

FINANCIAL RESULTS PRESENTATION FOR Q3 2016



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Key events in Q3 2016

- ❑ Good ongoing sales rate at a level comparable to the previous year - **1.171 units** sold in first three quarters of 2016 in comparison with 1.189 units in the same period last year. In Q3 2016 number of units sold was **438**, in comparison with 466 units in the same period last year.
- ❑ Obtaining occupancy permit for **Bliska Wola phase B1 investment in Warsaw** for **672 units** - construction finished in Q2 2016, permit obtained on 1 July 2016.
- ❑ Completing of remaining formalities associated with obtaining a building permit for **Bliska Wola phase E investment** for a total of **779 units** and **over 10.500 m2 of aparthotel and commercial area** - launch expected in Q4 2016
- ❑ Final works aimed at obtaining a substitute building permit for **Hanza Tower investment in Szczecin** for **479 units** and **over 11.000 m2** of aparthotel and commercial area.



**BLISKA
WOLA**



Key events in Q3 2016

- ❑ Continuation of **12 investments**, including 2 aparthotel investments for a total of **2.672 units**:
 - ❑ **Zielona Dolina II phase II** for **570 units** located at Ostródzka street in Warsaw,
 - ❑ **Bliska Wola phase C (residential part)** for **481 units** located at Kasprzaka street in Warsaw,
 - ❑ **Bliska Wola phase C – Wola Invest (aparthotel part)** for **458 units** located at Kasprzaka street in Warsaw,
 - ❑ **Zielona Dolina II phase I** for **321 units** located at Ostródzka street in Warsaw,
 - ❑ **Bernadowo Park phase II** for **236 units** located at Spokojna street in Gdynia,
 - ❑ **Bernadowo Park phase I** for **196 units** located at Spokojna street in Gdynia,
 - ❑ **Nowe Tysiąclecie phase B1** for **122 units** located at Tysiąclecia street in Katowice,
 - ❑ Aparthotelu **Jerozolimskie Invest** for **116 units** in Warsaw,
 - ❑ **Kamerata** for **55 units** located at Sochaczewska street in Gdynia,
 - ❑ **Zielona Dolina III** for **54 units** located at Ostródzka street in Warsaw,
 - ❑ **Villa Campina** for **42 terraced houses** Ożarów near Warsaw,
 - ❑ **Willa One** for **21 units** located in Warsaw at Marcina z Wrocimowic street.



Key marketing events in Q3 2016

- ❑ Marketing activities related to the start of sales of next phase of **Osiedle Bliska Wola** - focused on attractive price and location
- ❑ Commence of sales and marketing campaign of Osiedle Kamerata in Gdynia, - "Urban villas on sale"
- ❑ Focusing marketing activities messages expected by customers, eg. "**No VAT**" and **MdM**
- ❑ Family-oriented promotional events: barbecue party on Villa One estate, Zielona Dolina and Villa Campina.
- ❑ Intensification of marketing activities related to the promotion of Wola Invest aparthotel – organising regular „**Investor Days**”

KAMERATA

Wille Miejskie
już w sprzedaży!

SPRAWDŹ



RABAT



Villa Campina

sprawdź

GOTOWE DOMY!

**Tylko 8 min
od Bemowa**



Factors affecting Company's activity in Q3 2016

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Related to utilising company's potential:

- ❑ As at 30 September 2016 the total number of units on sale to be recognised in the results of future quarters is **3 426 units**,
- ❑ As at 30 September 2016 the Company had **1 748 units*** on sale,
- ❑ In Q3 2016 the Company was realising **12 investments with 2 672 units** (including single-family houses and aparthotel units),
- ❑ The Group is preparing **15 new investments** for a total of **3 599 units** and **44 133 m2 of aparthotel and commercial area**,
- ❑ **High level of cash** on the accounts (over **106m PLN**) and very good cash flows,

Related to favourable external conditions:

- ❑ Good economic situation on the real estate market,
- ❑ Low interest rates on deposits encourage investment purchases,
- ❑ The prospect of an increase of the minimum required own contribution to 20% in 2017 can stimulate demand in the current year,
- ❑ Good situation on the labour market, declining unemployment and rising average salary.

*including 350 units of Bliska Wola Phase E investment and 17 houses of Villa Campina offered in reservation sale.

