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SPRZEDANYCH
MIESZKAŃ

22 July 2014 SP (ENG) PL

FPP *review*

IIQ14





Internal courtyard, building C4, Ostoja-Wilanów, Warsaw., FPP, May 2014.

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). The company operates in Warsaw and Wroclaw. To 30 June 2014, FPP has sold 2.118 apartments and delivered 1.987 units. Sales revenues have yearly exceeded 155 million zloty for the last five years on average. Finally, FPP projects are financed by entities such as bank PEKAO S.A. or bank GETIN NOBLE S.A.

- Promotions:

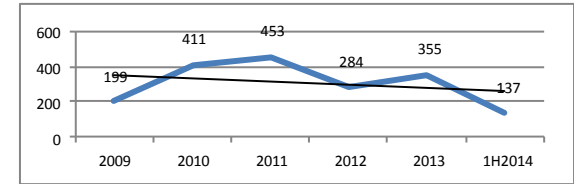
- Ostoja-Wilanów, Warsaw (2,042* units). www.ostoja-wilanow.com
- Osiedle-Innova, Wroclaw (535 units). www.osiedle-innova.com
- Osiedle-Innova II, Wroclaw (609* units).
 - First stage: APARTAMENTY INNOVA^{s1} (206 units).
- Villa Botanica, Powsin-Warsaw (350* units). www.villa-botanica.com
- Osiedle Moderno, Wroclaw (158 units) www.osiedlemoderno.pl

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

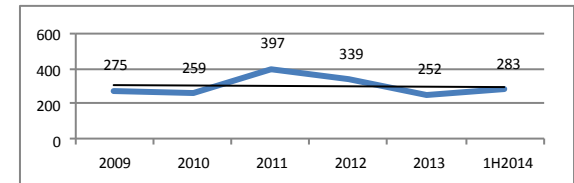


FPP. Key Data

- **2,118 apartments sold** until 30 June 2014.
- **1,839 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, 137 units sold in 1H2014)



- **1,987 units delivered** until 30 June 2014.
- **1,805 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, 283 units delivered in 1H2014)



2014 data (execution for 1H2014):

-Presales: 137 units.

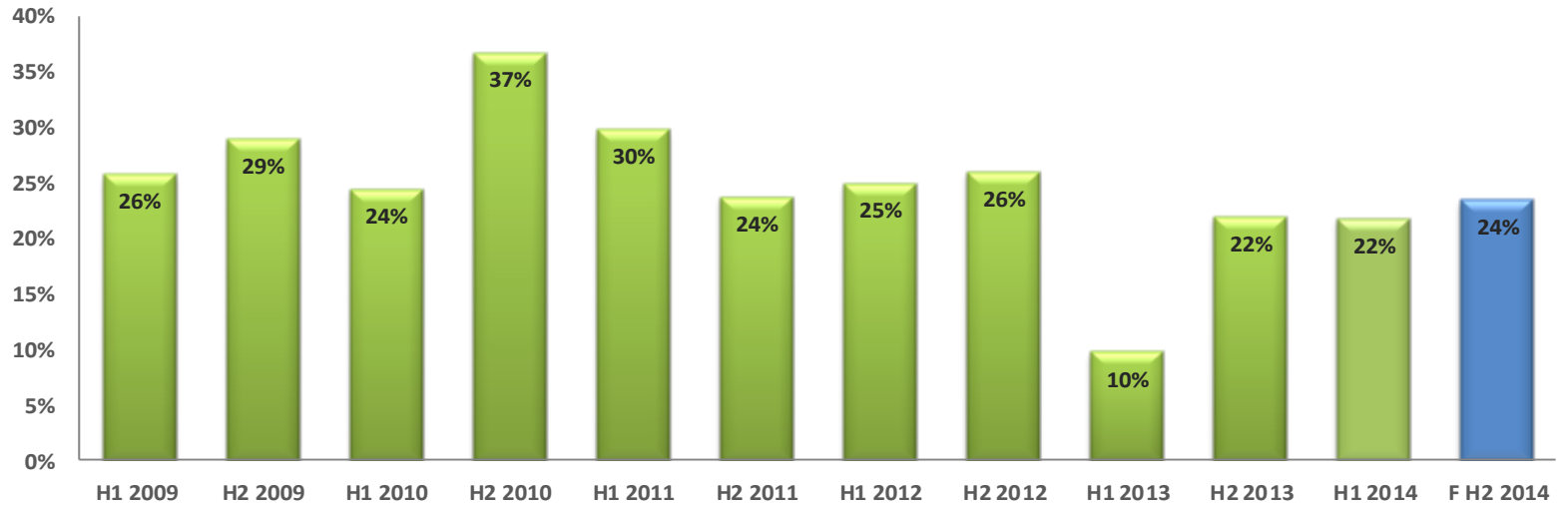
-Deliveries: 283 units.

