



POLSKI HOLDING  
NIERUCHOMOŚCI S.A.

*Consolidated financial results for Q3 2015*

Presentation

Warsaw, November 17, 2015

## 1) PHN GROUP IN Q3 2015

1. KEY ACHIEVEMENTS IN Q3 2015
2. KEY EVENTS IN Q3 2015 AND AFTER THE BALANCE SHEET DATE

## 2) PHN GROUP'S REAL ESTATE PORTFOLIO – CAPITAL RECYCLING

1. PROPERTIES REMAINING IN THE PORTFOLIO, DIVESTMENTS AND ACQUISITIONS
2. PHN GROUP'S DEVELOPMENT PROJECTS

## 3) PHN GROUP'S FINANCIAL RESULTS

## 4) ADDITIONAL INFORMATION



Presentation of consolidated financial results for Q3 2015:

## 1) PHN GROUP IN Q3 2015

# KEY ACHIEVEMENTS IN Q3 2015

## ► BUILDING VALUE



▪ NET RESULT FOR THE GROUP [PLN mn]: **67.9** 9M 2014: 48.8 ▲ 39 %

▪ GROUP ASSETS [PLN mn]: **2,497.7** 30.09.2014: 2,206.7 ▲ 13 %

▪ NET ASSETS OF THE GROUP [PLN mn]: **2,000.1** 30.09.2014: 1,941.7 ▲ 3 %

## ► IMPROVING ECONOMIC EFFICIENCY



▪ EBITDA [PLN mn]: **33.3** 9M 2014: 15.4 ▲ 116 %

▪ EBITDA AFTER ADJUSTMENT [PLN mn]: **22.5** 9M 2014: 19.7 ▲ 14 %

▪ ADMINISTRATION EXPENSES [PLN mn]: **25.3** 9M 2014: 26.3 ▼ - 4 %

## ► CHANGES IN THE REAL ESTATE PORTFOLIO



▪ REAL ESTATE PORTFOLIO [number]: **144** 30.09.2014: 140 ▲ 3 %

▪ GROSS LEASABLE AREA [sq.m.]: **346,733** 30.09.2014: 300,406 ▲ 15 %

▪ PROPERTIES WITH DEFECTS [number]: **19** 30.09.2014: 23 ▼ - 17 %

## ► OTHER KEY ACHIEVEMENTS



▪ DIVIDEND PER SHARE [PLN]: **1.30** FOR 2013: 2.60 ▼ - 50 %

▪ NEWLY ACQUIRED AREA [sq.m.]: **18,288** 9M 2014: 0 ▲ N/A

▪ LTV RATIO [%]: **14.0** 30.09.2014: 0 ▲ N/A

# KEY EVENTS IN Q3 2015 AND AFTER THE BALANCE SHEET DATE

## ▶ KEY EVENTS IN Q3 2015

### ▪ ACQUIRING ANDERSIA BUSINESS CENTRE – A-CLASS OFFICE BUILDING

In July 2015, PHN purchased **Andersia Business Centre, an office building with commercial and service facilities** and a gross leasable area of nearly 14 thousand sq.m. In March 2015, the ABC building obtained the gold LEED certificate. Andersia Business Centre is the first office building purchased by PHN under the acquisition plan announced by the company.

### ▪ TERMINATING THE CITY TOWER AGREEMENT WITH HOCHTIEF

In August 2015, PHN and Hochtief Group terminated the cooperation agreement concerning construction of City Tower, a high-rise office building on the plot at ul. Świętokrzyska 36 in Warsaw's Central Business District. PHN now intends to continue the project independently.

### ▪ ACQUISITION ACTIVITIES

In August 2015, PHN signed two letters of intent: **on the purchase of a state-of-the-art A-class office building** with an area of over 25,000 sq.m., and on the acquisition of **a commercial and service center with leasable area of approx. 5,000 sq.m.**

### ▪ DOMANIEWSKA OFFICE HUB OBTAINS THE BREEAM EXCELLENT CERTIFICATE

In September 2015, the Domaniewska Office Hub office complex **received the prestigious BREEAM certificate with an Excellent rating**. BREEAM is the world's leading design method and a criterion for assessing sustainable construction projects. In the general classification of all types of buildings in Poland, DOH held the third place.

## ▶ KEY CURRENT ACTIVITIES

### ▪ RELEASING PROVISION FOR DEFERRED INCOME TAX

In Q3 2015, due to the continued Group restructuring process, Warszawski Holding Nieruchomości S.A. and Dalmor S.A. transferred selected real estates as in-kind contribution to a limited joint-stock partnership. The partnership sold some of the real estates to a special purpose vehicle, which led to increasing their tax value, and as a result, **the conditions to release provision for deferred income tax in the period of 9M 2015 in the amount of PLN 27.7 million were fulfilled.**

### ▪ PHN AWARDED IN THE BEST ANNUAL REPORT 2014 COMPETITION

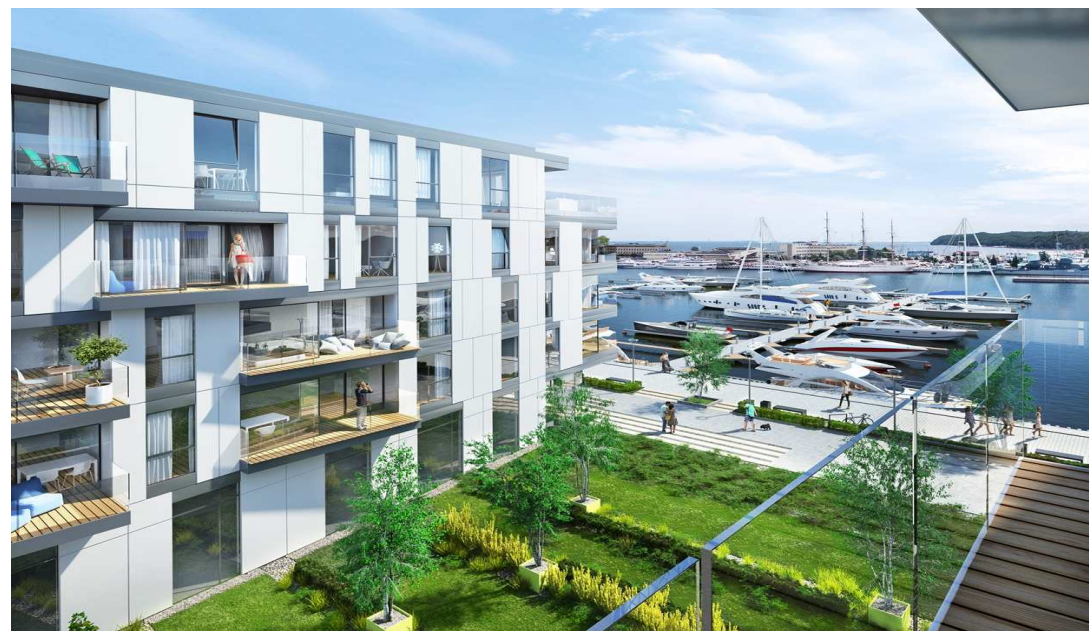
Polski Holding Nieruchomości S.A. **has been awarded in the 10th edition of The Best Annual Report 2014** competition, organized by the Accounting and Tax Institute, for the best debut and a synthetic and transparent marketing report.

### ▪ PHN IS THE PATRON OF THE FESTIVAL OF BUILDINGS

Fundacja Centrum Architektury (Architecture Center Foundation) offers Warsaw dwellers participation in a cyclical event named "Festiwal Budyneków" (Festival of Buildings), under which the public will have the opportunity to participate in a series of events related to the architecture and era of one selected building. Polski Holding Nieruchomości S.A. is the patron of the event.

### ▪ THE PROJECT "PRESTIGIOUS LOCATIONS" AS PART OF DIVESTMENTS

Continuing the program of selling properties located in prestigious Warsaw locations. The project includes the sale of 18 properties with a total value of PLN 100 million.



Presentation of consolidated financial results for Q3 2015:

## 2) PHN GROUP'S REAL ESTATE PORTFOLIO – CAPITAL RECYCLING



POLSKI HOLDING  
NIERUCHOMOŚCI S.A.

# PHN GROUP'S REAL ESTATE PORTFOLIO – CAPITAL RECYCLING \*

1)

## REMAINING IN THE PORTFOLIO

- **TOTAL VALUE:** PLN 854.3 mn
- **NUMBER OF PROPERTIES:** 18
- **Q1-Q3 2015:** PLN 22.7 mn (YIELD: 4.3%)
- **GLA:** 113,174 sq.m.

OFFICE PROPERTIES (95.0%)

OTHER COMMERCIAL PROPERTIES (5.0%)

### ACQUISITIONS Q1-Q3 2015:

2 properties with a total value of PLN 196.6 mn

### REMAINING IN THE PORTFOLIO

- Total value: PLN 854.3 mn
- Number of properties: 18

- **TOTAL VALUE:** PLN 830.1 mn
- **NUMBER OF PROPERTIES:** 45 (19 projects)
- **Q1-Q3 2015:** PLN 9.3 mn (YIELD: 1.3%)
- **GLA:** 159,960 sq.m.; **LAND:** 2,025,343 sq.m.

RESIDENTIAL PROJECTS (29.2%)

LOGISTICS PROJECTS (13.7%)

### DEVELOPMENT PROJECTS

- Total value: PLN 830.1 mn
- Number of properties: 45 (19 projects)

## DEVELOPMENT PROJECTS

## FOR DIVESTMENT

- **TOTAL VALUE:** PLN 624.0 mn
- **NUMBER OF PROPERTIES:** 81
- **Q1-Q3 2015:** PLN 11.2 mn (YIELD: 2.2%)
- **GLA:** 73,599 sq.m.; **LAND:** 5,112,464 sq.m.

