



EUROCASTLE INVESTMENT LIMITED

**Q3 2014 Supplement**



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## Eurocastle Overview

*Eurocastle (ECT:NA) is a publicly traded European property company  
focused on making new investments in Italy*

- **We primarily target Italian distressed debt and real estate**
- **Our key objectives are:**
  - Identify attractive investment opportunities in Europe with potential to generate mid to high teens returns
  - Harvest value in our legacy business to optimize proceeds
- **So far we have invested or committed €71 million or 68% of equity raised in May 2013**
  - €59 million invested, realizing €16 million of cash flow to date with a remaining NAV of €54 million
  - Further €12 million committed to be invested



## Q3 2014 Highlights and Recent Developments

### *New Investments*

- In July, invested €12.6 million of an anticipated €15.4 million to acquire a ~50% interest in an Italian fund dedicated to converting real estate assets into luxury residential units in Rome
- Commenced a series of anticipated NPL investments with an Italian banking group
- Committed to acquire a ~50% share of the units of an Italian real estate fund for ~€11.3 million

### *Near Term Opportunities*

- Evaluating interests in a €8 billion GBV<sup>(1)</sup> NPL pipeline, with €3.6 billion GBV as sole bidder or under exclusivity
- Analyzing real estate opportunities of ~€200 million
- Performing due diligence on ~€26 million of other receivables

### *Legacy Business*

- Actively working on sale of certain real estate portfolios to accelerate recoveries from legacy business

(1) GBV – Gross Book Value



## Third Quarter 2014 Overview

- **NAV:** €289 million or €8.85 per share
- **Normalized FFO:** €1.7 million or €0.05 per share in Q3
  - Investing net corporate cash of €101 million, of which €12 million is committed, at a 16% return increases quarterly normalized FFO to €0.17 per share<sup>(1)</sup>
- **Dividends:** Paid Q3 2014 dividend on October 31, 2014 of €0.125 per share, total of €4.1 million
  - Currently trading at over 7% dividend yield<sup>(2)</sup>

| Key Metrics              |         |         |
|--------------------------|---------|---------|
|                          | Q3 2014 | Q2 2014 |
| NAV/Share <sup>(3)</sup> | €8.85   | €9.00   |
| Normalized FFO/Share     | €0.05   | €0.04   |
| Dividend/Share           | €0.125  | €0.125  |

(1) For illustrative purposes only.

(2) Based on €6.80 per share as of November 5, 2014.

(3) Excludes the negative net asset value of the Mars Floating portfolio.



# Business Snapshot

- Eurocastle's business is split between two distinct segments:
  - New Investments – investments in Italian loans and real estate related assets
  - Legacy – German commercial real estate & other European real estate debt investments
- Current market cap of €222 million<sup>(1)</sup> less New Investments and Corporate Cash, implies a €63 million valuation for the legacy business
  - Approximately 51% discount to current NAV<sup>(2)</sup>

|                 | (€ mm)                                | Sep. 30<br>Assets | Sep. 30<br>NAV | Sep. 30<br>NAV per share |
|-----------------|---------------------------------------|-------------------|----------------|--------------------------|
| New Investments | Italian Investments <sup>(3)</sup>    | 58                | 58             | 1.76                     |
|                 | Net Corporate Cash                    | 101               | 101            | 3.28                     |
| Legacy Business | Commercial Real Estate <sup>(2)</sup> | 1,146             | 107            | 0.71                     |
|                 | Other Debt Investments <sup>(3)</sup> | 254               | 23             | 3.09                     |
| <b>TOTAL</b>    |                                       | <b>€1,558 mm</b>  | <b>€289 mm</b> | <b>€8.85</b>             |

(1) Based on closing share price of €6.80 as at November 5, 2014.

(2) As of September 30, 2014 and excludes the negative NAV of the Mars Floating portfolio.

(3) Includes a reallocation of €4 million relating to a repurchase of existing debt at a 49% discount, in February 2014, from Other Debt to Italian Investments.



## Business Line Overview

- 1 Current Investments – Italian Loans and Real Estate Related Assets**
- 2 Commercial Real Estate & Other Debt**



# 1 Italian Investment Track Record

*Invested or committed €71 million to date at an expected IRR of 24%*

- By Q3 invested €59 million with an expected cash flow of €94 million of which €16 million received
- Since then, committed a further ~€12 million expected to generate €20 million of cash
- Expect to generate a total profit of €41 million at a blended return of ~24% over an average life of 2.8 years

|                            | Closing Date    | Equity Invested | CF to Date | Exp. Future CF | <i>Lifetime Estimates<sup>(1)</sup></i> |                   |             |                |
|----------------------------|-----------------|-----------------|------------|----------------|---|-------------------|-------------|----------------|
|                            |                 |                 |            |                | Est. Total CF                           | Total Life Profit | CF Multiple | Total Life IRR |
| <b>Total up to Q3 2014</b> |                 | 59.2            | 16         | 78             | 94                                      | 32                | 1.5x        | 24%            |
| NPL Pool 9                 | Nov-14          | 0.2             | -          | 0.4            | 0.4                                     | 0.2               | 2.0x        | 18%            |
| RE Funds                   | Q4 '14 - Q1 '15 | 11.3            | -          | 20             | 20                                      | 9                 | 1.8x        | 23%            |
| <b>Total</b>               |                 | <b>70.7</b>     | <b>16</b>  | <b>98</b>      | <b>114</b>                              | <b>41</b>         | <b>1.6x</b> | <b>24%</b>     |

