

FINANCIAL RESULTS FOR 2015



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Year 2015 – the next year of launching new projects and good sales dynamics

Real estate
developer of
commercial and
living spaces

In 2015, the construction of 13 investments was carried out with almost 141,000 sq. m.:

- ❑ **11 residential projects** comprising almost **121,000 sq. m. of useable area**, including **6 projects comprising almost 57,000 sq. m. of useable area** started in 2015,
- ❑ **Aparthotel Wola Invest** totalling almost **14,700** of useable area,
- ❑ **Hotel Dana** win Szczecin totalling more than **5,000 meters of useable aea** – the hotel became operational in November 2015.

The launch of new investments has been prepared with the area of more than **287,000 sq. m.:**

- ❑ Residential investments with more than **194,000 meters of useable area**,
 - ❑ In Warsaw and the surrounding area with the space of more than **147,000 sq. m.,**
 - ❑ Outside Warsaw, with the useable area of more than **47,000 sq.m.,**
- ❑ Next aparthotel and commercial project with the total area of almost **93,000 sq.m..**

In 2015, 1,569 units were sold (a 43% growth), including 85 aparthotel units

Most important events in 2015

- ❑ Very good sales dynamics – a 43% growth compared with the same period last year,
- ❑ **99%** sold units at Bliska Wola B1 and B2 investments 6 months before construction works were completed,,
66% sold units at Bliskiej Wola C investment(residential part) in less than 4 months of sales,
- ❑ Starting the realization of and sales of 7 investments totalling 1,637 units
 - ❑ **Bliska Wola stage C (residential part)** totalling 481 units located in Warsaw at Kasprzaka street,
 - ❑ **Bliska Wola stage C – Wola Invest (aparthotel part)** with 458 units located in Warsaw at Kasprzaka street,
 - ❑ **Zielona Dolina II stage I** with 321 units located in Warsaw at Ostrodzka street,
 - ❑ **Bernadowo Park stage I** with 196 units located in Gdynia at Spokojna street,
 - ❑ **Nowe Tysiąclecie stage B1** with 122 units located in Katowice at Tysiąclecia street,
 - ❑ **Villa Campina** with 38 single-family homes in Ożarów Mazowiecki near Warsaw,
 - ❑ **Willa One** with 21 units located in Warsaw at Marcina z Wrocimowic street.



Most important events in 2015

- ❑ Continuation of remaining investments:
 - ❑ **Bliska Wola stage B1** with 672 units, Warsaw at Kasprzaka street,
 - ❑ **Bliska Wola stage B2** with 291 units, Warsaw at Kasprzaka street– construction ended in December 2015,
 - ❑ **Bliska Wola stage A** with 156 units, Warsaw at Kasprzaka street– certificate of occupancy was received in April 2015,
 - ❑ **Nowe Tysiąclecie stage A1** with 149 units, Katowice at Tysiąclecia street – construction ended in December 2015,
 - ❑ **Centrum III** community with 96 units in Lodz at Tymienieckiego street,

- ❑ Obtaining building permit for the construction of new investments whose launch is planned for 2016, including:
 - ❑ **Zielona Dolina II sub-stage II** with 543 units located in Warsaw at Ostrodzka street,
 - ❑ **Bernadowo Park stage II** with 236 units in Gdynia at Spokojna street,
 - ❑ **Kamerata** with 55 units located in Gdynia at Sochaczewska street
 - ❑ **Zielona Dolina III** with 54 units located in Warsaw at Verdiego street.



Most important events in 2015

- Ending of the construction of a 4-star hotel Dana in Szczecin. The hotel became operational in November 2015. The revitalized building is almost 100 years old, and a part of the revitalization costs was covered with obtained European funds (a loan for the Jessica fund).

