

PREZENTACJA WYNIKÓW III KWARTAŁ 2014



❑ The most significant events in Q3 2014	3
❑ Factors influencing the Company's activity	4-5
❑ The strategy focused on release of the Group's potential	6
❑ Sales of flats in Q1-3 2014	7
❑ Selected consolidated financial data for Q3 2014	8
❑ The selected consolidated financial data accrued after Q3 2014	9
❑ Gross margin on sales vs gross profit on sales	10
❑ Implementation of the profit from sales from construction projects after Q3 2014	11
❑ Overheads vs employment	12
❑ Premises in the offer to be recognized in the result in subsequent quarters	13
❑ Housing investments implemented in Q3 2014	14
❑ Investments planned to be run	15-16
❑ The most important marketing- sale events in Q3 2014	17
❑ Marketing and sales policy in Q3 2014	18
❑ Selected projects planned to be run in 2014/2015:	19-24

The most significant events in Q3 2014

- ❑ Commencement of the building and sales of the B2 stage - Bliska Wola investment at Kasprzaka Street, Warsaw, including 291 units,
- ❑ Achieving a high level of housing sales (nearly 200) in B1 stage of the Bliska Wola investment at Kasprzaka Street in Warsaw, including 673 units,
- ❑ Housing project sales commencement - Osiedle Centrum III in Lodz, at Tymienieckiego Street, including 96 units,
- ❑ Realization of the issuance of shares series C
 - ❑ Approval of the prospectus by the Polish Financial Supervision Authority
 - ❑ Successful shares subscription,
 - ❑ Registration of the share capital increase carried out in connection with the issuance of new shares.



Factors influencing the Company's activity

P
O
S
I
T
I
V
E

- ❑ Maintaining **low interest rates of mortgages** as a favourable factor to finance the flat purchase.
- ❑ **Stable situation in the Polish residential market** - Continuing level of the number of transactions and prices, higher relative to previous years *.
- ❑ **Government program Mieszkanie dla Młodych** which favours purchases of new housing including the company's offer.
- ❑ **Stable prices** of materials and construction services.
- ❑ **Conduct of marketing and advertising activities** aimed at intensifying sales of completed units.
- ❑ **Continuation of processes associated with the preparation of key investments** designed to run in the nearest periods

