM Z OGRODEM W MDM

od **399** tys. zł!*

sprawdź

Dni Otwarte
19-20 września



BLISKA WOLA

Nowy Etap
już w sprzedaży

od **179 000** zł!

SPRAWDŹ



Factors influencing Company activity in Q3 of 2015

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Related to the utilization of Company potential:

- ❑ As at September 30, 2015, the total number of units that are either ready or under construction was **2,948 units**,
- ❑ As at September 30, 2015, the Company had on offer 1,495 units,
- ❑ In 9 months of 2015, the Company realized 12 investments with **3,008 units** (including single-family homes),
- ❑ The Group is preparing 17 new residential and aparthotel investments totalling **3,743 units** with the total area of **273,197 sq. m.**,
- ❑ **High number of cash** in accounts (almost 145m) and very good cash flows,

Related to positive external factors:

- ❑ **Availability of mortgage credits is expected to grow** in the perspective of the nearest changes to the current law,
- ❑ **Positive changes in the government buy-down program known as Apartments for the young** that positively influence the sales of apartments offered by J.W. Construction Holding S.A., and the planned changes to the current law will increase the levels of apartments subsidies for large families **Stabilne ceny** materiałów i usług budowlanych.
- ❑ **Stable prices** of construction material and services

Factors influencing Company activity in Q3 of 2015

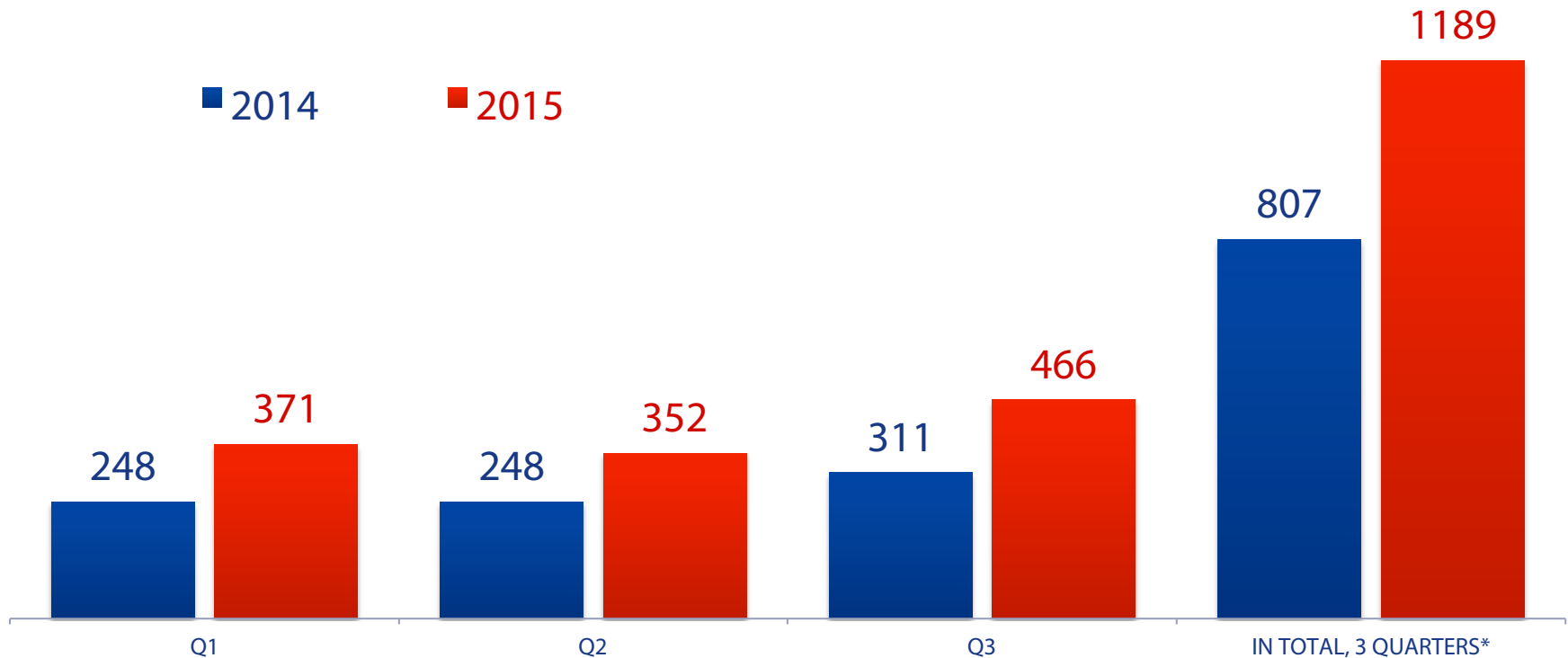
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- ❑ **Polish Act on Real Estate Development introducing escrow accounts** – still hinders quick proceedings in the scope of obtaining necessary funds and causes financial costs to grow,
- ❑ Real estate development industry is seen by financial institutions as a **high-risk industry**,
- ❑ Extending of the Apartments for the Young buy-down program in accordance with the planned amendment of the law,
- ❑ **Long process** leading to obtaining necessary administrative decisions for current and prospect projects,
- ❑ Lack of noticeable effects of the apartment rental fund.

