



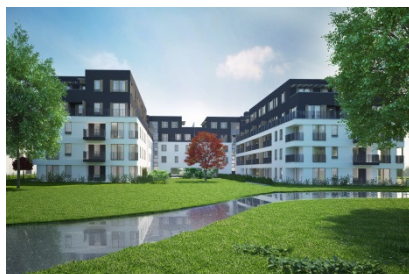
FADESA POLNORD POLSKA (FPP)

2000
SPRZEDANYCH
MIESZKAŃ

09 May 2014 SP (ENG) PL

FPP *review*

IQ14





Central lake in FPP Ostoja-Wilanów, Warsaw. December 2013.

FPP. The Firm.

- FADESA POLNORD POLSKA (FPP).

FPP is a real estate developer deeply rooted in the Polish local market. FPP has been present in Poland since 2005, focusing on the construction of medium to high standard apartments. The company has two shareholders: Spanish MARTINSA-FADESA (51% interest) and Polish POLNORD (49% interest).

- Promotions:

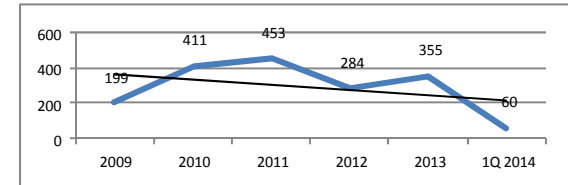
- Ostoja-Wilanów, Warsaw (2,044* units). www.ostoja-wilanow.com
- Osiedle-Innova, Wroclaw (535 units). www.osiedle-innova.com
- Osiedle-Innova II, Wroclaw (609* units).
 - First stage: INNOVA HOUSE^{s1} (206 units).
- Villa Botanica, Powsin-Warsaw (350* units). www.villa-botanica.com
- Osiedle Moderno, Wroclaw (158 units) www.osiedlemoderno.pl

FPP: a thorough study of apartments, strict cost controls, high gross margins.

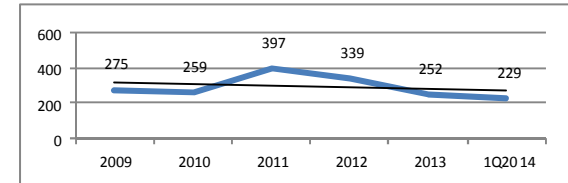


FPP. Key Data.

- **2,043 apartments sold** until 31 March 2014.
- **1,762 apartments sold** from 2009. See chart to the right (presales per year).
(199 units sold in 2009; 411 units sold in 2010; 453 units sold in 2011; 284 units sold in 2012; 355 units sold in 2013, 60 units sold in 1Q 2014)



- **1,933 units delivered** until 31 March 2014.
- **1,751 units delivered** from 2009. See chart to the right (deliveries per year).
(275 units delivered in 2009; 259 units delivered in 2010; 397 units delivered in 2011; 339 units delivered in 2012; 252 units delivered in 2013, 229 units delivered in 1Q 2014)



2014 data (forecast):

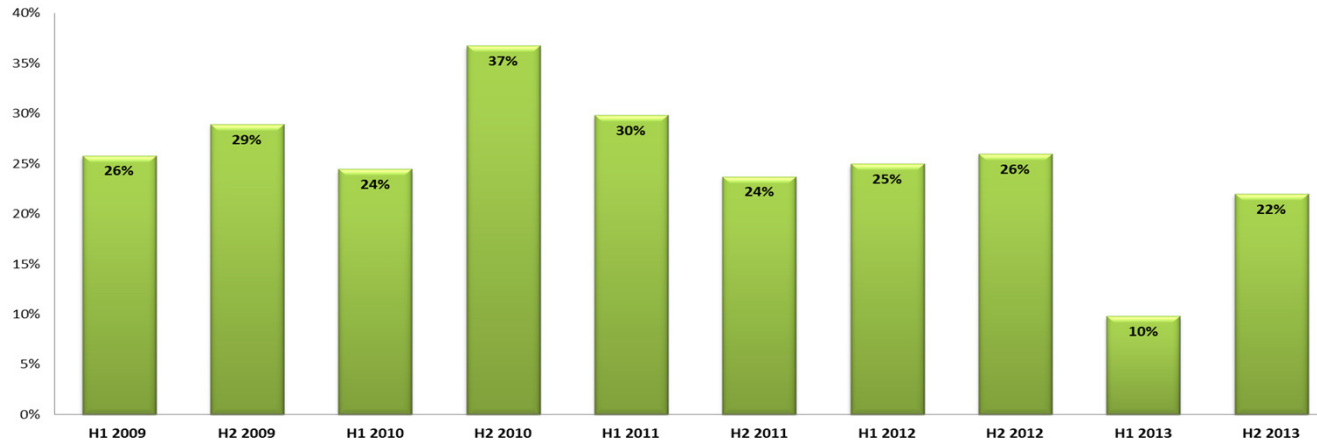
- Presales: **326 units.**
- Deliveries: **330 units.**

