

FPP *review*

IIIQ14

500 apartments sold in Wroclaw





Stages VI & VII, OSIEDLE-INNOVA, 531 apartments and 4 commercial premises., Wrocław (September 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 September 2014, FPP has sold 2.185 apartments and delivered 2.008 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:

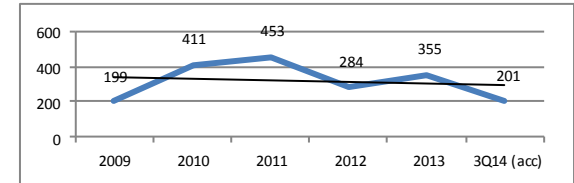
- Ostoja-Wilanów, Warsaw (2,042* units). www.ostoja-wilanow.com
- Osiedle-Innova, Wroclaw (535 units). www.osiedle-innova.com
- Osiedle-Innova II, Wroclaw (609* units).
 - First stage: APARTAMENTY INNOVA^{s1} (206 units).
- Villa Botanica, Powsin-Warsaw (350* units). www.villa-botanica.com
- Osiedle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

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

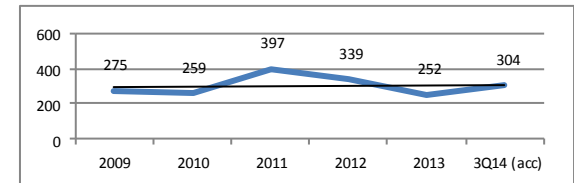


FPP. Key Data

- **2,185 apartments sold** until 30 September 2014.
- **1,903 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, 201 units sold in 3Q2014 –accumulated-)



- **2,008 units delivered** until 30 September 2014.
- **1,827 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, 304 units delivered in 3Q2014 –accumulated-).



2014 data (execution for 3Q2014 –accumulated-):

-Presales: 201 units.

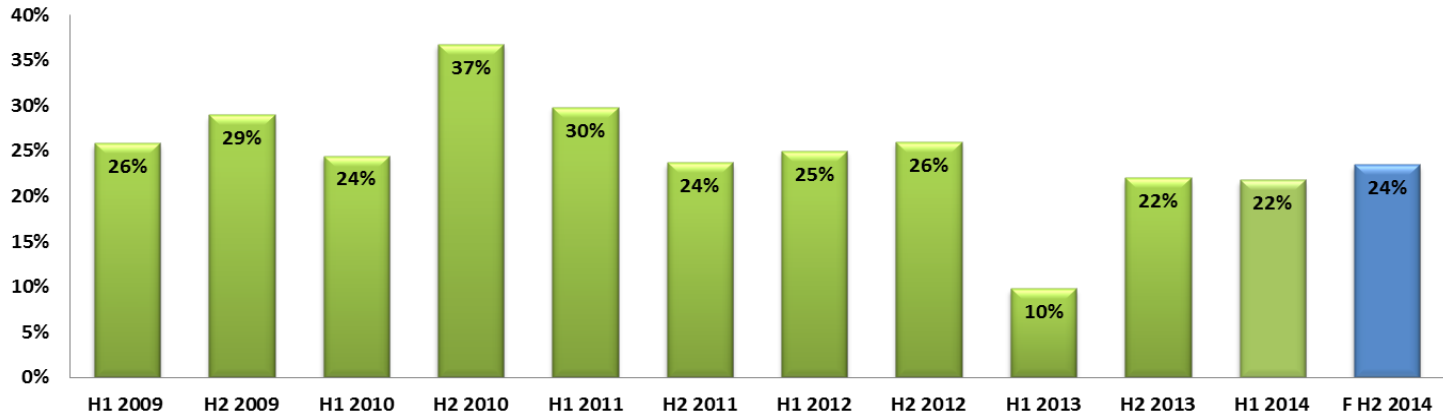
-Deliveries: 304 units.

- **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).

