



88 HILLS

BUSINESS PLAN

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88 Hills

Executive Summary

- Since 2012, legislation in Dubai has made it much easier for foreigners (both individuals and companies) to register freehold title in real property rights. The changes have seen a considerable increase in the amount of foreign investment in real estate in Dubai and the rest of the Gulf, and accordingly more and more property developments seeking buyers.
- As a result, this business plan presents an opportunity to take advantage of the hoards of investors and wealthy prospective homebuyers looking to leverage off the tax benefits and growth of the Dubai region, and invest in a company at the forefront of luxury residential developments and their next development.
- The company is 88 Hills. The development is self-titled, 88 Hills. 8 is an infinite number. In some cultures 8 is believed to bring luck, to bring wealth. 8 is a never ending story, much like the company behind the property development who consistently improve their developments and the affluent details of each.
- The development is the building of 44 truly deluxe villas. The villas will not only be branded as the most expensive villas in the world. But will also have facilities and services that no other project has ever showcased. Consider, the complete home automation and technologically advanced home in the most breathtaking natural and private setting

- Add to the property itself, the prospect of helicopter transfers from airport to home, use of a matching holiday home in the south of France, and Michelin star chefs as part of a full housekeeping and lifestyle management crew. Together the benefits are sure to create the most advanced and in-demand luxury villas in the world, with a price tag and return on investment to match.
- Driving the development is a group of experts with a huge amount of experience in the development of luxury homes. They understand the relevant construction and design elements of the build, but still maintain the nous to select and market to potential owners. The key stakeholders have the core competencies required to make this development a success in spades.
- Investors are sought to help fund the cost of purchasing the land, building the villas, meeting all development costs and marketing the properties once 30%-50% of the villas are created. The villas will be marketed as ready to move in.
- Using a conservative method of estimation, the following revenue figures are projected in the first two years of operation.



Forecast	09/2015	01/2016	05/2016	09/2016	01/2017	05/2017
Currency	USD	USD	USD	USD	USD	USD

Revenue
Profit

Business Opportunity

88 Hills is a premium residential development offering outstanding design, superior location and luxurious amenities. Just 44 villas will be built to encourage the exclusivity and drive sales demand through the resulting urgency. All in all creating a feeling of prestige and furthering the belief that 88 Hills is a collection of truly bespoke and timeless villas whose owners will be the envy of society at large.

Vision

“Luxury, location and lifestyle”

Business Goals

88 Hills has set the following demanding goals, to guide the development and measure their success:

- 0-6 Months
 - Establish and purchase land;
 - Hire PR firm;
 - Target international sales offices
 - Finalize design of villas and overview of compound;
 - Engage construction company and all suppliers;
 - Design and implement smart house technology;
 - Obtain permissions and licenses from the Government of Dubai; and
 - Implement PR plan in conjunction with PR firm.
- 6-12 Months
 - Completion of 30%-50% of the villas ready for sale; and
 - Close sales with potential buyer.
- 12- 24 Months
 - Completion of the total development project;
 - Handover to buyers; and
 - Ensuring the effectiveness of the services provided to all owners (ongoing).

In order to succeed, we plan to depart from the standard “sell on plans” approach. Rather, we will start construction and only start selling once at

least 30% to 50% of the villas are complete and ready to move in. We want our prospects to be wowed, to be blown away, and to base their purchasing decision on a final product.

To support the sales efforts we will establish and open sales offices in China, Iran, Russia, Japan, Singapore, India, Germany, Spain, UK. The bulk of our dealings will be with asset management companies and private banks whereby we will expect them to assist to inform their clients of this once in a life time opportunity.

The Villas

Designed by only the very best architects, and finished off with premium materials and immaculate details, the 44 villas at 88 Hills are set to revolutionise luxury living.

Not only will the villas be built beautifully (more details to come in this plan), but the real value is in some of the subsidiary services offered alongside the property and property rights. Full time Michelin starred chef, a butler, trained maids, alongside free helicopter services to the airport and back and limousine and concierge services come free for the first 2 years, with option to continue thereafter. It is important to think of 8 Hills not as simply a villa, but a lifestyle decision.



The Buildings

Continuing the theme of the number 8, the house and every room will feature a variation of the number 8. For example, the plot size will be 26,000 square feet, because $2+6=8$, and the built up area 17,000 square feet. The quirky nuance is not the only feature of the impressive buildings and surrounds.

The villas will be designed by a French company and will be ready to move in within 12-14 months. The company is the well respected, HMBCLUXE (<http://www.hmbc-luxe.fr>).

Every villa will have a basement + 2 floors and an additional building for recreation and parking.