Factors affecting Company's activity in Q3 2016

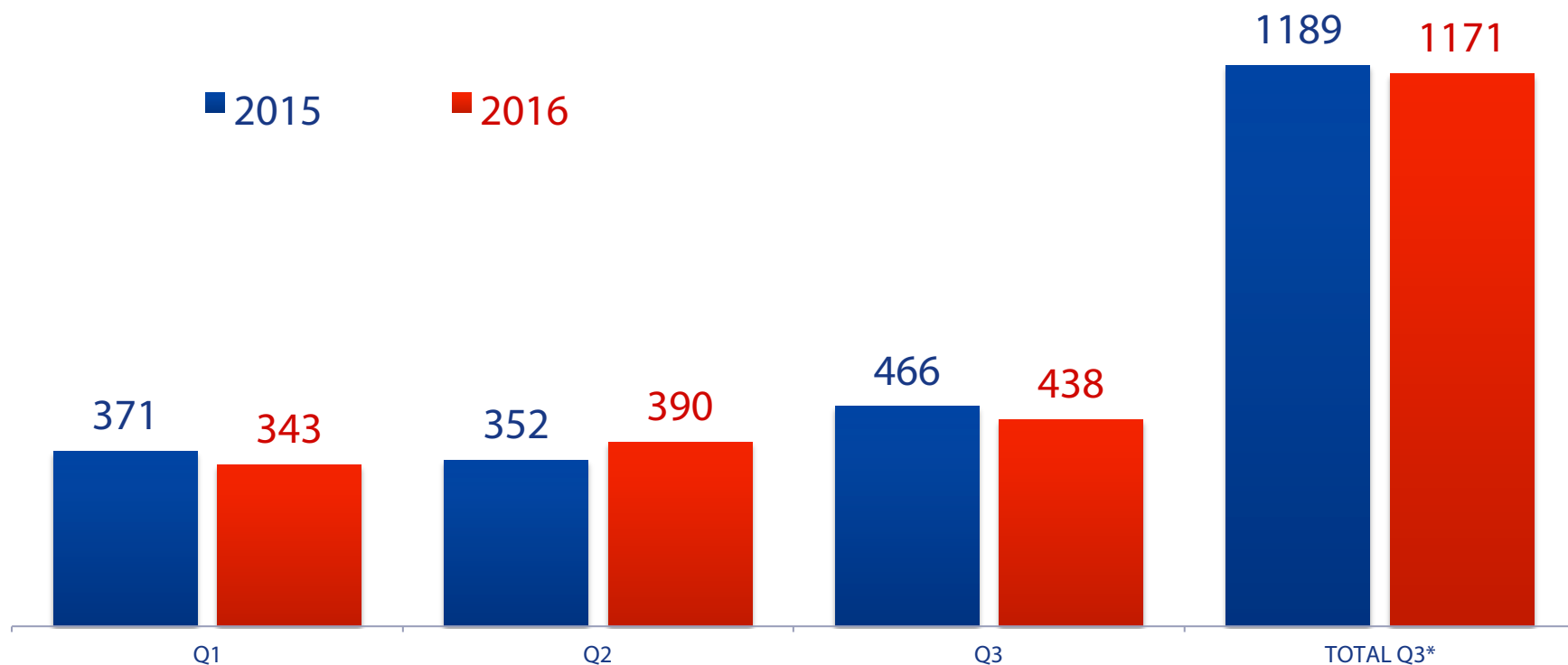
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- ❑ Exhaustion of first pool of funds from MdM program for investments finished in 2017 already in July 2016.
- ❑ Uncertain macroeconomic situation causing banks to be more cautious about granting loans,
- ❑ Higher financial costs of loans, including mortgages,
- ❑ Long process for obtaining the necessary administrative decisions for current and planned projects,
- ❑ 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 unlocking the Group's potential

- Construction of investments on the substantial land inventory with almost **6000 units** (including **2 098 units** being realised in Q3 2016 and **3 599 units** planned for launching) and **574 aparthotel units** being realised as well as **44 133 m2** of commercial space planned for launching including aparthotel units,
- Intensification of works related to the preparation of project documentation and obtaining building permits for the nearest 2 years – in October 2016 building permit for construction of **Bliska Wola phase E** investment in Warsaw was obtained,
- Expansion into other areas of Poland – preparation for launching new projects in Tri-City, Szczecin and Katowice ,
- Active action towards sale of non-working assets,
- Selective acquisition of new investment locations,
- Extending current offer for new 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 Q3 2016



- ❑ In Q3 2016 J.W. Construction Holding SA sold 438 units which, comparing to 466 units in last year, is about **6%** less in the year scope,
- ❑ In the three quarters of 2016 the Company sold 1 171 units which is **1,5%** less in comparison with the same period last year.

