

FPP

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FADESA POLNORD POLSKA (FPP)

05 April 2016 SP (ENG) PL

FPP Review

1Q16





Building B2 (stage VIII), 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. As at 31 March 2016, FPP had sold 2,623 and delivered 2,428 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:

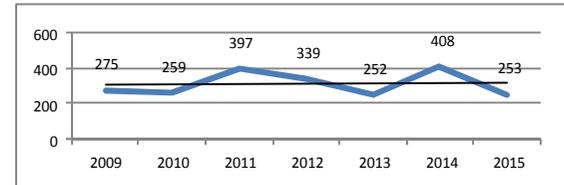
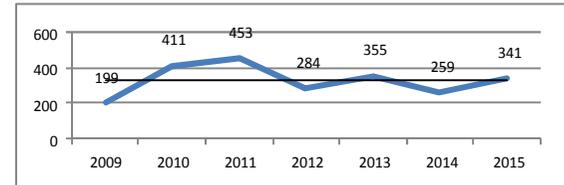
- Ostoja-Wilanów, Warsaw (1,965 units). www.ostoja-wilanow.com
- Osiedle-Innova, Wroclaw (535 units). www.osiedle-innova.com
- Osiedle-Innova II, Wroclaw (542* units).
 - *Apartamenty Innova* (buildings 6.4 and 6.5: 210 units). www.apartamentyinnova.pl
 - *Apartamenty Innova II* (building 6.3: 120 units). www.apartamentyinnova.pl
- 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

- **2,623 apartments sold** as at 31 March 2016.
- **2,365 apartments sold** from 2009 to 31 December 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; 341 units sold in 2015). **AVERAGE (2009-2015): 329 u/y.**
- **787 apartments sold in Wroclaw** (as at 31 March 2016).
- **2,428 units delivered** as at 31 March 2016.
- **2,248 units delivered** from 2009 to 31 March 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 u/y.**



2015 data:

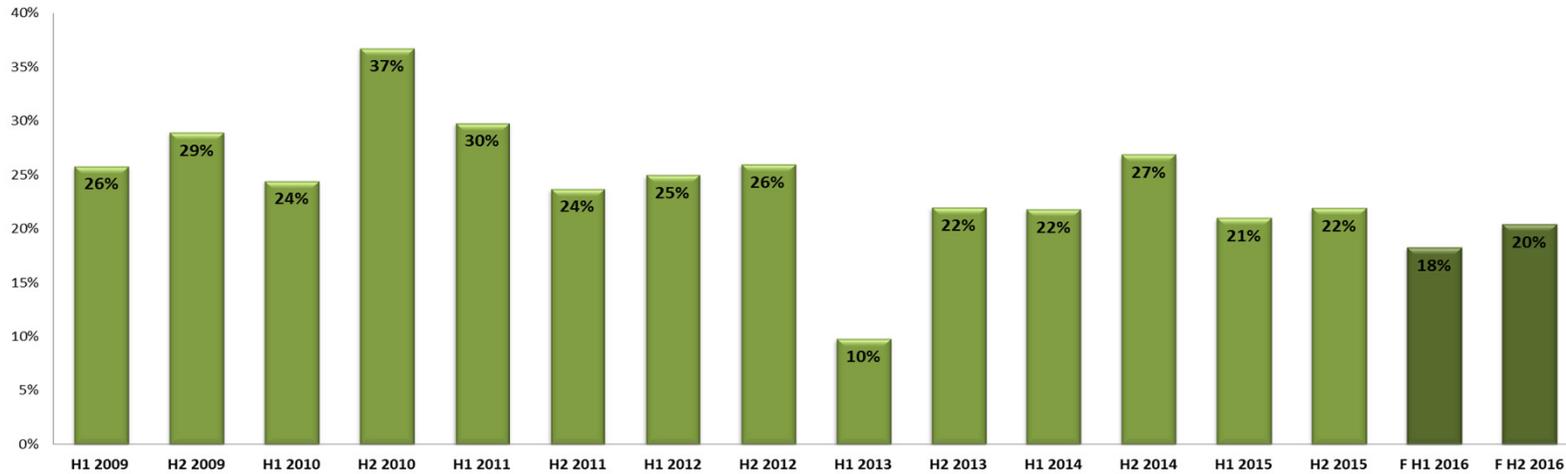
- Presales: **341 units.**
- Deliveries: **253 units.**