- **Financing:**
 - Bank PEKAO S.A. (Unicredit Group): *Ostoja-Wilanów* in Warsaw (2006) and *Osiedle Innova* in Wroclaw (2011).
 - GETIN NOBLE S.A.: *Osiedle-Moderno* in Wroclaw (2013).

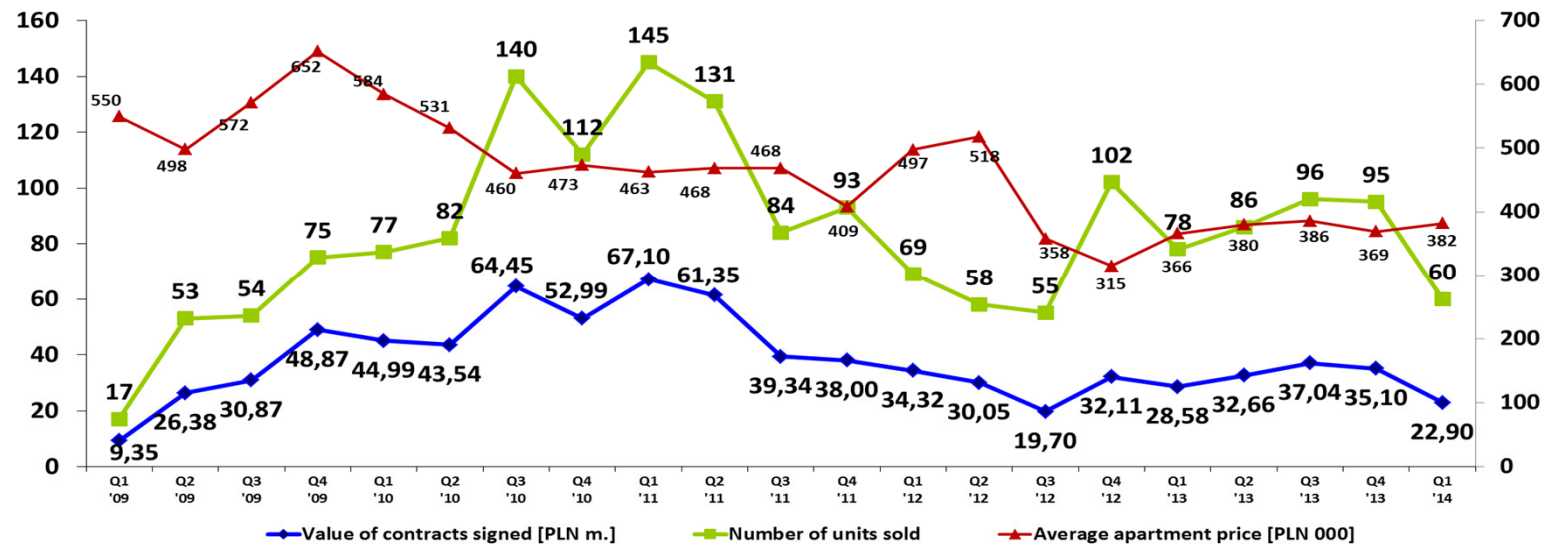


Performance Highlights

- Gross margin (from 2009).

