

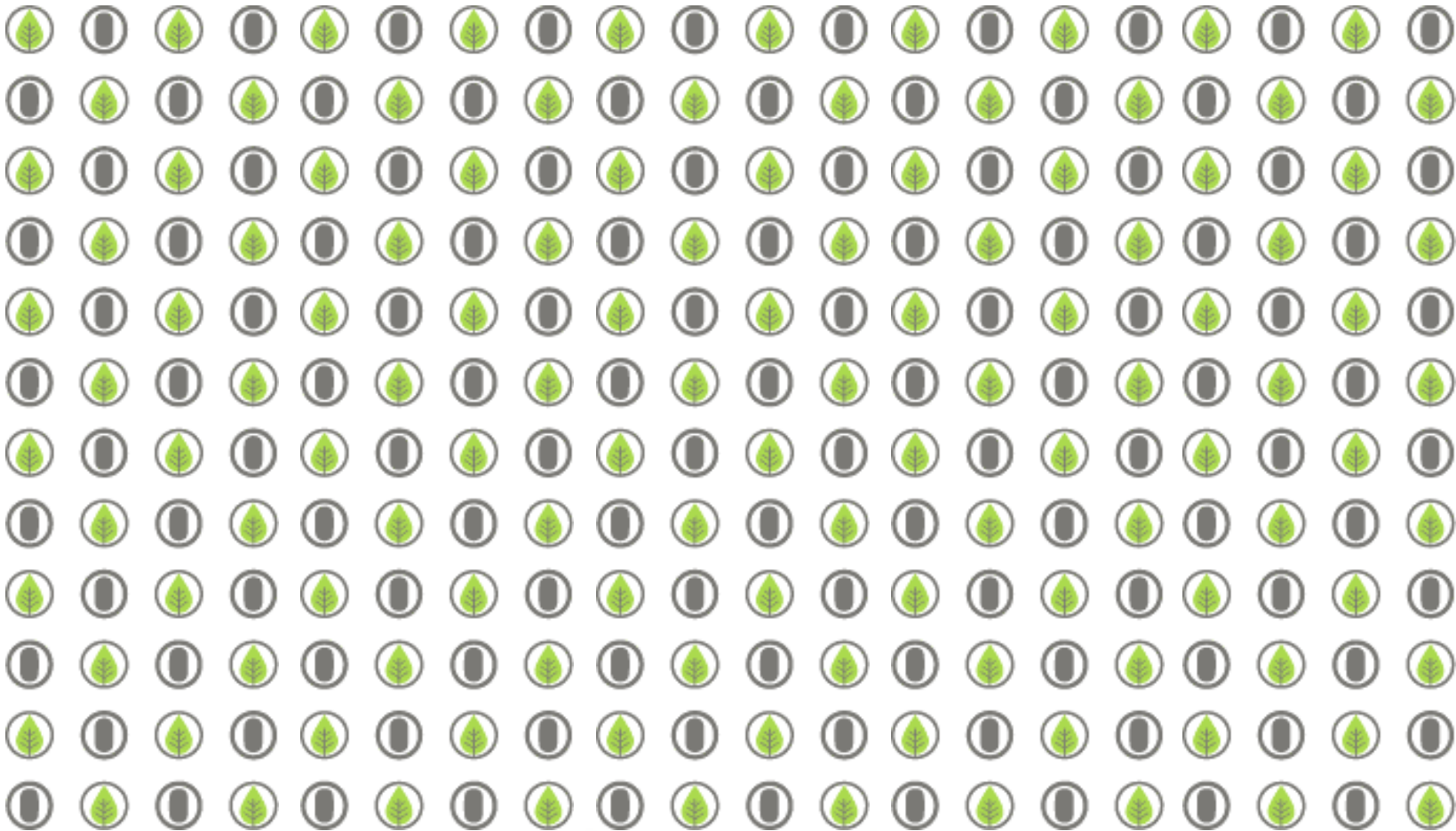
OWN  
PUERTO MADERO

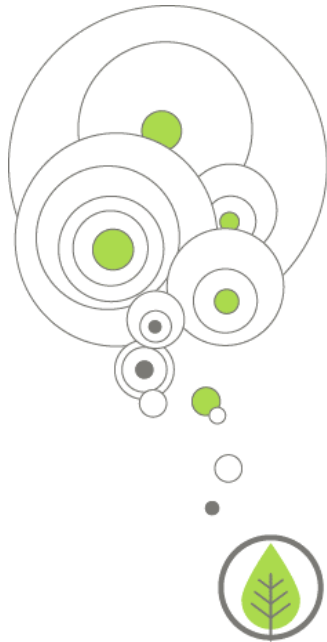
# THE FIRST LEED CERTIFIED HOTEL IN ARGENTINA

