

# TMM Real Estate Development plc

*Speakers:*

*Mykola Tolmachov, CEO  
Larysa Chivurina, CFO*



April 2008

# Disclaimer



This presentation contains information about TMM Real Estate Development (the “Company”).

This presentation is for informational purposes only and does not constitute an offer to sell or solicitation of an offer to buy any shares in or other securities of the Company.

This presentation and the information contained herein is confidential. Recipients of this presentation may not reproduce, redistribute or pass on, in whole or in part, the presentation to any other person.

The information contained herein is based on sources believed by the Company to be reliable, but is not guaranteed by the Company as being accurate and does not purport to be a complete statement or summary of available data. Any opinions expressed herein are statements of Company’s judgments as of the date of publication and are subject to change without notice. The Company does not intend, and does not assume any obligation, to update or correct the information included in this presentation.

No reliance may be placed for any purposes whatsoever on the information and statements contained in this presentation or on their completeness. No representation or warranty, express or implied, is given by or on behalf of the Company or any of its advisors or any other person as to the accuracy or completeness of information or statements contained in this presentation and no responsibility or liability is or will be accepted for any such information or statements.

This presentation includes and is based on, among other things, forward-looking information and statements. Such forward-looking information and statements are based on the current expectations, estimates and projections of the Company or assumptions based on information available to the Company. Such forward-looking information and statements reflect current views with respect to future events and are subject to known and unknown risks, uncertainties and other important factors beyond the Company’s control. The Company cannot give any assurance as to the correctness of such information and statements. Many factors could cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements that may be expressed or implied by statements and information in this presentation, including, among others, risks or uncertainties associated with the Company’s products, technological development, growth management, financing, and, more generally, general economic and business conditions, changes in domestic and foreign laws and regulations, taxes, changes in competition and pricing environments, fluctuations in currency exchange rates and interest rates and other factors. Should one or more of these risks or uncertainties materialize, or should underlying assumptions prove incorrect, actual results may vary materially from those described in this document.