* Including reservation agreements: 319 for Bliska Wola phase E in Warsaw and 4 terraced houses in Villa Campina

Selected consolidated financial data cumulatively for III



quarters

Selected financial data	III quarters of 2016	III quarters of 2015	Change
Sales revenue	PLN 437,1 million	PLN 172,3 million	154%
Gross sales profit	PLN 132,8 million	PLN 40 million	232%
Gross sales margin	30%	23%	+ 7 p.p.
Profit on operations	PLN 63,3 million	PLN 13 million	+ 388 %
Net profit	PLN 35,2 million	PLN 1 million	+3 497%

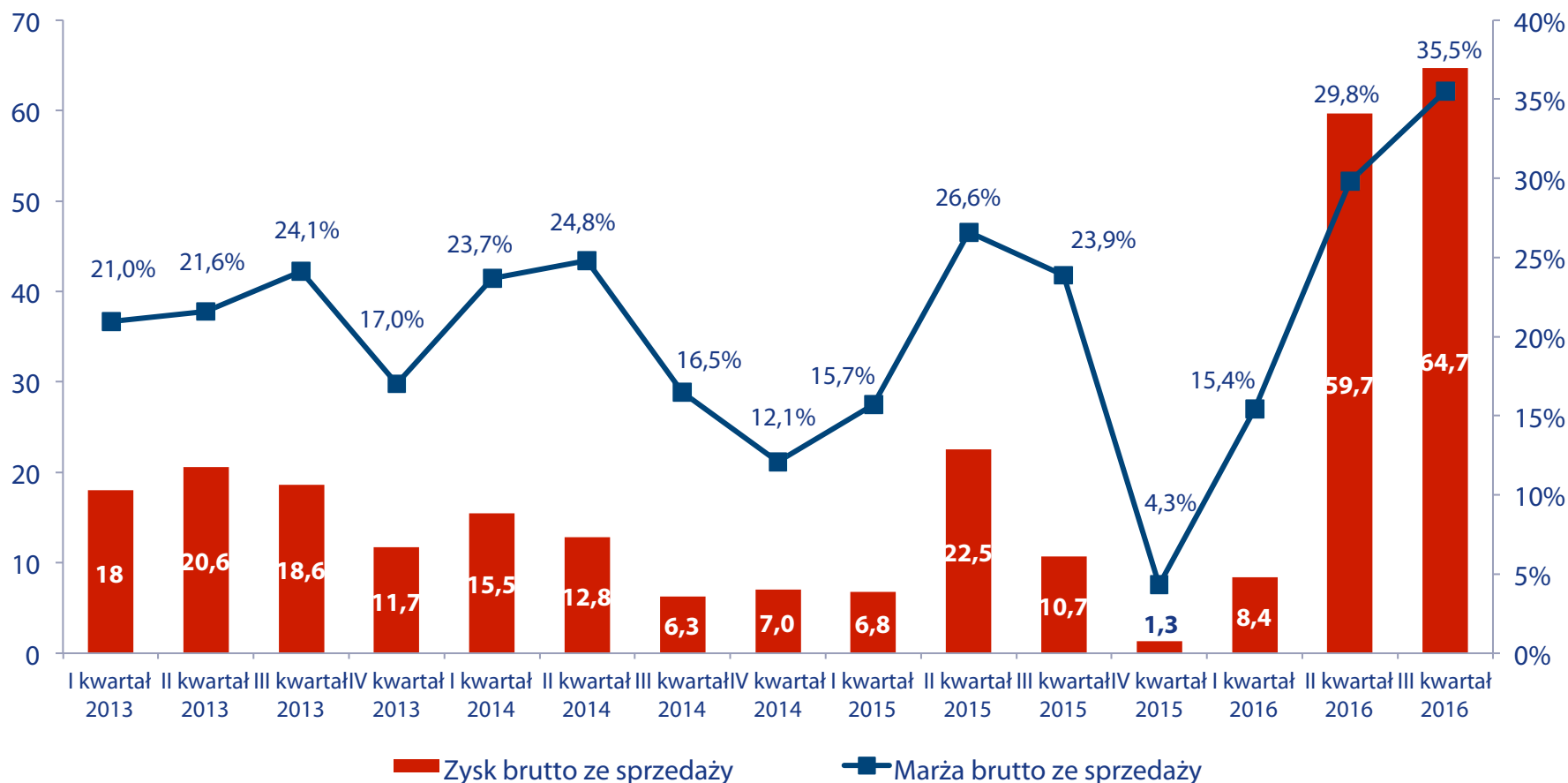
- ❑ 154% increase of cumulative sales revenue after Q3 2016 in comparison with the same period last year,
- ❑ Almost **36-fold** increase in net profit after cumulative Q3 2016 in comparison with the same period last year - mainly due to transfer of units from Bliska Wola investment: phases B1 and B2.