Native trees and shrubbery to create a sense of privacy and security will surround the compound where the 44 villas are housed. Man-made lakes will also be utilized to one, provide recreation facilities for the residents, and two create the overall shape of 88 from the overhead view.

Roads inside the compound will be made using LED lighting and no use of tarmac etc. (reference <http://www.solarroadways.com/intro.shtml>). We aim to have the lowest carbon emission housing.

In short, discerning buyers are availing themselves to:

- 52m² - 1700m² (excluding decks)
- 7 bedrooms
- Live-in building manager & concierge
- Ample car parking
- Storage
- Security
- Space

The Technology Within

Every house will be a smart house, having technology three years ahead of market products. It is envisioned that the villas will become a benchmark for future smart homes. Technology will be found in: the entry system; the music system that understands its audience's preferences; the solar powered central air conditioning for temperature control; the appliances and whiteware which will all be controllable through in-built panels and smartphones; the surveillance system and CCTV cameras; and, floor heating

The Amenities

Owners enjoy the following subsidiary benefits of buying an 88 Hills villa:

- In addition to the title of the villa every owner will receive two trips per year to a selected holiday destination around the world in a private jet for up to eight people all-inclusive and paid for. Again this is just for the first 2 years with the options to continue if desired.

- Further luxurious travel is on offer through a partnership with summer properties in the South of France. Montpellier houses the alter-

Customer Profile

Luxury property is not for the faint hearted, nor for light pockets. The opulence of perfectly constructed and beautifully maintained property and the attraction of privacy are available to only the world's most elite. Accordingly, 88 Hills has a succinct target market based almost entirely on net worth. However, within the market of potential buyers of luxury property, there are two separate segments. They are, investors who will be looking to purchase one or more villas for primarily rental income and property capital gain investment purposes, and owners who will look to buy one or more villas for their own use. The following will address each of the segments in turn:

Home Owners for Private Use

The characteristics of potential buyers who will use the villas for personal use are undoubtedly financial and asset related. But, from the obvious



requirements of wealth we can also build a more complete profile of the prospective purchaser. This is important as there are over 30'000 High Net worth Individual's (HNI) who are worth over \$100Million dollars worldwide. We plan to attract only 0.1% of them.

- Occupation - The majority of luxury homebuyers are business owners or entrepreneurs (32%). This is followed by corporate executives (16%), attorneys (10%), and physicians (9%) with the remaining being retirees, accountants, middle managers, and sales professionals. Because most prospective owners favour ownership via offshore companies to avoid local probate, we expect an additional trait to be business acumen.

- Education - In addition to this a majority of luxury homeowners (90%) are college graduates.

- Martial Status – The majority of luxury homeowners are married (85%), and the (75%) have children.

Other factors such as interests and hobbies are irrelevant as the traits of each HNI will vary dramatically and should not influence the purchasing decision.

Investors

In 2014, Gulf investors paid US \$2.45 billion of the total US\$ 17.4 billion

invested in Dubai. Indians bought property worth of US \$820 million and United Kingdom citizens paid US \$530 million for property in Dubai in the first quarter. Iranian and Russian buyers rounded out the top five nationalities of non-Arab investors.

As a result of the above statistics it is clear the nationalities that are willing to invest in the Gulf region. The numbers will be treated as guidelines only and not prescriptive. Others from other regions may still be willing to invest in a luxury 88 Hills villa given the write opportunity and upon seeing the compelling benefits of the properties.

In either segment, in order to buy these villas, the potential buyer must meet our criteria. They should have a minimum of 100 Million dollars assets with them, then they are eligible to discuss with us.

Marketing Plan

Marketing Dubai as a Destination

A staggering 70 million passengers arrived at Dubai airport last year, showcasing the appeal of the Middle East's tax have playground. The popularity of the area is likely to be a focal point of the marketing material and selling message that underpins 88 Hills development. By first educating potential investors and villa buyers on the benefits of settling in Dubai, it increases the chances that they will be open to purchasing a villa. i.e. liking

the area increases the possibility of owning property in the region (this is less of an issue for out and out investors).

To do so, 88 Hills will seek partnerships with the local government, with tourism boards and implement a guide to Dubai in all of their selling brochures. For purchases in the advance stages of negotiations – flights to the property development will be provided in addition to a sample of the local cuisine, activities and shopping.

Selection of Potential Buyers

Our advertising is a function of selection because we only want to reach people who are real prospects and will potentially purchase a villa. We don't care about reaching millions or even about reaching thousands in our advertising efforts; we only care about reaching the right dozen people, period.

To do so we will thoroughly research the top 10% earners (or net worth individuals) in each target country. Compiling lists through LinkedIn (for CEOs), through partnerships with investment banks (even if we have to sacrifice a small commission to them) and through cold calling head hunting approaches.

