



EUROCASTLE INVESTMENT LIMITED

**Q4 2017 Supplement**



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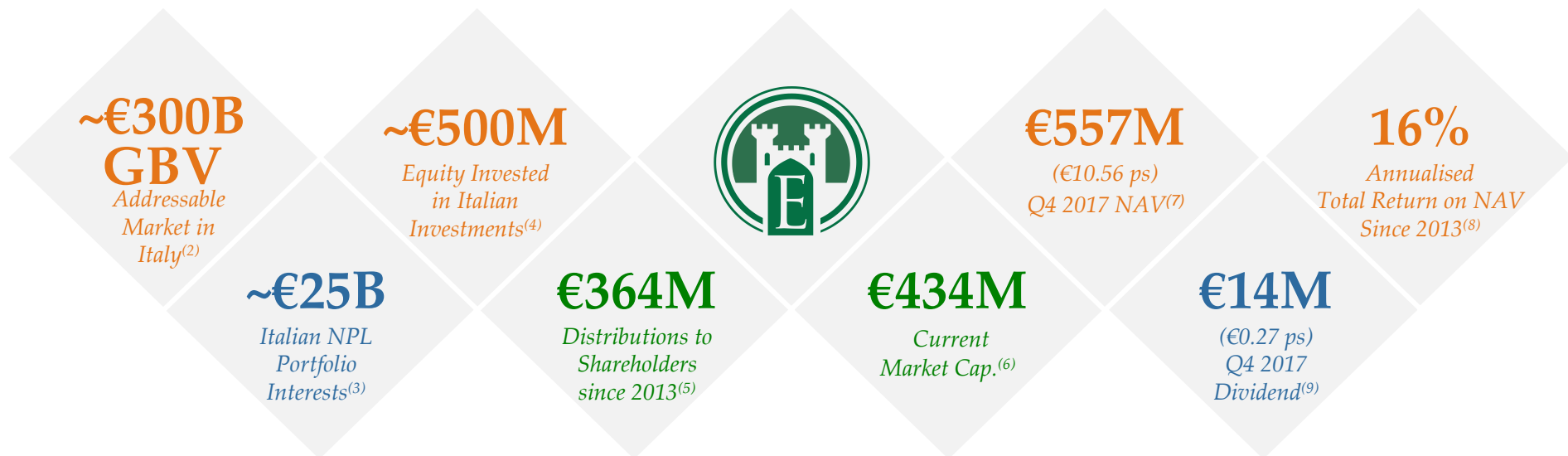
The opinions and statements presented herein are based on general information gathered at the time of writing and are subject to change without notice.



# Eurocastle Overview

*Eurocastle (ECT:NA) is a publicly traded European company and a leading investor in Italian distressed debt and real estate*

- **Active in largest NPL market in Europe with significant investments in:**
  1. doBank Group – largest third party Italian NPL servicer, completed IPO in July 2017
  2. Italian NPLs – including two of the largest NPL transactions in Italy since the financial crisis
  3. Italian RE Funds
- **Dividend paying company with 100%+ payout ratio<sup>(1)</sup>**



(1) Distribution policy seeks to distribute 100% of NFFO realised in cash plus 50% of available capital that has not been committed or designated for specific investments six months after each half year end (subject to the applicable legal requirements and reserves for working capital, distributions and expenses). In November 2017, the Company accelerated the capital distribution from the doBank IPO through a share tender.

(2) Source: PWC “The Italian NPL Market – The Place to Be” July 2017.

(3) GBV at acquisition of all portfolios in which Eurocastle has an interest.

(4) From May 2013. Includes the following unfunded committed investments (i) €64.7 million of deferred purchase price on FINO payable over the next few years, (ii) a remaining unfunded commitment estimated at €0.8 million in RE Fund Investment V and (iii) an additional €8.4 million commitment as a follow-on investment in FINO completed in January 2018.