Selected consolidated financial data for Q3

Selected financial data	Q3 2016	Q3 2015	Change
Sales revenue	PLN 182,1 million	PLN 44,8 million	+ 307%
Gross sales profit	PLN 64,7 million	PLN 10,7 million	+ 505%
Gross sales margin	36%	24%	+ 12 p.p.
Profit on operations	PLN 25,8 million	PLN -1,3 million	-
Net profit	PLN 9,1 million	PLN -4,1 million	-

- ❑ **4-fold increase in sales revenue** in Q3 2016 in comparison with the same period last year.
- ❑ **Net profit** in Q3 2016 - **9,1 mln zł** – adverse impact of a one-off event.

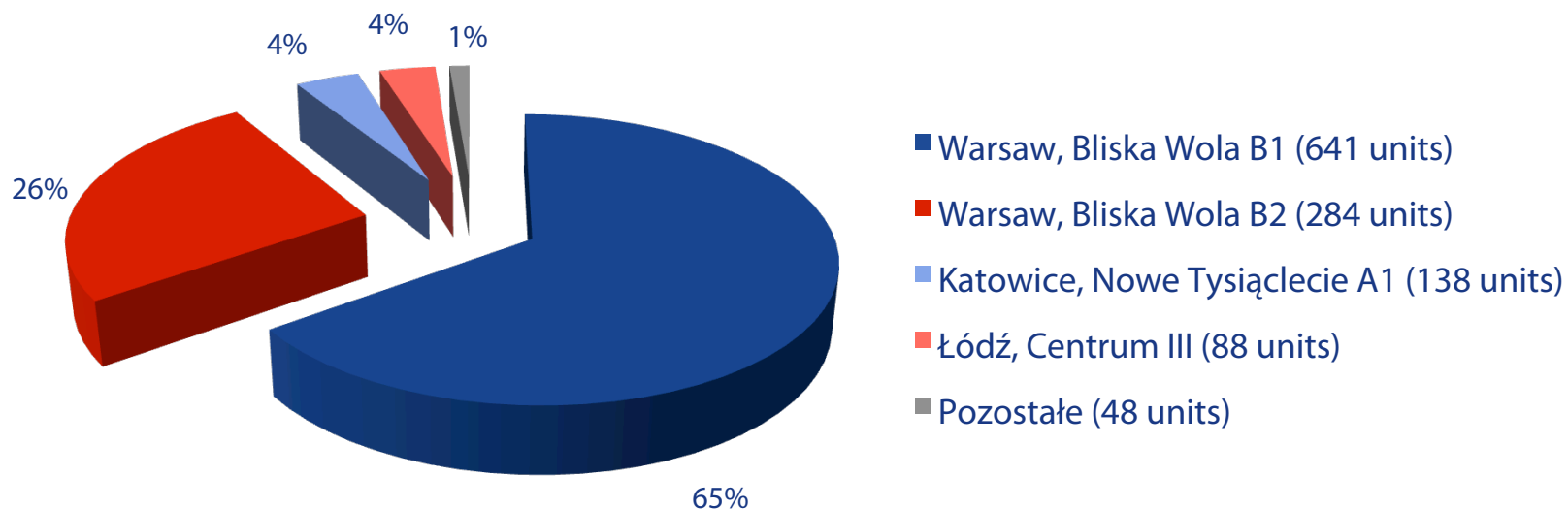
Gross sales margin vs gross sales profit



- ❑ Gross sales margin has increased significantly to **over 30%**.
- ❑ Significant increase of sales margin due to income recognition of highly profitable Bliska Wola investment (phases B1 and B2) in Warsaw