(1) Estimated Returns are not a prediction of actual investment results and are based on a variety of estimates and assumptions by the Company, including, among others, exit cap rate, investment life, cash yield of the portfolio in question, recoveries and recovery timelines dependent on relevant real estate market environment and legal process, collection ratios from consensual resolutions with borrowers and the prevailing legal environment. These estimates and assumptions are inherently uncertain and are subject to numerous business, industry, market, regulatory, geo-political, competitive and financial risks that are outside of the Company's control. There can be no assurance that the estimated returns noted above will ultimately prove accurate, and actual results may differ materially, including the possibility that an investor may lose some or all of any invested capital.

(2) Equity Invested Total up to Q3 2014 includes the €12.6 million invested to date in real estate conversions of a total anticipated €15.4 million. Estimated return metrics above are on the total anticipated investment.

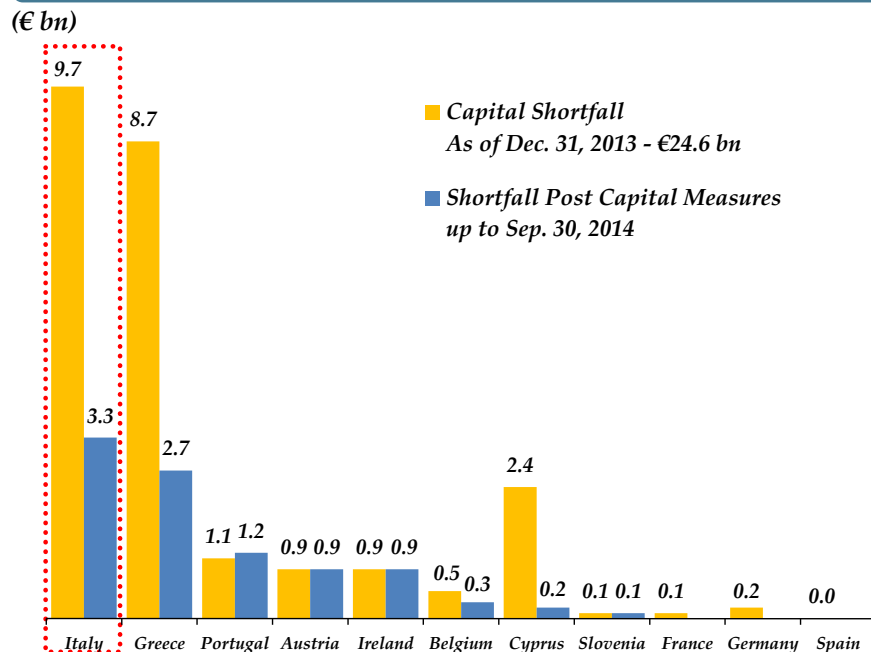




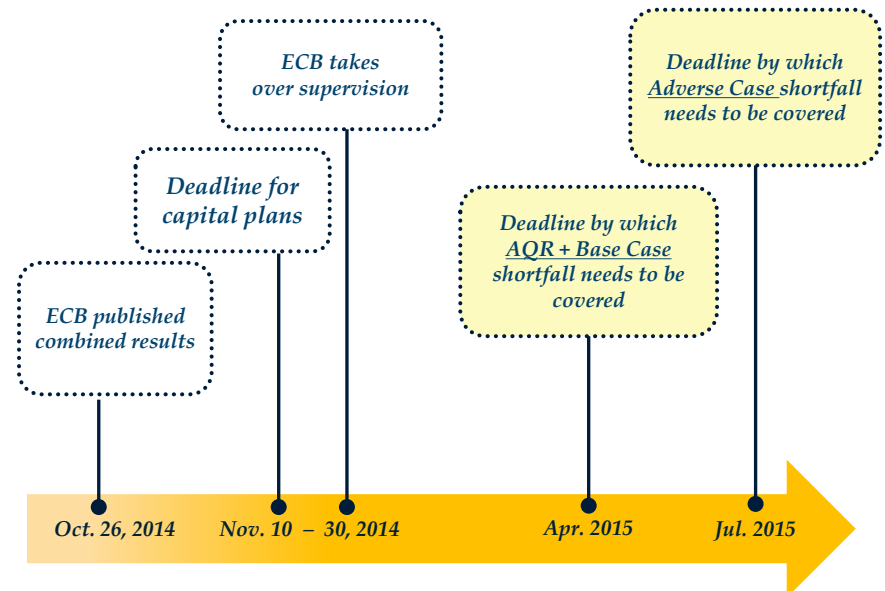
# 1 ECB's Comprehensive Assessment – All Europe<sup>(1)</sup>