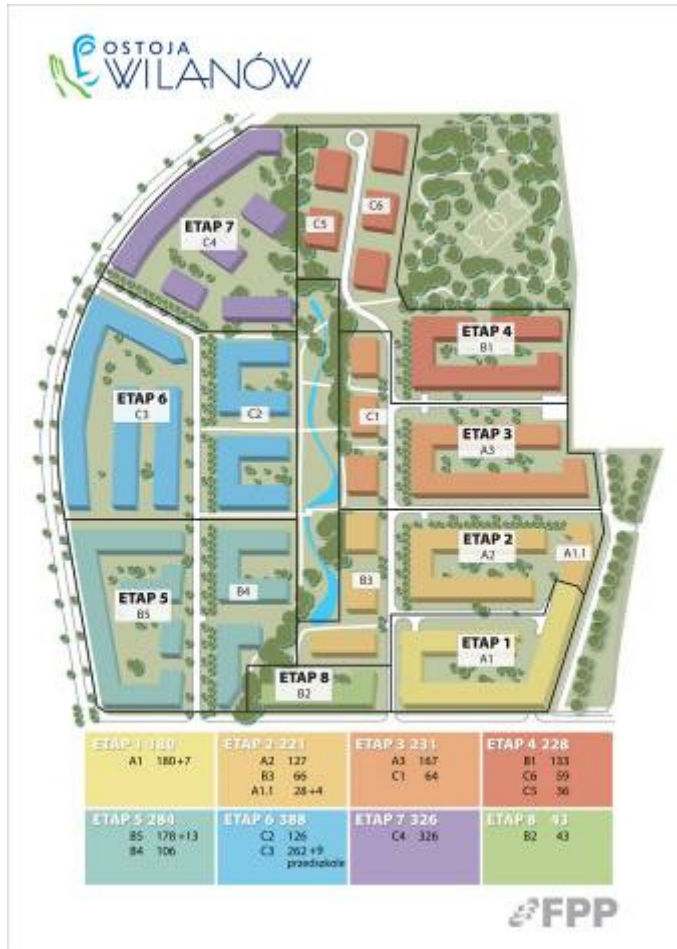


- Quarterly presales (from 2009).



FPP, Current Projects in Poland

Ostoja-Wilanów, Warsaw (2,006* residential units).



Osiedle-Innova, Wroclaw (531 residential units).



FPP, Current Projects in Poland

Osiedle-Moderno, Wroclaw (158 residential units).





Spring in Ostoja-Wilanów park, Warsaw.

FPP in Usable Floor Area (Polish PUM in square meters).

- **Completed:**
 - **12 stages:** 7 in Ostoja-Wilanów, Warsaw, and 5 in Osiedle-Innova, Wroclaw.
 - **2,043 apartments completed:** 1,624 units in Warsaw and 419 units in Wroclaw.
 - **154,199 sq. m completed:** 132,902 sq. m in Warsaw and 21,297 sq. m in Wroclaw.
- **Units completed and unsold** (as at 31 March 2014)
 - **1,185 sq. m** completed and unsold (103.19sq. m residential and 1,082sq. m commercial). * C4 upmarket part (53 apartments) are not included.
 - **1 apartment** completed and unsold in Ostoja-Wilanów, Warsaw (103.19 sq. m residential).
 - **7 commercial units** in Ostoja-Wilanów, Warsaw (1,082 sq. m commercial).
- **Under construction** (as at 31 March 2014)
 - **2 stages** (2 in Osiedle-Innova, Wroclaw),
 - **112 apartments under construction** in Wroclaw (112).
 - **6,453 sq. m under construction.**
- **Under development:** (as at 31 March 2014)
 - **5 projects under development, 10 stages** (3 stages in Ostoja-Wilanów, Warsaw; 1 stage in Osiedle-Moderno, Wroclaw; 4 stages in Osiedle-Innova 2, Wroclaw; 2 stages in Villa Botánica, Powsin-Warsaw).
 - **1,422 apartments under development** in Ostoja-Wilanów, Warsaw (305* units); in Osiedle-Moderno (158 units); in Osiedle-Innova 2, Wroclaw (609* units); in Villa Botánica, Powsin-Warsaw (350* units).
 - **99,590 sq. m under development.**



FPP in PLN

FADESA POLNORD POLSKA

Consolidated data according to PAS

	2009 [m. PLN]	2010 [m. PLN]	2011 [m. PLN]	2012 [m. PLN]	2013 [m. PLN]
Revenues	170,2	172,0	208,8	138,9	93,4
Gross sales profit	47,3	53,4	53,2	35,6	16,2
Gross margin	28%	31%	25%	26%	17%



FPP. Completed Projects.

Promotion: ***Ostoja-Wilanów (Warsaw)***: 7 stages completed: 1,658 apartments and commercial units.



Ostoja-Wilanów (stage 1).
Date of delivery: 2007
No. of units: 180 apartments (14,466 sq. m).
7 commercial units (832 sq. m).