Gross profit realisation for Q3 2016

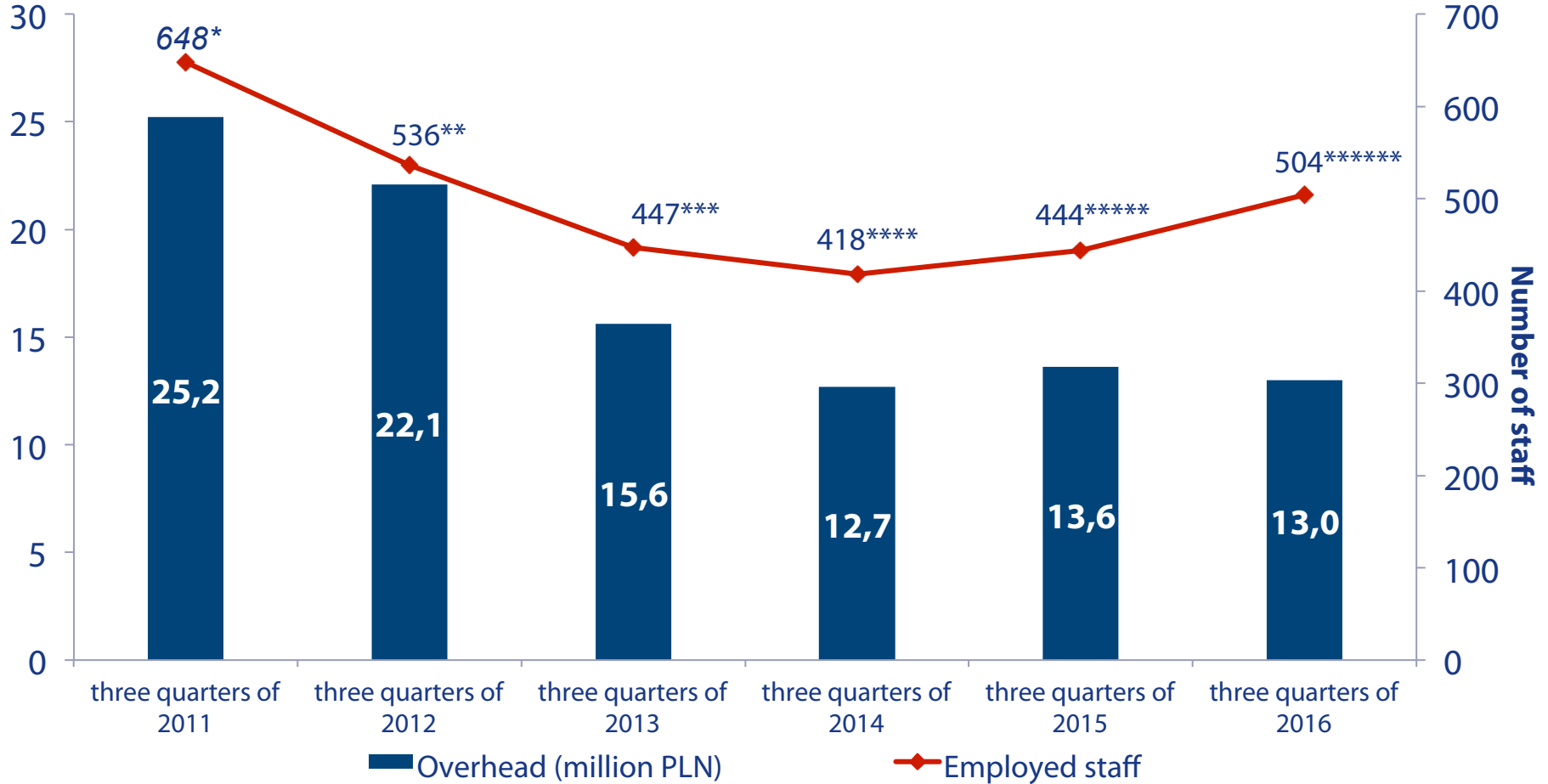
- ▣ The level of produced gross sales profit for Q3 2016 is **PLN 132,8 million**
 The percentage participation of real estate development project in the recognised sales profit:



- ▣ Units recognised in the financial result for **three quarters of 2015** vs. **three quarters of 2016**