- ECB's comprehensive assessment of 130 European banks started in December 2013
- Goal is to determine the resilience of banks' balance sheets under 3 test scenarios:
  1. **Asset Quality Review ("AQR")** – measures the true value of holdings as of Dec 31, 2013
  2. **Baseline Test** – implies normal economic conditions until 2016 at 8% CET1 ratio<sup>(2)</sup>
  3. **Adverse Test** – implies deteriorating economic conditions until 2016, tests banks for the worst case at 5.5% CET1 ratio
- Comprehensive assessment resulted in €24.6 billion capital shortfall among 25 banks<sup>(1)</sup>
  - Banks have until Nov. 10<sup>th</sup> to submit new capital plans; 6 and 9 months after to cover shortfalls under AQR/Baseline and Adverse Test respectively

## Italy Faces Largest Capital Shortfall<sup>(1)</sup>



## ECB Inspection Key Dates<sup>(1)</sup>



(1) ECB Comprehensive Assessment Final Result Press Conference Oct. 26, 2014. ECB Press Release.

(2) Common Equity Tier 1 Ratio – measures banks' financial strength.



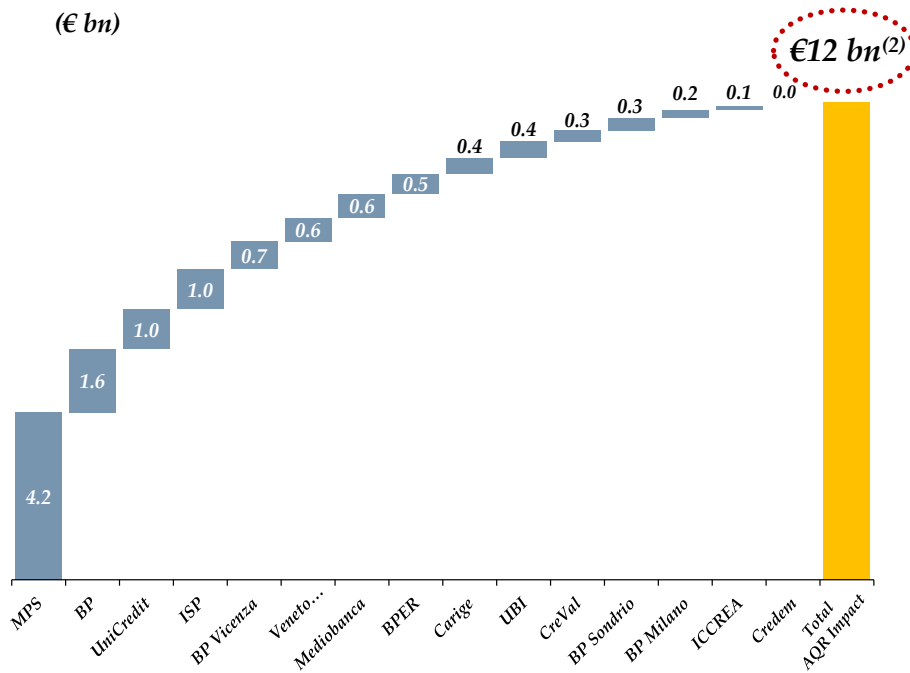
# 1 Italian Banks In The Hot Seat<sup>(1)</sup>

*Italian banks are forced to adjust valuations and improve capital ratios*

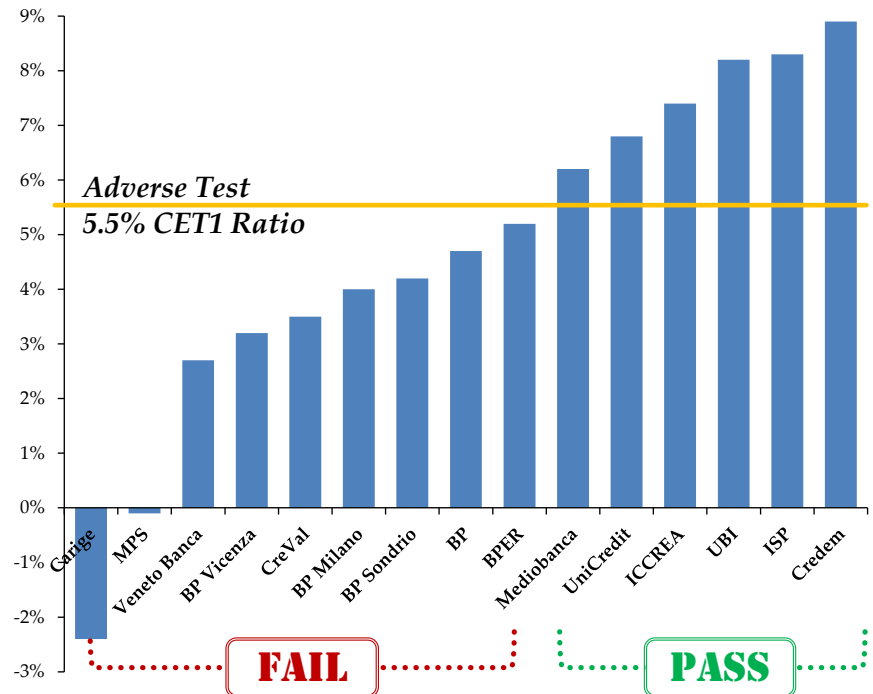
- Results of the ECB's inspection put the spotlight on Italy – forcing reduction in asset valuations of ~€12 billion
- 9 out of 15 inspected banks failed the adverse test
  - Adverse test puts significant pressure on banks to maintain threshold of **5.5% CET1 ratio until Dec. 2016**
- 7 of the 9 banks already covered the shortfall; 2 major banks had a material combined shortfall of €2.9 billion:
  - MPS – €2.1 billion and Carige Group – €0.8 billion