(5) Represents total distributions to shareholders including (i) €205.2 million of dividends, or €3.875 per share (includes €14.2 million Q4 dividend declared in March 2018 and to be paid in April 2018) and (ii) €159 million of capital distributions executed through the Q2 2016 and Q4 2017 share tenders, since the Company announced its new strategy in February 2013.

(6) Market Capitalisation as of 20<sup>th</sup> March 2018 based on a closing share price of €8.24 per share on 52.7 million shares outstanding.

(7) Q4 NAV is before deducting the Q4 dividend of €0.27 per share declared in March 2018. Q4 NAV per share throughout this presentation is based on 52.7 million ordinary shares in issue as at 31 December 2017.

(8) Represents annualised total return on NAV: an increase of (i) Q4 2017 NAV of €10.56 per share and total dividends paid of €3.605 per share from 2013 to 2017 over (ii) May 2013 cap raise price of €7.25 per share.

(9) Represents dividend declared in March 2018 and to be paid in April 2018.






# Eurocastle Continues its Great Run Since New Strategy

- Eurocastle has outperformed the market since 2013, with exceptional performance in 2017 following the doBank IPO

	Since 2013	In 2017
<b>Capital Raised at avg price of €7.70 ps<sup>(1)</sup></b>	€421 million	-
<b>Equity Deployed / Committed</b>	€499 million	€144 million
<b>Distributions to Shareholders<sup>(2)</sup></b>	€364 million	€200 million
<b>Annualised Total Return on Share Price</b>	13% <sup>(3)</sup>	41% <sup>(4)</sup>
<b>Annualised Total Return on NAV</b>	16% <sup>(5)</sup>	35% <sup>(6)</sup>

<u>Vs Main EU Indices<sup>(7)</sup></u>		
	<u>Since 2013</u>	<u>In 2017</u>
	<u>10%</u>	<u>19%</u>
	<u>9%</u>	<u>11%</u>
	<u>10%</u>	<u>13%</u>

(1) Represents the average of €104 million raised at €7.25 in May 2013 and €308 million raised at €7.85 in April 2015.  
 (2) Represents total distributions to shareholders including (i) €205.2 million of dividends, or €3.875 per share (includes €14.2 million Q4 dividend declared in March 2018 and to be paid in April 2018) and (ii) €159 million of capital distributions executed through the Q2 2016 (€75 million) and Q4 2017 (€84 million) share tenders.  
 (3) Represents annualised total return on share price as calculated by Bloomberg, based on an increase of (i) Dec 31, 2017 share price of €8.20 per share and total dividends paid of €3.605 per share from 2013 to 2017 over (ii) May 2013 cap raise price of €7.25 per share.  
 (4) Represents total return on share price as calculated by Bloomberg, based on an increase of (i) Dec 31, 2017 share price of €8.20 per share and total dividends paid of €1.83 per share in 2017 over (ii) the Dec 31, 2016 share price of €7.13 per share.  
 (5) Represents annualised total return on NAV: an increase of (i) Q4 2017 NAV of €10.56 per share and total dividends paid of €3.605 per share from 2013 to 2017 over (ii) May 2013 cap raise price of €7.25 per share.  
 (6) Represents total return on NAV: an increase of (i) Q4 2017 NAV of €10.56 per share and total dividends paid of €1.83 per share from 2017 over (ii) the Dec 31, 2016 NAV of €9.16 per share.  
 (7) Annualised Total Return for FTSE Italia All Share (Italy), EuroSTOXX 600 (Europe) and DAX (Germany). Source: Bloomberg.