- **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).

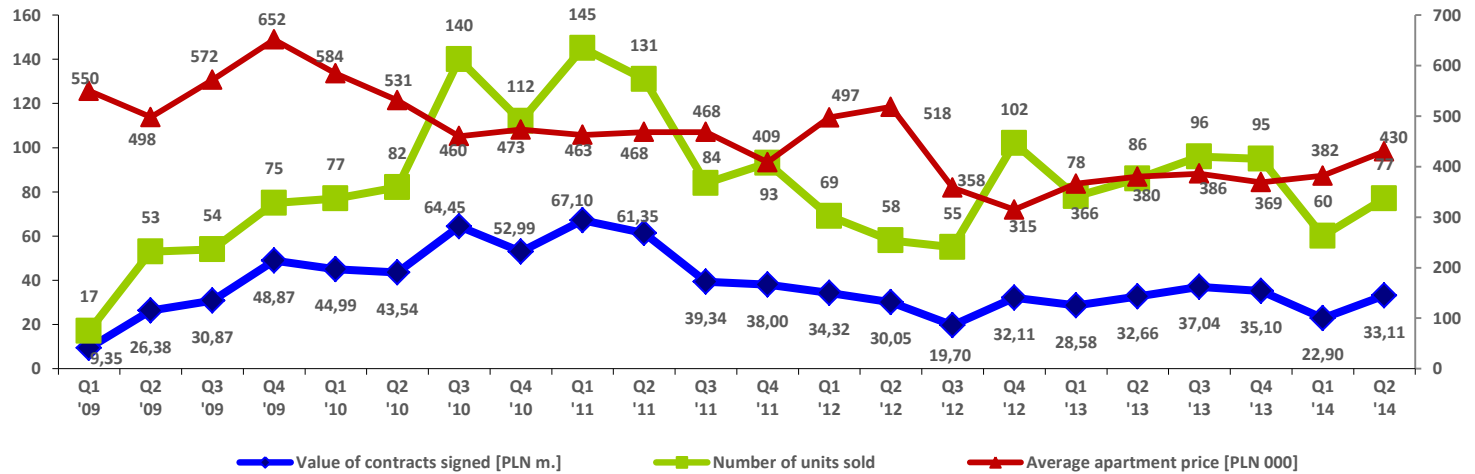


Performance Highlights

- Gross margin (from 2009).

