

# RESULTS PRESENTATION FOR H1 2016



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# Key events in H1 2016

- ❑ Good ongoing sales rate – slight increase in comparison with the same period last year: **733 units in H1 of 2016** in comparison with 723 units in the same period of 2015,
- ❑ Completion of **4 Investments** for a total of **1 201 units**:
  - ❑ **Bliska Wola phase B1** with **672 units**, Warsaw, Kasprzaka street – construction was ended in Q2 2016, occupancy permit received on July 1, 2016.
  - ❑ **Bliska Wola phase B2** with **291 units**, Warsaw, Kasprzaka street – construction was ended in Q4 2015, occupancy permit received in Q2 2016.
  - ❑ **Nowe Tysiąclecie phase A1** with **142 units**, Katowice Tysiąclecia street – construction was ended in Q4 2015, occupancy permit received in Q1 2016,
  - ❑ **Osiedle Centrum III** with **96 units**, Łódź, Tymienieckiego street, construction was ended in Q1 2016, occupancy permit received in Q2 2016.



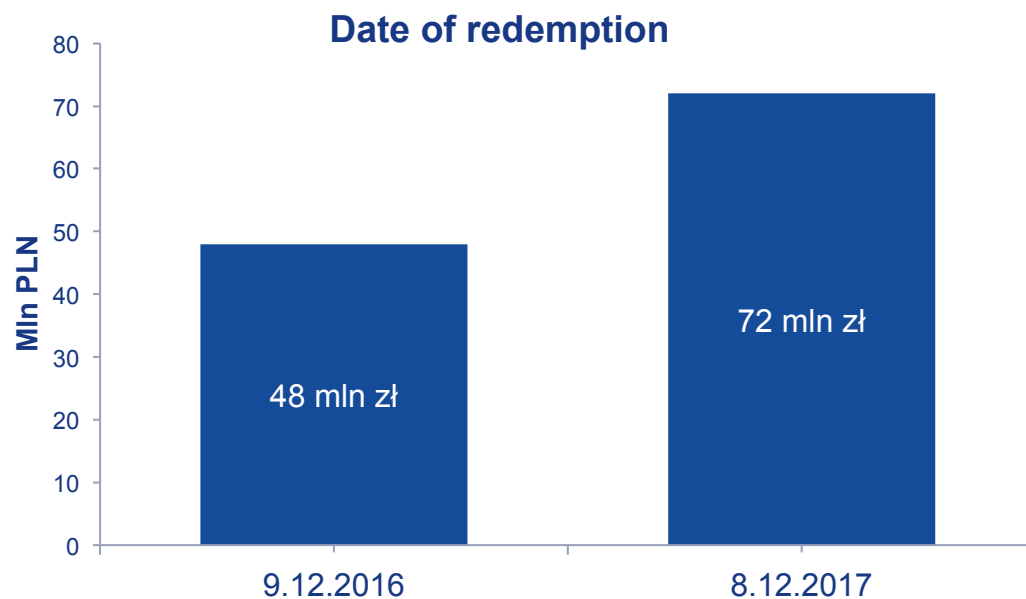
# Key events in H1 2016

- ❑ Starting realisation of **5 investments** for a total of **1 028 units**:
  - ❑ Estate **Zielona Dolina II phase II** in Warsaw with **567 units** – Q2 2016,
  - ❑ Estate **Bernadowo Park phase II** in Gdynia with **236 units** – Q2 2016,
  - ❑ Aparthotel **Jerozolimskie Invest** in Warsaw with **116 units** – Q2 2016,
  - ❑ Estate **Kamerata** in Gdynia with **55 units** – Q2 2016,
  - ❑ Estate **Zielona Dolina III** in Warsaw with **54 units**– Q1 2016.
- ❑ Continuation of realisation of **7 remaining investments**, including one aparthotel investment for a total of **1 641 units**:
  - ❑ **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 Warszawa at Kasprzaka street,,
  - ❑ **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 houses in Ożarów near Warsaw,
  - ❑ **Willa One** with 21 units located in Warsaw at Marcina z Wrocimowic street.



## Key events in H1 2016

- ▣ Bond payment (in January 2016 and December 2015) in the amount of 180 000 000 PLN:
  - ▣ 120 000 000 PLN with the means from the new issuance
  - ▣ 60 000 000 PLN with the company own means
- ▣ Debut of the new issuance to the amount of 120 000 000 PLN on the Catalyst market on February 12, 2016:
  - ▣ Variable interest rate WIBOR 6M + margin
  - ▣ Nominal value: 1 000 PLN
  - ▣ Interest paid every 6 months
  - ▣ Series – JWC1217
  - ▣ Maturity date:
    - ▣ 48 000 000 PLN in December 2016
    - ▣ 72 000 000 PLN in December 2017



## Key marketing events in H1 2016

- ❑ **Marketing & Sales campaign:**
  - ❑ Buy a detached house in the price of a flat,
  - ❑ The most often chosen flat structures – compact solutions in Willa ONE
  - ❑ Increasingly popular urban villas – new attractive multi-family houses on Zielona Dolina estate
- ❑ **Advertising activities related to the introduction of aparthotel Jerozolimskie Invest onto the market – radio campaigns, image building articles, information campaign**
- ❑ **Intensification of marketing activities related to the positioning of an aparthotel Wola Invest – „Safe capital placement and guaranteed profit”,**



## Related to utilising company's potential:

- ❑ As at June 30, 2016, the total number of units on sale to be recognised in the results of future quarters was **3 843 units**,
- ❑ As at June 30, 2016, the Company had **2 088 units\*** on sale,
- ❑ In Q1 2016 the Company was realising **16 investments with 3 870 units** (including single-family houses and aparthotel units),
- ❑ The Group is preparing **15 new investments** with a total of **3 559 units** and over **46 000 m2 aparthotel and commercial area**,
- ❑ **High level of cash** on the accounts (over **123m PLN**) and very good cash flows,

## Related to favourable external conditions:

- ❑ Good situation on the real estate market,
- ❑ Governmental „Mieszkania dla Młodych” program stimulating demand in the segment due to the depletion of funds for 2016, customers can use the funds earmarked for 2017 and 2018,
- ❑ Average salary growth (5,3% higher in comparison with the last year according to Central Statistical Office of Poland)

\*including 552 units of Bliska Wola Phase E investment offered in reservation sale.

