



POLSKI HOLDING
NIERUCHOMOŚCI S.A.

Consolidated financial results for H1 2015

Presentation

Warsaw, August 31, 2015

1) PHN GROUP IN H1 2015

1. KEY ACHIEVEMENTS IN H1 2015
2. KEY EVENTS IN H1 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
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4) SUPPLEMENTARY INFORMATION



Presentation of consolidated financial results for H1 2015:

1) PHN GROUP IN H1 2015

KEY ACHIEVEMENTS IN H1 2015

► BUILDING VALUE



▪ NET RESULT FOR THE GROUP [PLN million]: **29.2** H1 2014: 13.4 ▲ 118 %

▪ GROUP ASSETS [PLN million]: **2,335.6** 30.06.2014: 2,181.4 ▲ 7 %

▪ GROUP NET ASSETS [PLN million]: **1,961.4** 30.06.2014: 1,906.3 ▲ 3 %

► IMPROVING ECONOMIC EFFICIENCY



▪ EBITDA [PLN million]: **22.8** H1 2014: 10.0 ▲ 128 %

▪ EBITDA AFTER ADJUSTMENT [PLN million]: **12.6** H1 2014: 12.4 ▲ 2 %

▪ ADMINISTRATION EXPENSES [PLN million]: **16.8** H1 2014: 18.1 ▼ - 7 %

► CHANGES IN THE REAL ESTATE PORTFOLIO



▪ REAL ESTATE PORTFOLIO [quantity]: **142** 30.06.2014: 144 ▼ - 2 %

▪ LEASABLE AREA [sq.m.]: **332,000** 30.06.2014: 302,597 ▲ 8 %

▪ PROPERTIES WITH DEFECTS [number]: **20** 30.06.2014: 23 ▼ - 13 %

► OTHER KEY ACHIEVEMENTS



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

▪ NEWLY ACQUIRED SPACE [sq.m.]: **18,288*** H1 2014: 0 ▲ N/A

▪ LTV RATIO [%]: **5.4** 30.06.2014: 0 ▲ N/A

* Andersia Business Center and business premises in Kaskada City

KEY EVENTS IN H1 AND AFTER THE BALANCE SHEET DATE

► KEY EVENTS IN H1 2015

■ SIGNING A JV AGREEMENT ON THE PARZNIEW LOGISTIC CENTER PROJECT

In January 2015, PHN concluded a **JV agreement with Parzniew Partners B.V.** (a company owned by leaders in the international logistics property market: **Menard Doswell & Co. and Hillwood Europe**), which sets forth detailed terms and conditions of cooperation, and the partners' roles in implementing the joint venture, consisting in constructing Parzniew Logistic Hub – a state-of-the-art warehouse park.

■ COMMERCIALIZATION OF FOKSAL CITY

In May 2015, the **commercialization of the Foksal City office building was completed**. It will soon house the Ministry of Foreign Affairs. The building will be handed over to its tenant in September 2015.

■ SIGNING AN ANNEX WITH POCZTA POLSKA AND THE COMMERCIALIZATION OF DOMANIEWSKA OFFICE HUB

In June 2015, PHN Group and Poczta Polska S.A. signed **an annex extending the agreement on leasing space** in Domaniewska Office Hub. Poczta Polska is moving in to the state-of-the-art office complex and occupy almost 70% of its total area. **The commercialization of the Domaniewska Office Hub office building is in the final stage.**

■ PURCHASING AND LEASING OUT OFFICE PREMISES IN KASKADA CITY

In H1 2015, PHN 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.**

► KEY CURRENT ACTIVITIES

■ COMMENCING COOPERATION WITH SARP

In May 2015, PHN concluded a **partnership agreement with the Association of Polish Architects (Stowarzyszenie Architektów Polskich – SARP)**, under which PHN S.A. will support the activities of SARP and contribute to promoting ambitious architectural initiatives in Warsaw and throughout Poland.

■ PURCHASING ANDERSIA BUSINESS CENTER – AN 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.

■ RECOMMENDING THE PAYMENT OF DIVIDEND

The Management Board of PHN recommended allocating half of last year's profit for a dividend for shareholders, i.e. **PLN 1.30 per share**. The General Meeting of Shareholders decided to pay the dividend in accordance with the Management Board's recommendation. **The dividend was paid on August 26, 2015.**

■ 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 ca. 25,000 sq.m., and on the acquisition of a **commercial and service center with leasable area of approx. 5,000 sq.m.**

■ ISSUING BONDS

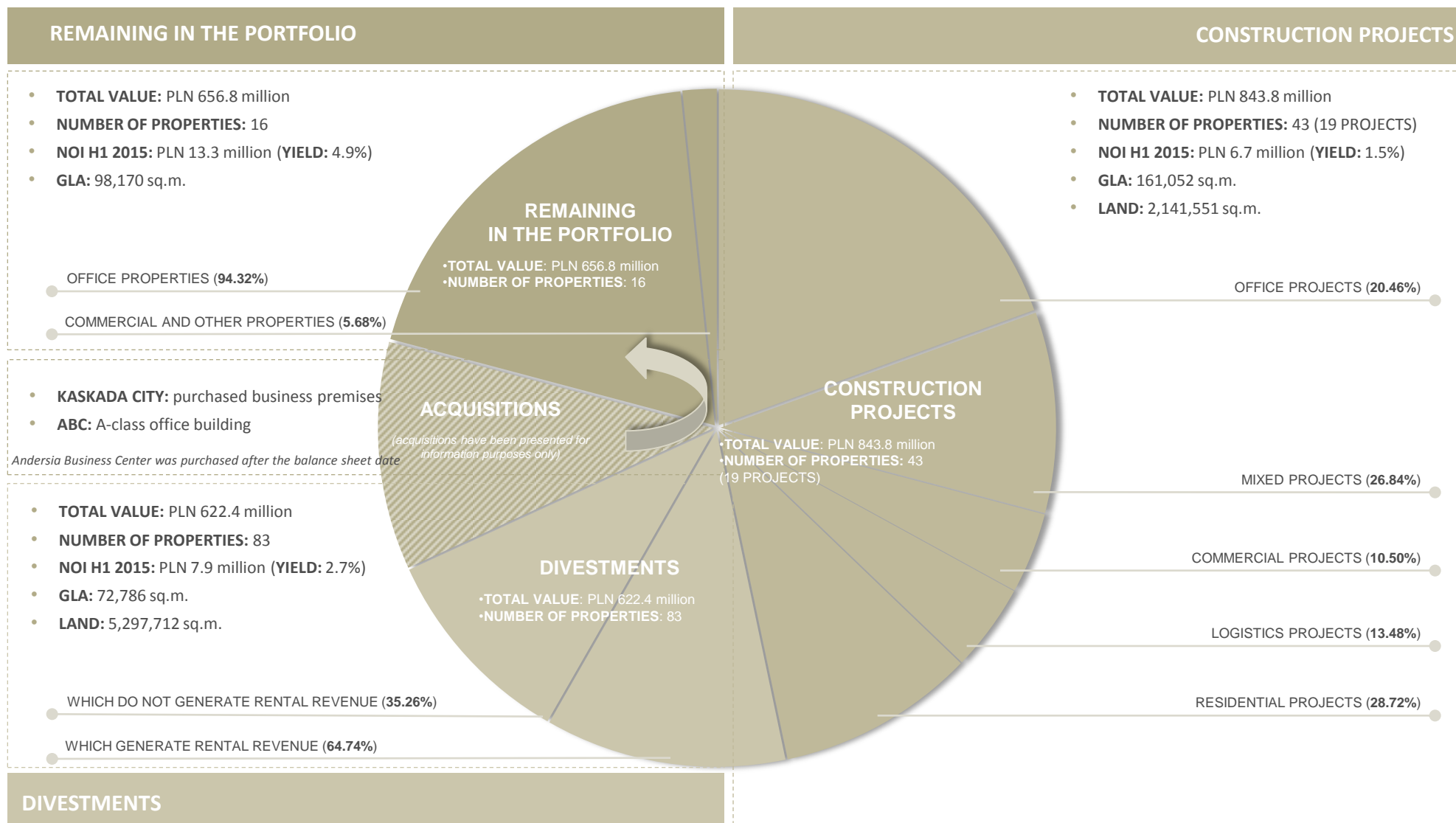
PHN plans to obtain external financing by issuing debt securities. As part of preparing the issue, PHN selected the program's organizers – a consortium of banks.



Presentation of consolidated financial results for H1 2015:

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

PHN GROUP'S REAL ESTATE PORTFOLIO – CAPITAL RECYCLING *



* Data on the diagram are presented according to fair value

DIVESTMENTS AND ACQUISITIONS

► DIVESTMENTS

■ CONTINUING THE DIVESTMENT PROGRAM

- In H1 2015, PHN signed **four agreements for the final sale of properties**: located in Gdańsk at ul. Stągiewna, in Warsaw at ul. Łowicka, in Otwock at ul. Żurawia and in Katowice.
- Moreover, to date the Group has signed **two agreements for the final sale of properties** located in Dziebów and Łask. PHN also concluded **three conditional sale agreements** for the properties: Hotel Pruszków, Hotel Świebodzin and Bukowiec.

■ 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.