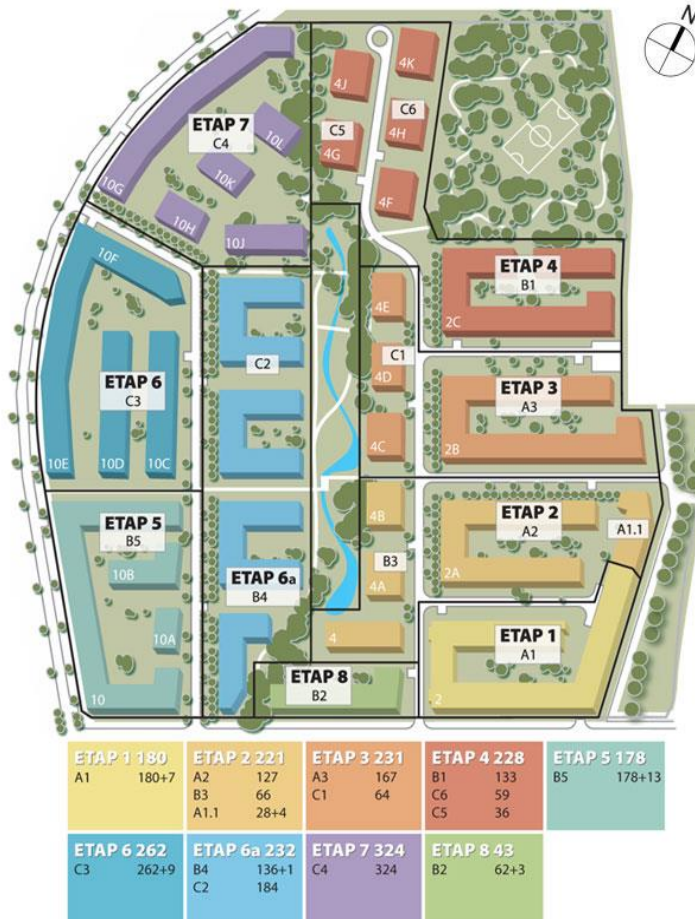


- Quarterly presales (from 2009).

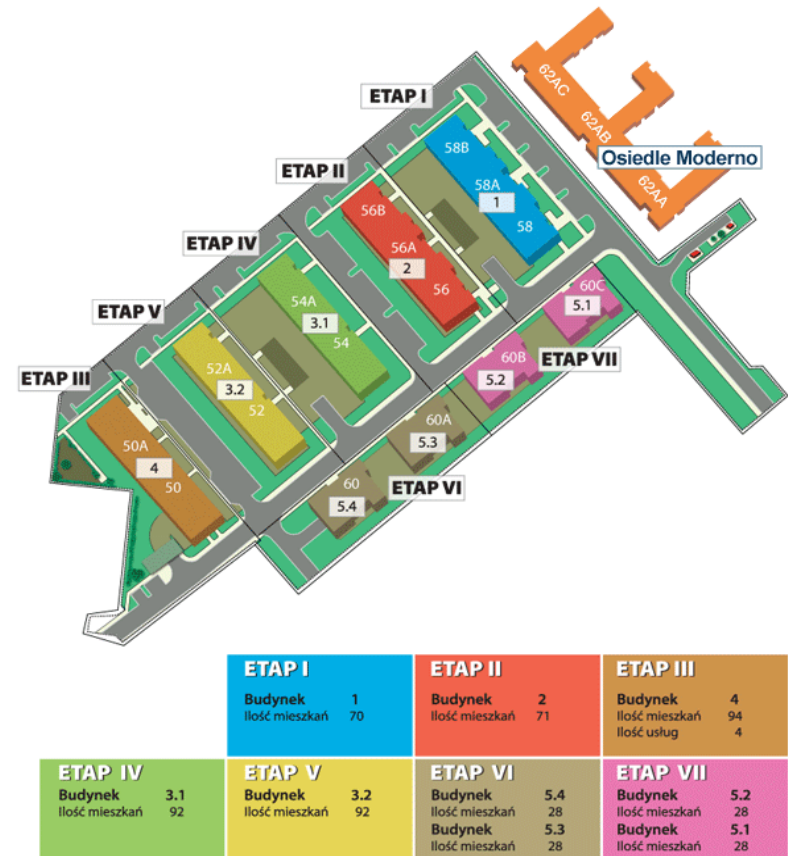


FPP, Current Projects in Poland

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



Osiedle-Innova (531 residential units) & Osiedle-Moderno (158 residential units), Wrocław.