# Successful 2017 – Delivering Robust Results

## 2017 Achievements

- Completed doBank IPO at €704 million market cap, ~2.5x ECT's original investment<sup>(1)</sup>
- Closed on key investment, FINO – one of the largest NPL transactions in Italy since the financial crisis
- Established a new distribution policy and distributed €200 million back to shareholders<sup>(2)</sup>
- Achieved 41%<sup>(3)</sup> total return on share price and 35%<sup>(4)</sup> on NAV for 2017

## Q4 Highlights

- Invested or committed €30.4 million in two loan pools and a follow-on investment in FINO NPL Portfolio
- Completed accretive tender offer, returning €84 million to participating shareholders, ~100% of capital returned from doBank IPO
- Remaining Real Estate Fund IV assets sold, receiving €33.6 million of proceeds, total return of 2.6x our original investment and 95% IRR

## Off to a great start in 2018

- Completed the first sizable GACS securitisation in Italy
- Closed on an €8.4 million follow-on investment in mezzanine and junior tranches of FINO securitisations
- doBank reported strong 2017 earnings in line with analyst estimates

(1) Net of distributions received up to the IPO.

(2) Represents €116 million, or €2.10 per share, of dividends (includes a €14.2 million, or €0.27 per share, Q4 dividend declared in March 2018 and to be paid in April 2018) and €84 million of capital distributions executed through the Q4 2017 share tender.

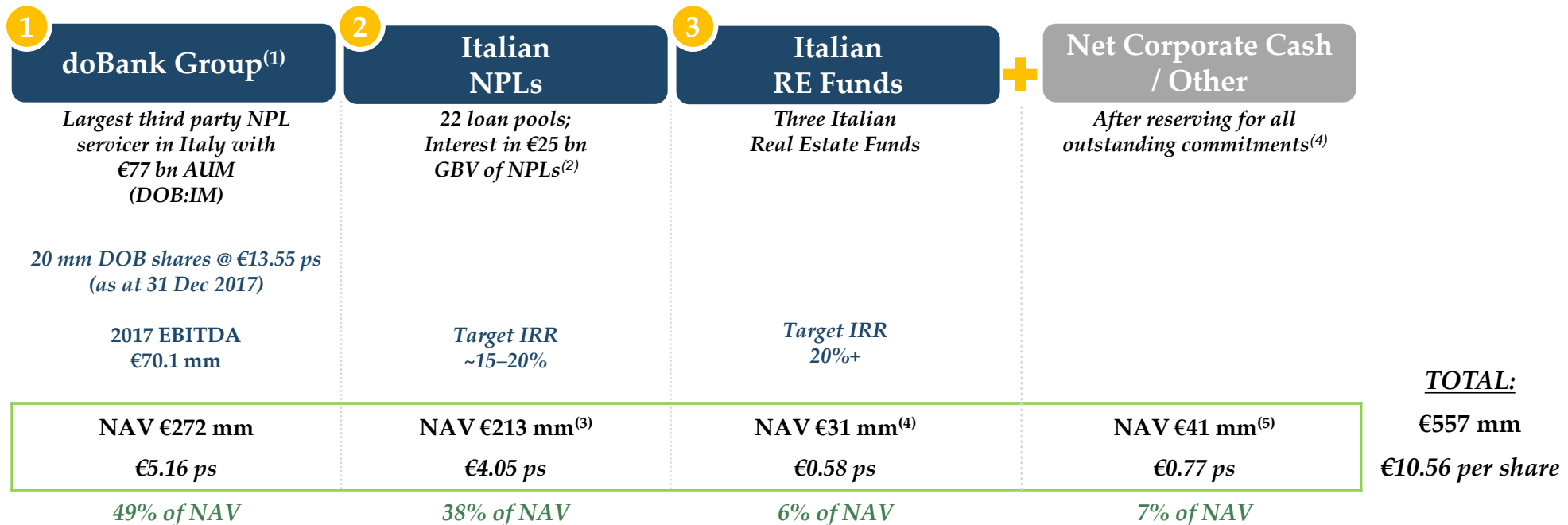
(3) Represents total return on share price as calculated by Bloomberg, based on an increase of (i) Dec 31, 2017 share price of €8.20 per share and total dividends paid of €1.83 per share in 2017 over (ii) the Dec 31, 2016 share price of €7.13 per share.