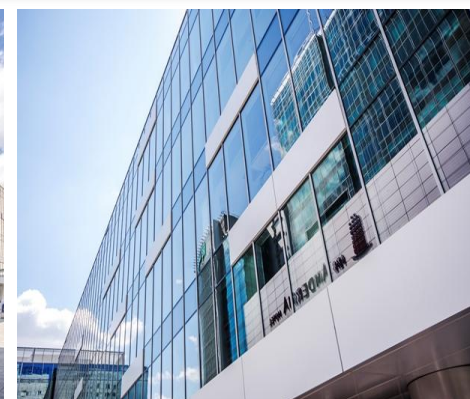
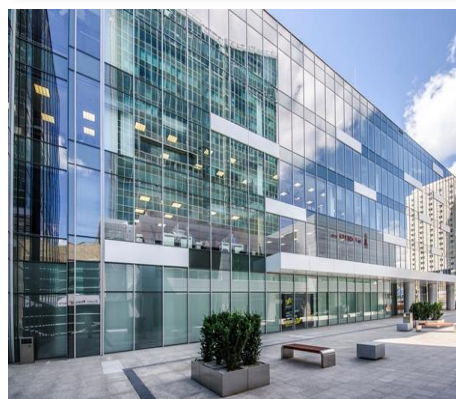
► ACQUISITIONS

■ PURCHASING ANDERSIA BUSINESS CENTER – AN 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.

■ SIGNING LETTERS OF INTENT ON ACQUISITIONS:

- On August 14, 2015, PHN signed a **letter of intent on the purchase of a state-of-the-art A-class office building** with an area of more than 25,000 sq.m. in prime location in one of the major regional cities in Poland.
- On August 18, 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 property is situated in a prime location in one of the major Polish regional cities.



CONSTRUCTION PROJECTS – KEY INFORMATION

| No. | PROJECT | FUNCTION | AREA [sq.m.] | START | COMPLETION | CAPEX [PLN million] |
|---|-----------------------------------|-------------------------------------|------------------------------------|--------------------|--------------------|-----------------------------|
| ▶ COMPLETED PROJECTS AND PROJECTS IN PROGRESS | | | | | | |
| 1. | ▪ FOKSAL CITY | A-class office building | GLA: 3,340 | Q3 2012 | Q2 2014 | 30 |
| 2. | ▪ DOMANIEWSKA OFFICE HUB | A-class office building | GLA: 26,200 | Q1 2014 | Q3 2015 | 177 |
| 3. | ▪ RETKINIA RETAIL HUB (BIEDRONKA) | Grocery supermarket | GLA: 1,181 | Q4 2014 | Q2 2015 | 3.7 |
| 4. | ▪ WROCŁAW INDUSTRIAL PARK | Warehouse complex | GLA: 40,000 | Q1 2014 (stage II) | Q2 2016 (stage II) | the partner bears the costs |
| ▶ PROJECTS UNDER PREPARATION | | | | | | |
| 5. | ▪ PARZNIĘW LOGISTICS CENTER | Warehouse complex in 4 stages | GLA: 95,000 (4 stages) | Q4 2015 (stage I) | Q4 2016 (stage I) | 165 |
| 6. | ▪ YACHT PARK | Offices/Apartments/Retail | GLA: 71,000 / usable area: 122,000 | Q2 2016 (stage I) | Q3 2017 (stage I) | 1,250 |
| 7. | ▪ PRYMASA TYSIĄCLECIA 83 | Office and residential complex | Usable area: 25,100 / GLA: 10,700 | Q3 2016 | 2020 | 187 |
| 8. | ▪ INTRACO CITY | A-class office building in 2 stages | GLA: 10,000 (I) / 28,000 (II) | Q4 2016 (stage I) | Q3 2018 (stage I) | 325 |
| 9. | ▪ CITY TOWER | A-class office building | GLA: 40,000 | 2017 | 2021 | 400 |
| 10. | ▪ WILANOWSKA OFFICE HUB | Office and service complex | GLA: 15,000 / 9,000 | 2017 | 2020 | 200 |
| 11. | ▪ LEWANDÓW RETAIL HUB | Commercial and residential complex | GLA: 25,000 | Q2 2017 | Q3 2019 | 165 |
| ▶ PLANNED PROJECTS | | | | | | |
| 12. | ▪ RETKINIA RETAIL HUB | Commercial and residential complex | GLA: 45,000 / usable area: 280,000 | 2017 (stage I) | 2020 (stage I) | 1,350 |
| 13. | ▪ BARTYCKA RETAIL HUB | Commercial and residential complex | Usable area: 40,000 / GLA: 19,000 | 2018 | 2021 | 290 |
| 14. | ▪ WILANÓW RESIDENTIAL ESTATE | Residential estate | Usable area: 52,000 | 2018 | 2024 | 250 |
| 15. | ▪ JANA PAWŁA II 34 | Residential estate | Usable area: 4,100 | 2017 | 2019 | 20 |
| 16. | ▪ INSTALATORÓW 7C | Residential estate | Usable area: 4,000 | 2017 | 2020 | 18 |

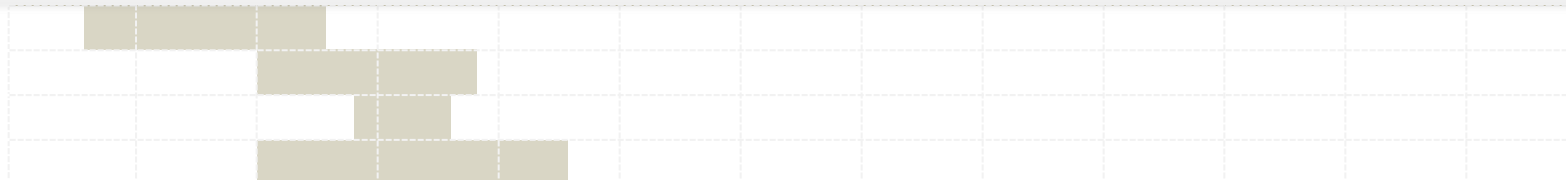
CONSTRUCTION PROJECTS – SCHEDULE

| No. | PROJECT | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 |
|-----|---------|------|------|------|------|------|------|------|------|------|------|------|------|------|
|-----|---------|------|------|------|------|------|------|------|------|------|------|------|------|------|

* First phase of the project

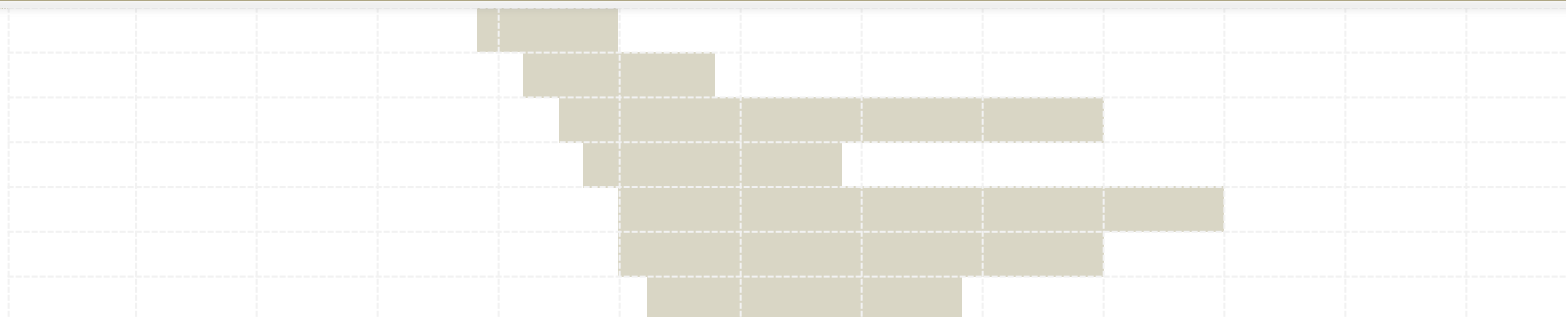
▶ COMPLETED PROJECTS AND PROJECTS IN PROGRESS

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



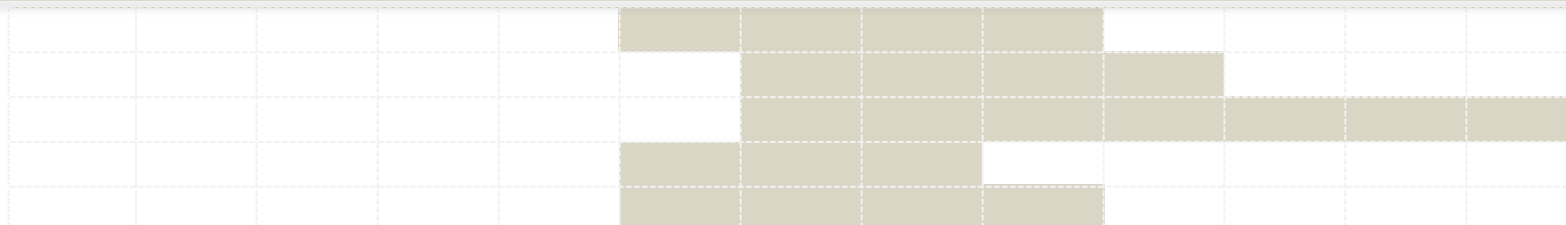
▶ PROJECTS UNDER PREPARATION

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**



CONSTRUCTION PROJECTS – COMPLETED

1 FOKSAL CITY

COMPLETED PROJECT



ul. KRYWULTA 2

KEY ASSETS:

- **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 it was rented in full by the Ministry of Foreign Affairs. The building will be handed over to its tenant in September 2015.

