



Les Bordes opportunity

May 2014

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Overview of the opportunity

Build the world's most exclusive residential development and country club

1,600 acre of unspoiled tranquility with a rich history



- Situated in the heart of the Loire Valley, the location of choice for generations of French royal families and aristocracy to situate their magnificent chateaux and hunting estates
- First archaeological evidence of settlement on Les Bordes estate dates back over 3,000 years; home to a small monastic order in the Middle Ages and hunting grounds for noblemen for centuries
- In 20th century, home and retreat of Baron Marcel Bich, founder of the Bic pen and razor empire
- In 1986, Robert Von Hagge created the "Augusta of Europe", an 18 hole course that would be one of the most sought after in the world



Europe's number 1 golf course – Golf World

"One of the most enchanting picturesque and tranquil settings in the whole of France."

Wall Street Journal

"Les Bordes raises expectations dangerously for the rest of our golfing life. Golf could get more luxurious, but probably only if each three-ball had its own personal team of ground staff just ahead of it, attending to each green with nail scissors and microfibre cloths. Each hole is a rampantly imaginative feat of risk-reward architectural perfectionism."

Financial Times

"The course remains Robert Von Hagge's finest work. As a picture of golfing excellence, there are few locations to rival Les Bordes."

The Daily Telegraph

"Eighteen of the most terrifying but enjoyable holes imaginable."

The Guardian

"It should unquestionably, undeniably, be in anyone's top-five in the world."

Golf World Magazine



Perfectly located in the "Garden of France"



Nearest transportations

- Nearest train station: 9km
- Nearest airport: 47km

10km from Château de Chambord

- 3rd most visited historic monument in France

Distance from Paris

- 75 min by train
- 90 min drive
- 35 min by helicopter

Approximate flights times to Paris

- from London: 1h
- from Moscow: 3h
- from Doha: 5h30
- from New York: 7h
- from Los Angeles: 10h30

Approximate helicopter times to Les Bordes:

- from London: 1h30
- from Nice: 1h45

Planning in place to create Europe's largest residential and leisure development

Developments	SQ M	SQ FT	Potential facilities to include
400 Les Bordes golf lodges	162,797	1,751,693	- Hunting estate
50 luxury Les Bordes estates	75,000	807,000	- Equestrian centre
240 hotel branded residences	56,856	611,766	- Tennis academy
Other facilities	6,427	69,155	- Shooting academy
Hotel	4,000	43,040	- Cookery school
Spa	4,000	43,040	- Car livery service
Château Bel Air, boutique hotel	2,660	28,622	- Adventure playground
Total	311,739	3,354,315	- 24 hour security
Total land area	5,600,000 sq m		
Total POS approved area	353,921 sq m		
Total build density	6%		

Key investment highlights



Les Bordes Golf, a unique trophy asset

- Golf course consistently ranked as number 1 in Europe by Golf World magazine and among the best golf courses in the world
- One-off opportunity in prime Western Europe



Extraordinary planning consent with strong support from the regional and local authorities

- Unique planning permission to develop a landmark resort of 3.8m sq ft within a world heritage site
- Exciting prospect for the region expected to generate c. 1,750 jobs



Attractive market with strong fundamentals

- Strong demand for high-end and luxury residential resort properties, driven by the substantial growth of wealth creation in emerging markets
- Most visited country in the world (c. 80m foreign tourists a year) with Château de Chambord amongst the top three most visited historic sites in France



Low risk profile with attractive returns

- Already existing golf course leveraging Les Bordes' excellent reputation
- Self financing project in the third year of development thanks to residential phased sales resulting in limited cash flow requirements



Highly experienced team of advisors in place

- Full team of highly experienced professionals already mandated

Les Bordes Golf, a unique trophy asset

Existing site



Europe's number 1 golf course, Les Bordes Championship 18 hole golf course:

- golf course, practice greens and driving range
- offices, storage facilities, clubhouse: c. 11,000 sq ft
- 10 cottages providing 41 letting bedrooms: c. 23,000 sq ft

Two further 18 hole golf courses:

- golf course, practice greens and driving range
- clubhouse: c. 8,000 sq ft
- storage building and ancillary building with apartment