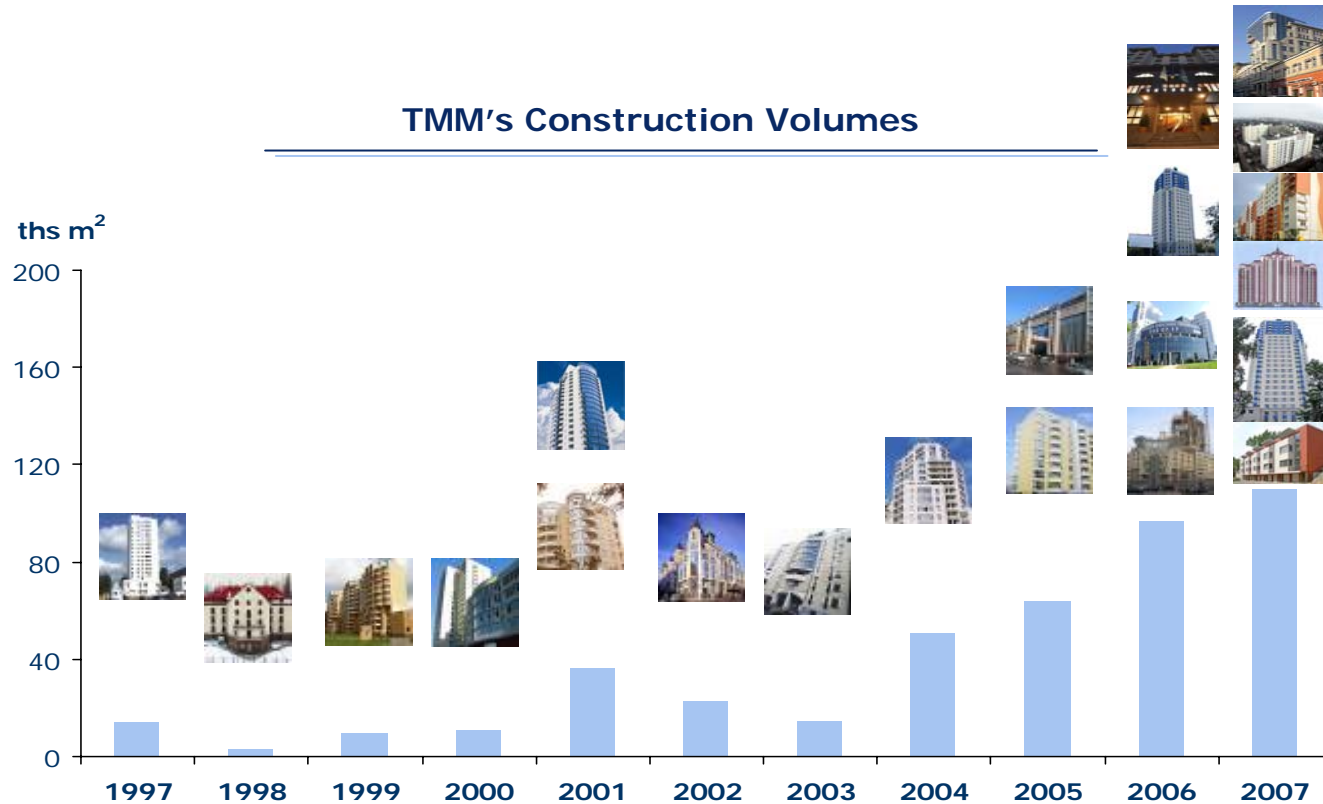
## **Business Overview**

**Strategy**

**Performance after Initial Offering**

# Solid Expertise

- 14 years in real estate
- Completed:
  - 22 projects with a total area of 384 ths m<sup>2</sup> as a developer and constructor
  - Among them 4 projects with a total area of 91 ths m<sup>2</sup> only as a constructor
- 34 projects in current portfolio with a total area of 2.1 mln m<sup>2</sup>
- Established relations with local authorities to obtain land plots
- Cohesive team of top-managers working together for more than 10 years

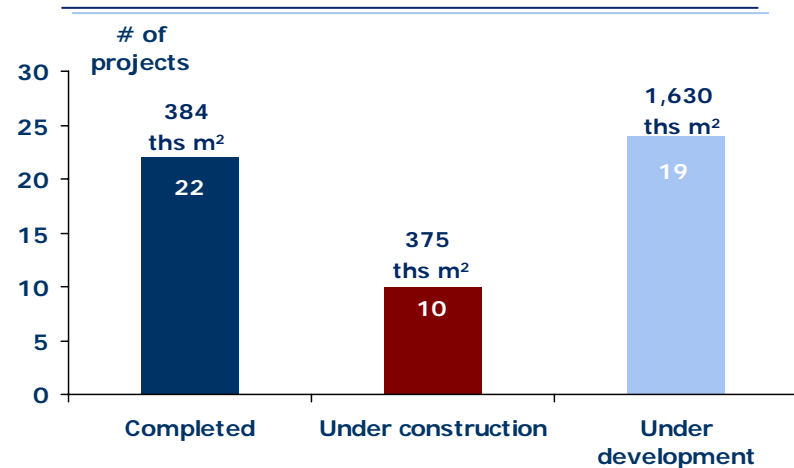


- A largest number of residential projects in the pipeline than any other developer
- The largest residential project under construction in Kyiv
- 20% of TMM's High-end Residential projects are under construction<sup>(1)</sup>

