



2700

SPRZEDANYCH
MIESZKAŃ

900

MIESZKAŃ WE
WROCŁAWIU

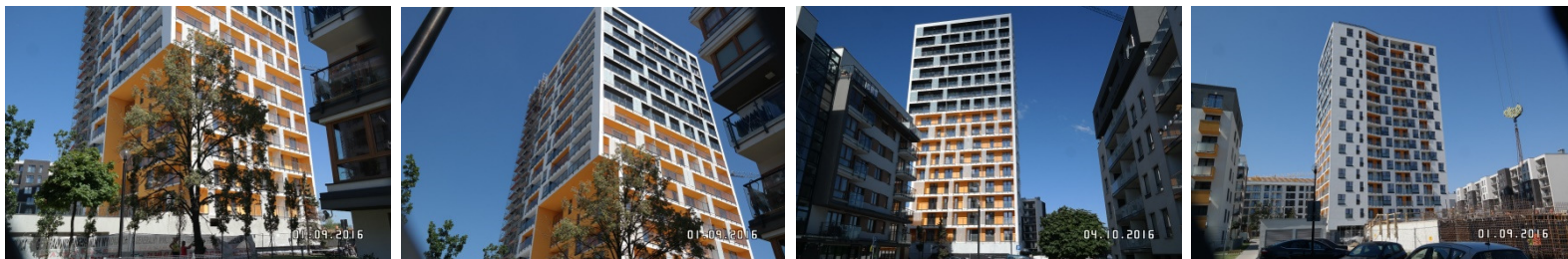
FADESA POLNORD POLSKA (FPP)

07 October 2016 SP (ENG) PL

FPP Review

3Q16

900 apartments sold in Wrocław





Building 6.4 (17th floors) on construction, Apartamenty Innova, Wrocław . On the right, building 3.2 and on the left, building 4 of Osiedle-Innova (October 2016).

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 May 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. As at 30 September 2016, FPP had sold 2,790 and delivered 2,444 apartments. In the last seven years, the average annual sales revenues totalled 150 million zloty. The financing for FPP projects is provided by PEKAO S.A. and GETIN NOBLE S.A. banks.

- Promotions:

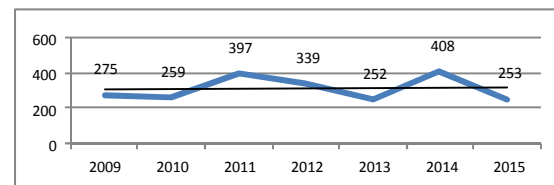
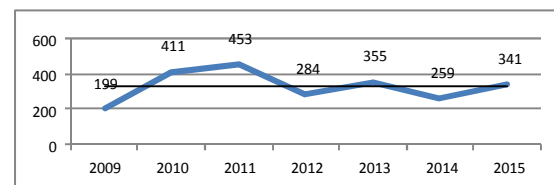
- Ostoja-Wilanów, Warsaw (1,965 units). www.ostoja-wilanow.com
- Osiedle-Innova, Wroclaw (535 units). www.osiedle-innova.com
- Osiedle-Innova II, Wroclaw (542 units).
 - *Apartamenty Innova* (buildings 6.4 and 6.5: 210 units). www.apartamentyinnova.pl
 - *Apartamenty Innova II* (building 6.3: 120 units). www.apartamentyinnova.pl
 - *Apartamenty Innova III* (buildings 6.1 and 6.2: 212 units).
 - Building 6.1: 84 units.
 - Building 6.2: 128 units.
- Osiedle Moderno, Wroclaw (158 units) www.osiedlemoderno.pl
- Villa Botanica, Powsin-Warsaw (343* units). www.villa-botanica.com

FPP: comprehensive study of apartment layout, strict cost control, high gross margins.



FPP. Key Data

- **2,790 apartments sold** as at 30 September 2016.
- **2,533 apartments sold** from 2009 to 30 September 2016. 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; 341 units sold in 2015). **AVERAGE (2009-2015): 329 uły.**
- **908 apartments sold in Wrocław** (as at 30 September 2016).
- **2,444 units delivered** as at 30 September 2016.
- **2,264 units delivered** from 2009 to 30 September 2016. 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; 253 units delivered in 2015). **AVERAGE (2009-2015): 312 uły.**



From 1st January 2016 to 30th September 2016:

-Presales: 231 units.

