



PRAGUE
PRIME
HOMES

**PARTICIPATION MODEL –
ELISKY KRASNOHORSKE, PRAGUE 1**

**Real estate investment with a short-term investment horizon
and an attractive return potential.**

REAL ESTATE INVESTMENT IN PRAGUE 1

PROJECT OVERVIEW

Apartment building with 9 floors, in the heart of Prague in the street EliškyKrasnohorské. Just a few meters from the Old Town Square and the luxury shopping boulevard Pařížská.

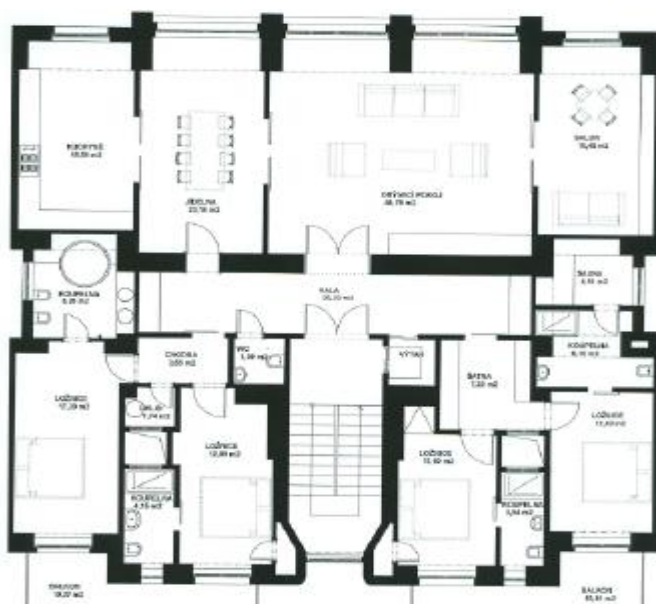
The house was built in 1927 in art deco style. The planned renovation will offer 6 luxury apartments with around 250 sqm each on the upper floors and a commercial unit in the ground floor. Each apartment will have 2 terraces and it is planned to create parking spaces for the residents in the basement, which will be a large advantage of the project as parking spaces in the centre of Prague are limited. The completion of the re-development and sale-off of the apartments is scheduled for the first half year of 2016, reflecting an investment horizon of around 24 months.

INVESTMENT HIGHLIGHTS

- Short-term investment horizon of around 24 months.
- Expected return potential from the sale of the apartments of around 24% in total
- Participation in form of a shareholding in the project company

WHAT YOU SHOULD NOTE AS INVESTOR

- Even though real estates represent actual values, there still may market-related factors, which affect the asset, financial and earning position of the project. Please take notice of the risk factors listed on page 9.
- Even though figures are stated in EUR the purchase price/selling price is CZK denominated and currency fluctuations may have a significant impact on your return in EUR.
- Prague Prime Homes Management (PPH Management) receives a fixed fee during the project life-term and is entitled for a performance related share in the project profit. In addition there is an arrangement fee for the debt and Meisl Bank is entitled for a banking fee for placing the equity with investors. Details are disclosed on pages 5.



