



FADESA POLNORD POLSKA (FPP)

07 August 2015 SP (ENG) PL

FPP *review*

IH15

10 years of FPP





Private park in Ostoja-Wilanów, Warsaw .

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. To 30th June 2015, FPP has sold 2.368 apartments and delivered 2.148 units. Sales revenues have yearly reached 159.5 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:

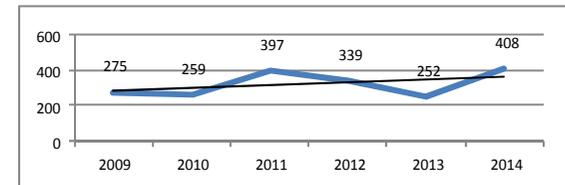
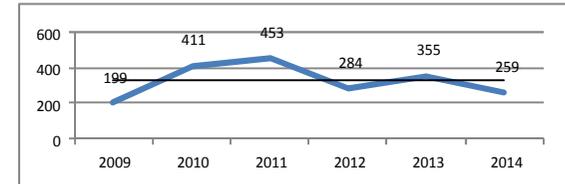
- Ostoja-Wilanów, Warsaw (1,968 units). www.ostoja-wilanow.com
- Osiedle-Innova, Wroclaw (535 units). www.osiedle-innova.com
- Osiedle-Innova II, Wroclaw (541* units).
 - APARTAMENTY INNOVA, stage A (210 units). www.apartamentyinnova.pl
- Villa Botanica, Powsin-Warsaw (343* units). www.villa-botanica.com
- Osiedle Moderno, Wroclaw (158 units) www.osiedlemoderno.pl

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



FPP. Key Data

- **2,368 apartments sold** until 30 June 2015.
- **2,099 apartments sold** from 2009 till 30 June 2015. 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.
- **More than 650 apartments sold in Wroclaw** (by the end of June 2015).
- **2,148 units delivered** until 30 June 2015.
- **1,965 units delivered** from 2009 till 30 June 2015. 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.



2015 data (execution for 1H15):

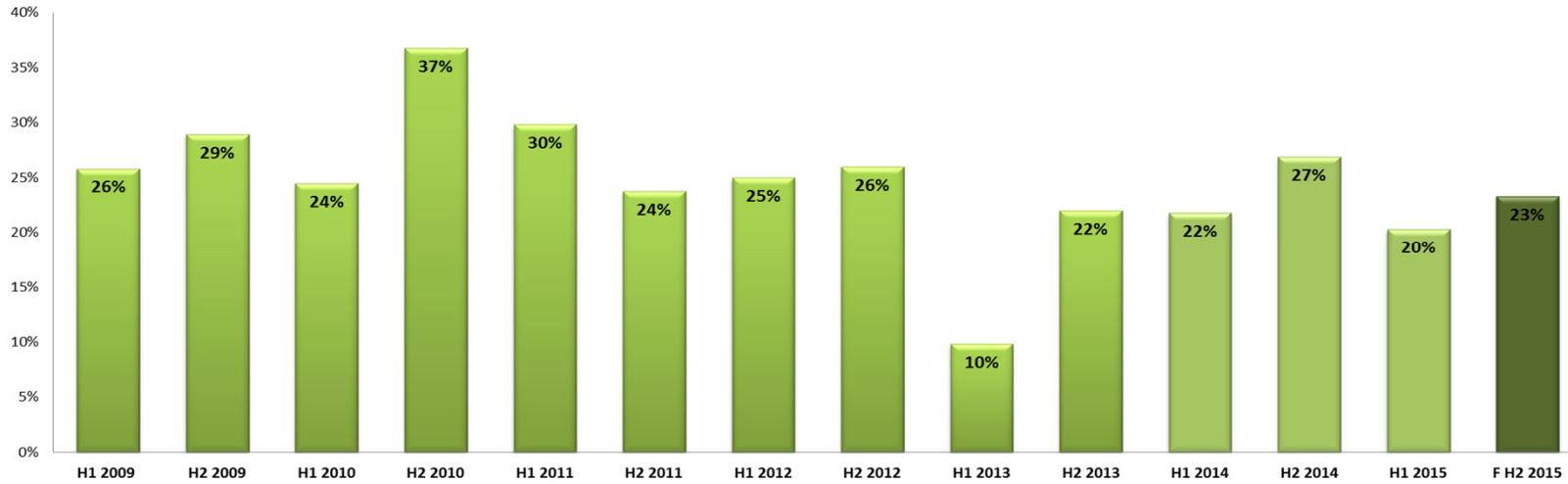
- Presales: 138 units.
- Deliveries: 35 units.

