



**CAPSTONE**  
INSPIRING CHANGE

**FINANCIAL REVIEW**  
**SECURED OPPORTUNITIES**  
as of 20 December 2010

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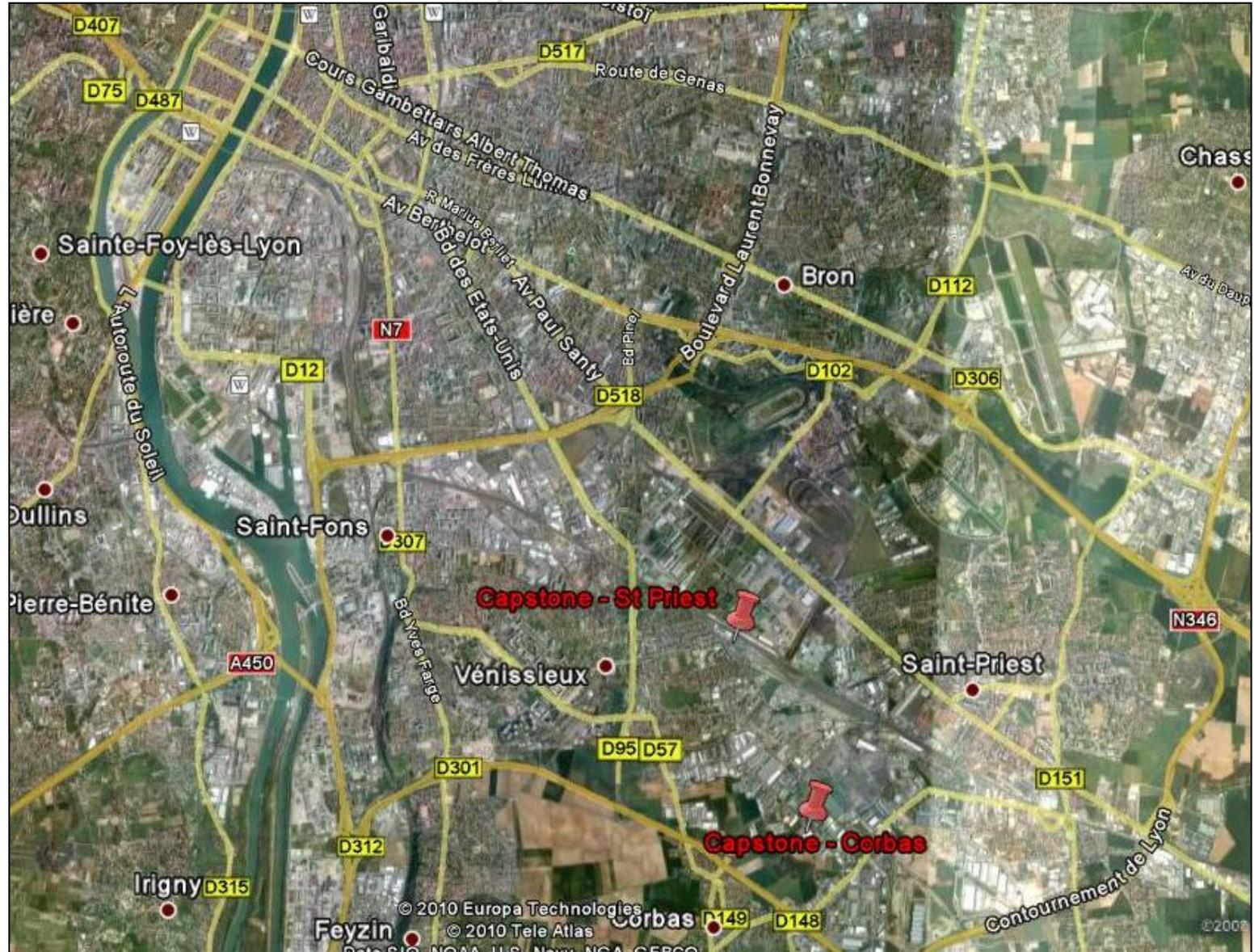
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# 1. LYON