PROJECT PRESENTATION • SEPTEMBER, 2009



01. Executive Summary
02. Expertise
03. Location Analysis
04. Assets & Description
05. LEED Certification
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- OWN Hotel Puerto Madero (Bs.As. Argentina) will be the first green hotel in Argentina, meeting the LEED certification standards of the USGBC ([www.usgbc.org](http://www.usgbc.org))
- The development is owned by Swiss Finance & Property Argentina
- OWN Group is the management operations company
- Swiss Finance & Property Argentina features a 3 year track record in real estate development in Argentina
- Nicolás Bonta, founder and executive holds over 10 years of experience in the Latin American hotel industry

➔ **Unique Investment opportunity in Argentina with an IRR of 16.5%**

- Swiss Finance & Property Argentina is an experienced real estate investor. With its roots in Switzerland and through an independent Argentina branch, we are able to offer the expertise from both local specialists and international analysts.
- OWN Hotels is a hospitality management group, currently managing a successful hotel in Buenos Aires with 2 other sites poised for development in the near future.  
[www.ownhotels.com](http://www.ownhotels.com)

→ Strategic Local Partners:



Desarrollos Inmobiliarios  
Gerenciamiento de Emprendimientos

**bonta donozo**  
ARQUITECTURA + EMPRENDIMIENTOS



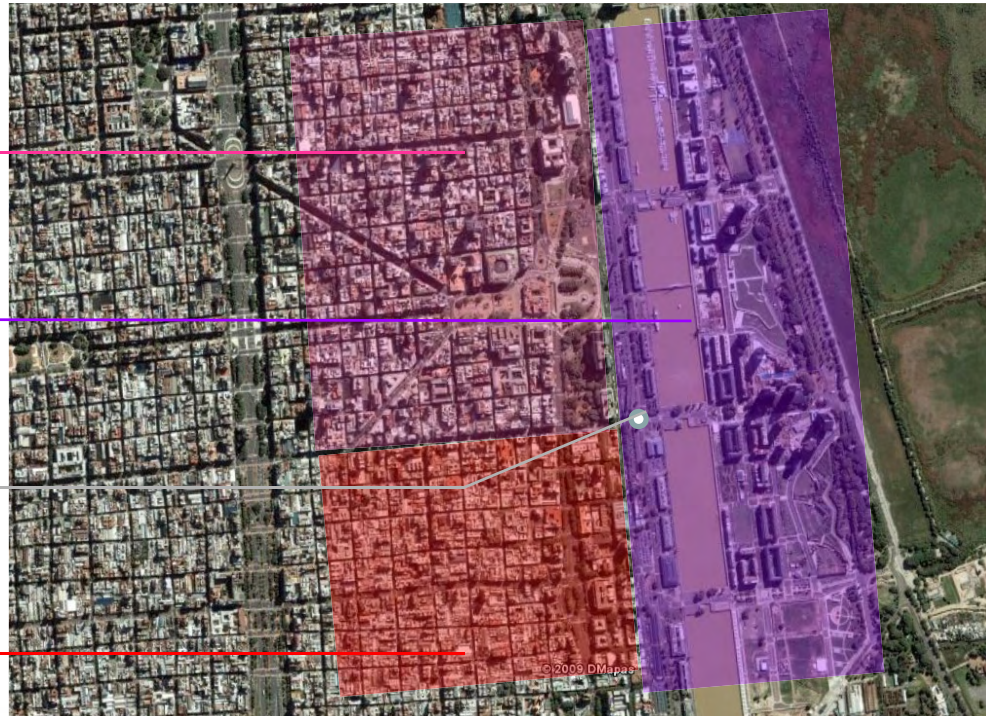
Own Hotel Puerto Madero is located in the heart of Buenos Aires in the Puerto Madero district, bordering both the Business District and San Telmo

Micro Centro/  
Business District

Puerto Madero

**OWN Hotel**

San Telmo

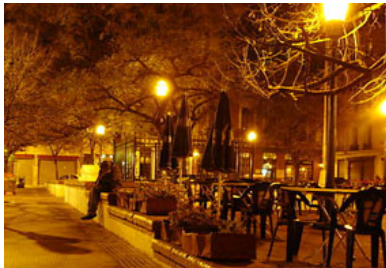




## → Puerto Madero

Puerto Madero is an expansive urban development project started in 1991. It was intended to integrate the port area to the city as an extension of the commercial district. Located on the water, only minutes from downtown Buenos Aires, Puerto Madero has become an important and expensive neighborhood for residences as well as business professionals.