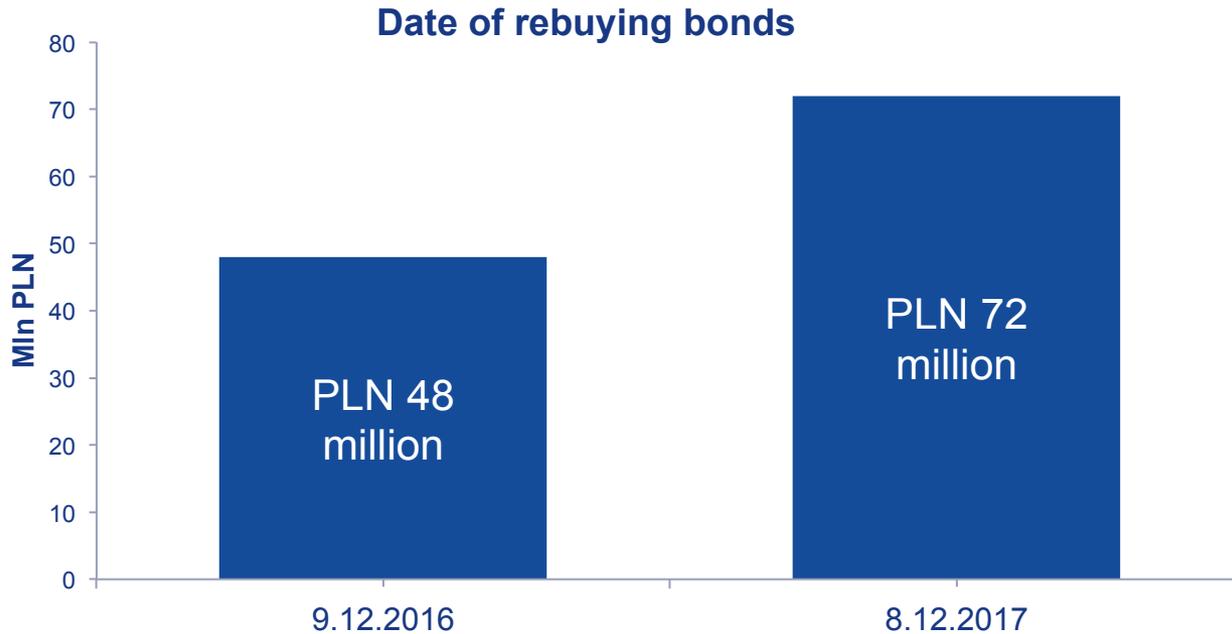
Hotel comprises among other things the following: :

- 100 rooms,
- 5 conference halls,
- Restaurants,
- SPA zone.



Most important events in 2015

- ❑ Issuing bonds – PLN 120 000 000
- ❑ Date of issue– December 10, 2015
- ❑ Nominal value of bonds – PLN 1 000
- ❑ Variable interest reate WIBOR 6M + margin
- ❑ Interest payable every 6 months
- ❑ Saries– JWC1217
- ❑ Maturity date :
 - ❑ PLN 48 000 000 in December 2016
 - ❑ PLN 72 000 000 in December 2017



Most important marketing events 2015

- ❑ Developer of the Year emblem laureate
- ❑ **J.W. Construction** being the strategic sponsor of the AZS Politechnika Warszawska volleyball team,
- ❑ **Organization of Promotional and Sales events, including :**
 - ❑ Periodical events and open days at selected investments
 - ❑ Participation in real estate trade shows
 - ❑ Regular product trainings for real estate agencies co-operating with our company
- ❑ **The Family-Friendly Hotel certificate awarded to the Czarny Potok Resort & SPA hotel.**



Factors influencing company activity in 2015

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Related to utilizing company potential:

- ❑ As of Dec. 31, 2015 the total value of units to be recognized in the financial results from investments being realized and completed totals **2,965** units.,
- ❑ As of December 31, 2016 the company had on offer 1,197 units
- ❑ In 2015, the Company realized **12 investments totalling 3,005 units** (including single-family homes and aparthotel units) plus the construction of a hotel,
- ❑ The group prepared **20 new investments** totalling **3,799 units** with almost **93,000 sq. M. of the aparthotel and commercial area,**
- ❑ **High cash surplus** on the accounts (more than PLN 188 million) and very good cash flows,

Related to beneficial external conditions :

- ❑ Good climate on the real estate market,
- ❑ Beneficial changes were introduced in the government real estate buy-down program (MDM), which makes a purchase of new apartments easier for young people (larger amount of government payments to families with many children)
- ❑ The increasing value of recently signed mortgage credit agreements (According to the Association of Polish banks there is the growth from PLN 36,5 billion to PLN 39,3 billion in 2015).