- **Financing:**
 - Bank PEKAO S.A. (Unicredit Group): *Ostoja-Wilanów* in Warsaw (from 2006 onwards) and *Osiedle Innova* in Wroclaw (from 2011 to 2014).
 - GETIN NOBLE S.A.: *Osiedle-Moderno* (from 2013 onwards) and *Apartamenty Innova* (from March 2015 onwards) in Wroclaw.

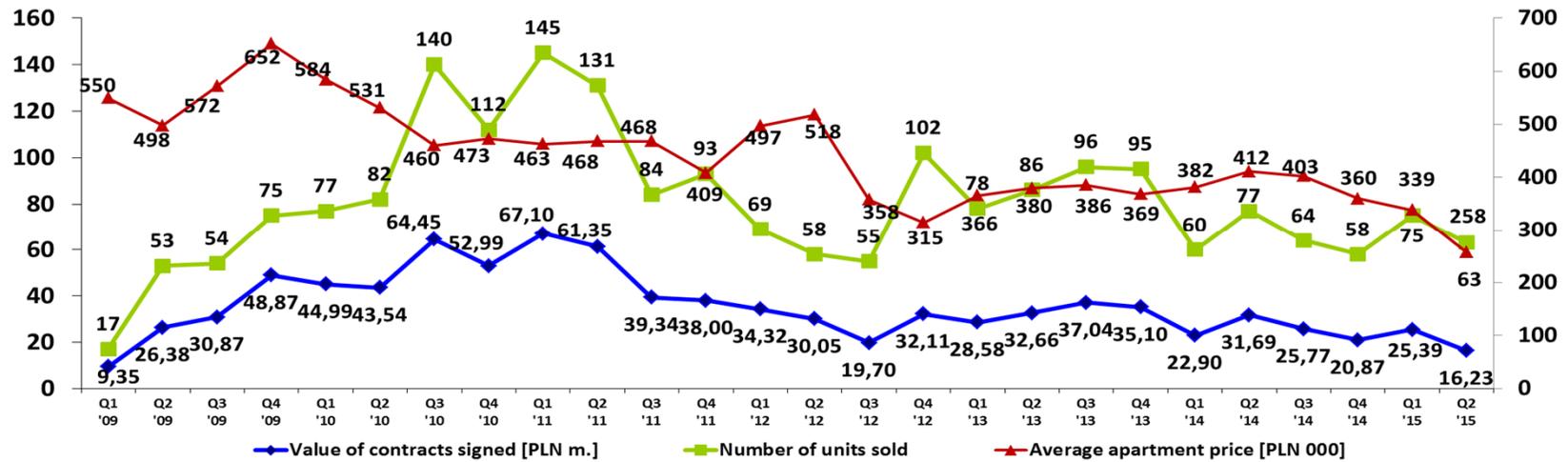


Outstanding information

- 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.