(4) Represents the increase of (i) Q4 2017 NAV of €10.56 per share and total dividends paid of €1.83 per share in 2017 over (ii) the Dec 31, 2016 NAV of €9.16 per share.



# Eurocastle as at Year End 2017

- Eurocastle's business is made up of three key segments
- Q4 NAV of €557 million or €10.56 per share



(1) Following the July '17 IPO of doBank, Eurocastle owns 25.6% of the Group (or 51.2% together with other Fortress Affiliates).

(2) GBV at acquisition of all portfolios in which Eurocastle has an interest including one performing and sub-performing loan pool.

(3) NAV refers to the Company's Adjusted NAV which reallocates €73.1 million of commitments from the corporate segment to the Italian Investments segment. NAV includes the unfunded committed investment of (i) €64.7 million of deferred purchase price on FINO payable over the next few years and an additional €8.4 million follow-on investment in FINO (completed in January 2018).

(4) Includes a remaining unfunded commitment estimated at €0.8 million in Real Estate Fund Investment V reallocated from net corporate cash.

(5) Net Corporate Cash deducts amounts listed in footnotes 3 and 4.



# Strong Q4 2017 Results

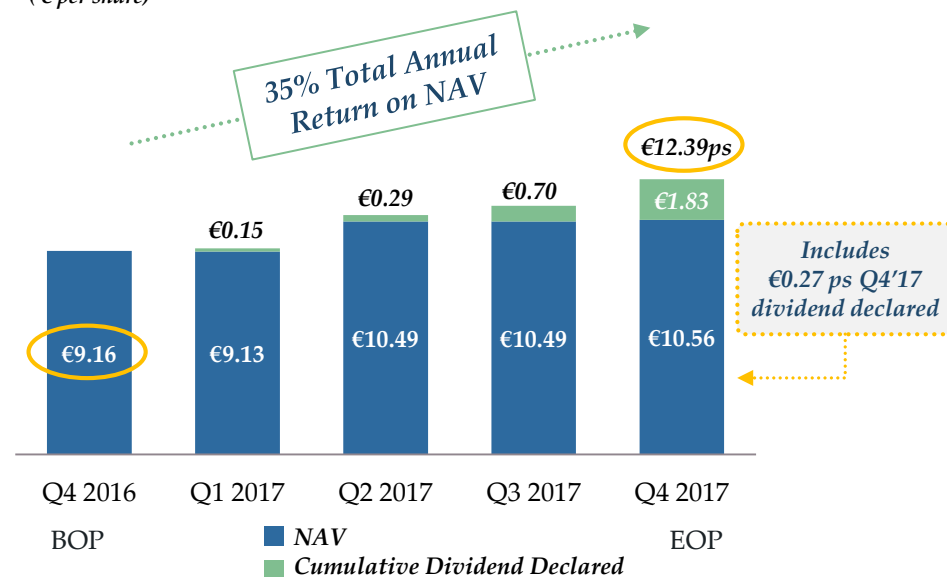
- **NAV<sup>(1)</sup>** €556.5 million, or €10.56 per share, up €0.07 per share on the quarter after having paid a dividend of €1.13 per share
- **Normalised FFO** €7.8 million, or €0.14 per share
- **Dividends** of €14.2 million (€0.27 per share) in Q4, €116.3 million (€2.10 per share) total in 2017<sup>(2)</sup>
- **Total 2017 Annual Return on NAV** 35%<sup>(3)</sup>

## ECT Financial Performance

	Q3 2017 Actual		Q4 2017 Actual	
	(€mm)	(€ ps)	(€mm)	(€ ps)
NAV <sup>(1)</sup>	€641.0	€10.49	€556.5	€10.56
Normalised FFO	€68.2	€1.12	€7.8	€0.14
Dividends <sup>(1)</sup>	€59.6	€1.13	€14.2	€0.27

## ECT Total Return on NAV for 2017

(€ per share)



(1) NAV is before deducting €0.27 per share fourth quarter dividend declared in March 2018, and to be paid in April 2018.