* Source: *Rynek mieszkaniowy w Polsce III kwartał 2014 r.* REAS

Factors influencing the Company's activity

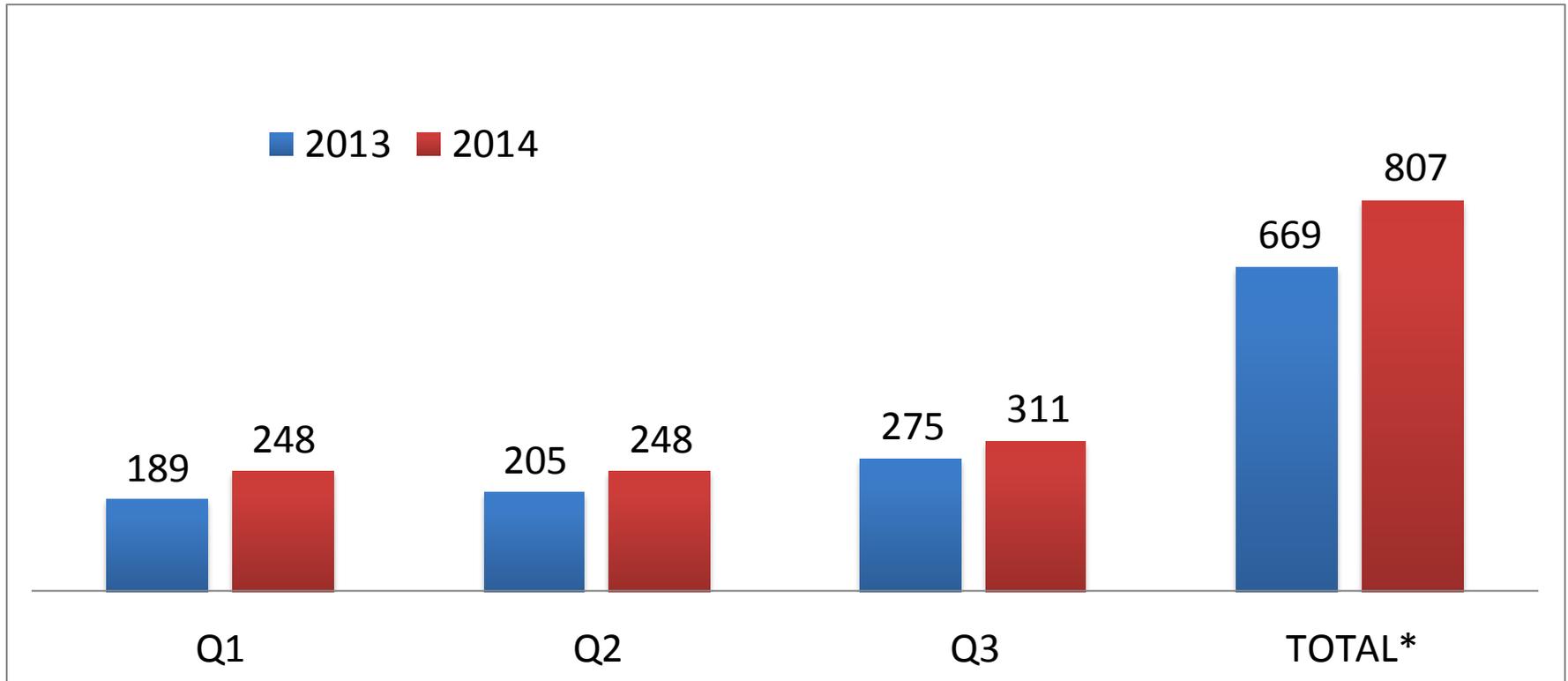
NEGATIVE

- ❑ **Still restrictive policy of FSA in relation to mortgage credits** - restrictions on loans in foreign currencies, Recommendation S
- ❑ **Act developer introducing trust accounts** - the act inhibits quick proceeding in the scope of financing and enforces increase in financial expenses
- ❑ **Changes in government support projects in the housing market** - the uncertainty in the market resulting in significant seasonality of demand
- ❑ **Long-lasting process** of obtaining necessary administrative decisions in relation to the currently ongoing and planned to run projects.

The strategy focused on release of the Group's potential

- ❑ **Further release of surplus cash from the sale of ready premises,**
- ❑ **Implementation of the previously adopted strategy associated with development of a large land bank for approx. 4800 units held by the Company** - to run as many new residential projects offering faster cash flow, in accordance with the approved schedule.
- ❑ **To intensify works related to the preparation of project documentation and obtaining building permits**
- ❑ **Keeping expansion into other areas of the Polish area** - preparations to launch projects in the TriCity, Lodz, Katowice.
- ❑ **Active actions toward non-performing assets**

Sales of flats in Q1-3 2014



- ❑ Only in Q3 2014, the Company sold **311** units compared to **275** units y/y, an increase by **13.09%** y/y.
- ❑ In 3 quarters of 2014, the Company sold **807 units**, an increase by **20.63%** y/y

* Data on sales include sales of "Oxygen" investment (57 premises in Q1-3 2014, 90 premises in Q1-3 2013)

Selected consolidated financial data for Q3 2014

Selected financial data	Q3 2013	Q3 2014	Change
Revenues on sales	PLN 77.1 mil	PLN 38.3 mil	-50%
Gross profit on sales	PLN 18.6 mil	PLN 6.3 mil	-66%
Gross margin on sales	24%	16%	-8 p.p.
Operating profit	PLN 11.6 mil	PLN 8.1 mil	-30%
Net profit	PLN 2.3 mil	PLN 2.1 mil	-9%