## I. Location map



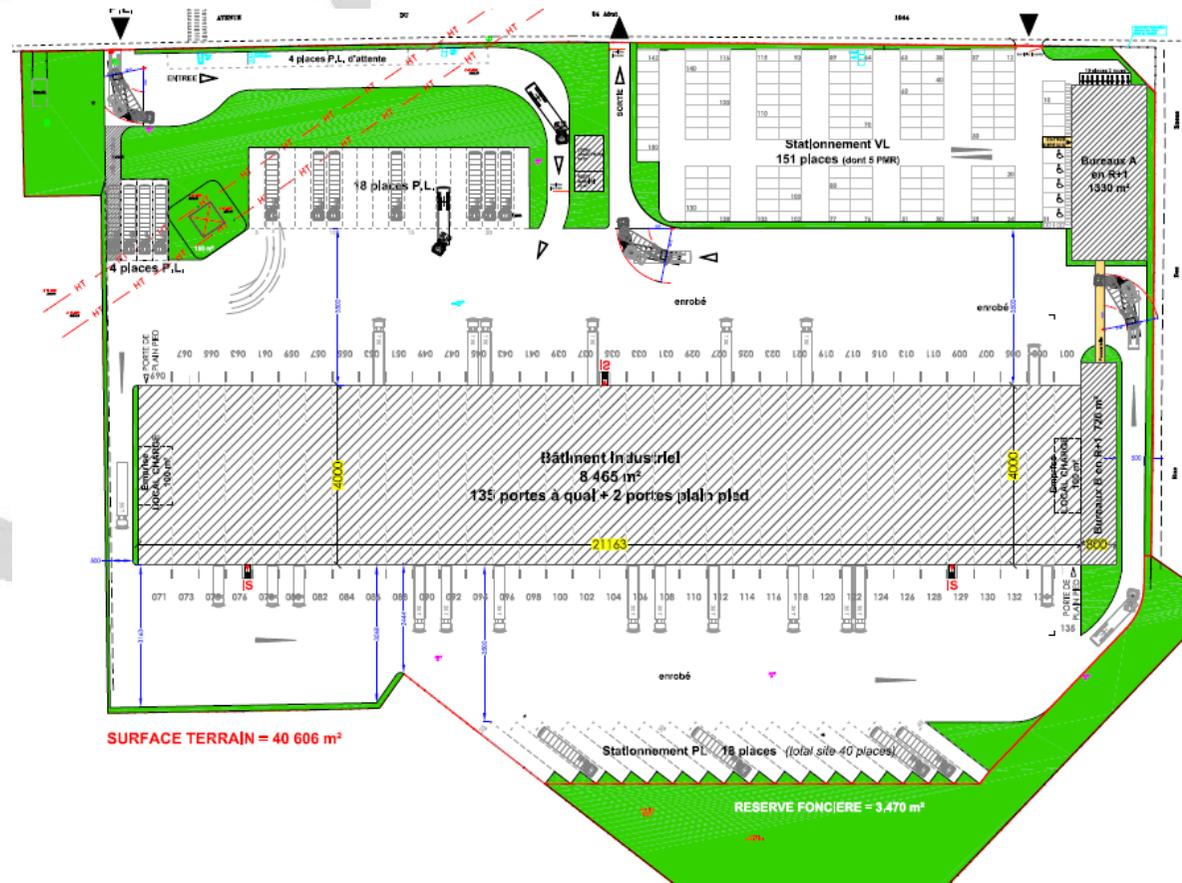
## II. Corbas

### Master plan

Land plot



Projected master plan



<b>Cross-dock</b>	
Platform slab	8 265 m <sup>2</sup>
Charging room (x2)	200 m <sup>2</sup>
<b>Total</b>	<b>8 465 m<sup>2</sup></b>
<b>Office bloc (operation work)</b>	
Office B (ground floor)	360 m <sup>2</sup>
Office B (first floor)	360 m <sup>2</sup>
<b>Total</b>	<b>720 m<sup>2</sup></b>
<b>Office bloc (independant, administrative work)</b>	
Office A (ground floor)	665 m <sup>2</sup>
Office A (first floor)	665 m <sup>2</sup>
Footbridge (over truck yard)	46 m <sup>2</sup>
<b>Total</b>	<b>1 376 m<sup>2</sup></b>
<b>Gate house</b>	
Drivers' room	50 m <sup>2</sup>
Guard room	30 m <sup>2</sup>
<b>Total</b>	<b>80 m<sup>2</sup></b>
<hr/> <b>Total</b>	<hr/> <b>10 641 m<sup>2</sup></b>

