

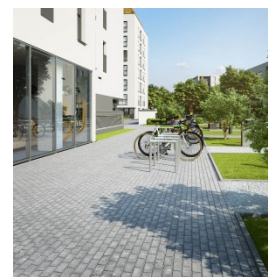
FPP  
**2000**  
SPRZEDANYCH  
MIESZKAŃ  
**500**  
MIESZKAŃ WE  
WROCŁAWIU

FADESA POLNORD POLSKA (FPP)

23 January 2015 SP (ENG) PL

# FPP *review*

## IVQ14





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

## FPP. The Firm

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- 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 31<sup>st</sup> December 2014, FPP has sold 2.243 apartments and delivered 2.112 units. Sales revenues have yearly reached 160 million zloty for the last six years on average. Finally, FPP projects are financed by entities such as bank PEKAO S.A. or bank GETIN NOBLE S.A.

- Promotions:

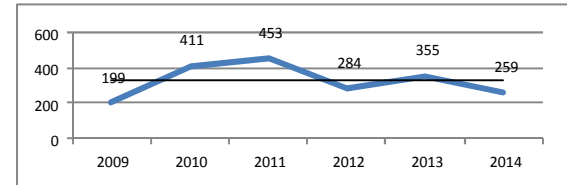
- Ostoja-Wilanów, Warsaw (1,967\* units). [www.ostoja-wilanow.com](http://www.ostoja-wilanow.com)
- Osiedle-Innova, Wroclaw (535 units). [www.osiedle-innova.com](http://www.osiedle-innova.com)
- Osiedle-Innova II, Wroclaw (609\* units).
  - First stage: APARTAMENTY INNOVA<sup>s1</sup> (209 units). [www.osiedle-innova.com](http://www.osiedle-innova.com)
- Villa Botanica, Powsin-Warsaw (350\* units). [www.villa-botanica.com](http://www.villa-botanica.com)
- Osiedle Moderno, Wroclaw (158 units) [www.osiedlemoderno.pl](http://www.osiedlemoderno.pl)

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

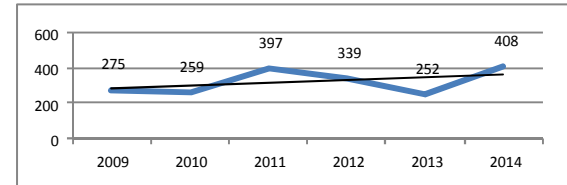


## FPP. Key Data

- **2,243 apartments sold** until 31 December 2014.
- **1,961 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, 259 units sold in 2014). AVERAGE (2009-2014): 327 u/y.



- **2,112 units delivered** until 31 December 2014.
- **1,932 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, 408 units delivered in 2014). AVERAGE (2009-2014): 322 u/y.



2014 data:

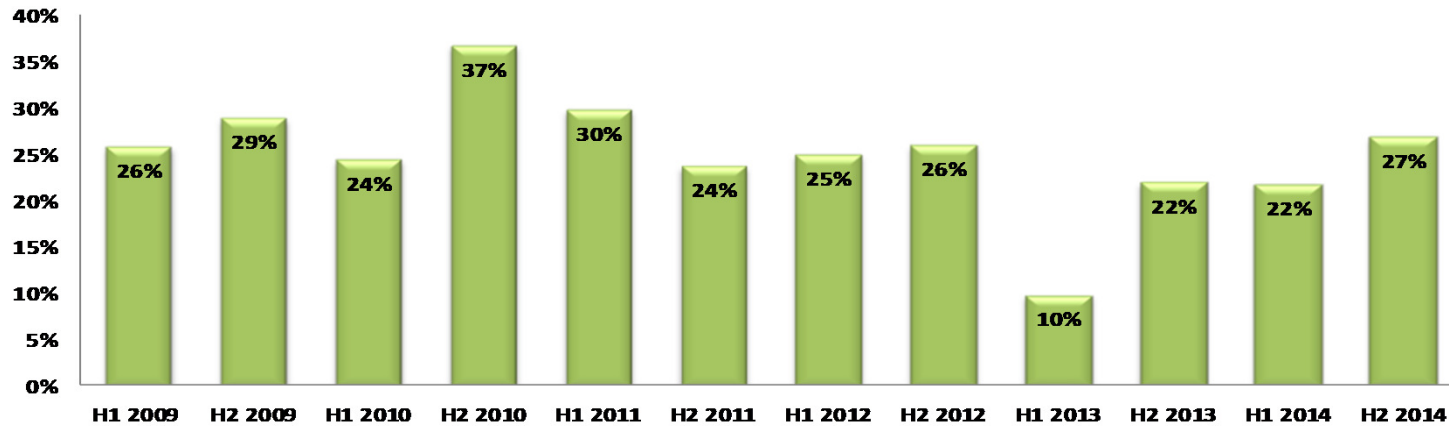
- Presales: **259 units.**
- Deliveries: **408 units.**

- **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).