Strategy aimed at releasing Company potential

- ❑ Construction of over **6,000 units** on the land inventory belonging to the Company, with **2,392** units under construction and **3,743** units planned for launching, **460** aparthotel units under construction with **81,180 sq. m.** of commercial space being the continuation of 2014 investment program,
- ❑ Intensified work with an eye to completing project documentation and obtaining building permits,
- ❑ Expansion to other parts of Poland – preparations for launching new projects in Trójmiasto (Gdansk, Gdynia, Sopot), Lodz and Katowice,
- ❑ Active sales of non-interest bearing assets,
- ❑ Selective acquisition of new locations.,
- ❑ Extending the company portfolio by the addition of apart-hotel units in some new locations.

Sales of apartments for the three quarters of 2015



- ❑ J.W. Construction Holding S.A. sold 466 UNITS IN Q3 of 2015 in comparison with 311 units the year before, which mean approx. A 50% growth over the year,
- ❑ In the three quarters of 2015, the Company sold 1,189 units, which means a 47% growth in comparison with the analogous period last year.

* Data concern self apartments in the Oxygen investment (7 units in Q1-3 of 2015, 57 units in Q1-3 of 2014)

Selected consolidated financial data for the three quarters of 2015 presented cumulatively

Selected financial data	3 quarters of 2015	III kwartały 2014	Change
Sales revenue	172,3m	155,2m	11%
Gross sales profit	40m	34,6m	15%
Gross sales margin	23%	22%	+ 1 percentage point
Profit on operations	13m	31,4m	-59%
Net profit	1m	8m	-88%