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 30 June 2014)
 - **2,924.4 sq. m** completed and unsold (1,842.4sq. m residential and 1,082 sq. m commercial).
 - **30 apartments** completed and unsold in Ostoja-Wilanów, Warsaw (1,769 sq. m residential).
 - **7 commercial units** in Ostoja-Wilanów, Warsaw (1,082 sq. m commercial).
 - **1 apartment** completed and unsold in Osiedle-Innova, Wroclaw (73,4 sq. m residential).
- **Under construction** (as at 30 June 2014)
 - **4 stages** (1 in Warsaw and 3 in Wroclaw),
 - **406 apartments under construction** (1 in Warsaw, 136 units, and 3 in Wroclaw (270 units).
 - **22,913 sq. m under construction.**
- **Under development:** (as at 30 June 2014)
 - **4 projects under development, 8 stages** (2 stages in Ostoja-Wilanów, Warsaw; 4 stages in Osiedle-Innova 2, Wroclaw; 2 stages in Villa Botánica, Powsin-Warsaw).
 - **1,128 apartments under development** in Ostoja-Wilanów, Warsaw (169* units); in Osiedle-Innova 2, Wroclaw (609* units); in Villa Botánica, Powsin-Warsaw (350* units).
 - **83,170 sq. m under development.**



FPP in zloty

Selected financial data FPP Group [in million PLN]

	2009	2010	2011	2012	2013	First half 2014
Revenues	170,20	172,02	208,76	138,91	93,36	123,67
Gross sales profit	47,30	53,43	53,16	35,60	16,20	26,90
Gross margin	28%	31%	25%	26%	17%	22%
Profit on operating activities	45,9	32,66	28,03	20,97	3,58	19,10
Net profit	7,76	18,12	9,73	16,11	3,49	13,15
Assets	596,77	505,40	403,74	385,29	369,27	277,50
Equity	31,88	51,62	63,63	78,02	81,52	95,59
Credit liabilities	321,34	214,83	91,08	83,50	43,31	3,85



FPP. Completed Projects

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



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 commercial 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; 1 in Osiedle-Moderno, Wroclaw, and 2 in Osiedle-Innova, Wroclaw).
- 406 apartments under construction in Warsaw and Wroclaw.
- 22,913 m² under construction.



Ostoj-Wilanów, Warsaw (stage 6.A, buildings B4).

No. of units: 136 apartments (9,217 sq. m)

Breaking ground: May 2014.

Progress to date: 9% (as at 30 June 2014).

Delivery date: Q216

On sale since: May 2014 (21% presold at 30 June 2014).



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

No. of units: 112 apartments (6,453 sq. m).

Breaking ground: March 2013.

Progress to date for both stages: 83% (as at 30 June 2014).

Delivery date: Q4 2014.

Stage VI on sale since: April 2013 (60% presold as at 30 June 2014).

Stage VII on sale since: November 2013 (58% presold at 30 June 2014).



Osiedle-Moderno, Wroclaw.

No. of units: 158 units (7,243 sq. m).

Breaking ground: March 2014.

Progress to date: 6% (at 30 June 2014).

Delivery date: Q4 2015.

On sale since: April 2014 (8% presold at 30 June 2014).



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

FPP. Projects under Development

1,128 residential units under development in Warsaw, Wroclaw, and Powsin (**83,170 sq. m** under development)



Ostoja-Wilanów, Warsaw.

No. of units: 169 units in 3 buildings.

Building C2*: 126 units (existing project, 12,847 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)



Osiedle-Innova plot number 2, Wroclaw.