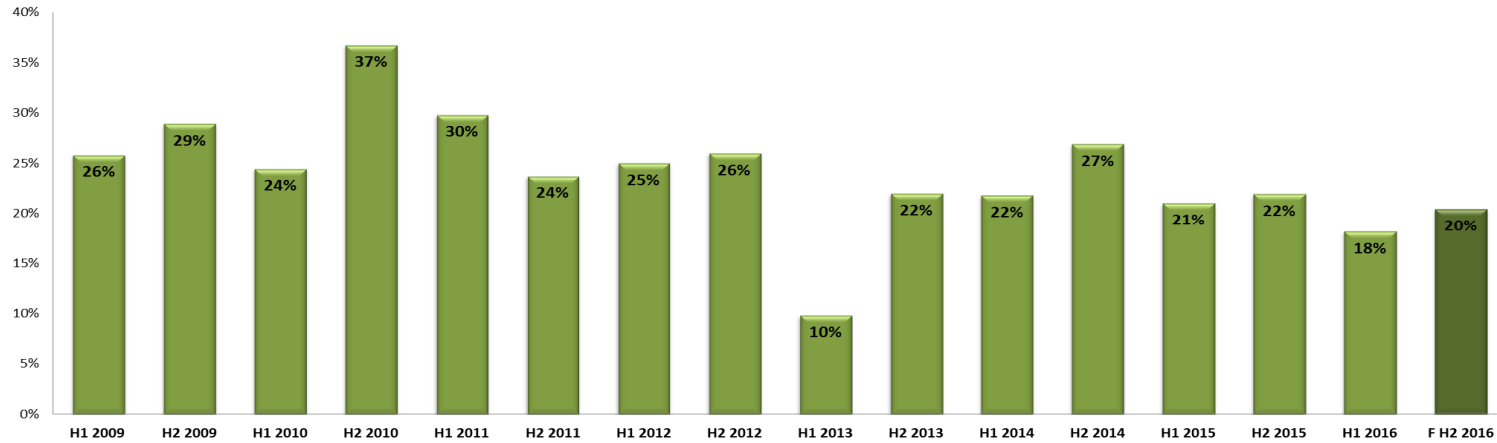
-Deliveries: 81 units.

- **Financing:**
 - Bank PEKAO S.A. (Unicredit Group): *Ostoja-Wilanów* in Warsaw (since 2006) and *Osiedle Innova* in Wrocław (from 2011 to 2014).
 - GETIN NOBLE S.A.: *Osiedle-Moderno* (from 2013 to 2015); *Apartamenty Innova, buildings 6.4 and 6.5* (since March 2015), and *Apartamenty Innova II, building 6.3* (since May 2016) in Wrocław.