Ostoja-Wilanów (stage 3).
Date of delivery: 2009
No. of units: 231 apartments (19,605 sq. m).



Ostoja-Wilanów (stage 2).
Date of delivery: 2009
No. of units: 221 apartments (19,944 sq. m).
4 commercial units (600 sq. m).



Ostoja-Wilanów (stage 4).
Date of delivery: 2009
No. of units: 228 apartments (22,336 sq. m).

FPP. Projects already finished.

Promotion: **Ostoja-Wilanów (Warsaw)**: 7 stages completed, 1,658 apartments and commercials.



Ostoja-Wilanów (stage 5).

Date of delivery: 2010.

Nb of units: 178 apartments (16 525 m²).

13 commercial units (1.212 m²).



Ostoja-Wilanów (stage 6, building C3).

Date of delivery: October 2011.

Nb of units: 262 apartments (16 278 m²).

10 local premises (kindergarden).



Ostoja-Wilanów (stage 7, building C4).

Date of delivery: December 2013.

Nb. of units: 324 apartments (19 688 m²).



Kindergarden in Ostoja-Wilanów.

Located in: stage 6, building C3.

Capacity: 90 children.

Openen from September 2012.

Surface: 596 m² (if included the surface of the garden: 1.375 m²).

FPP. Completed Projects.

Promotion: ***Osiedle Innova (Wroclaw)***: 5 stages completed: 419 apartments and 4 commercials units.



Osiedle-Innova (stage I).

Date of delivery: March 2012.

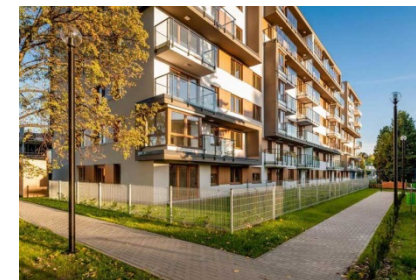
No. of units: 70 apartments (3,763 sq. m).



Osiedle-Innova (stage II).

Date of delivery: June 2012.

No. of units: 70 apartments (3,757 sq. m).



Osiedle-Innova (stage III).

Date of delivery: September 2012

No. of units: 94 apartments

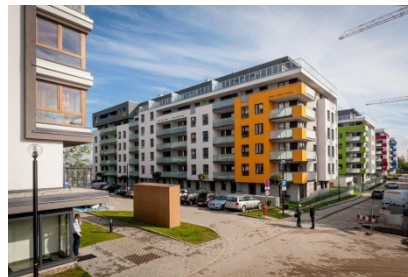
4 commercial premises (4,833 sq. m).



Osiedle-Innova (stage IV).

Date of delivery: September 2013.

No. of units: 92 apartments (4,468 sq. m).



Osiedle-Innova (stage V).

Date of delivery: September 2013.

No. of units: 92 apartments (4,468 sq. m).

FPP. Projects under Construction.

- 4 stages under construction (1 in Ostoja-Wilanów, Warsaw; Osiedle-Moderno, Wroclaw, and 2 in Osiedle-Innova, Wroclaw)
- 406 apartments under construction in Warsaw and Wroclaw.
- 22,977 m² under construction.



PREPARATORY WORKS

Ostoja-Wilanów, Warsaw (stage 6.A, buildings B4 + C2).

No. of units: 320 apartments (21,494 sq. m)

Breaking ground (PREPARATORY WORKS): January 2014.

Progress to date: --%

On sale since: Q2 2014.



Osiedle-Innova, Wroclaw (stages VI and VII).

No. of units: 56 and 56 apartments (6,453 sq. m).

Breaking ground: March 2013.

Progress to date for both stages: 66% (as at 31 March 2014).

Delivery date: Q4 2014.

Stage VI on sale since: April 2013 (52% presold as at 31 March 2014).

Stage VII on sale since: November 2013 (45% presold at 31 March 2014).



Osiedle-Moderno, Wroclaw.

No. of units: 158 units (7,268 sq. m).

Breaking ground: March 2014.

Progress to date: 1% (at 30 April 2014).

Delivery date: Q4 2015.

On sale since: April 2014 (2,5% presold at 30 April 2014).



Osiedle-Innova, Wrocław. Stages 1 to 5 from right (blue facade) to left.

FPP. Projects under Development

1,300 residential units under development in Warsaw, Wroclaw, and Powsin.



Ostoja-Wilanów, Warsaw.

