

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.

1. 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 :
 - o Constitution of a **high-yield** real estate portfolio
 - o Risk/return profile : **10/10**
 - o Investment horizon (fund assets) : **10 years**

2. Management

Project promoter: Stéphane LIPP

- 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

An experienced management team of 4 finance and real estate professionals (average age 45) has been assembled and is ready to execute the business plan.

3. Trading Parameters

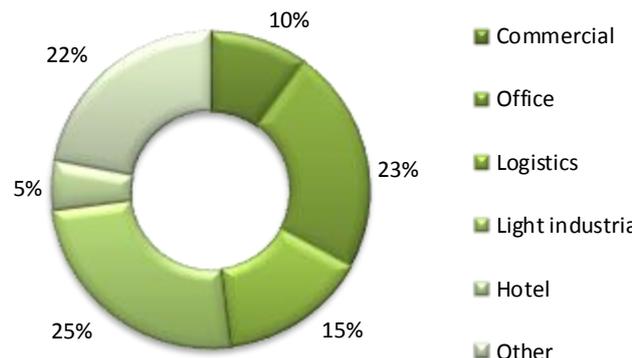
ACTIVITY

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

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 000m²

Diversification of revenue by asset type





- Diversification by asset type, location and industry sector
- Protection of investors' interests
 - Management Team
 - Investment Committee
 - Board of Directors

4. Key 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

5. Financial Parameters

- Equity investment : **€267m** issued in tranches as follows :
 - Year 1 :
 - First tranche €0.5m - 1 January 2011
 - Second tranche €0.6m - March 2011
 - **Third tranche €22.0m - July 2011 (acquisition 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 : 25.5%**

Investment by promoter: **€6.5m** (development projects in progress at independent valuation)

6. Project Status

- First 3 investments (of which one already in freehold ownership) under exclusive negotiation for a total of €67m.