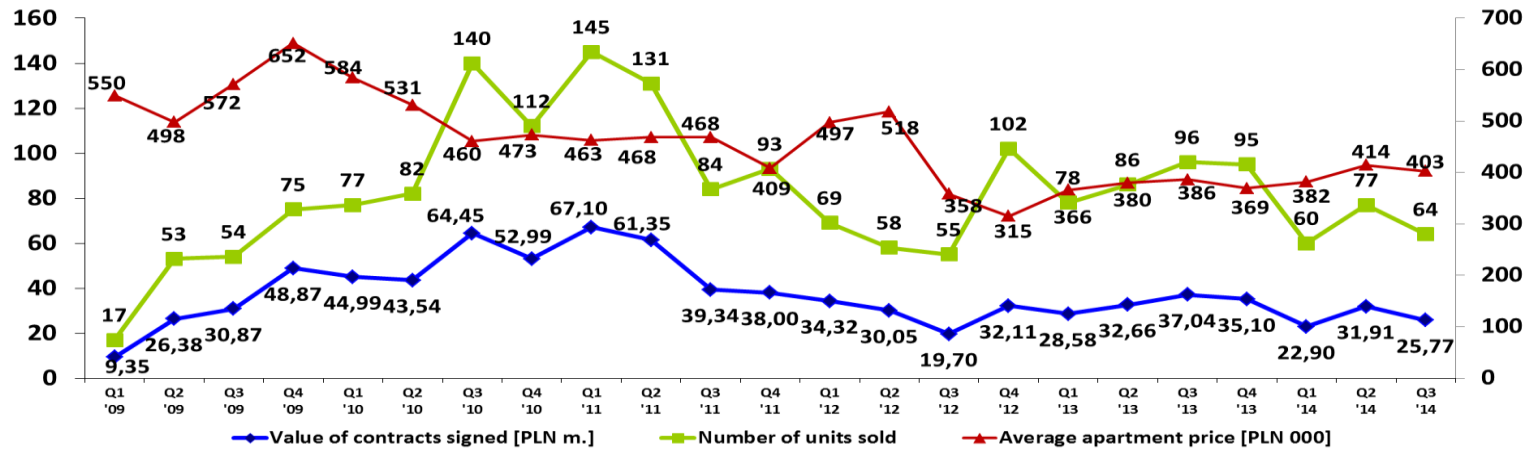


Performance Highlights

- Gross margin (from 2009).



- Quarterly presales (from 2009).



FPP, Current Projects in Poland

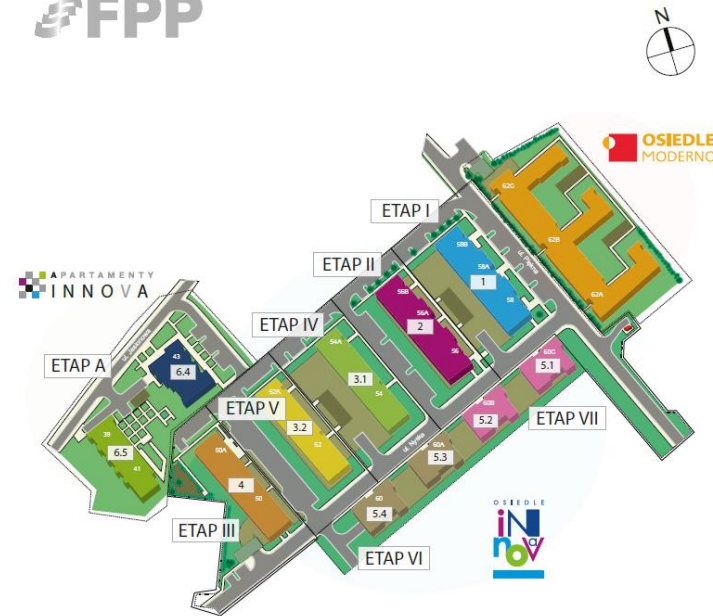
Ostoja-Wilanów, Warsaw (2,006* residential units).