Some of these type of individuals will be exceedingly discreet, therefore we will budget for some travel costs, some meal and entertainment allowances



and some teleconferencing and presentation facilities.

The following global banks will be approached through IMs and face-to-face presentations: Goldman Sachs, JP Morgan Chase, Bank of America Merrill Lynch, Morgan Stanley, Deutsche Bank, Citigroup, Credit Suisse, UBS, and HSBC

International Sales Offices

The 88 Hills temporary sales offices will exist only when villas are available for sale. It is envisioned that a physical presence will be required in the following countries: China, Iran, Russia, Japan, Singapore, India, Germany, Spain, and the UK.

The sales offices will feature expertly selected sales experts that will generate leads, follow up on incoming enquiries and close deals for the 44 villas. They will be employed on a short-term basis and be paid commission. It is expected that all prospect contact information will be retained for future developments marketing efforts.

Competitive Scenario

Dubai is a city known for its luxury living. Entire playgrounds have been created for the rich and famous and the regions tourism continues to thrive as a result of the recreational facilities and breathtaking property. The rich and super rich are well and truly catered for.

The area is proliferated with luxury brands, dense shopping malls, artificial palm islands, gold constructed skyscrapers, all of which make it the most sensible place to develop the 88 Hills project. The following facts and figures also point to the area's competitiveness amongst other individuals and developers looking to cash in on Dubai's rise:

- There are already 148 skyscrapers in Dubai, as a comparison New York has 235;
- 4.5% growth each year is expected in the Economy over the next five years;
- Dubai is currently building a controlled climate city two times the size of Monaco;
- There is no personal or income tax in Dubai; and
- 80% of residents are expats;

Specifically to real estate, at present, housing developments are catering to the masses. There is no such concept that a particular area is of higher value than the next. For instance, Emirates Hills, consisting of 300+ plush villas is considered as the ultimate in luxury where villas sell for over \$10 million. While just a 1000m down the road, a villa can be purchased for somewhere between \$1 million - \$3 million.

Thus the local market is defined by not where you live, but how or what image is established/portrayed on where you live.

Competitors

The following list features two types of competitors. The first are real estate development companies who find opportunities for new luxury properties similar to Emirates Hills mentioned above. There are others, but we have earmarked the two below as the most threatening on account of their ability to balance beauty and technology and create striking developments. After an analysis on two development companies, we have briefly summarized public property search directories that focus on luxury properties. While these are not strictly competitors (as we expect to market our properties subtly and hand-pick buyers) it is interesting to point out why they pose a threat.

- Al Barari
<http://www.albarari.com>

Al Barari is developing a site 217 “wondrous” villas, a gourmet restaurant, a state-of-the art health club, and the region's largest privately-owned plant nursery. Eighty percent of the 4.2-million-square-foot development is made up of green space, beautiful themed gardens, naturally landscaped lakes and freshwater streams.

They also have plans to develop Ashjar, Seventh Heaven, a luxury boutique resort sheltered by dense forests and set within an exuberant community.

Note, their attitude toward nature and amenities is similar to that of 88 Hills however there is no suggestion here that the villas include personal chefs, helicopters and the lifestyle management features that 88 Hills does. Thus we are confident we can compete on service elements.

- Damac Properties

<http://www.damacproperties.com>

At the heart of DAMAC Properties' culture lies the desire to deliver a luxury vision for customers. From the selection of its development partners such as architects, designers and contractors, to the handover of keys, the Company endeavours to keep its promise to make sure every detail is flawless.

Damac currently market themselves as the leading luxury developer in the Middle East and are listed on the London Stock Exchange. They have also agreed to build Donald Trump a World Golf Course designed by Tiger Woods.



Again, there are similarities with the 88 Hills point of view. Both companies share the view that the architects and contractors used are an important part of the process and both believe in handing over the keys to a completely finished property.

Although the brand reputation is present for Damac, they still cater for the masses; they still place profits and dividends over detail. 88 Hills still delivers ROI for the shareholders but not at the expense of any detail for the owners of the 44 villas. Thus, we feel as though our attention to excellence will bring a customer advocacy level unparalleled in the industry and far superior to Damac's.

Property Directories

The directories are also competitors because of the oft chance buyers search on their own accord for luxury property and do not find the 88 Hills project. We suspect that most who search on public directories won't have the budget required for our villas, but they must be acknowledged:

- Luxhabitat
<http://www.luxhabitat.ae>

A marketplace for buying, selling, building or renting a luxury property. With a global background, local presence, expertise and established

relationships with world-class developers, investors and HNI Luxhabitat are confident they can find a property solution for any customer.

· LuxuryEstate

<http://www.luxuryestate.com/united-arab-emirates/dubai/du>

Launched in November 2011, LuxuryEstate is a site dedicated to those who wish to purchase or rent a luxury home, along with those who are passionate about prestigious real estate and curious to discover new trends and interior solutions.

