



Underground Shopping and Entertainment Center

Poltava City, Ukraine

March, 2009

About a company

Budinvest SM Joint-Stock Company – a construction company founded in 2005. Today it has the reputation of stable and reliable organization with a great number of qualified staff, powerful production basis, new modern construction machinery. Budinvest SM Joint-Stock Company cooperates with leading project institutes of Ukraine using new technology and recent development.

Since 2008, Budinvest SM Joint-Stock Company has become an investment and construction holding. A holding structure consists of:

- Asset management company
- Factory of TEKO company (Germany) ready-mixed concrete, productivity is 65 m³/hour
- Monolithic frame-house-building company
- Reinforced concrete frame factory of precast construction production

Organization of corporate system management of projects inside the holding is based on innovations in the project management. We control the projects realization process with the computer simulation technique of construction projects in Spider Project System.

Our main principles in our work

- Qualitative construction of new buildings
- Usage of high technology
- Infrastructure development
- Environment preservation
- Neighborhood improvement



16-story residential complex Turbinka (monolithic frame-house-building technology), Poltava



Residential Complex with Penthouse, Poltava

The Company uses Spider Project System software in controlling projects realization. In 2009, a project portfolio of the holding consists of:

Object	Location	GBA, sq m
Completed projects		
Residential complex	Ukraine, Poltava, downtown, 12 Lyahova Str.	6,978
Residential complex with penthouse, 2 phases	Ukraine, Poltava, downtown, 77a Oktyabryrskaya Str.	14,934
Projects under construction		
16-story residential complex Turbinka (monolithic frame-house-building technology)	Ukraine, Poltava, downtown, 60d Oktyabryrskaya Str.	16,523
Residential complex	Ukraine, Sumy, Novomistenskaya Str.	13,982
Residential complex	Ukraine, Poltava, 6 Stanislavskogo Str.	5,528
Projects for development		
Residential area development	Ukraine, Poltava, Polovki microdistrict	72,313
Business center with hotel	Ukraine, Poltava, downtown, 46v Oktyabrskaya Str.	16,405
Underground shopping and entertainment center	Ukraine, Poltava, downtown, Sennaya, Oktyabrskaya and Nezavisimosti Str. junction	11,000
Restaurant and hotel complex	Ukraine, Poltava, 5 Mira Str.	10,401
Multifunctional residential complex	Ukraine, Poltava, downtown, 10 Lyahova Str.	31,892
Total		199,956

All projects listed above is a result of our dynamic development and we are highly interested in collaboration with serious partners in investment and development sphere.

A start of new development projects in different districts of Poltava and Sumy is another example of the company's dynamic development.



- Total area – 103 sq km
- Capital of Poltava oblast, with 1,7 million inhabitants
- 11th largest city in Ukraine
- Civilian airport, unique military aerodrome
- Located on the M-03, E-40, M-22 international routes
- Railway links
- Moderate continental climate
- 24 post-secondary institutions 51,000 students
- Commemorates 300th anniversary of the Battle of Poltava in 2009
- Population – 306,000

Poltava region is known by the production of iron ore, the production and processing of oil and gas, manufacture of lorries, diamond tools, turbines, knitted wear, leather footwear, refined clothes, grains, sugar, vegetable oil, confectionery products and the like. Mineral water from Mirhorod district is loved in all country. Agricultural production of the region is consumed in Ukraine, and is exported.