## Factors affecting Company's activity in H1 2016

NEGATIVE

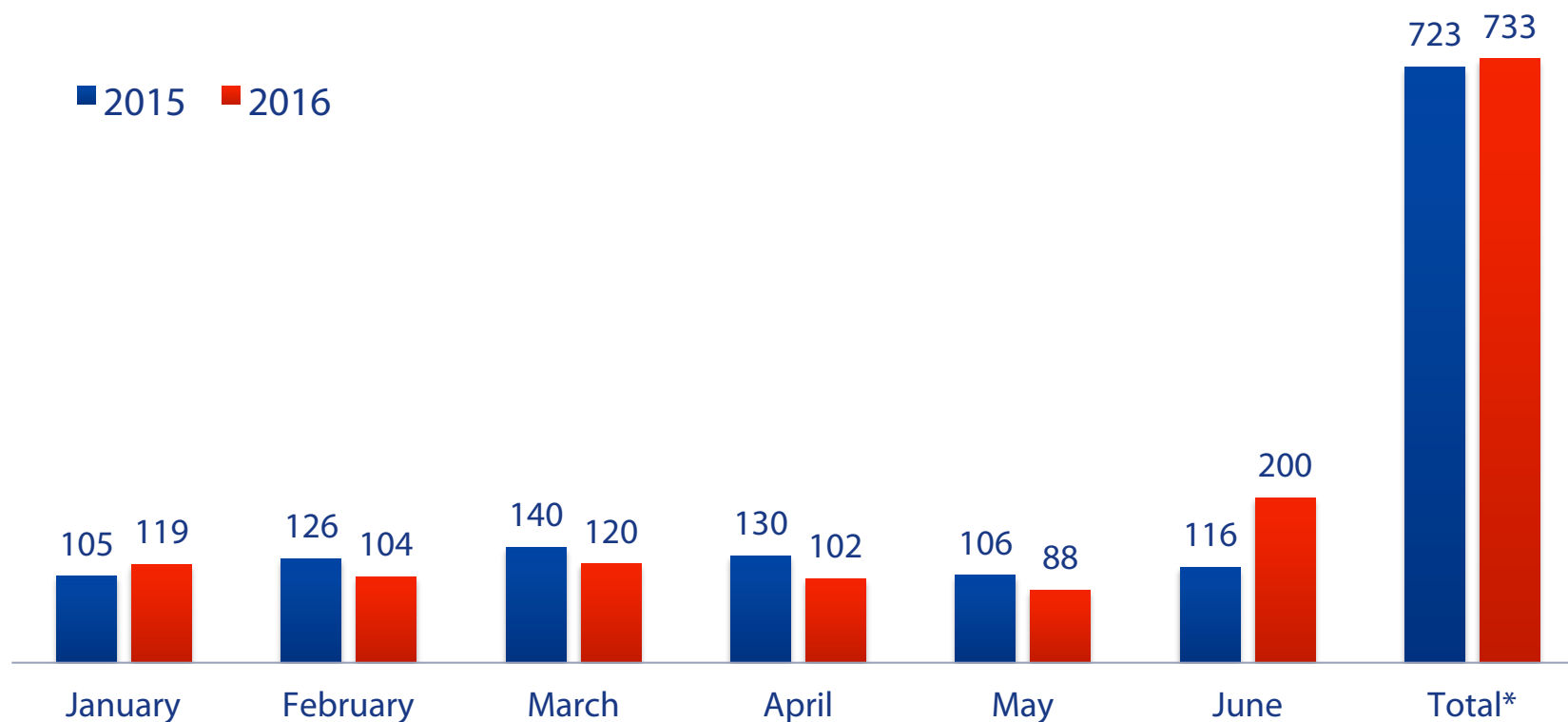
- ❑ flat supply growth - nearly 30% increase in the number of units launched for sale in the largest Polish cities in Q2 2016 in comparison with the same period last year (source: REAS "Residential Market in Poland - Q1 2016)
- ❑ Uncertain macroeconomic situation causing banks to be more cautious about granting loans,
- ❑ Higher financial costs of loans, including mortgages,
- ❑ Long process of obtaining the necessary administrative decisions for current and planned projects,
- ❑ Depletion of funds from the governmental MdM program,
- ❑ Stricter conditions for granting mortgage loans (including higher own contribution) - new provisions in "Recommendation S" by Polish Financial Supervision Authority
- ❑ Uncertainty about the legal and tax changes related to the real estate market.



# Continuation of strategy aimed at unleashing the Group's potential

- ❑ Construction of investments on the substantial land inventory with over **6 000 units** (including **3 296 units** realised in H1 2016 and **3 559 units** planned for launching), **574 aparthotel units** being realised, as well as **46 309 m2 of commercial space** planned for launching including aparthotel units,
- ❑ Intensification of works related to the preparation of project documentarion and obtaining building permits for the nearest 2 years,
- ❑ Expansion into other areas of Poland - preparation for launching new projects in Trójmiasto, Szczecin and Katowice,
- ❑ Active action towards sale of non-working assets,
- ❑ Selective acquisition of new investment locations,
- ❑ Extening current offer for aparthotel and commercial units in new locations (next phases of Wola Invest at Kasprzaka street, investment at Pileckiego street in Warsaw, and Hanza Tower in Szczecin).