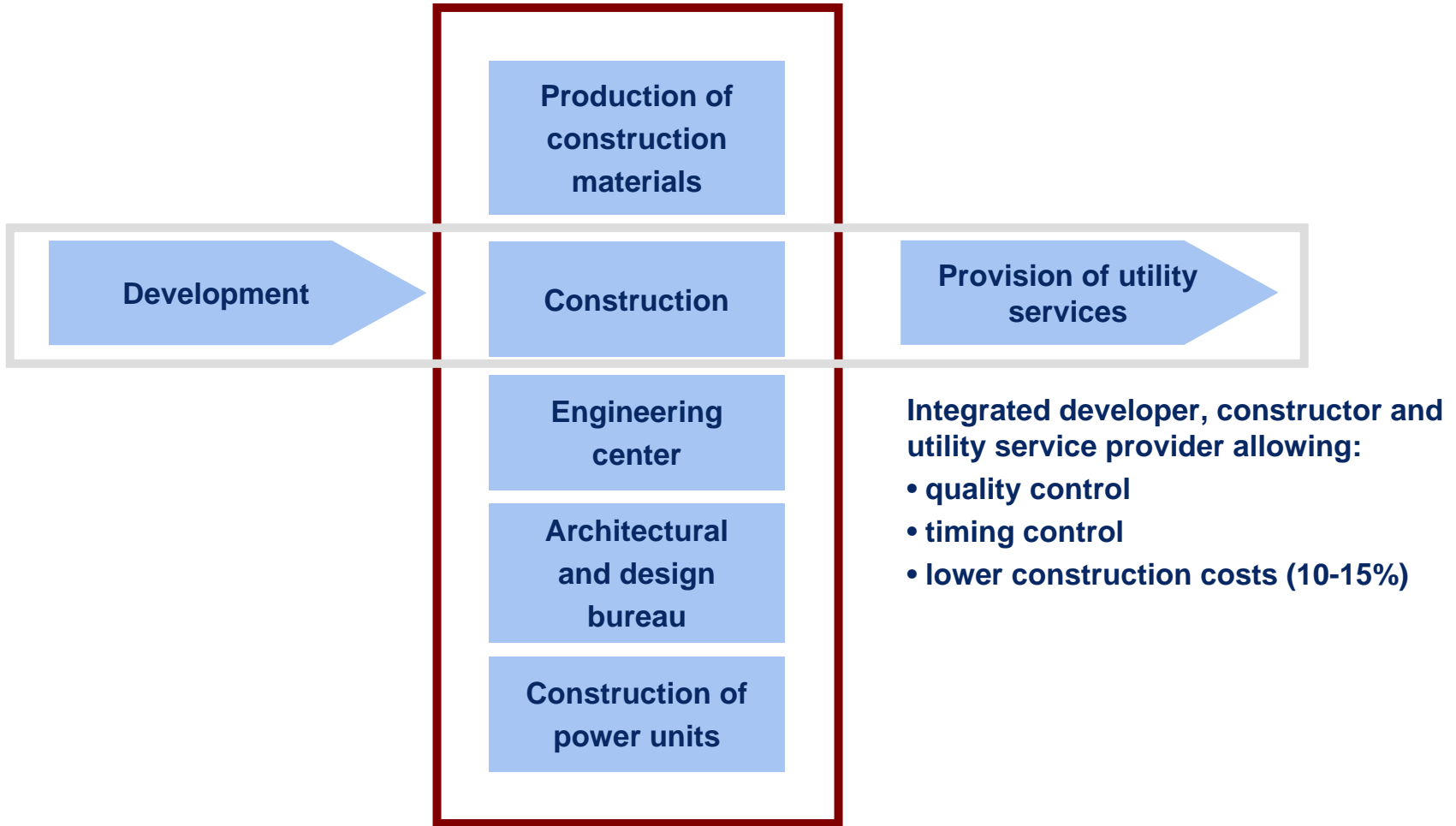


“Sun City” is the largest residential complex under construction in Kyiv (234 ths m<sup>2</sup>), the equivalent of 3-4 average projects of other developers