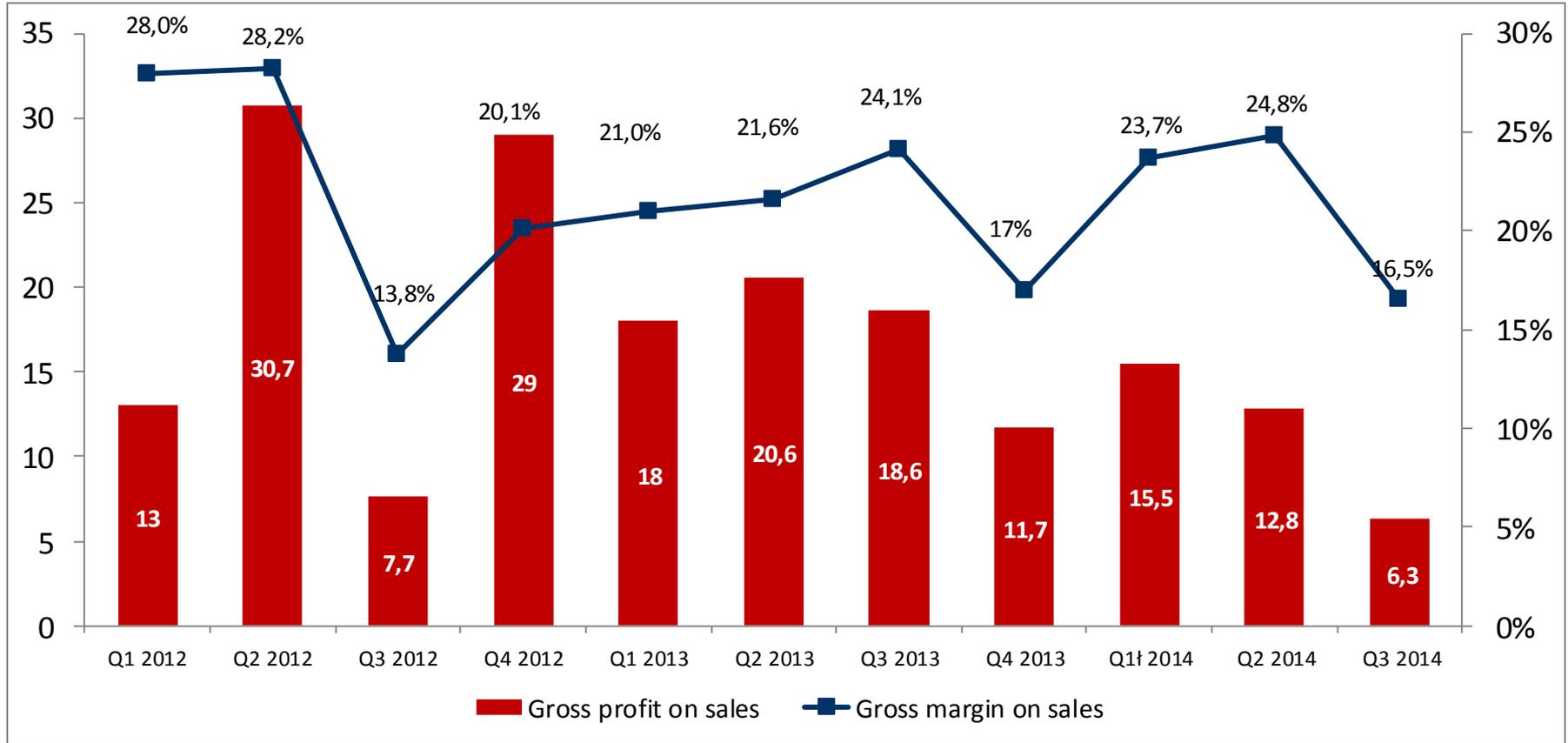
- ❑ Decrease in revenues from sales in Q 3 2014 by 50%, y/y.
- ❑ Increase in net profit in Q3 2014 by 9% y/y

The selected consolidated financial data accrued after Q3 2014

Selected financial data	Results for Q3 2013	Results for Q3 2014	Change
Revenues on sales	PLN 258.4 mil	PLN 155.2 mil	-40%
Gross profit on sales	PLN 57.3 mil	PLN 34.6 mil	-40%
Gross margin on sales	22%	22%	
Operating profit	PLN 35.9 mil	PLN 31.4 mil	-13%
Net profit	PLN 7.4 mil	PLN 8 mil	8%

- ❑ Decrease in revenues from sales after Q 3 2014 by 40%, y/y.
- ❑ Increase in net profit after Q3 2014 by 8% y/y

