



POD VRSKAMI

UNDER THE HILLS

RESIDENTIAL PROJECT IN SLOVAKIA

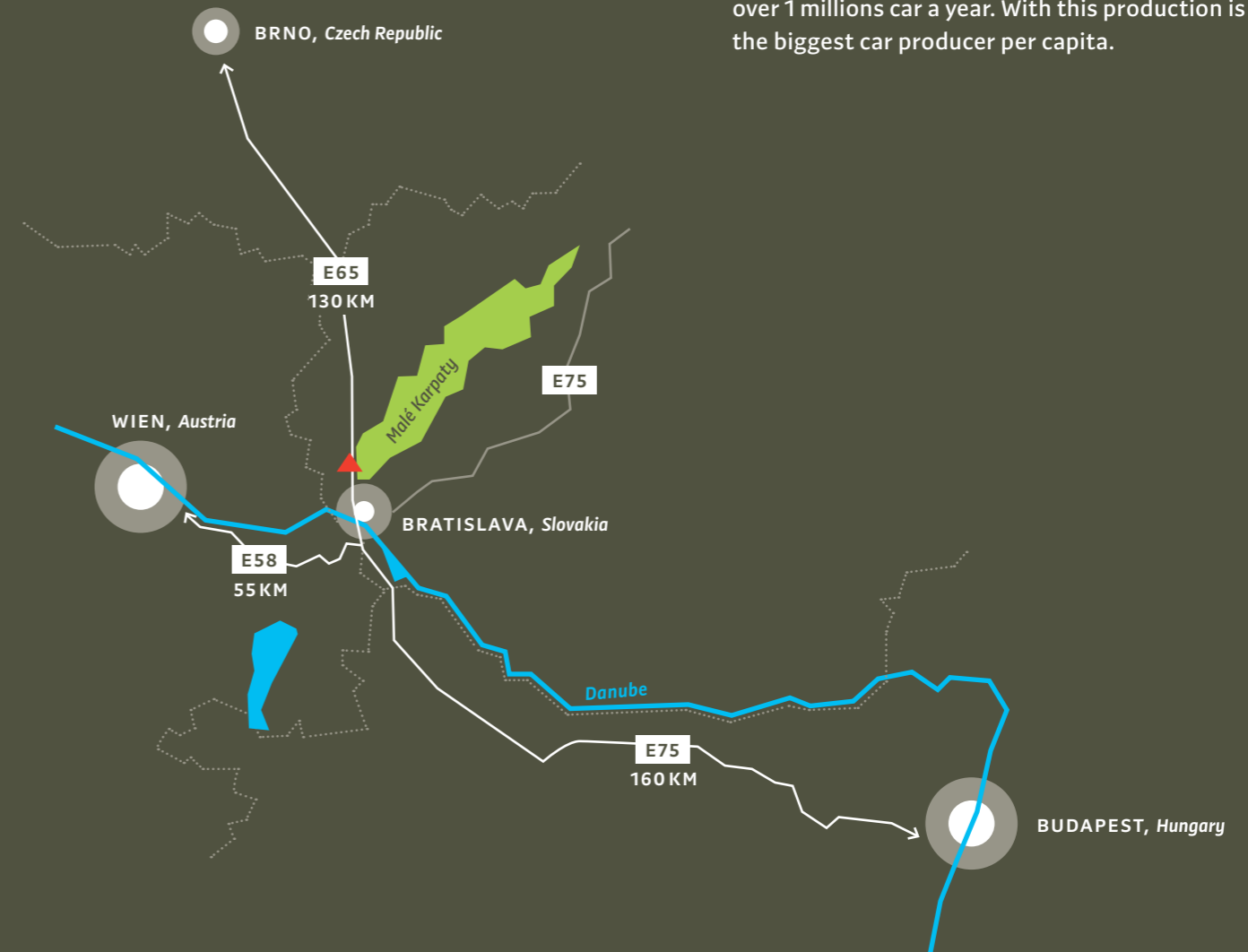
Slovakia is a sovereign state in Central Europe. Slovakia became an independent state on 1 January 1993 after the peaceful dissolution of Czechoslovakia. It has a population of over five million and an area of about 49,000 square kilometers (19,000 sq mi). Slovakia is bordered by the Czech Republic and Austria to the west, Poland to the north, Ukraine to the east and Hungary to the south. The largest city is the capital, Bratislava, and the second largest is Kosice. Slovakia is a member state of the European Union, Euro zone, Schengen Area, NATO, the United Nations, the OECD and the WTO, among others. The official language is Slovak, a member of the Slavic language family.



INVESTING IN SLOVAKIA

Slovakia is a high-income advanced economy with one of the fastest growth rates in the European Union and the OECD. The country joined the European Union in 2004 and the Euro zone on 1 January 2009. The Slovak economy is considered an advanced economy, with the country dubbed the "Tatra Tiger". Slovakia transformed from a centrally planned economy to a market-driven economy.