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

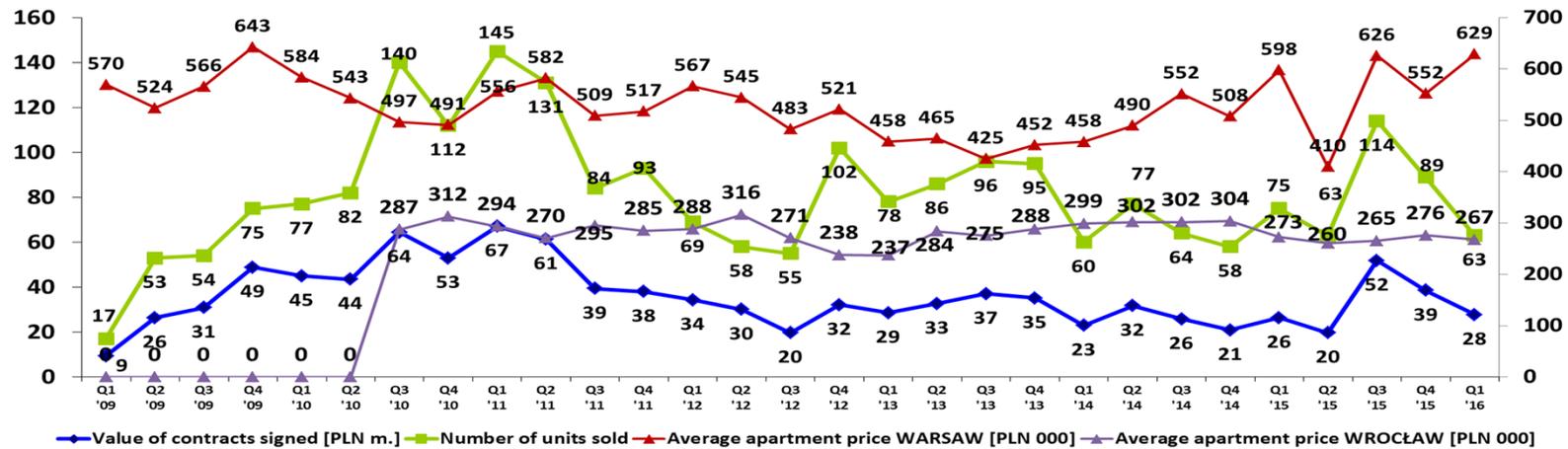


Relevant information

- Gross Margin (since 2009).



- Quarterly Presales (since 2009).