Factors influencing company activity in 2016

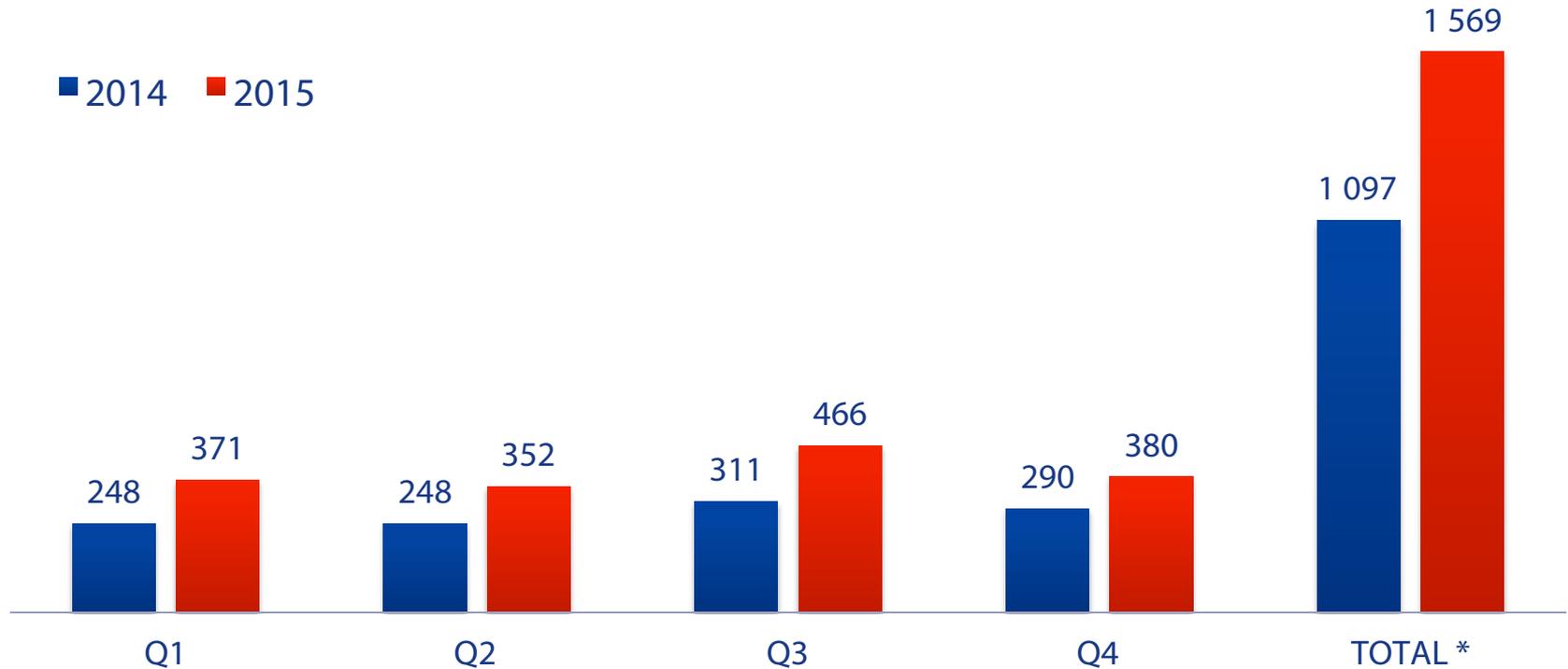
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- ❑ Developer Act introducing escrow accounts, which hampers fast proceedings in the scope of obtaining financial means and contributes to the growth of financial costs,
- ❑ Residential real estate development branch seen by financial institutions as a high-risk branch,
- ❑ Long process of obtaining necessary administrative decisions for current and prospect projects,
- ❑ 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 **2,547** units realized in 2015 and **3,799** units planned for launching), **458** units of the aparthotel under construction, as well as **92,616 sq. m.** of the planned commercial area, including aparthotel as the continuation of the investment program initiated in 2014
- ❑ 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 2015



- In 2015, the Company sold **1,569 units**, which is **43% more than in the same period last year**,
- Based on the date of real estate developers in Poland, J.W. Construction Holding S.A. is ranked 2 in the Warsaw market according to the number of sold residential apartments

* Sales date include the sales of the Oxygen investment (8 units, 2015, 62 units in 2014)

Selected consolidated data for Q4 2015

Selected financial date	Q4 2015	Q4 2014	Change
Sales revenue	PLN 29,9 m	PLN 57,6 m	-48%
Gross sales profit	PLN 1,3 m	PLN 7,0 m	-82%
Gross sales margin	4,3%	12,1%	-7,8 p.p.
Profit on the operational activity	PLN 11,6 m	PLN 3,9 m	+199%
Net profit	PLN 4,8 m	PLN 0,3 m	+1 383%