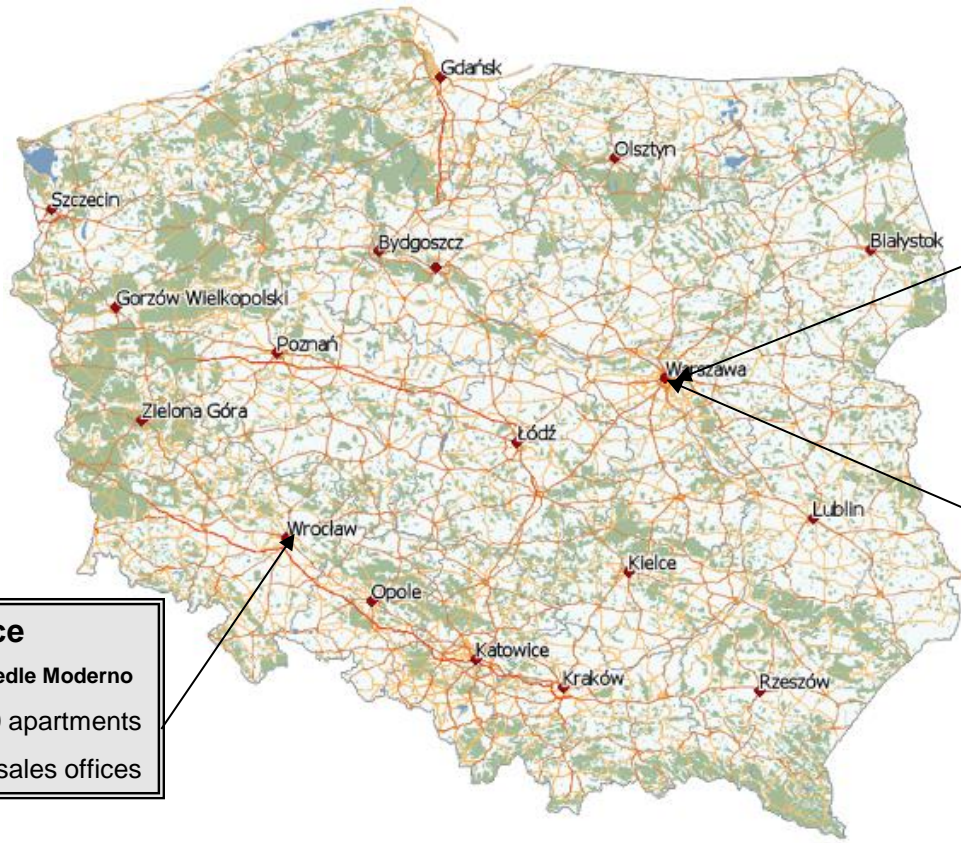
Total no. of units (whole plot): 609* apartments (29,805 sq.m + 5,500 sq.m commercial)

First stage: *Apartmenty Innova*

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
 • 2,042 units

Powsin
 Project – Villa Botanica
 • 350 apartments

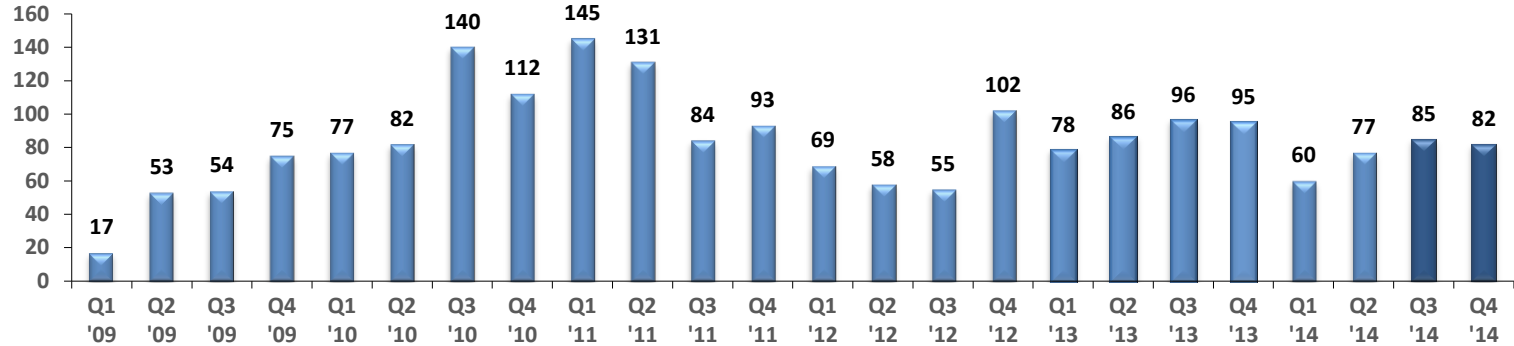
Regional Office
 Projects: Osiedle Innova & Osiedle Moderno
 • 1,300 apartments
 • 3 sales offices