(2) Includes the Q4 2017 dividend declared in March 2018, and to be paid in April 2018.

(3) Represents the increase of (i) Q4 2017 NAV of €10.56 per share and total dividends declared in 2017 of €1.83 per share over (ii) the Q4 2016 NAV of €9.16 per share.



# Performance of ECT's Investments

- 43% life to date IRR, expect to generate 15 – 20% IRR over the life of investments<sup>(1)</sup>
- Strong realisations to date totaling 81% of invested amount

## Performance by Investment Type – as of December 31, 2017

(€ mm)	Equity Allocated	LTD Cash Flow to ECT <sup>(2)</sup>	Net Basis	Q4 2017 NAV	IRR to Date
1 doBank Servicing Group	158.4	191.8	(33.4)	271.8	
2 NPLs	269.2	112.2	157.0	213.2	
3 Real Estate Funds	67.4	83.8	(16.4)	30.8	
Other (Fully Realised)	4.0	14.7	(10.7)	-	
<b>Total Italian Investments</b>	<b>€499.0</b>	<b>€402.5</b>	<b>€96.5</b>	<b>€515.8</b> <b>€9.79ps</b>	<b>43%<sup>(3)</sup></b>
			Net Corporate Cash	40.7	
			<b>ECT Q4 NAV</b>	<b>€556.5</b> <b>€10.56ps</b>	

(1) Gross projected return figures are based on a variety of estimates and assumptions, actual results may vary materially, and estimated future gains and current appreciation may not be actually realised. Please see the Disclaimers at the front of the presentation for additional information concerning the above projections.

(2) Life to date cash flow to ECT excludes a further €13.6 million that has been generated and is currently held at the investment level (and therefore included in their respective NAVs) comprising (i) €0.5 million from the doBank Group retained in the structure as working capital and (ii) €13.1 million from the other NPLs.

(3) Represents gross IRR achieved by the Company on the Italian investments before corporate costs





# 1 doBank Overview

## Strong 2017 results post successful IPO

- Group 2017 EBITDA of €70.1 million, up 9% vs pro-forma last year<sup>(1)</sup>
  - Driven by collections of €1.8 billion, up 8%<sup>(2)</sup> over last year
- €45 million of net income – €31.5 million dividend<sup>(3)</sup> expected to be paid in May 2018 → ~€8 million ECT Share
- Since the IPO, doBank has signed three new servicing contracts on over €11 billion GBV of NPLs

### doBank Group Financials

(€mm)	Pro forma FY 2016 <sup>(1)</sup>	FY 2017
NPLs Under Management	€80.9 bn	€76.7 bn
Gross Collections	€1.7 bn	€1.8 bn
Gross Revenues	206.2	213.0
Expenses <sup>(4)</sup>	(141.9)	(142.9)
<b>EBITDA</b>	<b>€64.3</b>	<b>€70.1</b>
<b>Net Income</b>	<b>€40.4</b>	<b>€45.0</b>
<b>Dividends</b>	<b>€52.3</b>	<b>€31.5<sup>(3)</sup></b>

(1) 2016 numbers pro forma for the acquisition of 100% of the share capital of Italfondionario S.p.A. and the derecognition of the Romeo portfolio, as if these had been put in place on 1 January 2016.

(2) Increase in collections assumes net collections for Italfondionario for the twelve months ended 31 December 2016. Alternatively, it would be an increase of 3% if gross collections of Italfondionario for the same period were applied.

(3) 2017 dividend declared of €31.5m for FY 2017 is subject to shareholder assembly approval.

(4) Includes outsourcing fees and operating expenses.