Oblasts	Real gross region product change %	Coverage ratio of import with export, %	Jobless rate (ILO method)	Companies profit change, %	Capital investment change, %
	January - June	January - September	January - June	January-August	January - September
Ukraine	6,5	78,9	6,8	61,5	4,7
Autonomous Republic of Crimea	9,0	143,1	5,2	41,4	9,7
Vinnitsy	7,2	114,5	6,8	27,4	0,3
Volyn	9,3	33,3	8,4	157,0	0,1
Dnipropetrovsk	5,5	164,8	5,2	105,3	7,2
Donetsk	4,6	300,6	5,6	27,8	10,8
Zhytomyr	8,2	117,2	9,4	41,0	9,3
Zakarpattia	9,7	61,7	6,2	51,6	-1,3
Zaporizhzhya	7,4	139,3	6,2	31,1	0,9
Ivano-Frankivsk	-1,0	103,6	8,5	26,1	18,0
Kyiv	8,3	25,4	6,0	61,9	18,9
Kirovohrad	6,7	152,3	8,2	110,0	20,1
Luhansk	4,3	344,2	7,4	174,2	-18,9
Lviv	5,9	39,2	8,2	75,5	10,9
Mykolayiv	-0,6	185,8	8,8	15,5	-6,3
Odesa	11,3	48,9	5,0	107,4	6,3
Poltava	-3,9	207,6	7,0	126,2	15,9
Rivne	4,5	82,8	9,4	72,4	14,9
Sumy	7,4	163,5	7,4	110,8	2,4
Temopil	11,8	43,5	9,7	89,2	28,0
Kharkiv	5,8	59,5	6,1	52,7	-11,9
Kherson	6,4	126,7	8,5	99,8	42,2
Khmelnyskiy	7,8	74,3	9,3	66,4	54,2
Cherkasy	20,7	94,3	9,2	166,7	11,6
Chemivtsi	7,1	116,2	8,3	79,2	16,3
Chemihiv	8,7	90,5	9,4	-0,5	-2,3
cities					
Kyiv	8,9	21,7	3,1	51,2	-4,9
Sevastopol	4,0	137,8	3,3	84,1	7,7

Before the crisis almost all regions had good macroeconomic figures and Poltava region was one of the leading regions of Ukraine according to the majority of indexes. Now in Ukraine there is decrease in export oriented industries and construction sphere. For Poltava situation is better because it has diversified industry and exports less than other regions.

 **Fist five in the list**
 **Second five in the list**

Source: State Statistics Committee

Retail real estate segment in Poltava is the most developed one among other types of commercial properties. There are 12 objects that can be mentioned as shopping centers. New ones are Concord, Paravoz, Equator, City.Com, GBA of the rest centers are all of 2,000 sq m.

In the development of high-quality commercial real estate a watershed year for Poltava was 2007. First conceptual shopping malls Concord and Equator (total area of 25,000 sq m) were put into operation that year.

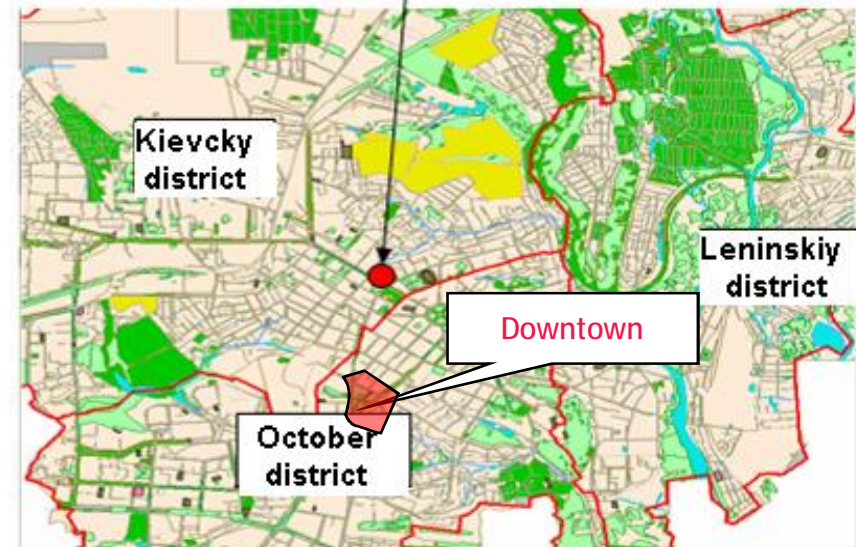
In the second part of 2008, regional market changed in the same way as the capital market because of crisis. As of today, there are about 13 new objects which were announced for development and there is one under construction – mixed-used complex Kiev (GBA -100, 000 sq m and GLA – 80,000 sq m). The first fase of mixed-used complex Kiev, GBA – 40,000 sq m, is planned to put into operation in 1Q 2009.

