

RESULTS PRESENTATION FOR Q1 OF 2015



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2014 – time to launch largest investments

Developer of residential spaces

- ❑ In 2014, there were 6 residential projects conducted with almost **68,000 of useable area** and single-family homes,
- ❑ Intensive preparation for launching new investments:
 - ❑ In Warsaw and the surrounding area, projects with a useable area of almost **190,000 sq. m.**
 - ❑ outside Warsaw, with useable area of almost **66,000 sq. m.**

Developer of commercial spaces

- ❑ In 2014, start of revitalization of Stara Dana hotel premises in Szczecin initiated back in 2013 with an area of more than **5,000 sq. m.** from the funds received from Jessica fund (Dana Invest Sp. z o.o. special purpose vehicle)

Most important events in 2014

- ❑ Launching largest projects – Phase 2 and Phase 3 of Bliska Wola investment (964 units) and achieving high sales level (more than 40% apartments sold before the end of 2014)
- ❑ Realization of other investments in accordance with Polish Development Act with open-ended and close-ended escrow accounts:
 - ❑ JW Group Sp. z o.o. 1 SKA (Bliska Wola, Phase 1, 156 units),
 - ❑ Seahouse Sp. z o.o. (Rezydencja Redłowo, 52 units),
 - ❑ Nowe Tysiąclecie Sp. z o.o. (Nowe Tysiąclecie community, 149 units),
 - ❑ Łódź Invest Sp. z o.o. (Centrum III community, 96 units).



Most important events in 2014

- ❑ Obtaining building permit and start of apartment sales in:
 - ❑ Phase 2 and Phase 3 of Bliska Wola investment at Kasprzaka street in Warsaw,
 - ❑ Phase 3 of Centrum III investment at Tymienieckiego in Lodz (permit received in 2013 which became final in 2014),
 - ❑ Bernadowo Park at Parkowa street in Gdynia.

- ❑ Obtaining certificate of occupancy for:
 - ❑ Oaza Piątkowo investment at Jaroczyńskiego street in Poznan,
 - ❑ Rezydencja Redłowo investment at Powstania Wielkopolskiego street in Gdynia.



Most important events in 2014

- ❑ Improvement of balance sheet structure due to decrease of credit indebtedness and obligations to the amount of more than PLN 120m among other things.

- ❑ Completion of the issuance of C-series shares to the amount of PLN 110m:
 - ❑ Prospectus approved by Polish Financial Supervision Authority,
 - ❑ Successfully completed subscription of shares,
 - ❑ Registration of increase of company share capital due to successfully completed issuance of new shares.

Most important marketing events in 2014

- ❑ **J.W. Construction** being **QI ORDER Laureate** awarded by **Najwyższa Jakość Quality International 2014**,
- ❑ **J.W. Construction** being a key sponsor of **AZS Politechnika Warszawska** volleybal team,
- ❑ **Organization of Promotional and Sales events, such as:**
 - ❑ “Apartments for the Young” Seminar,
 - ❑ Good Price Picnic promoting start of apartment sales in new phases of Bliska Wola (Phase B1 and B2).
- ❑ **Family-friendly Hotel Certificate** awarded to **Czarny Potok Resort & SPA**.



Factors influencing Company activity in 2014

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- ❑ **Low interest rates on mortgage credits** being a positive factor for Customers,
- ❑ **Stability in mortgage credit market,**
- ❑ Continually improving situation in Polish real estate market due to increased transaction numbers and stable prices,
- ❑ **Government buy-down program (Mieszkanie dla Młodych)** – facilitates new apartment sales, including apartments sold by Company,
- ❑ **Stable prices** of building materials and services,
- ❑ Conducting sales and marketing activities that significantly translate to increased sales of available units,
- ❑ **Continuation of processes related to the preparation of key investments** based on land inventory possessed by Company to be launched in next periods.

