Snapshot 05.03.2014 / Manastirski residential development Phase II in Sofia.

Arco Vara webinar 06.03.2014

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Key figures – summary data 2012 vs 2013

Millions of euros	2013	2012
Revenue	14,17	20,73
Gross profit	3,47	-2,828
Net profit	3,42	-18,03
Cash	0,90	1,78
Inventories	10,82	11,70
Real Estate investments	11,38	14,10
Assets	25,14	31,23
Net debt	14,00	16,29

Turnaround team in action 2012-2013

Asset devaluation and 1+2 M provisions;
restructure Bulgarian assets;
Tivoli project: exit;
Ahtri str. 3: exit;
sale of Pärnu Turg;
finishing all works by Arco Ehitus: sold out of group;
acquisition of landbank in Paldiski road (300+ units);
commencement of Sofia Manastirski Phase II (145 units);
re-commencement of Riga Bišumuiša-1 (14 units + 14 units);
integrated production cycle and the team.

Development: active assets

Estonia	Paldiski road 70c Liimi str. 1b Lehiku str. 23 other landplots in Tallinn, Viimsi, Saue, Harku and Tartu municipalities.	Landbank will progress into active construction in 2015. 2014 – silent.
Latvia	Bižumuiža residential development in Riga	Stock of 16 apartments, construction finished by H1 2014 and sale by end of 2014
	Marsili redidential land plots near Riga	23 finished + 68 as landbank
	Latvia: need to acquire landbank for future developments.	
Bulgaria	Manastirski residential development Phase II in Sofia	145 units GSA above grade GSA 12 500 sq.m. and more than 35% presold.
	Manastirski residential development Phase III in Sofia	landplot and underground construction finished, construction right for 72 units above grade.
	Madrid BLVD aparment house in Sofia	GLA 7300 m^2 99% occupied + a stock of 33 unsold apartments. Project finance needs to be restructured. Or default procedure during 2014

Service: active assets: people and data

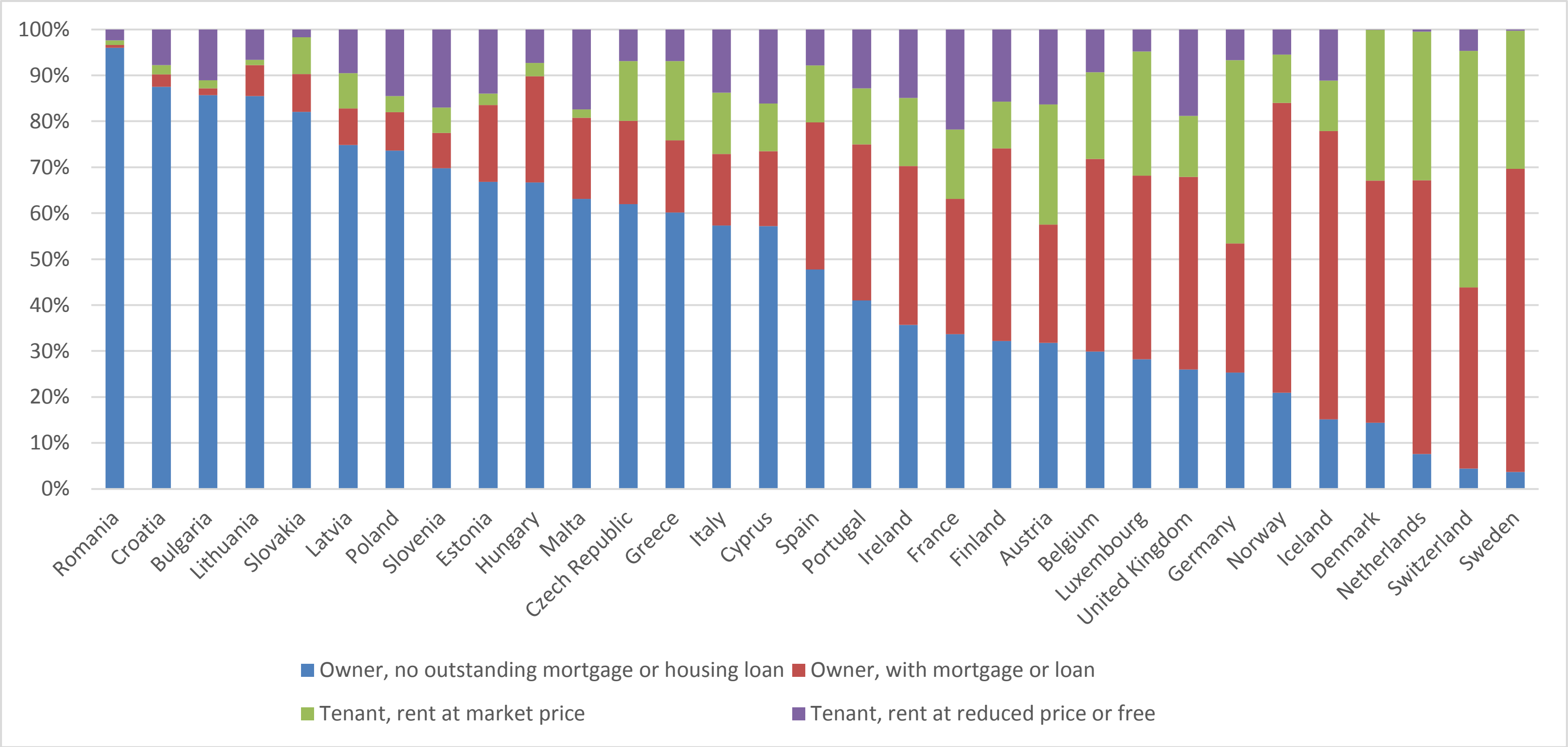
Arco Real Estate	**Estonia**	**Latvia**	**Bulgaria**
Representations (local cities)	16	6	1
Team members	71	65	25
Active properties for sale	1 250	1 350	1 566

Vision 2014 - 2017

✓Service division;

✓development division: residential developments - Tallinn, Riga, Sofia;

✓return on equity of any new project: 20% / Y.



Economic indicators: owner, no outstanding mortgage., Data: European Bank for Reconstruction and Development

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Principal challenges

To raise share capital during 2014

Thank You for Your attention!

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