# Sale of premises in H1 2016



- In H1 2016 the Company sold **733 units** which is **1%** more in comparison with the same period last year,

\*including 117 reservation agreements from Bliska Wola phase E investment in Warsaw

# Selected consolidated financial data for H1 2016

Selected financial data	H1 2016	H1 2015	Change
Sales revenue	PLN 255 million	PLN 127,5 million	+100%
Gross sales profit	PLN 68,1 million	PLN 29,3 million	+133%
Gross sales margin	26,7%	23%	+ 3,7 p.p.
Profit on operations	PLN 37,5 million	PLN 14,3 million	+162%
Net profit	PLN 26,1 million	PLN 5,1 million	+ 412%

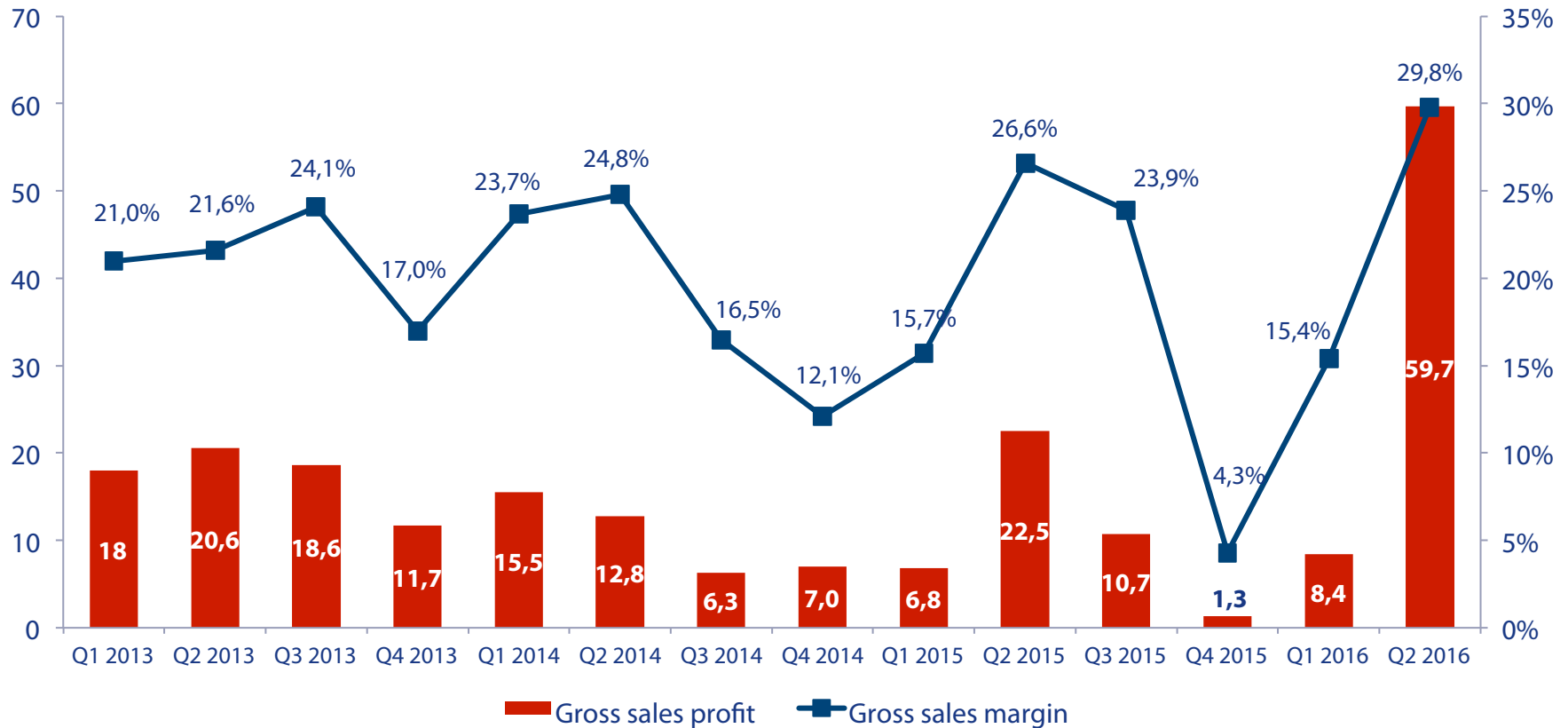
- ❑ Doubling sales revenues in H1 2016 in comparison with the same period last year,
- ❑ A threefold increase of net profit in H1 2016 in comparison with the same period last year.

# Selected consolidated financial data for Q2 2016

Selected financial data	Q2 2016	Q2 2015	Change
Sales revenue	PLN 200,3 million	PLN 84,5 million	+ 137%
Gross sales profit	PLN 59,7 million	PLN 22,5 million	+ 165%
Gross sales margin	29,8%	26,6%	+ 3,2 p.p.
Profit on operations	PLN 44,8 million	PLN 7,2 million	+ 520%
Net profit	PLN 35,7 million	PLN 3,5 million	+ 925%

- ❑ 137% increase of sales revenue in Q2 2016 in comparison with the same period last year.
- ❑ Over tenfold increase of net profit in Q2 2016 in comparison with the same period last year.