TMM's Projects

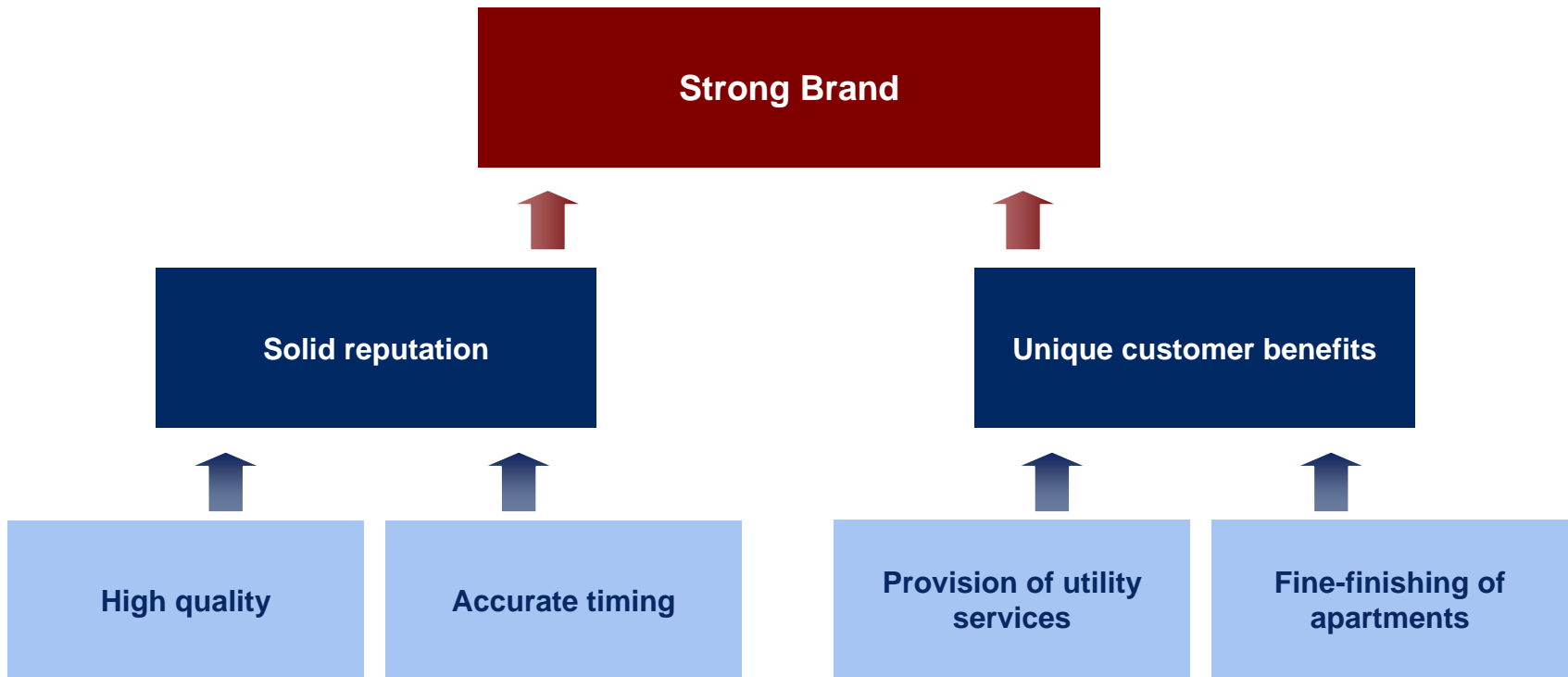


**29 projects in the pipeline with a total area of 2 mln m<sup>2</sup>**



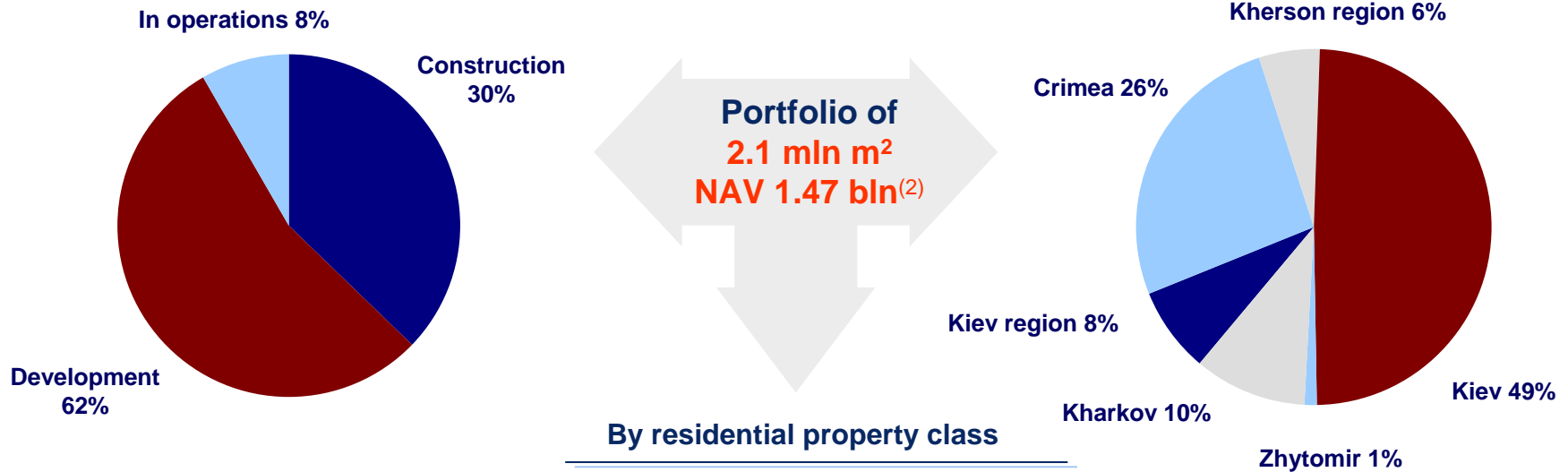
**Vertical integration in construction**

- 30% premium to competitors' prices thanks to a solid reputation and unique customer benefits