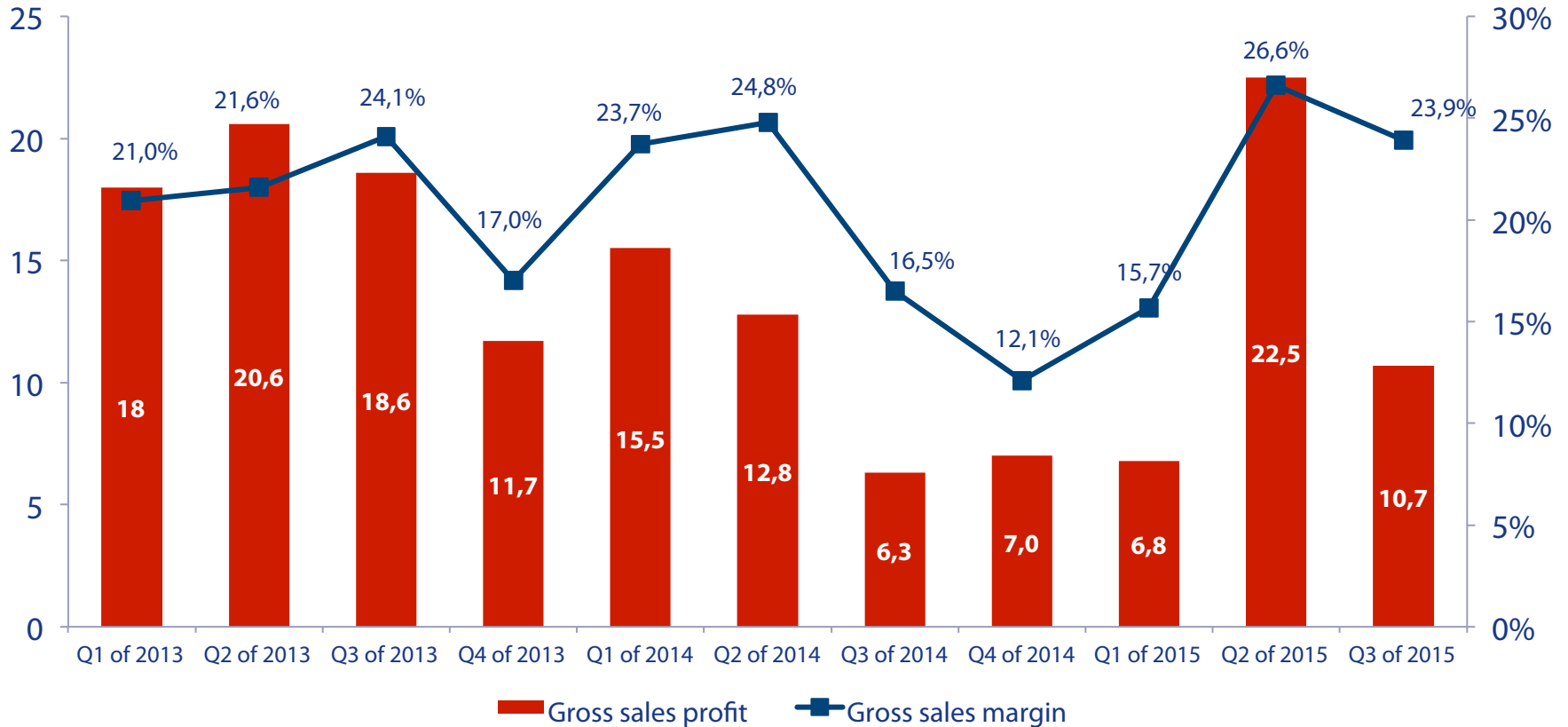
- ❑ Sales revenue grew cumulatively after Q3 cumulatively of 2015 by 1% in comparison with the analogous period of last year,,
- ❑ Net profit went down after Q3 cumulatively by 88% in comparison to the analogous period of last year,
- ❑ It was possible to recognize revenue only on some part of ready apartments that the Company has only a few in its offer. Since the beginning of the year, the Group has handed over 369 ready units.

Selected consolidated financial data for Q3 of 2015

Selected financial data	Q3 of 2015	Q3 of 2014	Change between the quarters
Sales revenue	44,8 m	38,3 m	17%
Gross sales profit	10,7 m	6,3 m	69%
Gross sales margin	24%	16%	+ 8 percentage points
Profit from business operations	-1,3 m	8,1 m	-
Net profit	-4,1 m	2,1 m	-

- ❑ Sales revenue went up by 17% of Q3 of 2015 in comparison with the analogous period of last year.
- ❑ The net loss in Q3 of 2015 at the level of PLN 4,1m in comparison to the profit of PLN 2,1m in the analogous period of last year.
- ❑ It was possible to consider only a part of apartments that are close to being completed. As of September 30, 2015, the Company had 61 unsold ready apartments.