Château Bel-Air, an ornate 1906 château

- main building: c. 29,000 sq ft
- ancillary buildings: c. 12,000 sq ft

An equestrian property comprising a house, several stables and grazing land

Proposed developments



Les Bordes – private estate aimed at UHNW individuals

- Development of 50 super prime estates ranging from 400 to 2,000 sqm. These residences will have access to the services of the 5-star hotel
- Development of 400 prime golf homes of 300 sqm
- Existing Château Bel Air to be refurbished and operated as a boutique hotel

Le Ganay – master planned community open to the general public and aimed at a young and successful demographic

- Development of 240 hotel branded residences ranging from 160 to 300 sqm
- Development of amenities including a village square with retail units, tennis centre, fitness centre, shooting academy, equestrian centre, 200 acre children's adventure playground, organic farm and cookery school
- Development of a 5-star luxury hotel with beauty spa

Extraordinary planning consent with strong support from the regional and local authorities

Permits and authorisations received

24 December 2009	POS (modification of land use)
6 June 2010	PUP (local Commune agreement for services)
15 February 2011	Diagnostic archaeological survey
19 July 2011	Tree clearance permission
13 January 2012	Site infrastructure permission
24 April 2012	Road and path declassification
9 May 2012	Land exchange with local Commune
31 October 2012	Water law permission
6 January 2014	Infrastructure work commenced

Project phases (10-year development)

	Les Bordes	Le Ganay Golf	Le Ganay residences	Amenities
Phase 1	<ul style="list-style-type: none"> Development of 2 luxury homes Development of 24 lodges 	<ul style="list-style-type: none"> Development of new Ganay course Hotel & spa development 	<ul style="list-style-type: none"> Agree hotel operator Development of 20 hotel branded residences 	<ul style="list-style-type: none"> Development of tennis, equestrian & shooting centre
Phase 2	<ul style="list-style-type: none"> Development of 6 luxury homes Development of 52 lodges 	<ul style="list-style-type: none"> Ganay course completed Hotel operational 	<ul style="list-style-type: none"> Development of 60 hotel branded residences Amenities operational 	
Phase 3	<ul style="list-style-type: none"> Development of 16 luxury homes Development of 124 lodges 		<ul style="list-style-type: none"> Development of 80 hotel branded residences 	
Phase 4	<ul style="list-style-type: none"> Development of 23 luxury homes Development of 176 lodges 		<ul style="list-style-type: none"> Development of 60 hotel branded residences 	
Phase 5	<ul style="list-style-type: none"> Development of 3 luxury homes Development of 24 lodges 		<ul style="list-style-type: none"> Development of 20 hotel branded residences 	

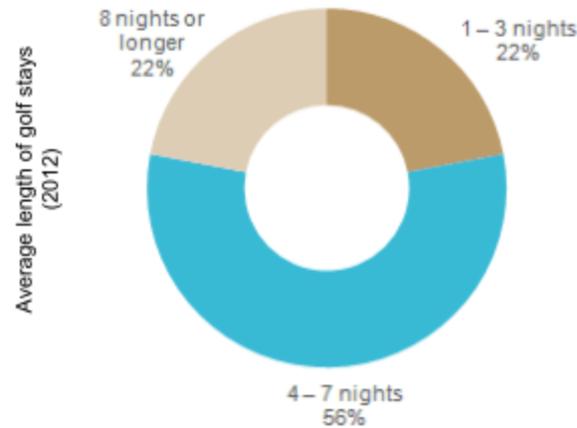
Attractive market with strong fundamentals

Strong demand for high-end and luxury residential resort properties, driven by the substantial growth of wealth creation in emerging markets