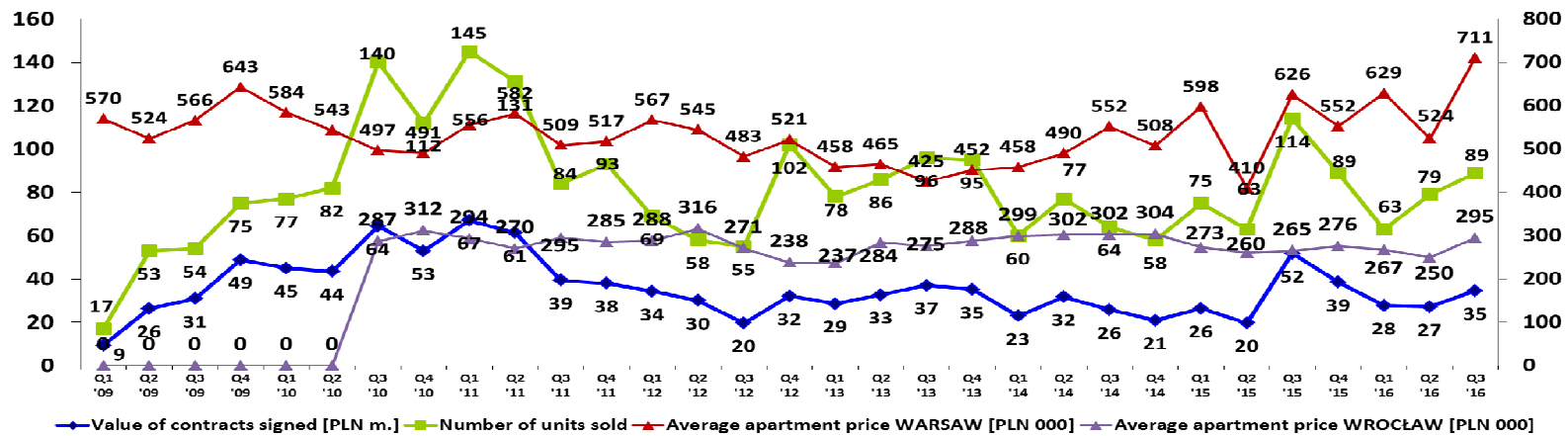


Relevant information

- Gross Margin (since 2009).



- Quarterly Presales (since 2009).



FPP, Projects in Poland

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

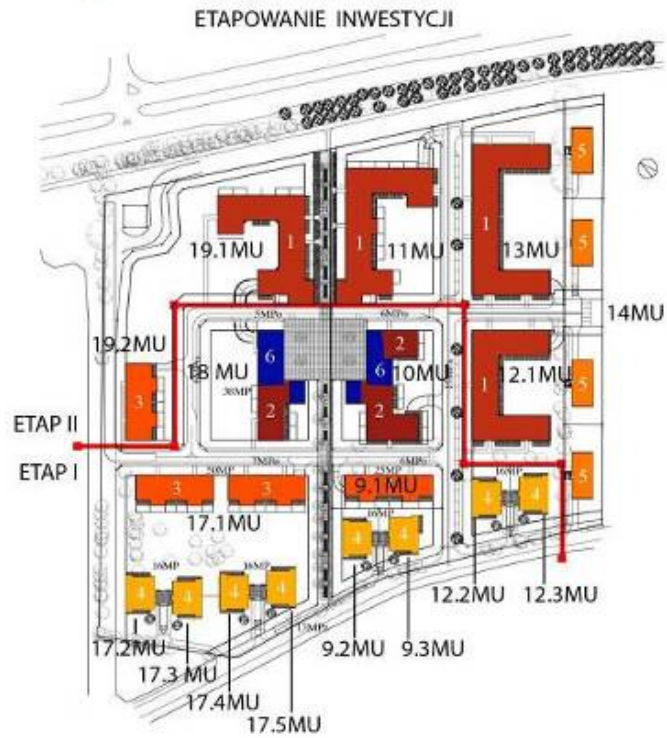


Osiedle-Innova, Osiedle-Moderno & Apartamenty Innova, Wroclaw (1,226 residential units).



FPP, Projects in Poland

Villa Botanica, Powsin, Warsaw (343* residential units).



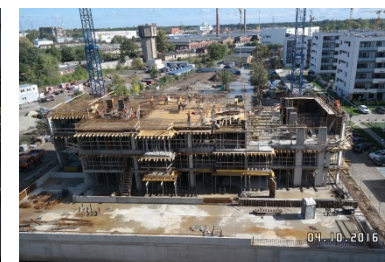
	Stage 1	Stage 2
Number of units	132	211*



View from apartment in buildings C2, under construction, in Ostoja-Wilanów, Warsaw (September 2016).

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

- **Completed** (as at 30 September 2016):
 - **16 stages:** 8 in Ostoja-Wilanów, Warsaw, and 8 in Wrocław (7 in Osiedle-Innova and 1 in Osiedle-Moderno).
 - **2,449 apartments completed:** 1,760 units in Warsaw and 689 units in Wrocław.
 - **177,156 sq. m completed:** 142,119 sq. m in Warsaw and 35,037 sq. m in Wrocław.
- **Units completed and unsold** (as at 30 September 2016):
 - **1,098 sq. m** completed and unsold (149 sq. m residential and 1,098 sq. m commercial).
 - **2 apartments** completed and unsold in building B4 in Ostoja-Wilanów, Warsaw (149 sq. m residential).
 - **6 commercial units** in Ostoja-Wilanów, Warsaw (1,098 sq. m commercial).
- **Under construction** (as at 30 September 2016):
 - **4 stages** (2 in Warsaw and 2 in Wrocław).
 - **495 apartments + 7 commercial premises under construction** (2 stages in Warsaw, 172 units, and 2 stages in Wrocław, 330 units).
 - **36,108 sq. m under construction.**
- **Under development** (as at 30 September 2016):
 - **2 projects under development, 3 stages** (2 stages in Villa Botánica, Powsin (Warsaw), and 1 stage in Apartamenty Innova III, Wrocław).
 - **554 apartments under development** in Osiedle-Innova III, Wrocław (211 units); in Villa Botánica, Powsin-Warsaw (343* units).
 - **42,436 sq. m under development.**