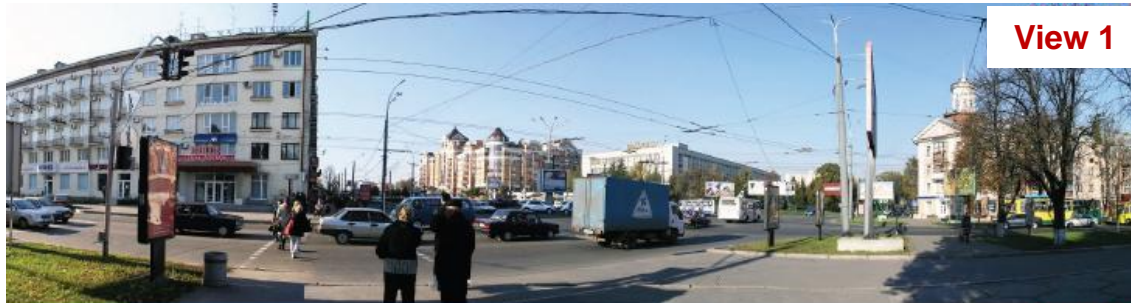
According to the general situation on the real estate market, the construction volume will slow down in the nearest future. But it is worth to mention that the retail segment stays the most perspective one for development in the future. And now it is time to form optimal portfolio of land plots and choose the best locations.

Average rent prices for shopping real estate – \$20-80, sale – \$1,500 – 2,500.



Format	Underground Shopping and Entertainment Center
Location	Sennaya, Oktyabrskaya and Nezavisimosti Str. junction Poltava, Ukraine
Initiator	Budinvest SM Joint-Stock Company
Land plot area	0.64 ha
Land plot status	Registered land lease from 28.10.2008 till 28.10.2010, Right of Superficies from 12.11.2008
Project stage	Project paper under process
Total project area	11,000 sq m
Gross leasable area	5, 430 sq m
Potential tenant mix	Tuso, Levis, Marks and Spencer, BGN, Adidas, Reebok, Unitrade, DiaWest, Brocard, Neri Karra and others
Desired form of investor's participation	Project sale with building permits or partial participation in the development of the project
Start of construction	2010
Delivery	2012





Situational scheme



 = 0.64 ha

The site is located in the central part of Poltava, at the intersection of the central city roads, pedestrian crossings and the boulevard. The plot is surrounded by Kiev hotel, residential building, City Administration and the University of Poltava Consumer Cooperatives. There are 2 public transport stops at the site.