In its modern and state of the art buildings, many companies and important hotels are located, as well as restaurants, museums, and bars.



## → San Telmo

San Telmo has a rich history, originally being the neighborhood of the erudite aristocracy of Buenos Aires until the yellow fever epidemic in 1871 caused residents to relocate to the higher ground of Recoleta. Over the last century the neighborhood has been inhabited by the lower class until recently when various renovations and cultural projects began to appear. Its rich heritage, ornate architecture, and vibrant cultural scene, (characterized by edgy bars, popular restaurants, and shows of all sorts) make it a top destination for tourists and local residents alike.



Microcentro is the downtown of Buenos Aires where the majority of all business is conducted. Aside from professionals, it also consists of some of the most historic landmarks in the city making it a focal point for many tourists.

Rio de la Plata

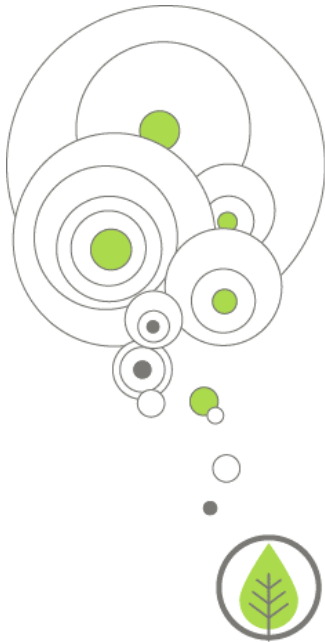


Plaza

Customs Building

Puerto Madero Towers

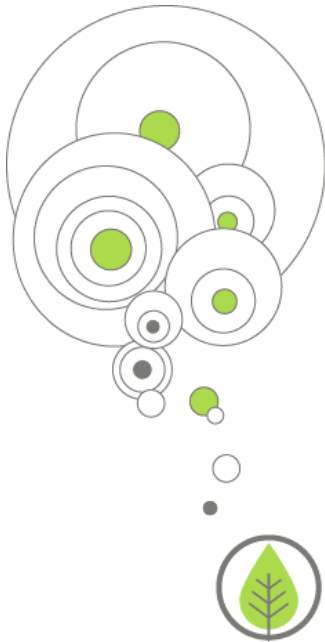
Av Paseo Colón



- Tourism in Argentina is currently one of the most dynamic sectors of the national economy. Projections for the coming years point to it continuing to play a vital role in the generation of revenue, foreign currency, and job creation
- Argentina is the fifth receiving country of tourism in the Americas, behind the United States, Mexico, Canada and Brazil. However it is one of the countries with the highest rate of growth in the arrival of tourists between 2004 and 2007
- Argentina receives over 4 million tourists per year
- Buenos Aires benefits not only from holiday oriented tourists, but also from conventions attracting business travellers
- Almost 20% of Buenos Aires' workforce is in Commerce, Hotel & Restaurants.



- Growth in real estate sector since 2002
  - Rent and Occupancy levels for office space increased dramatically
  - REVPAR levels for hotels soared as Argentina became known destination
  - New Residential construction increased dramatically
  - In some neighborhoods prices of Residential units grew 10+% per year
- Non-existent credit has kept asset prices relatively low
- Local investment in bricks has stayed strong – secure asset class
- Devaluation of peso is making construction cheap and creating opportunity for industries that charge in USD but have costs in pesos.