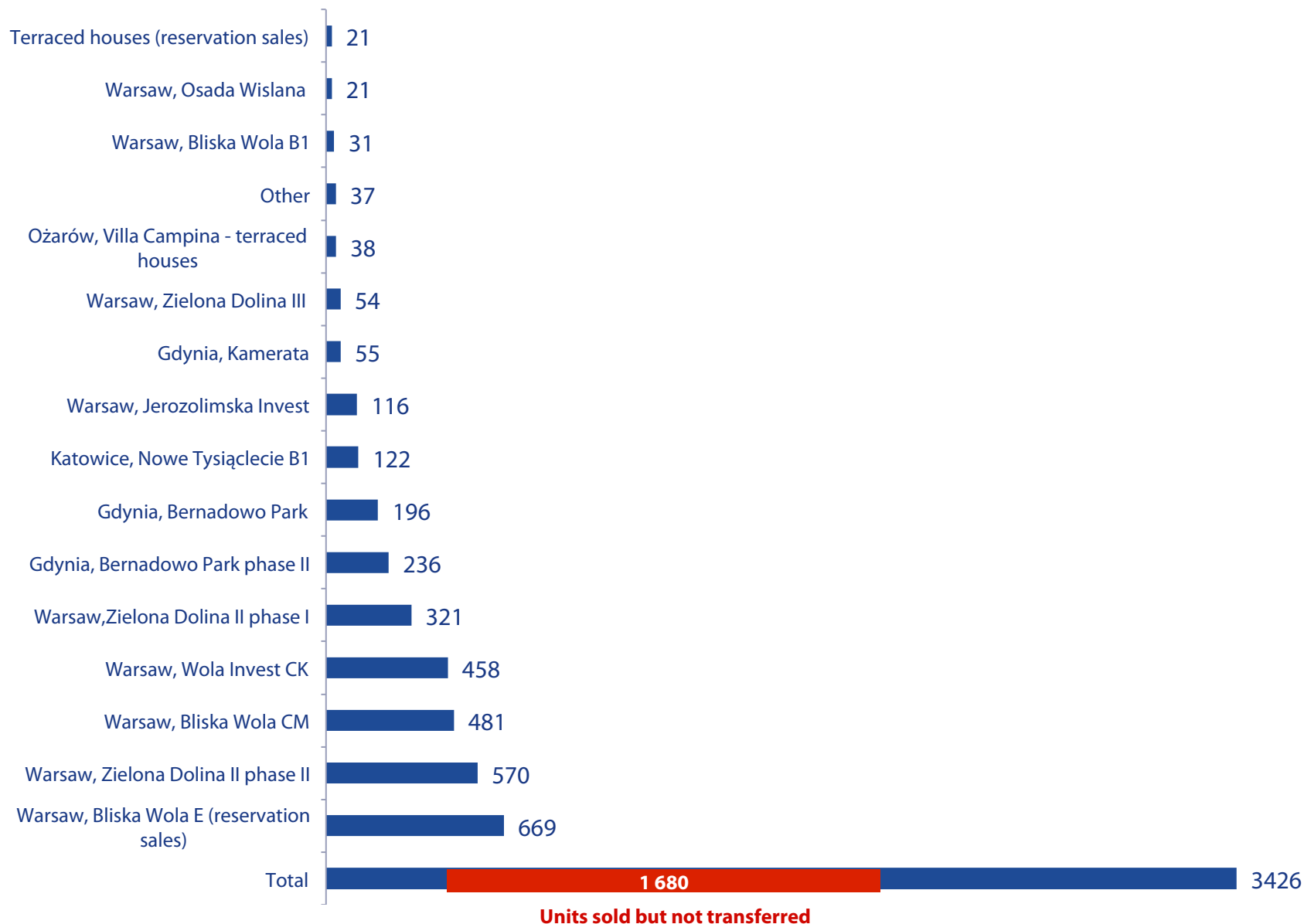
Overhead vs employment



□ Including employment in hotels(number of people):

- * 86
- ** 163
- *** 153
- **** 140
- ***** 161
- ***** 213

Units on offer to be recognised in next quarters



Ongoing investments as at 30 September 2016

- As at 30.09.2016 the Group had **10 residential** and **2 aparthotel** investments with a total useable area of **120 279 m²**.

Residential investments:	Units	Useable area (m ²)	% Of sold units	% of construction advancement
Zielona Dolina II phase II, Warsaw– J.W. Construction Holding SA	570	25 337	2%	10%
Bliska Wola –Phase C, Warsaw– J.W. Construction Holding SA	481	21 392	94%	50%
Zielona Dolina II phase I, Warsaw – J.W. Construction Holding SA	321	12 832	45%	75%
Bernadowo Park phase II, Gdynia – J.W. Construction Holding SA	236	13 185	14%	13%
Bernadowo Park phase I, Gdynia – J.W. Construction Holding SA	196	11 471	83%	98%
Nowe Tysiąclecie, Katowice phase B1 – Nowe Tysiąclecie Sp. z o.o.	122	6 951	82%	64%
Kamerata (Sochaczewska street) Gdynia,– J.W. Construction Holding SA	55	3 420	20%	5%
Zielona Dolina III, Warsaw– J.W. Construction Holding SA	54	2 254	28%	31%
Villa Campina – houses, Ożarów– J.W. Construction Holding SA	42	4 442	74%	15%-96%
Willa One, Warsaw – J.W. Construction Holding SA	21	957	29%	72%
RAZEM inwestycje mieszkaniowe	2 098	102 241		
Aparthotel investments:				
Bliska Wola - Etap C - Wola Invest – J.W. Construction Holding SA	458	14 559	75%	29%
Jerozolimskie Invest, Warsaw – J.W. Construction Holding SA	116	3 479	*	40%
Total aparthotel investments	574	18 038		
TOTAL	2 672	120 279		