### FOR DIVESTMENT

- Total value: PLN 624.0 mn
- Number of properties: 81

GENERATE RENTAL INCOME (65.0%)

DO NOT GENERATE RENTAL INCOME (35.0%)

### DIVESTMENTS Q1-Q3 2015:

20 properties with a total value of PLN 69.5 mn

OFFICE PROJECTS (22.3%)

MIXED PROJECTS (26.6%)

COMMERCIAL PROJECTS (8.2%)

## ▶ DIVESTMENTS

### ■ CONTINUING THE DIVESTMENT PROGRAM

- From January to September 2015, **final agreements were signed for the sale of 6 properties:** ul. Stągiewna in Gdańsk, ul. Łowicka 44 in Warsaw, ul. Żurawia 13 in Otwock, Dziebędów, Gucin, Łask **and part of the property** in Katowice (total value: PLN 12.5 million).
- Moreover, to date the Group has signed final agreements for the sale **of subsequent 2 properties:** Bukowiec and Wyczechy as well as **parts of 2 subsequent properties:** Czerwonak and Świebodzin (total value: PLN 2.0 million).
- PHN has also concluded **8 preliminary and contingent sale agreements** for the following properties: Aldony 19, Francuska 2, Gruzicka 3, Wiejska 20, Konstancińska 13, Prądyńskiego 21, Hotel Świebodzin, Hotel Pruszków **and part** of the Czerwonak property (total value: PLN 55.0 million).

### ■ THE PROJECT “PRESTIGIOUS LOCATIONS” AS PART OF DIVESTMENTS

- In H1 2015, PHN initiated the program of selling properties situated in prestigious Warsaw locations. **The project includes the sale of 18 properties with a total value of PLN 100 million.** Preliminary agreements have been signed for the sale of three properties from the Group’s portfolio, situated in most prestigious Warsaw locations: Aldony 19, Gruzicka 3, Francuska 2.
- PHN is currently in the course of advanced negotiations with regard to the sale of other representative properties (**negotiations are being finalized with regard to the sale of 5 subsequent properties**).

## ▶ ACQUISITIONS

### ■ COMPLETED ACQUISITIONS:

#### • ANDERSIA BUSINESS CENTER – A-CLASS OFFICE BUILDING

In July 2015, PHN purchased Andersia Business Centre, an office building with commercial and service facilities and a gross leasable area of nearly 14 thousand sq.m.

#### • KASKADA CITY – BUSINESS PREMISES

PHN has purchased business premises in Warsaw’s Kaskada City office building from Bank Ochrony Środowiska S.A., thus becoming the sole owner of the property. The newly acquired space has been fully rented to listed company Polimex-Mostostal S.A. (the area was handed over in August 2015).

### ■ PLANNED ACQUISITIONS:

- On November 17, 2015, PHN concluded **a preliminary agreement for the purchase of Alchemia II** – a state-of-the-art A-class office building with an area of over 25.5 thousand sq.m, situated in a central location in Gdańsk. The final agreement is to be signed not later than until September 30, 2016 after meeting specific contractual conditions. On August 14, 2015, a letter of intent was signed regarding the purchase of the property in question.
- On August 18, 2015, PHN signed **a letter of intent on the acquisition of a commercial and service center** with leasable area of approx. 5,000 sq.m. The parties did not enter into the transaction, so the letter of intent expired in October 2015.



# DEVELOPMENT PROJECTS – KEY INFORMATION

Item	PROJECT	FUNCTION	AREA [sq.m.]	START	COMPLETION	CAPEX [PLN million]
<b>▶ PROJECTS – COMPLETED AND IN PROGRESS</b>						
1.	▪ <b>FOKSAL CITY</b>	A-class office building	GLA: 3,340	Q3 2012	Q2 2014	30
2.	▪ <b>DOMANIEWSKA OFFICE HUB</b>	A-class office building	GLA: 26,200	Q1 2014	Q3 2015	177
3.	▪ <b>RETKINIA RETAIL HUB (BIEDRONKA)</b>	Grocery supermarket	GLA: 1,181	Q4 2014	Q2 2015	3.7
4.	▪ <b>WROCŁAW INDUSTRIAL PARK</b>	Warehouse complex	GLA: 40,000	Q1 2014 (2nd stage)	Q2 2016 (2nd stage)	partner bears the costs
<b>▶ PROJECTS UNDER PREPARATION</b>						
5.	▪ <b>PARZNIEW LOGISTICS CENTER</b>	Warehouse complex in 4 stages	GLA: 95,000 (4 stages)	Q4 2015 (1st stage)	Q4 2016 (1st stage)	165
6.	▪ <b>YACHT PARK</b>	Offices/Apartments/Retail	GLA: 71,000 / UA* 122,000	Q2 2016 (1st stage)	Q3 2017 (1st stage)	1,250
7.	▪ <b>PRYMASA TYSIĄCLECIA 83</b>	Residential and office complex	UA*: 25,100 / GLA: 10,700	Q3 2016	2020	187
8.	▪ <b>INTRACO CITY</b>	A-class office building in 2 stages	GLA: 10,000 (I) / 28,000 (II)	Q4 2016 (1st stage)	Q3 2018 (1st stage)	325
9.	▪ <b>CITY TOWER</b>	A-class office building	GLA: 40,000	2017	2021	400
10.	▪ <b>WILANOWSKA OFFICE HUB</b>	Office and service complex	GLA: 15,000 / 9,000	2017	2020	200
11.	▪ <b>LEWANDÓW RETAIL HUB</b>	Retail and residential complex	GLA: 60,000	Q2 2017	Q3 2019	165
<b>▶ PLANNED PROJECTS</b>						
12.	▪ <b>RETKINIA RETAIL HUB</b>	Residential and retail complex	GLA: 45,000 / UA*: 280,000	2017 (1st stage)	2020 (1st stage)	1,350
13.	▪ <b>BARTYCKA RETAIL HUB</b>	Residential and retail complex	UA*: 40,000 / GLA: 19,000	2018	2021	290
14.	▪ <b>WILANÓW RESIDENTIAL ESTATE</b>	Residential estate	UA*: 52,000	2018	2024	250
15.	▪ <b>JANA PAWŁA II 34</b>	Residential estate	UA*: 4,100	2017	2019	20
16.	▪ <b>INSTALATORÓW 7C</b>	Residential estate	UA*: 4,000	2017	2020	18

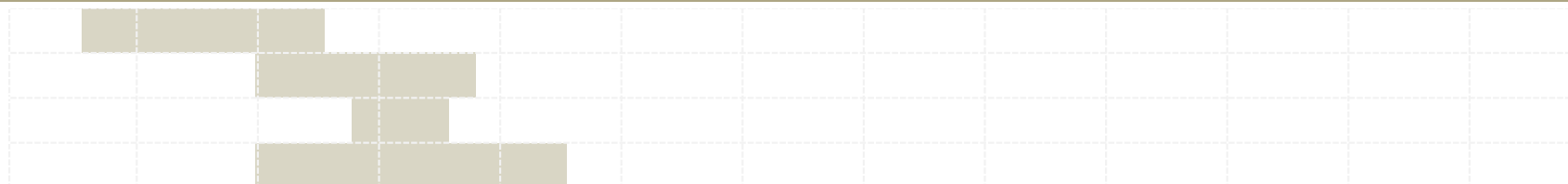
# DEVELOPMENT PROJECTS – SCHEDULE

Item	PROJECT	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
------	---------	------	------	------	------	------	------	------	------	------	------	------	------	------

\* First phase of the project

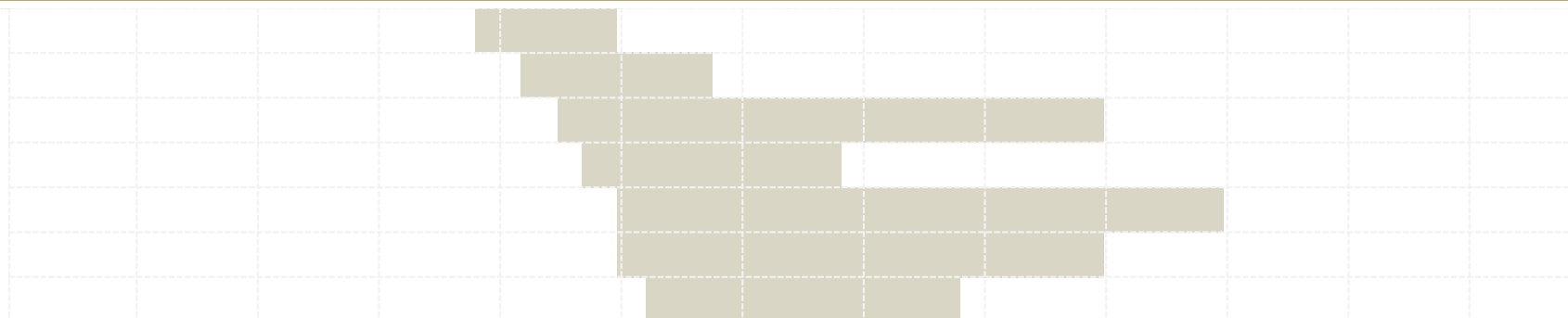
## ▶ PROJECTS – COMPLETED AND IN PROGRESS

1. ▪ FOKSAL CITY
2. ▪ DOMANIEWSKA OFFICE HUB
3. ▪ RETKINIA RETAIL HUB (BIEDRONKA)
4. ▪ WROCŁAW INDUSTRIAL PARK



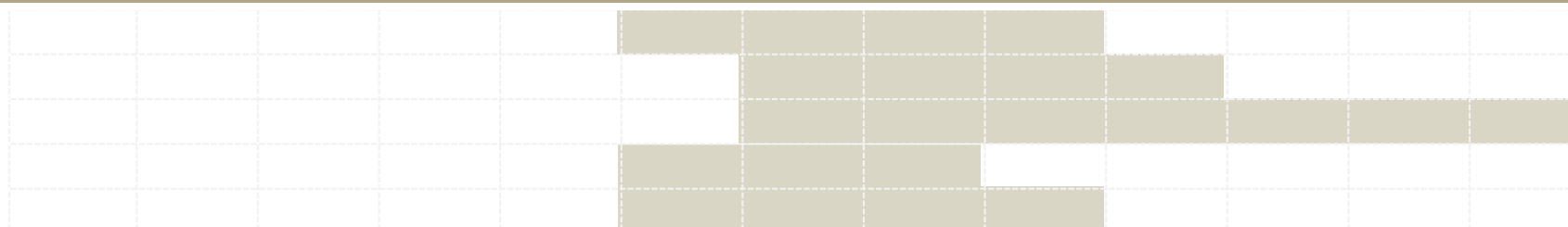
## ▶ PROJECTS UNDER PREPARATION

5. ▪ PARZNIEW LOGISTICS CENTER \*
6. ▪ YACHT PARK \*
7. ▪ PRYMASA TYSIĄCLECIA 83
8. ▪ INTRACO CITY \*
9. ▪ CITY TOWER
10. ▪ WILANOWSKA OFFICE HUB
11. ▪ LEWANDÓW RETAIL HUB



## ▶ PLANNED PROJECTS

12. ▪ RETKINIA RETAIL HUB \*
13. ▪ BARTYCKA RETAIL HUB
14. ▪ WILANÓW RESIDENTIAL ESTATE
15. ▪ JANA PAWŁA II 34
16. ▪ INSTALATORÓW 7C



# DEVELOPMENT PROJECTS – COMPLETED

## 1 FOKSAL CITY

COMPLETED PROJECT



### ul. KRYWULTA 2

#### KEY BENEFITS:

- Excellent location
- A-class office building

#### BASIC PARAMETERS:

- GLA: 3,340 sq.m.
- Start: Q3 2012
- Completion: Q2 2014
- Capex: PLN 30 million

#### STATUS OF WORKS:

- In 2014, use permit was obtained for the Foksal City building. In Q2 2015, the building's commercialization was completed and the entire building was rented by the Ministry of Foreign Affairs. The building was handed over to the tenant in September 2015.