ETAP 1 180 A1 180+7	ETAP 2 221 A2 127 B3 66 A1.1 28+4	ETAP 3 231 A3 167 C1 64	ETAP 4 228 B1 133 C6 59 C5 36	ETAP 5 178 B5 178+13
ETAP 6 262 C3 262+9	ETAP 6a 232 B4 136+1 C2 184	ETAP 7 324 C4 324	ETAP 8 43 B2 62+3	

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

FPP



	IŁOŚĆ MIESZKAN	IŁOŚĆ LOKALI USŁUGOWYCH	IŁOŚĆ MIEJSC POSTOJOWYCH W GARAZU
APARTAMENTY INNOVA	2 0 6	4	2 4 4
OSIEDLE INNOVA	5 3 1	4	5 0 4
OSIEDLE MODERNO	1 5 8	-	1 8 9



Park in Ostoja-Wilanów, Warsaw (September 2014).

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

- **Completed:**
 - **14 stages:** 7 in Ostoja-Wilanów, Warsaw, and 7 in Osiedle-Innova, Wroclaw.
 - **2,155 apartments completed:** 1,624 units in Warsaw and 531 units in Wroclaw.
 - **160,696 sq. m completed:** 132,902 sq. m in Warsaw and 27,794 sq. m in Wroclaw.
- **Units completed and unsold** (as at 30 September 2014)
 - **4,471 sq. m** completed and unsold (3,389 sq. m residential and 1,082 sq. m commercial).
 - **23 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).
 - **26 apartments** completed and unsold in Osiedle-Innova, Wroclaw (1.620 sq. m).
- **Under construction** (as at 30 September 2014)
 - **2 stages** (1 in Warsaw and 1 in Wroclaw).
 - **294 apartments under construction** (1 in Warsaw, 136 units, and 1 in Wroclaw, 158 units).
 - **16,433 sq. m under construction.**
- **Under development:** (as at 30 September 2014)
 - **3 projects under development, 7 stages** (2 stages in Ostoja-Wilanów, Warsaw; 3 stages in Apartamenty Innova, 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	Q1-Q3 2014
Revenues	170,20	172,02	208,76	138,91	93,36	135,4
Gross sales profit	47,30	53,43	53,16	35,60	16,20	29,41
Gross margin	28%	31%	25%	26%	17%	22%
Profit on operating activities	45,9	32,66	28,03	20,97	3,58	19,6
Net profit	7,76	18,12	9,73	16,11	3,49	12,4
Assets	596,77	505,40	403,74	385,29	369,27	280,1
Equity	31,88	51,62	63,63	78,02	81,52	94,8
Credit liabilities	321,34	214,83	91,08	83,50	43,31	1,2



FPP. Completed Projects

Promotion: ***Ostoja-Wilanów (Warsaw)***: 7 stages completed: 1,657 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, 1,657 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.

Opened from September 2012.

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

FPP. Completed Projects

Promotion: **Osiedle Innova (Wroclaw)**: 7 stages completed: 531 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: 71 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).



Osiedle-Innova (stages VI & VII).

Date of delivery: October 2014.

No. of units: 112 apartments (6,453 sq. m).
Presold: 87% (as at 30 October 2014)

FPP. Projects under Construction

- **2 stages under construction** (1 in Ostoja-Wilanów, Warsaw; 1 in Osiedle-Moderno, Wroclaw).
- **294 apartments under construction in Warsaw and Wroclaw.**
- **16,460 m² under construction.**



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

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

Breaking ground: May 2014.

Progress to date: 25% (as at 30 September 2014).

Delivery date: Q216

On sale since: May 2014 (32% presold at 30 September 2014).



Osiedle-Moderno, Wroclaw.

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

Breaking ground: March 2014.

Progress to date: 23% (at 30 September 2014).

Delivery date: Q4 2015.

On sale since: April 2014 (17% presold at 30 September 2014).



Osiedle-Innova at dusk, Wrocław (Poland). August 2014.

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)



Apartamenty Innova, Wroclaw.