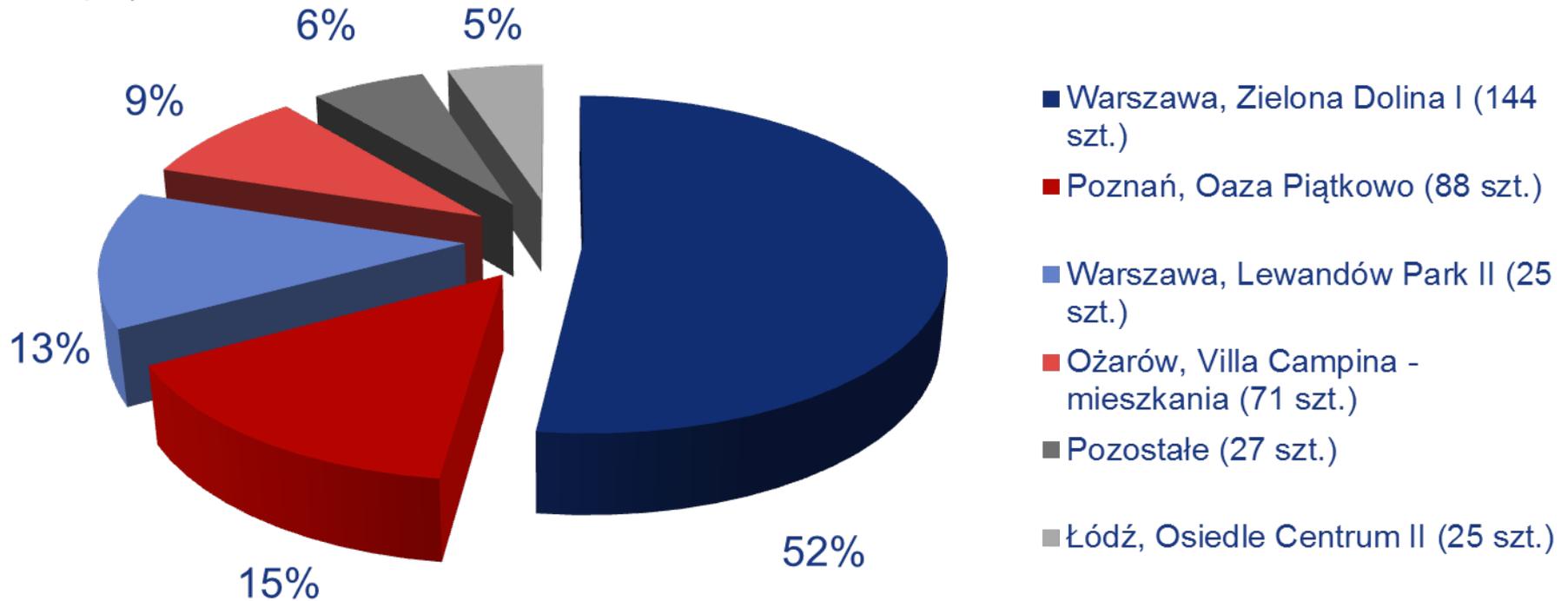
Gross margin on sales vs gross profit on sales



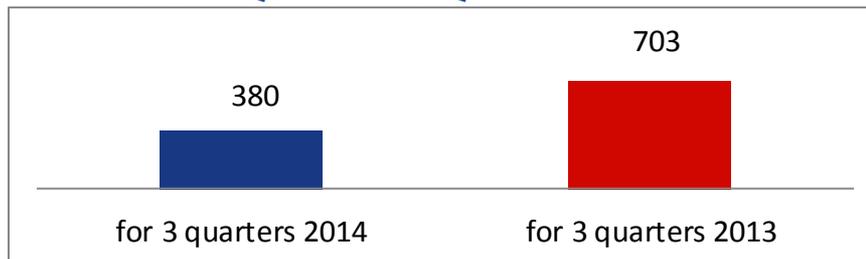
□ **Gross margin on sales in the long term is maintained at a level of about 20%.**