FPP Financial Highlights (PLN)

Selected financial data FPP Group [in PLN million]

	2009	2010	2011	2012	2013	2014	2015
Revenues	170.2	172.0	208.8	138.9	93.4	173.9	89.9
Gross sales profit	47.3	53.4	53.2	35.6	16.2	40.4	19.5
Gross margin	28%	31%	25%	26%	17%	23%	22%
Profit on operating activities	45.9	32.7	28.0	21.0	3.6	33.2	9.2
Net profit	7.8	18.1	9.7	16.1	3.5	23.2	4.2
Assets	596.8	505.4	403.7	385.3	369.3	270.3	305.6
Equity	31.9	51.6	63.6	78.0	81.5	105.7	109.8
Credit liabilities	321.3	214.8	91.1	83.5	43.3	6.0	12.5



FPP. Completed Projects

Promotion: **Ostoja-Wilanów (Warsaw)**: 7 stages completed: 1,793 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 2).
Date of delivery: 2009
No. of units: 221 apartments (19,944 sq. m).
4 commercial units (600 sq. m).



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



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



Ostoja-Wilanów (stage 5).
Date of delivery: 2010.
No. of units: 178 apartments (16,525 sq. m).
13 commercial units (1,212 sq. m).



Ostoja-Wilanów (stage 6, building C3).
Date of delivery: October 2011.
No. of units: 262 apartments (16,278 sq. m).
10 commercial units (kindergarten).

FPP. Completed Projects

Promotion: ***Ostoja-Wilanów (Warsaw)***: 7 stages completed, 1,793 apartments and commercial units.



Ostoja-Wilanów (stage 7, building C4).
Date of delivery: December 2013.
No. of units: 324 apartments (19,688 sq. m).



Ostoja-Wilanów (stage 6.A, building B4).
Date of delivery: December 2015.
No. of units: 136 apartments and 1 commercial unit (9,217 sq. m).
Presold: 99% (as at 30 September 2016)



Kindergarden in Ostoja-Wilanów.
Location: stage 6, building C3.
Capacity: 110 children.
Opened in September 2012.
Indoor area: 596 sq. m (including the garden: 1,375 sq. m).

FPP. Completed Projects

Promotion: **Osiedle Innowa (Wroclaw)**: 7 stages completed: 531 apartments and 4 commercial units.



Osiedle-Innowa (stage I).

Date of delivery: March 2012.

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



Osiedle-Innowa (stage II).

Date of delivery: June 2012.

No. of units: 71 apartments (3,757 sq. m).



Osiedle-Innowa (stage III).

Date of delivery: September 2012

**No. of units: 94 apartments
4 commercial units (4,833 sq. m).**



Osiedle-Innowa (stage IV).

Date of delivery: September 2013.

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



Osiedle-Innowa (stage V).

Date of delivery: September 2013.

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



Osiedle-Innowa (stages VI and VII).

Date of delivery: October 2014.

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

FPP. Completed Projects

Promotion: ***Osiedle Moderno (Wroclaw)***: completed (158 apartments).



Osiedle-Moderno

Date of delivery: November 2015.

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



FPP. Projects under Construction

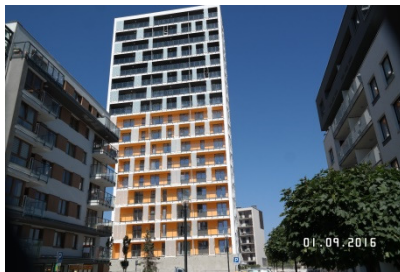
- **4 stages under construction** (two in Ostoja-Wilanów, Warsaw, and two in Apartamenty-Innova, Wroclaw).
- **495 apartments under construction in Warsaw and Wroclaw.**
- **36,108 sq. m under construction**



Ostoja-Wilanów, Warsaw, (stage 6.B. building C2).
No. of units: 126 apartments (12,531 sq. m)
Breaking ground: February 2015.
Progress to date: 86% (as at 30 September 2016).
Delivery date: Q4 2016
On sale since: July 2015 (79% presold at 30 September 2016).