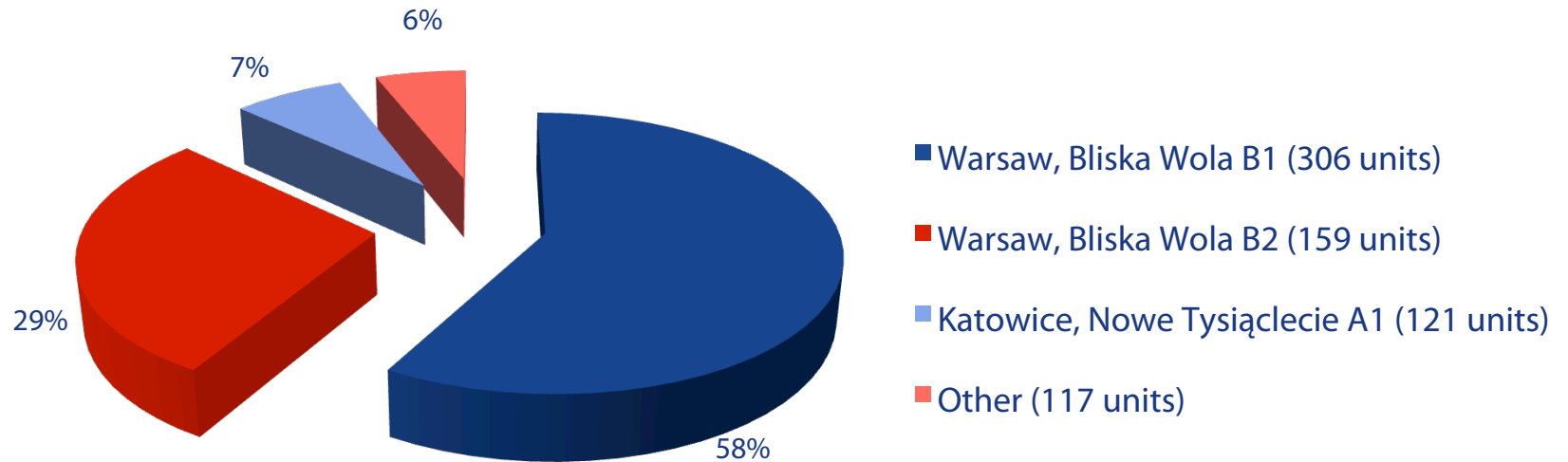
# Gross sales margin vs gross sales profit



□ Gross sales margin remained at the level of **over 20%** over a long period of time.

# Gross profit realisation for H1 2016

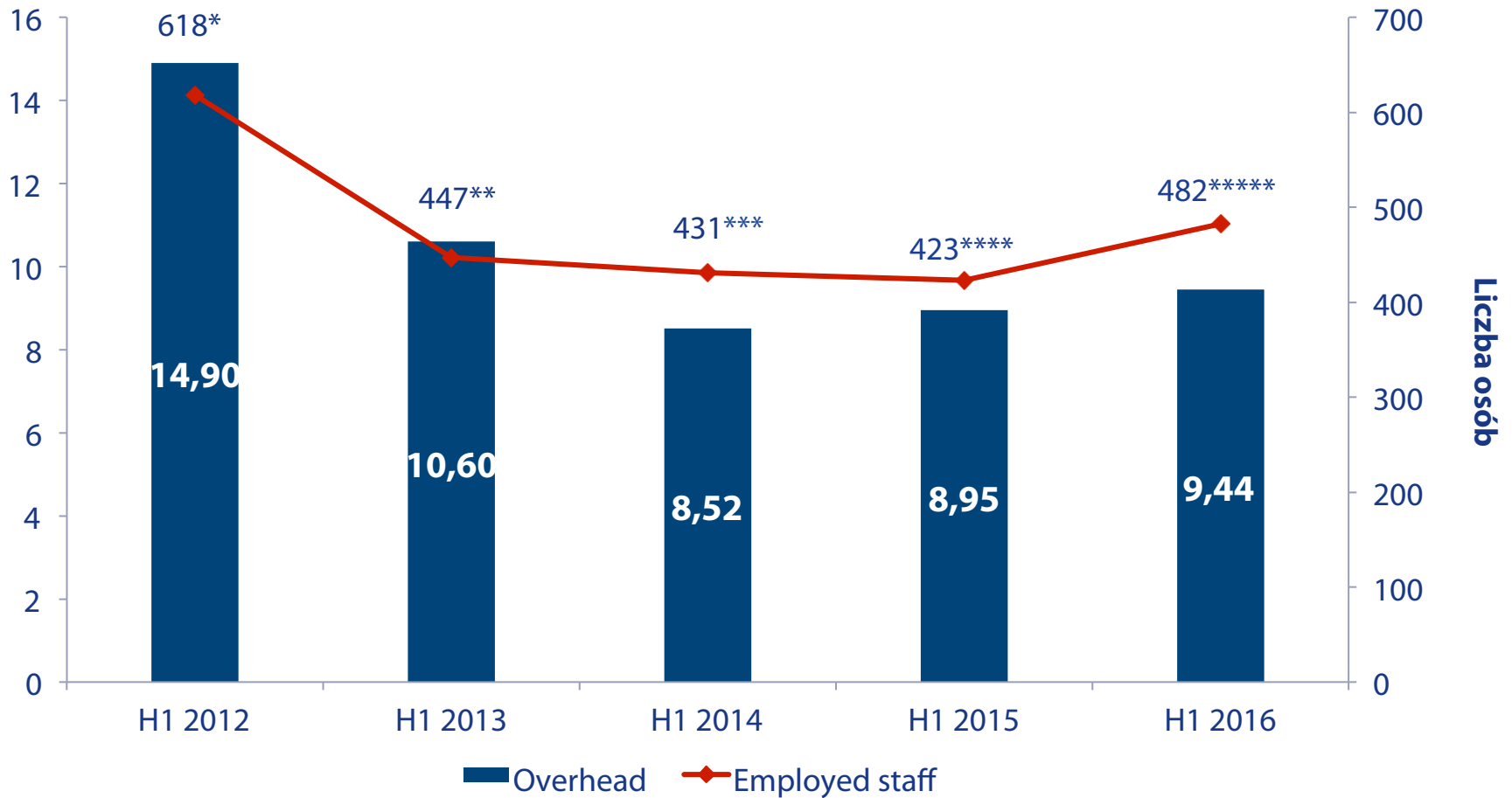
- The level of produced gross sales profit for H1 2016 is **68,1 million PLN**.  
 The percentage participation of real estate development project in the recognised sales profit is:



- Units recognised in the financial result for **H1 2015** vs. **H1 2016**



# Overhead vs employment



□ Including employment in hotels:

\* 131 people

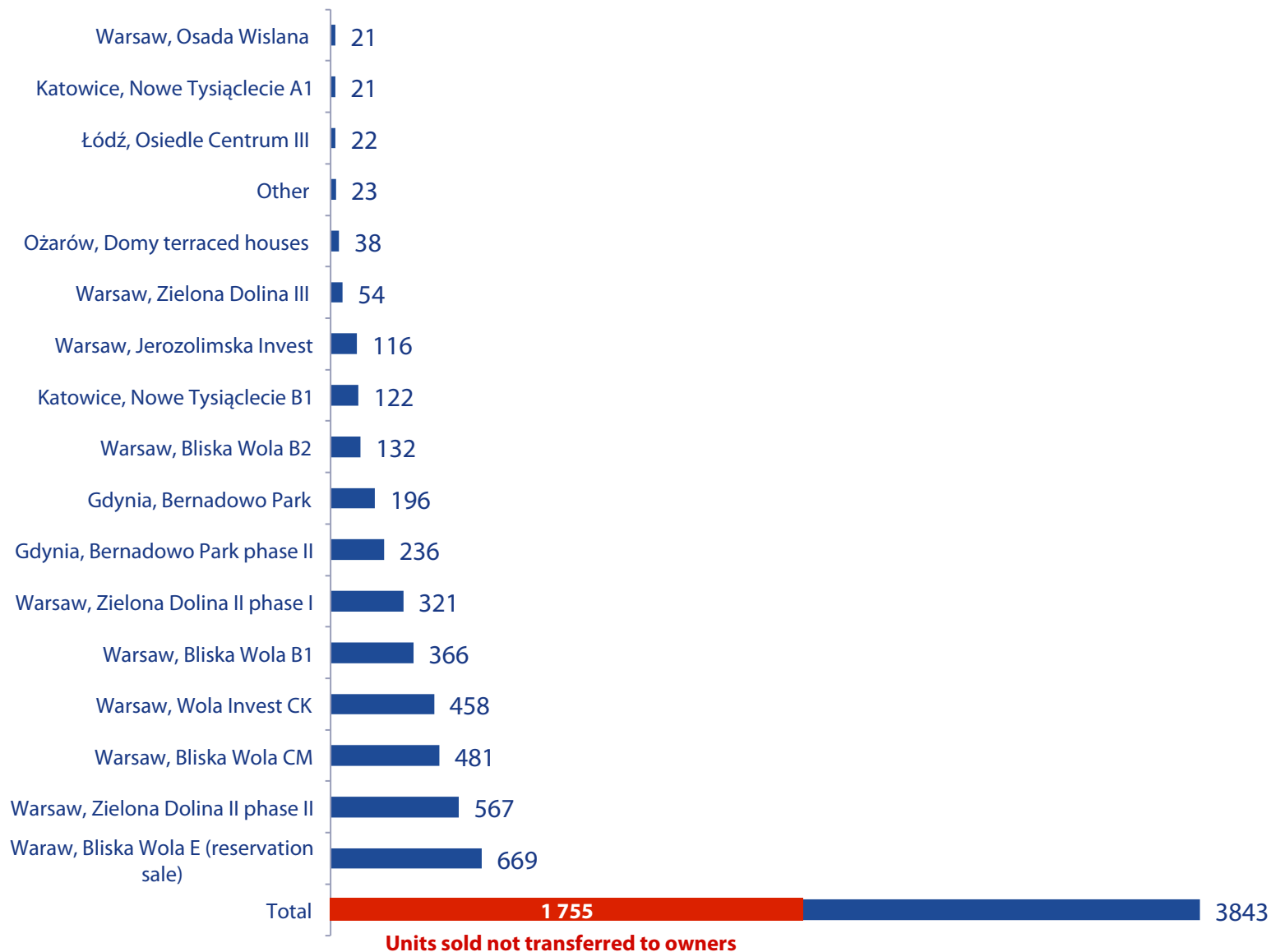
\*\* 130 people

\*\*\* 131 people

\*\*\*\* 131 people

\*\*\*\*\* 198 people

## Units on offer to recognise in next quarters





# Investments realised in H1 2016

Residential investments	Units	Useable area (m <sup>2</sup> )	% of sold units	% of construction advancement
Bliska Wola –Phase B1, Warsaw–Bliska Wola 4 Sp. z o.o. 1 Limited Partnership	672	30 408	100%	100%



# Inwestycje realizowane w I półroczu 2016

Residential investments	Units	Useable area (m <sup>2</sup> )	% of sold units	% of construction advancement
Zielona Dolina II phase II, Warsaw – J.W. Construction Holding S.A.	567	25 337	0%	1%



# Investments realised in H1 2016

Residential investments	Units	Useable area (m <sup>2</sup> )	% of sold units	% of construction advancement
Bliska Wola - Phase C, Warsaw – J.W. Construction Holding S.A.	481	21 392	90%	37%



# Investments realised in H1 2016

Residential investments	Units	Useable area (m <sup>2</sup> )	% of sold units	% of construction advancement
Zielona Dolina II phase I, Warsaw – J.W. Construction Holding S.A.	321	12 832	35%	59%



# Investments realised in H1 2016

Residential investments	Units	Useable area (m <sup>2</sup> )	% of sold units	% of construction advancement
Bliska Wola – Phase B2, Warsaw – Bliska Wola 2 Sp. z o.o.	291	12 898	100%	100%



# Investments realised in H1 2016

Residential investments	Units	Useable area (m <sup>2</sup> )	% of sold units	% of construction advancement
Bernadowo Park phase II, Gdynia – J.W. Construction Holding SA	236	13 185	8%	4%
Bernadowo Park phase I, Gdynia – J.W. Construction Holding SA	196	11 471	72%	83%



# Investments realised in H1 2016

Residential investments	Units	Useable area (m <sup>2</sup> )	% of sold units	% of construction advancement
Nowe Tysiąclecie, Katowice phase A1 – Nowe Tysiąclecie Sp. z o.o.	142	7 008	98%	100%
Nowe Tysiąclecie, Katowice phase B1 – Nowe Tysiąclecie Sp. z o.o.	122	6 951	71%	43%