- Land owned by Swiss Finance & Property Argentina
- Project for boutique design hotel
  - 22 suites
  - 4 Master suites
  - Pool, gym & recreation area
  - Restaurant & Bar
  - Reception, Lobby, Lounge, Public Spaces
- Building Permission Process completed
- Management contractor (OWN Group) confirmed



- **3rd Quarter 2009**  
Finalising construction plans  
Finalise fund raising
- **1st Quarter 2010**  
Start construction works
- **1st Quarter 2011**  
finish shell construction
- **3rd Quarter 2011**  
Hotel Opening October 2011



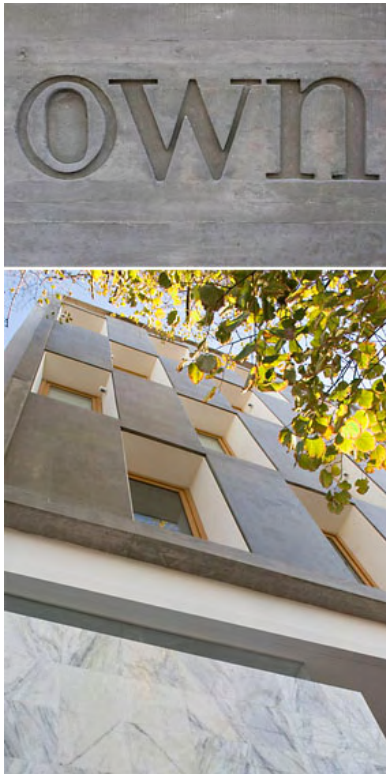
OWN Hotel Puerto Madero sets a new benchmark in green and sustainable hospitality for South America in both the construction process and operational standards.

LEED is an internationally recognised green building certification system, providing third-party verification that a building or community was designed and built using strategies aimed at improving performance across all the metrics that matter most: energy savings, water efficiency, CO2 emissions reduction, improved indoor environmental quality, and stewardship of resources and sensitivity to their impacts.

In developing countries, such as Argentina, green construction costs are 7 - 12% higher but the benefits outweigh the price increase substantially.



- **Respects the Environment:** Construction and operational standards will concentrate on minimizing the environmental impact of the project, recognizing the importance of taking care of the earth.
- **Raises Quality Level of Building:** Minimizes operating costs, enhances experience for visitors.
- **International Trend:** Builders today are becoming more and more conscious of the environment and to avoid obsolescence in the future, it is important to consider the direction the industry is heading.
- **Awareness and Education:** By being a novel project in an area, a building such as this can help promote other sustainable developments within region as well as educate local residents on the importance of various environmental issues the world is facing today and how to tackle them.
- **Increased RevPar:** Environmentally conscientious tourists from abroad as well as multi-national companies with sustainable policies will seek out hotels with these characteristics and standards. Thus, the additional investment should increase occupancy as well as ADR by offering a superior and differentiated product in the market.
- **First Movers:** The project and its participants will become associated as the innovators who introduced the concept to Argentina.



- Own Hotels, a devoted hospitality group, represent a new concept in urban boutique-hotels, characterised by personalised attention, modern design, and timeless style
- Located in the most desirable areas of Buenos Aires, Own Hotels offer a unique experience with all services of a 5-star hotel.
- Currently OWN operates the OWN Hotel Palermo Hollywood and is developing a larger hotel in Palermo Soho
- Management of OWN Hotel includes highly experienced industry professionals