## AQR Results Force €12bn of Asset Revaluation<sup>(1)</sup>

(€ bn)



## Impact On Italian Banks<sup>(1)</sup>



(1) ECB Comprehensive Assessment Final Result Press Conference Oct. 26, 2014. ECB Press Release.

(2) Includes total credit provisions, credit valuation and other FV adjustments.

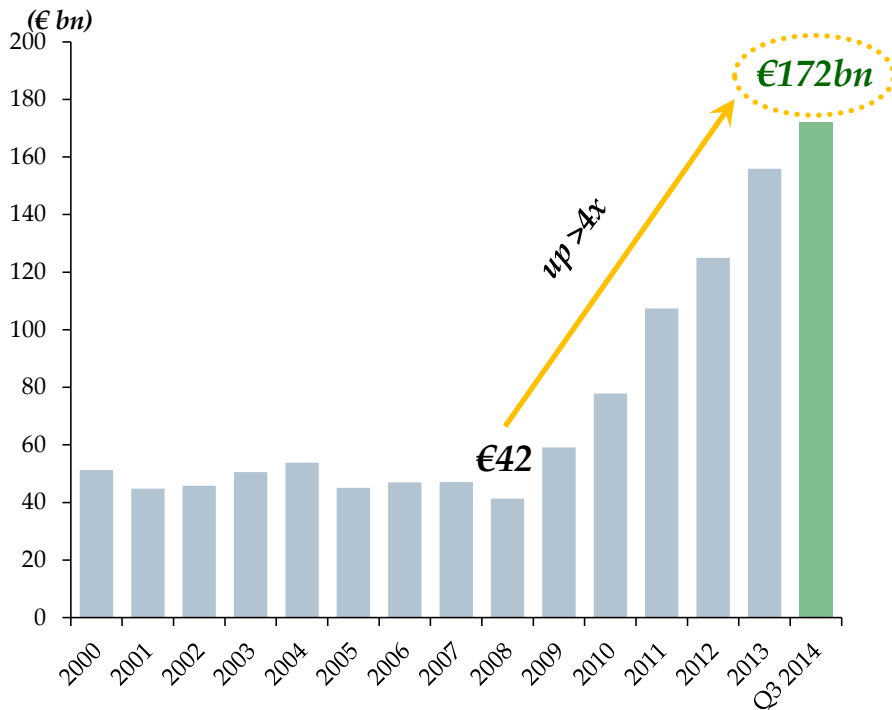


# 1 NPL – Most Actionable Opportunity In Italy

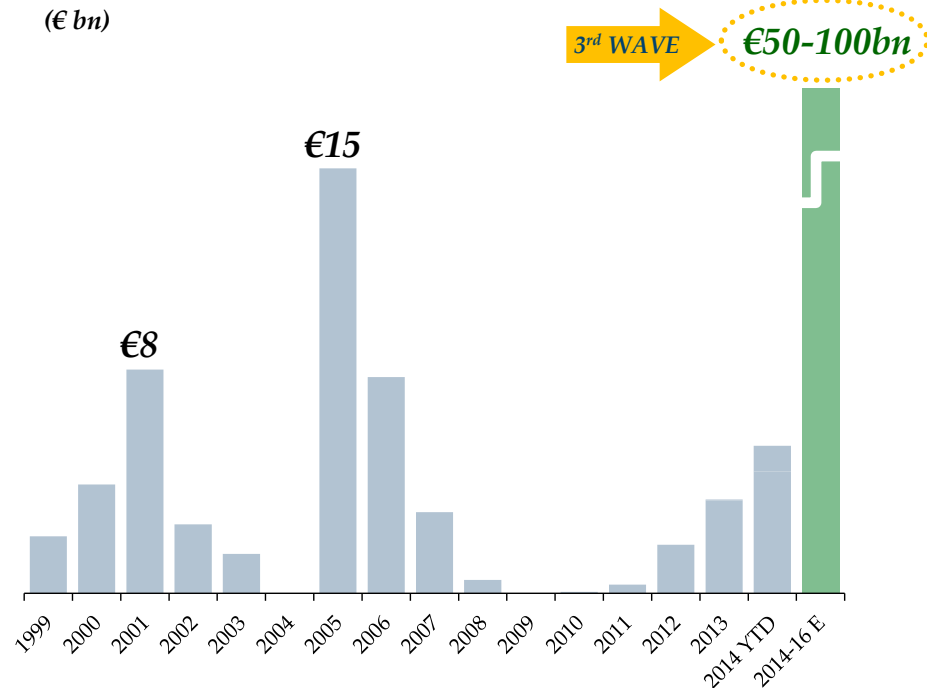
Banks are being forced by ECB to recapitalise and/or sell non-core assets to meet new capital requirements

- NPL inventory on banks' balance sheets continues to grow, reaching €172 billion<sup>(1)</sup> at the end of Q3
- Significant deal flow is expected to accelerate by end of 2014 with peak in 2015 and 2016
  - Italian banks may sell up to €5 – €10 billion by end of 2014
- We continue to believe that the results of the ECB's inspection will trigger a third big wave of NPL sales

### Italian NPLs at New Record High<sup>(1)</sup>



### Beginning of the Third Wave of Sales<sup>(2)</sup>



(1) ABI Monthly Outlook as of September 2014.