FPP Quarterly Presales & Deliveries (from 2009)

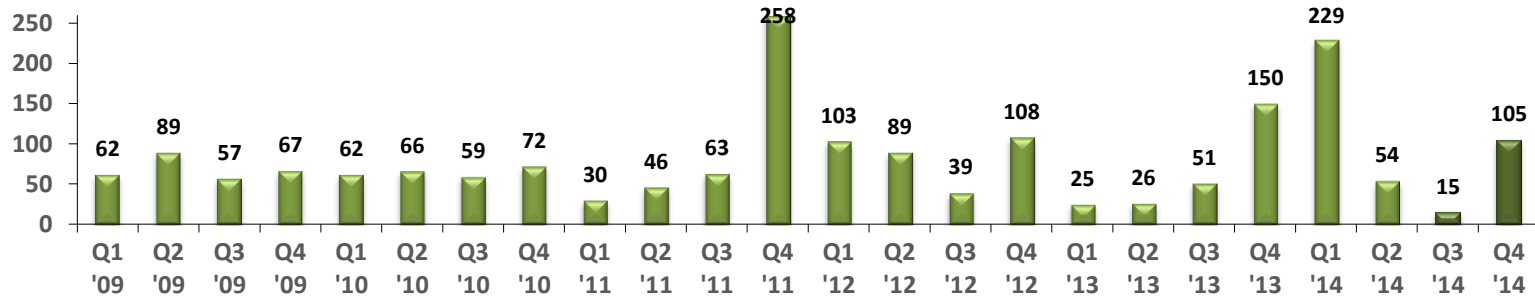
Presales from 2009 with second half 2014 forecast

Units	2009				2010				2011				2012				2013				F 2014			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Units	17	53	54	75	77	82	140	112	145	131	84	93	69	58	55	102	78	86	96	95	60	77	85	82

