

TEASER CAPSTONE

A real estate investment company partnering SMEs, dedicated to accompanying its client-partners over the long term. Innovative positioning in a non-structured sector. Activity is 75% sale and leaseback of existing buildings, the remaining 25% comprising development of bespoke real estate solutions and services.

I - Proposal to Equity Investors

- Participate in the launch of the “SME Real Estate Investment Company” whose object is to provide small and medium sized enterprises with all services related to their real estate requirements: sale and leaseback, bespoke solutions, redevelopment, outsourced management... (unique positioning)
Create an original fund structure which will be floated on the Paris stock exchange within **5 years** (exit for initial investors) with the following parameters :

- Constitution of a **high-yield** real estate portfolio,
- Risk/return profile : **10/10**
- Investment horizon (fund assets) : **10 years**.

II - Management

Project promoter : Stéphane LIPP

- 37 years old,
- CNAM Commercial Law, MBA Corporate Finance - Fordham University (NY, USA),
- Wide experience in all aspects of commercial real estate investment (Financière Norbert Dentressangle, DTZ Thouard, Wal*Mart, ...)
- Entrepreneur and investor in commercial real estate.

Management team : 4 finance and real estate professionals (average age 45) has been assembled and is ready to execute the business plan.

III – TRADING PARAMETERS

- **Activity** :

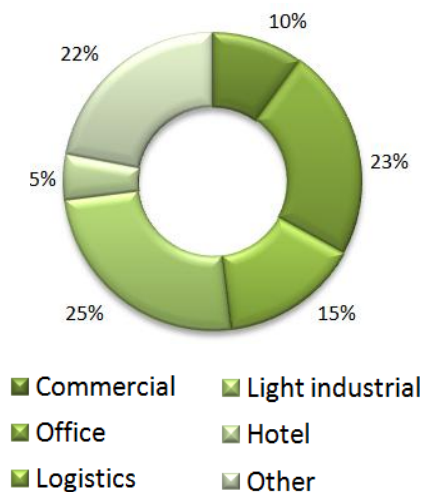
- Asset management and associated services relating to « non-prime » real estate assets of SMEs, comprising sale & leaseback, site restructuring/development and portfolio acquisition.

.../... 1-2

• Management & projections :

- Average gross rental yield 10.35 %
- Average lease length 10 years
- Leverage 50/50
- Average investment €5.8m
- Recurring revenues > 95%
- Investment markets France, Belgium
- Built area owned in Year 5 535 000 m²
- Diversification by asset type, location and industry sector
- Protection of investors' interests
- Nombre de lignes 100 à 120,
- Protection des intérêts des actionnaires :
 - Management Team
 - Investment Committee
 - Board of Directors

Diversification of revenue by asset type



IV – Keys projections

M€	A1	A2	A3	A4	A5
Rental revenue	5	17	31	44	59
EBITA	2	13	26	39	53
Operating Cash flow	0.1	8	18	27	39
Fixed assets	125	227	340	446	550
Bank debt	64	118	177	236	293

V - Financial Parameters

• Equity investment : €267m issued in tranches as follows :

⇒ Year 1 :

- First tranche : €0.5m, Quarter1 2011
- Second tranche : €0.6m Quarter2 2011
- Third tranche : €22m - july 2011Acquisition of a light industrial park -50 tenants)
- Total year 1 : €67m

⇒ Year 2 - Year 5 : €50m pa approx

• Exit : Year 5 Flotation

- **Exit value €580m**
- **IRR : 25 %**
- **Investment by promoter : €15m**
(development projects in progress at independent valuation)

VI – Project Status

- First 3 investments (of which one already in freehold ownership) under exclusive negotiation for a total of €70m.