(2) Based on publicly available information: PWC The Italian NPL Market – Increasing Expectations April 2014; The Deloitte Italian NPL Outlook 2014-2015.



# 1 Portfolio Overview & Performance – Italian Loans<sup>(1)</sup>

To date, ECT has invested €24.5 million in 9 pools with a total expected cash flow of €40.6 million

## Existing Italian Loan Investments – continue to outperform expectations

- Received €15.9 million of cash flow to date (65% of amount invested) vs. initial underwriting of €11.9 million for the same period
- Projected IRR is 39%

## New Italian Loan Investments

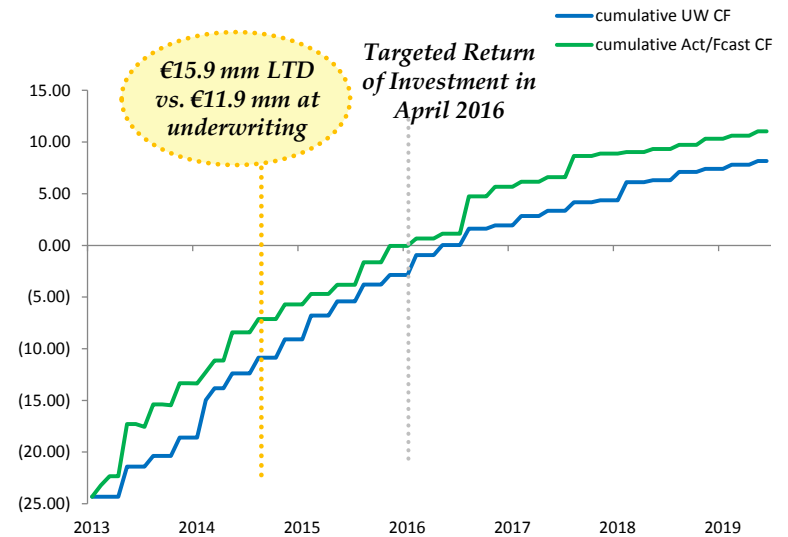
- In November, invested €0.2 million to acquire an interest in a pool of NPLs with GBV of €33 million as part of a series of anticipated transactions with the same Italian banking group as Pool 8

### Portfolio Overview

| (€mm)                                    | Acq. Date | Initial GBV  | Purchase Price | CF to Date  | Exp. Future CF |
|--|-----------|--------------|----------------|-------------|----------------|
| <b>Existing Italian Loan Investments</b> |           |              |                |             |                |
| NPL: Pools 1-4,6-8                       | '13 - '14 | 4,158        | 19.7           | 11.3        | 22.2           |
| PL: Pool 5                               | 2013      | 8            | 4.6            | 4.6         | 2.1            |
| <b>Total – Existing</b>                  |           | <b>4,166</b> | <b>24.3</b>    | <b>15.9</b> | <b>24.3</b>    |
| <b>New Italian Loan Investments</b>      |           |              |                |             |                |
| NPL Pool 9                               | Nov'14    | 33           | 0.2            | -           | 0.4            |
| <b>Total – New</b>                       |           | <b>33</b>    | <b>0.2</b>     | <b>-</b>    | <b>0.4</b>     |
| <b>TOTAL</b>                             |           | <b>4,199</b> | <b>24.5</b>    | <b>15.9</b> | <b>24.7</b>    |

€40.6 mm

### Investment Cash Flows (€mm)



(1) Represents Eurocastle's share of the investment in each loan pool.



# 1 Pipeline for Growth<sup>(1)</sup>

*The potential areas for investment in Italy continue to be robust*

| Target Investments                 | Pipeline for Growth  |
|------------------------------------|--|
| <b>Italian NPLs</b>                | <ul style="list-style-type: none"><li>✓ Sole bidder or under exclusivity on €3.6 billion<sup>(1)</sup> GBV</li><li>✓ Long term pipeline with total GBV of over €8 billion</li></ul>                                      |
| <b>RE Funds</b>                    | <ul style="list-style-type: none"><li>✓ Executing on current commitment of €11.3 million</li></ul>   |
| <b>RE Assets &amp; Conversions</b> | <ul style="list-style-type: none"><li>✓ Attractive market for investors with available capital</li><li>✓ Currently evaluating pipeline of ~€200 million</li></ul>  |
| <b>Other Receivables</b>           | <ul style="list-style-type: none"><li>✓ Expect to continue to pursue additional market-driven opportunities</li><li>✓ Currently evaluating opportunities with estimated equity investment of over ~€60 million</li></ul> |

(1) There can be no assurance that any part of the above mentioned Pipeline Investments will ultimately be consummated by Eurocastle.