# Investments realised in H1 2016

Residential investments	Units	Useable area (m <sup>2</sup> )	% of sold units	% of construction advancement
Osiedle Centrum III, Łódź – Łódź Invest Sp. z o.o.	96	4 865	89%	100%





# Investments realised in H1 2016

Residential investments	Units	Useable area (m <sup>2</sup> )	% of sold units	% of construction advancement
Kamerata (Sochaczewska street) Gdynia,- J.W. Construction Holding SA	55	3 487	on sale from September	1%



# Investments realised in H1 2016

Residential investments	Units	Useable area (m <sup>2</sup> )	% of sold units	% of construction advancement
Zielona Dolina III, Warszawa – J.W. Construction Holding S.A.	54	2 254	13%	17%



# Investments realised in H1 2016

Residential investments	Units	Useable area (m <sup>2</sup> )	% of sold units	% of construction advancement
Villa Campina – terraced houses, Ożarów – J.W. Construction Holding S.A.	42	4 442	40%	15%-95%



# Investments realised in H1 2016

Residential investments	Units	Useable area (m <sup>2</sup> )	% of sold units	% of construction advancement
Willa One, Warsaw – J.W. Construction Holding S.A.	21	957	19%	52%



# Investments realised in H1 2016

Aparthotel investments	Units	Useable area (m <sup>2</sup> )	% of sold units	% of construction advancement
Bliska Wola - Phase C - Wola Invest, Warsaw – J.W. Construction Holding S.A.	458	14 559	61%	18%



# Investments realised in H1 2016

Aparthotel investments	Units	Useable area (m <sup>2</sup> )	% of sold units	% of construction advancement
Jerozolimskie Invest, Warsaw – J.W. Construction Holding S.A.	116	3 479	4%	10%



## Investments realised in H1 2016

- In H1 2016 the Group realised **14 residential** investments and **2 aparthotel** investments with a total useable area of **175 525 m<sup>2</sup>**.

Residential investments:	Units	Useable area (m <sup>2</sup> )	% of sold units	% of construction advancement
Bliska Wola-Phase B1,Warsaw-Bliska Wola 4 Sp. z o.o. 1 Limited Partnership	672	30 408	100%	100%
Zielona Dolina II phase II, Warsaw – J.W. Construction Holding S.A.	567	25 337	0%	1%
Bliska Wola - Phase C, Warsaw – J.W. Construction Holding S.A.	481	21 392	90%	37%
Zielona Dolina II phase I, Warsaw – J.W. Construction Holding S.A.	321	12 832	35%	59%
Bliska Wola-Phase B2, Warsaw-Bliska Wola 4 Sp. z o.o. 1 Limited Partnership	291	12 898	100%	100%
Bernadowo Park phase II, Gdynia – J.W. Construction Holding SA	236	13 185	8%	4%
Bernadowo Park phase I, Gdynia – J.W. Construction Holding SA	196	11 471	72%	83%
Nowe Tysiąclecie, Katowice phase A1 – Nowe Tysiąclecie Sp. z o.o.	142	7 008	98%	100%
Nowe Tysiąclecie, Katowice phase B1 – Nowe Tysiąclecie Sp. z o.o.	122	6 951	71%	43%
Osiedle Centrum III, Łódź – Łódź Invest Sp. z o.o.	96	4 865	89%	100%
Kamerata (Sochaczewska street) Gdynia,- J.W. Construction Holding SA*	55	3 487	0%	1%
Zielona Dolina III, Warsaw – J.W. Construction Holding S.A.	54	2 254	13%	17%
Villa Campina – terraced houses, Ożarów – J.W. Construction Holding S.A.	42	4 442	40%	15%-95%
Willa One, Warsaw – J.W. Construction Holding S.A.	21	957	19%	52%
<b>TOTAL</b>	<b>3 296</b>	<b>157 487</b>		
<b>Aparthotel investments</b>				
Bliska Wola - Phase C - Wola Invest, Warsaw – J.W. Construction Holding S.A.	458	14 559	61%	18%
Jerozolimskie Invest, Warsaw – J.W. Construction Holding S.A.	116	3 479	4%	10%
<b>TOTAL</b>	<b>574</b>	<b>18 038</b>		
<b>TOTAL residential and aparthotel investments</b>	<b>3 870</b>	<b>175 525</b>		

\*inwestycja zostanie wprowadzona do sprzedaży w III kwartale 2016r - budowa rozpoczęta.

# Investments planned for launching as at June 30, 2016

- Company based on its land inventory plans to launch **3 559** units and **46 309 m<sup>2</sup>** of aparthotel and commercial space:

## *Investments in Warsaw and around*

Project	Total number of units	Useable area(m <sup>2</sup> )	Commercial space(m <sup>2</sup> )
Warsaw, Bliska Wola IV phase D	814	38 811	17 968
Warsaw, Bliska Wola - Phase E*	779	35 070	10 501
Warsaw, ul. Berensona	259	11 733	
Warsaw, ul. Antoniewska	221	13 763	
Warsaw, Lewandów Park III	209	7 552	
Ożarów, Villa Campina – terraced houses	125	18 750	
Warsaw, Lewandów Park IV	108	3 939	
Warsaw, ul. Odkryta II	82	4 158	
Warsaw, ul. Aluzyjna II	68	3 670	
Warsaw, ul. Aluzyjna I	32	1 850	
Warsaw, Lewandów Park I/16	27	1 128	
Warsaw, ul. Nowodworska	13	1 180	
Warsaw, Pileckiego - Aparthotel	Aparthotel		8 049
<b>Total</b>	<b>2 737</b>	<b>141 604</b>	<b>36 518</b>