2 DOMANIEWSKA OFFICE HUB

COMPLETED PROJECT



ul. RODZINY HISZPAŃSKICH 8

KEY ASSETS:

- **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 Q3 2015, the investment was completed and the building was commissioned. In June 2015, the Group signed an annex with Poczta Polska S.A., under which it will occupy almost 70% of its total area. The building is currently being handed over for use to subsequent tenants. The facility's commercialization is at its final stage.

CONSTRUCTION PROJECTS – COMPLETED AND IN PROGRESS

3

RETKINIA RETAIL HUB

COMPLETED PROJECT



RETKINIA, ŁÓDŹ

KEY ASSETS:

- 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, works on the construction of the first grocery supermarket were completed. The Group is in the course of selecting a designer to prepare a concept of optimum development of the entire area of Retkinia and Brus.

4

SEGRO INDUSTRIAL PARK

PROJECT IN PROGRESS



ul. BIERUTOWSKA, WROCŁAW

KEY ASSETS:

- 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:

▪ As part of implementing the Wrocław Industrial Park (JV agreement with SEGRO), the first stage was completed (ca. 19,500 sq.m.), under which rental agreements were signed for ca. 16,000 sq.m. Preparatory works for launching the second stage, which will cover ca. 19,000 sq.m., are currently in progress

CONSTRUCTION PROJECTS – UNDER PREPARATION

5 PARZNIEW LOGISTICS CENTER

PROJECT UNDER PREPARATION



PARZNIEW near WARSAW

KEY ASSETS:

- **Location close to A2 motorway**
- **Warehouse complex**

BASIC PARAMETERS:

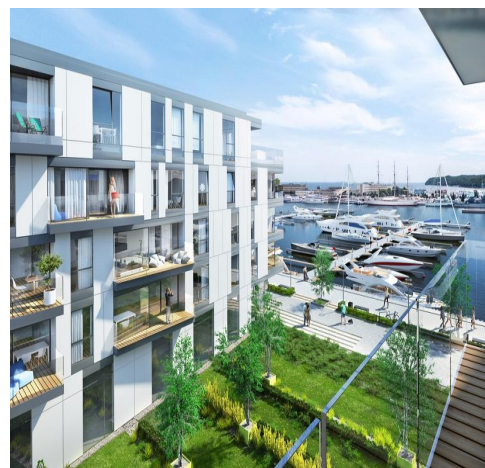
- **GLA:** 95,000 sq.m. (4 stages)
- **Start:** Q4 2015 (stage I)
- **Completion:** Q4 2016 (stage I)
- **Capex:** PLN 165 million

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 leaders in the international logistics property market: Menard Doswell & Co. and Hillwood Europe. Pre-construction and design works are currently in progress.

6 YACHT PARK

PROJECT UNDER PREPARATION



ul. HRYNIEWICKIEGO 10, GDYNIA

KEY ASSETS:

- **Excellent location**
- **Offices/Apartments/Retail**

BASIC PARAMETERS:

- **GLA:** 71,000 m² / **usable area:** 122,000 sq.m.
- **Start:** Q2 2016 (stage I)
- **Completion:** Q3 2017 (stage I)
- **Total Capex:** PLN 1,250 million

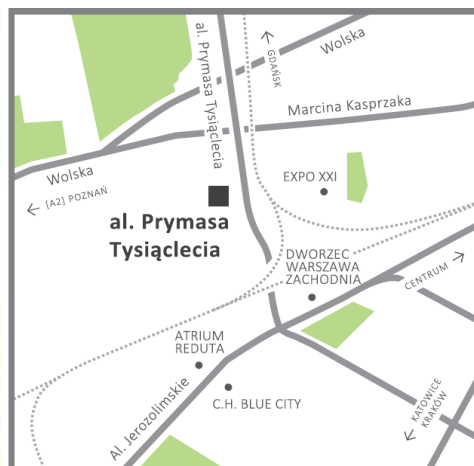
STATUS OF WORKS:

■ As part of performing the agreement with mLocum S.A., **design works are in progress for the investment consisting in constructing 6 residential buildings** (ca. 10,000 sq.m. of usable area). In addition, PHN started works on preparing an optimum development concept for the next residential and office stage.

CONSTRUCTION PROJECTS – UNDER PREPARATION

7 PRYMASA TYSIĄCLECIA 83

PROJECT UNDER PREPARATION



al. PRYMASA TYSIĄCLECIA 83

KEY ASSETS:

- **Attractive location**
- Office and residential complex

BASIC PARAMETERS:

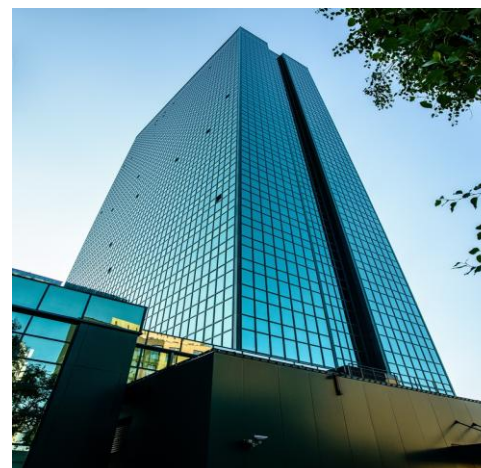
- **Usable area:** 25,100 sq.m./ **GLA:** 10,000 sq.m.
- **Start:** Q3 2016
- **Completion:** 2020
- **Capex:** PLN 187 million

STATUS OF WORKS:

- The project assumes the creation of a friendly urban space with low density of buildings. Analyses point to the possibility of building **476 modern apartments** with a total usable area of 25,100 sq.m. as well as an office building with GLA of 10,000 sq.m.

8 INTRACO CITY

PROJECT UNDER PREPARATION



ul. STAWKI 2

KEY ASSETS:

- **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 (stage I)
- **Completion:** Q3 2018 (stage I)
- **Capex:** PLN 325 million

STATUS OF WORKS:

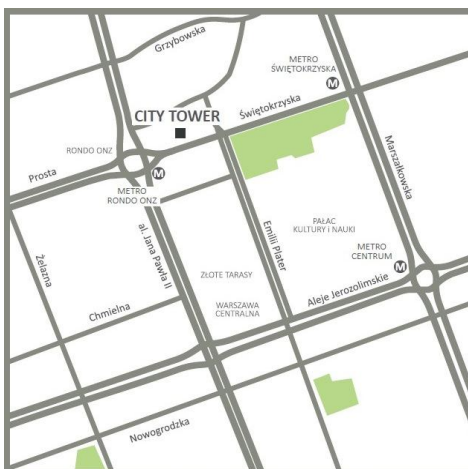
- The first stage **will replace the parking lot in front of the existing Intraco building**. PHN is in the course of design works including the development of a comprehensive investment design including analyses, expert analyses and arrangements necessary for obtaining a construction permit.

CONSTRUCTION PROJECTS – UNDER PREPARATION

9

CITY TOWER

PROJECT UNDER PREPARATION



ul. ŚWIĘTOKRZYSKA 36

KEY ASSETS:

- 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 facilities, including a high-rise building. The Group continues preparations for project implementation. **At the end of H1 2015, an application for a construction permit was submitted.**

10

WILANOWSKA OFFICE HUB

PROJECT UNDER PREPARATION



al. WILANOWSKA 372

KEY ASSETS:

- 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 at al. Wilanowska 372, **the construction of Wilanowska Office Hub (a 6-storey commercial facility) is planned.** Design works are currently beginning in order to obtain a construction permit for the project.

CONSTRUCTION PROJECTS – PLANNED AND UNDER PREPARATION

11 LEWANDÓW REATIL HUB

PROJECT UNDER PREPARATION

LEWANDÓW
RETAIL
HUB



LEWANDÓW

KEY ASSETS:

- **Attractive location**
- Commercial and residential complex

BASIC PARAMETERS:

- **GLA:** 25,000 sq.m.
- **Start:** Q2 2017
- **Completion:** Q3 2019
- **Capex:** PLN 165 million

STATUS OF WORKS:

▪ PHN is currently in the course of advanced negotiations with potential partners with regard to commercial development of the property. It also analyzes the options of developing this area in such a way as to optimally combine the commercial and residential function.

12 RETKINIA RETAIL HUB

PLANNED PROJECT

RETKINIA
RETAIL
HUB



RETKINIA, ŁÓDŹ

KEY ASSETS:

- **Attractive location**
- Commercial and residential complex

BASIC PARAMETERS:

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

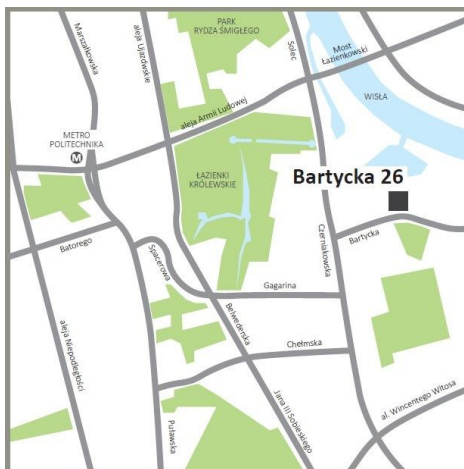
STATUS OF WORKS:

▪ In H1 2015, works on the construction of the first grocery supermarket were completed. **Works are in progress on preparing a concept for the development of the remaining part of Retkinia. In phase I, it is planned to build ca. 6,000 sq.m. of commercial area.**

CONSTRUCTION PROJECTS – PLANNED

13 BARTYCKA REATIL HUB

PLANNED PROJECT



ul. BARTYCKA 26

KEY ASSETS:

- **Excellent location**
- Commercial and residential complex

BASIC PARAMETERS:

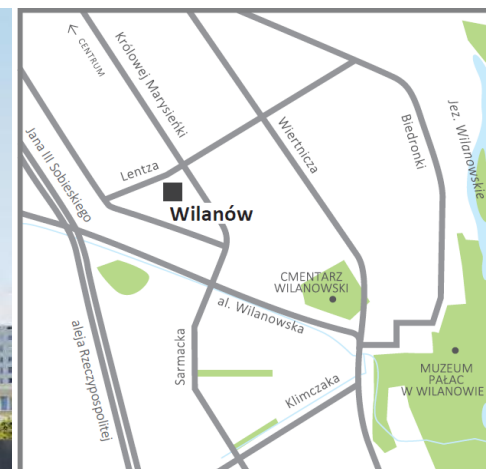
- **Usable area:** 40,000 sq.m. / **GLA:** 19,000 sq.m.
- **Start:** 2018
- **Completion:** 2021
- **Total Capex:** PLN 290 million

STATUS OF WORKS:

- Talks are conducted with potential tenants with regard to commercializing the retail part of the project. On the basis of the Optimum Property Development Study, **an application for changing the local area development plan was submitted in Q2 2015.**

14 WILANÓW RESIDENTIAL ESTATE

PLANNED PROJECT



WILANÓW RESIDENTIAL ESTATE

KEY ASSETS:

- **Attractive location**
- Residential estate

BASIC PARAMETERS:

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

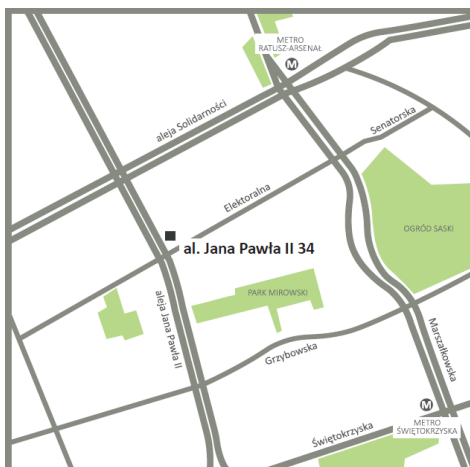
STATUS OF WORKS:

- The project assumes **construction of a residential estate.** According to the adopted concept, PHN plans to completely replace the existing buildings with new ones.

CONSTRUCTION PROJECTS – PLANNED

15 JANA PAWŁA II 34

PLANNED PROJECT



al. JANA PAWŁA II 34

KEY ASSETS:

- Attractive location
- Residential estate

BASIC PARAMETERS:

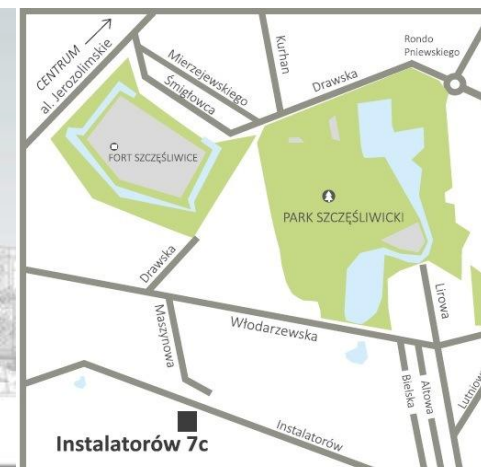
- Usable area: 4,100 sq.m.
- Start: 2017
- Completion: 2019
- Capex: PLN 20 million

STATUS OF WORKS:

■ A competition was finalized to select the author of an architectural and urban space concept for the development and construction of a residential building with a service function. PHN started conversations with the winning studio with regard to project implementation.

16 INSTALATORÓW 7C

PLANNED PROJECT



ul. INSTALATORÓW 7C

KEY ASSETS:

- Attractive location
- Residential estate

BASIC PARAMETERS:

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

STATUS OF WORKS:

■ Preliminary financial analyses confirmed that it would be reasonable to allocate the property for a residential project. A land carrying capacity analysis has been performed. Currently, works has started on selecting the design studio for the project.

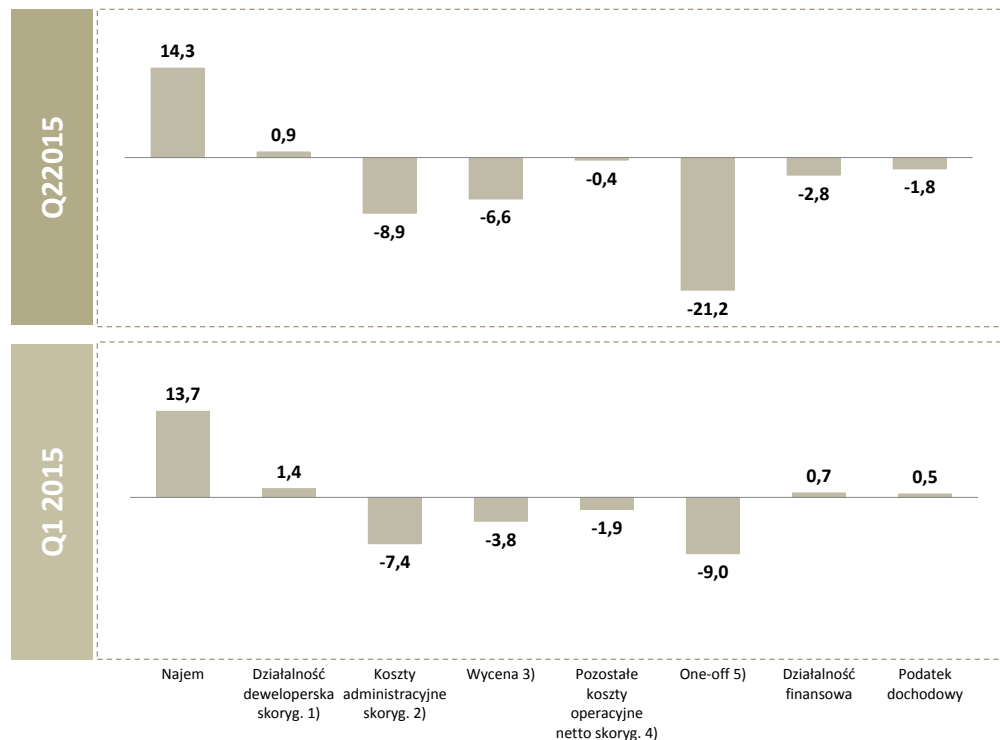


Presentation of consolidated financial results for H1 2015:

3) PHN GROUP FINANCIAL RESULTS

SELECTED PROFIT AND LOSS STATEMENT ITEMS

[PLN million]



- Higher result on rental mainly due to lower property maintenance costs, while keeping stable revenue despite increased competition in the property market
- Lower result on development operations due to fewer final contracts signed (Q2: 13, Q1: 23), combined with higher current sales of apartments (Q2: 29, Q4: 21)
- Higher administration and sales expenses mainly due to higher costs of consulting services related to property acquisition and costs of property sale and advertising
- Higher adjusted EBITDA and net profit

1) adjusted by provision for warranty repairs and damages from previous years (Q2: -PLN 0.3 million, Q1: -PLN 0.2 million)

2) adjusted by group privatization and restructuring costs (Q2: PLN 0.4 million, Q1: PLN 0.1 million)

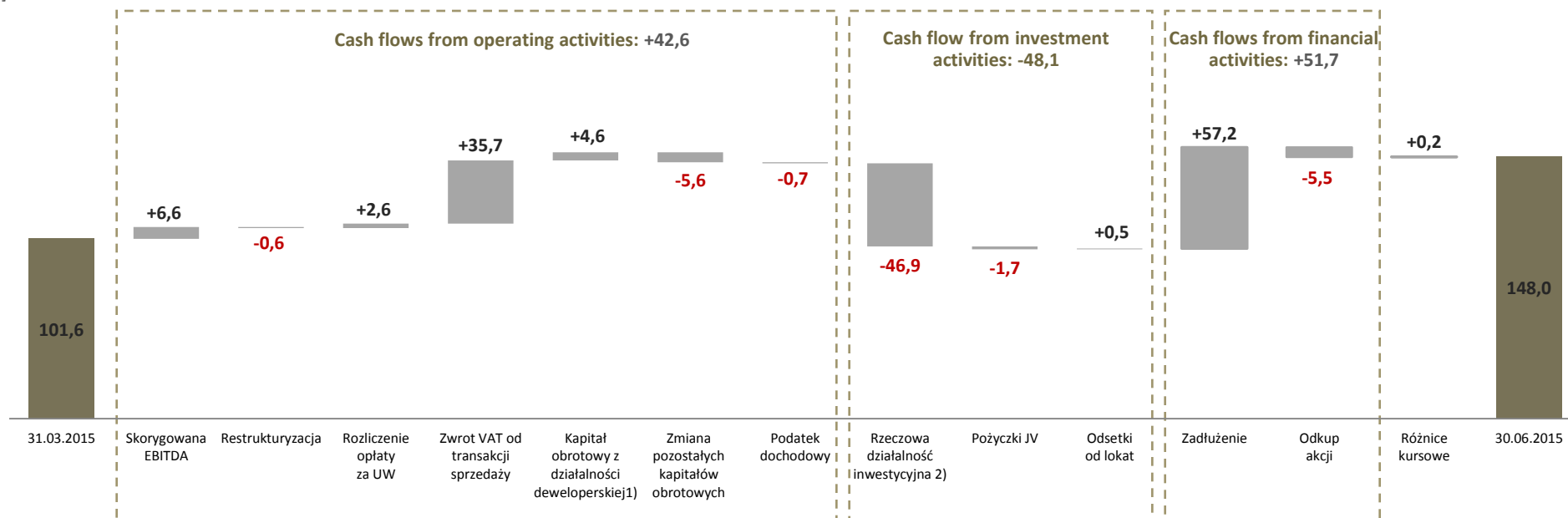
3) movement in fair value of investment properties (Q2: -PLN 6.6 million, Q1: -PLN 3.8 million) and result on sale (Q2: PLN 0.1 million, Q1: 0)