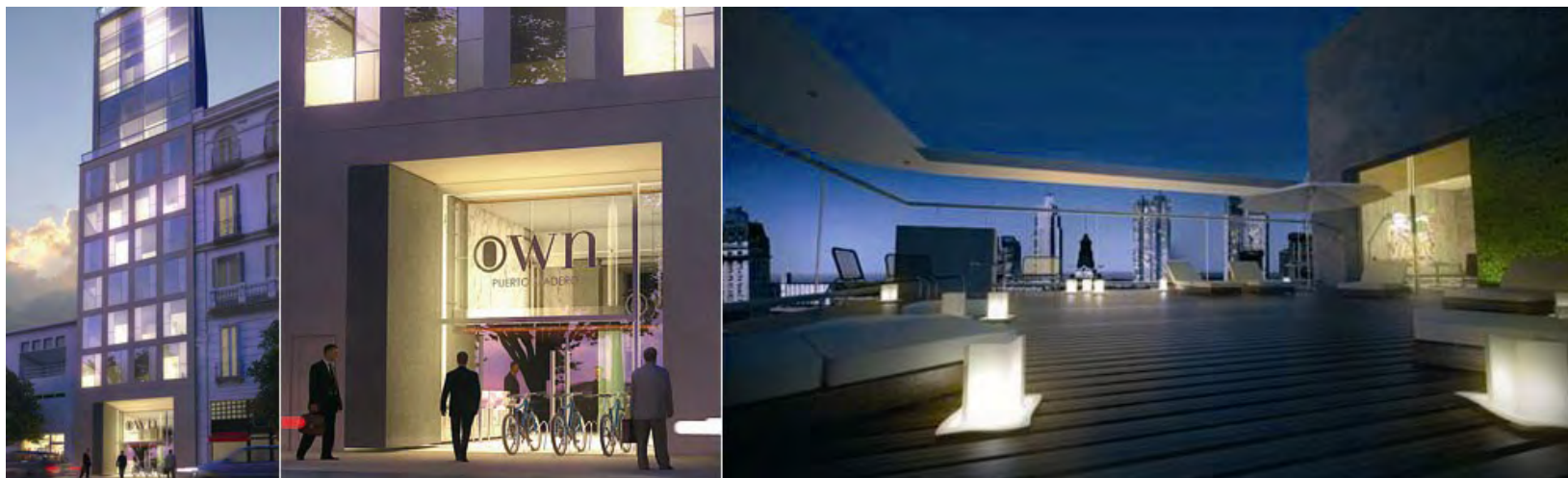
# OWN puerto madero • description

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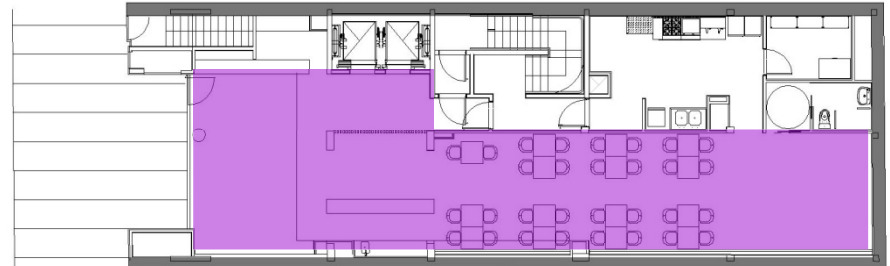
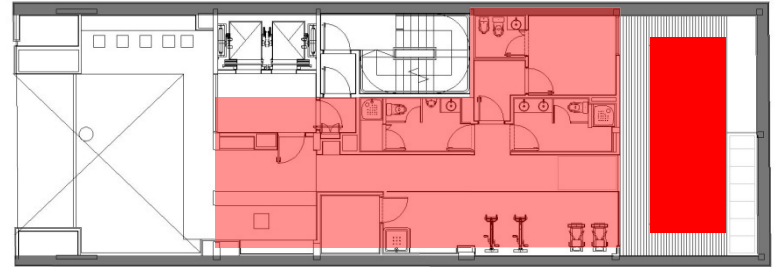
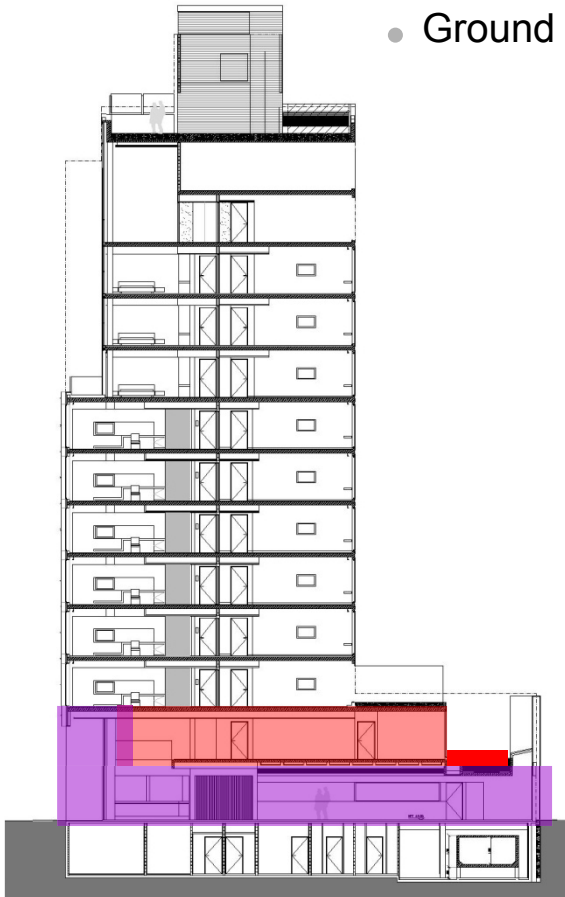