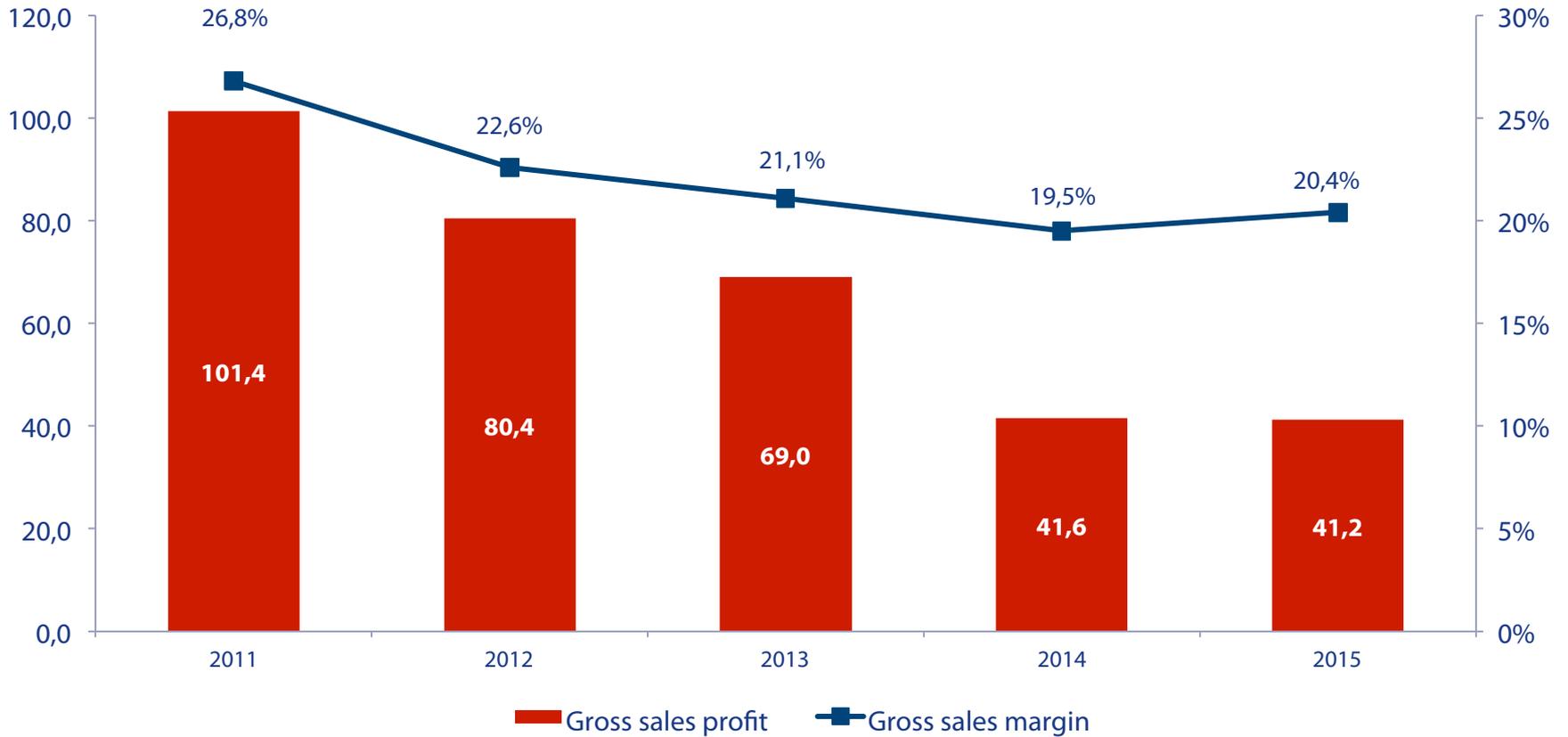
- ❑ Sales revenue went down in Q4 of 2015 by 48% in comparison with the same period last year,
- ❑ Almost a 15-fold net profit growth in Q4 of 2015 in comparison with the same period of last year.

Selected consolidated financial data for 2015

Selected financial data	2015	2014	Change
Sales revenue	PLN 202,2 m	PLN 212,8 m	-5%
Gross sales profit	PLN 41,2 m	PLN 41,6 m	-0,8%
Gross sales margin	20,4%	19,5%	+0,9 p.p.
Profit on operational activity	PLN 24,6 m	PLN 35,2 m	-30%
Net profit	PLN 5,7 m	PLN 8,3 m	-31%

- ❑ Sales revenue went down in 2015 by 5% in comparison with 2014,
- ❑ Net profit in 2015 went down by 31% in comparison with 2014,