## 2 DOMANIEWSKA OFFICE HUB

COMPLETED PROJECT



### ul. RODZINY HISZPAŃSKICH 8

#### KEY BENEFITS:

- Attractive location
- A-class office building

#### BASIC PARAMETERS:

- GLA: 26,200 sq.m.
- Start: Q1 2014
- Completion: Q3 2015
- Capex: PLN 177 million

#### STATUS OF WORKS:

- In May 2015, shell and core construction works in building A and B were completed. In Q3, 14,130 sq.m. in building A was handed over to the key tenant – Poczta Polska S.A. Interior design works are being continued in building B for Poczta Polska Group companies and the remaining part of building B is being commercialized.

# DEVELOPMENT PROJECTS – COMPLETED AND IN PROGRESS

## 3 RETKINIA RETAIL HUB COMPLETED PROJECT



### RETKINIA, ŁÓDŹ

#### KEY BENEFITS:

- Attractive location
- Grocery supermarket

#### BASIC PARAMETERS:

- GLA: 1,181 sq.m.
- Start: Q4 2014
- Completion: Q2 2015
- Capex: PLN 3.7 million

#### STATUS OF WORKS:

- In H1 2015, **construction works were completed on the first stage of the investment**, i.e. a grocery supermarket, which was handed over to the tenant.

## 4 SEGRO INDUSTRIAL PARK PROJECT IN PROGRESS



### ul. BIERUTOWSKA, WROCŁAW

#### KEY BENEFITS:

- Attractive location
- Warehouse complex

#### BASIC PARAMETERS:

- GLA: 40,000 sq.m.
- Start: Q3 2012 / Q1 2014
- Completion: Q4 2013 / Q2 2016
- Capex: the partner bears the costs

#### STATUS OF WORKS:

- On the area of 10.6 ha, buildings are being constructed with planned usable area of 40,000 sq.m. To date, the first stage has been completed (ca. 19,500 sq.m.), under which rental agreements have been signed for ca. 16,100 sq.m. **Infrastructure is being prepared for next project stages.**

# DEVELOPMENT PROJECTS – UNDER PREPARATION

## 5 PARZNIEW LOGISTICS CENTER

PROJECT UNDER PREPARATION



### PARZNIEW near WARSAW

#### KEY BENEFITS:

- Location close to A2 motorway
- Warehouse complex

#### BASIC PARAMETERS:

- **GLA:** 95,000 sq.m. (4 stages)
- **Start:** Q4 2015 (1st stage)
- **Completion:** Q4 2016 (1st stage)
- **Capex:** PLN 165 million

#### STATUS OF WORKS:

- In January 2015, the Group signed the JV contract for the construction of a modern warehouse complex in Parzniew with Parzniew Partners B.V. owned by Menard Doswell & Co. and Hillwood Europe. In October 2015, it received a permit for the construction of buildings for 1st and 2nd stage, with a total GLA of ca. 56,000 sq.m.

## 6 YACHT PARK

PROJECT UNDER PREPARATION



### ul. HRYNIEWICKIEGO 10, GDYNIA

#### KEY BENEFITS:

- Excellent location
- Offices/Apartments/Retail

#### BASIC PARAMETERS:

- **GLA:** 71,000 sq.m. / **UA:** 122,000 sq.m.
- **Start:** Q2 2016 (1st stage)
- **Completion:** Q3 2017 (1st stage)
- **Total Capex:** PLN 1,250 million

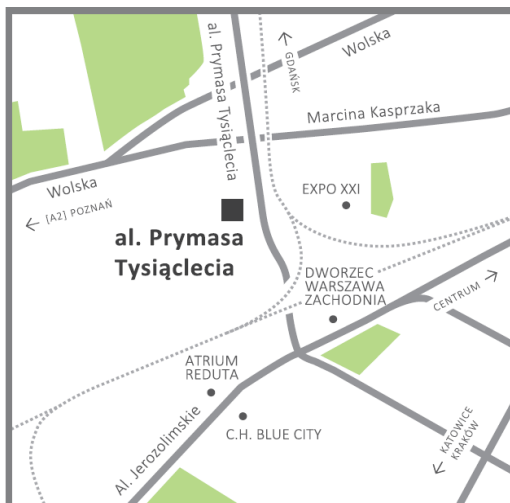
#### STATUS OF WORKS:

- In Q3 2015, works on preparing the construction project were completed. An application for construction permit will be filed shortly. In October 2015, Apartamenty Molo Rybackie (special purpose vehicle) purchased investment land for the purpose of implementing the Yacht Park project.

# DEVELOPMENT PROJECTS – UNDER PREPARATION

## 7 PRYMASA TYSIĄCLECIA 83

PROJECT UNDER PREPARATION



### al. PRYMASA TYSIĄCLECIA 83

#### KEY BENEFITS:

- Attractive location
- Residential and office complex

#### BASIC PARAMETERS:

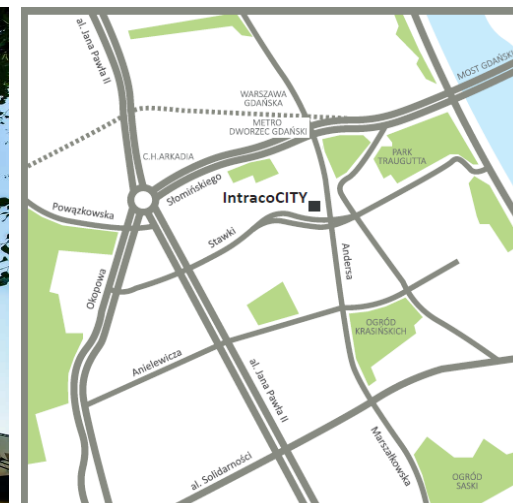
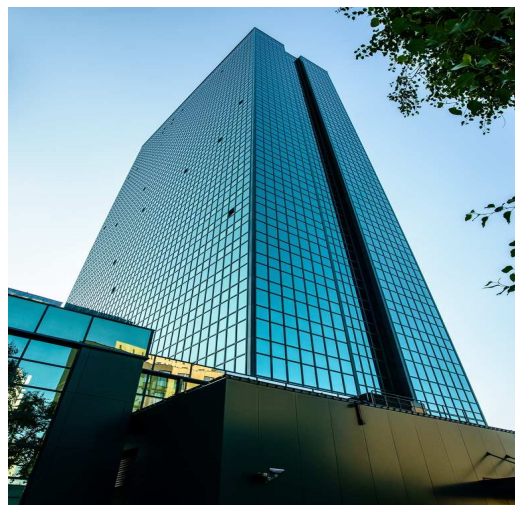
- **UA:** 25.100 sq.m./ **GLA:** 10,000 sq.m.
- **Start:** Q3 2016
- **Completion:** 2020
- **Capex:** PLN 187 million

#### STATUS OF WORKS:

- In July 2015, PHN signed an agreement for design works with the "ATELIER 7" studio. A concept of a residential project was prepared which assumes the construction of 435 apartments with usable area of 22,500 sq.m. **An initial concept of an office building** with GLA of 14,000 sq.m. was also developed.

## 8 INTRACO CITY

PROJECT UNDER PREPARATION



### ul. STAWKI 2

#### KEY BENEFITS:

- Excellent location
- A-class office building in 2 stages

#### BASIC PARAMETERS:

- **GLA:** 10,000 sq.m. (I)/28,000 sq.m. (II)
- **Start:** Q4 2016 (1st stage)
- **Completion:** Q3 2018 (1st stage)
- **Capex:** PLN 325 million

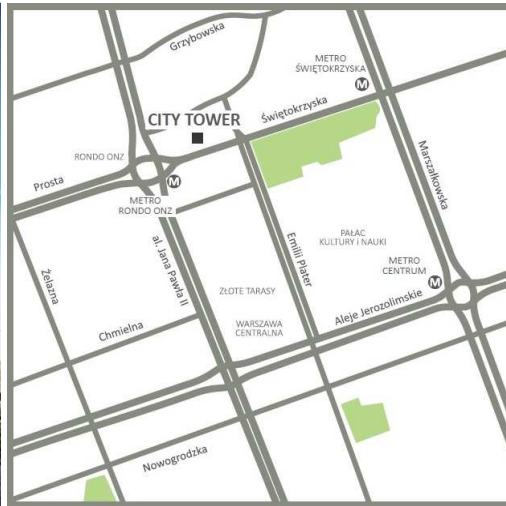
#### STATUS OF WORKS:

- In October 2015, the **design works of the 1st stage, i.e. the Architectural Concept, were completed.** Investment and financial analyses are currently under way. **Moreover, guidelines for the introduction of 2nd stage, i.e. Multi-Industry Concept, have been prepared.**

# DEVELOPMENT PROJECTS – UNDER PREPARATION

## 9 CITY TOWER

PROJECT UNDER PREPARATION



### ul. ŚWIĘTOKRZYSKA 36

#### KEY BENEFITS:

- Attractive location
- A-class office building

#### BASIC PARAMETERS:

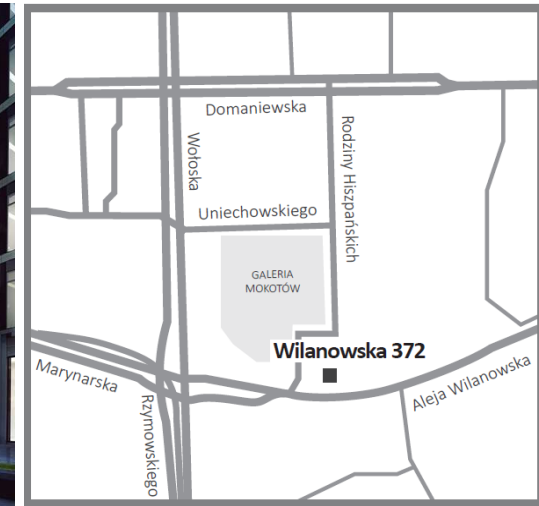
- GLA: 40,000 sq.m.
- Start: 2017
- Completion: 2021
- Capex: PLN 400 million

#### STATUS OF WORKS:

- The project assumes the construction of office and commercial buildings, including a high-rise building. Works on designing an optimum body of the building are currently under way. PHN filed an application for construction permit and obtained a final permit for the demolition of the existing building.