## 2 Commercial Real Estate & Other Debt Portfolios

*Projected recoveries of €2.76 to €4.90 per share from the Legacy Business*

- €1.4 billion of assets financed with €1.3 billion of debt
- Made solid progress to date this year, generating €34.1 million of cash from legacy assets:
  - Adjusted projected recovery scenarios from €125 – 200 million in Q4 2013 to €90 – 160 million in Q3 2014
- Working on sale of a number of portfolios to accelerate recoveries from legacy assets

| Recovery Scenarios     |                       |                         |                                       |                       |
|------------------------|-----------------------|-------------------------|---------------------------------------|-----------------------|
| (€ mm)                 | Q4 2013<br>Projection | YTD Net<br>Realizations | Q3 2014<br>Projections <sup>(1)</sup> | Current Proj.<br>WAL  |
| Commercial Real Estate | €100 - €150           | €11.1                   | €85 - €135                            | ~0.75 – 2.0 yrs       |
| Other Debt             | €25 - €50             | €23.0                   | €5 - €25                              | ~2.0 – 4.0 yrs        |
| <b>TOTAL</b>           | <b>€125 - €200</b>    | <b>€34.1</b>            | <b>€90 - €160</b>                     | <b>~1.0 – 2.5 yrs</b> |
| <b>Per Share</b>       | <b>€3.83 – 6.13</b>   | <b>€1.05</b>            | <b>€2.76 – 4.90</b>                   |                       |

(1) Projected returns are not a prediction of actual results and are based on a variety of estimates and assumptions by the Company, including, among others, recoveries and recovery timelines dependent on the relevant real estate market environment and legal process. These estimates and assumptions are inherently uncertain and are subject to numerous business, industry, market, regulatory, geopolitical, competitive and financial risks that are outside of the Company's control. There can be no assurance that the estimated projections noted above will ultimately prove accurate, and actual results may differ materially.



## APPENDIX



# Q3 2014 Financial Statements

## Income Statement

| <i>(€ in mm)</i>   | Q3 2014      | Q3 2013       | YTD 2014      | YTD 2013      |
|--|--------------|---------------|---------------|---------------|
| Interest income  | 3.3          | 4.1           | 7.4           | 11.6          |
| Rental and service charge income                         | 24.3         | 36.2          | 78.1          | 119.9         |
| Gain on purchase of mezzanine financing                  | -            | -             | 2.0           | -             |
| Gain on paydown of debt investments                      | 3.7          | -             | 3.7           | -             |
| Net loss on debt sales                                   | -            | -             | (0.4)         | -             |
| Gain in fair value of Italian Investments <sup>(1)</sup> | 0.9          | 1.3           | 2.2           | 2.1           |
| Gain in fair value of Real Estate Fund Units             | (0.4)        | -             | -             | -             |
| Decrease in fair value of investment properties          | (2.3)        | (0.2)         | (36.8)        | (33.0)        |
| Other than temporary impairment on securities            | (4.4)        | (23.4)        | (15.1)        | (40.2)        |
| Loss on deconsolidation of Bridge portfolio              | -            | -             | (26.1)        | -             |
| Interest expense   | (11.3)       | (17.8)        | (35.9)        | (55.9)        |
| Service charges and property operating expenses          | (9.7)        | (14.2)        | (31.8)        | (45.6)        |
| Other operating expenses                                 | (6.9)        | 2.8           | (19.4)        | (19.5)        |
| <b>Net Loss Before Taxation</b>                          | <b>(2.8)</b> | <b>(11.2)</b> | <b>(72.1)</b> | <b>(60.6)</b> |
| Taxation   | (0.3)        | 2.8           | (1.5)         | 0.1           |
| <b>Net loss After Taxation</b>                           | <b>(3.1)</b> | <b>(8.4)</b>  | <b>(73.6)</b> | <b>(60.5)</b> |

(1) The gain in fair value of Italian investments in 2014 has been stated net of the Minority Interest of €0.1 million for Q3 2014 and €0.2 million for Q3 2013 (€0.4 million for YTD 2014 and €0.5 million for YTD 2013).





## Q3 2014 Financial Statements (continued)

### Summarised Balance Sheet

| (€ in mm)  | Q3 2014          | Q4 2013          |
|--|------------------|------------------|
| Cash and cash equivalents  | 185.8            | 193.2            |
| RE investment property   | 1,168.4          | 1,722.5          |
| Debt investments   | 219.3            | 343.5            |
| Italian investments <sup>(1)</sup>   | 49.0             | 11.6             |
| Other assets <sup>(2)</sup>  | 24.4             | 43.6             |
| <b>Total assets</b>  | <b>1,646.9</b>   | <b>2,314.4</b>   |
| Interest bearing debt financing  | (1,283.7)        | (1,861.8)        |
| Other liabilities <sup>(2)</sup>   | (119.9)          | (128.5)          |
| <b>Total liabilities</b>   | <b>(1,403.6)</b> | <b>(1,990.3)</b> |
| <b>Net assets</b>  | <b>243.3</b>     | <b>324.1</b>     |
| Net assets / liabilities of Mars Floating & Bridge portfolios <sup>(3)</sup> | 45.4             | 4.2              |
| <b>Adjusted net assets</b>   | <b>288.7</b>     | <b>328.4</b>     |
| Ordinary shares  | 32.6             | 32.6             |
| <b>Net assets €/share</b>  | <b>8.85</b>      | <b>10.06</b>     |

(1) The Italian Investments have been stated net of the Minority Interest of €2.2 million (31 December 2013: €2.8 million).