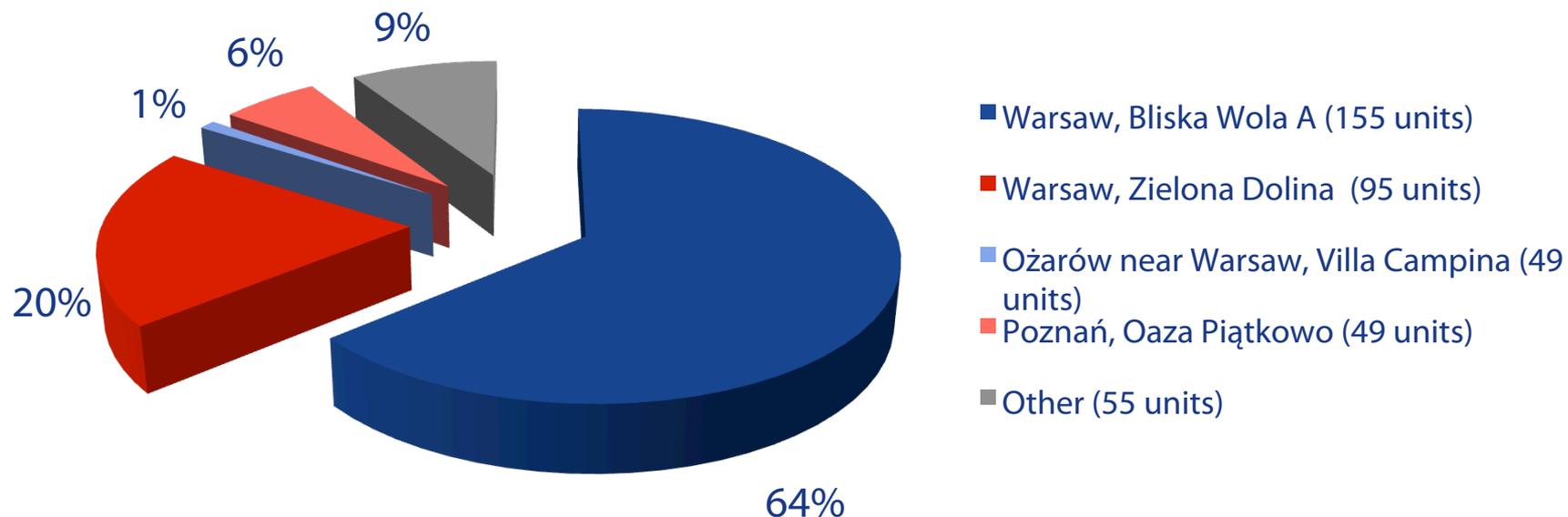
Gross sales margin vs gross sales profit



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

Relization of gross profit from sales for 2015

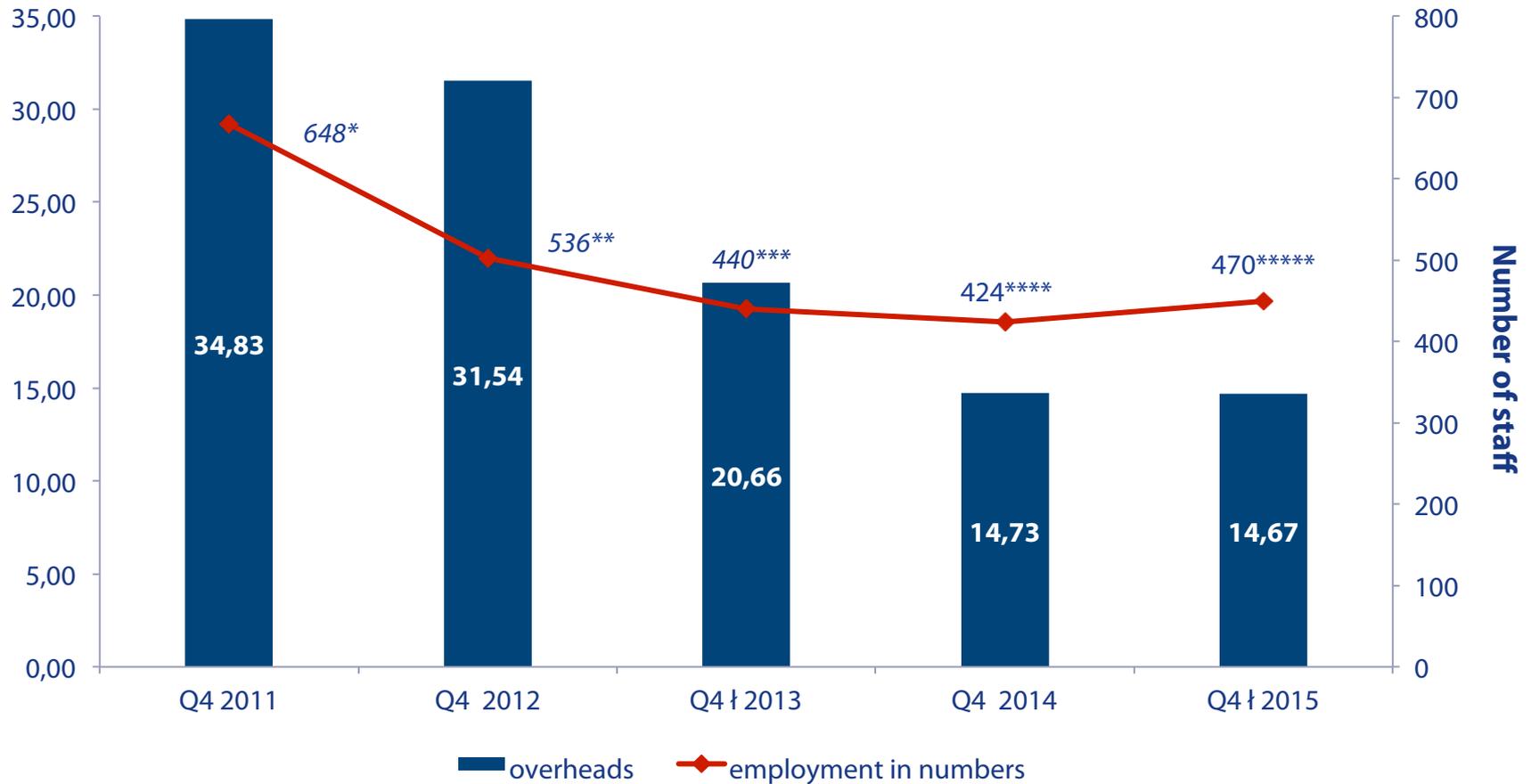
- The level of produced gross sales profit for 2015 is PLN 41 million.
 The per centage participation of real estate development project in the recognized sales profit is as follows:



- Units recognized for the period of **2014** vs. **2015**



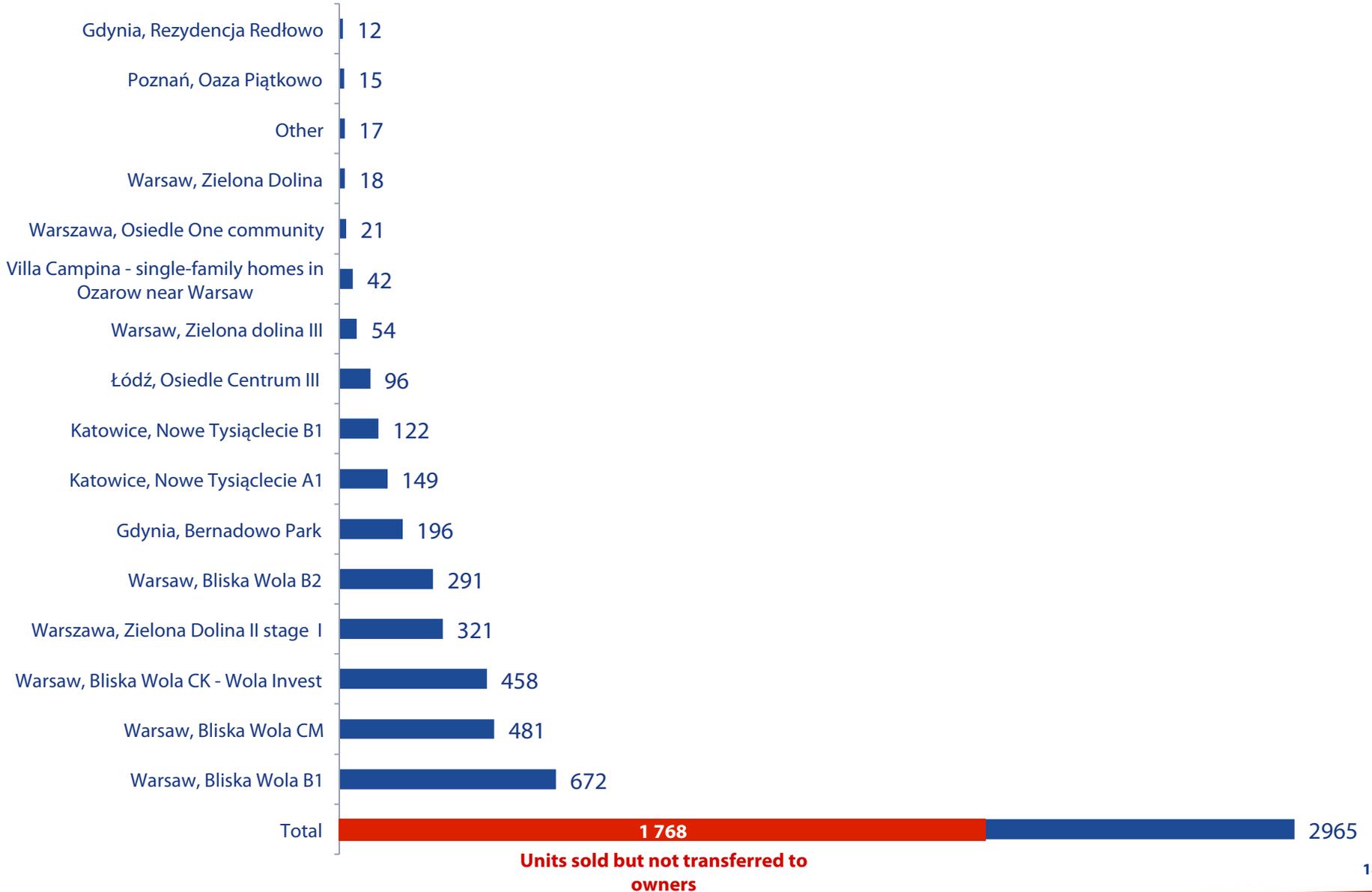
Overheads vs. employment



Including employment in hotels

- * 88 people
- ** 136 people
- *** 149 people
- **** 133 people
- ***** 183 people

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



Investments realized in 2015

- W 2015 the Group realized 11 residential investments, 1 aparthotel investment totalling 140 ,826 sq. m. of useable area.