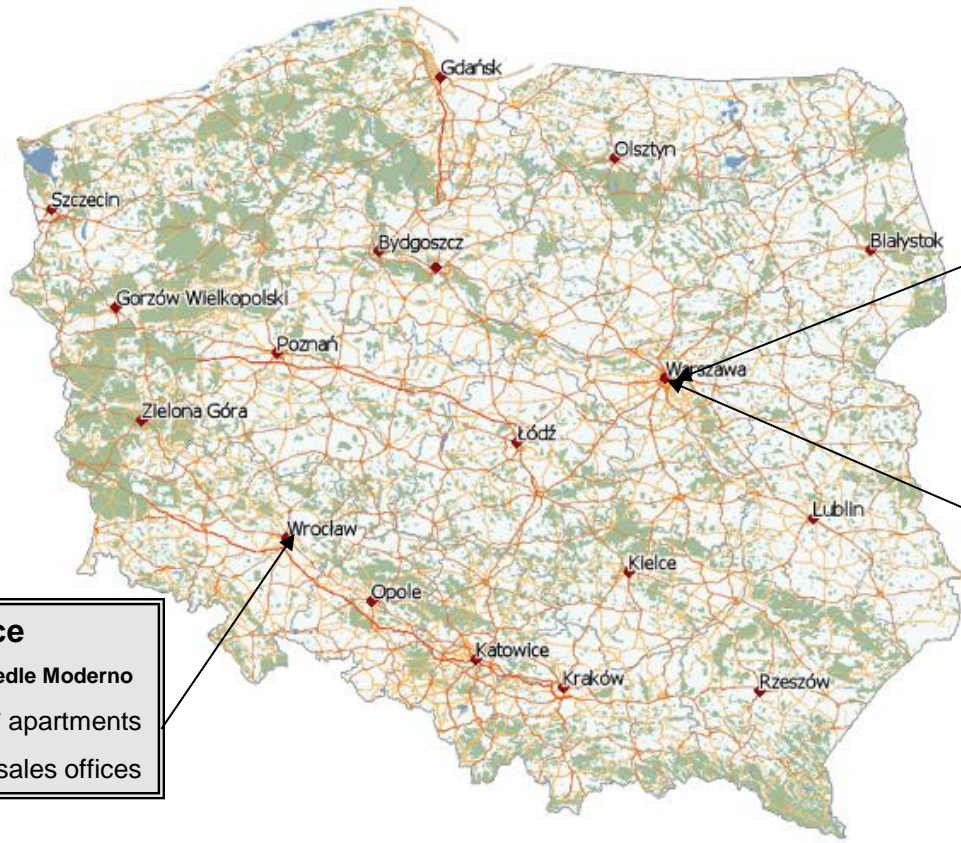
Total no. of units (whole plot): 609* apartments (29,805 sq.m + 5,500 sq.m commercial)

First stage: Apartamenty Innova (10.249 sq. m)

No. of units: 206 apartments (9,902 sq. m) + 3 commercial premises (347 sq. m)

Breaking ground: November 2014

Launch of commercialisation: November 2014 (forecast)



Warsaw
Company's Head Office
Project – Ostoja Wilanów
Sales office
• 2,042* units