## 10 WILANOWSKA OFFICE HUB

PROJECT UNDER PREPARATION



### al. WILANOWSKA 372

#### KEY BENEFITS:

- Attractive location
- Office and service complex

#### BASIC PARAMETERS:

- GLA: 15,000 sq.m. / 9,000 sq.m.
- Start: 2017
- Completion: 2020
- Capex: ca. PLN 200 million

#### STATUS OF WORKS:

- On the property with an area of ca. 1.29 ha at al. Wilanowska 372, PHN plans to construct two commercial buildings with a total GLA of ca. 28,000 sq.m. Design works are currently beginning in order to obtain a construction permit for the potential project.

# DEVELOPMENT PROJECTS – UNDER PREPARATION AND PLANNED

11

## LEWANDÓW RETAIL HUB

PROJECT UNDER PREPARATION

LEWANDÓW  
RETAIL  
HUB



### LEWANDÓW

#### KEY BENEFITS:

- Attractive location
- Retail and residential complex

#### BASIC PARAMETERS:

- GLA: 60,000 sq.m.
- Start: Q2 2017
- Completion: Q3 2019
- Capex: PLN 165 million

#### STATUS OF WORKS:

- On some of the plots, the Group plans the construction of residential and commercial and service buildings with a total area of ca. 60,000 sq.m., including a 3-stage residential project (452 apartments). **Negotiations are under way on selling or leasing the remaining parts to chain operators from the retail industry.**

12

## RETKINIA RETAIL HUB

PLANNED PROJECT

RETKINIA  
RETAIL  
HUB



### RETKINIA, ŁÓDŹ

#### KEY BENEFITS:

- Attractive location
- Retail and residential complex

#### BASIC PARAMETERS:

- GLA: 45,000 sq.m. / UA: 280,000 sq.m.
- Start: 2017 (1st stage)
- Completion: 2020 (1st stage)
- Total Capex: PLN 1,350 million

#### STATUS OF WORKS:

- In H1 2015, the construction works on the first grocery supermarket were completed. Works on **the optimum property development study for the entire property** and pre-construction works (e.g. with regard to overhead power lines cabling) are currently under way.

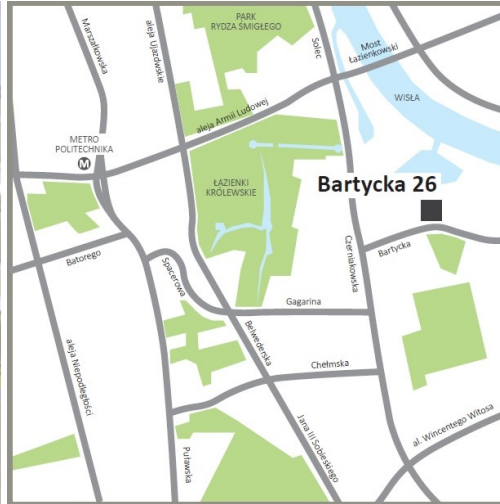


# DEVELOPMENT PROJECTS – PLANNED

13

## BARTYCKA RETAIL HUB

PLANNED PROJECT



### ul. BARTYCKA 26

#### KEY BENEFITS:

- Excellent location
- Residential and retail complex

#### BASIC PARAMETERS:

- **UA:** 40.000 sq.m./ **GLA:** 19,000 sq.m.
- **Start:** 2018
- **Completion:** 2021
- **Total Capex:** PLN 290 million

#### STATUS OF WORKS:

- PHN plans to construct a residential complex with service facilities, which results from the performed **Optimum Property Development Study**. It has started works connected with changing the local area development plan. Talks are conducted with potential tenants with regard to commercializing the project.

14

## WILANÓW RESIDENTIAL ESTATE

PLANNED PROJECT



### WILANÓW RESIDENTIAL ESTATE

#### KEY BENEFITS:

- Attractive location
- Residential estate

#### BASIC PARAMETERS:

- **UA:** 52,000 sq.m.
- **Start:** 2018
- **Completion:** 2024
- **Total Capex:** PLN 250 million

#### STATUS OF WORKS:

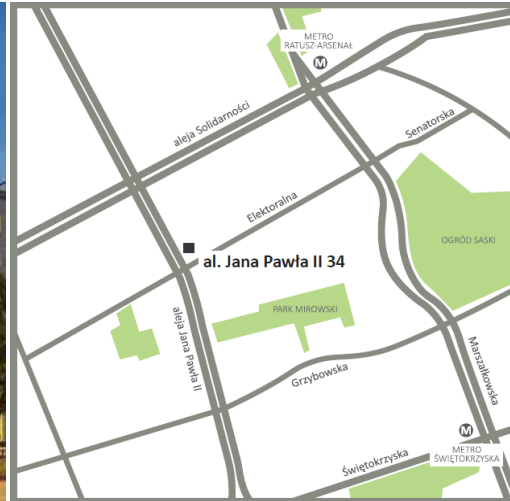
- An Optimum Property Development Study has been performed which assumes replacing the existing buildings with new ones. Analyses point to **the possibility of building ca. 859 modern apartments with a total area of 46,400 sq.m. and a shopping passage with an area of 5,700 sq.m.**

# DEVELOPMENT PROJECTS – PLANNED

15

## JANA PAWŁA II 34

PLANNED PROJECT



### al. JANA PAWŁA II 34

#### KEY BENEFITS:

- Attractive location
- Residential estate

#### BASIC PARAMETERS:

- UA: 4.100 sq.m.
- Start: 2017
- Completion: 2019
- Capex: PLN 20 million

#### STATUS OF WORKS:

- PHN organized a competition for the **initial architectural and urban planning concept for the development of the area and the construction of a residential building with service facilities.** The winning project assumes the construction of 97 apartments with a total area of 4,000 sq.m.

16

## INSTALATORÓW 7C

PLANNED PROJECT



### ul. INSTALATORÓW 7C

#### KEY BENEFITS:

- Attractive location
- Residential estate

#### BASIC PARAMETERS:

- UA: 4,000 sq.m.
- Start: 2017
- Completion: 2020
- Total Capex: PLN 18 million

#### STATUS OF WORKS:

- **Initial conditions of connecting utilities** have been obtained. An agreement has also been signed with the “22 Architekci” architectural studio. **Initial analyses point to the possibility of building ca. 80 apartments** with usable area of ca. 4,000 sq.m.



Presentation of consolidated financial results for Q3 2015:

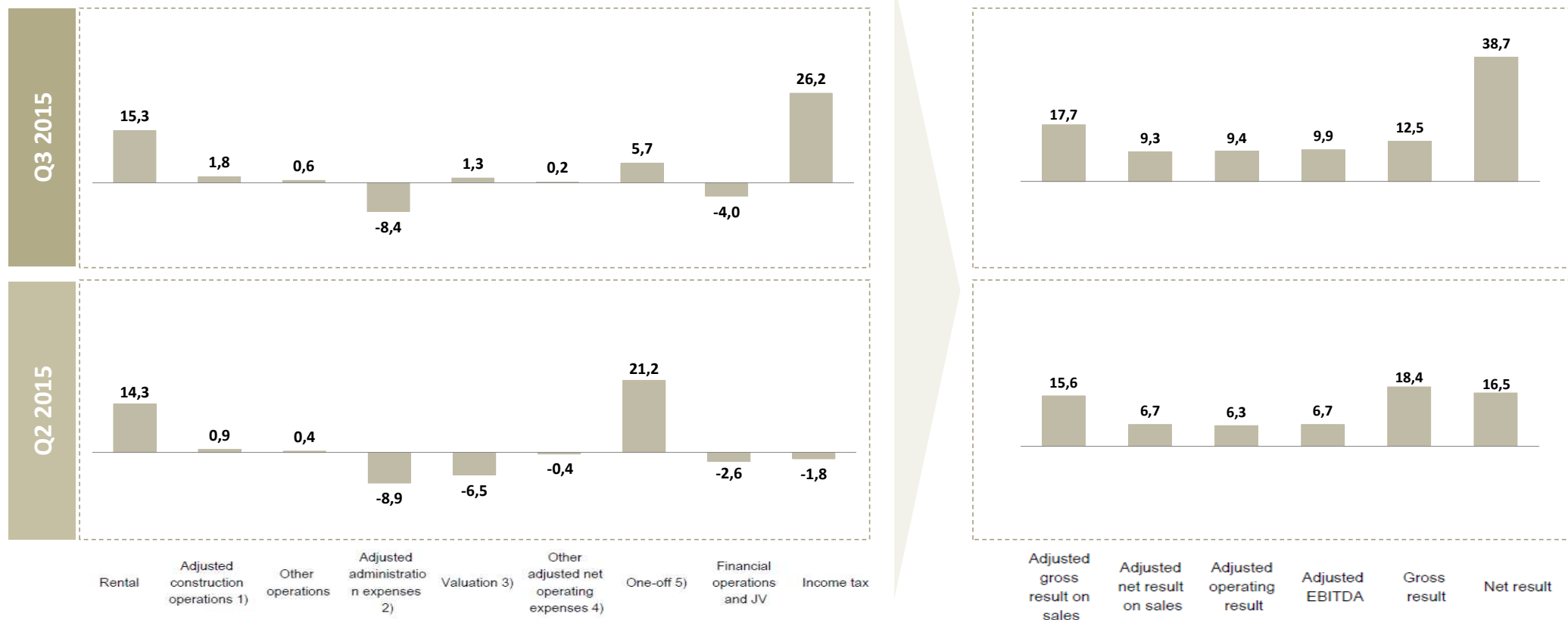
### 3) PHN GROUP'S FINANCIAL RESULTS



POLSKI HOLDING  
NIERUCHOMOŚCI S.A.