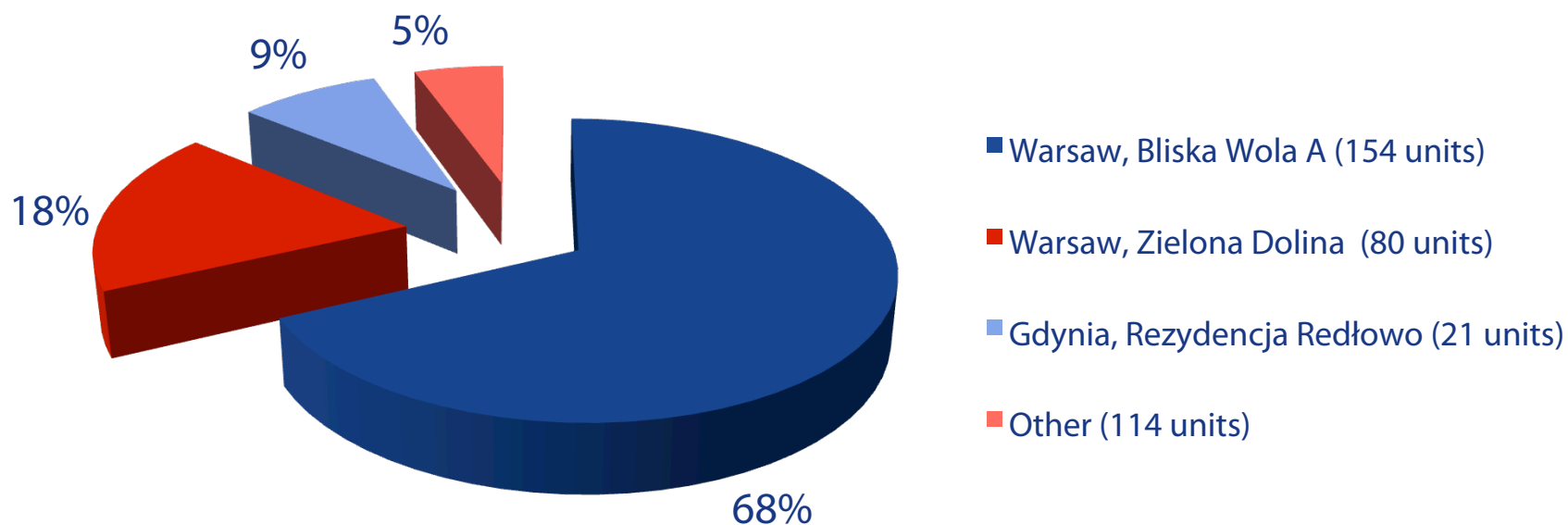
Gross sales margin vs gross sales profit



□ Gross sales margin remains at a stable level of **approx. 20%** for a long time.