No. of units: 305 units in 5 buildings.
Building C2*: 126 units (existing project, 12,847 sq. m).
Building B4: 136 units (9,189.6 sq. m).
Building B2*: 43 units (existing project, 5,044 sq. m).



Villa Botánica, Powsin (Warsaw).

No. of units: 350* units in 2 stages.
Stage 1 (13,071 sq. m)
Stage 2 (16,903 sq. m)



Innova Housest, Wroclaw.

Total no. of units (whole plot): 609* apartments (29,805 sq.m + 5,500 sq.m commercial)

First stage:

No. of units: 206 apartments (10,250 sq. m).

Breaking ground^(forecast): September 2014

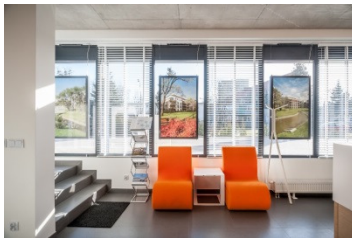
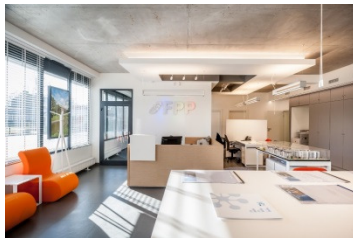
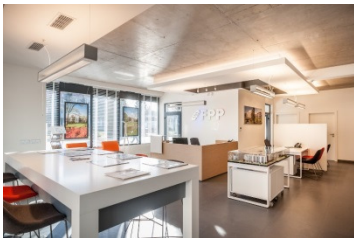
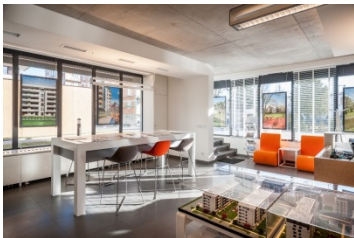
Launch of commercialisation^(forecast): September 2014 (forecast)



Warsaw
Company's Head Office
Project – Ostoja Wilanów
Sales office
 • 2,006 apartments

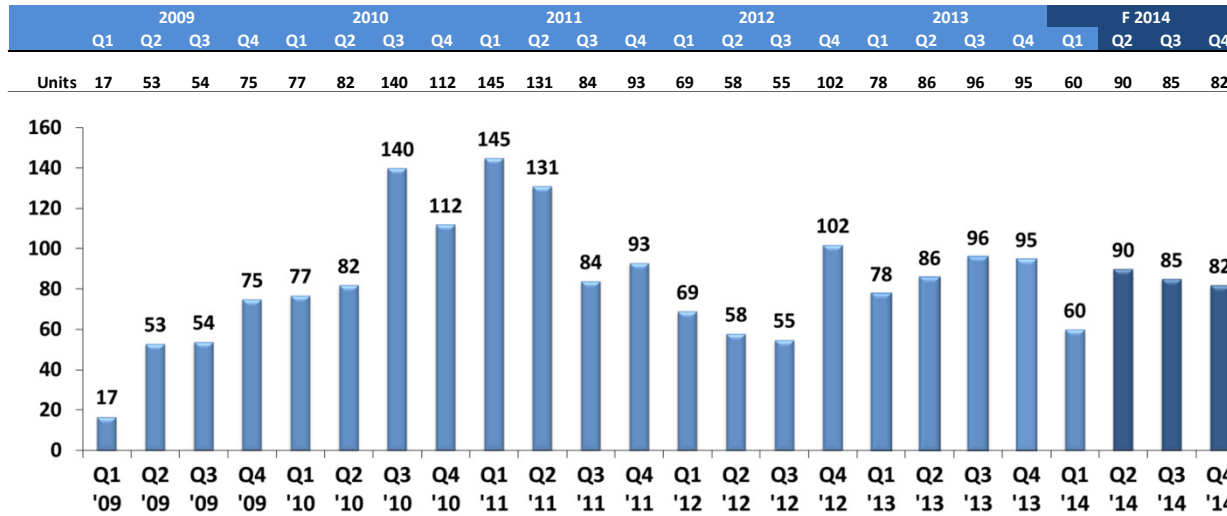
Powin
Project – Villa Botanica
 • 350 apartments

Regional Office
Projects – Osiedle Innova & Osiedle Moderno
 • 1,300 apartments
 • 3 sales offices