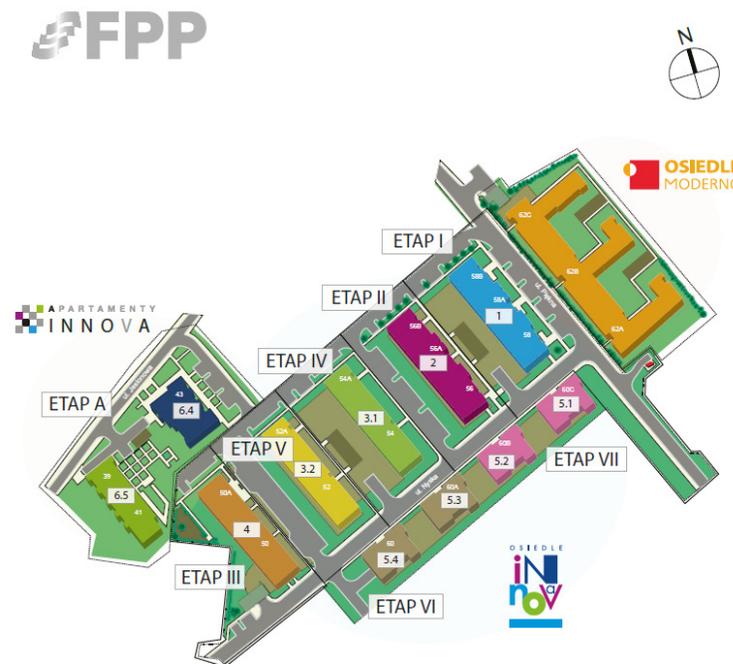


FPP, Projects in Poland

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



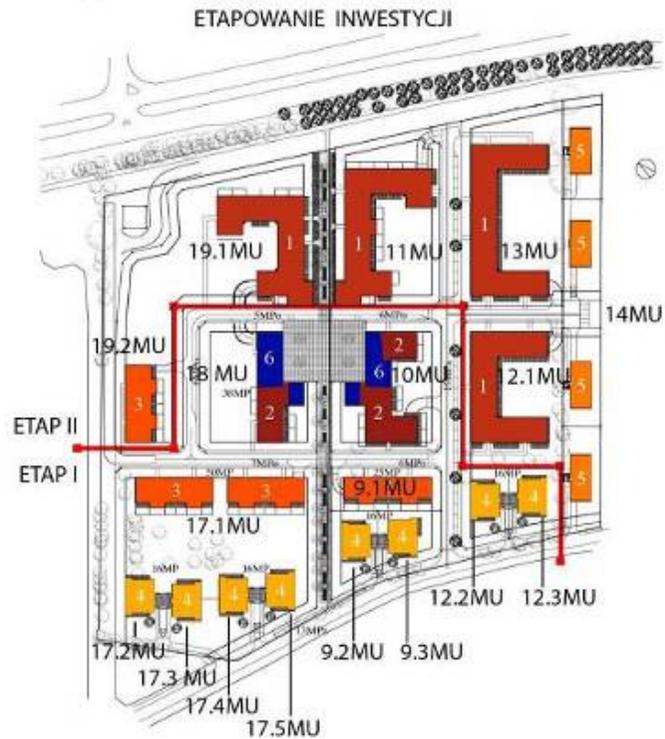
Osiedle-Innova (531 residential units),
Osiedle-Moderno (158 residential units),
Apartamenty-Innova, stage A (206 residential units), Wroclaw.



	IŁOŚĆ MIESZKAN	IŁOŚĆ LOKALI USŁUGOWYCH	IŁOŚĆ MIEJSC POSTOJOWYCH W GARAZU
APARTAMENTY INNOVA	206	4	244
OSIEDLE INNOVA	531	4	504
OSIEDLE MODERNO	158	-	189

FPP, Projects in Poland

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



	Stage 1	Stage 2
Number of units	132	211*



Central lake, Ostoja-Wilanów, Warsaw (May 2015) .



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

- **Completed** (as at 31 March 2016):
 - **16 stages:** 8 in Ostoja-Wilanów, Warsaw, and 8 in Wroclaw (7 in Osiedle-Innova and 1 in Osiedle-Moderno).
 - **2,449 apartments completed:** 1,760 units in Warsaw and 689 units in Wroclaw.
 - **177,156 sq. m completed:** 142,119 sq. m in Warsaw and 35,037 sq. m in Wroclaw.
- **Units completed and unsold** (as at 31 March 2016):
 - **2,002 sq. m** completed and unsold (972 sq. m residential and 1,030 sq. m commercial).
 - **14 apartments** completed and unsold in building B4 in Ostoja-Wilanów, Warsaw (972 sq. m residential).
 - **6 commercial units** in Ostoja-Wilanów, Warsaw (1,030 sq. m commercial).
- **Under construction** (as at 31 March 2016):
 - **3 stages** (2 in Warsaw and 1 in Wroclaw).
 - **375 apartments + 7 commercial premises under construction** (2 stages in Warsaw, 172 units, and 1 stage in Wroclaw, 210 units).
 - **27,773 sq. m under construction.**
- **Under development** (as at 31 March 2016):
 - **2 projects under development, 4 stages** (2 stages in Villa Botánica, Powsin (Warsaw), and 2 stages in Apartamenty Innova II, Wroclaw).
 - **674 apartments under development** in Osiedle-Innova 2, Wroclaw (331* units); in Villa Botánica, Powsin-Warsaw (343* units).
 - **50,771 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	305.7
Equity	31.9	51.6	63.6	78.0	81.5	105.7	109.9
Credit liabilities	321.3	214.8	91.1	83.5	43.3	6.0	12.5

* unaudited data.



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 2014.
**No. of units: 136 apartments
and 1 commercial unit (9,217 sq. m).**
Presold: 88% (as at 31 December 2015)



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 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 units (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 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).