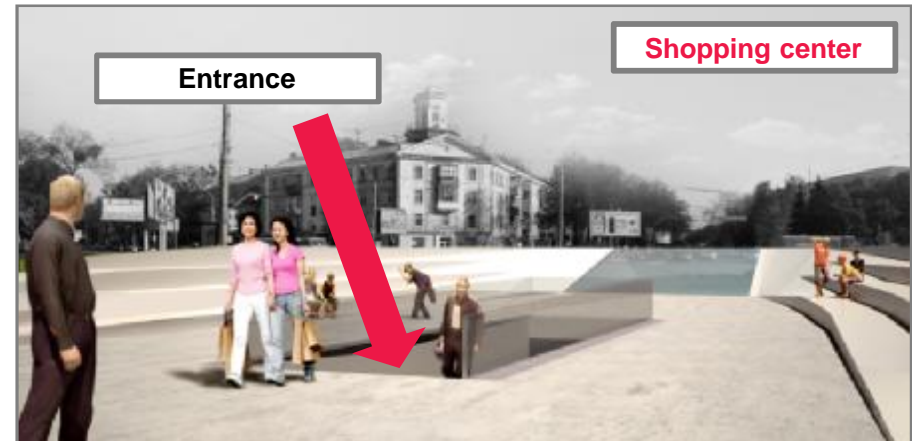
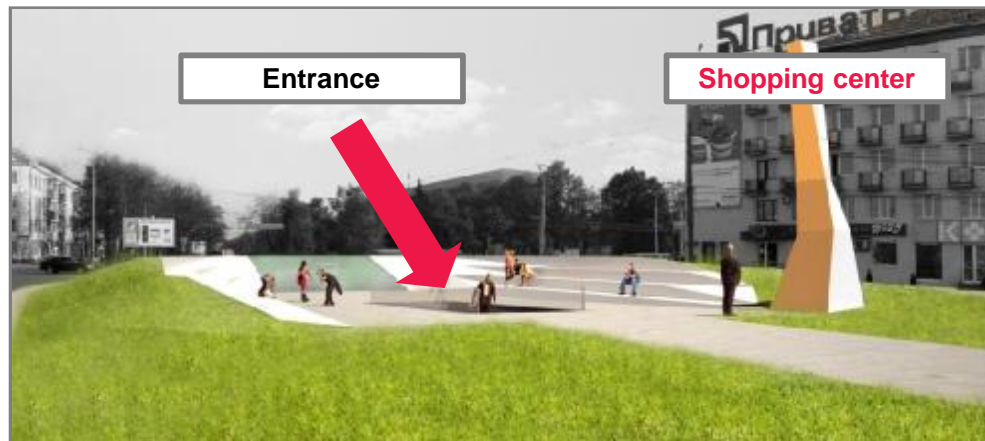
The shopping center will be positioned as a universal regional shopping center, focused at passing by pedestrian flow, as well as