* Brak w ofercie dlaT

Investments planned for launching as at 30 September 2016

- Company based on its land inventory plans to launch investments for **3 599** units and **44 133 m²** of aparthotel and commercial space:
Investments in Warsaw and the surrounding area

Project	Total number of units	Useable area(m ²)	Commercial area(m ²)
Warsaw, Bliska Wola phase D	934	48 620	14 503
Warsaw, Bliska Wola - Phase E*	779	35 073	10 501
Warsaw, Berensona street	259	11 733	
Warsaw, Antoniewska street	221	13 763	
Ożarów, Villa Campina – houses**	125	18 750	
Warsaw, Lewandów Park III phase I	103	3 723	
Warsaw, ul. Odkryta II	82	4 158	
Warsaw, Lewandów Park IV	81	2 989	
Warsaw, Lewandów Park III etap II	77	2 875	
Warsaw, ul. Aluzyjna II	68	3 670	
Warsaw, ul. Aluzyjna I	32	1 850	
Warsaw, ul. Nowodworska	13	1 180	
Warsaw, Pileckiego - Aparthotel	Aparthotel		8 016
Suma	2 774	148 384	33 020

* 669 units in reservation sale.

**21 houses in reservation sale.

Investments planned for launching as at 30 September 2016

Investments outside of Warsaw

Investment	Number of units	Useable area (m2)	Commercial space(m2)
Katowice, Nowe Tysiąclecie phase III	346	18 257	
Szczecin, Hanza Tower	479	21 774	11 113
Total:	825	40 031	11 113

HANZA TOWER



NOWE TYSIĄCLECIE



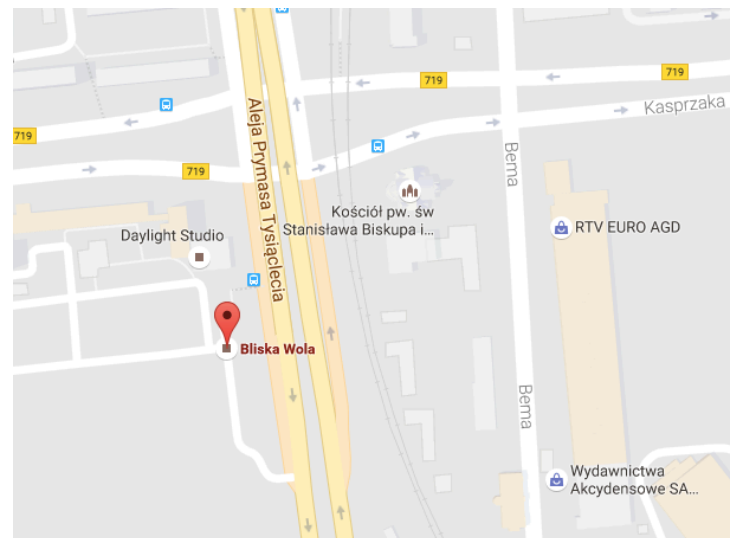
Attachments

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	934
Useable area, phase D	48 620
Useable area of commercial and aparthotel units, phase D	14 503
Number of units, phase E	779
Useable area, phase E	35 073
Useable area 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.