Presold: 100% (as at 31 March 2016)





FPP. Projects under Construction

- **3 stages under construction** (two in Ostoja-Wilanów, Warsaw, and one in Apartamenty-Innova, Wrocław).
- **375 apartments under construction in Warsaw and Wrocław.**
- **27,773 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: 53% (as at 31 December 2015).
Delivery date: Q1 2017
On sale since: July 2015 (68% presold at 31 March 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: 2% (as at 31 March 2015).
Delivery date: Q4 2017
On sale since: 14 March 2016 (9% presold at 31 March 2016).



Apartamenty-Innova, Wrocław (Buildings 6.4 and 6.5)
No. of units: 206 units (10,274 sq. m).
Breaking ground: November 2014.
Progress to date: 66% (as at 31 December 2015).
Delivery date: Q1 2017.
On sale since: March 2015 (48% presold as at 31 March 2016).



Apartamenty Innova II (Building 6.3), Wrocław

FPP. Projects under Development

674 residential units under development in Warsaw (Powsin) and Wroclaw (**50,771 sq. m** under development)



Apartamenty Innowa, stages B and C, Wroclaw.
Total no. of units (whole plot): 331* apartments and 1 commercial unit (20,797* sq.m)

Stage B: Apartamenty Innowa
Building 6.3 (8,335 sq. m)
No. of units: 120 apartments

Stage C, Apartamenty Innowa.
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)



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

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

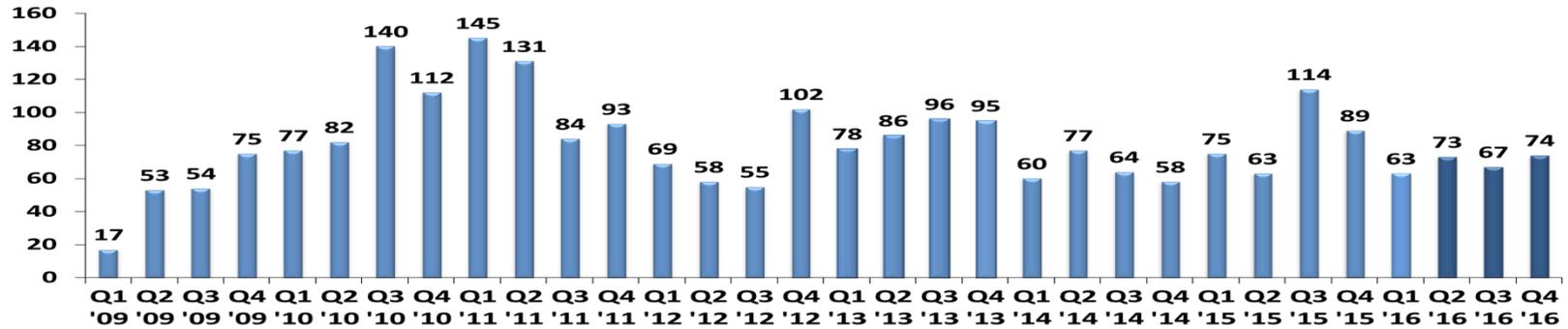
Powsin
Project – Villa Botanica
 • 343* apartments



FPP Quarterly Presales & Deliveries (since 2009)

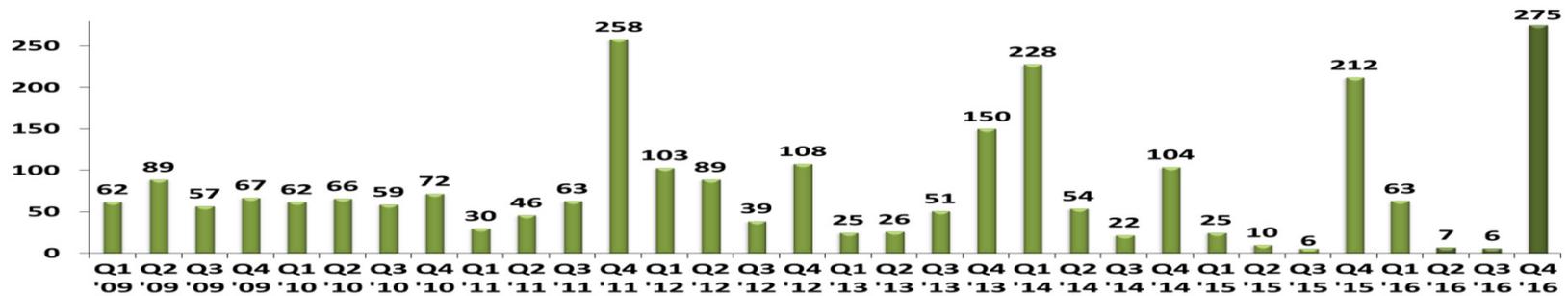
Presales since 2009

Units	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	fQ2	fQ3	fQ4
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	73	67	74