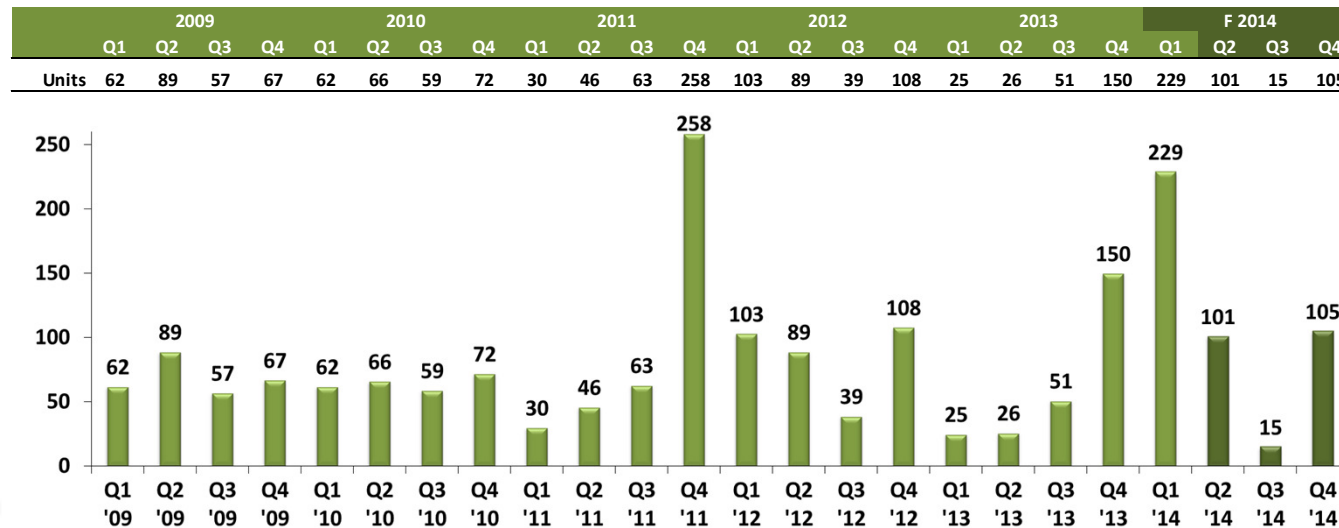


FPP Quarterly Presales and Deliveries (from 2009).

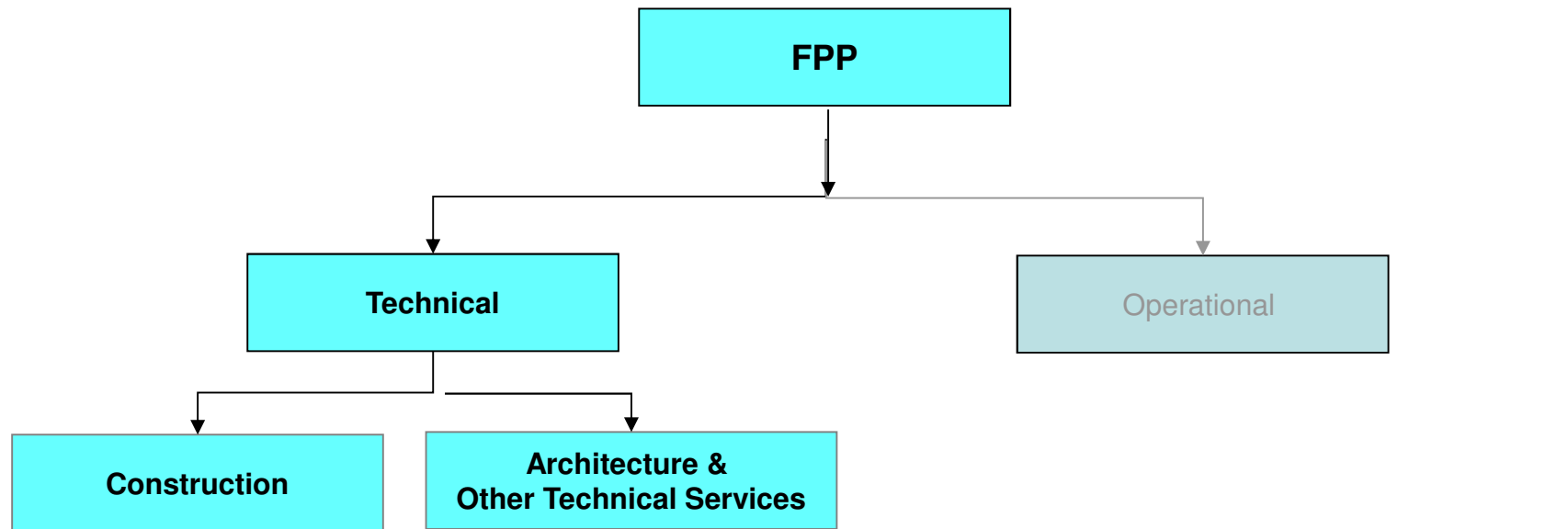
Presales from 2009 with Q2-Q4 2014 forecast.