Factors influencing Company activity in 2014

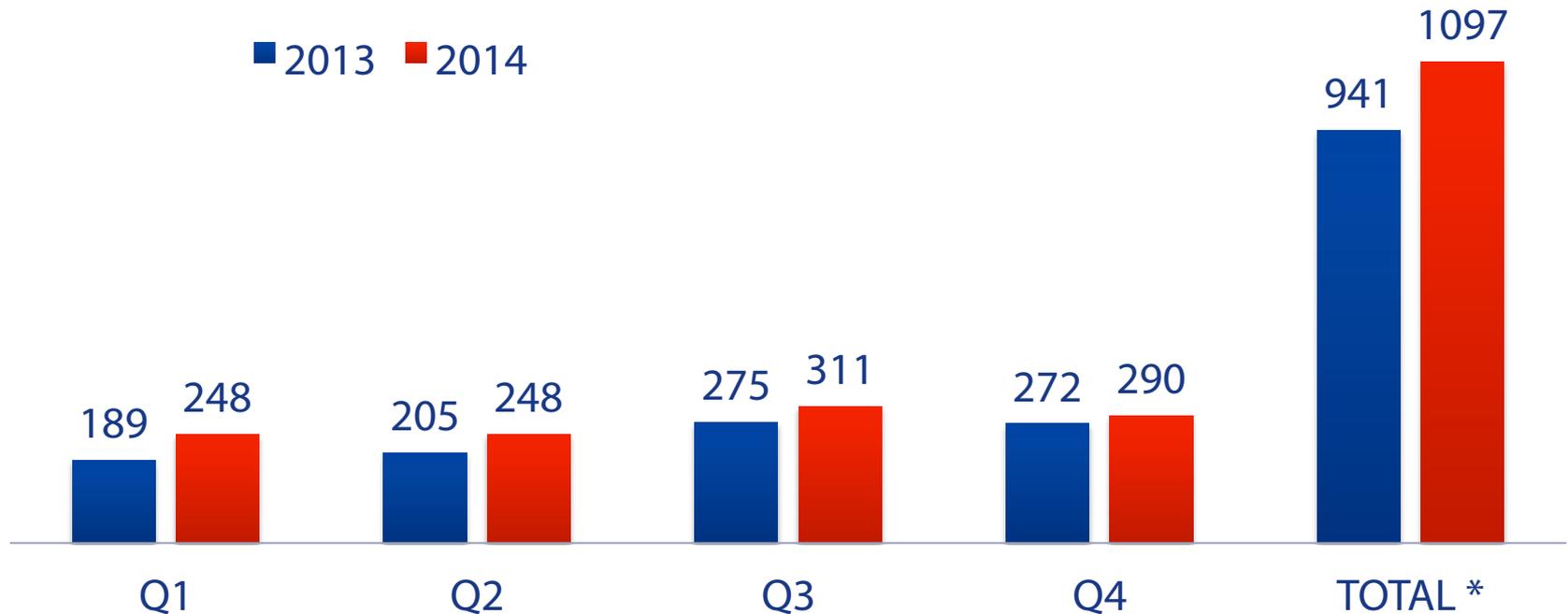
NEGATIVE

- ❑ **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**,
- ❑ **Long process** leading to obtaining necessary administrative decisions for current and prospect projects,
- ❑ Lack of noticeable effects of apartment rental fund.

Strategy with an eye to releasing Company potential

- ❑ Further release of cash surpluses from sales of completed units,
- ❑ Realization of a previously adopted strategy related to initiating construction on land inventory possessed by Company for more than **5,300 units**, which allows for faster cash flows in accordance with relevant time schedules,
- ❑ 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.

Apartment sales in quarters 1 through 4 of 2014



- Only in Q4 of 2014, Company sold **290** units compared to 272 units in the previous year, which means a **6.6 %** increase on a year-by-year basis.
- In 2014, Company sold **1 097 units**, which is a 16.6 % increase in comparison with the previous year.

* This data refers to the sales of apartments in Oxygen, a residential investment(62 units in 2014, 105 units in 2013)

Selected consolidated financial data for Q4 of 2014

Selected financial data	Q4 of 2014	Q4 of 2013	Change
Sales revenue	PLN 57,6m	PLN 69,1m	-16,6%
Gross sales profit	PLN 7,0m	PLN 11,7m	-40,7%
Gross sales margin	12,1%	17,0%	-4,9 percentage points
Profit from business operations	PLN 3,9m	PLN 12,5m	-69,0%
Net profit	PLN 0,3m	PLN 4,0m	-92,0%