\*In H1 2016, reservation sale of 669 units



# Investments planned for launching as at June 30, 2016

## *Investments outside Warsaw*

Investment	Number of units	Useable area (m2)	Commercial space(m2)
Katowice, Nowe Tysiąclecie phase III	329	18 060	
Szczecin, Hanza Tower	493	22 973	9 791
<b>Total:</b>	<b>822</b>	<b>41 033</b>	<b>9 791</b>

### HANZA TOWER



### NOWE TYSIĄCLECIE



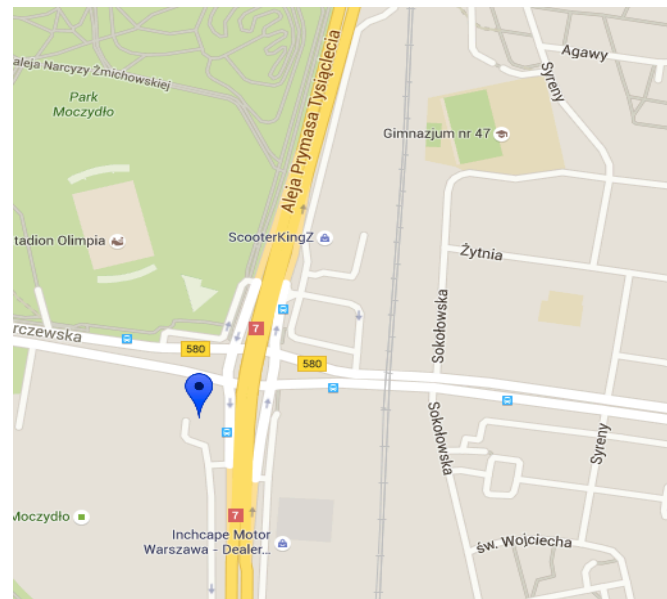
# Attachments

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

Project	Warsaw, Bliska Wola
Location	Warsaw, Wola
Number of units, phase D	814
Useable area, phase D	38 811
Useable are of commercial and aparthotel units, phase D	17 968
Number of units, phase E	779
Useable area, phase E	35 070
Useable are of commercial and aparthotel units, phase E	10 501

### Characteristics

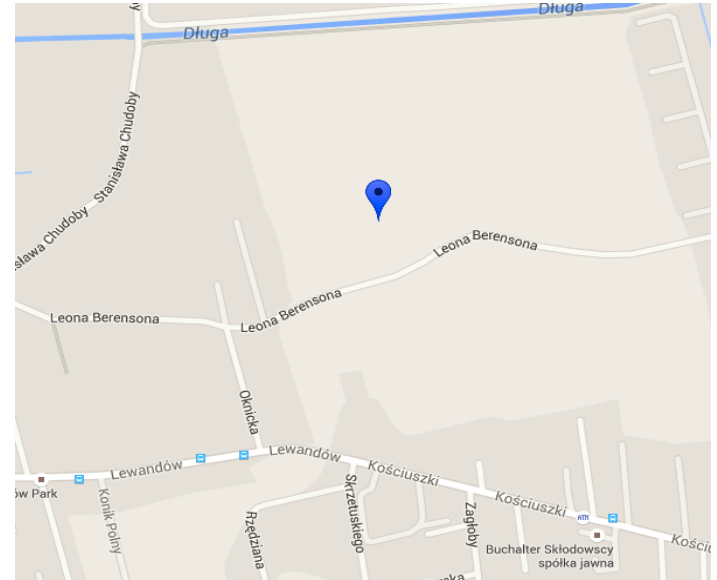
- ❑ great location– merely 3km from the city centre
- ❑ very well developed communication infrastructure
  - Rondo Daszyńskiego underground station,
- ❑ recreational areas inside the community,
- ❑ interesting, modern building architecture,
- ❑ competitive prices.



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

Project	Warszawa, Berensona street
Location	Warsaw, Berensona street
Number of units	259
Useable area (m <sup>2</sup> )	11 733
Characteristics	

- ❑ project comprises of 12 buildings,
- ❑ low, prestigious buildings,
- ❑ located in Białołęka– the fastest growing district of Warsaw
- ❑ Safe playgrounds inside the community,
- ❑ Close proximity of amenities:schools,kindergardens, and shopping malls,
- ❑ quick access to the city centre.

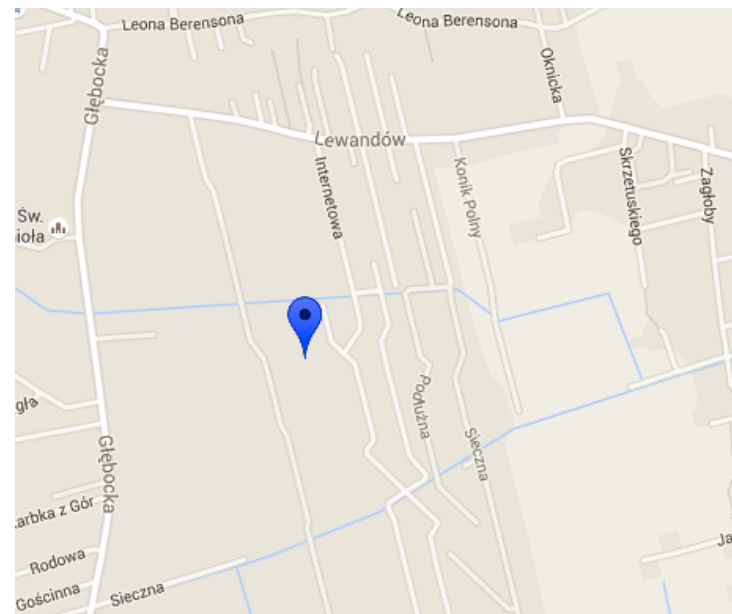


## Projects planned for launching in the next 12 months : Warsaw, Lewandów Park III, IV (Wrzosowa Aleja)

Project	Warsaw, Lewandów Park
Location	Warsaw, Lewandów street
Number of units	317
Useable area (m <sup>2</sup> )	11 491

### Characteristics

- ❑ low,prestigious buildings,
- ❑ safe playgrounds inside the community,
- ❑ quick access to the city centre and recreational areas – Zalew Zegrzyński,
- ❑ safe playgrounds inside the community,
- ❑ friendly location in Białołęka – most often chosen district among people looking for their first apartment,
- ❑ proximity of amenities such as shopping malls, cinemas and restaurants.