Residential investments	Units	Residential area (sq. M.)	% Of sold units	% of construction advancement
Bliska Wola – stage B1, Warsaw – Bliska Wola 1 Sp. z o.o.	672	30 368	98%	91%
Bliska Wola - stage C, Warsaw – J.W. Construction Holding S.A.	481	21 392	66%	16%
Zielona Dolina II stage I, Warsaw – J.W. Construction Holding S.A.	321	12 771	12%	29%
Bliska Wola – stage B2, Warsaw – Bliska Wola 2 Sp. z o.o.	291	12 960	100%	100%
Gdynia, Bernadowo Park stage I – J.W. Construction Holding SA	196	11 471	53%	42%
Bliska Wola – stage A, Warsaw – J.W. Construction Holding S.A.	156	7 716	99%	100%
Nowe Tysiąclecie, Katowice stage A1 – Nowe Tysiąclecie Sp. z o.o.	149	7 085	84%	100%
Nowe Tysiąclecie, Katowice stage B1 – Nowe Tysiąclecie Sp. z o.o.	122	6 951	37%	28%
Osiedle Centrum III, Łódź – Łódź Invest Sp. z o.o.	96	4 886	72%	97%
Villa Campina – single-family homes in Ożarów near Warsaw	42	4 442	10%	5%-90%
Willa One, Warsaw– J.W. Construction Holding S.A.	21	958	5%	15%
TOTAL	2 547	121 000		
Aparthotel and hotel investments	Units	Useable area (sq. M.)		
Bliska Wola – stage C - Wola Invest, Warszawa – J.W. Construction Holding S.A.	458	14 694	19%	2%
Hotel Dana		5 132		100%
TOTAL	458	19 826		
IN TOTAL: residential investments, aparthotel and hotels	3 005	140 826		

In Investments planned for launching

- Company based on its land inventory plans to launch **3,799** units and **92,616sq. 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. N.)
Warszawa, Zielona Dolina II etap II	543	25 424	
Warszawa, ul. Berensona	290	15 250	
Warszawa, Bliska Wola IV stageD	415	18 000	45 580
Warszawa, Bliska Wola V stageE	690	30 000	13 600
Warszawa, Zielona Dolina III	54	2 254	
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	211	7 875	
Warszawa, Lewandów Park IV	108	3 830	
Warszawa, Lewandów Park I/16	27	1 115	
Warszawa, ul. Antoniewska	221	13 763	
Warszawa, ul. Nowodworska	13	1 241	
Ożarów, Villa Campina – domy	125	18 750	
Warszawa, Jerozolimaska Invest		Aparthotel	3 476
Warszawa, Pileckiego		Aparthotel	7 960
Total	2879	147 180	70 616

Investments planned for launching

Investments outside Warsaw

Investment	Number of units	Useable area	Commercial space(sq. M.)
Katowice, Nowe Tysiąclecie stage II	329	16 175	
Gdynia, Bernadowo Park stage II	236	13 185	
Gdynia, Kamerata (Sochaczewska street)	55	3 478	
Szczecin, Hanza Tower	300	14 500	22 000
Total:	920	47 338	22 000



HANZA TOWER



Sales and marketing policy in 2015

- ❑ Concentration on campaigns related to the sales start of new projects, as well as apartments and single-family homes available under the government buy-down program (MDM),-
- ❑ Individual approach to customers – flexibility towards price negotiations depending on the payment schedules and conditions,
- ❑ Promotion of investments at local industry shows and district trade shows, as well as the organization of open days in sales offices at investments,
- ❑ **Effective Cross marketing** – co-operation with the Hoteli500 chain and the Czarny Potok Resort & Spa hotel



Attachments

Projects planned for launching in the nearest 12 months to come: Warsaw, Zielona Dolina II and III

Project	Warsawa, Zielona Dolina II and III
Location	Warsaw, Białołęka
Number of units	918 (321 lunits launched in July)
Useable area(in .sq. m.)	40 449

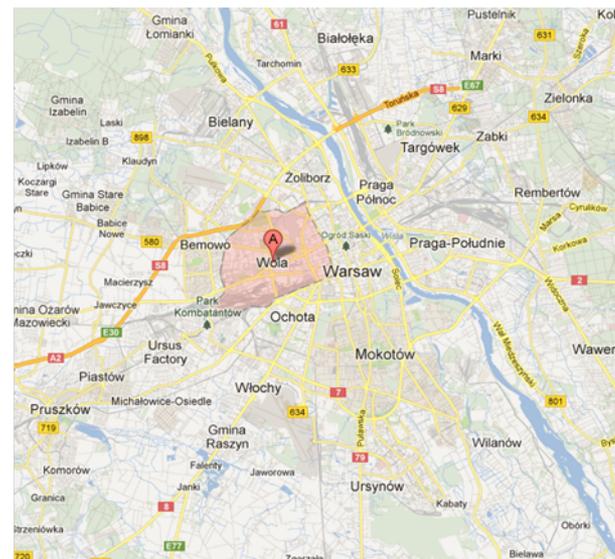
Characteristics

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



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

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



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.