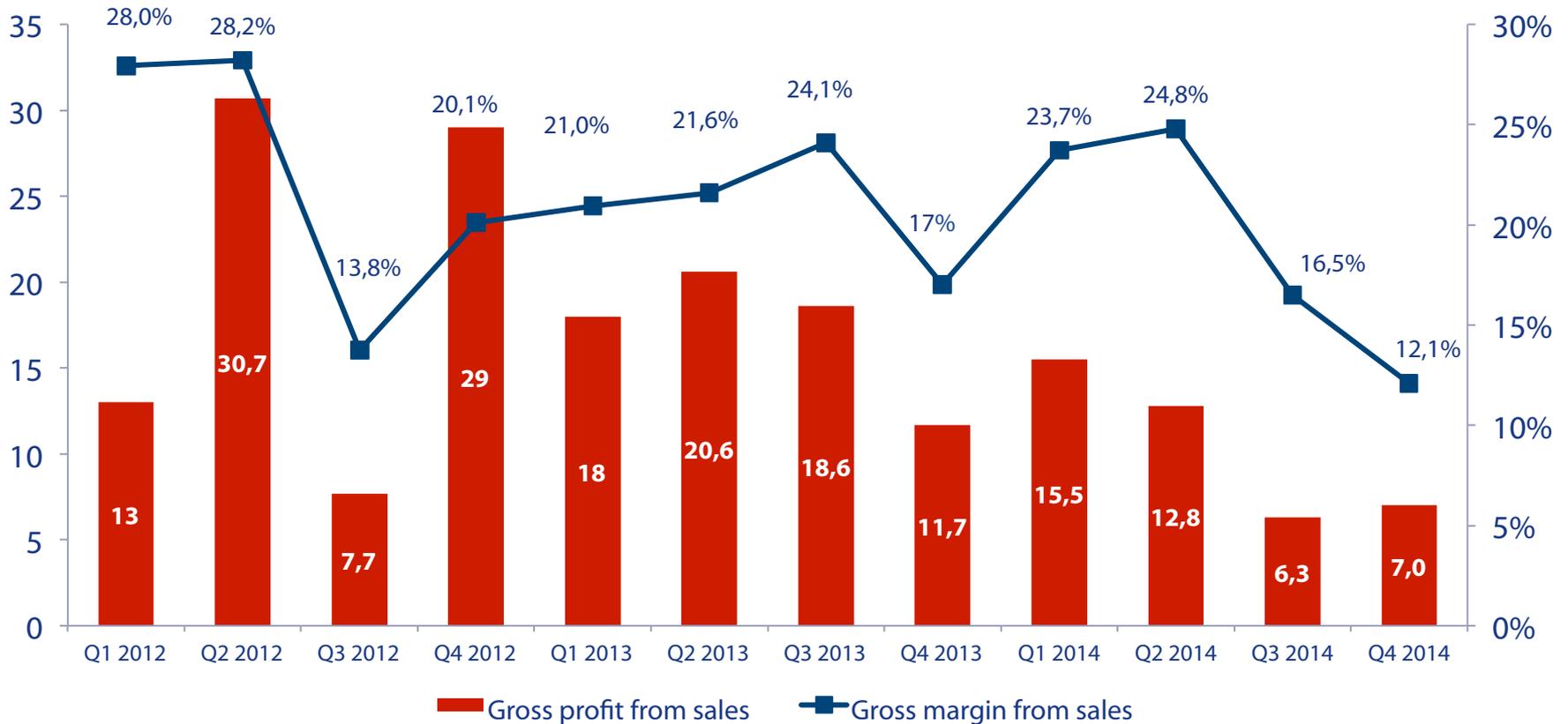
- ❑ Sales revenue went down by 16,6 % in Q4 of 2014 in comparison with Q4 of 2013
- ❑ Net profit decreased by 92% in Q4 of 2014 in comparison with Q4 of 2013.

Selected consolidated financial data for 2014

Selected financial data	2014	2013	Year by year change
Sales revenue	PLN 212,8m	PLN 327,5m	-35,0%
Gross profit from sales	PLN 41,6m	PLN 69,0m	-35,8%
Gross margin from sales	19,5%	21,1%	-1,6 percentage points
Profit from business operations	PLN 35,2m	PLN 48,5m	-27,3%
Net profit	PLN 8,3m	PLN 11,4m	-27,1%

- ❑ Sales revenue went down by 35% in 2014 in comparison with 2013.
- ❑ Net sales profit went down by 27,1 % in 2014 in comparison with 2013.