Implementation of the profit from sales from construction projects after Q3 2014

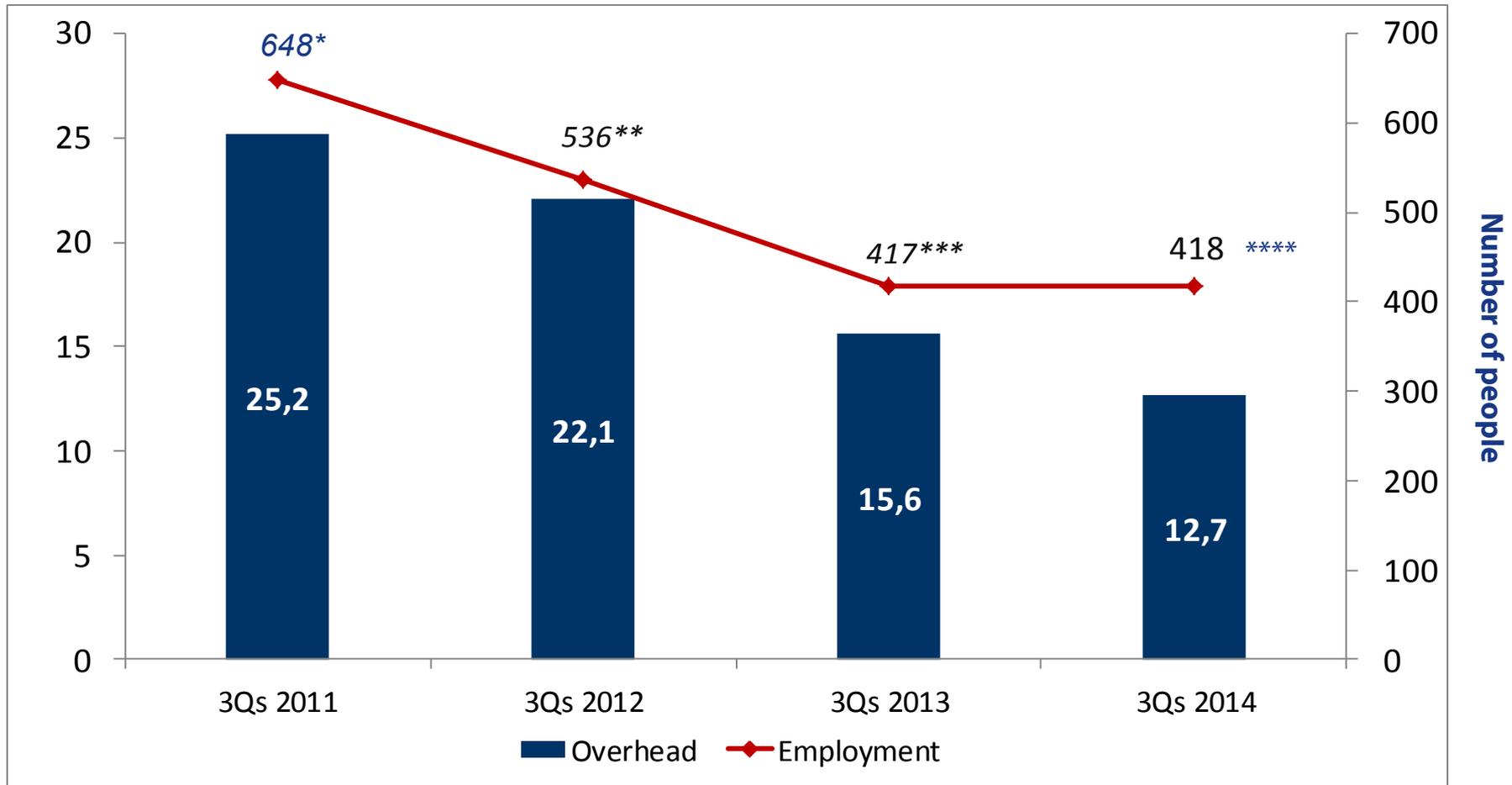
- The percentage of particular investments recognized in profit from sales within developer projects:



- Units recognized in results in **Q3 2014** vs **Q3 2013**



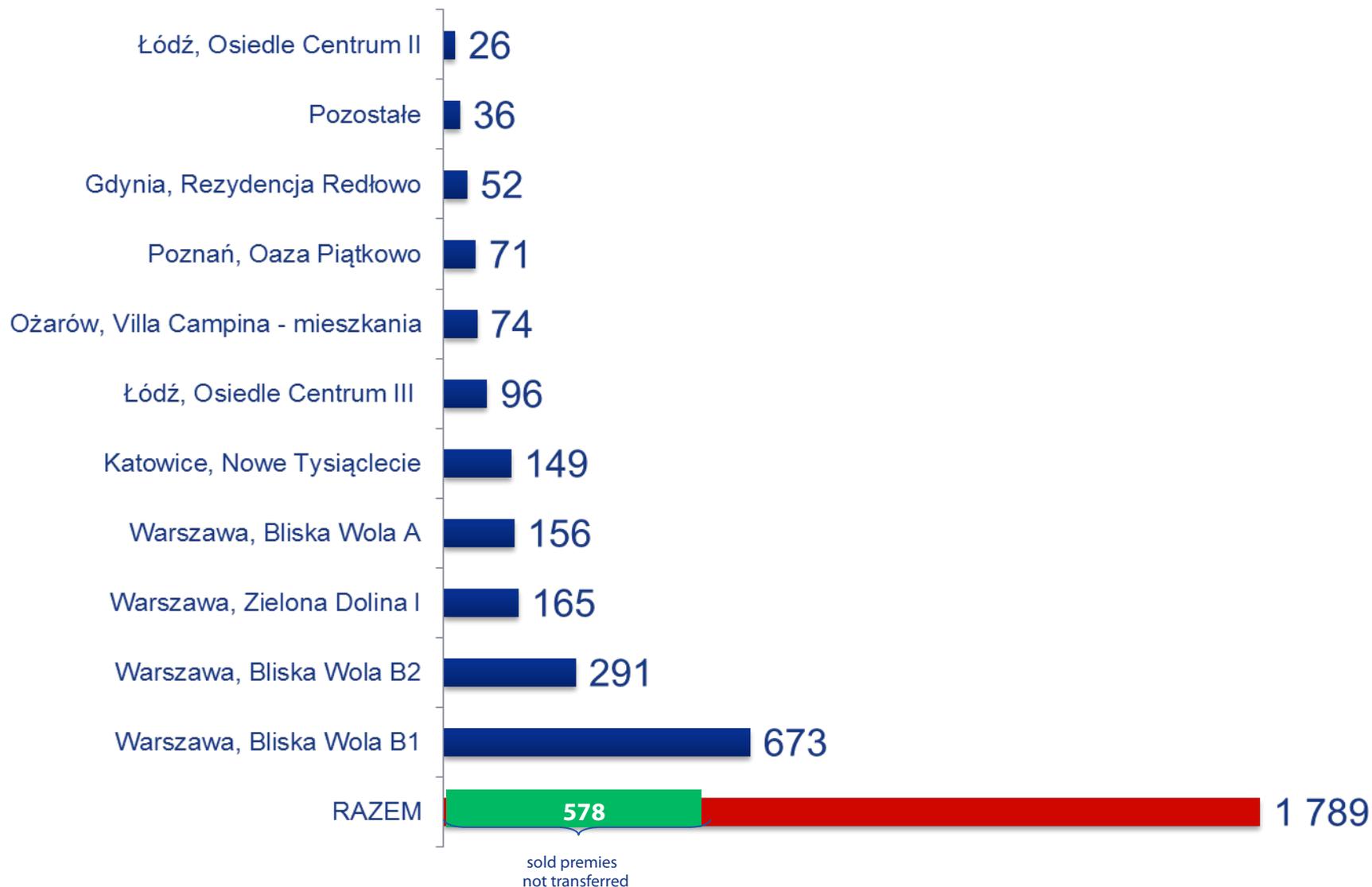
Overheads vs employment



□ Including employment in hotels:

- * 86 people
- ** 163 people
- *** 153 people
- **** 140 people

Premises (in units) in the offer to be recognized in the result in subsequent quarters



Housing investments implemented in Q3 2014

- In Q3 2014, the Group implemented **6 residential investments** with the total number of **1.417 units** covering 66,238 and single family houses.

Housing investments	Number of units	US (m ²)
Bliska Wola - Stage B1, Warsaw - Bliska Wola 1 Sp. z o.o.	673	30,368
Bliska Wola - Stage B2, Warsaw - Bliska Wola 2 Sp. z o.o.	291	12,960
Bliska Wola - Stage 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 - houses, Ożarów	8	1,285
TOTAL	1,425	67,523

- In addition to housing investments, the Company implemented a hotel venue Stara Dana in Szczecin with an estimated net total area of 5,077 m².

Investments to be run (as at 30 September 2014)

- During the next 2 years, the Company, on a basis of an owned land bank, plans to start the implementation of about **4,800** units:

Investments in Warsaw and vicinity

Investment	Number of units	Usable Space	Investment	Number of units	Usable Space
Warsaw, Bliska Wola Stage C	479	21,185 m²	Warsaw, Aluzyjna I	32	1,850 m ²
Warsaw, Bliska Wola Stage D	527	24,200 m ²	Warsaw, Aluzyjna II	68	3,670 m ²
Warsaw, Bliska Wola Stage E	733	33,000 m ²	Warsaw, Odkryta II	82	4,158 m ²
Warsaw, Zielona Dolina II stage I*	315	12,772 m²	Warsaw, Osada Wiślana**	21	1,088 m²
Warsaw, Zielona Dolina II stage II**	549	25,486 m²	Warsaw, Zielona Dolina III**	54	2,248 m²
Warsaw, Berensona Street*	263	11,717 m ²	Warsaw, Nowodworska	12	1,903 m²
Warsaw, Antoniewska Street	221	13,763 m ²	Ożarów, Villa Campina – houses	31	4,983 m ²
Warsaw, Lewandów Park IV**	90	3,230 m²	Warsaw, Lewandów Park III***	129	7,501 m²
Total	Number of units 3,606		Usable Space 172,754 m²		

*Investments planned to be run in 2014

**Investments planned to be run in 2015

Investments to be run (as at 30 September 2014)

Investments beyond Warsaw

Investment	Number of units	Usable Space
Katowice, Nowe Tysiąclecie, Stage 2, Building B1**	149	7,085 m²
Katowice, Nowe Tysiąclecie, Stage III	329	16,175 m ²
Katowice, Bałtycka Street, Stage I*	71	4,182 m²
Katowice, Bałtycka Street, Stage II	79	5,309 m ²
Katowice, Bałtycka Street, Stage III	86	4,996 m ²
Gdynia Bernadowo Park, Stage II**	236	13,500 m²
Gdynia Bernadowo Park, Stage I*	196	11,471 m²
Gdynia, Sochaczewska Street**	51	3,478 m²
Total:	1,197	66,196 m²