Ostoja-Wilanów, Warsaw, (stage 8, building B2).
No. of units: 43 apartments plus 3 commercial units (4,968.4 sq. m)
Breaking ground: March 2016.
Progress to date: 30% (as at 30 September 2016).
Delivery date: Q4 2017
On sale since: March 2016 (54% presold at 30 September 2016).



Apartamenty-Innova, Wroclaw (Buildings 6.4 and 6.5)
No. of units: 206 units (10,274 sq. m).
Breaking ground: November 2014.
Progress to date: 93% (as at 30 September 2016).
Delivery date: Q1 2017.
On sale since: March 2015 (90% presold as at 30 September 2016).



Apartamenty-Innova, Wroclaw (Building 6.3)
No. of units: 120 units (8,335 sq. m).
Breaking ground: April 2016.
Progress to date: 19% (as at 30 September 2016).
Delivery date: Q1 2018.
On sale since: June 2016 (28% presold as at 30 September 2016).



Buildings B.4, Ostoja-Wilanów, Warsaw (September 2016)

FPP. Projects under Development

554 residential units under development in Warsaw (Powsin) and Wrocław (**42,436 sq. m** under development)



Apartamenty Innova III, Wrocław.

Total no. of units (whole plot): 211 apartments and 1 commercial unit (12,462 sq.m)

- **Building 6.1** (4,833 sq.m)

No. of units: 83 apartments and 1 commercial unit

- **Building 6.2.** (7,629 sq. m)

No. of units: 128 apartments



Villa Botánica, Powsin (Warsaw).

No. of units: 343* units in 2 stages.

Stage 1 (13,071 sq. m)

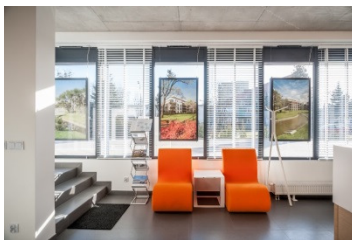
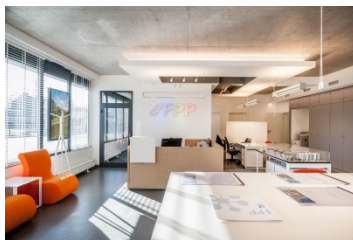
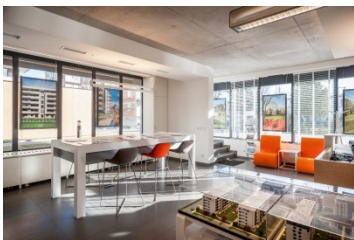
Stage 2 (16,903 sq. m)



Wrocław
Regional Office
 Projects: (1) Osiedle Innova, (2) Osiedle Moderno and (3) Apartamenty Innova
Sales Office
 • 1,235 units
 • Home Broker Sales Offices

Warsaw
Company's Head Office
 Project – Ostoja Wilanów
Sales Office
 • 1,965 units

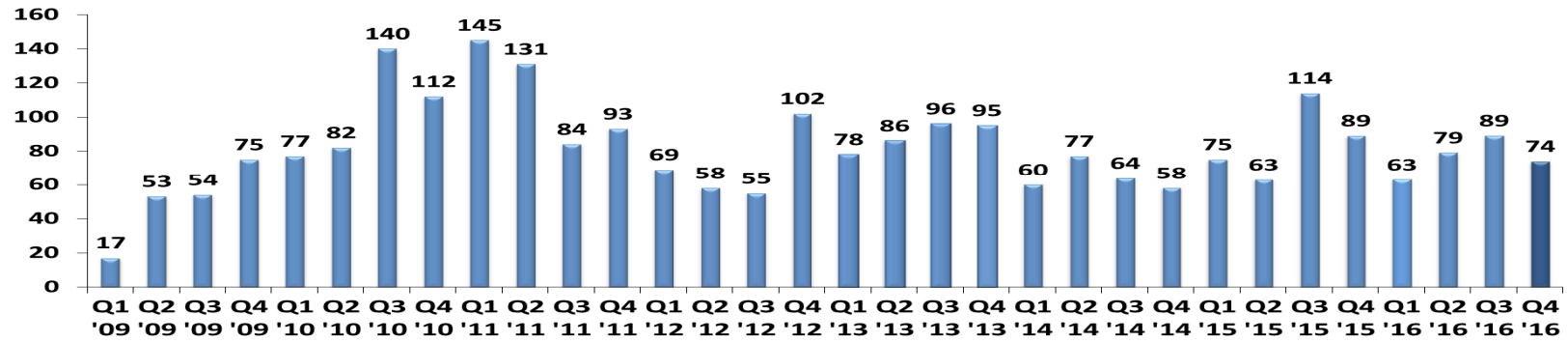
Powisin
 Project – Villa Botanica
 • 343* apartments