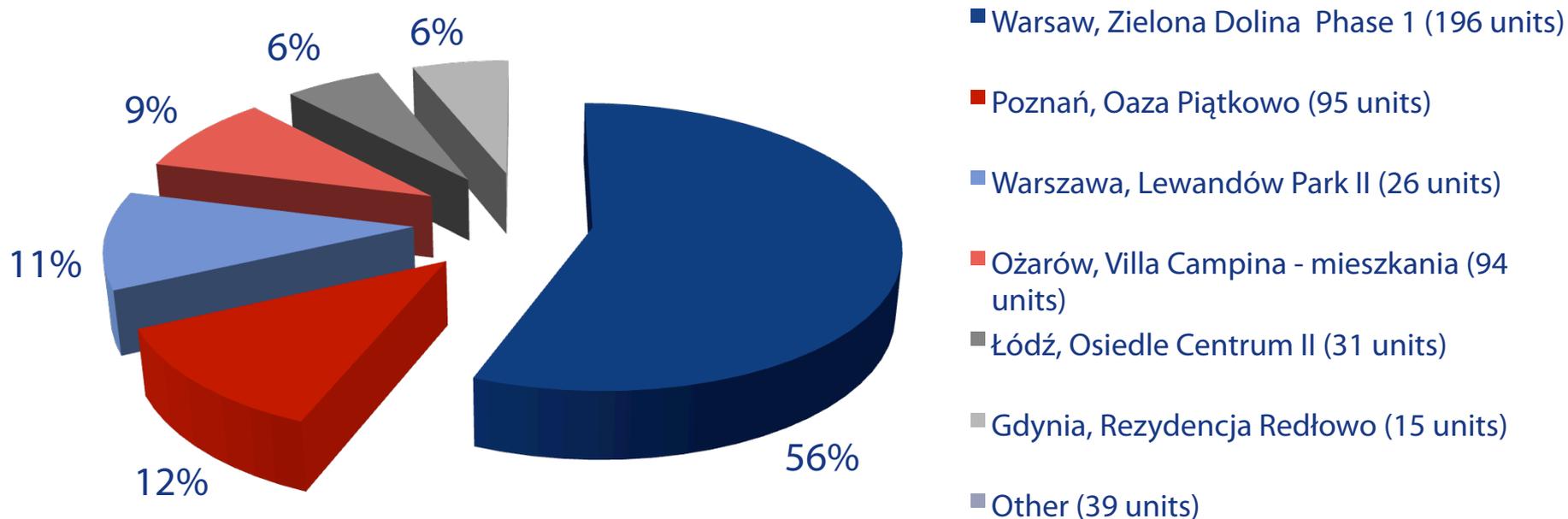
Gross margin from sales vs gross profit from sales



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

Realization of gross profit from sales in 2014