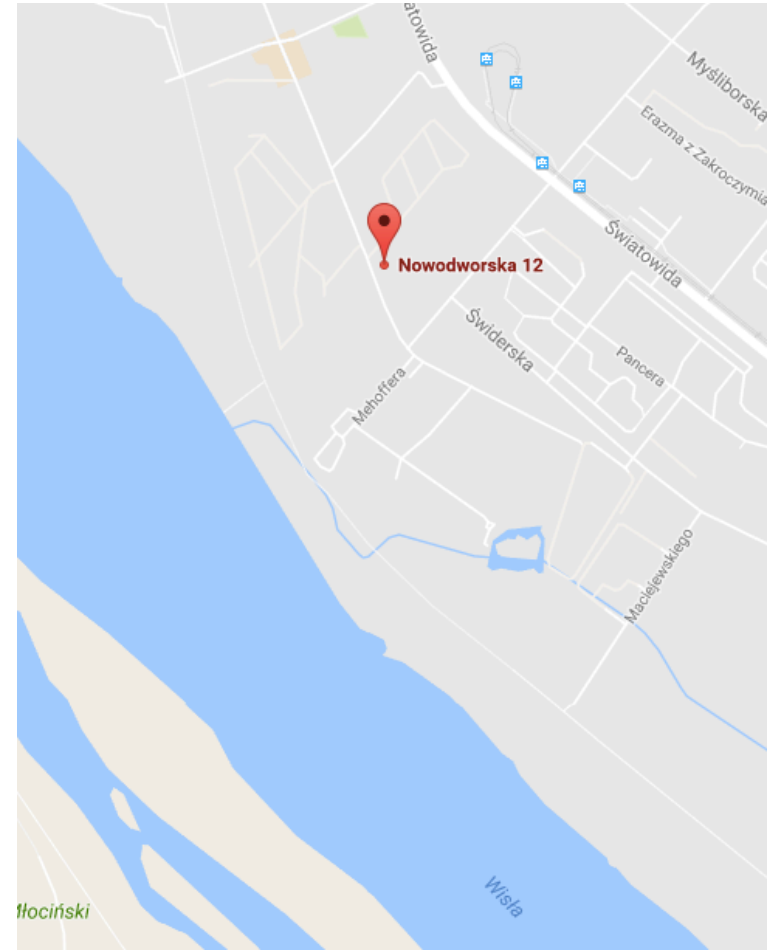


## Projects planned for launching in the next 12 months : Houses in Warsaw, Nowodworska street

Project	Warsaw, Houses
Location	Warsaw, Nowodworska street
Number of units	13
Useable area (m <sup>2</sup> )	1 180

### Characteristics

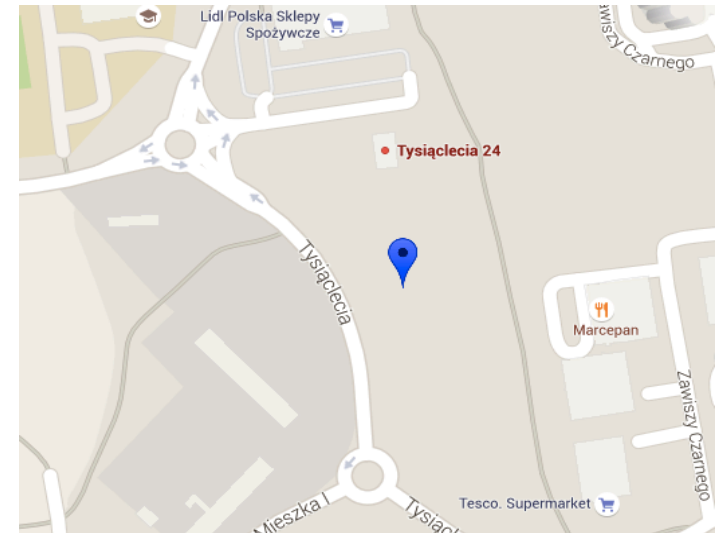
- ❑ project comprises of 13 single-family terraced houses
- ❑ each is a three-storey building including an attic
- ❑ houses located in Nowodwory, Białołęka district of Warsaw with an easy access to Młociny underground station
- ❑ proximity of urban infrastructure, easy access to kindergardens, schools, health service, attractive commercial establishments, recreational areas and sports facilities



## Projects planned for launching in the next 12 months : Katowice, Nowe Tysiąclecie Phase III

Project	Katowice, Nowe Tysiąclecie
Location	Katowice, Tysiąclecia street
Number of units	329
Useable area (m <sup>2</sup> )	18 060
Characteristics	

- ❑ modern architecture– numerous glazing,
- ❑ attractive location allows for comfortable and quick communication with the city centre,
- ❑ zoning plan includes numerous bushes and trees,
- ❑ wide range of floor-plan selection,
- ❑ proximity of green terrains including the Silesian Park (the largest city park in Europe).



## Projects planned for launching in the next 12 months : Hanza Tower in Szczecin

Project	Szczecin, Hanza Tower
Location	Szczecin
Number of units	493
Useable area (m <sup>2</sup> )	22 973
Useable area of commercial and aparthotel units (m <sup>2</sup> )	9 791

### Characteristics

- ❑ project shows a 27-storey tower in the shape of a sail
- ❑ it comprises of 493 units and commercial area with a possibility for aparthotels,
- ❑ attractions for future residents will be amenities such as a private pool and concierge services,
- ❑ attractive location in the centre of Szczecin
- ❑ a direct connection with Dana Hotel





# RESULTS PRESENTATION FOR H1 2016

**Thank you for your attention**

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