Realization of gross sales for the three quarters of 2015

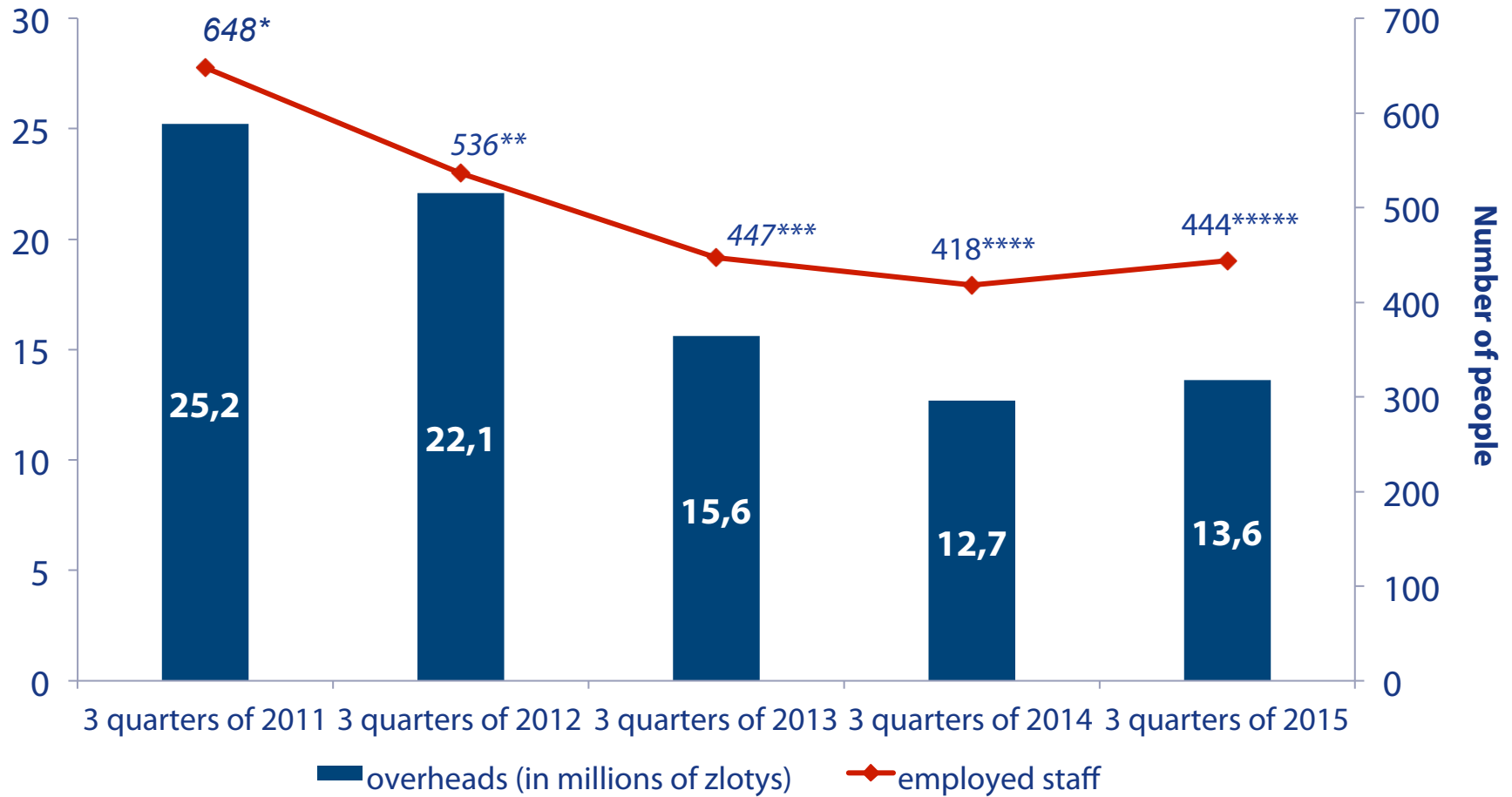
- The gross profit from sales for the three quarters of 2015 is PLN 40m. Percentage contribution of real estate development projects considered in the profit comprised the following:



- Units considered in the result for **the 3 quarters of 2015 vs. 3 quarters of 2014**