Slovakia is an attractive country for foreign investors mainly because of its low wages, low tax rates and well educated labour force. In recent years, Slovakia has been pursuing a policy of encouraging foreign investment. FDI inflow grew more than 600% from 2000 and cumulatively reached an all-time high of \$17.3 billion in 2006, or around \$22,000 per capita by the end of 2008. The main industry sectors are car manufacturing and electrical engineering. There are currently three automobile assembly plants: Volkswagen's in Bratislava, PSA Peugeot Citroën's in Trnava and Kia Motors' Žilina Plant. All those automobile plants produce together over 1 millions car a year. With this production is Slovakia the biggest car producer per capita.

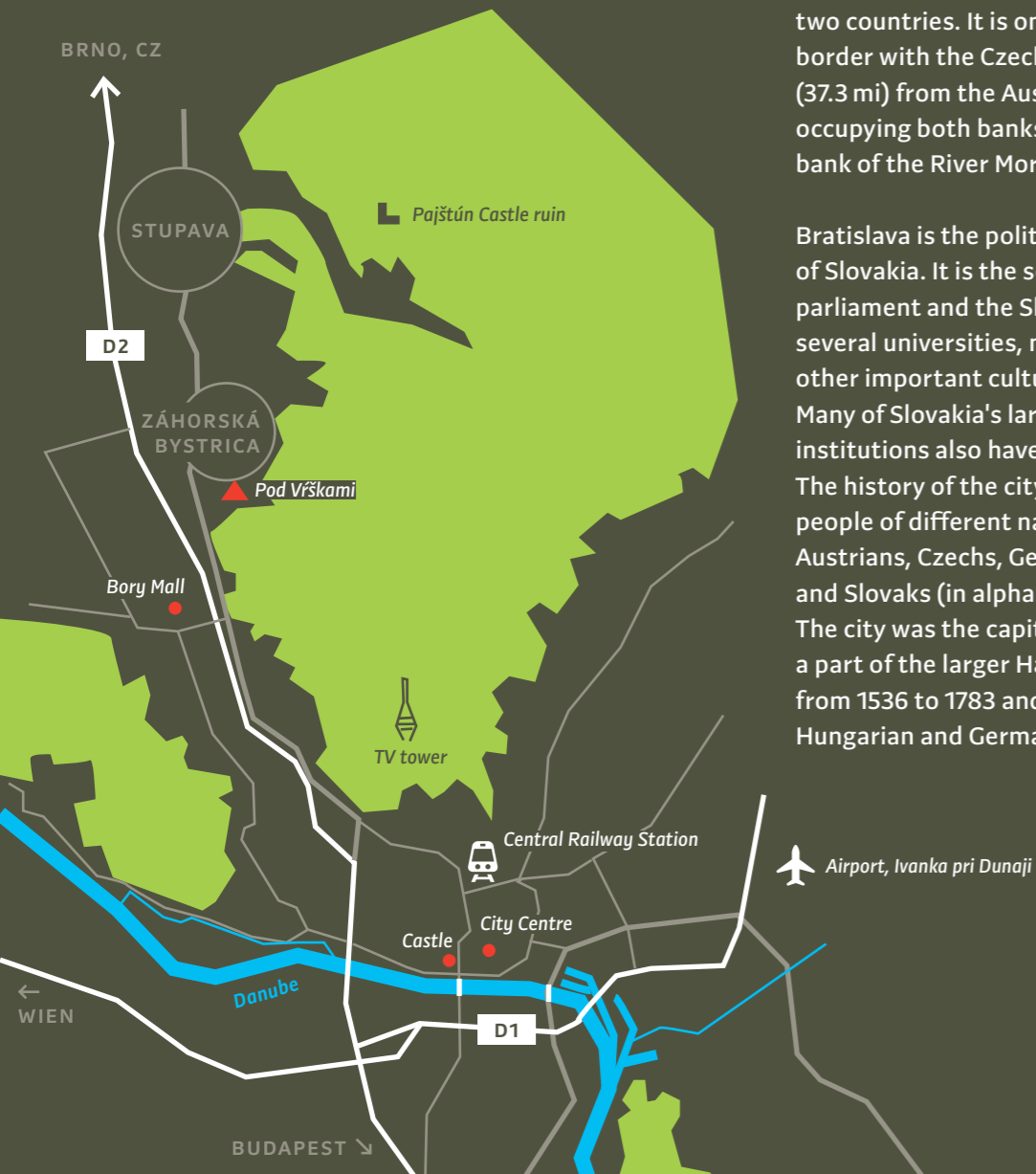


BRATISLAVA

Bratislava is the capital of Slovakia and, with a population of about 500,000, the country's largest city. Bratislava is situated in south-western Slovakia, within the Bratislava Region. Its location on the borders with Austria and Hungary makes it the only national capital that borders two countries. It is only 62 kilometers (38.5 mi) from the border with the Czech Republic and only 60 kilometers (37.3 mi) from the Austrian capital Vienna. Bratislava is occupying both banks of the River Danube and the left bank of the River Morava.