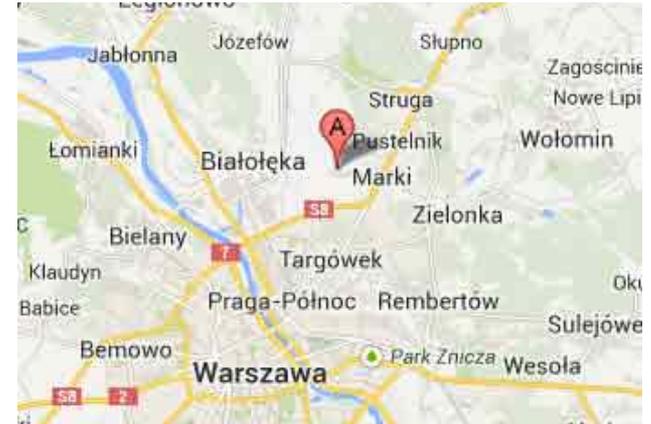


Projects planned for launching in the nearest 12 months to come: Warsaw, Berensona street

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

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 in the nearest 12 months to come: Warsaw, Lewandów Park I/16, III, IV

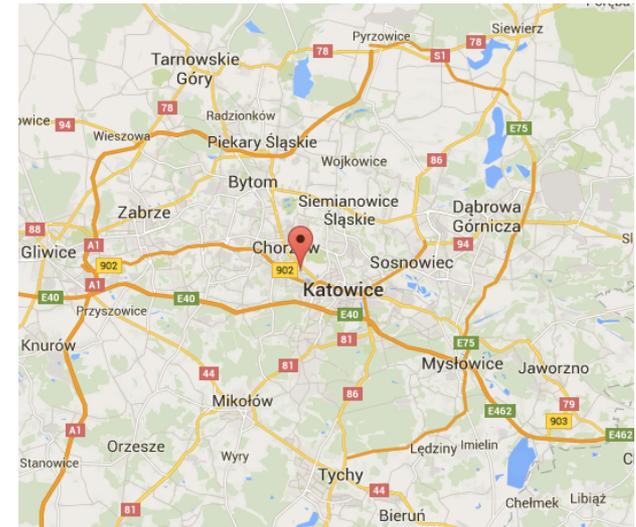
Project	Warsaw, Lewandów Park
Location	Warsawa, Lewandów street
Number of units	346
Useable area(in sq. M.)	12 820
Characteristics	



- ❑ 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 Białoleka, 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 in the nearest 12 months to come: Katowice, Nowe Tysiąclecie, stage III

Project	Katowice, Tysiąclecia street
Location	Katowice, Tysiąclecia street
Number	329
Useable area (in sq. m.)	16 175
Characteristics	
<ul style="list-style-type: none"> ❑ 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). 	

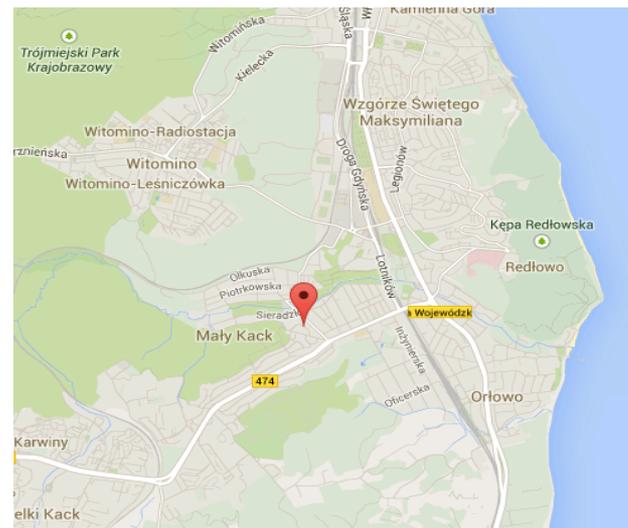


Projects planned for launching in the nearest 12 months to come: Gdynia, Kamerata

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

Characteristics

- ❑ Attractive location– the area of Sochaczewska street,
- ❑ Green surrounding area, the proximity of the beach and the rich city infrastructure,
- ❑ Attractive low buildings
- ❑ Interesting architecture,
- ❑ Various and flexible floorplans



FINANCIAL RESULTS FOR 2015

Thank you for your attention

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