*Apartamenty Innova (stage A, 17 floors, 206 apartments & 4 commercial premises), Wrocław .
(April 2015).*

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

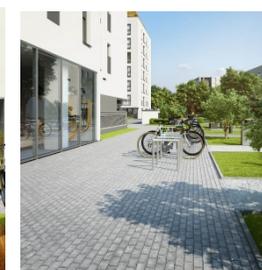
- **Completed** (as at 30 June 2014):
 - **14 stages:** 7 in Ostoja-Wilanów, Warsaw, and 7 in Osiedle-Innova, Wroclaw.
 - **2,155 apartments completed:** 1,624 units in Warsaw and 531 units in Wroclaw.
 - **160,696 sq. m completed:** 132,902 sq. m in Warsaw and 27,794 sq. m in Wroclaw.
- **Units completed and unsold** (as at 30 June 2015)
 - **1,191 sq. m** completed and unsold (109 sq. m residential and 1,082 sq. m commercial).
 - **2 apartments** completed and unsold in Ostoja-Wilanów, Warsaw (109 sq. m residential).
 - **7 commercial units** in Ostoja-Wilanów, Warsaw (1,082 sq. m commercial).
- **Under construction** (as at 30 June 2015)
 - **4 stages** (2 in Warsaw and 2 in Wroclaw).
 - **626 apartments under construction** (2 in Warsaw, 262 units, and 2 in Wroclaw, 364 units).
 - **39,265 sq. m under construction.**
- **Under development:** (as at 30 June 2015)
 - **3 projects under development, 5 stages** (1 stage in Ostoja-Wilanów, Warsaw; 2 stages in Apartamenty Innova, Wroclaw; 2 stages in Villa Botánica, Powsin-Warsaw).
 - **717 apartments under development** in Ostoja-Wilanów, Warsaw (43 units); in Osiedle-Innova 2, Wroclaw (331* units); in Villa Botánica, Powsin-Warsaw (343* units).
 - **56,164 sq. m under development.**



FPP in zloty

Selected financial data FPP Group [in million PLN]

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



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: 110 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).



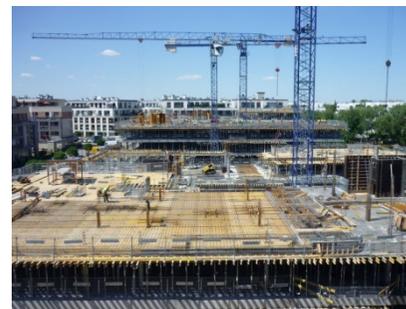
Osiedle-Innova (stages VI & VII).
Date of delivery: October 2014.
No. of units: 112 apartments (6,453 sq. m).

FPP. Projects under Construction

- 4 stages under construction (2 in Ostoja-Wilanów, Warsaw; 1 in Osiedle-Moderno, Wroclaw & 1 in Apartamenty-Innova, Wroclaw).
- 626 apartments under construction in Warsaw and Wroclaw.
- 39,265 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: 66% (as at 30 June 2015).
Delivery date: Q216
On sale since: May 2014 (59% presold at 30 June 2015).



Ostoja-Wilanów, Warsaw (stage 6.B, buildings C2).
No. of units: 126 apartments (12,531 sq. m)
Breaking ground: February 2015.
Progress to date: 26% (as at 30 June 2015).
Delivery date: Q117
On sale since: July 2015



Osiedle-Moderno, Wroclaw.
No. of units: 158 units (7,243 sq. m).
Breaking ground: March 2014.
Progress to date: 79% (at 30 June 2015).
Delivery date: Q4 2015.
On sale since: April 2014 (75% presold at 30 June 2015).



Apartamenty-Innova, Wroclaw.
No. of units: 206 units (10,274 sq. m).
Breaking ground: November 2014.
Progress to date: 27% (at 30 June 2014).
Delivery date: Q1 2017.
On sale since: March 2015 (8% presold at 30 June 2015).



Ostoja-Wilanów (private park), Warsaw (Poland). June 2015

FPP. Projects under Development

717 residential units under development in Warsaw, Wroclaw, and Powsin (**56,164 sq. m** under development)



Ostoja-Wilanów, Warsaw.

Building B2: 43 units (5,044 sq. m).



Villa Botánica, Powsin (Warsaw).