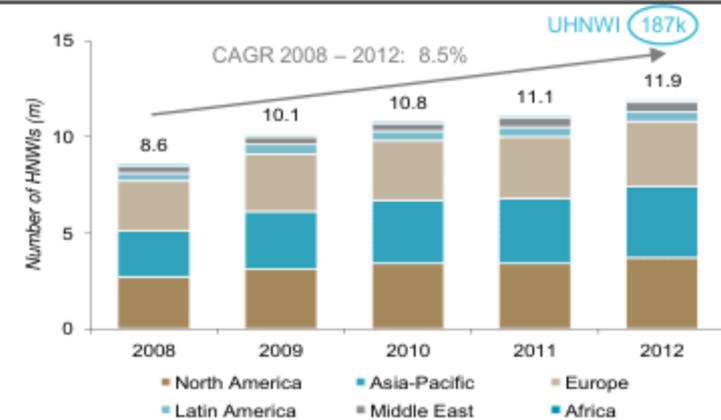
Most visited country in the world



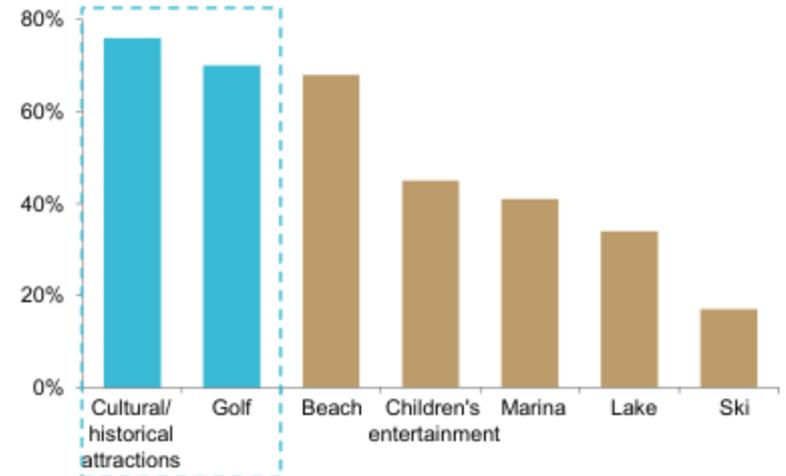
Attractive length of golf stays



Strong growth of UHNWIs, our target market



Key demand factors for second homes



Low risk profile with attractive returns

Self financing project in the third year of development thanks to residential phased sales results in limited cash flow requirements

Financial summary

	Sale price (€ / sq ft)	Net sales ⁽¹⁾ (€m)	Cost (€ / sq ft)	Total Cost ⁽²⁾ (€m)	Total Profit	%
Residential development						
# of luxury estates	1,022	850	(279)	(315)	535	63%
# of luxury golf lodges	883	1,628	(200)	(504)	1,124	69%
# of hotel branded residences	883	561	(200)	(173)	388	69%
Total		3,039		(992)	2,047	67%
Hotel & other facilities						
Additional value created from hotel and other facilities (€m)					104	
Hotel and other facilities development costs ⁽⁴⁾ (€m)					(61)	
Infrastructure						
Infrastructure development costs ⁽³⁾ (€m)					(66)	
Total estimated profit (€m)					2,024	
Profit on costs					1.8x	
Time horizon					10 years	

(1) Net sales post marketing, agency and legal fees with 2% inflation assumed on sale price per sq ft across project time horizon

(2) Total cost post contingency and professional fees with 2% inflation assumed on cost per sq ft across project time horizon

(3) Includes central infrastructure and existing chateau refurbishment

(4) Includes Hotel and facilities development and central overheads

Highly experienced team of advisors in place



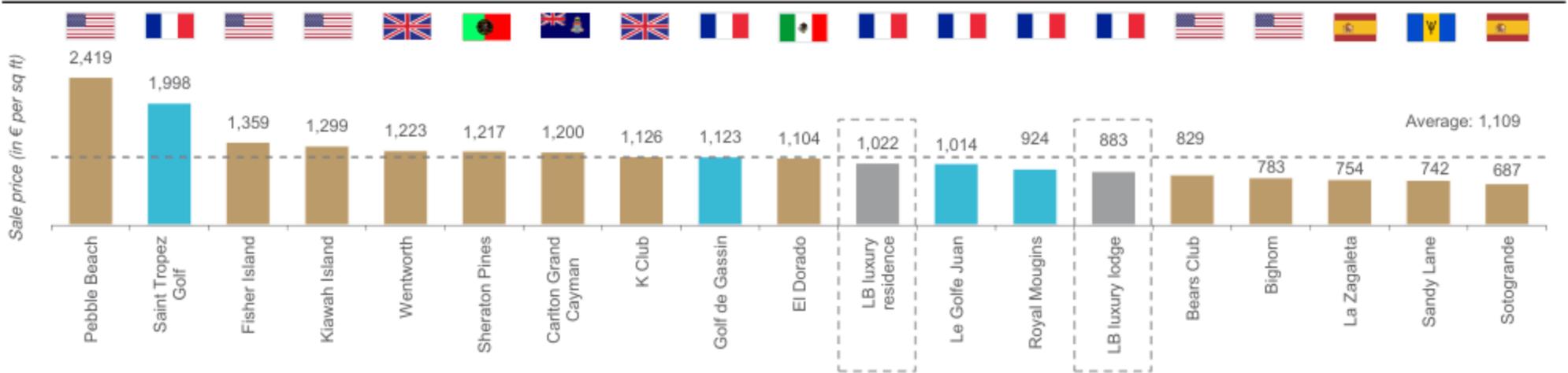
Note: Additional local team members have since been engaged through competitive bid process for Architect of record, Environmental, SPS (health and safety), Soil Survey, Bureau de Controle (regulatory conformity)