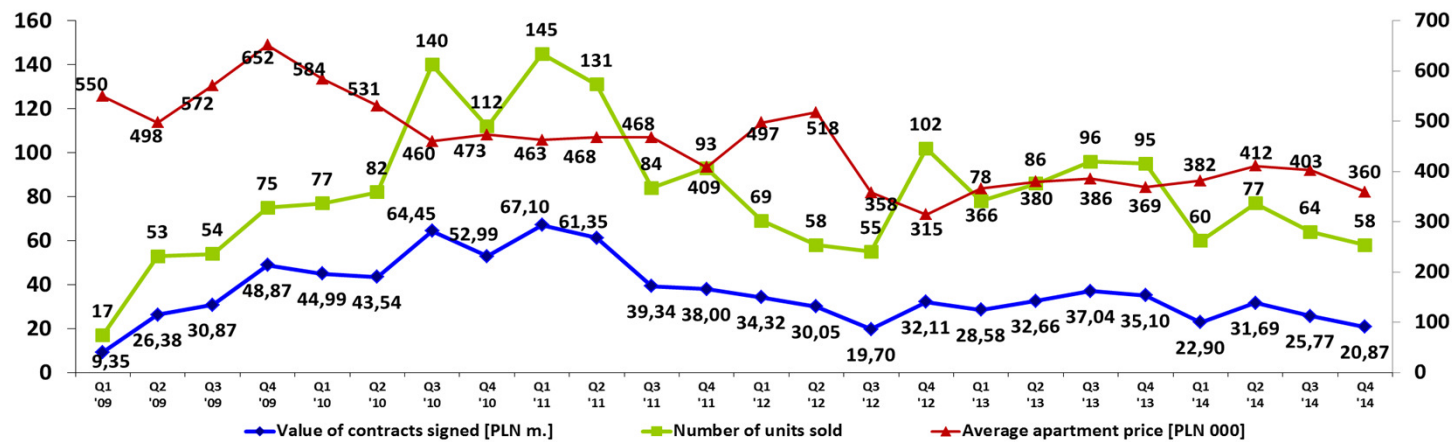


## Performance highlights

- Gross Margin results (2009 onwards)

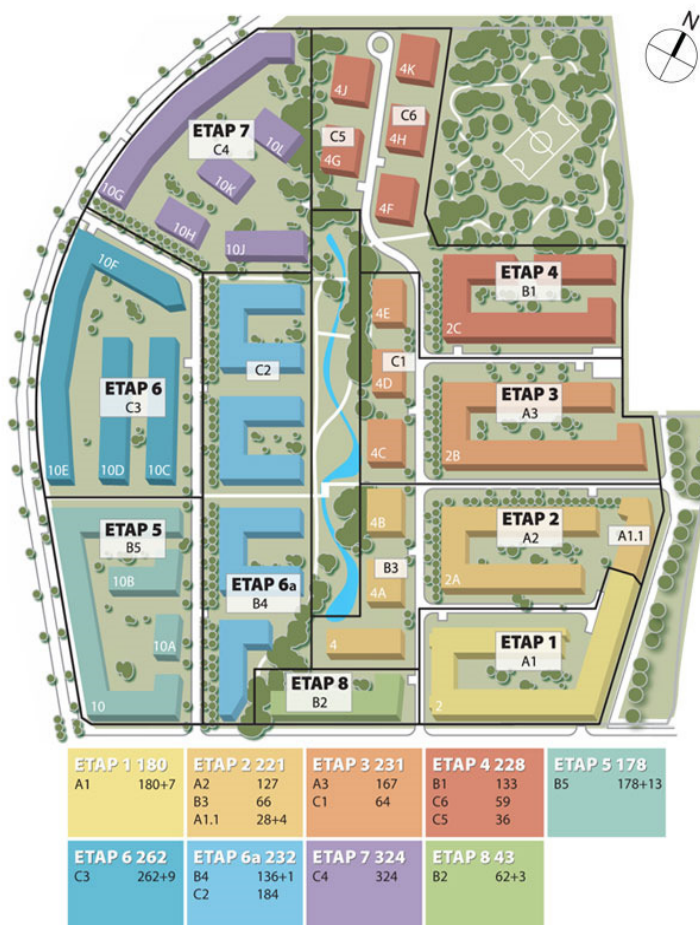


- Quarterly presales results (2009 onwards)