## II. Corbas

### Background

- Acquisition in 2008 of an 11 acre industrial site at Cobras (Lyon)
  - ▶ Initial investment : €4.3m
  - ▶ Financing (Credit Agricola) : €3.9m (personal investment €680k)
- Ownership : 100% Stephane Lipp (through personal holding companies)
- Objective : Development of a cross-dock facility of approx 11,000 m<sup>2</sup>
- Competition :
  - No more land available under industrial zoning (min. 3 years wait)
  - Large plots of land to be converted are rare
  - The location is excellent for this activity (almost all existing cross-dock centres are located nearby).
- Integration into CAPSTONE : The plot of land will be transferred to the investment subsidiary (to be formed) of CAPSTONE for investors to enter the new structure.

## II. Corbas Financials

in €'000,000 (base case)

Cost structure			Total	m <sup>2</sup>	€/m <sup>2</sup>	% total
Land cost			4,5	40 506	112,22	36,34%
<i>including</i>	Acquisition price (excl. tax, stamp duty)			4,2		
	Demolition			0,2		
Prof. fees	Engineering, architect, control, security		0,6		56,66	4,82%
Taxes (on development)			0,2			1,98%
Utilities (connections)			0,1			0,53%
Construction			6,2	10 641	582,65	49,57%
Other			0,9		79,52	6,77%
<i>including</i>	Decennial guaranty (10 yrs)			0,1		
	Finance cost			0,5		
	Contingencies			0,2		
Total Cost			<b>12,5</b>		1175,48	100,00%
<b>Annual rent</b>						
	Total income		1,1	10 641	102,59	8,82%
<i>including</i>	Blended rent (incl. parking)			1,1		
	Management fees			0,0		
<b>Investment value</b>						
	Investment market price (if sold)		15,3		1 439	7,20%
	Profit on cost (before tax)		2,8		264	22,43%



### III. Saint-Priest

#### Background

- Ex parte contract (one-sided promise to sell) signed in December 2010
  - ▶ Completion Q1 2011
  - ▶ 13.2 acre industrial site at Saint-Priest (Lyon)
  - ▶ Initial investment : €1.5m
  - ▶ Two years negotiation 4 co-owners with different objectivesAll other potential purchasers failed to complete the negotiation
- Objective : Development of an SME enterprise park of approx 24,000 m<sup>2</sup>
- Competition : Existing parks and other light industrial buildings  
The projected park will be among the largest in Lyon (allowing tenants to grow within the park)  
The location is excellent, 1km from Lyon East bypass and 400m from new junction
- Integration into CAPSTONE : The contract is in the name of Stephane Lipp and will be assigned to Capstone

Land plot



### III. Saint-Priest

#### Financials

in €'000,000 (base case)

Cost structure			Total	m <sup>2</sup>	€/m <sup>2</sup>	% total
Land cost			2,7	55 000	49,85	13,42%
	<i>including</i>	Acquisition price (excl. tax, stamp duty)				
		Demolition				
Prof. fees		Engineering, architect, control, security	1,4		55,82	6,71%
		Taxes (on development)	0,2			1,21%
		Utilities (connections)	0,1			0,32%
Construction			14,5	24 576	591,55	71,16%
Other			1,5		59,59	7,17%
	<i>including</i>	Decennial guaranty (10 yrs)				
		Finance cost				
		Contingencies				
		Total Cost	<b>20,4</b>		831,29	100,00%
<b>Annual rent</b>						
			<b>Total</b>		<b>€/m<sup>2</sup></b>	<b>Yield</b>
Total income			2,1	24 576	84,01	10,21%
	<i>including</i>	Blended rent (incl. parking)				
		Management fees				
<b>Investment value</b>						
			<b>Total</b>		<b>€/m<sup>2</sup></b>	<b>Yield/POC</b>
Investment market price (if sold)			27,8		1 131	7,50%
Profit on cost (before tax)			7,4		300	36,10%