4) adjusted by change in legal status of properties (Q2: -PLN 20.0 million, Q1: 0), severance payment costs (Q2: 0, Q1: PLN 0.2 million), return of tax on civil law transactions (Q2: 0, Q1: -PLN 8.0 million) and change in the provisions for claims from previous years (Q2: PLN -1.3 million, Q1: PLN -1.1 million)

5) adjustments mentioned in items 1, 2, 4

CASH FLOWS

[PLN million]



1) increase/decrease in payables, receivables, and inventory on development operations

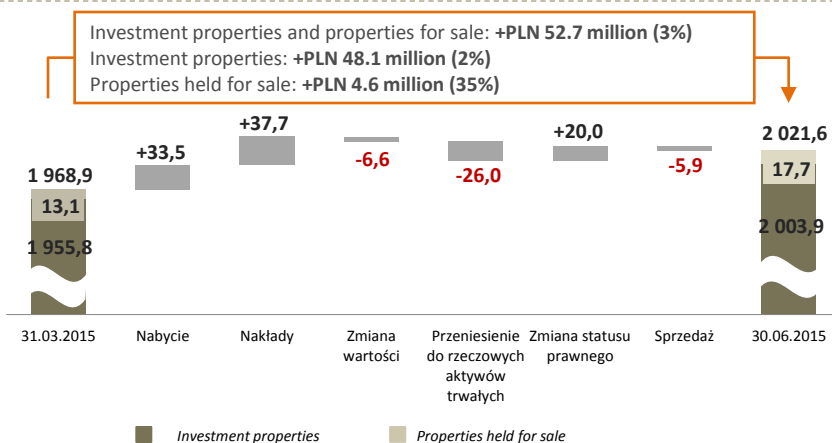
2) net expenses, sale of investment properties

- Increase in cash by PLN 46.4 million (46%).
- Positive effect of
 - ▶ Operating results measured by EBITDA after adjustment (PLN 6.6 million), including on discontinued operations (-PLN 0.1 million),
 - ▶ Settlement of perpetual usufruct of land payments made in advance (PLN 2.6 million),
 - ▶ Return of VAT on property sale in the Group: PLN 35.7 million,
 - ▶ Decrease in working capital on development operations (PLN 4.6 million),
 - ▶ Net loans taken (PLN 57.3 million) partly offset by financial leasing (-PLN 0.1 million).
- Negative effect of
 - ▶ Payment of group restructuring costs (-PLN 0.4 million), disbursement of severance payments for redundant employees (-PLN 0.2 million),
 - ▶ Change in other working capital, mainly resulting from settling VAT on expenses for investment properties,
 - ▶ Expenses on investment properties (-PLN 52.9 million) partly compensated by sale of investment properties (PLN 6.0 million),
 - ▶ Repurchase of shares from non-controlling shareholders.

INVESTMENT PROPERTIES, PROPERTIES HELD FOR SALE, AND INVENTORY

► INVESTMENT PROPERTIES AND PROPERTIES HELD FOR SALE (IFRS 5)

[PLN million]



- Purchasing part of property at Al. Jana Pawła II 12 in Warsaw (Kaskada)
- PLN 34.5 million in expenses related to commercial development projects (Domaniewska, Retkinia), PLN 1.2 million in expenses related to the preparation of commercial development projects and PLN 2.0 million in expenses related to retrofitting of real estate.
- Transfer to assets classified as held for sale due to acquiring property buyers (PLN 4.6 million), sale of the property in Otwock and the property situated at ul. Łowicka in Warsaw (-PLN 5.9 million)
- Reclassification due to the change in legal status (PLN 20.0 million)

► DEVELOPMENT INVENTORIES

[PLN million]

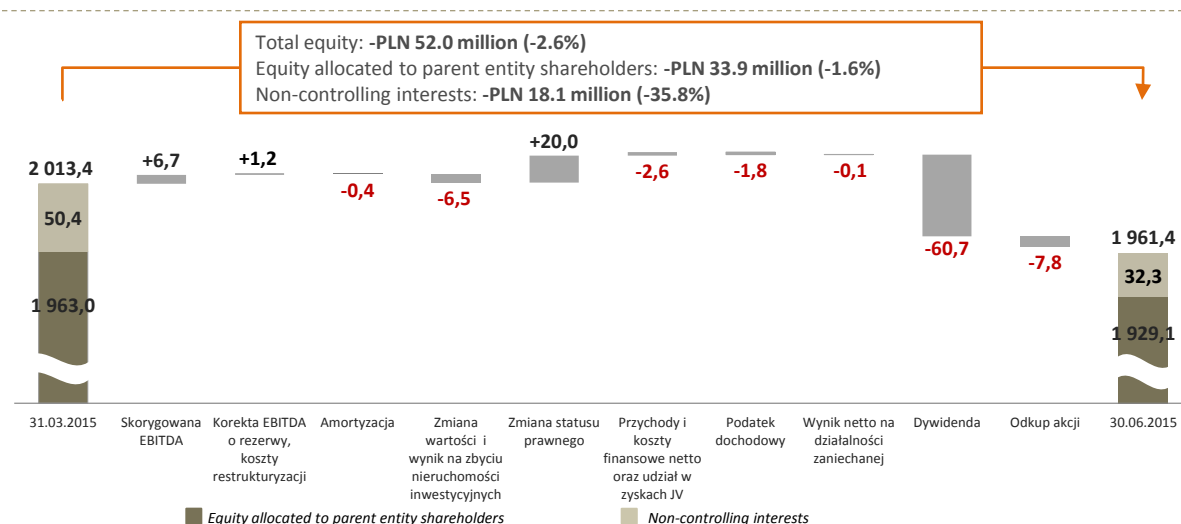


- Sale of apartments, recognized due to the conclusion of final contracts for apartment title transfer (Q2 2015: 13, Q1 2015: 23)
- PLN 0.2 million in expenses related to preparing the Wilanów residential estate project
- As at June 30, 2015, there were 93 apartments built on inventory, 36 of these had developer sales contracts in place

EQUITY

► EQUITY

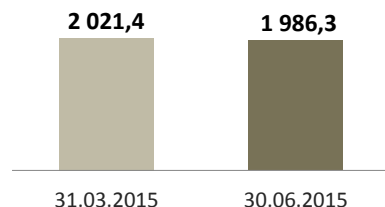
[PLN million]



- Decrease in equity allocated to parent entity shareholders as a result of allocating PLN 60.7 million to dividend payment, earning net profit of PLN 16.3 million and change in the ownership structure due to issue of PHN shares to cover shares taken up in subsidiaries, and shares repurchase (PLN 10.5 million).
- Decrease in non-controlling interests as a result of change in the ownership structure due to sale of subsidiary shares to PHN and share repurchase (-PLN 18.3 million), offset by net profit earned allocated to non-controlling shareholders (PLN 0.2 million).

► EPRA NNAV

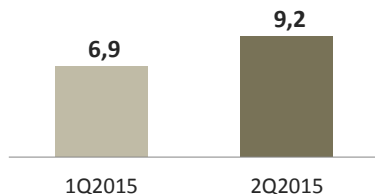
[PLN million]



| | 30.06.2015 | 31.03.2015 |
|---|----------------|----------------|
| Net assets allocated to parent entity shareholders | 1 929,1 | 1 962,9 |
| Long-term provision for deferred income tax, allocated to controlling shareholders of the parent entity | 49,2 | 48,9 |
| EPRA NAV | 1 986,3 | 2 011,8 |
| Difference between book value and fair value of net assets | 8,0 | 9,6 |
| EPRA NNAV | 1 986,3 | 2 021,4 |

EPRA LEASE YIELD INDICATORS

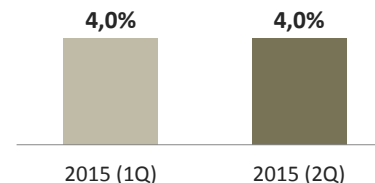
► Adjusted net result for the lease segment acc. to EPRA [PLN million]



| | Q2 2015 | Q1 2015 |
|---|-------------|-------------|
| Net result for the rental segment* | 17.8 | 13.1 |
| Adjustments | -11.0 | 3.1 |
| <i>Movement in investment properties fair value, and result at sale</i> | 6.5 | 3.8 |
| <i>Change of legal status of properties</i> | -20.0 | - |
| <i>Deferred income tax on the adjustments listed above</i> | 2.5 | -0.7 |
| Net result for rental segment acc. to EPRA | 6.9 | 16.2 |
| Adjustments | 2.3 | -9.3 |
| <i>One-off costs (Group privatization and restructuring)</i> | 0.2 | 0.1 |
| <i>Severance payments</i> | - | 0.2 |
| <i>Increase/decrease in provisions for claims from previous years</i> | -1.3 | -1.1 |
| <i>Interest on free cash</i> | -0.5 | -0.1 |
| <i>Return of tax on civil law transactions</i> | - | -8.0 |
| <i>Interest on paid tax on civil law transactions</i> | -0.2 | -0.6 |
| <i>Interest on VAT tax arrears</i> | 3.8 | - |
| <i>Current and deferred income tax on the adjustments listed above</i> | 0.3 | 0.2 |
| Adjusted net result for the lease segment acc. to EPRA | 9.2 | 6.9 |