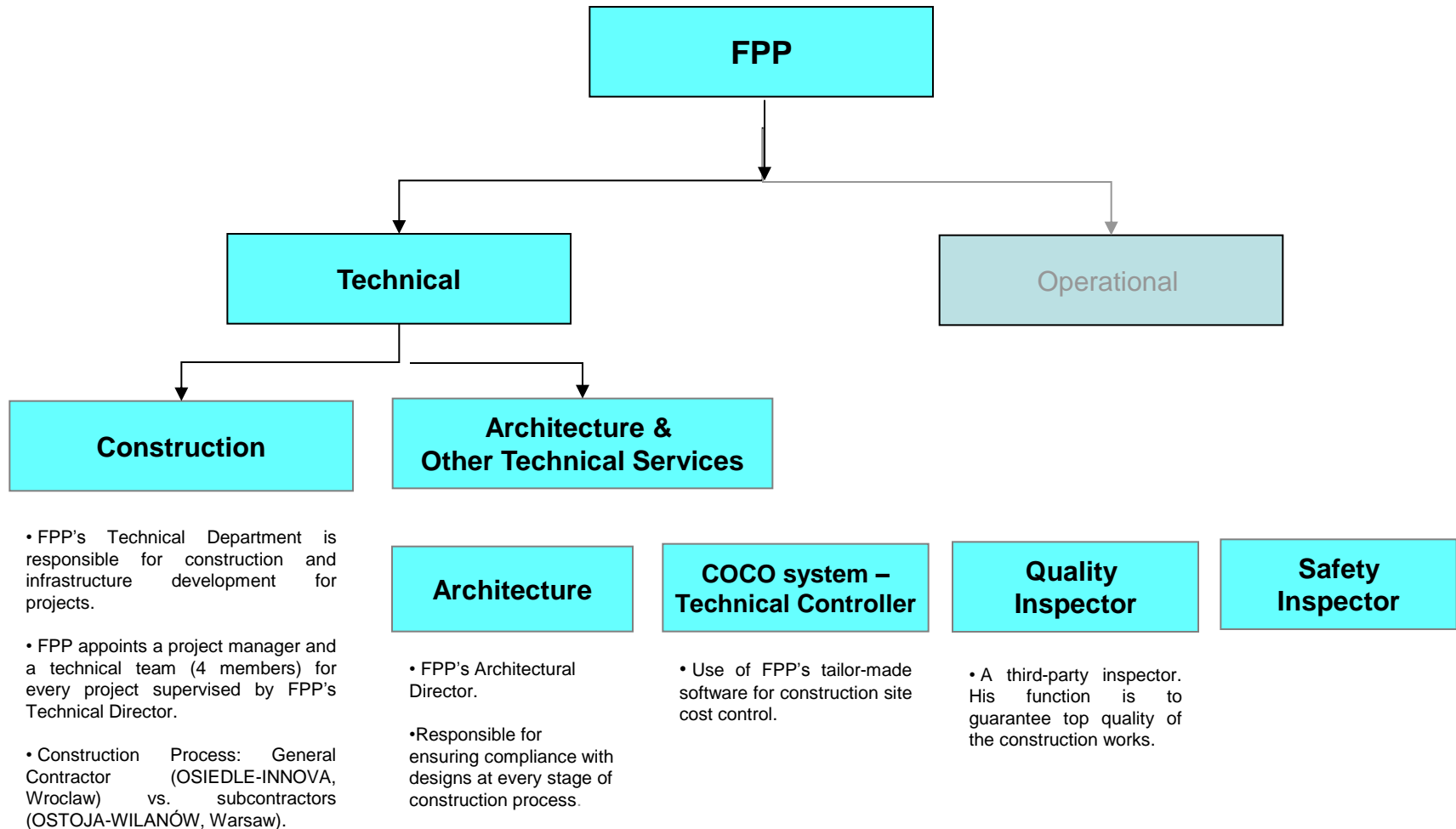


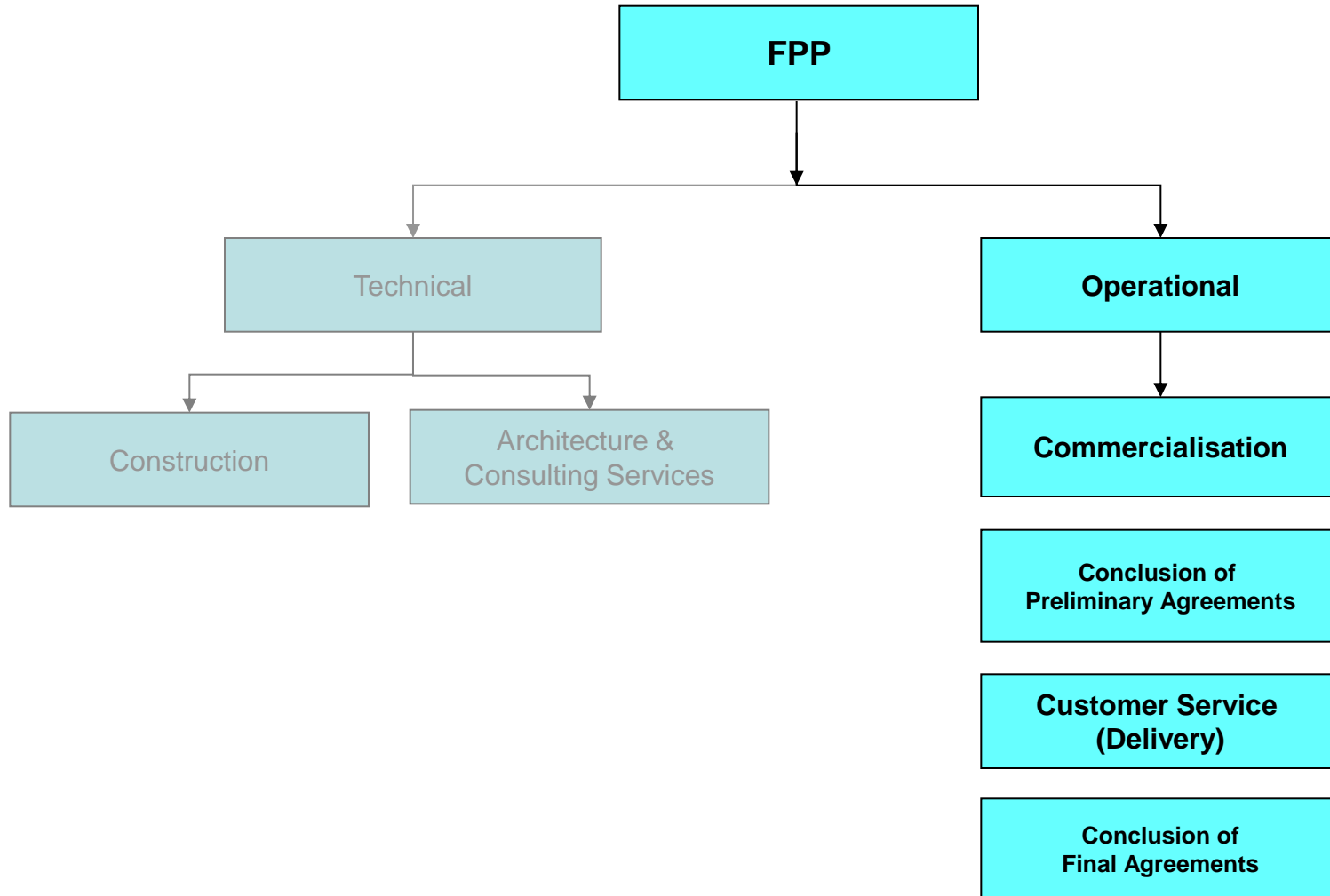
Deliveries from 2009 with second half 2014 forecast

Units	2009				2010				2011				2012				2013				F 2014			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Units	62	89	57	67	62	66	59	72	30	46	63	258	103	89	39	108	25	26	51	150	229	54	15	105



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





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: FPP model

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 (851 apartments): (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 Wroclaw, 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%**.

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. As said above, this model has been repeated 6 times afterwards.

In order to meet the above targets 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	█																								█																	



1. Company's Head Office:

1. **Adress:** Aleja Jerozolimskie, 94. (00-807) Warszawa.
2. **Tlf. :** + 48 22 24 28 888
3. **Email address:** biuro@fadesapolnord.pl