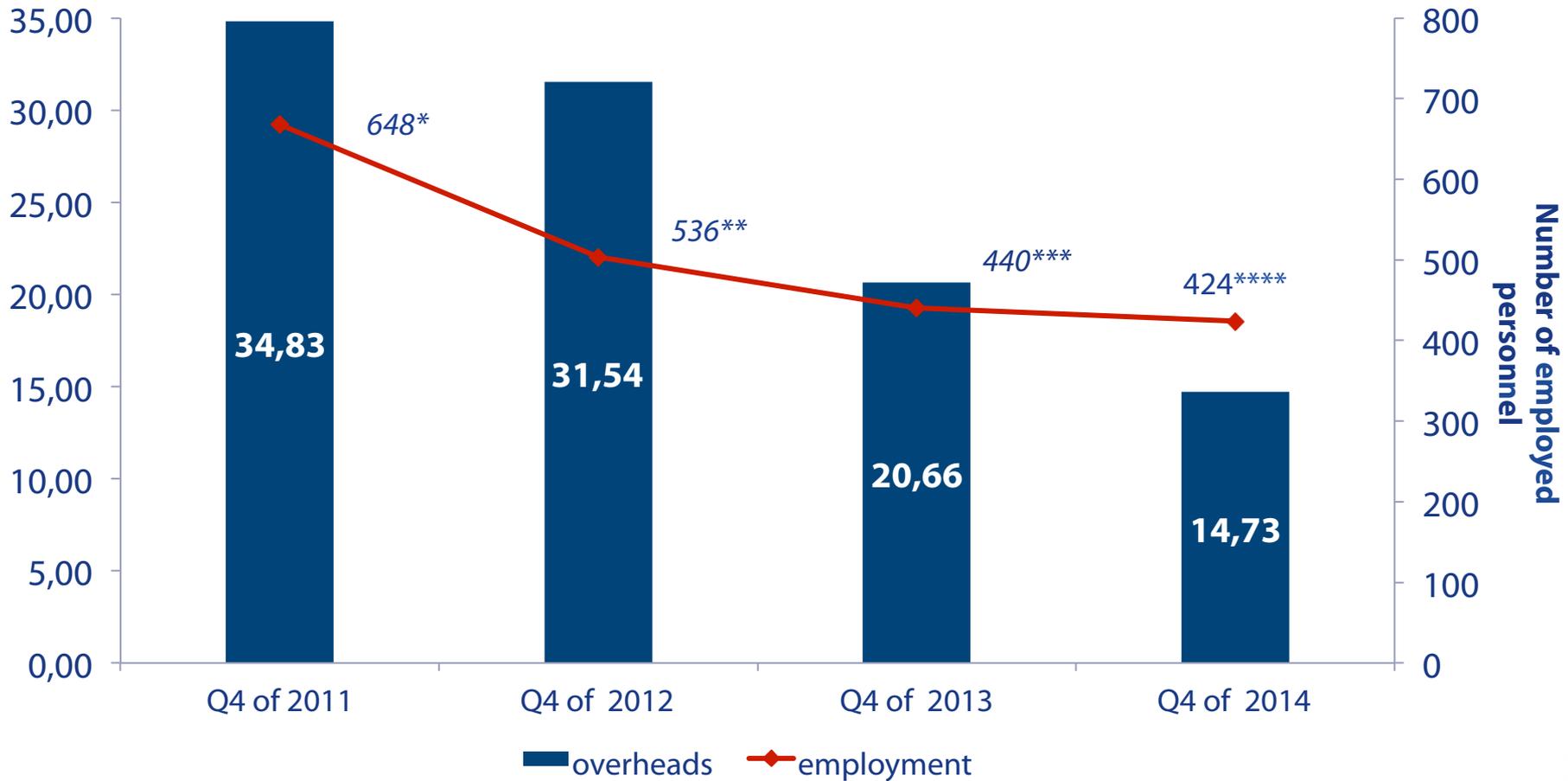
- The gross profit from sales in 2014 is PLN 42 million. Percentage contribution of real estate development projects considered in the profit comprised the following:



- Units considered in the result for **2014** in comparison with **2013**



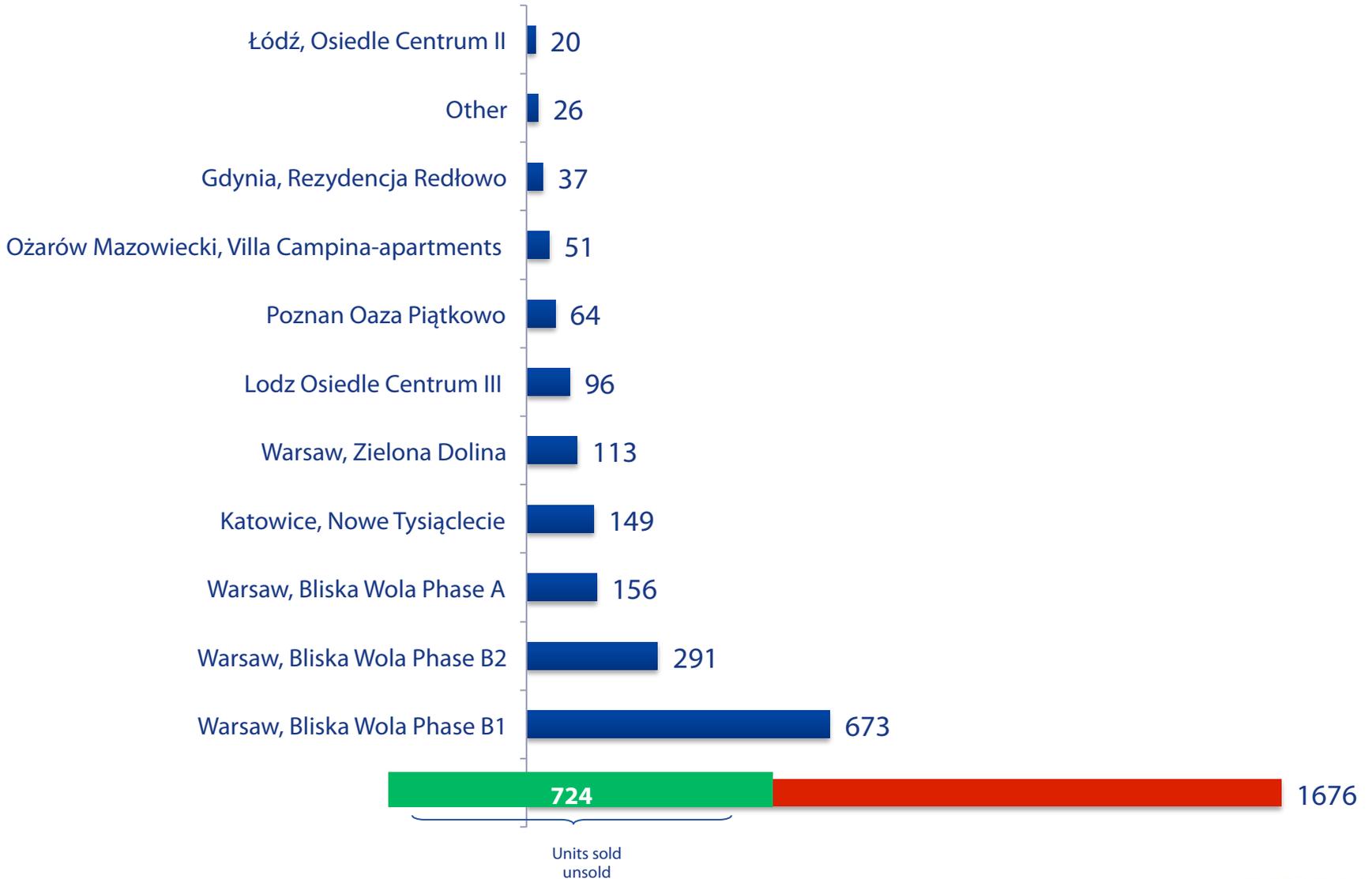
Overheads vs. employment



Includes personnel in the hotels:

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

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



Investments completed in 2014

- In 2014, Company conducted 6 residential investments totalling 1,417 units with an area of 66,238 square meters as well as single-family homes,

Residential investments	Number of units	Useable area (in sq. m.)
Bliska Wola – Phase B1, Warsaw– Bliska Wola 1 Sp. z o.o.	673	30 368
Bliska Wola – Phase B2, Warsaw– Bliska Wola 2 Sp. z o.o.	291	12 960
Bliska Wola – Phase A, Warsaw – J.W. Group Sp. z o.o. 1 SKA	156	7 716
Nowe Tysiąclecie, Katowice – Nowe Tysiąclecie Sp. z o.o.	149	7 085
Osiedle Centrum III, Łódź – Łódź Invest Sp. z o.o.	96	4 886
Rezydencja Redłowo – Gdynia – Seahouse Sp. z o.o.	52	3 223
Villa Campina – single-family homes, Ożarów Mazowiecki	10	1 714
TOTAL	1 427	67 952

- Apart from residential investments, Company also conducted Stara Dana (hotel premises) in Szczecin with the planned net area of 5,077 sq. m.

Investments planned for launching *(as of December 31, 2014)*

- Within the period of 2 years Company plans to proceed with the construction of over **5,300** units:

Investments in Warsaw and the surrounding area

Investment	Number of units	Useable area	Investment	Number of units	Useable area
Warsaw, Bliska Wola phase C*	479	21,185 sq. m.	Warsaw, Aluzyjna street I	32	1,850 sq. m.
Warsaw, Bliska Wola phase C - aparthotel*	416	14,885 sq. m.	Warsaw, Aluzyjna street II	68	3,670 sq. m.
Warsaw Bliska Wola phase D	527	24,200 m ²	Warsaw, Odkryta street II	82	4,158 sq. m.
Warsaw, Bliska Wola phase E	733	33,000 m ²	Warsaw, Osada Wiślana*	21	1,088 sq. m.
Warsaw, Zielona Dolina II Phase I*	315	12,772 sq. m.	Warsaw, Zielona Dolina Phase 3*	54	2,248 sq. m.
Warsaw, Zielona Dolina II Phase 2*	549	25,486 sq. m.	Warsaw, Nowodworska street *	12	1,903 sq. m.
Warsaw, Berensona street*	263	11,717 sq. m.	Ożarów, Villa Campina – single-family homes	31	4,983 sq. m.
Warsaw, Antoniewska street	221	13,763 sq. m.	Warsaw, Lewandów Park I /16*	27	1,115 sq. m.
Warsaw, Lewandów Park IV*	108	3,950 sq. m.	Warsaw, Lewandów Park III*	211	7,900 sq. m.
Total	Number of units 4,149	Useable area 189,873 sq. m.			