Bratislava is the political, cultural and economic centre of Slovakia. It is the seat of the Slovak president, the parliament and the Slovak Executive. It is home to several universities, museums, theatres, galleries and other important cultural and educational institutions. Many of Slovakia's large businesses and financial institutions also have headquarters there.

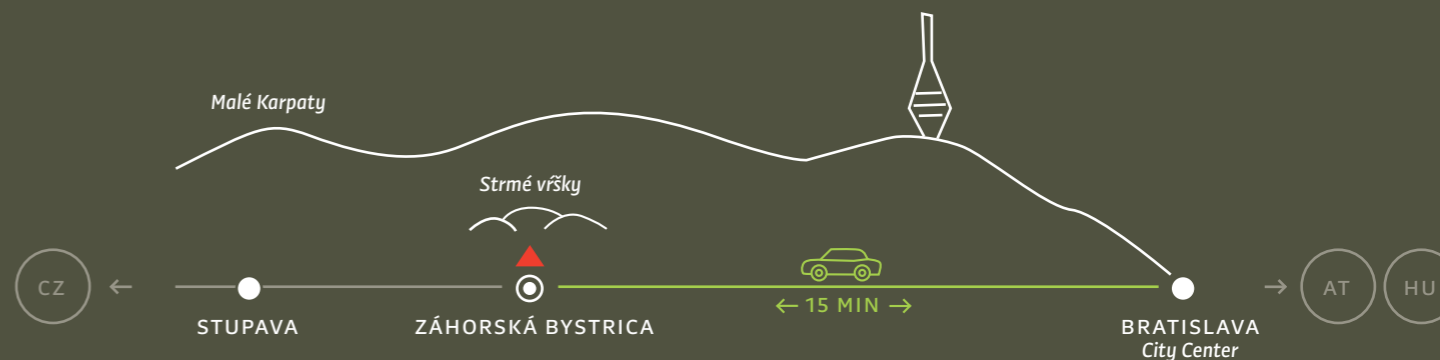
The history of the city has been strongly influenced by people of different nations and religions, namely by Austrians, Czechs, Germans, Hungarians, Jews, Serbs and Slovaks (in alphabetical order, not significance). The city was the capital of the Kingdom of Hungary, a part of the larger Habsburg Monarchy territories, from 1536 to 1783 and has been home to many Slovak, Hungarian and German historical figures.



ZÁHORSKÁ BYSTRICA

Záhorská Bystrica is a borough in northern Bratislava. It is a small borough with preserved peasants' houses and more recent modern villas and luxury estates. Its proximity to the Little Carpathians offers opportunities for tourism and sporting activities.

The first preserved written account of the settlement dates to 1208 under the name *Bisztric*. Croatian settlement here dates to 1520. The settlement became a part of Bratislava on January 1, 1972. The borough is home to Slovakia's major TV station, TV Markíza. Zahorska Bystrica has a very good connection to highway. The Old Town (city centre) can be reached by car by 15 minutes. The automobile assembly plant of Volkswagen is situated 10 kilometers west from Zahorska Bystrica and 5 km south is big shopping center Bory.





PROJECT

During 2006-2007 the land acquisition for 305,000 m² was concluded following zonal approval according to which the land was changed from agricultural to construction land for a mix used purpose-residential and commercial.

At the end of 2006, the Opera SL Group a.s. company was established with the following partners:

- Ralston (a subsidiary of the BSG group)
- Parkcrest (a subsidiary of Delek Real Estate)
- Forsima (a Slovakian partner, constituting part of the landowners)
- Selvinior

The management was handed to SL Group and Opera based on a syndication agreement.

For the development of the project we have started parallel on two directions:

- 1) Utilities development of the entire infrastructure required for the full development of the project including roads and land deviation to private plots.
- 2) Submittal of planning permit and building permit for the first stage which included:
 - Plots development for private houses
 - Clusters for about 400 apartments including 1000 m² commercial
 - 8000 m² for park

In 2009 we have received permits as follows for:

- Apartments in two clusters: "A" (66 units) and "G" (36 units +9 shops - building permits)
- Private plot development (106 units)



At June 2010 the construction of Cluster "A" for 66 apartments has been started and was completed by the end of 2011 and parallel we also sold plots for private housing. The utilities and roads were commissioned and we have received occupancy permits for all utilities including the big round.