FPP Quarterly Presales & Deliveries (since 2009)

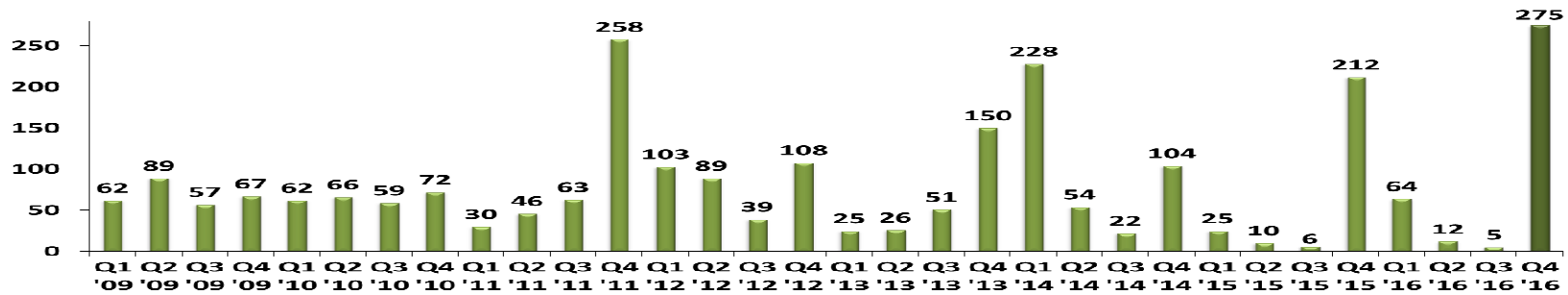
Presales since 2009

2009				2010				2011				2012				2013				2014				2015				2016				
Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	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	64	58	75	63	114	89	63	79	89	74