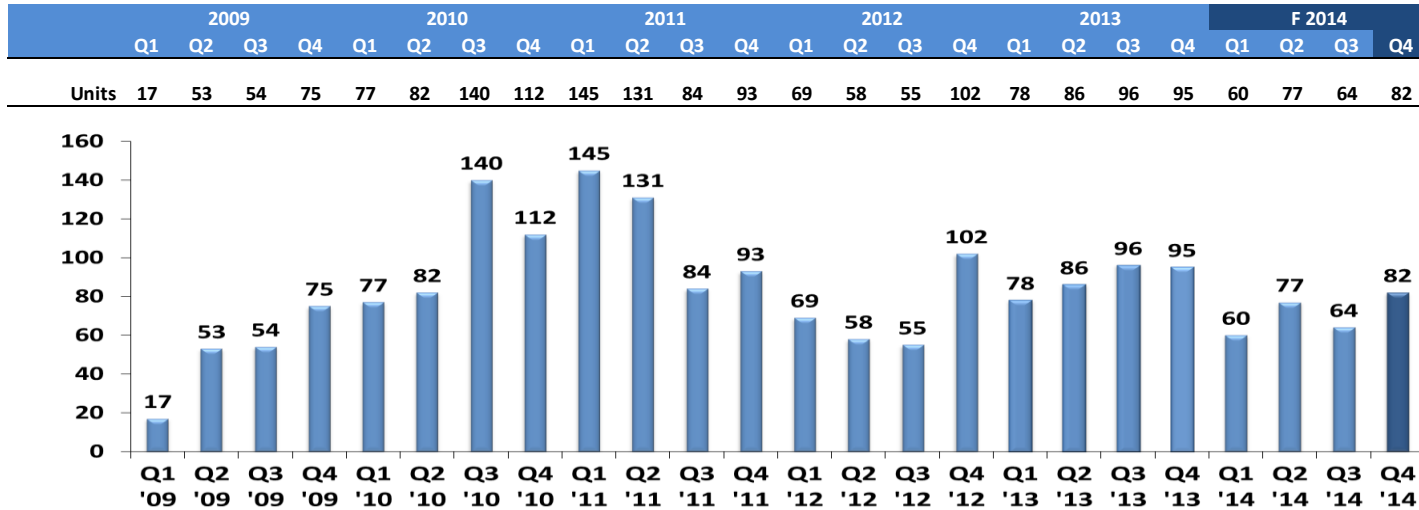
Powisin
Project – Villa Botanica
• 350* apartments

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

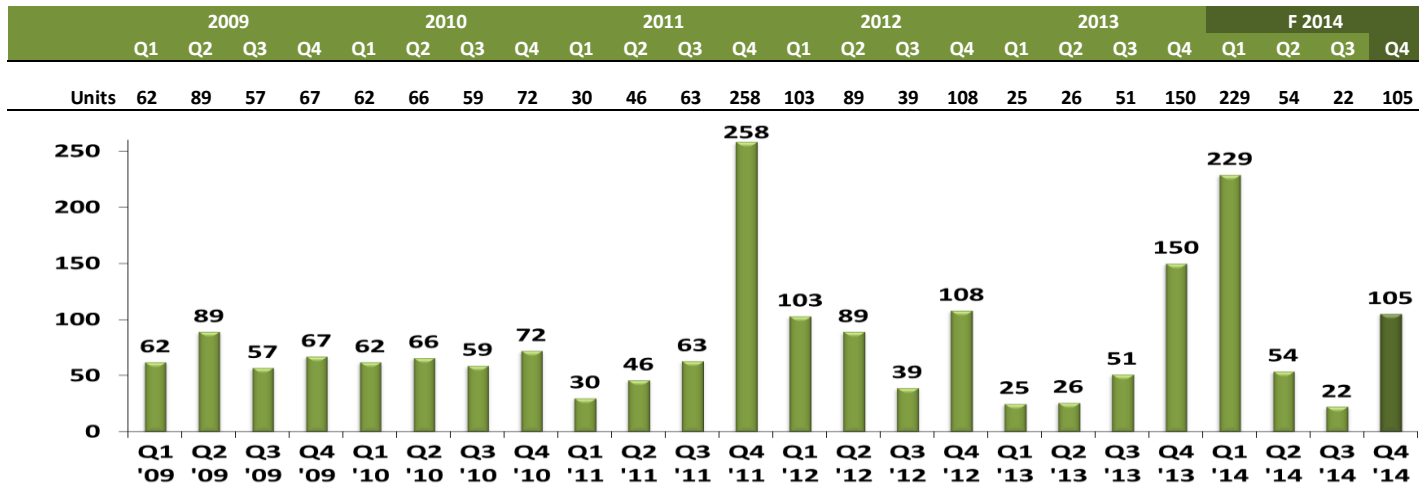


FPP Quarterly Presales & Deliveries (from 2009)