residents, workers, and students in that area of the city.

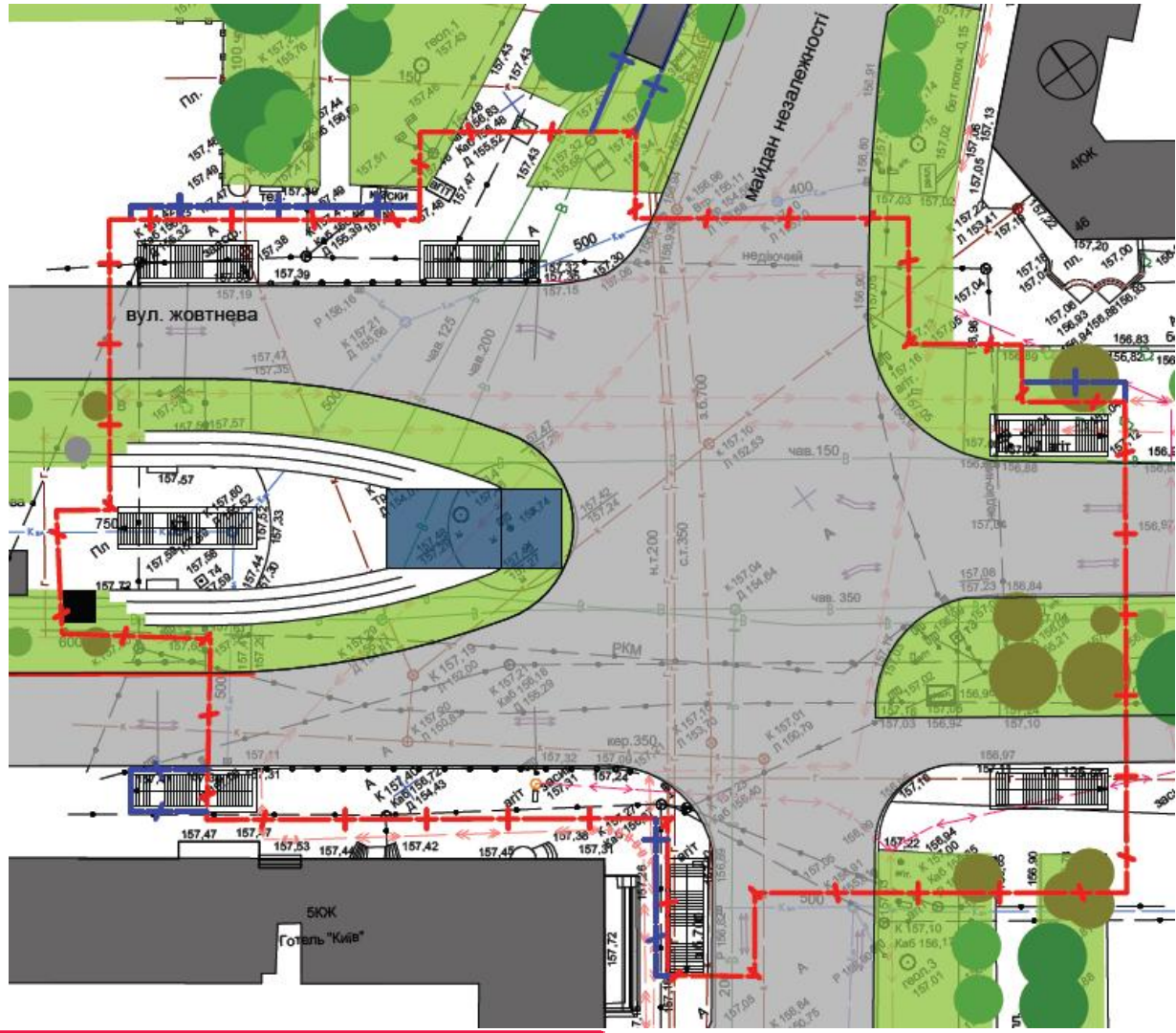
On the lower level anchor tenants such as food zone, entertainment, and major network retailers will be located.