- The OWN Hotel Puerto Madero has been designed to meet the high standards of leisure and business travellers alike
- The floor plans allow a comfortable room allocation, giving each room its special character. Upper floor rooms provide an exceptional view over Buenos Aires
- The restaurant and bar are open to guests and will also be a popular location for locals who frequent the area
- The Hotel features an outdoor pool area that can be inclosed in the winter as well as a spa, and a rooftop terrace for views of the stunning Puerto Madero skyline





● Ground Floor • 1° Floor



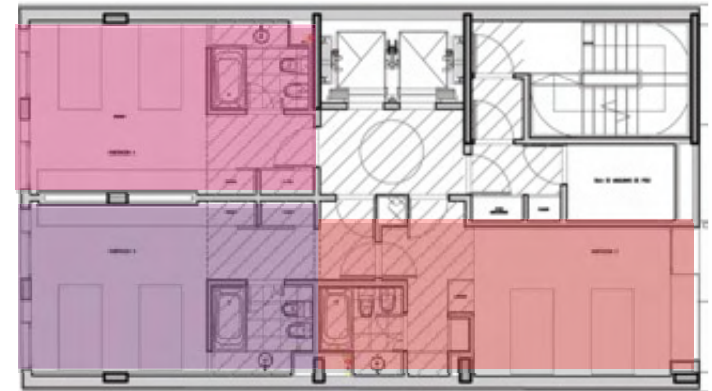
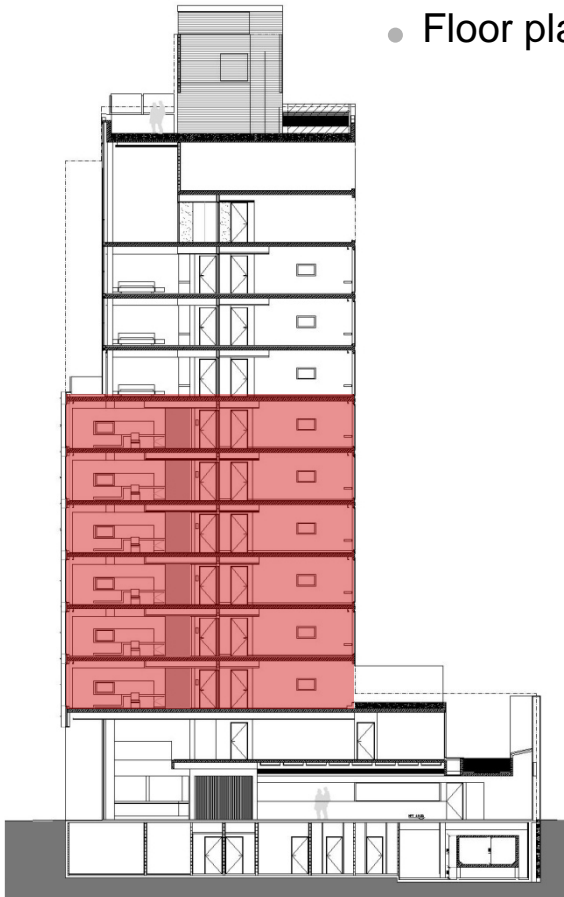
**GROUND FLOOR**