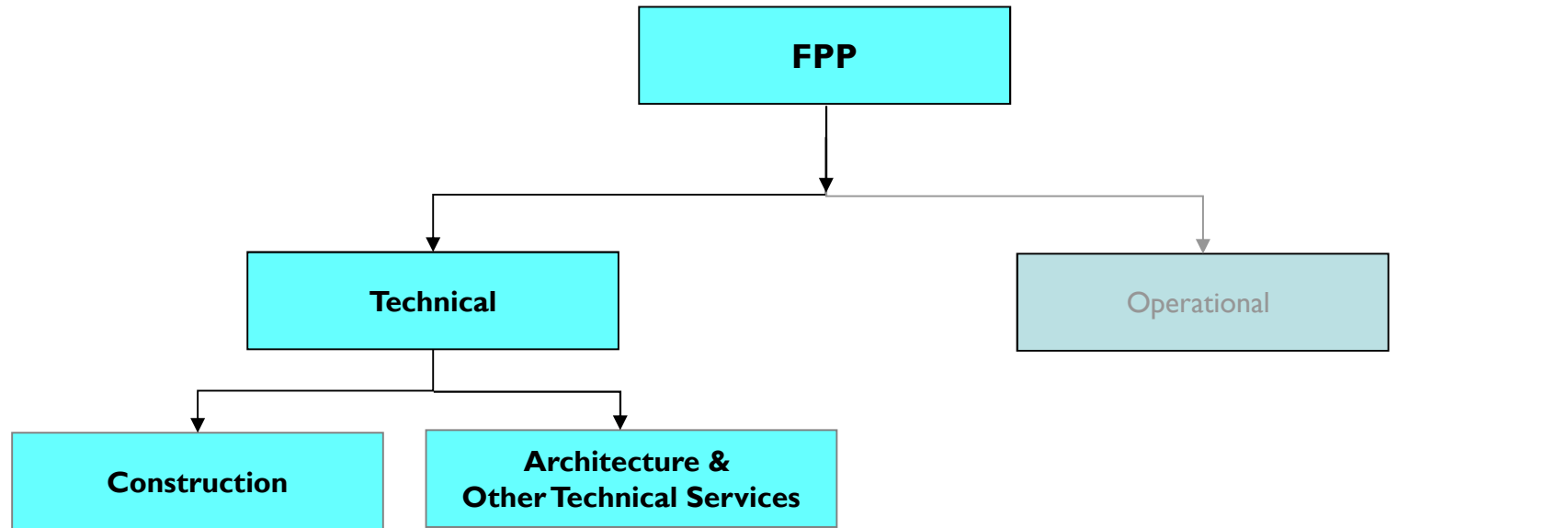


Deliveries since 2009

2009				2010				2011				2012				2013				2014				2015				2016				
Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	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	228	54	22	104	25	10	6	212	64	12	5	275



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 (projects in Wrocław) 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

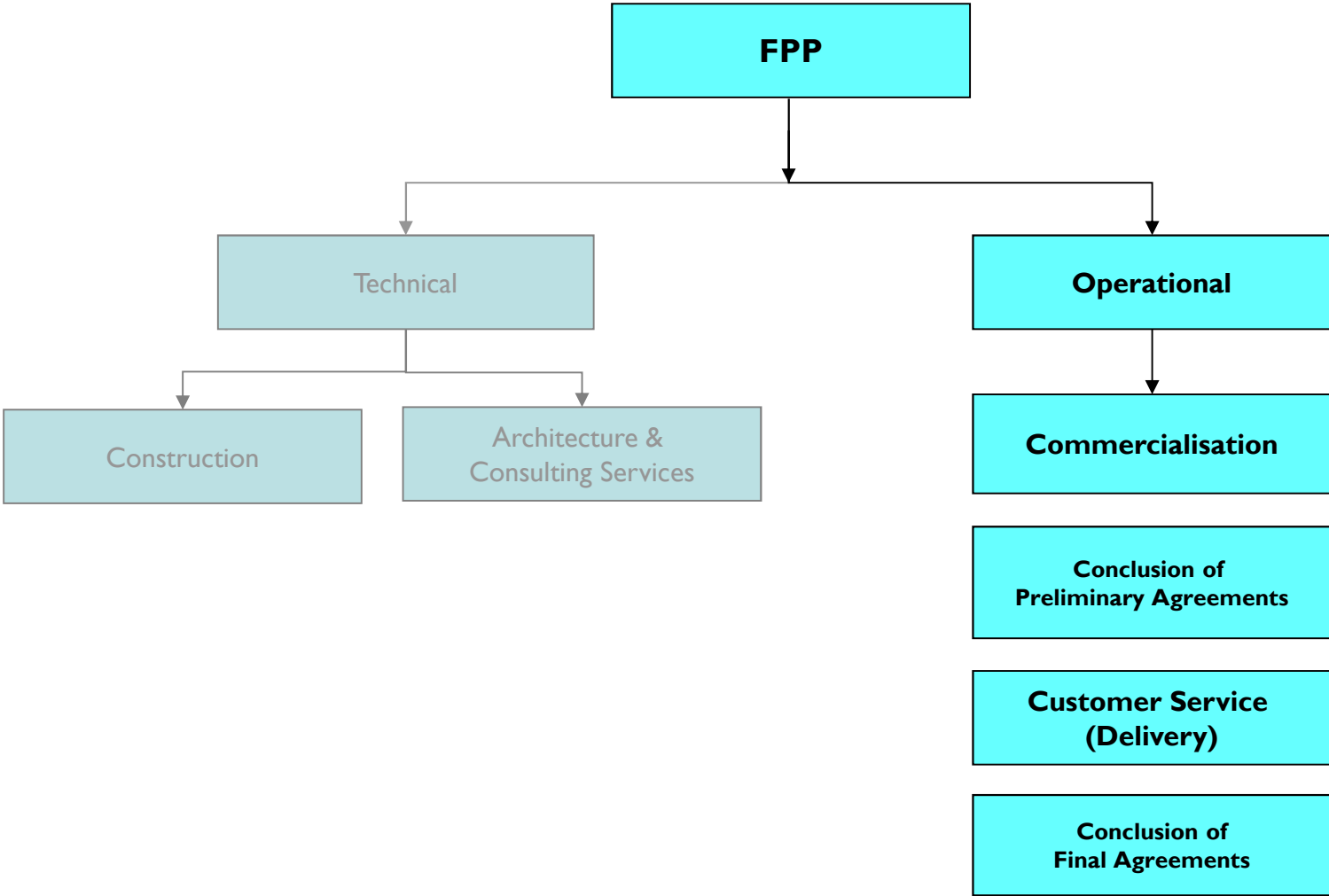
- Use of FPP's tailor-made software for construction site cost control.