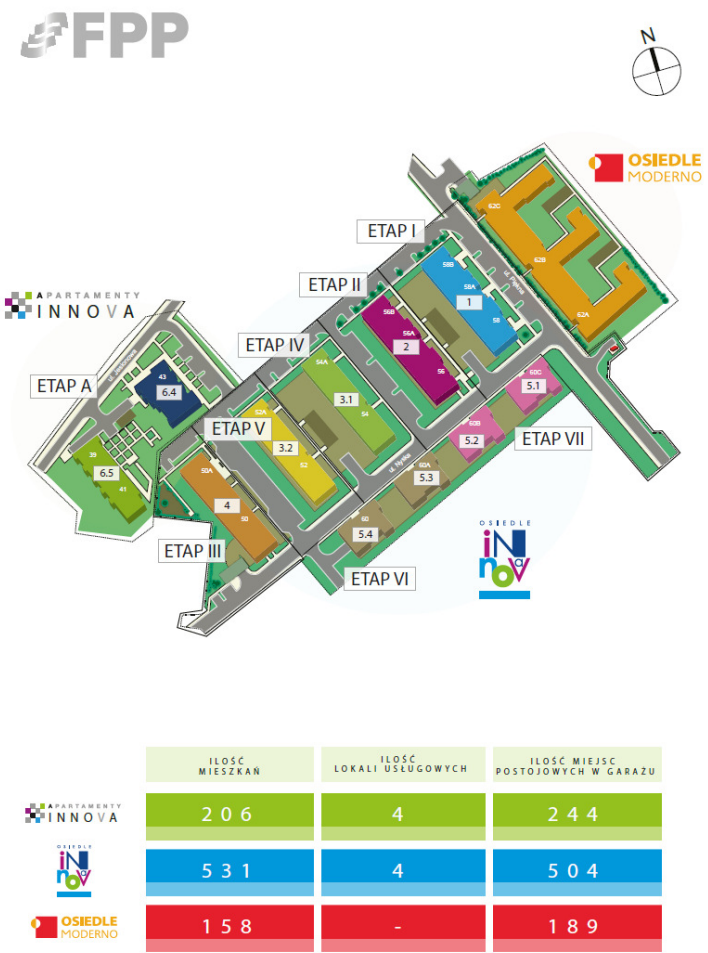


# FPP, Current Projects in Poland

Ostoja-Wilanów, Warsaw (1,929 residential units).



Osiedle-Innova (531 residential units),  
Osiedle-Moderno (158 residential units),  
Apartamenty-Innova, stage A (206 residential units), Wroclaw.





*Lake in Ostoja-Wilanów, Warsaw (September 2014).*

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

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- **Completed** (as at 31 December 2014):
  - **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 31 December 2014)
  - **2,318 sq. m** completed and unsold (1,236 sq. m residential and 1,082 sq. m commercial).
    - **15 apartments** completed and unsold in Ostoja-Wilanów, Warsaw ( 866 sq. m residential).
    - **7 commercial units** in Ostoja-Wilanów, Warsaw (1,082 sq. m commercial).
    - **6 apartments** completed and unsold in Osiedle-Innova, Wroclaw (370 sq. m).
- **Under construction** (as at 31 December 2014)
  - **3 stages** (1 in Warsaw and 2 in Wroclaw).
  - **500 apartments under construction** (1 in Warsaw, 136 units, and 2 in Wroclaw, 364 units).
  - **26,7 sq. m under construction.**
- **Under development:** (as at 31 December 2014)
  - **3 projects under development, 6 stages** (2 stages in Ostoja-Wilanów, Warsaw; 2 stages in Apartamenty Innova, Wroclaw; 2 stages in Villa Botánica, Powsin-Warsaw).
  - **855 apartments under development** in Ostoja-Wilanów, Warsaw (169 units); in Osiedle-Innova 2, Wroclaw (336\* units); in Villa Botánica, Powsin-Warsaw (350\* units).
  - **72,896 sq. m under development.**