*Investments planned to be run in 2014

**Investments planned to be run in 2015

The most important marketing- sale events in Q3 2014

❑ Introduction Bliska Wola investment in Warsaw to the sale and Osiedle Centrum in Łódź as well

❑ Organization of promotional and sales events:

"Piknik z Super Ceną" - celebrating the start of sales of Bliska Wola (B2) investment

"Białołęcka Biesiada" - promotion of Zielona Dolina I investment in Warsaw

"Grill Party" - open day in Villa Campina investment, a promotion of houses

❑ Concentration of promotional activities on campaigns related to the introduction of **new projects** and ready apartments available in the "**Mieszkanie dla Młodych**" for sales.

PIKNIK Z SUPER CENĄ

**BLISKA
WOLA**



Sobota 20 września
BONUS do 30 000 zł
Zgłoś swój udział



**BLISKA
WOLA**



Marketing and sales policy in Q3 2014

- ❑ **Continuation of strategic marketing activities** in all areas of communication with the Client
- ❑ **Individual approach to the Client** – the flexibility in terms of possibility of negotiating the prices (depending on the amount and schedule of payments).
- ❑ The organization of the **"Saleout of Last Flats"** from ready to settle investments
- ❑ **Effective cross marketing** - the cooperation with Hotel 500 and Czarny Potok Resort & Spa chain in terms of cross-promotion.



Zielona Dolina

**BIAŁOŁĘCKA
BIESIADA**
ZAPRASZAMY 6-7 WRZEŚNIA

[sprawdź](#)



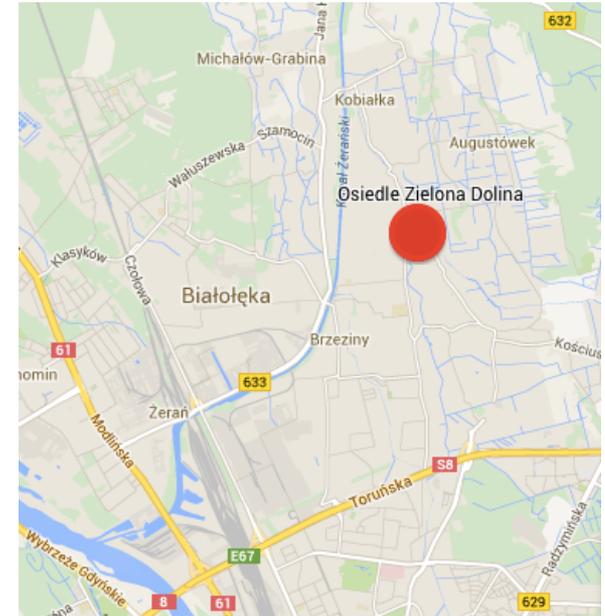
2 POKOJE
od **200 000 zł w** **MDM PROGRAM**



Selected projects planned to be run in 2014/2015:

Selected projects planned to be run in 2014/2015: Warsaw, Zielona Dolina II (stage I & II)

Project	Warsaw, Zielona Dolina II
Location	Warsaw, Białołęka
Number of units	864
UFS (m ²)	38,258
Description	
<ul style="list-style-type: none"> <input type="checkbox"/> green area, <input type="checkbox"/> recreational areas, <input type="checkbox"/> good connection to the city centre, <input type="checkbox"/> 1,2,3 room flats, <input type="checkbox"/> easy to arrange, <input type="checkbox"/> playgrounds. <input type="checkbox"/> guard-gated estate, 	



Selected projects planned to be run in 2014/2015: Gdynia Bernadowo Park, Stage I

Project	Gdynia Bernadowo Park, Stage I
Location	Gdynia, Spokojna Street
Number of flats:	Stage 1 196
UFS (m ²)	Stage 1 11,471
Description	
<ul style="list-style-type: none"> <input type="checkbox"/> attractive location - vicinity of Leśna and Spacerowa streets <input type="checkbox"/> low, cosy development <input type="checkbox"/> wide choice of metric areas and rooms arrangements <input type="checkbox"/> the design of rooms arrangement allows for any interiors arrangement <input type="checkbox"/> proximity of beach and Trójmiejski Park Krajobrazowy 	