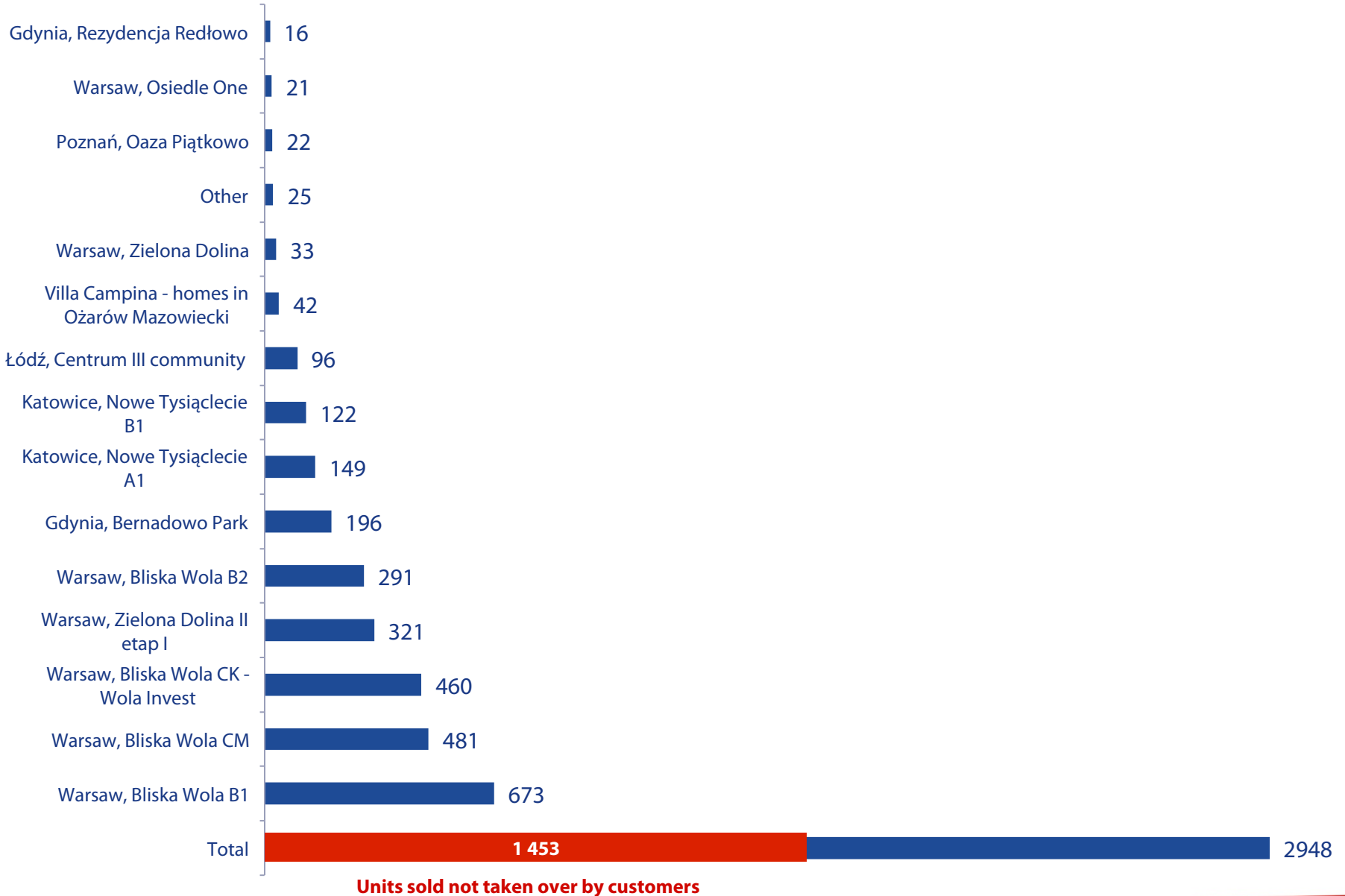
Overheads vs. employment



■ Including employed staff in hotels:

- * 86
- ** 163
- *** 153
- **** 140
- ***** 161

Apartments (in units) available for sale to be considered in the next quarters



Investments being completed as at September 30, 2015

- As at September 30, 2015, the Company carried out the construction of 11 real estate development investments with the total area of 127 978 sq. m.