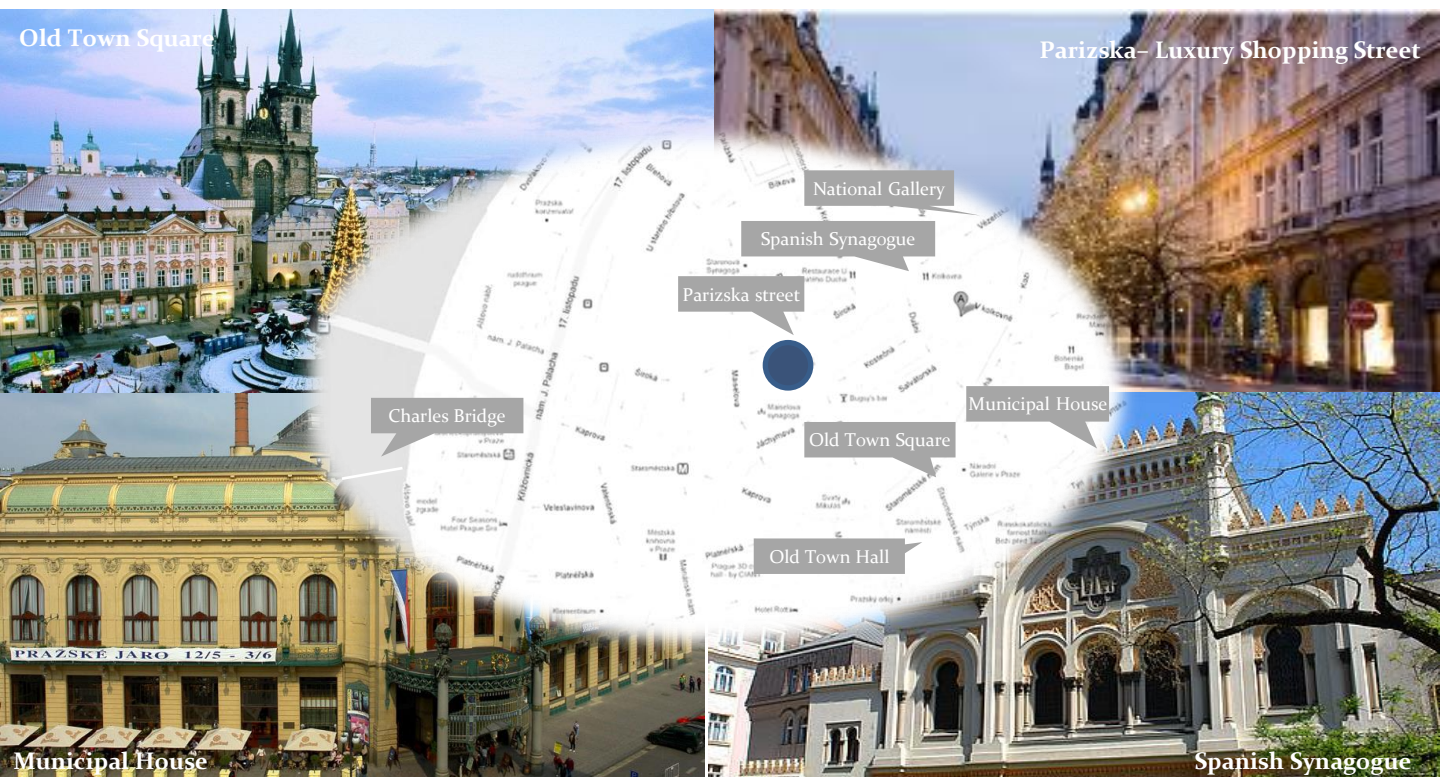
INVEST IN A PREFERRED LIVING AREA OF PRAGUE

THE LOCATION

The property is located Elisky Krasnohorské street, in the heart of historical Prague only few steps from The Old Town Square, the famous Astronomical clock or the Parizská shopping street.

This part of Prague offers a variety of high street shopping opportunities, plenty of restaurants and bars, a wide range of services, the most famous theatres, concert halls and historical monuments and there is a high demand for apartments in that area from people looking for stylish living in the heart of Prague. In addition there exists also a high demand for retail space in that part of Prague, in particular from international luxury brands.

At the same time the location has good accessibility by public traffic and an easy and fast access to the city's main arteries allows for comfortable and convenient travel by car, in particular given the fact that the project is planned to have underground parking spaces.



ELISKY KRASNOHORSKE - INVESTMENT OVERVIEW

PROJECT ACQUISITION

	EUR
Purchase price before refurbishment including costs relating to the acquisition	6,700,000
Refurbishment costs incl. PPH project management and other costs	2,200,000
Interest on debt (for one year)	290,000
Total project costs	9,190,000

EXPECTED PROCEEDS FROM SALES OF APARTMENTS

	EUR
Total expected sales proceeds before costs relating to the sale and before taxation	11,730,000
Costs relating to sale (4% property transfer tax, brokerage fee, legal, marketing)	-900,000
Taxation	-730,000
Proceeds after costs and taxation	10,100,000

PROJECT FINANCING

	EUR
Equity (33%)	3,000,000
Debt (67%)	6,190,000

	RESULT TOTAL PROJECT EUR	RESULT PER 100,000 INVESTMENT EUR
EQUITY INVESTMENT & PROJECT RESULT		
Equity Investment	3,000,000	100,000
Expected return from project development (after debt repayment)	910,000	30.333
PROFIT DISTRIBUTION		
Investors share in development profit (80%)	728,000	24.267
PPH share in development profit (20%)	182,000	6.067
Return on equity investors total	24.3%	24.3%

The calculation is based on the assumptions and parameters listed herein and others. Any variation of those parameters may significantly impact the return on investments. Please note also the risk factors on page 5.