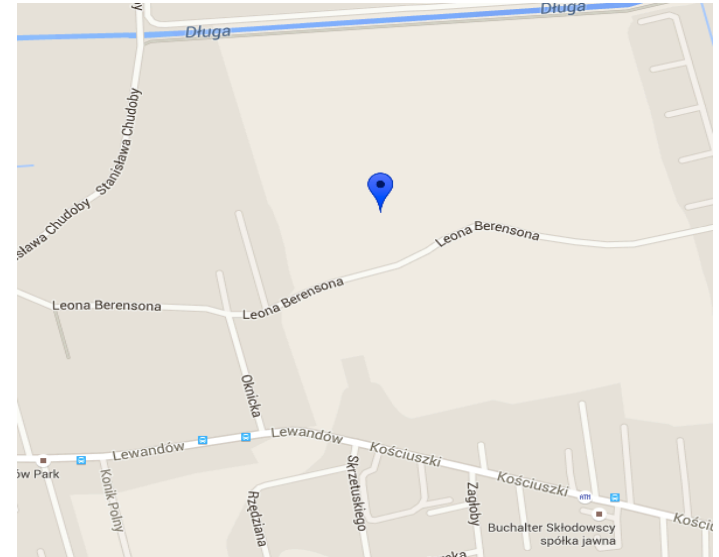


Projects planned for launching in the next 12 months : Warsaw, Berensona street

Project	Warsaw, Berensona street
Location	Warsaw, Berensona street
Number of units	259
Useable area (m ²)	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.

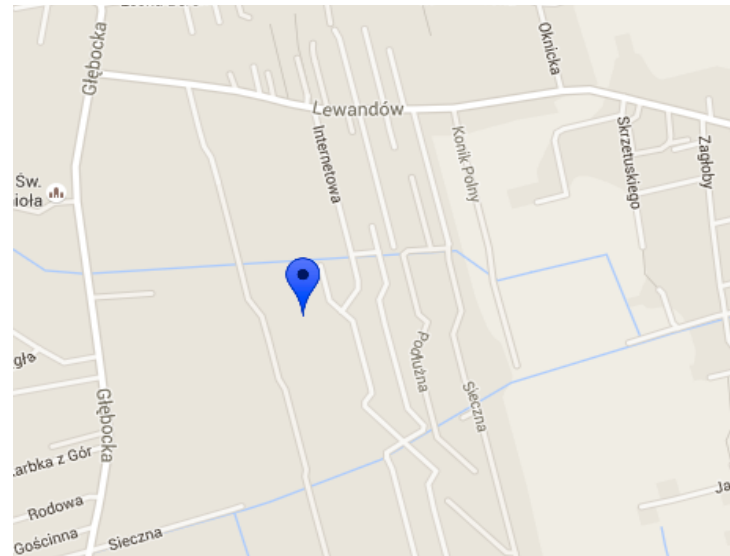


Projects planned for launching in the next 12 months : Warsaw, Lewandów Park III phase I amd II and Lewandów Park IV (Wrzosowa Aleja)

Project	Warsaw, Lewandów Park
Location	Warsaw, Lewandów street
Number of units	Lewandów Park III phase I – 103 Lewandów Park III phase II – 77 Lewandów Park IV - 81
Useable area (m ²)	9 587

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 houses	13
Useable are (m ²)	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

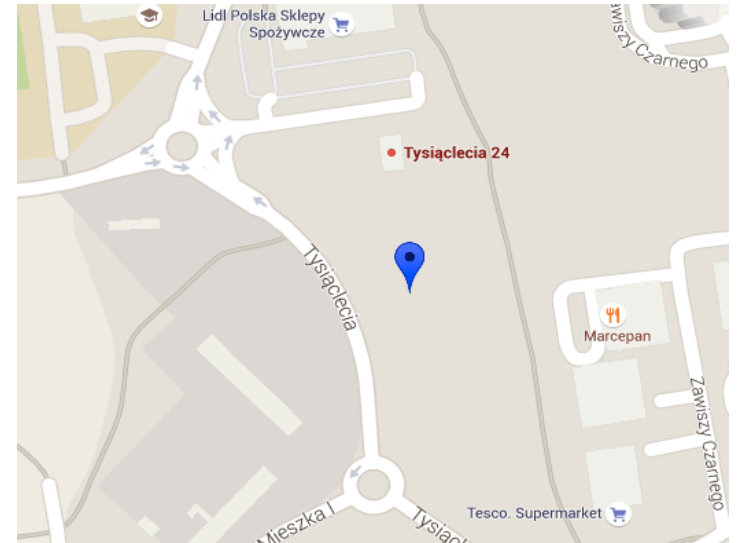


Projects planned for launching in the next 12 months : Katowice, Nowe Tysiąclecie Phase III

Project	Katowice, Nowe Tysiąclecie
Location	Katowice, Tysiąclecia street
Number of units	346
Useable area (m ²)	18 257

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	479
Useable area (m ²)	21 774
Useable area of commercial and aparthotel units (m ²)	11 113

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



PREZENTACJA WYNIKÓW ZA III KWARTAŁ 2016

Thank you for your attention

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