PRIVATE HOME CONSTRUCTION PLOTS

- There are a total of 106 plots for sale with sizes starting from 600 m² per lot, including full site development and infrastructure connection point.
- Total net sellable area — 73,286 m².
- Sales were begun through presales at a price of €150 per square meter + VAT.
- According to the agreement with the bank, the minimum price is €185 per square meter + VAT.
- We are currently selling at an average of €160-170 per square meter + VAT.
- About 96 % of plots have been sold.

A-CLUSTER

66 apartments

2011



- There are a total of 66 apartments.
- Total net floor area of the apartments is 5,119 m².
- The construction has been finished as it was planned in December 2011 and occupancy permit has been issued on April 2012.
- We are currently selling at an average price of €1450-€1600 per square meter +VAT





BILLA

In the end of the year 2012 we sold commercial part of A-sector to supermarket Billa. The money from the sale was used for reduction of the bank loan. The main aim of that sale was to bring people to this zone and give people which are already living in our project possibility for Shopping.



G-CLUSTER — Limea Residence

During 2014 we found investor which bought the land and project for construction of three buildings with 41 apartments and small commercial space on the ground floor. We sold this G-Cluster with building permit, so the investor started to build immediately. We sold it cause we would like to move forward this project and make it more attractive to people and also reduced the bank loan.



C-SECTOR
42 plots for family houses
2015

During the spring 2015 we starting Phase 2 and we are going to prepare 90 plots for family houses in two stages. The first one is situated in sector C and have 42 plots for family houses. The average size of the plots is around 600 m² what is the most demanded size of plot. Each plot will have all utilities (water, gas, electricity, drainage, sewage and triple play Orange). Total area of C sector is 39 689 m². The net saleable area of plots for family houses is 26 604 m². The area 6 056 m² is for multifunction purposes.

A-SECTOR
 48 plots for family houses
 2016



When we sell 60% of plots in sector C, we are going to build additional 48 plots in A sector. This sector A is very unique with its bordering on greenery with Vapenicky creek on left side and supermarket Billa on right side next to entrance to this sector. The average size of plots will be also around 600 m² and with all utilities (water, gas, electricity, drainage, sewage, triple play Orange). The net saleable area is 33 480 m².



Total project cost from the time beginning through the conclusion of Stage 1 on end of Oktober 2014 is €54 798 929:

	Invested (EUR)
Equity	13 079 275
Buyers funds	18 969 654
Bank loan	22 750 000
Total	54 798 929

Till the end of June 2015 we will finish the stock from Stage 1. The bank loan will be reduced to € 20 000 000.

REZIDENTIAL ZONE ZÁHORSKÁ BYSTRICA-KRČE

Sector	Total m ²	m ²	Function
A	39 271	33 480	plots for houses
		5 791	roads
C	39 689	26 604	plots for houses
		6 056	multifunction
		7 029	roads
D	7 577	7 577	educational
F, H2, H3 without A cluster	80 355	62 276	residential
		2 028	multifunction
		9 018	roads
		7 033	public park
Total	166 892		



0 50 m



The rest of project is divided to 4 phases up to 2024. The development of the rest of the land can provide 857 apartments, 12 094 m² of commercial zone, 90 plots for family houses. Total profit which can be reach finalization all the phases in 2024 is 65 197 574 €.

SUMMARY

Phase	Period	Part of Project	Volume	Costs	Income	Profit
II	06/2014 — 06/2015	Rest of C sector	42 plots	1 954 326 €	4 675 825 €	2 721 499 €
II	06/2015 — 06/2016	A sector	48 plots	1 976 816 €	5 507 360 €	3 530 544 €
III	9/2015 — 12/2016	D + B cluster	166 flats	19 578 302 €	29 694 571 €	10 116 269 €
III	01/2016 — 01/2018	rest of sector H2, h24	288 flats	34 058 741 €	52 343 827 €	18 285 086 €
IV	01/2018 — 01/2020	sector C – remain, part of F (40%)	236 flats, 11 232 m ² shops	30 129 694 €	48 856 082 €	18 726 388 €
V	01/2020 - 01/2022	sector F (remain 60%)	167 flats, 862 m ² shops	17 009 845 €	28 827 633 €	11 817 788 €
Total	01/2014 - 01/2024	sectors C, H2, h24, F, A	90 plots, 857 flats 12 094 m² shops	104 707 724 €	169 905 298 €	65 197 574 €





POD VRŠKAMI ("Under the Hills") is an ambitious project of a new city district near the Slovakia's capital city Bratislava. It has been developed since 2006 in Záhorská Bystrica which is a borough in northern Bratislava. It is a small borough with preserved peasants' houses and more recent modern villas and luxury estates. Its proximity to the Little Carpathians (hills) offers opportunities for tourism and sporting activities. This part of country has reputation of attractive and dynamically developing suburb of the capital.

WWW.PODVRSKAMI.SK