WHAT YOU SHOULD NOTE AS AN INVESTOR: IMPORTANT RISK INFORMATION

All of the following factors could have an (negative) impact on the asset-, finance- and earning position of the investment project. A consultation with qualified people, particularly through a tax advisor, can not be replaced in any way by these notes.

- All forward-looking statements are involved with uncertainties and do not allow reliable conclusions and forecasts on future development.
- The presented form of participation requires that a potential buyer can evaluate the risks, that he would like to invest capital for a period of at least 24 months and that the chosen investments are in line with its economic conditions.
- The selling price of real estate is subject of fluctuations. This may affect the business and the economic return over the financial planning.
- The stated revenues on sales of real estate are forecasts. In the course of realization of the real estate, it is possible that because of general market conditions or the demand for real estate in the particular area of the city the forecast revenue cannot be achieved. Such development would have a significant impact on returns.
- Problems during the development may delay and increase the cost of a project. Even though PPH Management puts all efforts to determine the required refurbishment costs it cannot be excluded that the actual costs will be higher than the estimated costs. This could result in another capital call with investors or the need to increase the debt financing for the project. Both may affect the predicted success.
- The purchase/sales price is currently paid in CZK. Currency fluctuations between CZK and EUR can have a strong impact on the income of the investor.
- Because of the participation form the investment will be illiquid. If an investor intends to sell the participation before the planned time of disposal the sales price could – if a sale is possible at all- be much lower than the purchase price. This might be also the case in the event of an unexpected sale of the complete property.
- The investment is made in form of a share deal, where the investors hold shares in the property holding company.
- The real estate shall be insured at market conditions. Albeit it can occur that certain damages will be not covered through insurance. Under certain events even the destruction of the building might be not covered.
- Changes in tax laws cannot be excluded. Such changes could have an impact on the asset-, finance and earning positions and on the taxation of income.
- It cannot be excluded that future changes in the law might interdict the trust holding of real estate for foreigners or that measures are set with similar effects, which may affect the business model significantly negative.
- The project shall be financed partly with debt capital. The economic success is dependent on the conditions of debt financing. The interest rate may change through the market situation which may affect the outcome of the project.
- A monthly project management fee of EUR 6,500 (plus VAT) is paid to PPH Management, for its effort as project manager and coordinator. In addition PPH Management is entitled to a performance related fee of 20% of the profit at disposal.
- The arrangement of debt financing is subject to an arrangement fee of 1% which is included already in the project costs as well.
- Meisl Bank will be entitled to banking fees for its efforts of placing the equity stake with investors in the amount of 3% of the equity. This fees are included in the project costs.
- Investors should read this document in conjunction with the PPH Investment Programme Memorandum and discuss the investment opportunity with your advisors who should review the documents to evaluate the potential risks for you.
- **Potential investors should be aware that if the project fails investors may lose some or, in the worst case all of their investment. Worst case scenario refers to events such as expropriation as a result of a change of political system, complete breakdown of market, acts of terrorism or natural disasters and resulting losses that cannot be insured.**

This brochure serves marketing purposes, is not binding and doesn't constitute a recommendation or an offer or an invitation to make an offer to buy or sell real estate holdings. Interested persons should conduct their own investigation and analysis of the information provided in the Information Booklet and should seek their own financial, legal, tax or other professional advice. All forward-looking statements are involved with uncertainties and do not allow reliable conclusions and forecasts on future development. Performance results of the past do not allow for conclusions on the future development. Potential interests should be aware that if the project fails investors may lose some or, in the worst case scenario, all of their investment.

You have been carefully selected as recipient of this Document based on your investment experience. Information contained in this Document are not intended for general public and must not be disclosed to other persons, except to your advisors who should review the documents to evaluate the potential risks for you.

As this investment opportunity is neither subject to the Czech Act on Collective Investment nor to the Czech Capital Markets Act, the standards of your protection might be generally lower than in the capital markets and you should consider carefully whether this opportunity is appropriate for you. The minimum investment exceeds EUR 100.000,- and the investment information is only submitted to a limited group of people. Consequently the offer is not subject to a capital market prospectus according to the Austrian Capital Market Law (Österreichisches Kapitalmarktgesetz).