Deliveries from 2009 with Q2-Q4 2014 forecast.



FPP. Internal Organisation: Technical Department (Construction, Architecture & Consulting).



- FPP's Technical Department is responsible for construction and infrastructure development for projects.

- FPP appoints a project manager and a technical team (4 members) for every project supervised by FPP's Technical Director.

- Construction Process: General Contractor (OSIEDLE-INNOVA, Wroclaw) vs. subcontractors (OSTOJA-WILANÓW, Warsaw).

Architecture

- FPP's Architectural Director.
- Responsible for ensuring compliance with designs at every stage of construction process.

COCO system – Technical Controller

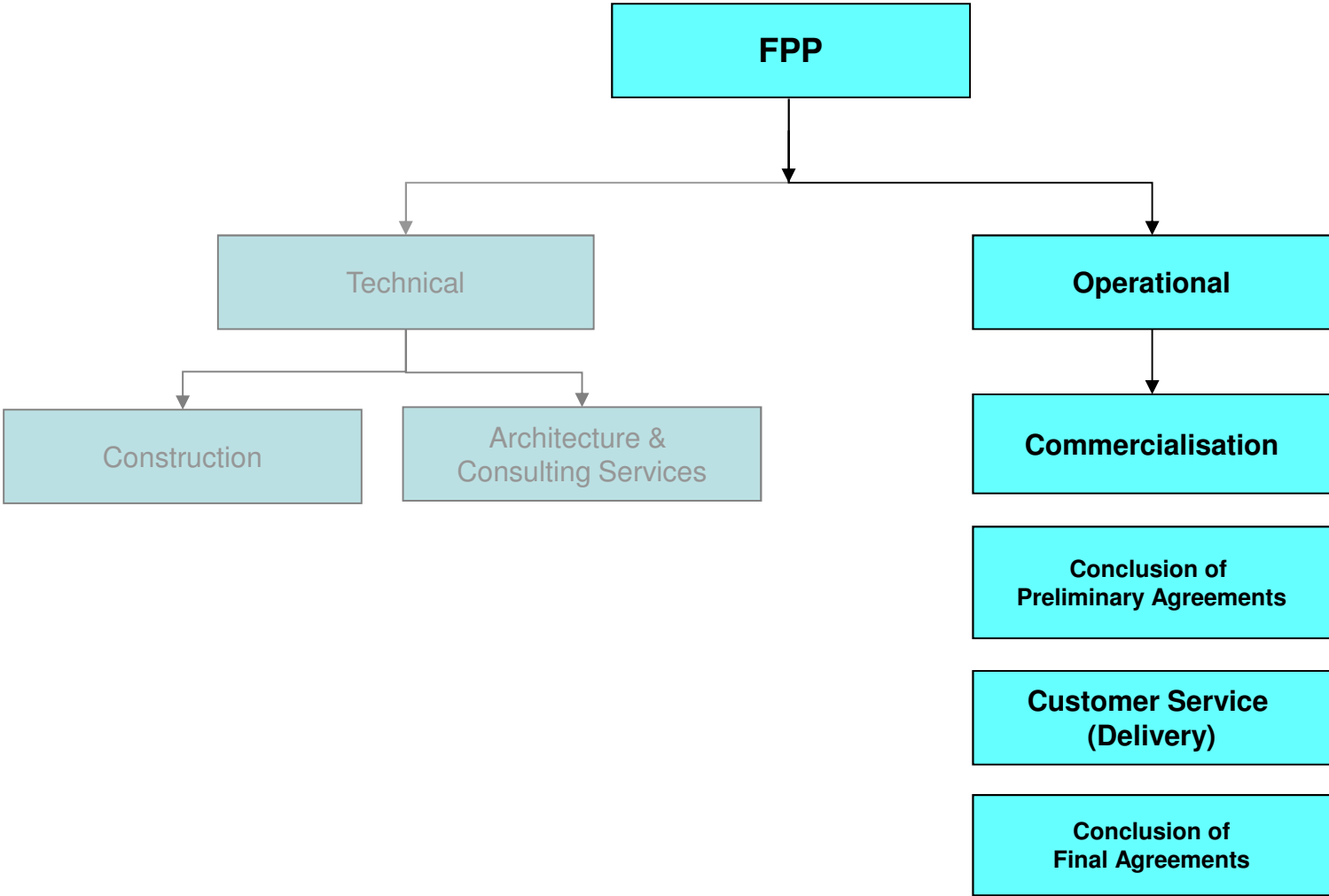
- Use of FPP's tailor-made software for construction site cost control.