Quality Inspector

- A third-party inspector. Responsible for ensuring that construction works are top quality.

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 and 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 accounting work handled at the FPP Head Office in Warsaw.

- Interior Design management.**

- Management of conversions in units if requested by customers.

Case Study: FPP Model

Under FPP's current model, 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 of obtaining the (final) occupancy permit. Final sales agreements are signed within 60 days of the delivery of the apartment.

FPP has successfully applied the model to all the projects since 2009, that is for the total of 11 projects (1,257 apartments): three in Warsaw, Ostoja-Wilanów, building C3 (262 residential units, 2009-2011), building C4 (324 apartments, standard part - 170 units, 2011-2013), and building B4 (136 residential units, 2014-2015); eight 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), stages VI and VII (112 units, 2013-2014), and Osiedle-Moderno (158 residential units, 2014-2015)

The gross margin (business plan) of at least **20%-25%**.

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

The data below shows FPP's 2011 performance. In total: 453 presales, 397 deliveries, and 411 final sales agreements. As indicated above, the model was repeated 9 times afterwards. In order to meet the above targets for building C3 (262 units) in Ostoja-Wilanów (Warsaw), FPP sold 9.8 units monthly during the construction period, delivered 7.15 units daily, and signed 5 final sales agreements (as notarial deeds) daily during Q4 2011. The promotion for building C3 in Ostoja-Wilanów involves a 262-apartment residential building located in Warsaw (Wilanów District). Ground was broken 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.

Similar performance figures have been achieved as recently as in October - November 2015 with the completion of building OSIEDLE-MODERNO (158 apartments) in Wrocław. The plot of OSIEDLE-MODERNO had been bought in the spring of 2012, construction was successfully completed on 30 September 2015. As at 1 October 2015, 90% of the apartments had been sold.

CONCLUSION: WITHIN A PERIOD OF 42 MONTHS, we achieve a return on our investment (from project concept to delivery of units to 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 Details

I. Company's Head Office:

1. Address: Aleje Jerozolimskie 94, (00-807) Warszawa
2. Tel.: + 48 22 24 28 888
3. Email: biuro@fadesapolnord.pl
4. Website: www.fadesapolnord.pl

2. Sales Office, Ostoja-Wilanów and Villa Botánica:

1. Address: ul. Hlonda 10 B/U13, Miasteczko Wilanów, Warszawa
2. Tel.: + 48 22 550 13 70
3. Email: ostojawilanow@fadesapolnord.pl
4. Website: www.ostoja-wilanow.com
5. Sales & Marketing Director: Malgorzata Gryc

4. Regional Office Wroclaw:

1. Address: ul. Nyska 50, Krzyki, Wroclaw
2. Tel.: +48 71 712 04 02
3. Regional Director: Krzysztof Winnicki

5. Sales Office, Osiedle-Innova, Osiedle-Moderno, and Apartamenty Innova:

1. Address: ul. Nyska 50, Krzyki, Wroclaw
2. Tel.: +48 71 712 04 02
3. Email (Osiedle-Innova): osiedleinnova@fadesapolnord.pl
4. Email (Osiedle-Moderno): osiedlemoderno@fadesapolnord.pl
5. Website (Osiedle-Innova): www.osiedle-innova.com
6. Website (Osiedle-Moderno) : www.osiedlemoderno.com
7. Website (Apartamenty Innova): www.apartamentyinnova.pl





Ostoja-Wilanów private park. Warsaw (October 2012)

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October 2016