Front Desk  
Bar  
Restaurant

**1° FLOOR**

Offices  
Spa  
Swimming Pool

- Floor plan 2° to 7°



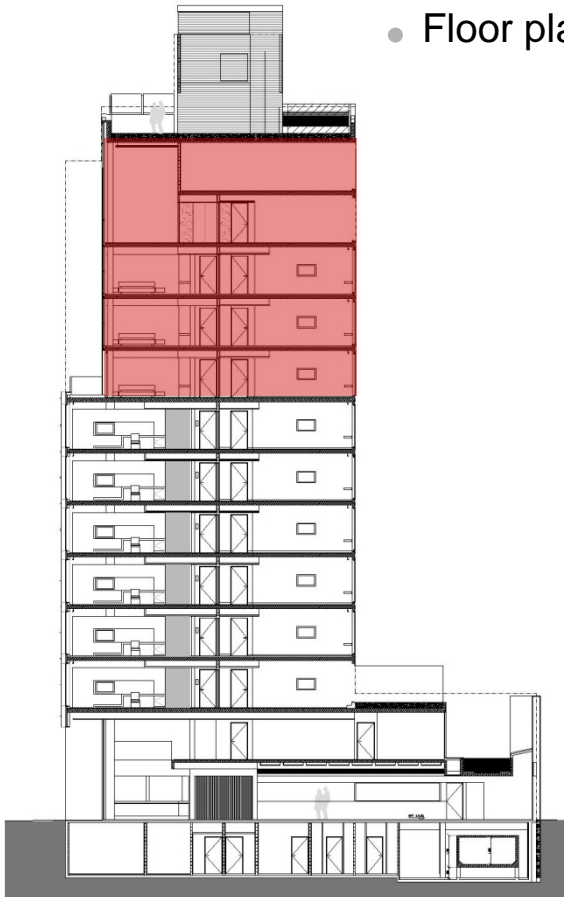
## ROOMS

**A** 28.00m<sup>2</sup>

**B** 30.00m<sup>2</sup>

**C** 30.00m<sup>2</sup>

- Floor plan 8° to 11°



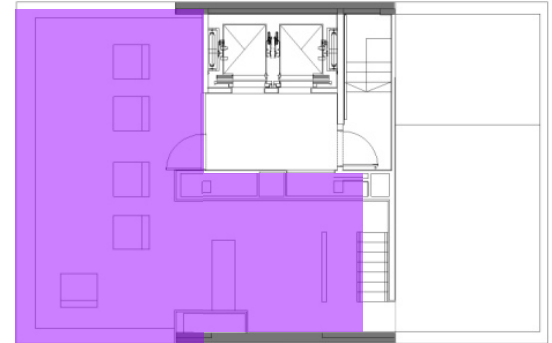
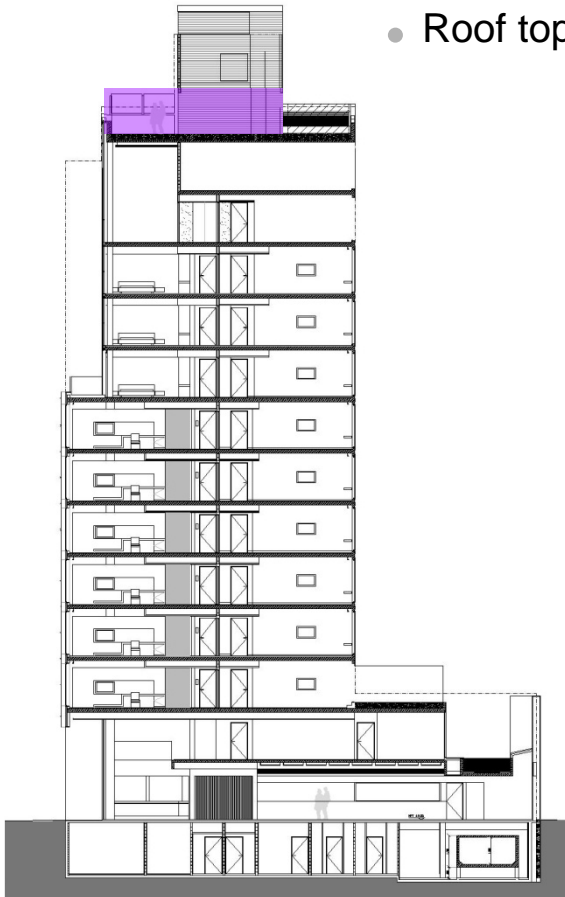
## ROOMS

**A** 45.00m<sup>2</sup>

**C** 27.00m<sup>2</sup>

Terrace **8°** 15.00m<sup>2</sup>

- Roof top terrace





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- Annex:**
- Over the past 6 years following the crisis, Argentina has experienced a boom in the real estate sector seeing prices rise in shiny, new residential towers, rent and occupancy levels move to almost record highs, and revpar levels soar as more and more foreigners learned of what the affordable country has to offer.
  - The drastic slowdown in the world economy over the last 18 months has certainly not left Argentina unscathed. While before the crisis one would find an abundance of foreign companies looking for office space (that was not available) in Buenos Aires, now most multi-nationals are having to re-negotiate leases in order to stay, thus bringing rent and occupancy levels down in the office and retail sectors. The hotel industry here has also taken a hit as revpar levels are down 20% due to a decrease in tourism and spending, which is a characteristic found throughout the world at the moment.