Quality Inspector

- A third-party inspector. His function is to guarantee top quality of the construction works.

Safety Inspector

FPP. Internal Organisation. Operational Department.



FPP. Internal Organisation.

Back Office Services

• New development:

- Technical, legal, and commercial review of potential plots/projects.
- Design of the product (on offer).
- Full study of pricing policy.
- Appraisals.

• Financial Controller

Monthly review of project costs & profitability.

• Technical Controller

(COCO system).
Monthly review of costs of works using tailor-made software.

• Marketing

FPP general and special marketing campaigns.

Sales Management

- FPP commercial team.

Additional external team (agents).

Financial & Other Services

Sales Administration management:

- Preliminary and final agreements.
- Negotiations of agreements with customers.
- Management of payments from customers.
- Project Prospectus.
- All administrative work is in compliance with the new Act on Protection of Consumers (effective since 29 April 2012).

Customer Service management.

- Day-to-day assistance to customers.
- Direct telephone line.
- Delivery of apartments.
- Follow-up on customer claims, if any, relating to apartments.

Legal Back Office.

Financial Services.

- Financing for projects.
- Financial management.

Accounting Services.

- All the accounting work is handled at FPP headquarters in Warsaw.

Interior Design management.

- Management of conversions in units requested by customers, in any.

Case study: Building C3 (262 units, October 2009 - December 2011), Ostoja-Wilanów (Warsaw).

The data below relates to FPP's 2011 performance. In total: 453 presales, 397 deliveries, and 411 final sales agreements.

FPP's current model shows that **85% of residential units** are sold during the construction period. As soon as the construction is complete, 85% of units are delivered within 60 days from obtaining the (final) occupancy permit. Finally, final sales agreements are signed within 60 days from the delivery of the apartment.

FPP has successfully implemented the model on its seven most recent projects: (2) in Warsaw, Ostoja-Wilanów, building C3 (262 residential units, 2009-11) and building C4 (324 apartments, standard part -170 units-, 2011-2013); (5) in Wrocław, Osiedle-Innova, stage I (71 residential units, 2010-2012), stage II (70 units, 2011-2012), stage III (96 units, 2011-2012), stage IV (92 units, 2012-2013), and stage V (92 units, 2012-2013).

The gross margin of at least **20%-25%**.

In order to meet the above target for building C3 (262 units) in Ostoja-Wilanów (Warsaw), FPP sold monthly 9.8 units during the construction period, delivered daily 7.15 units, and signed daily 5 final sales agreements (as notarial deeds) during Q4 2011.

The promotion of building C3 in Ostoja-Wilanów involves a 262-apartment residential building located in Warsaw (Wilanów District). The construction started in October 2009, following the 2008 financial crunch. The building is located in an area (Miasteczko Wilanów) where several of FPP's competitors also operate.

CONCLUSION: WITHIN A PERIOD OF 36 MONTHS, we manage to generate return on our investment (from project concept to the conclusion of final sales agreements with customers).

		2009												2010												2011												2012					
		1	2	3	4	5	6	7	8	9	10	11	12	1	2	3	4	5	6	7	8	9	10	11	12	1	2	3	4	5	6	7	8	9	10	11	12	1	2	3	4	5	6
Units	Months																																										
262	Construction	█																								█																	
258	Sale											█												█																			
258	Delivery																									█																	
245	Final sales agreements																									█						█											



FPP sales office in Wrocław, March 2014.

FADESA POLNORD POLSKA Spółka z o.o.
Al. Jerozolimskie 94, 00-807 Warsaw (Poland)
Phone: + 48 22 24 28 888, Fax: +48 22 242 88 89
Email: biuro@fadesapolnord.pl

May 2014