4. **Website:** www.fadesapolnord.pl



2. Sales Office, Ostoja-Wilanów:

1. **Adress:** Ulica Hlonda, 2, Miasteczko Wilanów, Warsaw
2. **Tlf.:** + 48 22 550 13 70
3. **Email address:** ostojawilanow@fadesapolnord.pl
4. **Website:** www.ostoja-wilanow.com
5. **Sales & Marketing Director:** Malgorzata Gryc.



Villa Botanica: same references as Ostoja-Wilanów (above).

1. Regional office Wroclaw:

1. **Adress:** ulica Nyska 50, Krzyki, Wroclaw.
2. **Tlf:** +48 71 712 04 02
3. **Regional director:** Krzysztof Winnicki.



2. Sales Office, Osiedle-Innova & Osiedle-Moderno:

1. **Adress:** ulica Nyska 50, Krzyki, Wroclaw.
2. **Tlf:** +48 71 712 04 02
3. **Email Osiedle-Innova:** osiedleinnova@fadesapolnord.pl
4. **Email Osiedle-Moderno:** osiedlemoderno@fadesapolnord.pl
5. **Osiedle-Innova website:** www.osiedle-innova.com
6. **Osiedle-Moderno website:** www.osiedlemoderno.com



Ostoja-Wilanów from avenue Rzeczpospolita, Warsaw, at night. The picture was taken in September 2011.

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July 2014