- Annex:**
- What does set Argentina apart however is its asset price stability. There has been no real notable drop in property prices since the beginning of the crisis across all asset classes (land, commercial, residential, industrial) even given the point mentioned in the previous slide. In fact, many commercial buildings have even seen cap rates compress from 12% to 10% over the past 2 years. Part of this stability is due to the absence of credit in the market which has kept asset levels comparably low to the rest of the world. The other characteristic is that real estate in this country is the investment of choice for local residents and businesses and selling does not usually occur unless it is absolutely necessary. It is worth mentioning that the local property market is USD denominated which limits market volatility that could occur from dramatic swings in exchange rates.

- Annex:**
- In Argentina, as commodity prices falls, new construction slows, unemployment rises, and the peso weakens, there are opportunities to construct cheaply. Over the last 6 months reports show that construction costs have dropped 20% on average and will likely continue to fall.
  - Over the next few years, there is no real certainty as to what asset class will outperform as residential and now office has been overbuilt and retail is on a decline. The interesting dynamic of the hospitality sector is that rooms are charged in USD, but salaries are paid in local currency. Thus, if the local economy is doing poorly, it is very possibly that many foreign visitors are arriving because it is a cheap destination (assuming there is no sociopolitical crisis).



LEED is a voluntary certification program that can be applied to any building type and any building lifecycle phase. It promotes a whole-building approach to sustainability by recognizing performance in key areas:



**Sustainable Sites:** Choosing a building's site and managing that site during construction are important considerations for a project's sustainability. The Sustainable Sites category discourages development on previously undeveloped land; minimizes a building's impact on ecosystems and waterways; encourages regionally appropriate landscaping; rewards smart transportation choices; controls stormwater runoff; and reduces erosion, light pollution, heat island effect and construction-related pollution.



**Water Efficiency:** Buildings are major users of our potable water supply. The goal of the Water Efficiency credit category is to encourage smarter use of water, inside and out. Water reduction is typically achieved through more efficient appliances, fixtures and fittings inside and water-wise landscaping outside.



**Energy & Atmosphere:** According to the U.S. Department of Energy, buildings use 39% of the energy and 74% of the electricity produced each year in the United States. The Energy & Atmosphere category encourages a wide variety of energy strategies: commissioning; energy use monitoring; efficient design and construction; efficient appliances, systems and lighting; the use of renewable and clean sources of energy, generated on-site or off-site; and other innovative strategies.



**Materials & Resources:** During both the construction and operations phases, buildings generate a lot of waste and use a lot of materials and resources. This credit category encourages the selection of sustainably grown, harvested, produced and transported products and materials. It promotes the reduction of waste as well as reuse and recycling, and it takes into account the reduction of waste at a product's source.



**Indoor Environmental Quality:** The U.S. Environmental Protection Agency estimates that Americans spend about 90% of their day indoors, where the air quality can be significantly worse than outside. The Indoor Environmental Quality credit category promotes strategies that can improve indoor air as well as providing access to natural daylight and views and improving acoustics.



**Locations & Linkages:** The LEED for Homes rating system recognizes that much of a home's impact on the environment comes from where it is located and how it fits into its community. The Locations & Linkages credits encourage homes being built away from environmentally sensitive places and instead being built in infill, previously developed and other preferable sites. It rewards homes that are built near already-existing infrastructure, community resources and transit, and it encourages access to open space for walking, physical activity and time spent outdoors.



**Awareness & Education:** The LEED for Homes rating system acknowledges that a green home is only truly green if the people who live in it use the green features to maximum effect. The Awareness & Education credits encourage home builders and real estate professionals to provide homeowners, tenants and building managers with the education and tools they need to understand what makes their home green and how to make the most of those features.



**Innovation in Design:** The Innovation in Design credit category provides bonus points for projects that use new and innovative technologies and strategies to improve a building's performance well beyond what is required by other LEED credits or in green building considerations that are not specifically addressed elsewhere in LEED. This credit category also rewards projects for including a LEED Accredited Professional on the team to ensure a holistic, integrated approach to the design and construction phase.



**Regional Priority:** USGBC's regional councils, chapters and affiliates have identified the environmental concerns that are locally most important for every region of the country, and six LEED credits that address those local priorities were selected for each region. A project that earns a regional priority credit will earn one bonus point in addition to any points awarded for that credit. Up to four extra points can be earned in this way.