(2) The other assets and other liabilities include the reclassification of the CHF derivative liability in 2013.

(3) Adjusts to exclude the negative net asset value of the Mars Floating portfolio in 2014. 2013 excludes the Mars Floating portfolio and the net assets of the Bridge portfolio after adjusting for €2.6 million of cash distributed in January 2014. The Bridge portfolio was deconsolidated in 2014 following the failure to reach an agreement with its lenders on an extension of the facility.



# Q3 2014 Financial Statements (continued)

## Q3 Segmental Normalized FFO and FFO

| <i>(amounts in €'000)</i>                            | German RE    |              | European RE Debt |              | Italian Investments | Corporate     | Total Eurocastle | Total Cash-Flowing |
|--|--------------|--------------|------------------|--------------|---------------------|---------------|------------------|--------------------|
|  | Cash-Flowing | Cash-Trapped | Cash-Flowing     | Cash-Trapped |                     |               |                  |                    |
| Revenue  | 8.2          | 13.8         | 0.9              | 6.0          | 2.2                 | -             | <b>31.1</b>      | <b>11.3</b>        |
| Service Charge And Operating Expense                 | (1.6)        | (5.8)        | -                | -            | -                   | -             | <b>(7.4)</b>     | <b>(1.6)</b>       |
| Interest Expense                                     | (4.2)        | (5.3)        | -                | (1.2)        | -                   | -             | <b>(10.7)</b>    | <b>(4.2)</b>       |
| Amortisation Costs                                   | -            | (1.4)        | -                | (0.1)        | -                   | -             | <b>(1.5)</b>     | -                  |
| Gain on paydown of debt investments                  | -            | -            | -                | (3.7)        | -                   | -             | <b>(3.7)</b>     | -                  |
| Corporate And Other Expenses                         | (0.1)        | (0.1)        | (0.1)            | (0.1)        | (0.2)               | (5.2)         | <b>(5.8)</b>     | <b>(5.6)</b>       |
| Current Tax  | 0.2          | (0.5)        | -                | -            | -                   | -             | <b>(0.3)</b>     | <b>0.2</b>         |
| <b>Normalised FFO</b>                                | <b>2.5</b>   | <b>0.7</b>   | <b>0.8</b>       | <b>0.9</b>   | <b>2.0</b>          | <b>(5.2)</b>  | <b>1.7</b>       | <b>0.1</b>         |
| <b>Normalised FFO per Share <sup>(1)</sup></b>       | <b>0.08</b>  | <b>0.02</b>  | <b>0.02</b>      | <b>0.03</b>  | <b>0.06</b>         | <b>(0.16)</b> | <b>0.05</b>      | <b>0.00</b>        |
| Impairment Losses                                    | -            | -            | -                | (4.4)        | -                   | -             | <b>(4.4)</b>     | -                  |
| Net impact of FX movements                           | -            | -            | 0.2              | 4.0          | -                   | (2.7)         | <b>1.5</b>       | <b>(2.5)</b>       |
| Transaction Costs of Acquisitions and FV Adjustments | -            | -            | -                | -            | (1.3)               | -             | <b>(1.3)</b>     | <b>(1.3)</b>       |
| Realised loss on Disposal of Investment Properties   | -            | 3.9          | -                | -            | -                   | -             | <b>3.9</b>       | -                  |
| <b>FFO</b>   | <b>2.5</b>   | <b>4.6</b>   | <b>1.0</b>       | <b>0.5</b>   | <b>0.7</b>          | <b>(7.9)</b>  | <b>1.4</b>       | <b>(3.7)</b>       |

(1) On a fully weighted average basis.



## Legacy Business – Commercial RE<sup>(1)</sup>

- 357 properties across Germany with appraised value of €1.08 billion, equivalent to an NOI yield of 5.6% held in 9 separate non-recourse financings
- Working to expedite the sale process on certain assets to return capital for reinvestment
- Continue to focus on near term debt maturities:
  - Finalising documentation on a 2 year refinancing of Wave whilst exploring a portfolio sale
  - Sold €30 million asset in Mars extending loan on remaining asset a further six months to June 2015