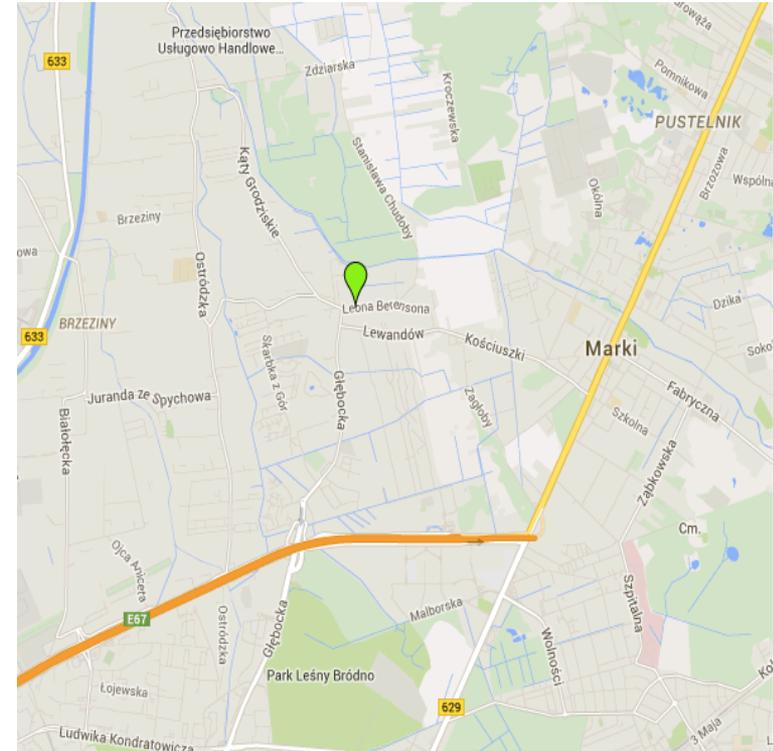
Selected projects planned to be run: Warsaw, Osada Wiślana

Project	Warsaw, Osada Wiślana
Location	Warsaw, Białołęka
Number of units	21
UFS (m ²)	1,088
Description	
<ul style="list-style-type: none"> <input type="checkbox"/> cosy and suburban development, <input type="checkbox"/> green and recreational area, <input type="checkbox"/> guard-gated estate, <input type="checkbox"/> quick access to the downtown 	



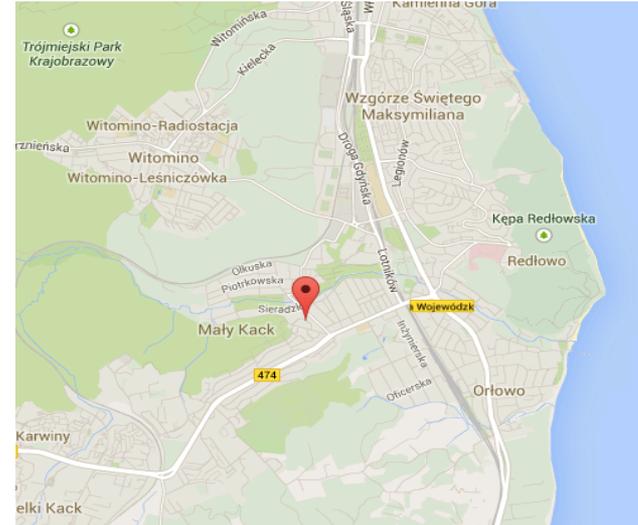
Selected projects planned to be run: Warsaw, Berensona Street

Project	Warsaw, Berensona Street
Location	Warsaw, Berensona Street
Number of flats:	263
UFS (m ²)	11,717
Description	
<ul style="list-style-type: none"> ❑ the project covers 12 buildings ❑ low, prestige development ❑ located on Białołęka– the most resiliently developing district in Warsaw ❑ safe playgrounds in the area of the development ❑ proximity of agglomeration conveniences: schools, kindergartens, shopping centres ❑ quick access to the downtown area. 	



Selected projects planned to be run: Gdynia, Sochaczewska Street

Project	Gdynia, Sochaczewska Street
Location	Gdynia, Sochaczewska Street
Number of flats:	51
UFS (m ²)	3,478
Description	
<ul style="list-style-type: none"> ❑ attractive location - the area of Sochaczewska Street ❑ green area, proximity of the beach, rich urban infrastructure ❑ low, cosy development ❑ interesting architecture ❑ varied metric areas, floorplans easy to arrange 	



PREZENTACJA WYNIKÓW III KWARTAŁ 2014

Thank you for your attention

INVESTOR RELATIONS:

Małgorzata Szwarc-Sroka

Economy Division

and Investor Relations Office Head Director of Economic and Director of
Investor Relations J.W. Construction Holding S.A.

Member of Management Board of J.W. Construction Sp. z o.o.

phone: 22 771 77 85

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