* Investments planned for launching in 2015

Investments planned for launching *(as of December 2014)*

Investments outside Warsaw

Investment	Number of units	Useable area
Katowice, Nowe Tysiąclecie , Phase 2, Building B1*	125	6,951 sq. m.
Katowice, Nowe Tysiąclecie, Phase 3	329	16,175 sq. m.
Katowice, Bałtycka street, Phase 1, subphase 1*	8	490 sq. m.
Katowice, Bałtycka street, Phase 2	63	3,692 sq. m.
Katowice, Bałtycka street, Phase 3	79	5,309 sq. m.
Katowice, Bałtycka street, Phase 4	86	4,999 sq. m.
Gdynia, Bernadowo Park phase 1*	196	11,471 sq. m.
Gdynia, Bernadowo Park phase 2*	236	13,500 sq. m.
Gdynia, Sochaczewska street*	51	3,478 sq. m.
Total:	1 173	66,065 sq. m.

Sales and marketing policy in 2014

- ❑ Concentration on promotional campaigns related to starting of apartments sales in new projects and completed apartments meeting the government buy-down program requirements (Mieszkania dla Młodych),
- ❑ Individual approach to Customers – flexibility in the scope of price negotiations depending on payment schedules and amounts of given installments,
- ❑ Promotion of investments during local business events including local real estate trade shows as well as 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.



Mieszkania dla Młodych

MDM PROGRAM

w najniższej cenie
od **4.400 zł/m²**

SPRAWDŹ



VOUCHER

www.hotel500.com.pl

Imię _____

Nazwisko _____

Data wystawienia _____

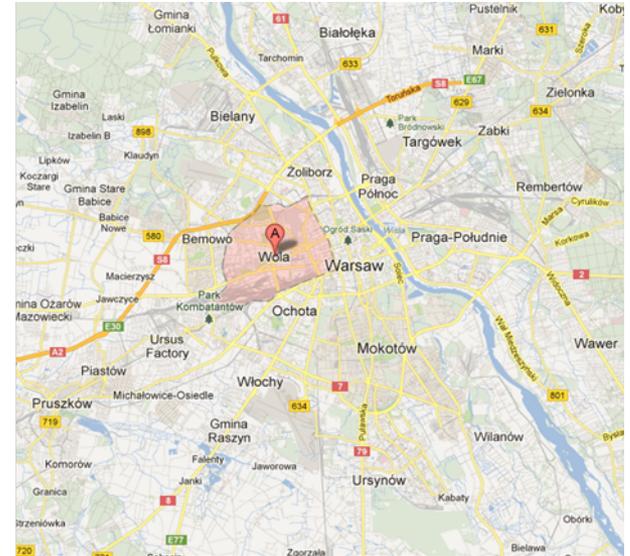
Dla dwóch osób do wykorzystania w sieci HOTEL 500 trzy miesiące od daty wystawienia

Projects planned for launching in 2015: Bliska Wola, Phase C – residential units and aparthotel

Project	Bliska Wola
Location	Wola district, Warsaw
Number of residential units	479
Useable area of residential units (in sq. m.)	21,185
Aparthotel – Number of units	416
Useable area (in sq. m.)	14,885

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 in 2015: Gdynia, Spokojna street, Phase 1 and 2

Project	Gdynia, Spokojna street
Location	Gdynia, Spokojna street
Number of apartments	196 units in Phase 1 236 units in Phase 2
Useable area (in sq. m.)	11,471 in Phase 1 13,500 in Phase 2

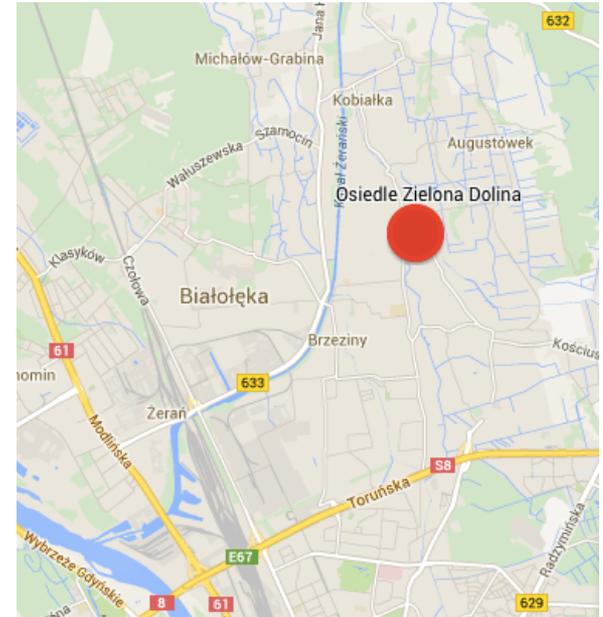
Characteristics

- ❑ attractive location in the area of Leśna and Spacerowa streets,
- ❑ low, small buildings,
- ❑ broad selection of apartments sizes and floor plans,
- ❑ floor plans allow for any type of interior arrangement,
- ❑ close proximity of a beach and Trójmiejski Park Krajobrazowy (landscape park).