# SELECTED PROFIT AND LOSS STATEMENT ITEMS

[PLN million]



- Higher result on rental is mainly due to acquiring the Andersia Business Centre property.
- Higher result on construction operations is due to a greater number of final agreements signed (Q3: 25, Q2: 13). Lower current sales of apartments (Q3: 20, Q2: 29) results from the fact that the portfolio of apartments on the Parzniew estate is running out.
- Lower impact of one-off events, mainly changes in legal status of properties (Q3: PLN 5.1 million, Q2: PLN 20.0 million).
- Releasing provision for deferred income tax (PLN 27.7 million) as a result of allocating properties to special purpose vehicles with the use of the limited joint-stock partnership.
- Higher EBITDA after adjustments and net profit.

1) adjusted by the provision for warranty repairs and damages from previous years (Q3: PLN 0.4 million, Q2: -PLN 0.3 million)

2) adjusted by Group restructuring costs (Q3: PLN 0.1 million, Q2: PLN 0.4 million)

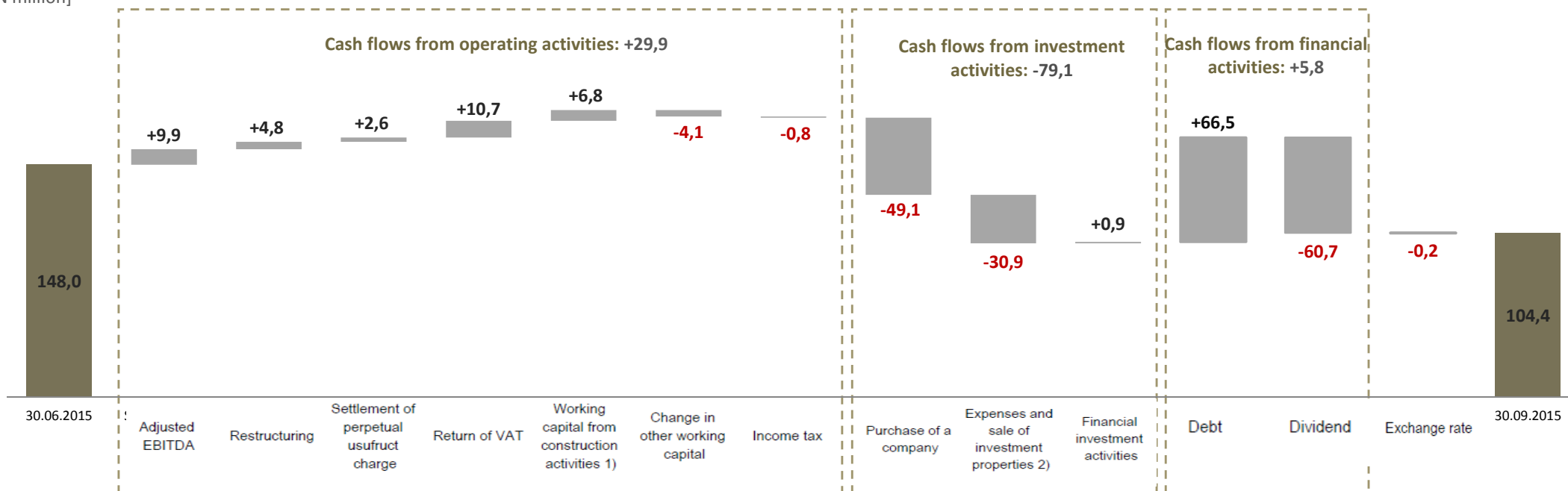
3) movement in fair value of investment properties (Q3: PLN 1.3 million, Q2: -PLN 6.6 million) and result on sale (Q3: PLN 0.1 million, Q2: PLN 0.1 million)

4) adjusted by change in legal status of properties (Q3: PLN -5.1 million; Q2: -PLN 20.0 million) and change in the provisions for claims from previous years (Q3: PLN -1.1 million, Q2: PLN -1.3 million)

5) one-off events by which items 1, 2, 4 were adjusted

# CASH FLOWS

[PLN million]



1) increase/decrease in liabilities, receivables, and inventory on construction operations  
 2) net expenses, sale of investment properties and tangible fixed assets  
 3) interest on deposits and dividend from a joint subsidiary (JV)

Decrease in cash by PLN 43.6 million (29%).

Favorable effect of

- ▶ operating results measured by EBITDA after adjustment (PLN 9.9 million)
- ▶ return of tax on civil law transactions of PLN 4.9 million related to Group restructuring, decreased by current costs (-PLN 0.1 million)
- ▶ settlement of perpetual usufruct of land payments made in advance (PLN 2.6 million)
- ▶ return from the tax office of VAT related to expenditure on investment properties
- ▶ decrease in working capital on construction operations (PLN 6.8 million),
- ▶ dividend from a JV company (PLN 0.5 million) and interest (0,4 mln PLN),

▶ net loans taken (PLN 66.7 million) partly offset by car fleet leasing (PLN -0.2 million).

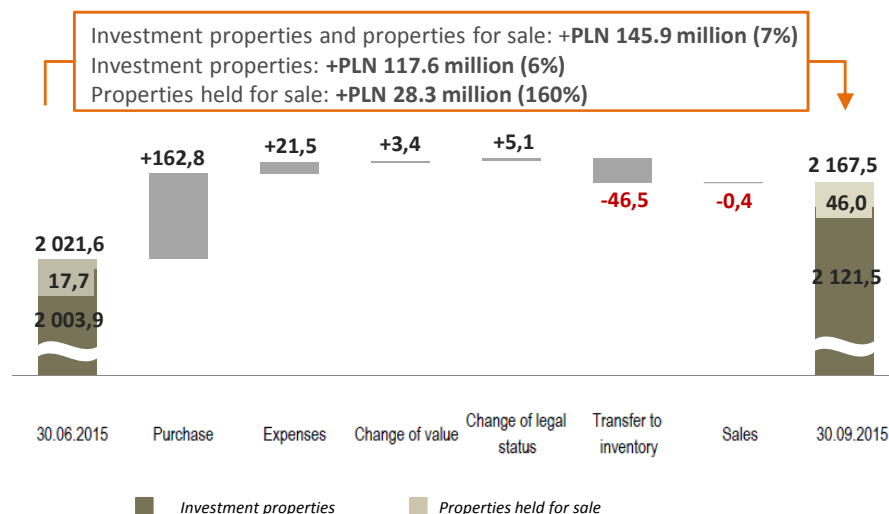
Negative effect of

- ▶ change in other working capital, resulting mainly from settling revenue over time (rental vacation),
- ▶ purchasing a subsidiary, decreased by that subsidiary's cash (-PLN 49.1 million),
- ▶ expenditure on investment properties (-PLN 31.9 million), partly offset by revenue from selling investment properties (PLN 0.9 million) and tangible fixed assets (PLN 0.1 million),
- ▶ dividend payment (-PLN 60.7 million).

# INVESTMENT PROPERTIES, PROPERTIES HELD FOR SALE, AND INVENTORY

## ▶ INVESTMENT PROPERTIES AND PROPERTIES HELD FOR SALE (IFRS 5)

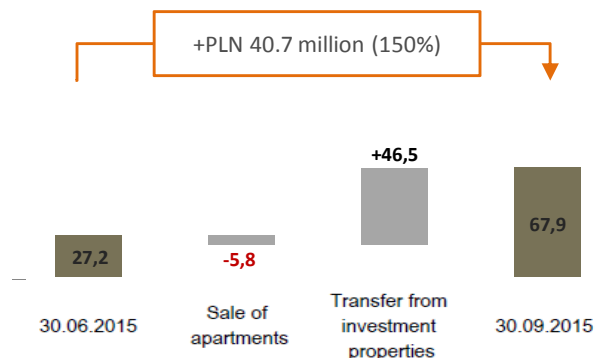
[PLN million]



- Purchasing the Andersia Business Centre property in Poznań.
- PLN 7.7 million in expenses related to commercial construction projects (Domaniewska, Krywulta), PLN 1.1 million in expenses related to the preparation of commercial construction projects and PLN 12.7 million in expenses related to retrofitting and interior design of real estate.
- Recognition in the balance sheet due to the change in legal status.
- Transferring part of Prymasa Tysiąclecia property to inventory due to commencing a residential construction project.
- Transfer to assets classified as held for sale due to acquiring property buyers (PLN 28.3 million).

## ▶ DEVELOPMENT INVENTORIES

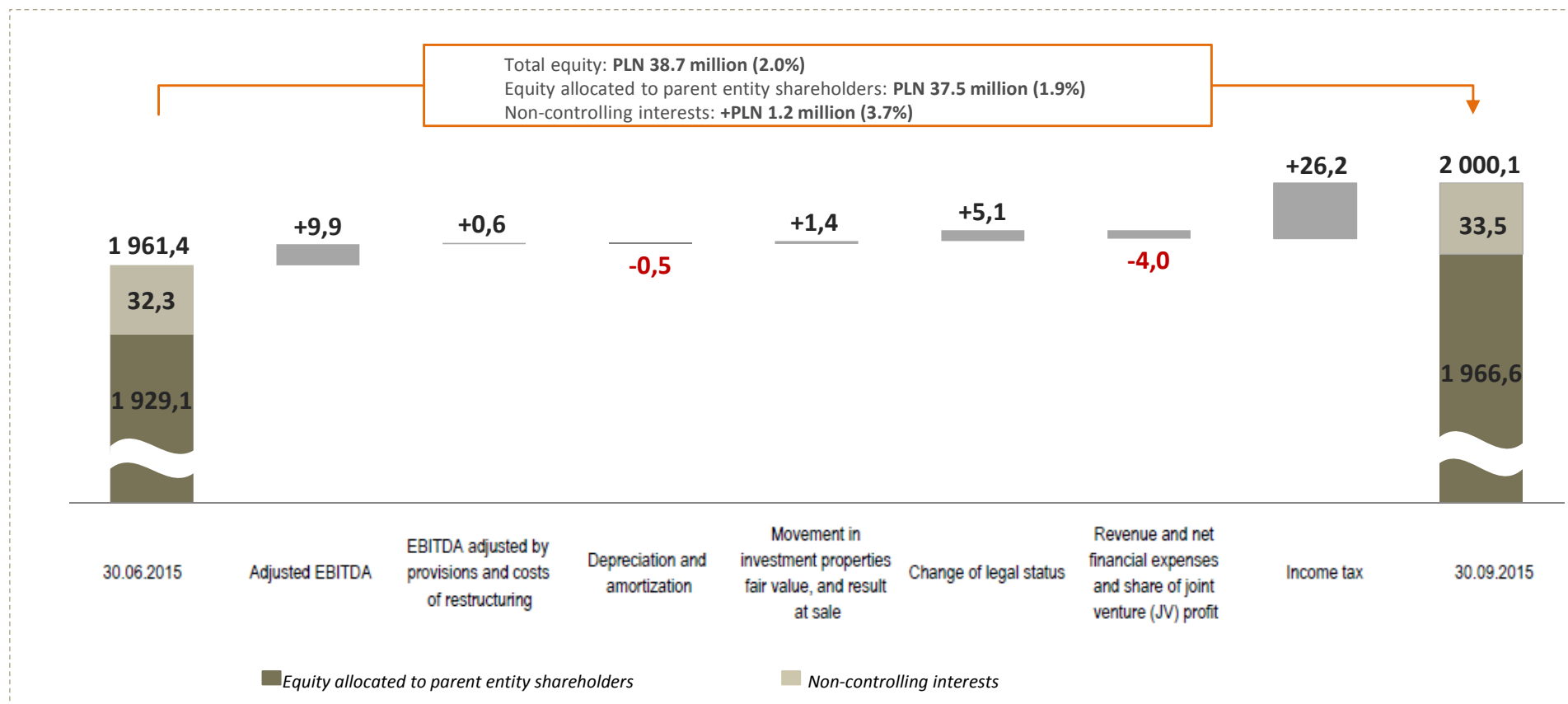
[PLN million]