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

Stage 1 (13,071 sq. m)

Stage 2 (16,903 sq. m)



Apartmenty Innova , stages B & C, Wroclaw.

Total no. of units (whole plot): 331* apartments & 1 commercial premise (21,146* sq.m)

Stage B: Apartmenty Innova

No. of units: 120 apartments

Building 6.3 (8,505 sq. m)

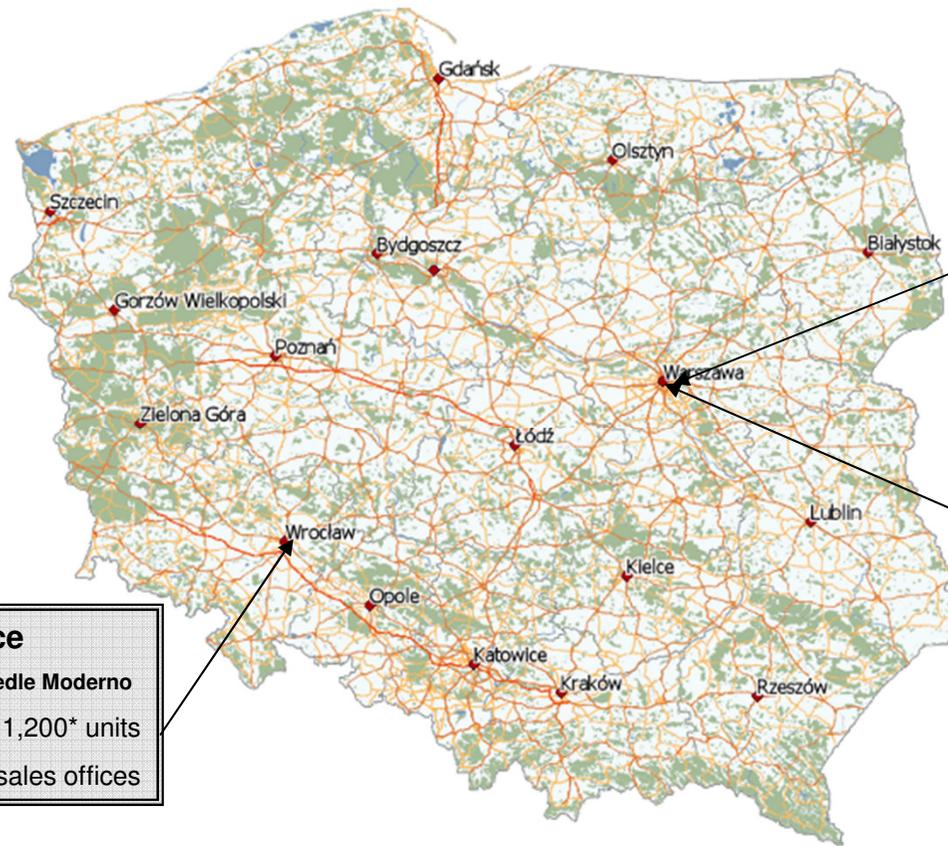
Stage C, Apartmenty Innova.

Building 6.1 (4,955 sq.m)

Nº of units: 83 apartments & 1 commercial premise

Building 6.2. (7,686 sq. m)

Nº of units: 128 apartments



Warsaw
Company's Head Office
Project – Ostoja Wilanów
Sales office
• 1,968* units