* Rental segment operating result: Q2: PLN 21.4 million, Q1: PLN 11.0 million, after taking into account the rental segment result from financial activities: Q2: -PLN 2.8 million, Q1: PLN 0.7 million, income tax: Q2: -PLN 1.0 million, Q1: PLN 1.2 million and share in income of affiliates and joint subsidiaries: Q2: PLN 0.2 million, Q1: PLN 0.2 million

► EPRA NIY ** [PLN million]



| | 2015 (Q2)*** | 2015 (Q1) *** |
|---|-----------------|------------------|
| Investment properties as shown in the statement of financial position | 2,003.9 | 1,955.8 |
| Land and commercial development projects in progress | -590.5 | -556.6 |
| Investment properties generating rental revenue | 1,413.4 | 1,399.2 |
| Rental result as per the statement of comprehensive income | 56.0 | 55.0 |
| Adjustments | 1.5 | 2.0 |
| <i>Result generated by land and commercial development projects in progress</i> | -0.1 | -0.2 |
| <i>Result generated by properties with legal status not ascertained that are not classified as assets</i> | -0.5 | -0.8 |
| <i>Result generated by properties classified as held for sale</i> | -0.7 | 0.2 |
| <i>Fit-out costs exclusion</i> | 2.8 | 2.8 |
| Rental results as per EPRA | 57.5 | 57.0 |
| Estimated transaction costs (3% of the real estate value) | 42.4 | 42.0 |
| EPRA NIY | 4.0% | 4.0% |

**EPRA Net Initial Yield – calculated as the ratio of revenue from rents after the deduction of operating irrecoverable property outgoings (result) to the real estate's market value increased by estimated transaction costs;

*** presented as annualized value (Q1: Q1 multiplied by 4; Q2: H1 multiplied by 2).

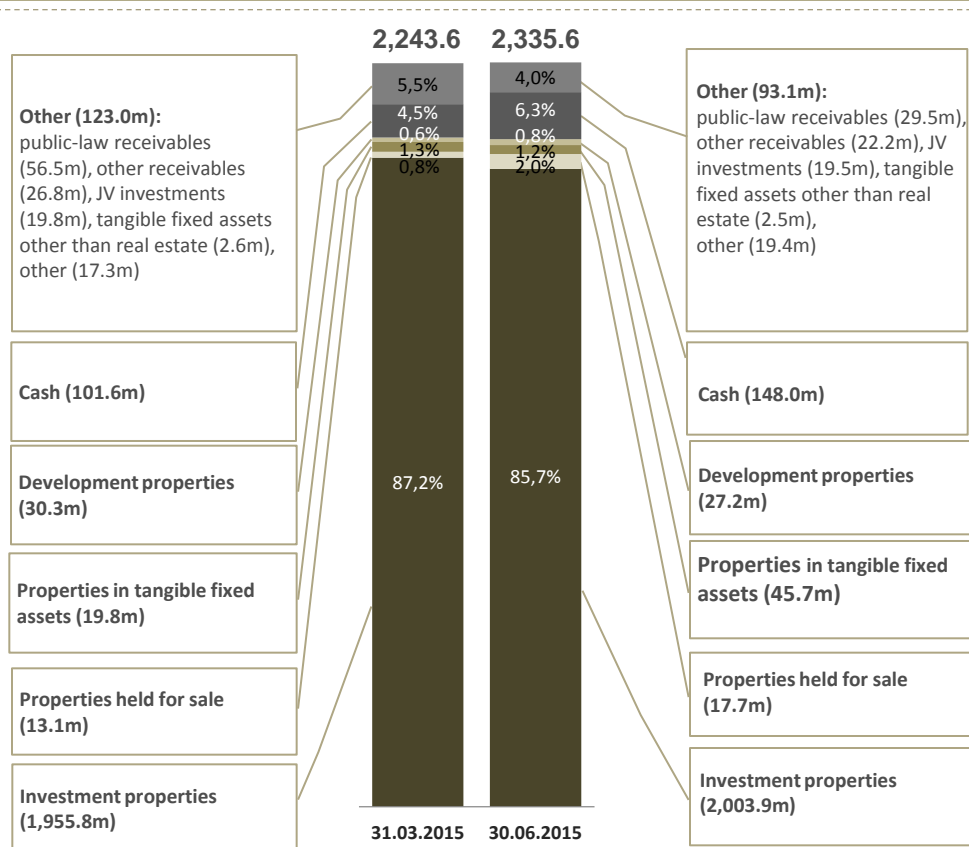
STRUCTURE OF ASSETS AND LIABILITIES



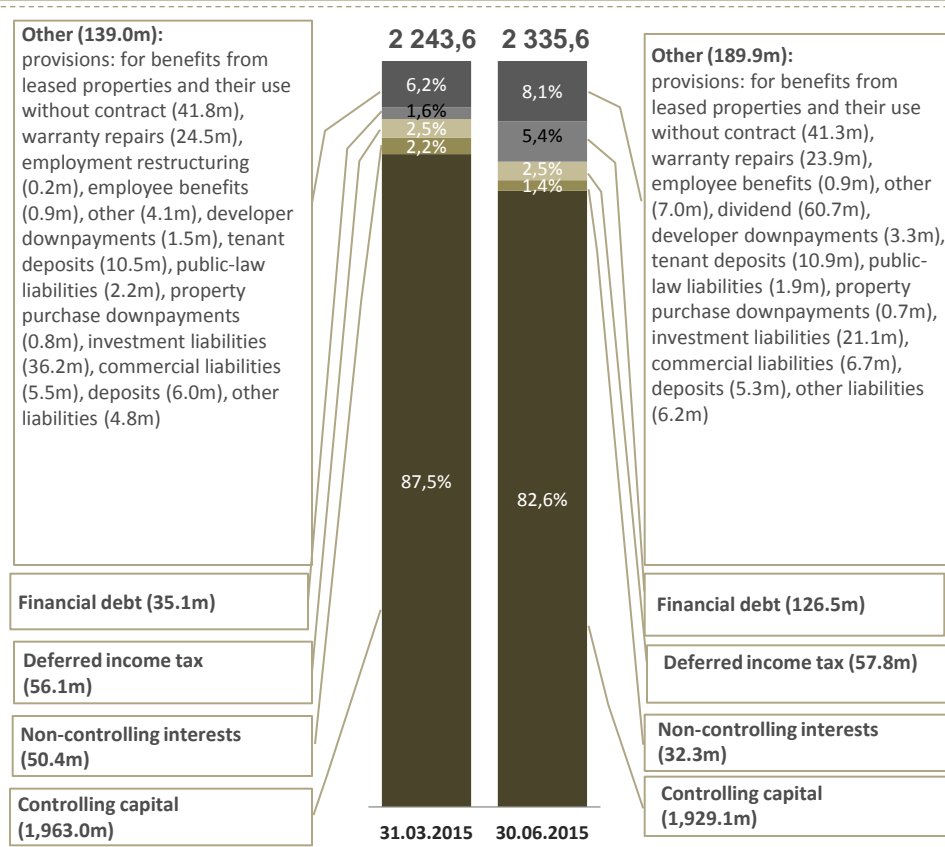
POLSKI HOLDING
NIERUCHOMOŚCI S.A.

[PLN million]

► ASSETS



► LIABILITIES



- Decrease in receivables mainly due to return of VAT on intra-Group real estate purchase (PLN 35.6 million), partly offset by increase of other public-law receivables (PLN 8.6 million)
- Increase in the total value of real estate by PLN 75.6 million, mainly due to purchase and expenses (PLN 71.4 million), reclassification to assets as a result of change in legal status (PLN 20 million) partly offset by sales (PLN 9.2 million) and value loss (PLN 6.6 million)
- Increase in liabilities mainly due to dividend payment liability (PLN 60.7 million)

- Increase in debt by PLN 91.4 to 5.4% of assets as a result of a loan for the Domaniewska investment (PLN 58.7 million) and debt financing of the purchase of investment property (PLN 32.7 million)



**POLSKI HOLDING
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Thank you

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Presentation of consolidated financial results for H1 2015:

5) ADDITIONAL INFORMATION

WARSAW OFFICE MARKET – OUTLOOK

► WARSAW OFFICE MARKET

■ **ABSORPTION H1 2015** [sq.m.]: **91,675** 2015 F: 180 000

■ **NEW SPACE H1 2015** [sq.m.]: **146,952** 2015 F: 348,000

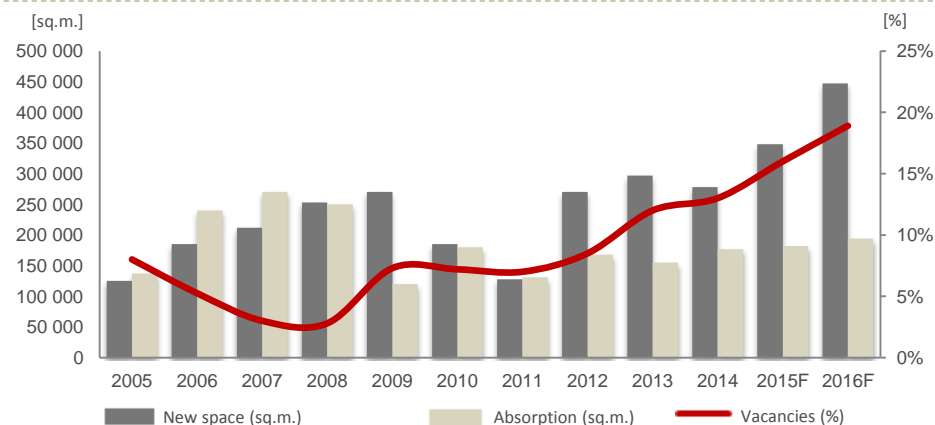
■ **TOTAL RESOURCES Q2 2015** [millions of sq.m.]: **4.54** Q1 2015: 4.45