Appendix I

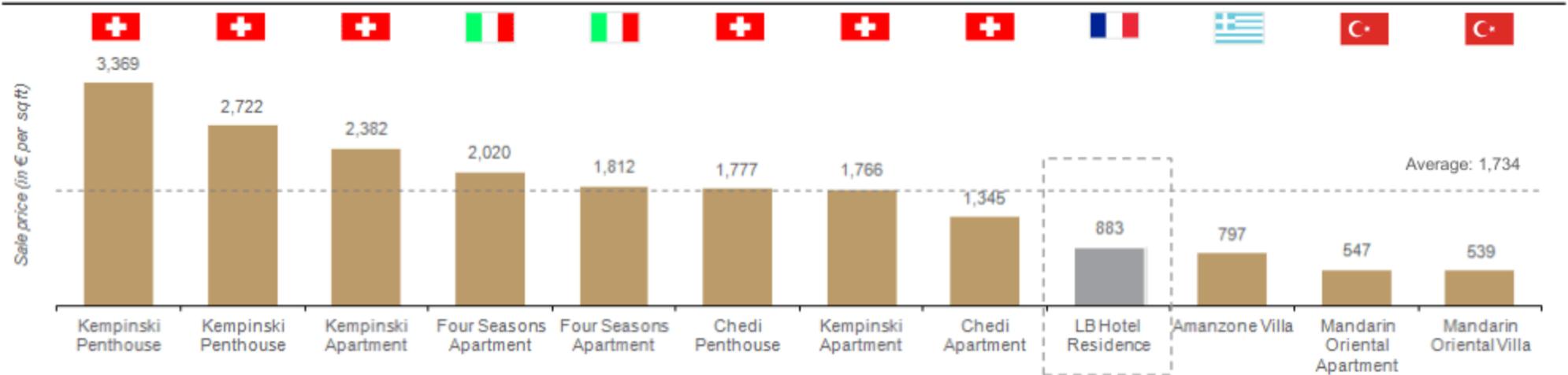
Additional information

Comparable developments

Golf/Country club community sale prices



Coming to the market hotel branded residence sale prices



Project master plan



Taxation on holiday homes in France

The typical buyer of a holiday home in France tends to be looking for low risk, long term value

Most people will expect to own their properties for many years and are unlikely to be looking for a quick gain

French Rental Income – Non-Residents

- French income tax on French rental earnings is payable by both residents and non-residents alike
- However France has double taxation agreements with many countries, so in most cases people are unlikely to be taxed twice on the same income
- The basic rate is 20% of tax on the net rental income for non-residents. Non-residents are not liable for a further 15.5% social charges provided the property is a furnished letting

Capital Gains Tax

- If you are resident in the EEA then capital gains tax is charged at a rate of 19%. Plus a further 15.5% social charges. However the French system of taper relief reduces the amount on which capital gains tax and the social charge is levied
- There is a complete exemption from capital gains tax after 22 years of ownership, with tapered relief from the 6th year of ownership. The method by which this is achieved is a discount of 6% a year from the 6th year, and 4% in the final 22nd year
- There is complete exemption from the social charges after 30 years of ownership again with tapered relief from the 6th year of ownership