Powin
Project – Villa Botanica
• 350* apartments

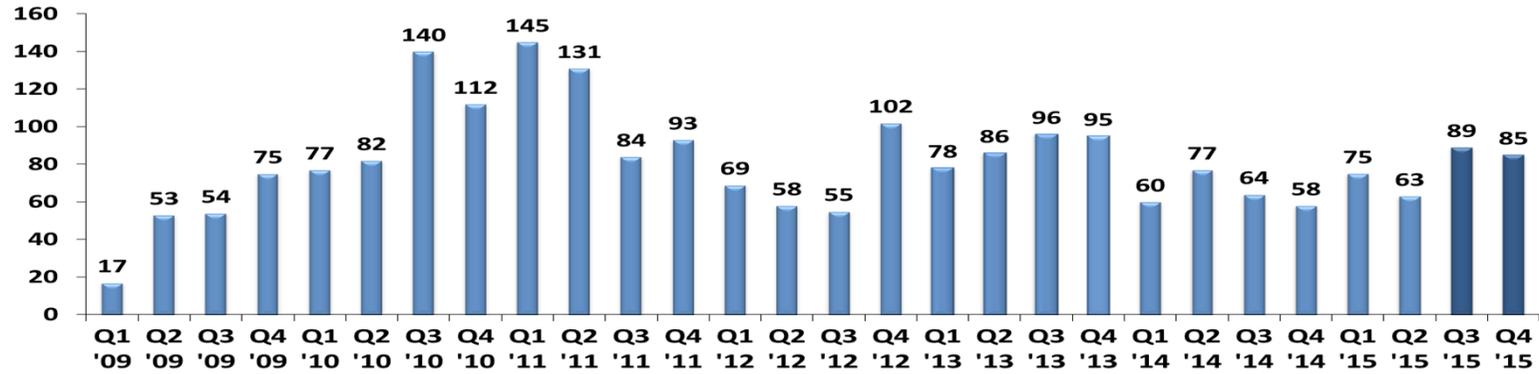
Regional Office
Projects: Osiedle Innova & Osiedle Moderno
• 1,200* units
• 3 sales offices



FPP quarterly presales & deliveries (since 2009)

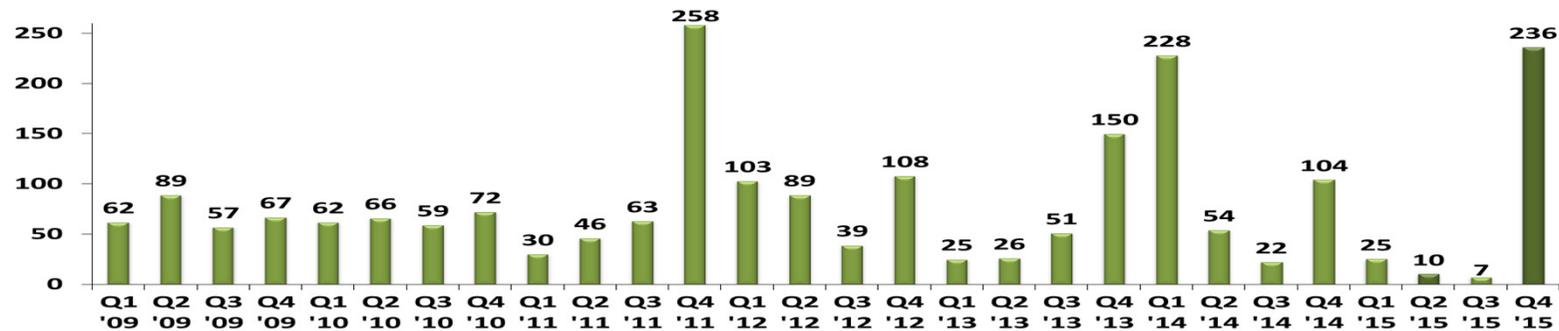
Presales 2009 onwards

Units	2009				2010				2011				2012				2013				2014				2015			
	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	F Q3	F 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	89	85