- Sale of apartments, recognized due to the conclusion of final agreements for apartment title transfer (Q3 2015: 25, Q2 2015: 13).
- Transferring part of Prymasa Tysiąclecia property from investment properties due to commencing a residential construction project.
- As at September 30, 2015, there were 68 apartments built on inventory; 31 of these had developer sales contracts in place.

# EQUITY

[PLN million]



- Increase in equity allocated to parent entity shareholders as a result of net profit earned (PLN 37.0 million) and undertaking to issue PHN shares to cover for the shares taken up in subsidiaries (PLN 0.5 million).
- Increase in non-controlling interest as a result of net profit earned (PLN 1.7 million), partly offset by change in the ownership structure due to sale of shares in subsidiaries to PHN (-PLN 0.5 million).

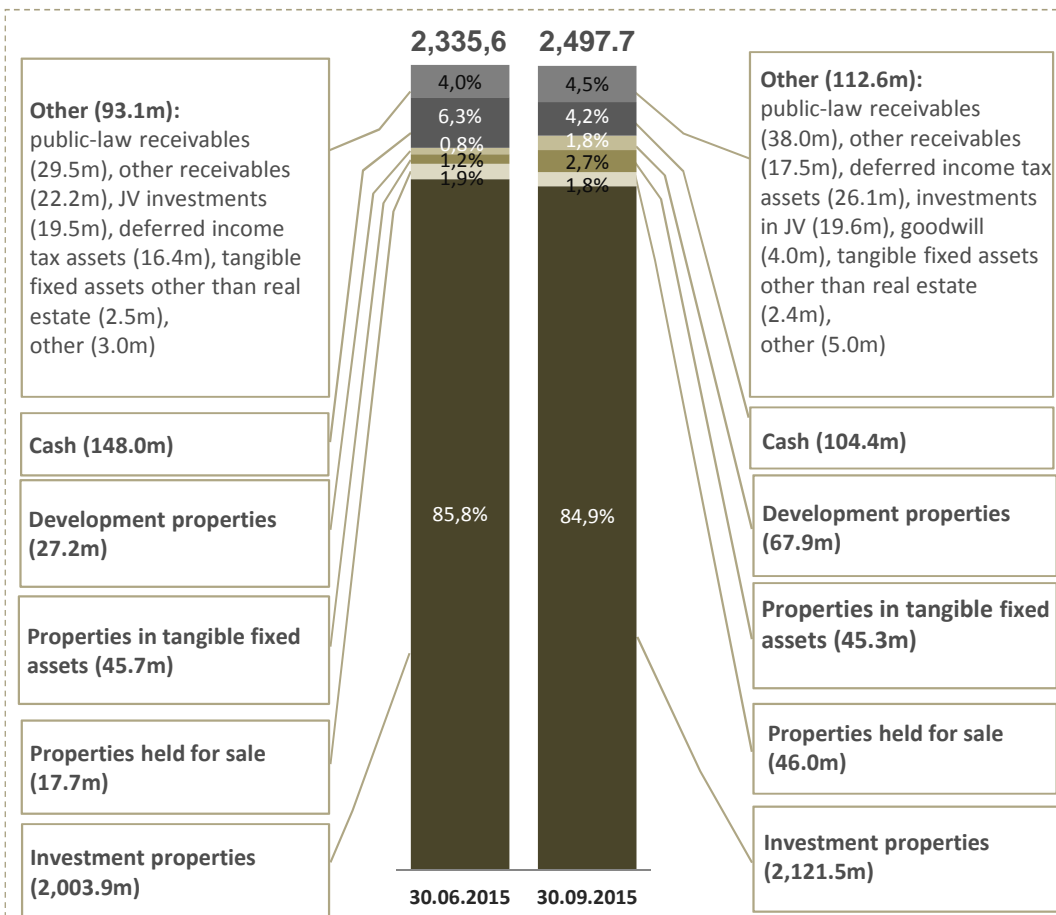
# STRUCTURE OF ASSETS AND LIABILITIES



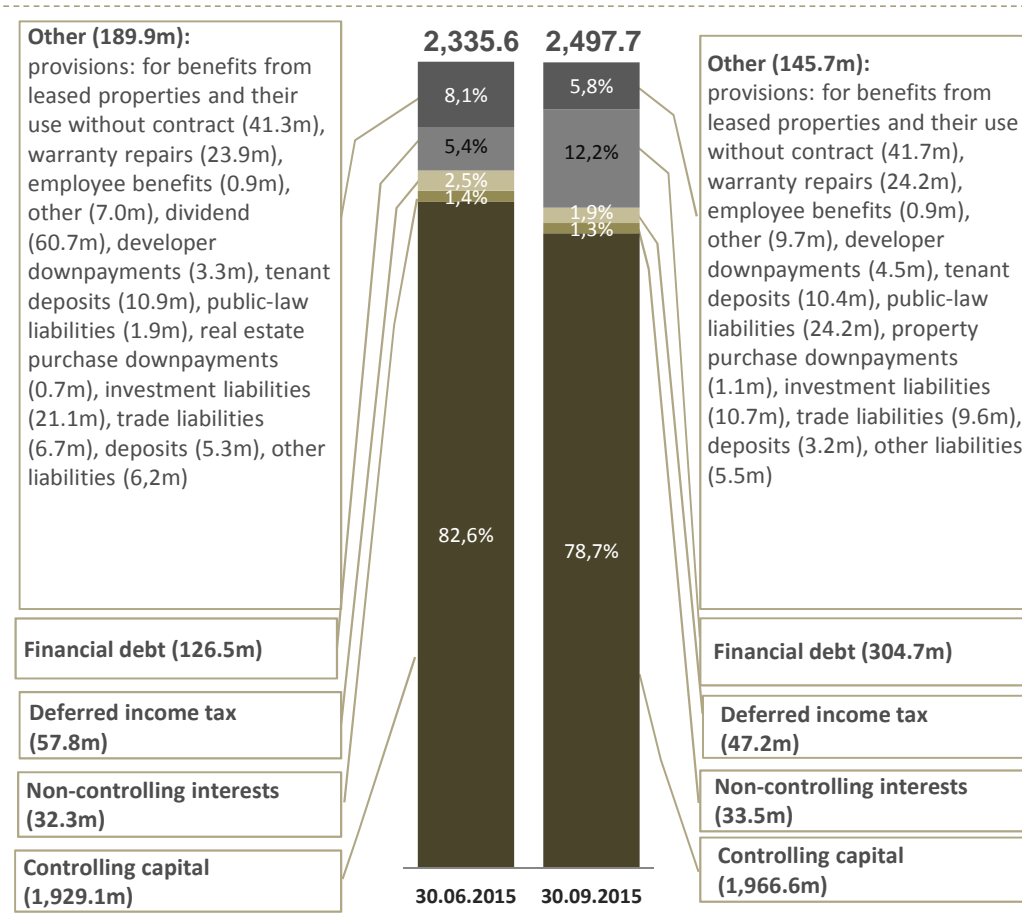
POLSKI HOLDING  
NIERUCHOMOŚCI S.A.

[PLN million]

## ▶ ASSETS



## ▶ LIABILITIES



- Increase in the total value of properties by PLN 186.2 million, mainly as a result of acquisition (PLN 162.8 million) and expenditure (PLN 21.5 million), recognition under assets due to change in legal status (PLN 5.1 million), change of value (PLN 3.0 million), partly offset by sale (PLN 6.2 million).
- Decrease in liabilities mainly as a result of dividend payment (PLN 60.7 million).

- Increase in debt by PLN 178.2 million to 12.2% of asset as a result of financing the Domaniewska investment by a loan, taking over a loan agreement connected with the purchased Andersia Business Centre property, and refinancing own contribution invested in Kaskada and Andersia Business Centre investment properties.