On the upper level different shops selling goods of mass market will be located.



Technical and Economic Figures

	Function	Gross leasable area	Total project area
- 5.5 m floor	Shopping area	2, 300 sq m	5, 500 sq m
- 10 m floor	Shopping area	2, 030 sq m	5, 500 sq m
	Entertainment	650 sq m	
	Food-court	450 sq m	
	Total	5, 430 sq m	11, 000 sq m







Scale - 1:500

-  plot border for siting
-  plot border



In the immediate proximity to the site location pedestrian flows amount more than 50,000 people (and 42,000 cars) per day, which is the highest index for Poltava, such traffic is provided by a business environment, universities campuses and social infrastructure elements (leisure area, residential property, stores and services).


-  pedestrian crossing
-  pedestrians' main moving directions



The plot is located at the roundabout transport junction in the city centre and has comfortable approaches from all districts of Poltava.

The region is also has well-developed public transport ground movement.

Today, the location of the object is a transportation artery, which runs about 70% of city's traffic and connecting main streets.

-  path of transport motion



Plan at Level - 5.500

Shopping area – 2,330 sq m





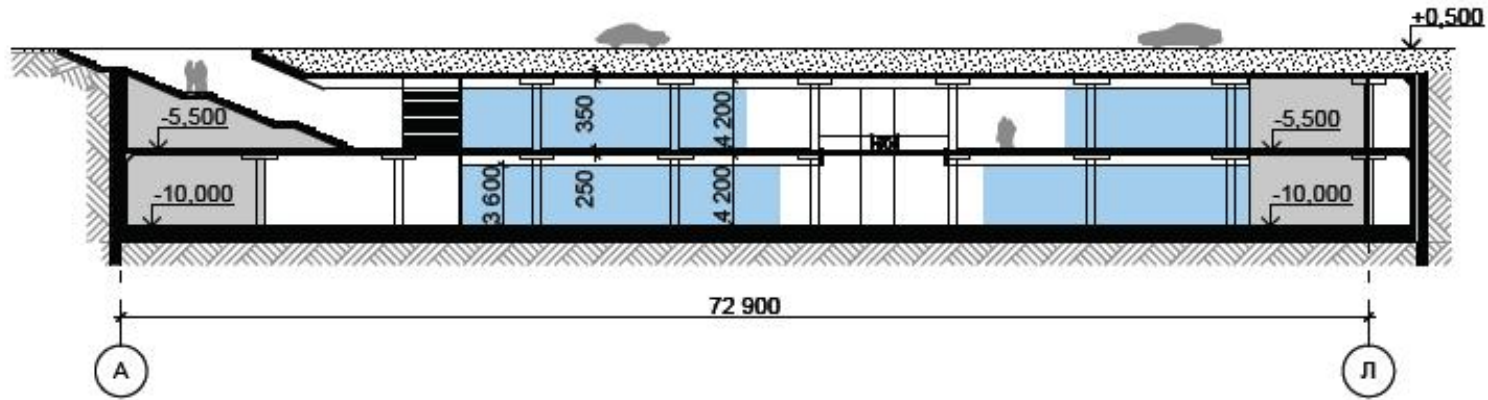
Plan at Level - 10.000

Shopping area – 2,030 sq m

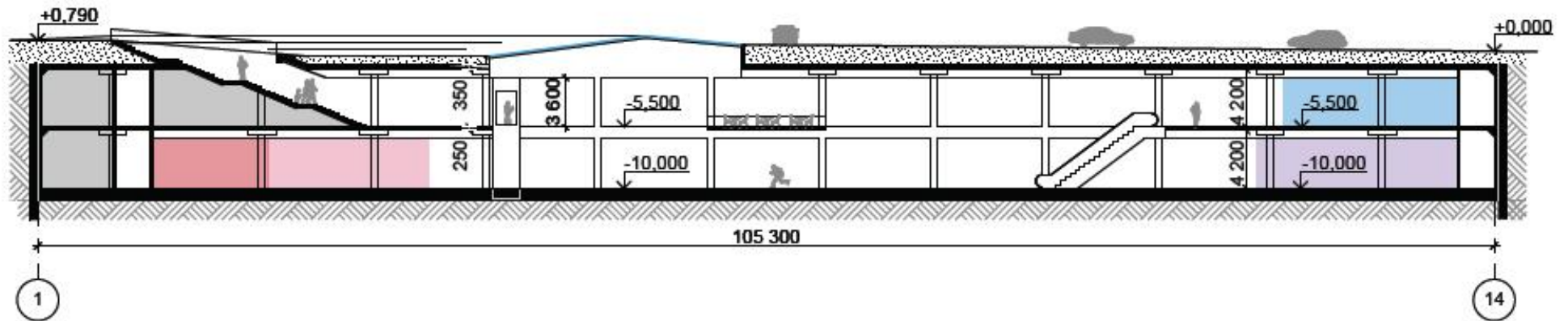
Entertainment – 650 sq m

Food-court – 450 sq m

1-1



2-2



Technical Indicators	
GBA, sq m	11,000
GLA, sq m	5,430
Start of construction, year	3,4Q 2010
Delivery, year	1,2Q 2012

Project cost	
Project expense, including VAT, total	1,340 \$/sq m
Including construction, including VAT	1,089 \$/sq m

GLA structure	Tenant	GLA	Rental rate	
			including VAT	excluding VAT
12%	anchor tenant	652	\$15	\$13
80%	basic tenant	4,344	\$45	\$38
8%	small tenant	434	\$61	\$51
optional	optional tenant	300	\$20	\$17

Occupancy	
1,2Q 2012	75%
3,4Q 2012	85%
1,2Q 2013	100%
...	100%



Thanks for Your Attention!



Initiator

Budinvest SM

Ihor Siryk

E-mail: budinvest@poltava.velton.ua, is-69@mail.ru

20 Nezalezhnosty Sqr.
Poltava 36000, Ukraine
Tel./Fax: (+38-0532) 508-320, 508-321, 508-322
Mobile: (+38 067) 530-1212

www.budinvest-sm.com.ua



Exclusive Agent for Shopping Center in Poltava

FIM Group of Companies

Yulia Lyashenko

E-mail: YLyashenko@fim.ua

FIM Center
17 Lineynaya Street
Kyiv 03038, Ukraine
Tel.. (+380-44) 585-2116, 585-5060
Fax: (+380-44) 585-5588

<http://www.fim.ua>