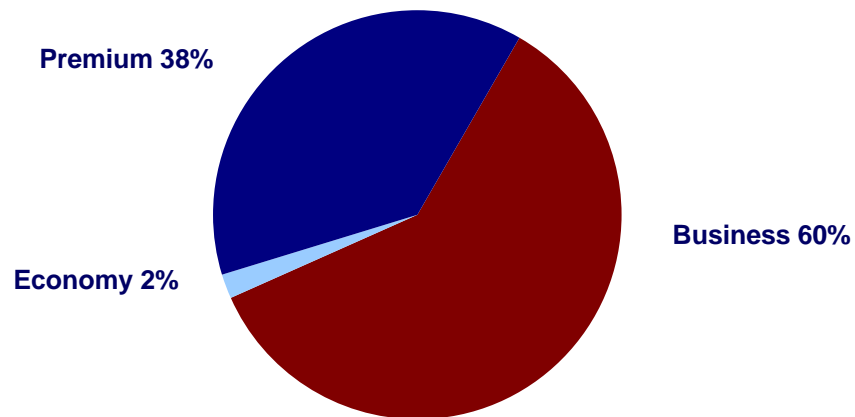


# Our Valuated Projects Portfolio

## Breakdown<sup>(1)</sup> by stage of completion and by region



## By residential property class



Source: Company data

(1) In monetary terms

(2) As of 31.12.2007, preliminary data according to Colliers



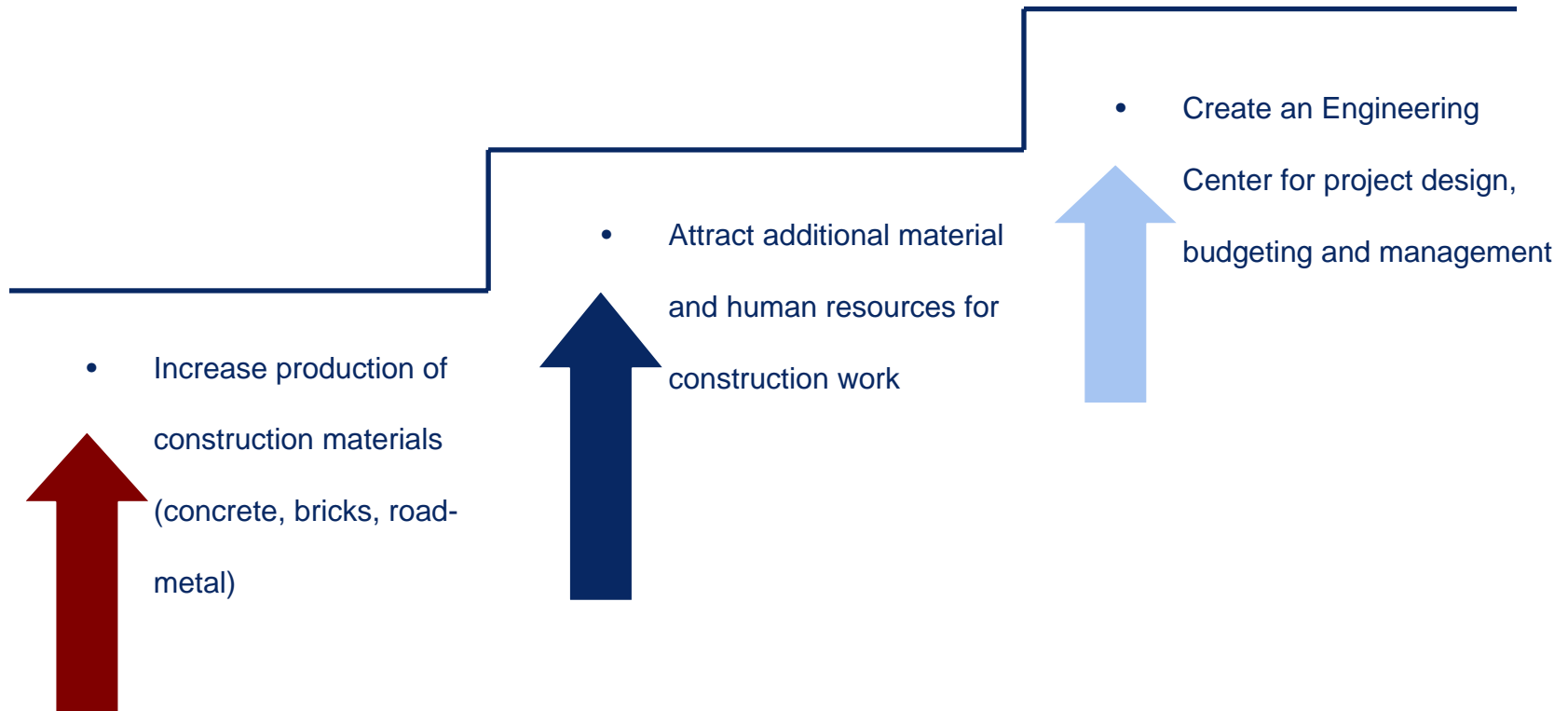
**Business Overview**

**Strategy**

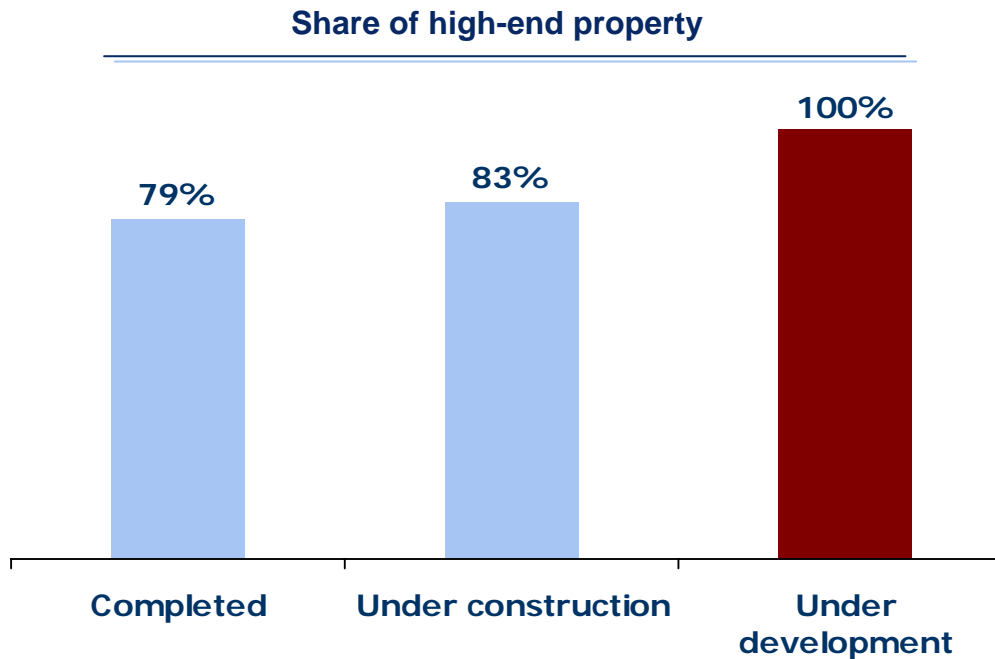
**Performance after Initial Offering**

# Key Postulates of Our Strategy

- Expansion of high-end residential portfolio
- Diversification into the commercial segment
- Focus on key geographic markets and selective expansion into regions
- Boost in vertical integration:



- Focus solely on **high-end** properties
- Become the **#1 market player** in terms of area constructed
- Develop large-scale residential projects with developed infrastructures