**POLSKI HOLDING  
NIERUCHOMOŚCI S.A.**

# Thank you

**Polski Holding Nieruchomości S.A.**  
00-124 Warsaw, al. Jana Pawła II 12  
phone +48 22 850 91 00, fax. +48 22 850 91 01  
[www.phnsa.pl](http://www.phnsa.pl)

NIP 525-250-49-78, KRS 0000383595, REGON 142900541



Presentation of consolidated financial results for Q3 2015:

## 5) ADDITIONAL INFORMATION

# WARSAW OFFICE MARKET – OUTLOOK \*

## ▶ WARSAW OFFICE MARKET

■ **ABSORPTION Q3 2015** [sq.m.]: **132,400** 2015 F: 274,058

■ **NEW SPACE Q3 2015** [sq.m.]: **91,400** 2015 F: 331,334

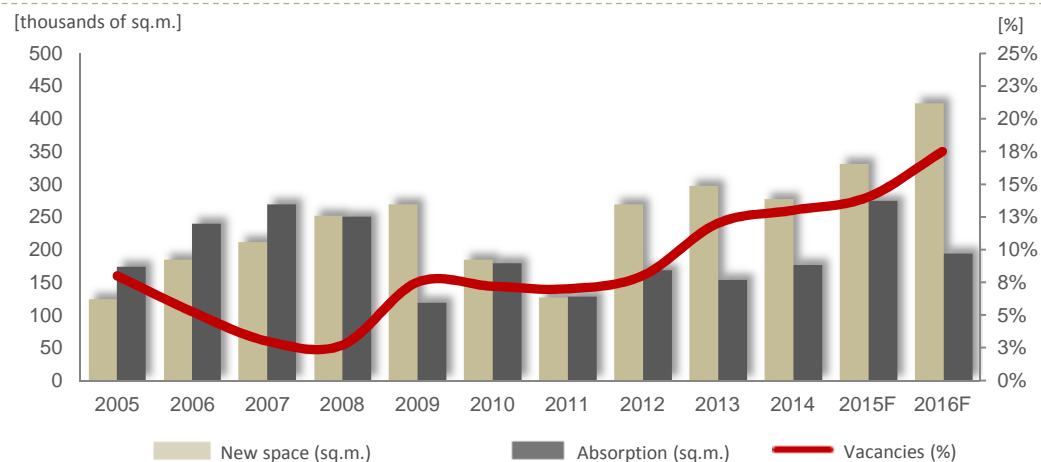
■ **TOTAL RESOURCES Q3 2015** [millions of sq.m.]: **4.63** H1 2015: 4.54

■ **VACANCIES Q3 2015** [sq.m.]: **598,000** H1 2015: 639,034

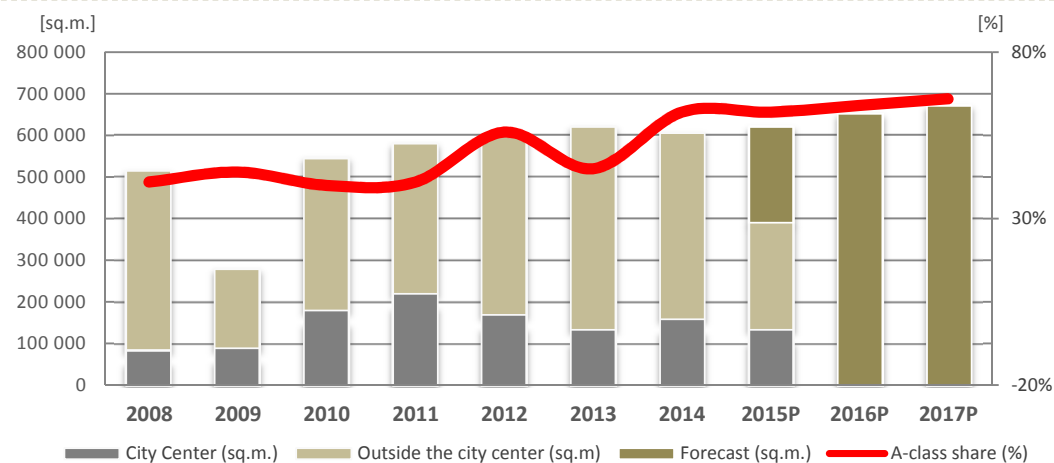
■ **AVERAGE VACANCY RATIO Q3 2015** [%]: **12.9** H1 2015: 14.01

■ **PRE LET 2015** [(%) / NEW SPACE]: **15** H1 2015: 25

## ▶ ABSORPTION OF NEW SPACE AND THE VACANCY RATIO



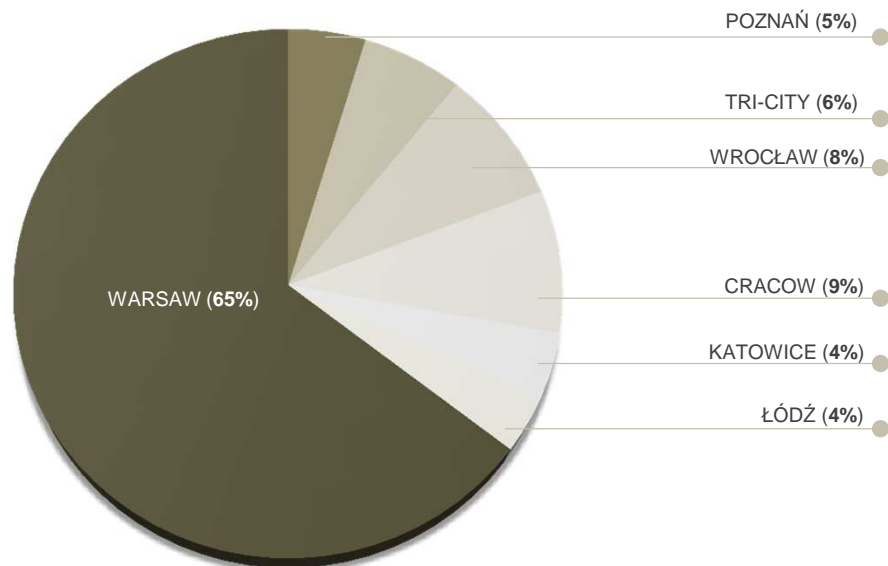
## ▶ NET RENTAL (NET TAKE-UP)



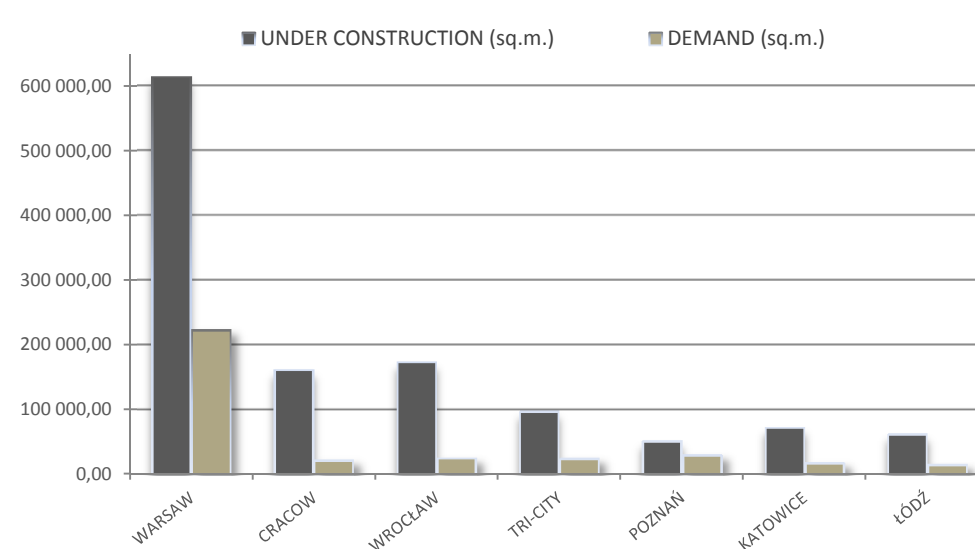
\* Source: CBRE Sp. z o.o.

CITY	OFFICE SPACE RESOURCES [sq.m.]	SPACE UNDER CONSTRUCTION [sq.m.]	DEMAND [sq.m.]	RENTAL RATES [EUR/sq.m./month]
WARSAW	4,627,600	613,800	222,600	11–24
CRACOW	741,506	185,375	21,400	13–15
WROCŁAW	611,121	130,776	24,300	13.5–15.5
TRI-CITY	506,734	90,900	24,000	13–15
POZNAŃ	369,658	25,500	29,500	14–16
KATOWICE	379,622	19,500	16,800	13–14
ŁÓDŹ	312,199	43,200	14,600	12–14

## MODERN OFFICE SPACE



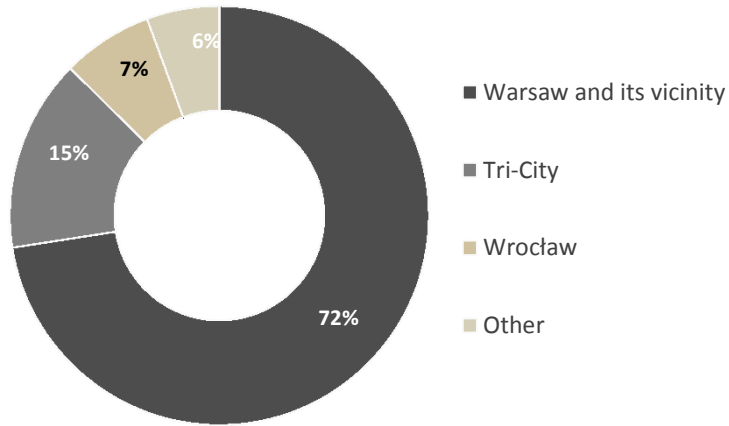
## SPACE UNDER CONSTRUCTION AND DEMAND



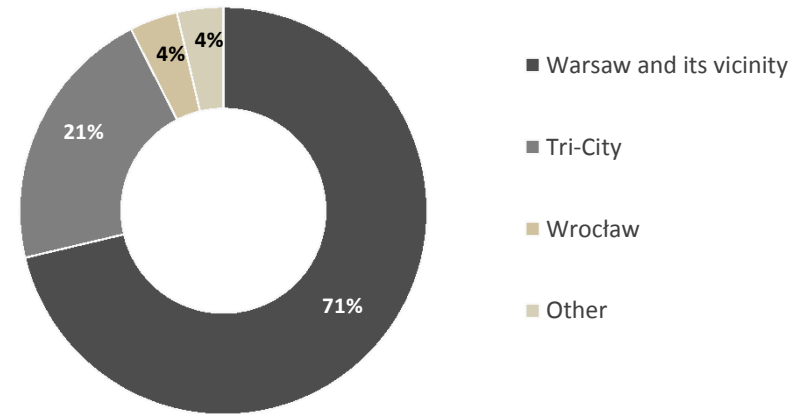
\* Source: Colliers International, Q3 2015; CBRE