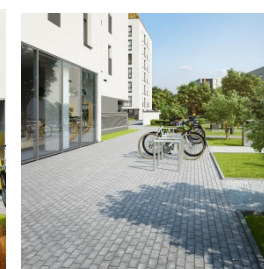
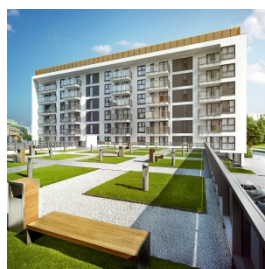




## FPP in zloty

*Selected financial data FPP Group [in million PLN]*

	2009	2010	2011	2012	2013	2014
<i>Revenues</i>	170,2	172,0	208,8	138,9	93,4	173,9
<i>Gross sales profit</i>	47,3	53,4	53,2	35,6	16,2	40,4
<i>Gross margin</i>	28%	31%	25%	26%	17%	23%
<i>Profit on operating activities</i>	45,9	32,7	28,0	21,0	3,6	33,2
<i>Net profit</i>	7,8	18,1	9,7	16,1	3,5	23,2
<i>Assets</i>	596,8	505,4	403,7	385,3	369,3	270,3
<i>Equity</i>	31,9	51,6	63,6	78,0	81,5	105,7
<i>Credit liabilities</i>	321,3	214,8	91,1	83,5	43,3	6,0



## FPP. Completed Projects

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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

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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 m<sup>2</sup>).  
13 commercial units (1.212 m<sup>2</sup>).



Ostoja-Wilanów (stage 6, building C3).  
Date of delivery: October 2011.  
Nb of units: 262 apartments (16 278 m<sup>2</sup>).  
10 local premises (kindergarden).



Ostoja-Wilanów (stage 7, building C4).  
Date of delivery: December 2013.  
Nb. of units: 324 apartments (19 688 m<sup>2</sup>).  
Presold: 95% (as at 31 December 2014)



Kindergarden in Ostoja-Wilanów.  
Located in: stage 6, building C3.  
Capacity: 90 children.  
Opened from September 2012.  
Surface: 596 m<sup>2</sup> (if included the surface of the garden: 1.375 m<sup>2</sup>).

## FPP. Completed Projects

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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).**



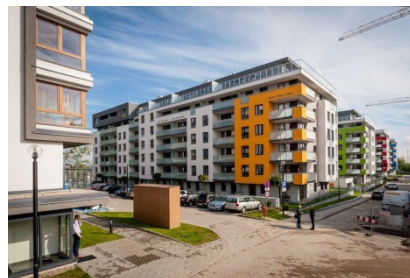
**Osiedle-Innova (stage II).**  
**Date of delivery: June 2012.**  
**No. of units: 71 apartments (3,757 sq. m).**



**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: 95% (as at 31 December 2014)**



## FPP. Projects under Construction

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- **3 stages under construction** (1 in Ostoja-Wilanów, Warsaw; 1 in Osiedle-Moderno, Wroclaw & 1 in Apartamenty-Innova, Wroclaw).
- **500 apartments under construction in Warsaw and Wroclaw.**
- **26,734 m<sup>2</sup> 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: 40% (as at 31 December 2014).

Delivery date: Q216

On sale since: May 2014 (40% presold at 31 December 2014).



### **Osiedle-Moderno, Wroclaw.**

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

Breaking ground: March 2014.

Progress to date: 45% (at 31 December 2014).

Delivery date: Q4 2015.

On sale since: April 2014 (28% presold at 30 September 2014).



### **Apartamenty-Innova, Wroclaw.**

**No. of units: 206 units (10,274 sq. m).**

Breaking ground: November 2014.

Progress to date: --% (at 31 December 2014).

Delivery date: Q1 2017.

On sale since: February 2015.