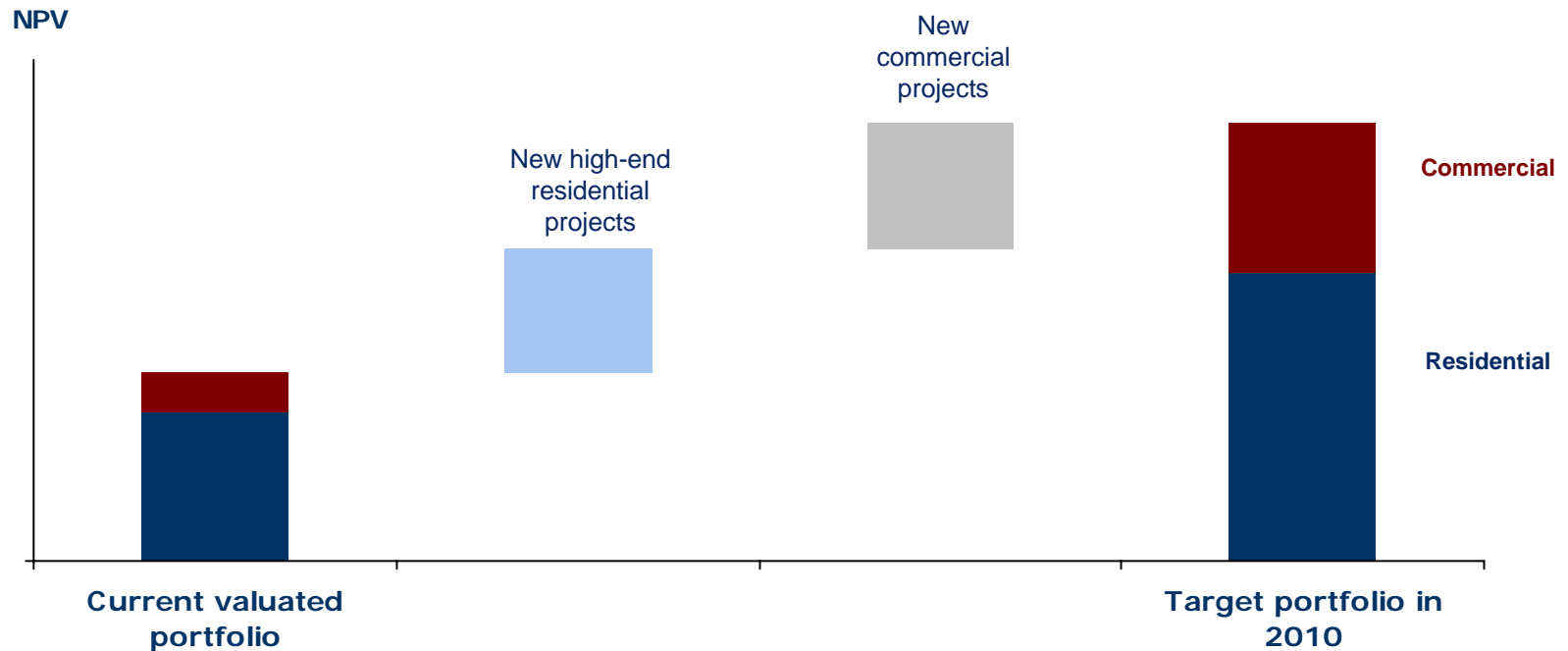


Source: Company data

# Diversification of Portfolio

- Increase the share of commercial property
- Develop logistics properties and multi-functional industrial complexes
- Hold constructed commercial properties for generating income

NPV and breakdown of current and target portfolio in 2010



# Focus on Key Markets and Selective Expansion



**Business Overview**

**Strategy**

**Performance after Initial Offering**

# Initial Offering on the Frankfurt Stock Exchange

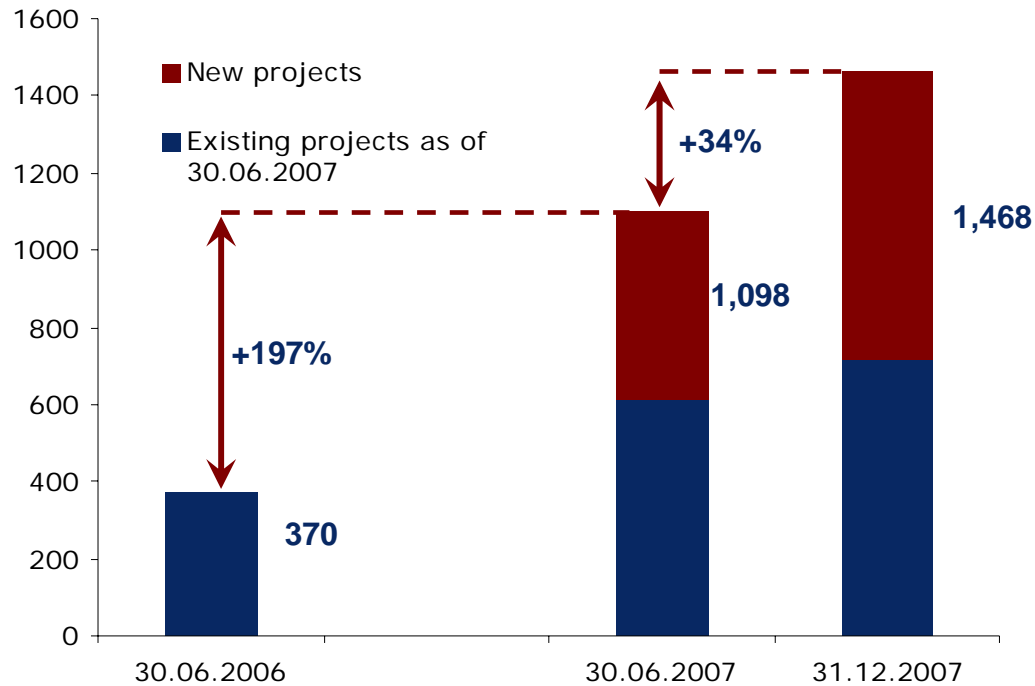


- The first day of trading: May 29, 2007
- Initial offering stake: 13.1%
- MCap on the offering date (May 29): USD 800 mln.
- The sole transaction manager and bookrunner:  
Concorde Capital
- Listing: Frankfurt Stock Exchange



# Portfolio Revaluation

## Net Assets Value, USD mln



- Portfolio NAV grew almost fourfold times over 18 months
- NAV as of 31.12.2007: USD 1,47 bln



# New Projects

- As of 31.12.2007, the NAV of projects included in portfolio since Offering is USD 745 mln, according to Colliers
- 6 new projects added to portfolio in 2nd half of 2007:

# Project	Region	Total area, ths. sq. m	Description
1 Korchagintsev, 6	Kharkov	51.9	Residential complex
2 Palladina, 46a	Kiev	40.0	Office
3 Nemeshaevo, "Yuzhnyj"	Kiev region	385.0	Residential quarter
4 Arabatskaya strelka 2	Kherson region	200.0	Resort
5 Arabatskaya strelka 2 TMM Pallada	Kherson region	35.0	Recreation complex
6 Chernomorsk	Crimea	50.0	Residential complex/apartments
Total		761.9	

- 6 projects have been completed since the Offering, as of April 2008:



**Chaadaeva, 2**  
Kyiv  
Residential complex  
20 th sq.m  
Completed in July 2007



**Atoll (Klaptsova, 52/54) 4<sup>th</sup> stage**  
Kharkiv  
Residential complex  
34 th sq.m  
Completed in 2<sup>nd</sup> half of 2007



**Pozniaky #14**  
Kyiv  
Dwelling house  
13,5 th sq.m  
Completed in Q4 of 2007



**Druzhba (Druzhby Narodiv, 238)**  
Kharkiv  
Dwelling house  
20 th sq.m  
Completed in Q4 of 2007



**Demchenka 1-3**  
Kharkiv  
Townhouse complex  
1,1 th sq.m  
Completed in Q4 of 2007



**Business center (Kvitky-Osnovianenka)**  
Kharkiv  
Office center, class A  
5 th sq.m  
Completed in 2nd half of 2007

- Construction of 4 objects has been launched since Offering as of April 2008:



### **Laboratory lane, 7**

Kyiv  
Residential complex  
57 th sq.m  
Launched in Q4 of 2007



### **Mashynobudivna, 5**

Kyiv  
Business center, B class  
8 th sq.m  
Launched in Q4 of 2007



### **Lesi Ukrayinky, 16**

Yalta, Crimea  
Hotel  
1,5 th sq.m  
Launched in October 2007



### **Edelweiss (Olimpiyska)**

Kharkiv  
Residential complex  
21 th sq.m  
Launched in 2<sup>nd</sup> half of 2007

# Audited Financial Statements for 2006 Released



- Revenues have doubled each year since 2004
- 24% net margin in 2006
- Total assets are growing at 45-65% each year
- The value of investment property reached USD 39 mln
- ROE was 27.2% in 2006 in comparison with 8.5% in 2005

## Selected financial indicators

<i>(in thousands of US dollars)</i>	2004	2005	2006
<b>Revenues</b>	<b>26,025</b>	<b>39,190</b>	<b>95,761</b>
<i>change, y-o-y</i>		51%	126%
<b>EBITDA</b>	<b>10,663</b>	<b>11,705</b>	<b>23,400</b>
<i>margin</i>	41%	30%	24%
<b>Profit before tax</b>	<b>11,093</b>	<b>9,879</b>	<b>30,081</b>
<b>Net profit</b>	<b>8,217</b>	<b>4,536</b>	<b>22,741</b>
<i>net margin</i>	32%	12%	24%

<i>(in thousands of US dollars)</i>	2004	2005	2006 <sup>(1)</sup>
<b>Non-current assets</b>	<b>37,797</b>	<b>71,971</b>	<b>153,291</b>
Property and equipment	25,814	49,193	106,787
Investment property	1,558	15,476	39,437
Other	10,425	7,302	6,216
<b>Current assets</b>	<b>76,846</b>	<b>117,044</b>	<b>123,118</b>
Inventories	30,775	50,571	77,586
Accounts and notes receivable	31,302	45,411	26,539
Other	14,769	21,062	18,993
<b>Total assets</b>	<b>114,643</b>	<b>189,015</b>	<b>276,409</b>
<b>Net assets attributable to participants</b>	<b>42,884</b>	<b>62,066</b>	<b>104,502</b>
Minority interest in joint stock companies	245	2,325	2,679
<b>Non-current liabilities</b>	<b>18,149</b>	<b>20,122</b>	<b>45,388</b>
Long-term loans and borrowings	18,149	14,440	25,974
Deferred tax liability	-	5,682	19,414
<b>Current liabilities</b>	<b>53,365</b>	<b>104,502</b>	<b>124,043</b>
Advances received from customers	23,433	70,454	67,771
Accounts and notes payable	28,596	23,521	46,926
Other	1,336	34,048	9,346
<b>Total equity and liabilities</b>	<b>114,643</b>	<b>189,015</b>	<b>282,721</b>

(1) Financial Statements of T.M.M. for 2004, 2005 and 2006 are audited by KPMG