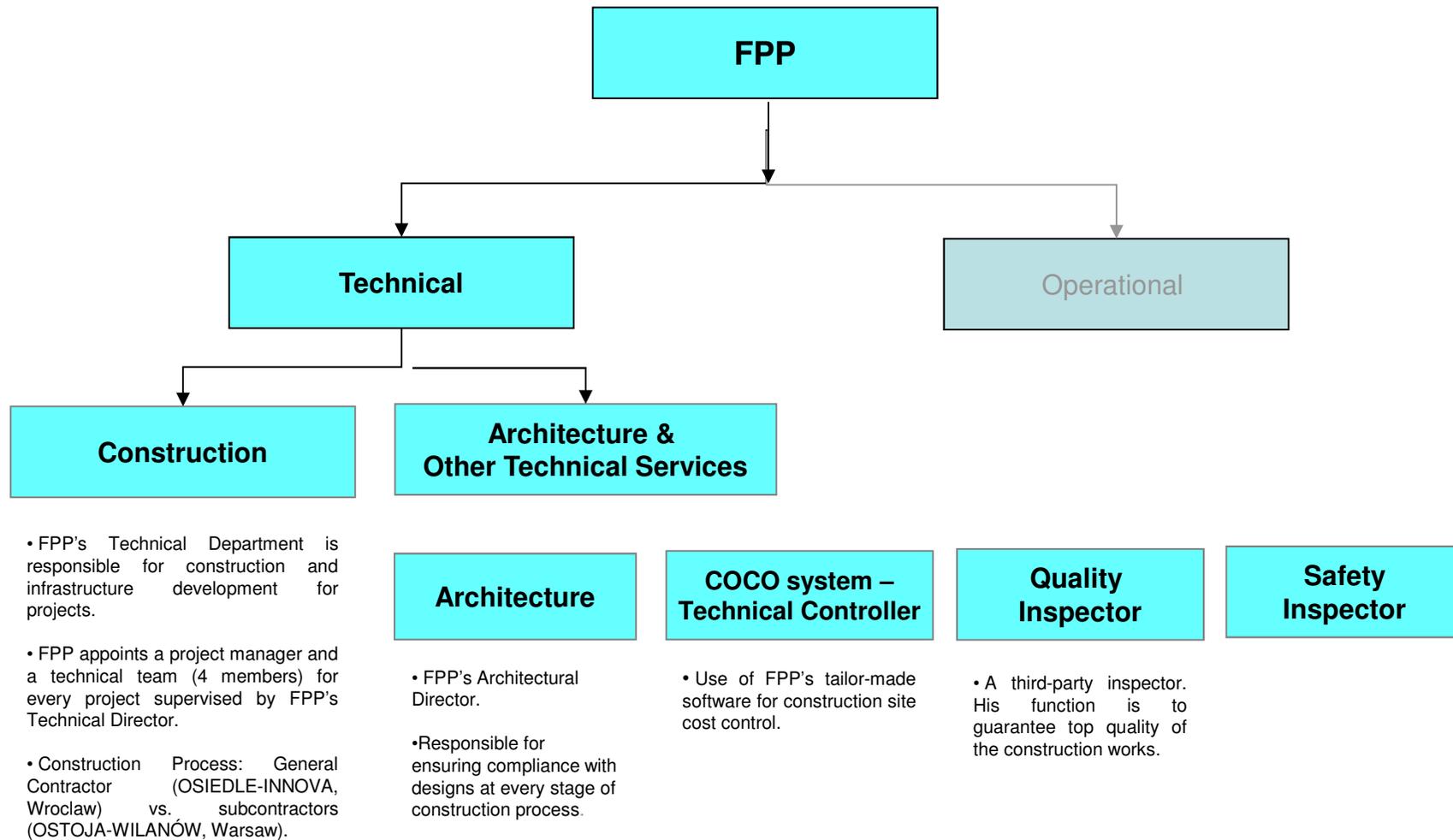


Deliveries 2009 onwards

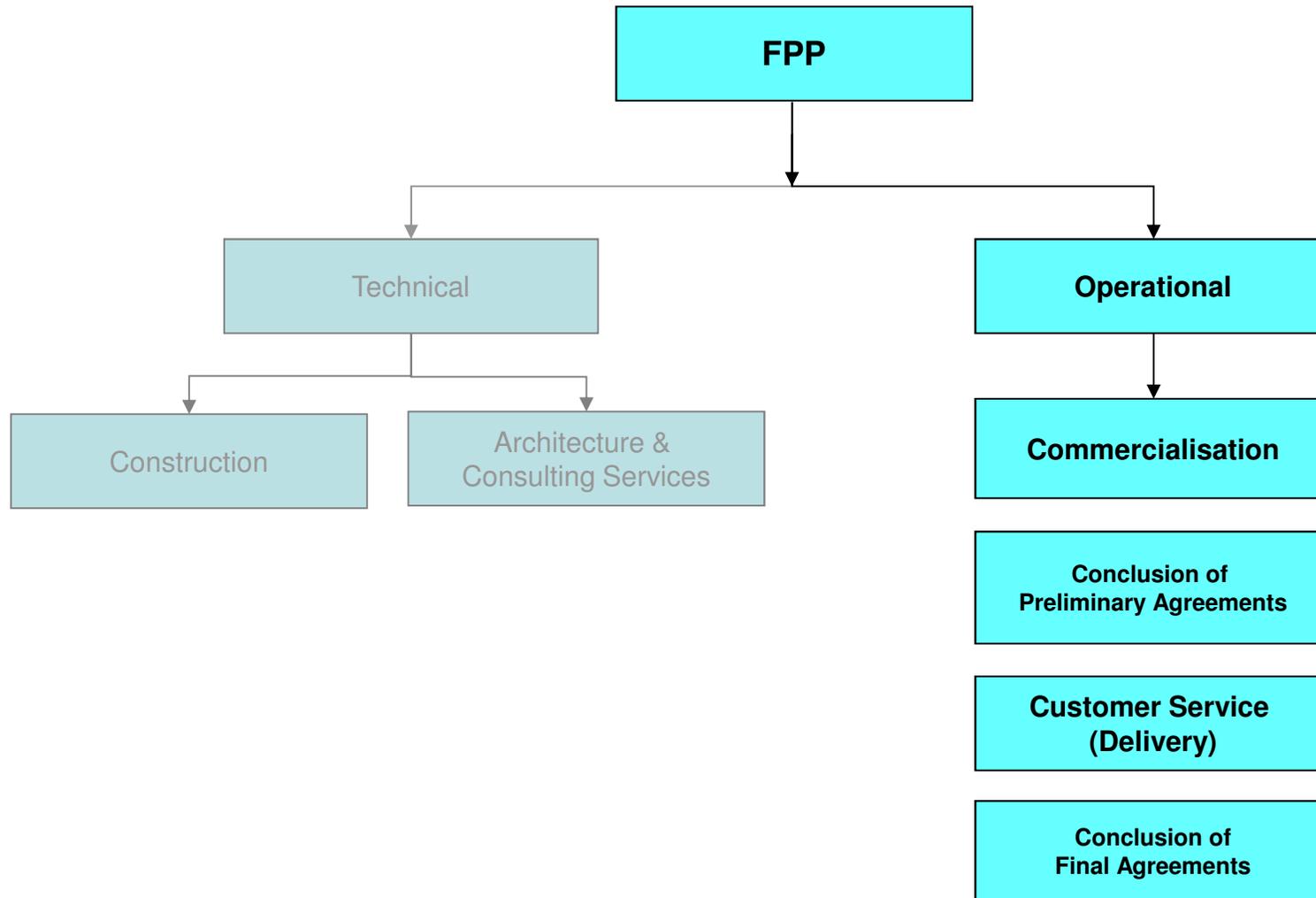
Units	2009				2010				2011				2012				2013				2014				2015			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	F Q3	F Q4
Units	62	89	57	67	62	66	59	72	30	46	63	258	103	89	39	108	25	26	51	150	228	54	22	104	25	10	7	236



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



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: 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

1. Company's Head Office:

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

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

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

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 & Apartamenty Innova:

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
7. Apartamenty Innova: www.apartamentyinnova.pl





Ostoja-Wilanów for kids. Unload the story at www.ostoja-wilanow.com/dla-dzieci/zaczarowane-osiedle/

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