Projekty planowane do uruchomienia w 2015: Warszawa, Zielona Dolina II i III

Project	Warsaw, Phase 2 and 3 of Zielona Dolina
Location	Warsaw, Białołęka area
Number of apartments	918
Useable area (in sq. m.)	40,506
Characteristics	
<ul style="list-style-type: none"> <input type="checkbox"/> green surrounding area, <input type="checkbox"/> recreational terrains, <input type="checkbox"/> quick access to city center, <input type="checkbox"/> apartments with 1, 2 and 3 rooms, <input type="checkbox"/> easy-to-arrange floor plans, <input type="checkbox"/> playing grounds, <input type="checkbox"/> fenced community with CCTV. 	

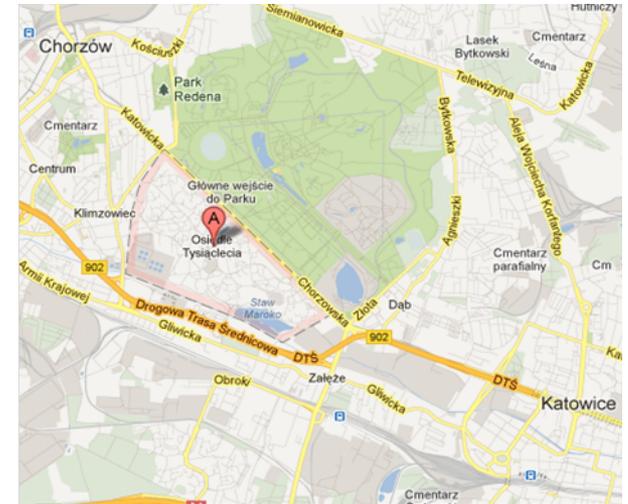


Projects planned for launching in 2015: Nowe Tysiąclecie, Phase 2

Project	Nowe Tysiąclecie
Location	Katowice
Number of apartments	125 in Phase 2
Useable area (in sq. m.)	6,951 in Phase 2

Characteristics

- ❑ ultimately the project involves 5 17-storey buildings for residential and business purposes,
- ❑ modern architecture– multiple glass elements,
- ❑ 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)

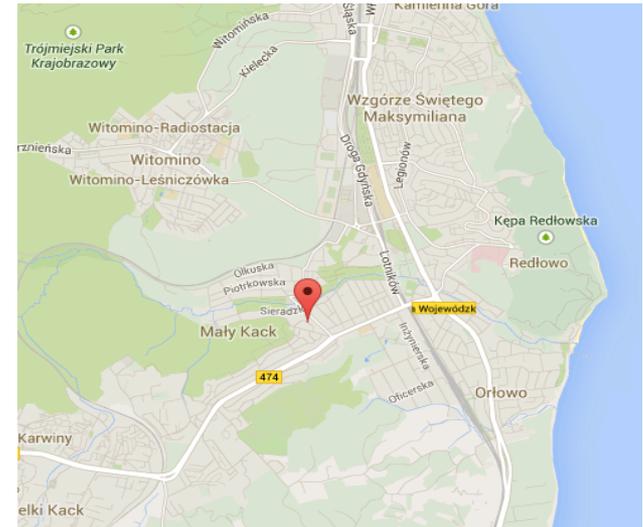


Źródło: google.maps.pl



Projects planned for launching in 2015: Warsaw, Berensona street

Project	Warsaw, Berensona street
Location	Warsaw, Berensona street
Number of apartments	263
PUM (in square meters)	11,717
Characteristics	
<ul style="list-style-type: none"> ❑ 12 buildings in the project, ❑ low, prestigious buildings, ❑ located in Białołęka, fastest developing area of Warsaw, ❑ safe playing grounds within the community, ❑ close proximity of amenities, such as schools, kindergartens and shopping malls, ❑ quick access to city center. 	



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Thank you for your attention

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