### NAV & Cash Flow

(€ in mm)

| Portfolio                             | Retail      | Zama       | Wave         | Drive       | Mars        | Total        |
|---------------------------------------|-------------|------------|--------------|-------------|-------------|--------------|
| <b>Assets</b>                         | 443.4       | 36.0       | 116.9        | 485.7       | 63.9        | 1,146.0      |
| <b>Liabilities</b>                    | (406.4)     | (31.6)     | (91.0)       | (462.5)     | (47.5)      | (1,039.1)    |
| <b>NAV</b>                            | <b>37.0</b> | <b>4.4</b> | <b>25.9</b>  | <b>23.2</b> | <b>16.4</b> | <b>107.0</b> |
| <b>Annualized UCF<sup>(2)</sup></b>   | 30.4        | 2.5        | 5.9          | 14.8        | 0.5         | 54.1         |
| <b>Annualized LCF<sup>(2)</sup></b>   | 11.6        | -          | 3.5          | -           | -           | 15.1         |
| <b>YTD Distribution<sup>(3)</sup></b> | <b>7.0</b>  | <b>0.3</b> | <b>(2.1)</b> | <b>3.4</b>  | <b>2.6</b>  | <b>11.2</b>  |
| <b>Occupancy</b>                      | 93.8%       | 94.8%      | 74.2%        | 51.3%       | 82.8%       | 75.9%        |
| <b>WALT</b>                           | 5.2         | 3.2        | 5.3          | 3.0         | 3.8         | 4.4          |
| <b>LTV<sup>(4)</sup></b>              | 92.0%       | 90.3%      | 59.7%        | 91.4%       | 76.1%       | 87.4%        |
| <b>Debt Maturity<sup>(5)</sup></b>    | 2014-2017   | Nov 2014   | Nov 2014     | Jan 2016    | Jun 2015    | -            |

(1) Excludes the Mars Floating portfolio.

(2) UCF represents annualized NOI less capital expenditure as per note 15 of the Q3 2014 Financial Report. LCF deducts the estimated interest cost given the information disclosed in note 17.1. The LCF of the cash trapped portfolios are reported as zero given excess cash flows are swept with cash reserves in place to fund any capital expenditures.

(3) YTD distributions represent amounts received in 2014 relating to levered cash flows and sales CAD for the Retail, Zama, Wave and Mars portfolios and asset management and sales fees for Drive and Mars. YTD Distribution for the Wave portfolio is net of €6.1m paid into the portfolio to secure the recent extension.

(4) LTV represents the market value of the assets over the outstanding debt face amount.

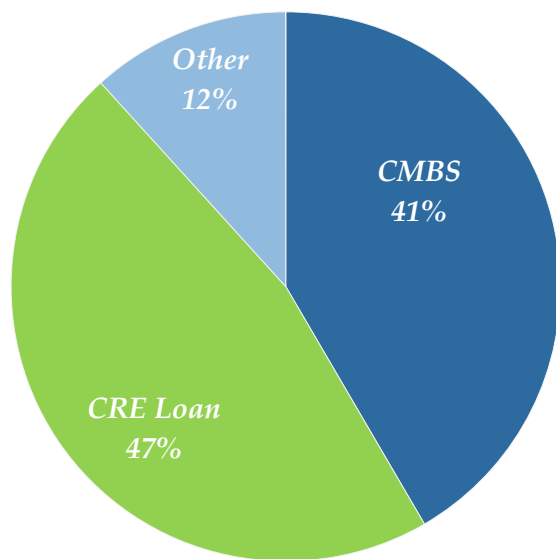
(5) Following the maturity of the Zama, Wave and Tannenbergs loans, each of their respective financings been extended on a short term basis to November 2014.



# Legacy Business – Other Debt

- Overview: €258 million of assets held across 3 portfolios:
  - CDO IV – Realised €22.5 million of CDO IV NAV in January 2014 from sale of all securities; two remaining junior loans now held unlevered with NAV of €8.4 million (69% of face value)
  - CDO V – Long term non-recourse match funded financing with all cash flows diverted to pay down debt
  - Balance Sheet – Unlevered junior mezzanine positions booked at 9% of total face value
- CDO V reinvestment period now ended – Repaid a further €17.3 million of senior debt since Q2 2014

## Asset Types



## Net Asset Breakdown

(€ in mm)

| Portfolio                             | CDO IV | CDO V    | Balance Sheet | Total   |
|---------------------------------------|--------|----------|---------------|---------|
| <b>Total Assets</b>                   | 8.4    | 247.1    | 2.2           | 257.7   |
| <b>Total Liabilities</b>              | (0.0)  | (230.2)  | (0.2)         | (230.4) |
| <b>Net Assets</b>                     | 8.4    | 16.9     | 2.0           | 27.3    |
| <b>YTD Distribution<sup>(1)</sup></b> | 22.5   | 0.2      | 0.3           | 23.0    |
| <b>WA Credit Rating<sup>(2)</sup></b> | D      | CCC-     | D             | CCC-    |
| <b>% Investment Grade</b>             | 0%     | 16%      | 0%            | 14%     |
| <b># of Positions<sup>(3)</sup></b>   | 2      | 44       | 4             | 45      |
| <b>Debt Maturity</b>                  | -      | Jun 2047 | -             | -       |

(1) CDO V is currently cash trapped with its distributions reflecting management fees.

(2) Represents the average of the minimum rating of each security reported by Fitch, Moody's and S&P.

(3) Total securities eliminates positions that are held in two or more portfolios.