## II. Rives de Paris

### Master plan





## II. Rives de Paris

### Timing

	2010				2011							
	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	June	July	Aug
Exclusivity agreement	█											
Technical/legal/financial due dil.		█	█	█	█	█						
LOI and offer					█		█					
Price adjustments							█					
Exchange of contracts								█				
Legal/financial structuring								█	█	█		
Completion											█	

## II. Rives de Paris

### Financials 1 – PROJECTED RETURNS

	Base €m	Upside 1 €m	Upside 2 €m
Total acquisition cost (share deal)	56,2	52,3	49,2
Net cash acquired	-6,9	-6,9	-6,9
Net acquisition cost	<b>49,3</b>	<b>45,4</b>	<b>42,3</b>
Initial annual rent	4,5	4,5	4,5
<b>Gross rental yield</b>	<b>9,12%</b>	<b>9,92%</b>	<b>10,65%</b>

NB: Potential upside comes from negotiation of price adjustments

## II. Rives de Paris

### Financials 2 - P&L PROJECTIONS (€'000)

P&L ACCOUNT		2008	2009	2010	Adj	2011	2012	2013	2014	2015
<b>Total revenues</b>		5500	5573	5573	-450	5123	5123	5123	5123	5123
<b>EBIT</b>		1542	1917	1917	408	2069	2069	2069	2069	2069
Net finance income/(cost)		-981	54	54	-303	-174	-124	176	176	176
Net exceptional income/(cost)		774	-175	-175	175	0	0	0	0	0
Corporation tax *	33%	179	111	-593		-625	-625	-625	-625	-625
<b>Net income</b>		1514	1907	1203	280	1270	1270	1270	1270	1270

\* To be mitigated in Capstone tax consolidation

## II. Rives de Paris

### Financials 3 – BALANCE SHEET & TRANSACTION ADJUSTMENTS (€'000)

BALANCE SHEET					Sale adjustments					Revaln	BS
Assets		2008	2009	2010	(1)	(2)	(3)	(4)	2010		nego
Concessions		2	0	0					0		0
Land		5243	5476	5476					5476	-5476	0
Buildings		15188	17813	17046					17046	27954	45000
Other tangible assets		70	64	64					64		64
WIP		2001	0	0					0		0
Investment in subs		4139	3934	3934	-3934				0		0
Other investments		2376	2307	2307	-2307				0		0
Other financial assets		2547	2040	2040					2040		2040
Trade debtors		234	221	221					221		221
Other debtors		821	290	290				-150	140		140
Current accounts		282	236	236					236		236
ST investments		3033	3867	3867					3867		3867
Cash		4436	5132	4242	6241		-3881	150	6752		6752
<b>Total</b>		<b>40372</b>	<b>41380</b>	<b>39723</b>	<b>0</b>	<b>0</b>	<b>-3881</b>	<b>0</b>	<b>35842</b>	<b>22478</b>	<b>58320</b>
<b>Liabilities</b>											
<b>Shareholders equity</b>		<b>28715</b>	<b>29430</b>	<b>29430</b>	<b>0</b>				<b>29430</b>	<b>18769</b>	<b>48199</b>
Provisions		203	307	307					307	3709	4016
Loans		8088	6432	4776					4776		4776
Tenants deposits		715	910	910					910		910
Trade creditors		405	228	228					228		228
Tax & social security		172	192	192					192		192
Other creditors		2075	3881	3881			-3881		0		0
<b>Total</b>		<b>40373</b>	<b>41380</b>	<b>39724</b>	<b>0</b>	<b>0</b>	<b>-3881</b>	<b>0</b>	<b>35843</b>	<b>22478</b>	<b>58321</b>
check 1		1	0	1	0	0	0	0	1	0	1