





MIRAMONTE *Village*

INVESTMENT SUMMARY

- Exclusive location in the Super Borovets Project;
- Village type development with all facilities and services on site;
- Regulated plot available for immediate development;
- Over 100,000 square meters of prime holiday accommodation, facilities and retail area;
- Total sales value projected to exceed EUR 135 million;
- Estimated cost (excluding land) EUR 68 million;



I. INTRODUCTION

Miramonte Village is a multifunctional holiday and second home development located in Borovets, Bulgaria. It consists of over 100,000 square meters of prime holiday residential buildings; semi-detached and detached houses, hotel, retail area and sport and spa facilities.

Its prime location, in the area projected for the Super Borovets mega project, its size and unique concept, make Miramonte Village one of the most promising projects in Bulgaria nowadays.



II. THE PROJECT

LOCATION

Miramonte Village is located near the village of Dospei, 2 Km. away from Samokov, the main town in the area of Borovets and the one designated to become the main hub of the Super Borovets project. As part of the Super Borovets project there will be a gondola lift located at the outskirts of Samokov, providing easy and quick access to the ski resort. The work over the gondola station has started in October 2007. In addition, plenty of sport and recreation facilities will be erected around the town of Samokov.

Dospei is a picturesque village with small houses, a main square and several shops serving mainly the local population. The existing centre of the Borovets ski resort is 7 Km. away and can be easily reached by car. Shuttle buses run frequently from Samokov to the centre of Borovets.

Sofia, Bulgaria's Capital and largest city is located only 70 Km. away. Sofia's international airport is the main gateway to Bulgaria with daily flights from Europe, Asia and the Middle East.

Borovets is the most popular winter resort in Bulgaria, situated on the northern slopes of the Mousala Peak (2,925 m), the highest peak on the Balkan Peninsula, and part of the Rila mountain range. Its location near the capital Sofia provides easy access and the resort is fast to reach by car or bus.



PROJECT SCOPE

Miramonte Village consists of 1,500 residential units spread over 18 buildings ranging between 3 and 5 stories high each and 48 detached and semi-detached houses with own yard. In addition, the project shall have approximately 4,500 square meters of retail, hotel and services. The total built-up area above ground shall be approximately 102,000 square meters.

CONCEPT

The project is a village type multi-functional complex. The concept is to create the first high quality second home and holiday substantial development in the Super Borovets area. Miramonte Village promotes a unique spacious design of a secured village that will consist of apartments, houses, hotel, a retail area, spa and recreation area, indoor and outdoor pools and large green areas. Miramonte Village is designed for individuals seeking a second home or an investment opportunity in a region that offers year round recreational activity – ski and alpine sport in the winter and outdoor sports and golf in the summer.

A hotel with approximately 2,300 square meters will be located at the entrance to Miramonte Village. The hotel has a restaurant, a night club and an area designated for a children's club. Guests at the hotel will use the sport and spa facilities of the complex.

In the heart of the complex there will be a small shopping centre and a sport and recreational centre with out and indoor swimming pools, saunas, fitness centre and tennis courts.



DEVELOPMENT PLAN

The project will have 5 phases with average 300 apartments/houses built in each stage. The first phase will include also the development of the infrastructure over the plot and the erection of the hotel, the public use areas and the shops. Based on our practice, each phase begins after substantial sales of the previous phase have been achieved. This normally results in an average overlap of 6 months between succeeding phases.

BUDGET

Total development costs (not including site acquisition costs) are estimated to reach approximately EUR 68 million. Total sales value is projected to exceed EUR 135 million.

STATUS AND PERMITS

The plot is regulated and is within the Regional Urban Plan of the area. It also has a specific detailed permit with set parameters approved by the Municipality. According to these parameters it is permitted to build up to 108,000 square meters above the ground for residential buildings, sport and recreation facilities, retail and hotel. The allowed density is 30% which is reflected in the design, leaving vast green areas that naturally blend with the surrounding village and open areas.

The concept has been developed by an experienced team of architects and urbanists with the clear intention to create a community within a community which will combine elements of local architecture with modern urban concepts and building technology.



III. THE MARKET OPPORTUNITY

ECONOMY

Bulgaria, with a population of 7.5 million people, is located in the heart of the South Eastern region of Europe. This area has been, for the last several years, the fastest growing region in Europe with Bulgaria leading the way in many economic parameters. Economic growth is expected to continue, despite the recent worldwide crisis, albeit at a more moderate pace.

Bulgaria is a crossroad between West Europe and Eastern Europe and the Middle East and it serves also as an entrance and exit port to Russia and the former Republics. Recently an agreement has been signed between the Russia and Bulgaria for the joint construction of a gas pipe line that will cross Bulgaria providing gas to West Europe. This agreement is another indication for the special relationship between Russia and Bulgaria, the latter being a full member of the European Union.