The website does not strike us as overly impressive, professional or compelling, thus we are unlikely to face a significant threat from the Luxury Estate directory or their bespoke property finding services.

Competitive Advantage

The villas at 88 Hills will be sold for \$20 million - as long as it totals to 8 in USD, Euro or AED (local Currency). That is significantly higher than most luxury villas and the region, and for good measure.

With the world economy unstable at a time, people would think twice on spending and buying a house of \$20 million in UAE. But we plan to entertain only 30,000 of such people worldwide who have wealth far greater than is

necessary and greater than they know what to do with. Accordingly, we see the price, the pitch and the property as our key competitive advantages. The pitch includes the “extras” that have not been offered before in any other development and are sure to attract the upper echelon of HNI.

In addition to the competitive advantaged derived by quality and price, we feel as though we will get excellent support from the Government of Dubai, who are always positive if any project brought forward can and show Dubai as a HUB for luxury and high end. Any association with the Government will again help 88 Hills see of the threat from other investment opportunities and property developments.

Organisation

The Business will be run as a limited company registered in <Insert Country Here>.

Behind 88 Hills is an experienced team of committed entrepreneurs and opportunists. To implement such an extensive plan requires confidence, charisma and a deep understanding of the luxury real estate market and the selling mechanisms within it. Fortunately, the names and institutions backing 88 Hills have the requisite skills to complete the project on time and profitability.

Recruitment

Whilst the team believe we have a wide range of skills which will increase the potential of the venture flourishing, we appreciate we could use additional sales representatives to generate interest and close international sales enquiries.

We plan on recruiting three skilled salespeople per sales office to assist us in attracting a high caliber of owner. They will be focused on creating leads, converting sales leads through and organizing banking, insurance and visas where required.

Management Equity

<Insert Name Here> owns 100% of 88 Hills.



Exit Strategy

88 Hills has planned for two possible exit strategies. The first strategy is simply to sell all the available villas.

The second would be to sell the development opportunity to a larger entity at a significant premium before the completion date. This is only likely if the shareholders of 88 Hills lose the appetite for the investment or get offered such a rich sum it is too good to refuse. On account of the finite duration of a real estate development project, it is unlikely an exit will be required save for the successful selling of all 44 villas.

Financial Forecasts

\$150 million is required to complete the project. That amount consists of: the price to purchase up to 12million square feet of land; providing down payment to architects, construction developers and suppliers; allocating funds for short term offices internationally; and, marketing costs (adverts, billboards).

Each villa will be sold for \$20 million against a cost of \$8-\$10 million to build.

Financiers will be found who can provide bank guarantees and having it monetized with institute to provide the funds.

The following statements show the expected financial performance and position of 88 Hills.

Balance Sheet	Dec-15	Dec-16	Dec-17
	1	2	3
	USD\$	USD\$	USD\$
Assets			
Land			
Website			
Equipment			
less Accumulated Depreciation on Office Equipment			
Total Fixed Assets			
Total Assets			
Liabilities			
Current Liabilities			
Accounts Payable			
Funds Intro			
Drawings			
Tax			
Loan			
Total Current Liabilities			
Non-Current Liabilities			
Loan			
Total Non-Current Liabilities			
Total Liabilities			
Net Assets			
Equity			
Capital - 1,000 Ordinary Shares			
Current Year Earnings			
Retained Earnings			
Total Equity			

Profit and Loss		Dec-15	Dec-16	Dec-17
		1	2	3
		USD\$	USD\$	USD\$
Income				
Sale of Villas			200,000	680,000
Value of Villas Sold			124,090	421,906
Gain on Villas Sold			75,910	258,094
Net Profit			75,910	258,094
Total Revenue			75,910	258,094
Operating Expenses				
Development Costs		132,000	132,000	132,000
Marketing			40	80
Salaries and Wages		1000	1000	1000
Legal Expenses		50	50	50
Sales Commissions			5000	17,000
Amenities			12,000	12,000
Total Operating Expenses		133,050	150,090	162,130
Net Income		133,050	74,180	95,964
Profit Margin				

Cashflow	Dec-15	Dec-16	Dec-17
	1	2	3
	USD\$	USD\$	USD\$

Cash flow from operations

Net profit/(loss)

Depreciation

Decrease (Increase) in Accounts Receivable

Increase (decrease) in Accounts Payable

Net cash from operating activities

Increase in Bank Loans

Increase in Long Term Debt

Dividends Paid

Net cash from investing activities

Net increase (decrease) in cash and cash equivalents

Cash and cash equivalents at the beginning of the year

Cash and cash equivalents at the end of the year