*Apartamenty Innova, Wrocław (Poland). Breaking ground: November 2014.*

## FPP. Projects under Development

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**855 residential units** under development in Warsaw, Wroclaw, and Powsin (**72,896 sq. m** under development)



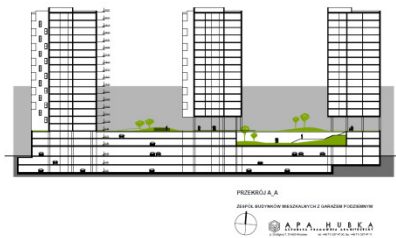
**Ostojka-Wilanów, Warsaw.**

No. of units: 169 units in 3 buildings.  
Building C2: 126 units (12,847 sq. m).  
Building B2: 43 units (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)

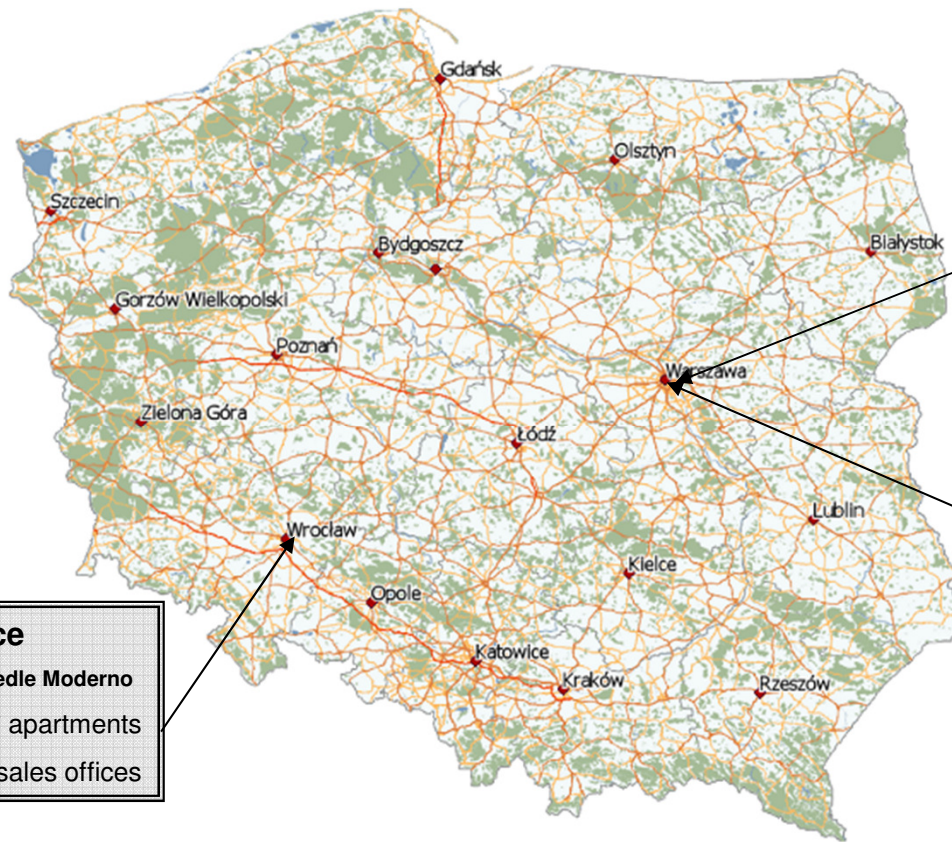


**Apartamenty Innova , stages B & C, Wroclaw.**

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

**Stage B: Apartamenty Innova** (8,505 sq. m)

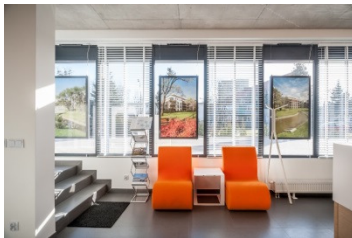
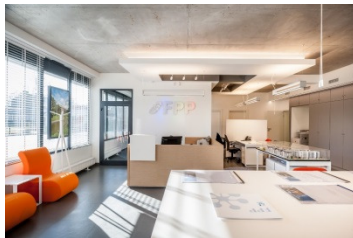
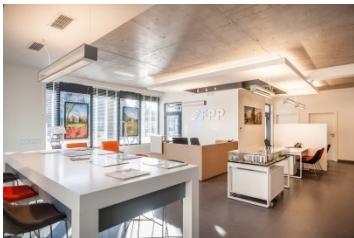
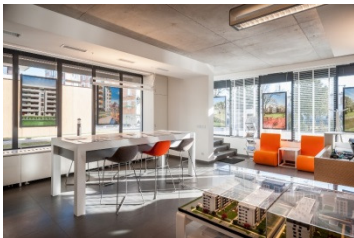
No. of units: 120 apartments