■ **VACANCIES Q2 2015** [%]: **639,034** Q1 2015: 580,602

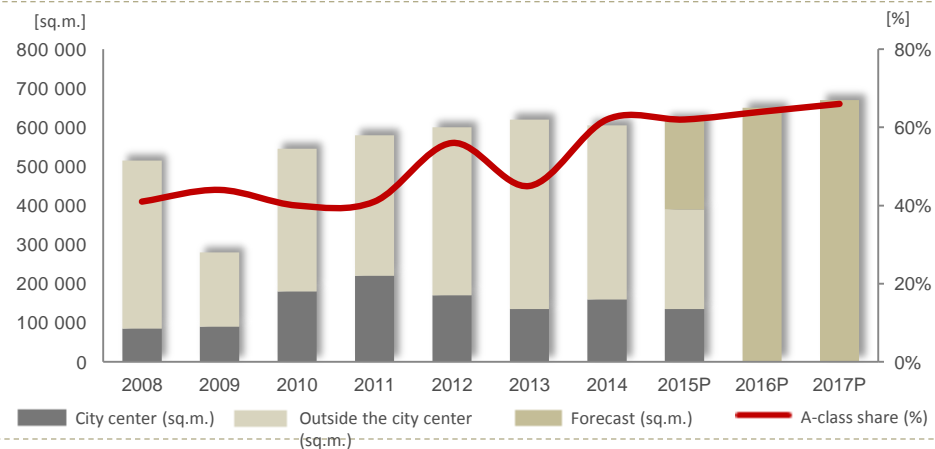
■ **AVERAGE VACANCIES Q2 2015** [%]: **14.01** Q1 2015: 13.04

■ **PRE LET 2015** [(%) / NEW SPACE]: **25** Q1 2015: 29

► ABSORPTION OF NEW SPACE AND THE VACANCY RATIO



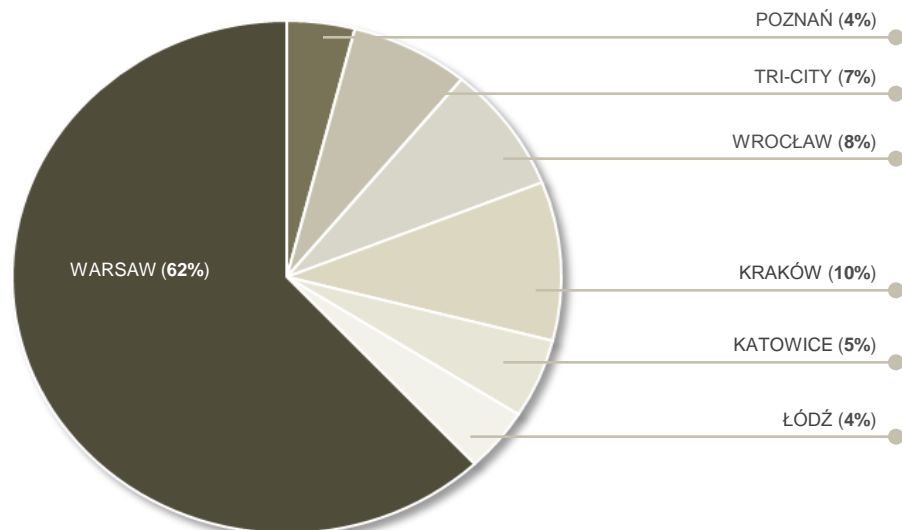
► RENTAL LEVEL IN WARSAW



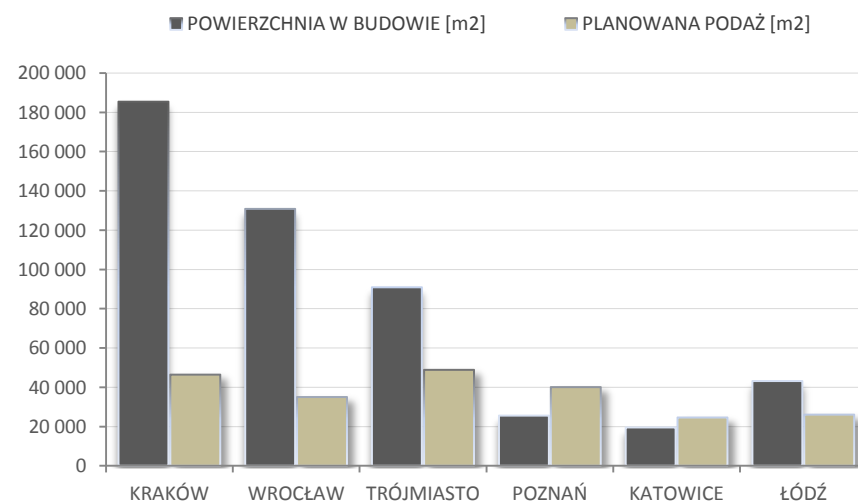
POLISH OFFICE MARKET*

| CITY | OFFICE AREA RESOURCES [sq.m.] | AREA UNDER CONSTRUCTION [sq.m.] | PLANNED SUPPLY [sq.m.] | RENTAL RATES [EUR/sq.m./month] |
|----------|----------------------------------|------------------------------------|---------------------------|-----------------------------------|
| KRAKÓW | 741,506 | 185,375 | 46,500 | 13–15 |
| WROCŁAW | 611,121 | 130,776 | 35,000 | 13.5–15.5 |
| TRI-CITY | 506,734 | 90,900 | 48,800 | 13–15 |
| POZNAŃ | 369,658 | 25,500 | 40,000 | 14–16 |
| KATOWICE | 379,622 | 19,500 | 24,500 | 13–14 |
| ŁÓDŹ | 312,199 | 43,200 | 26,000 | 12–14 |

► MODERN OFFICE SPACE



► AREA UNDER CONSTRUCTION AND PLANNED SUPPLY

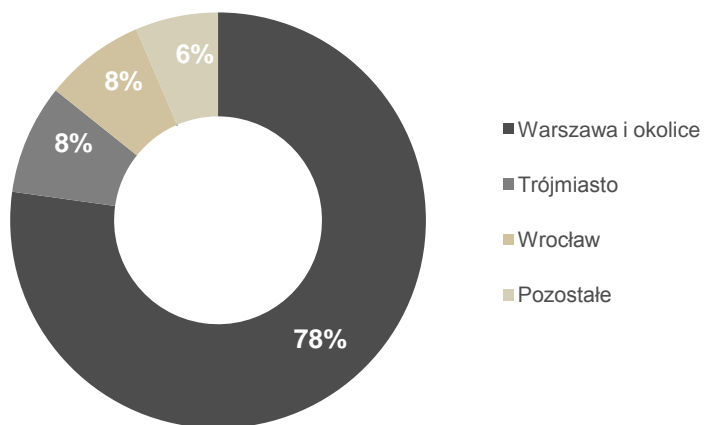


* Source: Cushman & Wakefield Polska Sp. z o.o., 2015

REAL ESTATE PORTFOLIO STRUCTURE AS AT JUNE 30, 2015

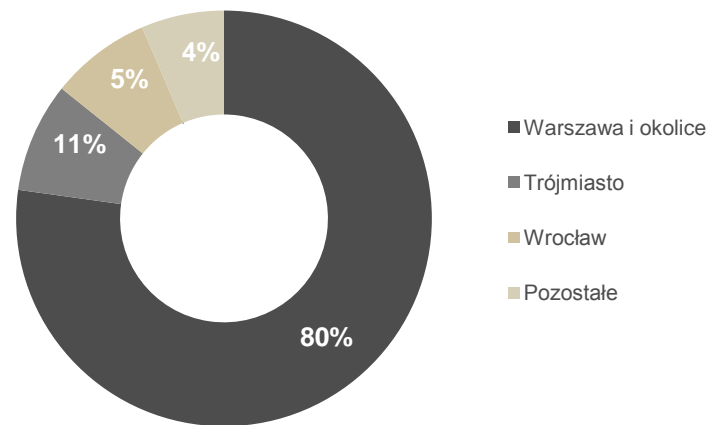
► GEOGRAPHIC STRUCTURE OF REAL ESTATE PORTFOLIO

[of fair value]



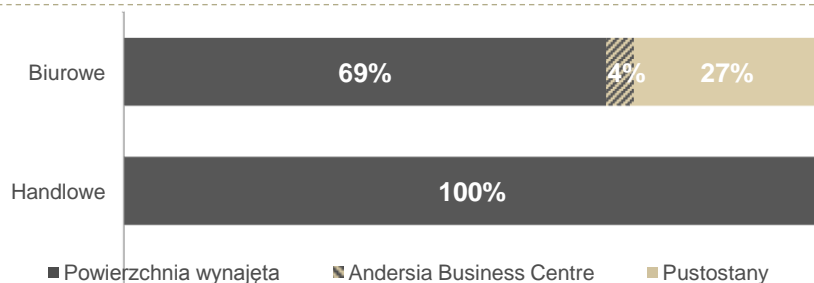
► GEOGRAPHIC STRUCTURE OF SEGMENTS: REMAINING IN THE PORTFOLIO AND P

[% of fair value]