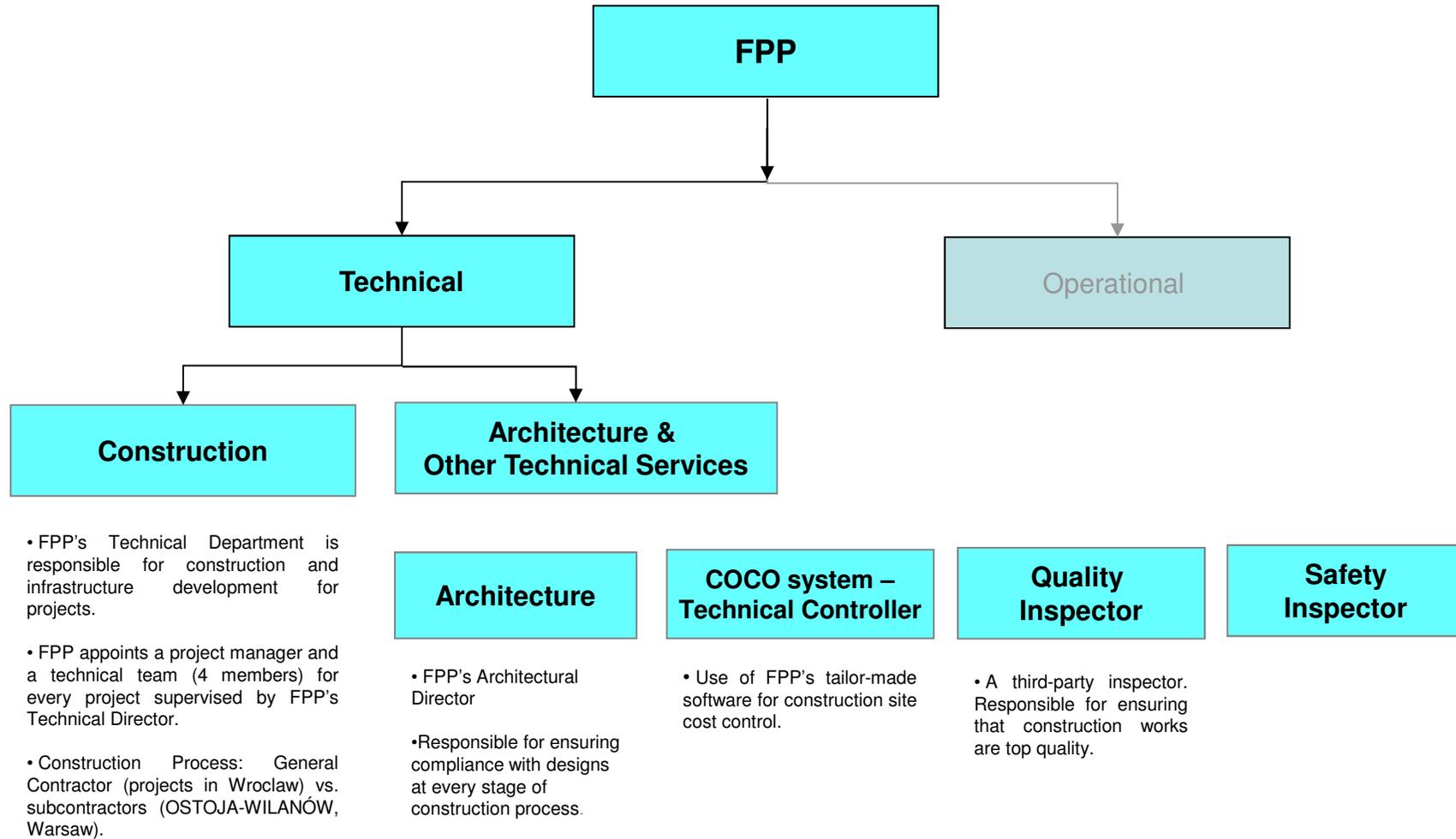


Deliveries since 2009

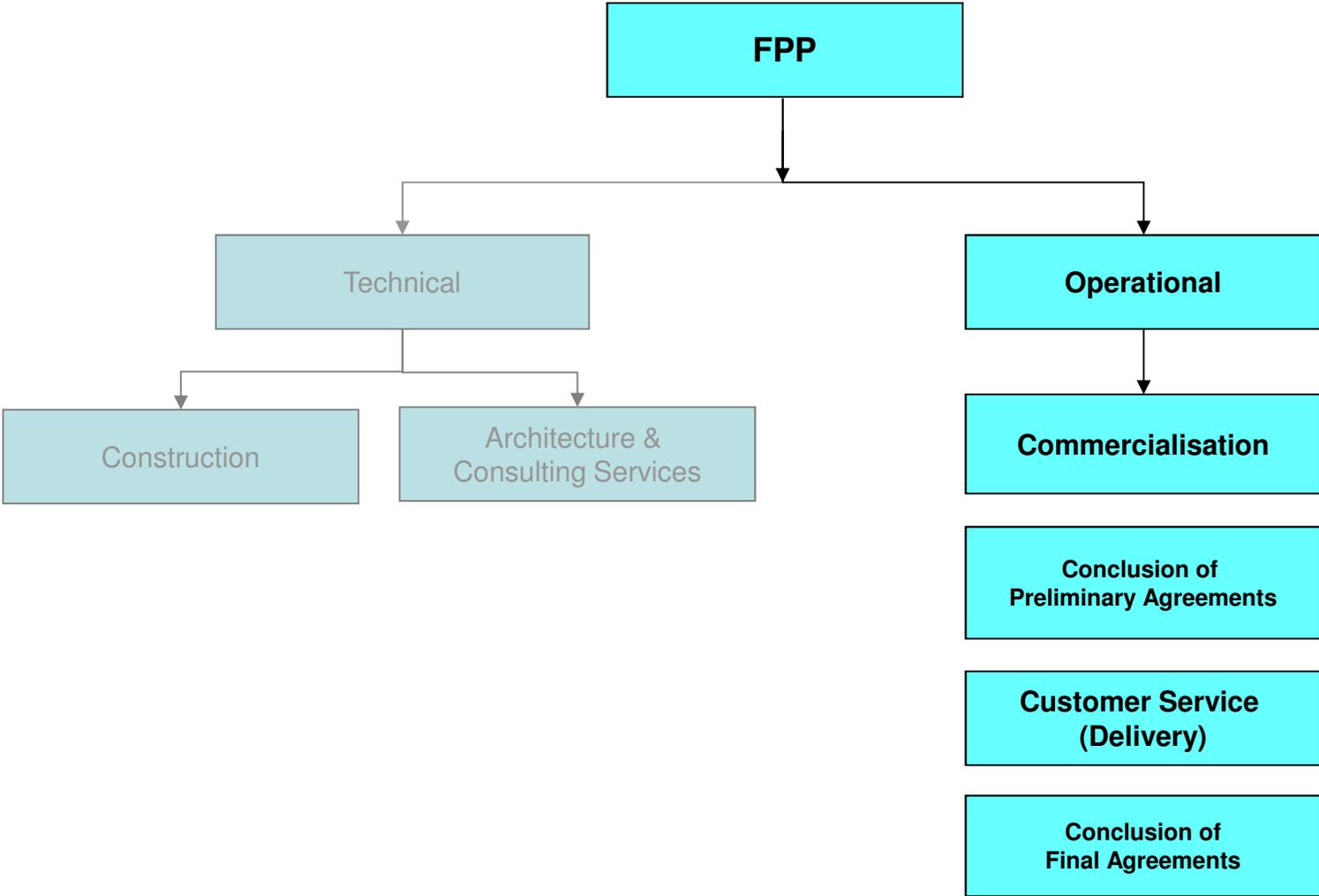
Units	2009				2010				2011				2012				2013				2014				2015				2016			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	fQ2	fQ3	fQ4
Units	62	89	57	67	62	66	59	72	30	46	63	258	103	89	39	108	25	26	51	150	228	54	22	104	25	10	6	212	63	7	6	275



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 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

1. 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: Małgorzata 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. Warsaw (Picture dated May 2015)

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