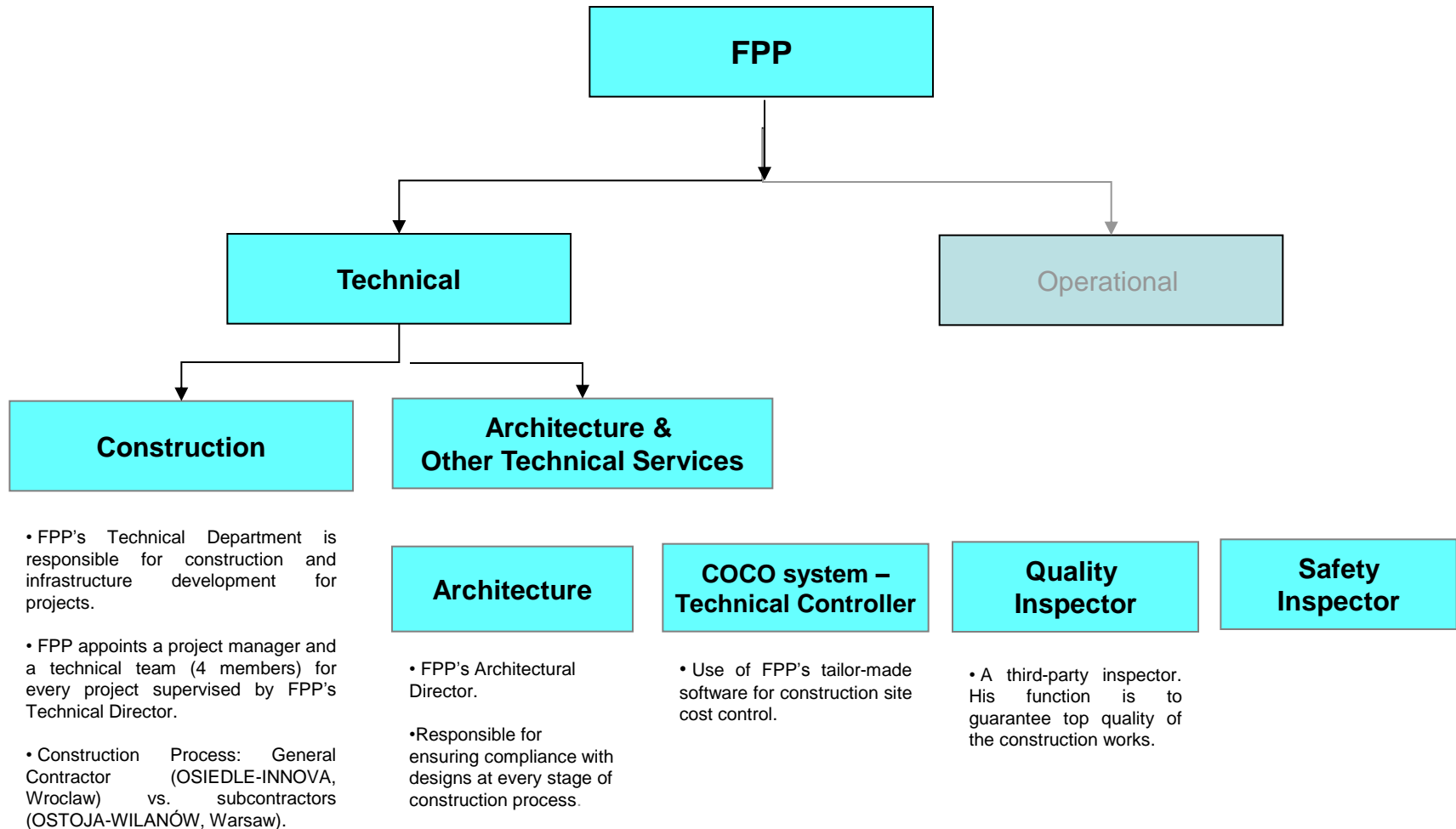
Presales from 2009 with 4Q14 forecast

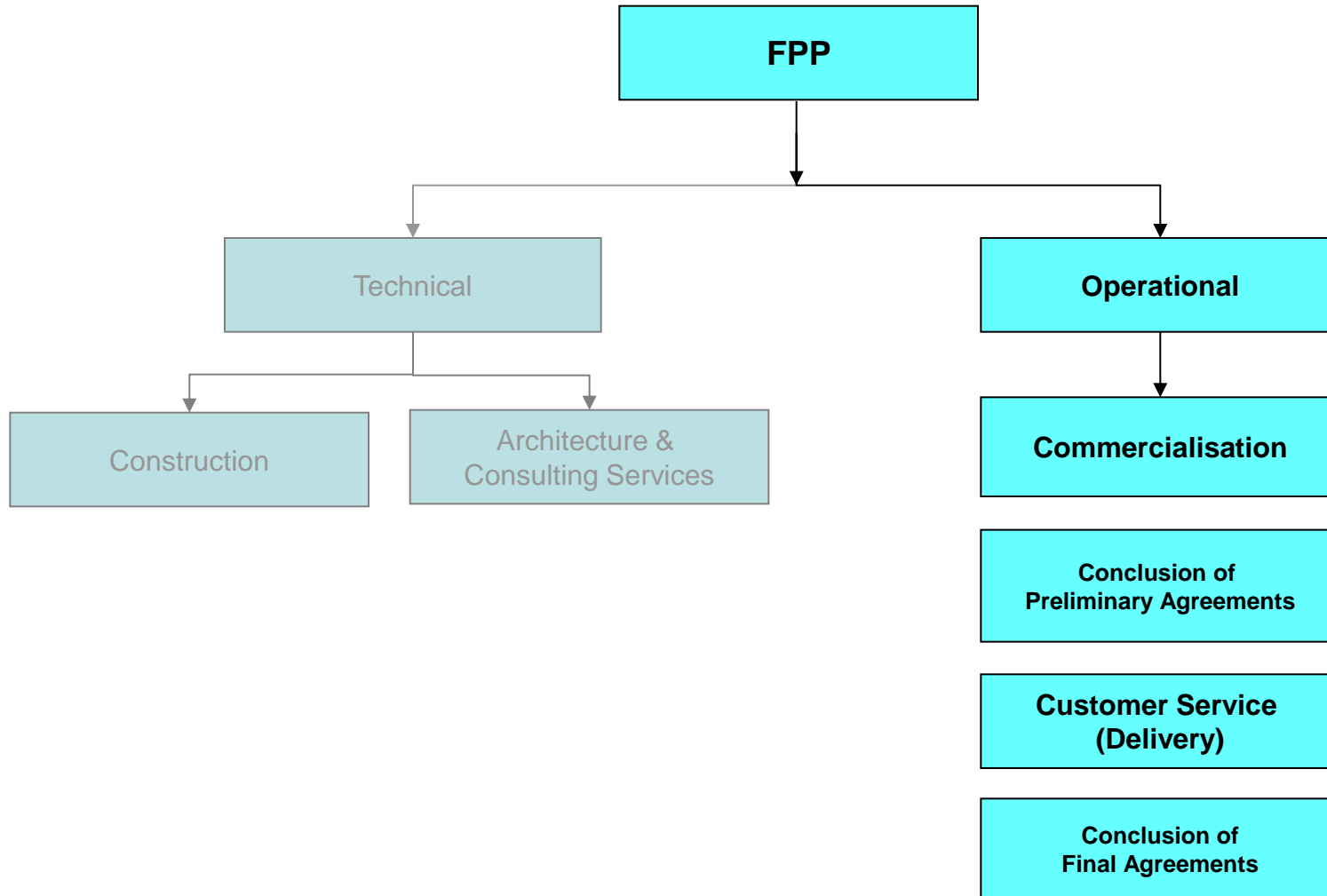


Deliveries from 2009 with 4Q14 forecast



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 eight most recent projects (963 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 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), stage V (92 units, 2012-2013) and stages VI & VII (112 units, 2013-2014).

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	█												█												█												█					

FPP contact

1. Company's Head Office:

1. Address: 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. Address: 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.

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

4. Regional office Wroclaw:

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

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

1. Address: 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





Square at Ostoja-Wilanów (building A1), Warsaw (Poland). (September 2014)

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