► OCCUPANCY RATIO OF PROPERTIES REMAINING IN THE PORTFOLIO

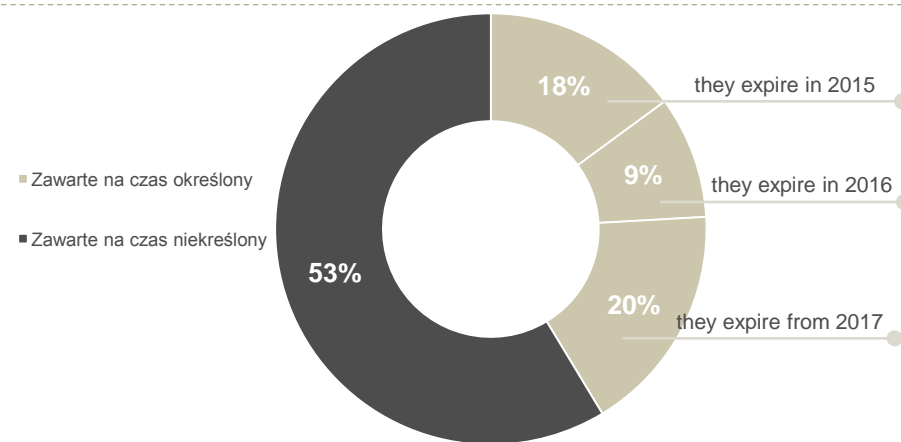
[% of area]



GLA of properties remaining in the portfolio amounted to over 96,000 sq.m., with a vacancy ratio of 30.4%. This ratio has been significantly affected by the main tenant leaving the Intraco building and the ongoing commercialization process of the newly built property at ul. Domaniewska. Taking into account the property in Poznań (Andersia Business Centre) purchased after June 30, GLA of properties remaining in the portfolio will rise to over 110,000 sq.m., and the vacancy ratio will fall to 26.5%.

► TENANTS STRUCTURE BY CONTRACT TERM

[% GLA]



CONTINUED OPERATIONS – RESULT

| [PLN million] | Q2 2015 | Q1 2015 |
|---|---------------|--------------|
| Revenue from sale | 35.6 | 37.4 |
| Operating expenses | (19.7) | (22.2) |
| Gross result from sales | 15.9 | 15.2 |
| <i>Provision for warranty repairs and damages</i> | <i>(0.3)</i> | <i>(0.2)</i> |
| Gross result from sales after adjustment | 15.6 | 15.0 |
| Selling and administration expenses | (9.3) | (7.5) |
| <i>One-off costs (Group privatization and restructuring)</i> | <i>0.4</i> | <i>0.1</i> |
| Selling and administration expenses after adjustment | (8.9) | (7.4) |
| Net result from sales | 6.6 | 7.7 |
| Net result from sales after adjustment | 6.7 | 7.6 |
| Movement in investment properties fair value, and result at sale | (6.5) | (3.8) |
| Other revenues | 23.8 | 10.2 |
| Other expenses | (2.9) | (3.2) |
| Operating result | 21.0 | 10.9 |
| <i>Movement in investment properties fair value, and result at sale</i> | <i>6.5</i> | <i>3.8</i> |
| <i>Costs of severance payments</i> | <i>-</i> | <i>0.2</i> |
| <i>Change of legal status of properties</i> | <i>(20.0)</i> | <i>-</i> |
| <i>Return of tax on civil law transactions</i> | <i>-</i> | <i>(8.0)</i> |
| <i>Movement in provision for claims from previous years</i> | <i>(1.3)</i> | <i>(1.1)</i> |
| Operating result after adjustment | 6.3 | 5.7 |
| <i>Movement in investment properties fair value, and result at sale</i> | <i>6.5</i> | <i>3.8</i> |
| <i>Change of legal status of properties</i> | <i>(20.0)</i> | <i>-</i> |
| Depreciation and amortization | 0.4 | 0.2 |
| EBITDA | 7.9 | 14.9 |
| <i>Provision for warranty repairs and damages</i> | <i>(0.3)</i> | <i>(0.2)</i> |
| <i>One-off costs (Group privatization and restructuring)</i> | <i>0.4</i> | <i>0.1</i> |
| <i>Costs of severance payments</i> | <i>-</i> | <i>0.2</i> |
| <i>Return of tax on civil law transactions</i> | <i>-</i> | <i>(8.0)</i> |
| <i>Movement in provision for claims from previous years</i> | <i>(1.3)</i> | <i>(1.1)</i> |
| Adjusted EBITDA | 6.7 | 5.9 |

- adjustments

RENTAL – SEGMENT RESULT

| [PLN million] | Q2 2015 | Q1 2015 |
|---|---------------|--------------|
| Revenue from sale | 30.1 | 30.3 |
| Operating expenses | (15.8) | (16.6) |
| Gross result from sales | 14.3 | 13.7 |
| Selling and administration expenses | (7.3) | (5.8) |
| <i>One-off costs (Group privatization and restructuring)</i> | <i>0.2</i> | <i>0.1</i> |
| Selling and administration expenses after adjustment | (7.1) | (5.7) |
| Net result from sales | 7.0 | 7.9 |
| Net result from sales after adjustment | 7.2 | 8.0 |
| Movement in investment properties fair value, and result at sale | (6.5) | (3.8) |
| Other revenues | 23.7 | 10.1 |
| Other expenses | (2.8) | (3.2) |
| Operating result | 21.4 | 11.0 |
| <i>Movement in investment properties fair value, and result at sale</i> | <i>6.5</i> | <i>3.8</i> |
| <i>Costs of severance payments</i> | <i>-</i> | <i>0.2</i> |
| <i>Change of legal status of properties</i> | <i>(20.0)</i> | <i>-</i> |
| <i>Return of tax on civil law transactions</i> | <i>-</i> | <i>(8.0)</i> |
| <i>Movement in provision for claims from previous years</i> | <i>(1.3)</i> | <i>(1.1)</i> |
| Operating result after adjustment | 6.8 | 6.0 |
| <i>Movement in investment properties fair value, and result at sale</i> | <i>6.5</i> | <i>3.8</i> |
| <i>Change of legal status of properties</i> | <i>(20.0)</i> | <i>-</i> |
| Depreciation and amortization | 0.4 | 0.2 |
| EBITDA | 8.3 | 15.0 |
| <i>One-off costs (Group privatization and restructuring)</i> | <i>0.2</i> | <i>0.1</i> |
| <i>Costs of severance payments</i> | <i>-</i> | <i>0.2</i> |
| <i>Return of tax on civil law transactions</i> | <i>-</i> | <i>(8.0)</i> |
| <i>Movement in provision for claims from previous years</i> | <i>(1.3)</i> | <i>(1.1)</i> |
| Adjusted EBITDA | 7.2 | 6.2 |

- adjustments

DEVELOPMENT – SEGMENT RESULT

| [PLN million] | Q2 2015 | Q1 2015 |
|---|--------------|--------------|
| Revenue from sale | 3.9 | 7.1 |
| Operating expenses | (2.7) | (5.5) |
| Gross result from sales | 1.2 | 1.6 |
| <i>Provision for warranty repairs and damages</i> | <i>(0.3)</i> | <i>(0.2)</i> |
| Gross result from sales after adjustment | 0.9 | 1.4 |
| Selling and administration expenses | (0.5) | (0.8) |
| Net result from sales | 0.7 | 0.8 |
| Net result from sales after adjustment | 0.4 | 0.6 |
| Other revenues | 0.1 | 0.1 |
| Operating result | 0.8 | 0.9 |
| Operating result after adjustment | 0.5 | 0.7 |
| EBITDA | 0.8 | 0.9 |
| <i>Provision for warranty repairs and damages</i> | <i>(0.3)</i> | <i>(0.2)</i> |
| Adjusted EBITDA | 0.5 | 0.7 |

- adjustments


OTHER OPERATIONS AND UNALLOCATED ITEMS – RESULT

► OTHER OPERATIONS – RESULT

| [PLN million] | Q2 2015 | Q1 2015 |
|--------------------------------|------------|--------------|
| Revenue from sale | 1.6 | - |
| Operating expenses | (1.2) | (0.1) |
| Gross result from sales | 0.4 | (0.1) |
| Net result from sales | 0.4 | (0.1) |
| Operating result | 0.4 | (0.1) |
| EBITDA | 0.4 | (0.1) |
| Adjusted EBITDA | 0.4 | (0.1) |

► UNALLOCATED ITEMS IN THE CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

| [PLN million] | Q2 2015 | Q1 2015 |
|--|--------------|--------------|
| Selling and administration expenses | (1.5) | (0.9) |
| <i>One-off costs (Group privatization and restructuring)</i> | 0.2 | - |
| Selling and administration expenses after adjustment | (1.3) | (0.9) |
| Net result from sales | (1.5) | (0.9) |
| Net result from sales after adjustment | (1.3) | (0.9) |
| Other expenses | (0.1) | - |
| Operating result | (1.6) | (0.9) |
| Operating result after adjustment | (1.4) | (0.9) |
| EBITDA | (1.6) | (0.9) |
| <i>One-off costs (group privatization and restructuring)</i> | 0.2 | - |
| Adjusted EBITDA | (1.4) | (0.9) |

 - adjustments



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