Residential investment	Number of units	Useable area (in sq. m.)
Bliska Wola – Phase B1, Warszawa – Bliska Wola 1 Sp. z o.o.	673	30 368
Bliska Wola – Phase B2, Warszawa – Bliska Wola 2 Sp. z o.o.	291	12 960
Bliska Wola - Phase C, Warszawa – J.W. Construction Holding S.A.	481	21 392
Bliska Wola - Phase C - Wola Invest, Warszawa – J.W. Construction Holding S.A.	460	14 694
Zielona Dolina II Phase I, Warszawa – J.W. Construction Holding S.A.	321	12 771
Willa One, Warszawa – J.W. Construction Holding S.A.	21	958
Gdynia, Bernadowo Park Phase I – J.W. Construction Holding SA	196	11 471
Nowe Tysiąclecie, Katowice, Phase A1 – Nowe Tysiąclecie Sp. z o.o.	149	7 085
Nowe Tysiąclecie, Katowice, Phase B1 – Nowe Tysiąclecie Sp. z o.o.	122	6 951
Osiedle Centrum III, Łódź – Łódź Invest Sp. z o.o.	96	4 886
Villa Campina – single-family homes, Ożarów	42	4 442
TOTAL	2 852	127 978

- Apart from residential investments, Company also conducted Stara Dana (hotel premises) in Szczecin with the planned net area of 5 206 sq. m.

Investments planned for launching in 2016 *(as of September 30, 2015)*

- Based on possessed land inventory, the company plans to start the construction of over **3.743** units:

Investments in Warsaw and the surrounding area

Project name	Number of units in total	PUM/PU(m2)	Commercial space (sq. m.)
Warsaw, Zielona Dolina II phase II	543	25 424	
Warsaw, Berensona street	290	15 250	
Warsaw, Bliska Wola IV phase D	415	18 000	45 580
Warsaw, Bliska Wola V phase E	690	30 000	13 600
Warsaw, Zielona Dolina III	54	2 254	
Warsaw, Odkryta phase II	82	4 158	
Warsaw, Aluzyjna street phase I	32	1 850	
Warsaw, Aluzyjna street phase II	68	3 670	
Warsaw, Lewandów Park III	211	7 875	
Warsaw, Lewandów Park IV	108	3 830	
Warsaw, Lewandów Park I/16	27	1 115	
Warsaw, Antoniewska street	221	13 763	
Warsaw, Nowodworska street	12	1 903	
Ożarów, Villa Campina – homes	125	18 750	
Total	2 878	147 842	59 180

Investments planned for launching *(as of September 30, 2015)*

Investments outside Warsaw

Investment	Number of units	Useable area (sq. m.)	Commercial space (sq. m.)
Katowice, Nowe Tysiąclecie phase 3	329	16 175	
Gdynia, Bernadowo Park phase 2	236	13 500	
Szczecin, Hanza Tower	300	14 500	22 000
Total:	865	44 175	22 000



HANZA TOWER



Projects planned for launching within the next 12 months: Warsaw, Zielona Dolina II and III

Project	Warsaw, Zielona Dolina II and III
Location	Warsaw, Białołęka District
Number of units	918 (321 were ready for being sold in July)
Useable area in square meters	40 449

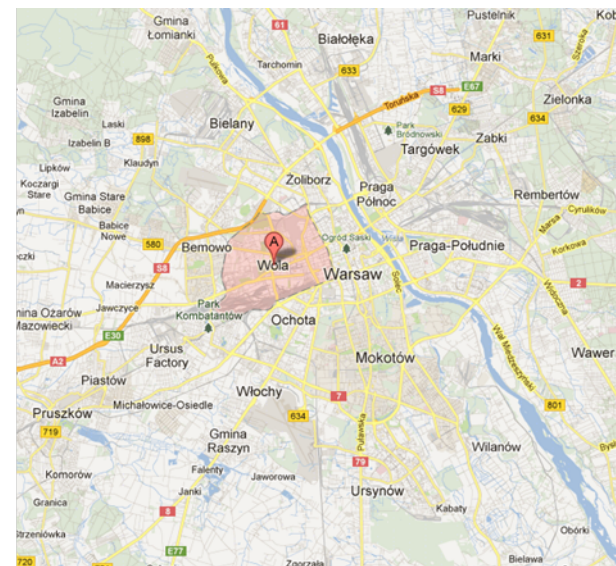
Characteristics

- ❑ Green surrounding area,
- ❑ Recreational terrains,
- ❑ Good connection with the city center,
- ❑ 1-,2-, and 3-room apartments,
- ❑ Easy-to-arrange floor plans,
- ❑ Playing grounds,
- ❑ Fenced and guarded community.