KEY ECONOMIC INDICATORS

- *EU membership in January 2007 has resulted in significantly increased economic growth rates;*
- *Sustained GDP growth of 5-6 % per year;*
- *Very competitive tax regime – 10% corporate and income tax rates, the lowest in the European Union;*
- *Strong inflows of foreign direct investment;*
- *Well educated, highly trained English and Russian speaking workforce;*
- *Strategic geographic location on the Trans European transport corridor;*
- *Over EUR 11 billion of EU structural funding to be invested in Bulgarian infrastructure from 2007 to 2013;*
- *The Bulgarian currency, the Leva is pegged to the Euro – significantly reducing currency risk;*
- *Property prices remain amongst the lowest in Europe and are expected to increase significantly in future years;*
- *The Bulgarian tourism market is currently growing by 22% per year;*
- *Rapidly modernizing financial market with a number of mortgage products available to local and foreign investors.*

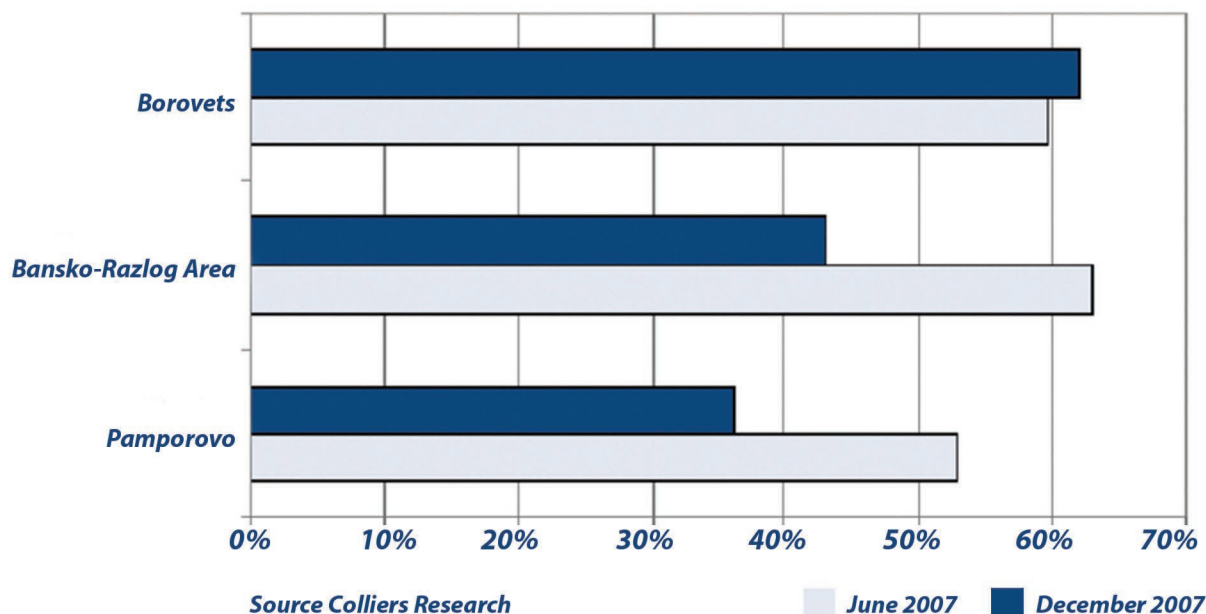


MOUNTAIN RESORTS – MARKET OUTLOOK

Ski resorts and facilities have been built in Bulgaria even in the pre-communist era, however, it is only in the last 5 years or so that development of full scale ski towns and resort is picking up. During these last 5 years the town of Bansko, in the Pirin Mountains, some 2 hours drive from Sofia, has taken the lead seeing vast development of hotels and holiday apartment. In the last year, however, Bansko has reached saturation and other resorts, such as Borovets, are taking the lead.

In 2007 approximately 4,000 units were completed and added to the supply of winter resorts properties. The overall average price for properties in mountain resorts is EUR 1,300 / m².

The shift from town of Bansko to the Borovets resort is evidenced in the following graph:



Holiday homes demand 2008 first quarter



BOROVETS

Infrastructure works for the Super Borovets project were announced in October 2007 which, in turn, brought new energy to the developments in the Borovets area. As a result, in terms of sales, Borovets has outpaced the other mountain resorts with over 60% of existing and under construction supply of holiday home sold.

Prices in the Borovets area are still competitive and vary between EUR 1,100 and 1,800 per square meter.

State support and local municipality are putting efforts to guarantee the future development of Borovets and the region for the investors. Thus, construction works in the Borovets region are synchronized with the whole area development plan.

The Super Borovets project has been officially launched in the last quarter of 2007. The project is endorsed and supported by the local authority and the central government.

Super Borovets is a carefully planned scheme aiming at turning Borovets to a year-round resort, adding many sports and other facilities and further developing and enlarging the infrastructure and ski facilities. The project will add to the existing assets new gondolas, more sport and leisure facilities, hotels, golf ground, tennis court and football and basketball playgrounds. Once finalized, Borovets will dispose of over 100 Km. of ski slopes and 23 lifts. The construction of 11 new gondolas is part of the project. As part of the Super Borovets scheme, a new highway – the Rila Highway – will be constructed, making the connection between Sofia and Borovets easier and much quicker. Among its key guidelines, the Super Borovets project is dedicated to first develop the main infrastructure that will support the project and to keep Borovets ecologically friendly. The Super Borovets project is expected to be completed by 2012.



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