# REAL ESTATE PORTFOLIO STRUCTURE AS AT SEPTEMBER 30, 2015

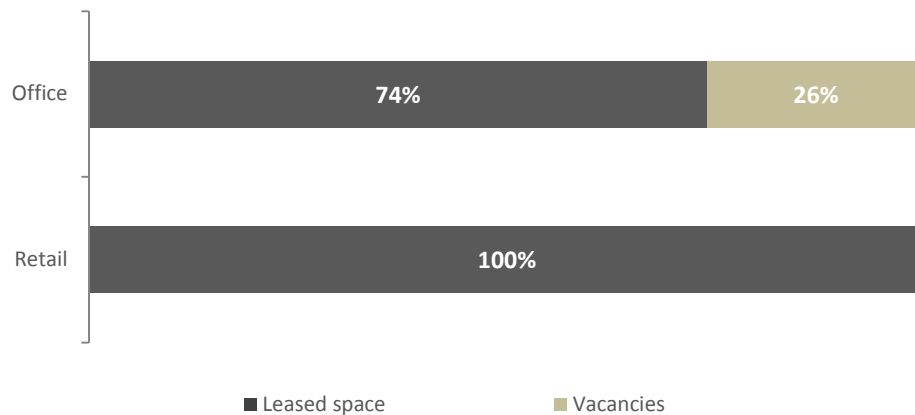
## ▶ GEOGRAPHIC STRUCTURE OF THE REAL ESTATE PORTFOLIO [% of fair value]



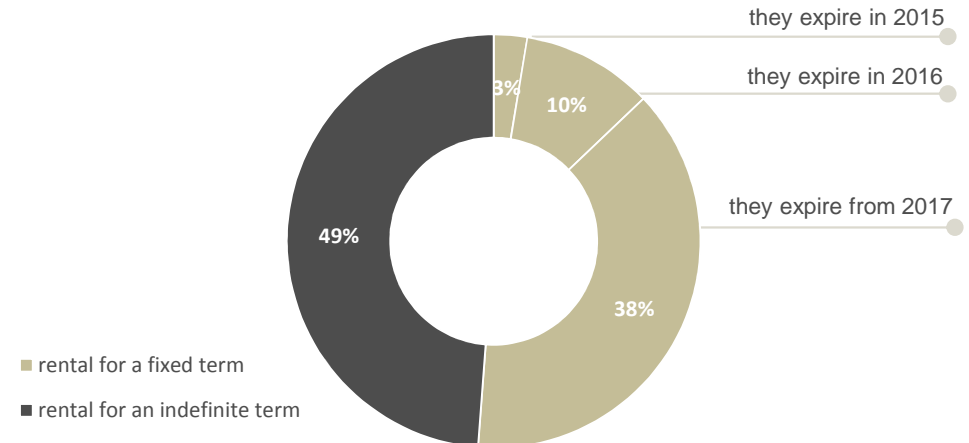
## ▶ GEOGRAPHIC STRUCTURE OF SEGMENTS: REMAINING AND PROJECTS [% of fair value]



## ▶ OCCUPANCY RATIO OF PROPERTIES REMAINING IN THE PORTFOLIO [% of area]



## ▶ TENANTS STRUCTURE BY CONTRACT TERM [% GLA]



# CONTINUED OPERATIONS – RESULT

[PLN million]	Q3 2015	Q2 2015
Revenue from sale	42.2	35.6
Operating expenses	(24.9)	(19.7)
<b>Gross result from sales</b>	<b>17.3</b>	<b>15.9</b>
<i>Provision for warranty repairs and damages</i>	<i>0.4</i>	<i>(0.3)</i>
<b>Gross result from sales after adjustment</b>	<b>17.7</b>	<b>15.6</b>
Selling and administration expenses	(8.5)	(9.3)
<i>One-off costs (Group restructuring)</i>	<i>0.1</i>	<i>0.4</i>
Selling and administration expenses after adjustment	(8.4)	(8.9)
<b>Net result from sales</b>	<b>8.8</b>	<b>6.6</b>
<b>Net result from sales after adjustment</b>	<b>8.3</b>	<b>6.7</b>
Movement in investment properties fair value, and result at sale	1.4	(6.5)
Other revenues	7.9	23.8
Other expenses	(1.6)	(2.9)
<b>Operating result</b>	<b>16.5</b>	<b>21.0</b>
<i>Movement in investment properties fair value, and result at sale</i>	<i>(1.4)</i>	<i>6.5</i>
<i>Change of legal status of properties</i>	<i>(5.1)</i>	<i>(20.0)</i>
<i>Movement in provision for claims from previous years</i>	<i>(1.1)</i>	<i>(1.3)</i>
<b>Operating result after adjustment</b>	<b>9.4</b>	<b>6.3</b>
<i>Movement in investment properties fair value, and result at sale</i>	<i>1.4</i>	<i>6.5</i>
<i>Change of legal status of properties</i>	<i>(5.1)</i>	<i>(20.0)</i>
Depreciation and amortization	0.5	0.4
<b>EBITDA</b>	<b>10.5</b>	<b>7.9</b>
<i>Provision for warranty repairs and damages</i>	<i>0.4</i>	<i>(0.3)</i>
<i>One-off costs (Group restructuring)</i>	<i>0.1</i>	<i>0.4</i>
<i>Movement in provision for claims from previous years</i>	<i>(1.1)</i>	<i>(1.3)</i>
<b>Adjusted EBITDA</b>	<b>9.9</b>	<b>6.7</b>

- adjustments

# RENTAL – SEGMENT RESULT

[PLN million]	Q3 2015	Q2 2015
Revenue from sale	32.5	30.1
Operating expenses	(17.2)	(15.8)
<b>Gross result from sales</b>	<b>15.3</b>	<b>14.3</b>
Selling and administration expenses	(6.7)	(7.3)
<i>One-off costs (Group restructuring)</i>	<i>0.1</i>	<i>0.2</i>
Selling and administration expenses after adjustment	(6.6)	(7.1)
<b>Net result from sales</b>	<b>8.6</b>	<b>7.0</b>
<b>Net result from sales after adjustment</b>	<b>8.7</b>	<b>7.2</b>
Movement in investment properties fair value, and result at sale	1.4	(6.5)
Other revenues	7.9	23.7
Other expenses	(1.6)	(2.8)
<b>Operating result</b>	<b>16.3</b>	<b>21.4</b>
<i>Movement in investment properties fair value, and result at sale</i>	<i>(1.4)</i>	<i>6.5</i>
<i>Change of legal status of properties</i>	<i>(5.1)</i>	<i>(20.0)</i>
<i>Movement in provision for claims from previous years</i>	<i>(1.1)</i>	<i>(1.3)</i>
<b>Operating result after adjustment</b>	<b>8.8</b>	<b>6.8</b>
<i>Movement in investment properties fair value, and result at sale</i>	<i>(1.4)</i>	<i>6.5</i>
<i>Change of legal status of properties</i>	<i>(5.1)</i>	<i>(20.0)</i>
Depreciation and amortization	0.3	0.4
<b>EBITDA</b>	<b>10.1</b>	<b>8.3</b>
<i>One-off costs (Group restructuring)</i>	<i>0.1</i>	<i>0.2</i>
<i>Movement in provision for claims from previous years</i>	<i>(1.1)</i>	<i>(1.3)</i>
<b>Adjusted EBITDA</b>	<b>9.1</b>	<b>7.2</b>

- adjustments

## DEVELOPMENT – SEGMENT RESULT



POLSKI HOLDING  
NIERUCHOMOŚCI S.A.

[PLN million]	Q3 2015	Q2 2015
Revenue from sale	7.6	3.9
Operating expenses	(6.2)	(2.7)
<b>Gross result from sales</b>	<b>1.4</b>	<b>1.2</b>
<i>Provision for warranty repairs and damages</i>	<i>0.4</i>	<i>(0.3)</i>
<b>Gross result from sales after adjustment</b>	<b>1.8</b>	<b>0.9</b>
Selling and administration expenses	(0.9)	(0.5)
<b>Net result from sales</b>	<b>0.5</b>	<b>0.7</b>
<b>Net result from sales after adjustment</b>	<b>0.9</b>	<b>0.4</b>
Other revenues	0.0	0.1
<b>Operating result</b>	<b>0.5</b>	<b>0.8</b>
<b>Operating result after adjustment</b>	<b>0.9</b>	<b>0.5</b>
<b>EBITDA</b>	<b>0.5</b>	<b>0.8</b>
<i>Provision for warranty repairs and damages</i>	<i>0.4</i>	<i>(0.3)</i>
<b>Adjusted EBITDA</b>	<b>0.9</b>	<b>0.5</b>

- adjustments



# OTHER OPERATIONS AND UNALLOCATED ITEMS – RESULT

## ▶ OTHER OPERATIONS – RESULT

[PLN million]	Q3 2015	Q2 2015
Revenue from sale	2.1	1.6
Operating expenses	(1.5)	(1.2)
<b>Gross result from sales</b>	<b>0.6</b>	<b>0.4</b>
<b>Net result from sales</b>	<b>0.6</b>	<b>0.4</b>
<b>Operating result</b>	<b>0.6</b>	<b>0.4</b>
Depreciation and amortization	0.2	0.0
<b>EBITDA</b>	<b>0.8</b>	<b>0.4</b>
<b>Adjusted EBITDA</b>	<b>0.8</b>	<b>0.4</b>

## ▶ UNALLOCATED ITEMS IN THE CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

[PLN million]	Q3 2015	Q2 2015
Selling and administration expenses	(0.9)	(1.5)
<i>One-off costs (Group restructuring)</i>	<i>0.0</i>	<i>0.2</i>
Selling and administration expenses after adjustment	(0.9)	(1.3)
<b>Net result from sales</b>	<b>(0.9)</b>	<b>(1.5)</b>
<b>Net result from sales after adjustment</b>	<b>(0.9)</b>	<b>(1.3)</b>
Other expenses	(0.0)	(0.1)
<b>Operating result</b>	<b>(0.9)</b>	<b>(1.6)</b>
<b>Operating result after adjustment</b>	<b>(0.9)</b>	<b>(1.4)</b>
<b>EBITDA</b>	<b>(0.9)</b>	<b>(1.6)</b>
<i>One-off costs (Group restructuring)</i>	<i>0.0</i>	<i>0.2</i>
<b>Adjusted EBITDA</b>	<b>(0.9)</b>	<b>(1.4)</b>

- adjustments



**POLSKI HOLDING  
NIERUCHOMOŚCI S.A.**

**Polski Holding Nieruchomości S.A.**

00-124 Warsaw, al. Jana Pawła II 12  
phone +48 22 850 91 00, fax. +48 22 850 91 01  
[www.phnsa.pl](http://www.phnsa.pl)

NIP 525-250-49-78, KRS 0000383595, REGON 142900541