Projects planned for launching in the nearest 12 months to come: Warsaw, Bliska Wola, Phase D, E – residential units and aparthotel

Project	Bliska Wola
Location	Warszawa, Wola
Number of units, phase D	415
Useable area, phase D	18 000
Useable area of commercial and aparthotel units, phase D	45 580
Number of units phase E	690
Useable area, phase E	30 000
Useable area of commercial and aparthotel units, phase E	13 600



Characteristics

- ❑ perfect location – only 3 km from the very city center,
- ❑ good access to the rich city transport infrastructure – Rondo Daszyńskiego subway station
- ❑ recreational areas within the community,
- ❑ interesting, modern architecture of the buildings,
- ❑ competitive prices of apartments.

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

Project	Warsaw, Berensona street
Location	Warsaw, Berensona street
Number of apartments	290
Useable area (in sq. m.)	15 250

Characteristics

- ❑ There are 12 buildings in the project,
- ❑ Low, prestigious architecture,
- ❑ Located in Białołęka, a the fastest developing district in Warsaw,
- ❑ Safe playing grounds within the community,
- ❑ Proximity of amenities, such as school, kindergartens, shopping centers,
- ❑ Quick access to city center,



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

Project	Warsaw, Lewandów Park
Location	Warsaw, Lewandów street
Number of residential units	346
Useable area of residential units (in sq. m.)	12,820
Characteristics	

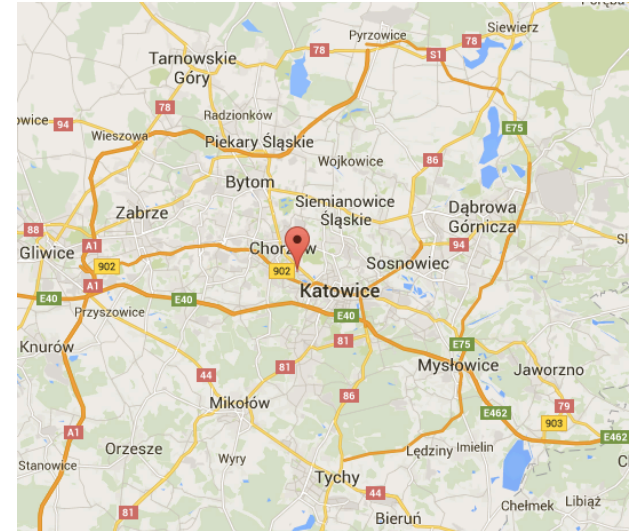
- ❑ low, prestigious architecture,
- ❑ safe playing grounds within the community,
- ❑ Quick drive to Warsaw's city center and relaxation areas, such as Zalew Zegrzyński (Zegrze Lake),
- ❑ friendly location in Białołęka, a district that is most often chosen by people looking for their first apartment,
- ❑ proximity of grand city amenities, such as shopping centers, schools, cinemas and restaurants.



Projects planned for launching within the next 12 months: Katowice, Nowe Tysiąclecie, phase 3

Project	Katowice, Tysiąclecia street
Location	Katowice, ul. Tysiąclecia
Number of apartments	329
Useable area (in sq. m.)	16,175
Characteristics	

- ❑ ultimately the project involves 5 17-storey buildings for residential and business purposes,
- ❑ attractive location allows for comfortable and quick access to city center,
- ❑ in the local development plan there are multiple trees and shrubs,
- ❑ broadspectrum of floor plans,
- ❑ close proximity of green areas including Park Śląski. (largest town park in Europe)



PRESENTATION OF RESULTS FOR H3 OF 2015

Thank you for your attention

INVESTOR RELATIONS:

Małgorzata Szwarc-Sroka

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

phone: 22 771 77 85

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