**Warsaw**  
**Company's Head Office**  
**Project – Ostoja Wilanów**  
**Sales office**  
• 1,967\* units

**Powin**  
**Project – Villa Botanica**  
• 350\* apartments

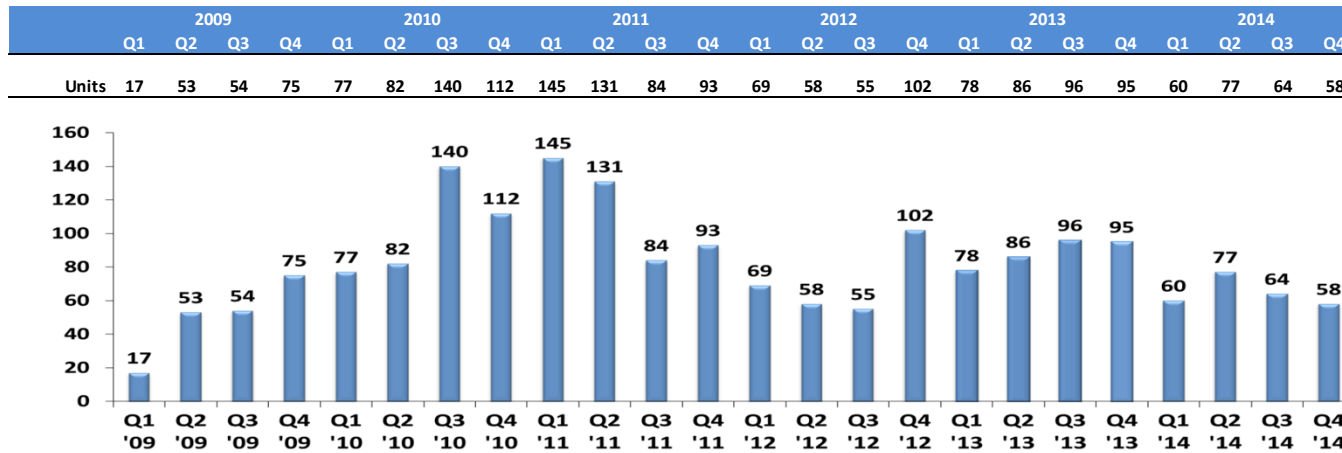
**Regional Office**  
**Projects: Osiedle Innova & Osiedle Moderno**  
• 1,300\* apartments  
• 3 sales offices



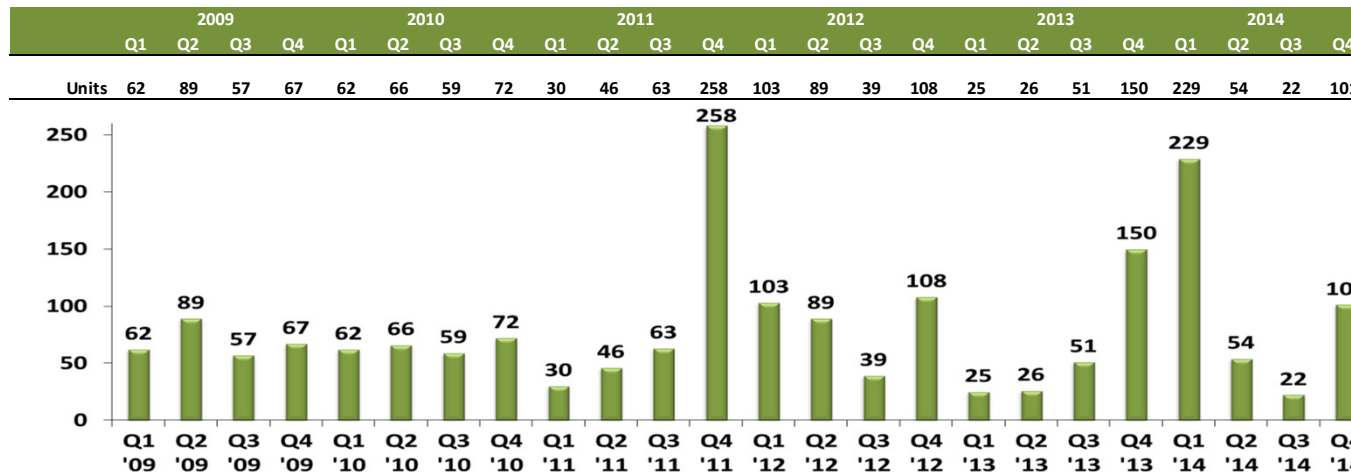


## FPP quarterly presales & deliveries (since 2009)

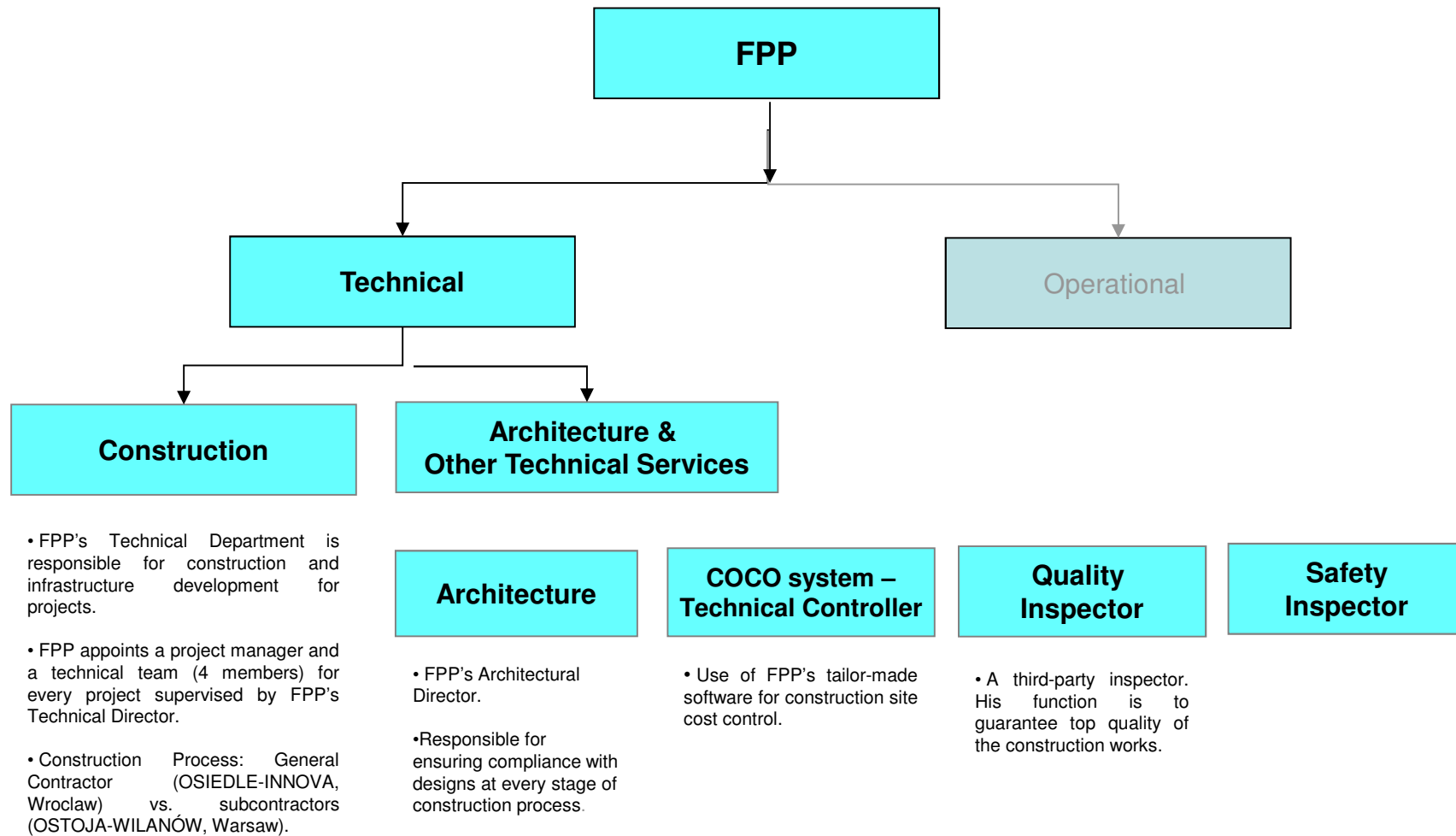
### Presales 2009 onwards



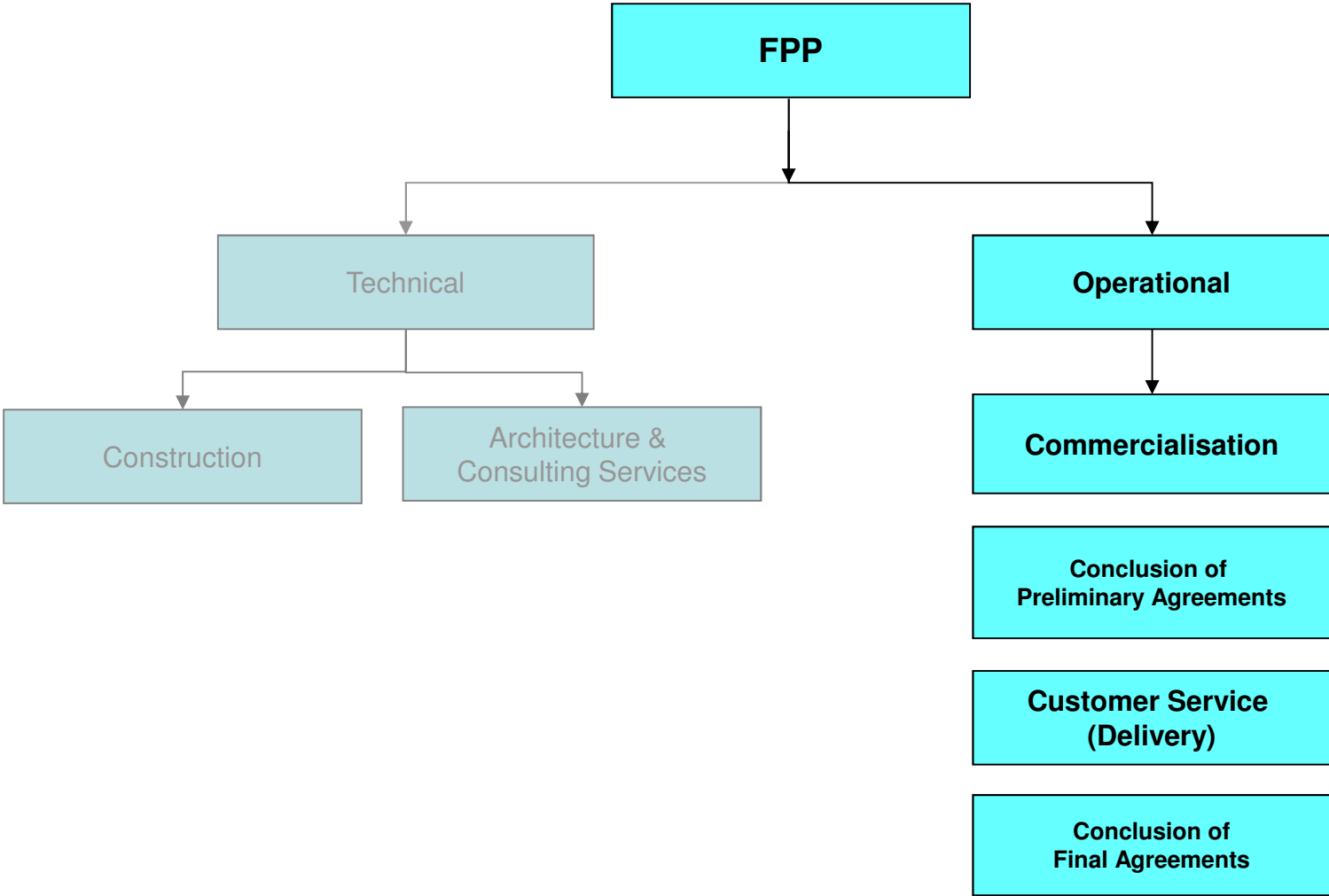
### Deliveries 2009 onwards



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



FPP. Internal Organisation. Operational Department



## FPP. Internal Organisation

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### 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 all projects from 2009 onwards (8 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

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### 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](mailto:biuro@fadesapolnord.pl)
4. **Website:** [www.fadesapolnord.pl](http://www.fadesapolnord.pl)

### 2. Sales Office, Ostoja-Wilanów & Villa Botánica.:

1. **Adress:** Ulica Hlonda, 10-B/U13, Miasteczko Wilanów, Warsaw
2. **Tlf.:** + 48 22 550 13 70
3. **Email address:** [ostojawilanow@fadesapolnord.pl](mailto:ostojawilanow@fadesapolnord.pl)
4. **Website:** [www.ostoja-wilanow.com](http://www.ostoja-wilanow.com)
5. **Sales & Marketing Director:** Malgorzata Gryc.

### 4. Regional office Wroclaw:

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

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

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





*Park in Ostoja-Wilanów (buildings C6), Warsaw (Poland).*

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