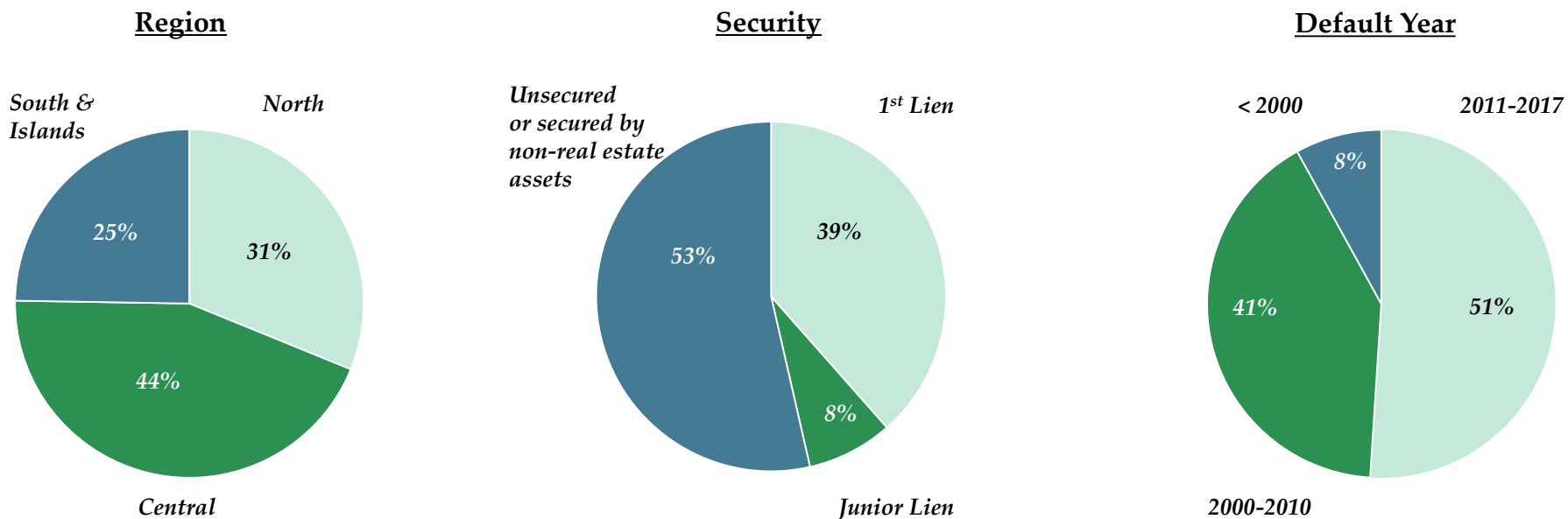


## 2 Italian NPLs – What We Own

Interests in ~€25 billion<sup>(1)</sup> GBV portfolio across 22 pools with 159k claims and €155k average claim size

- Deployed ~€30 million across three new investments in Q4 2017:
  - €8.4 million investment in the mezzanine & junior notes of the FINO securitisations<sup>(2)(3)</sup>
  - €9.0 million investment to acquire a share of a leveraged interest in a €234 million GBV portfolio of performing and sub-performing loans<sup>(3)</sup>
  - €12.2 million in a €293 million GBV NPL pool largely secured by residential real estate assets<sup>(3)</sup>

### Aggregate Portfolio Breakdown<sup>(4)</sup>



(1) GBV at acquisition of all portfolios in which Eurocastle has an interest.

(2) Equity for FINO mezzanine and junior notes committed during Q4 2017 and deployed in January 2018.

(3) Eurocastle acquired a shared interest along side other Fortress affiliates.

(4) Stratifications weighted by the NAV and ownership of each portfolio as at 31 December 2017.



## 2 Italian NPLs Performance Update

To date have acquired interests in ~€25 billion GBV<sup>(1)</sup> across 22 pools of Italian loans, including Romeo and FINO

- To date have received €125.3 million, or €43.2 million above underwriting, including ~€29 million of net leverage
- On an unlevered basis, loans continue to outperform original underwriting based on two criteria:
  - Pace** – actual pace of cash collections 117% of underwriting<sup>(2)</sup>
  - Profitability** – fully realised loans resolved at 172% of underwriting<sup>(3)</sup>

### Aggregate Investment Performance

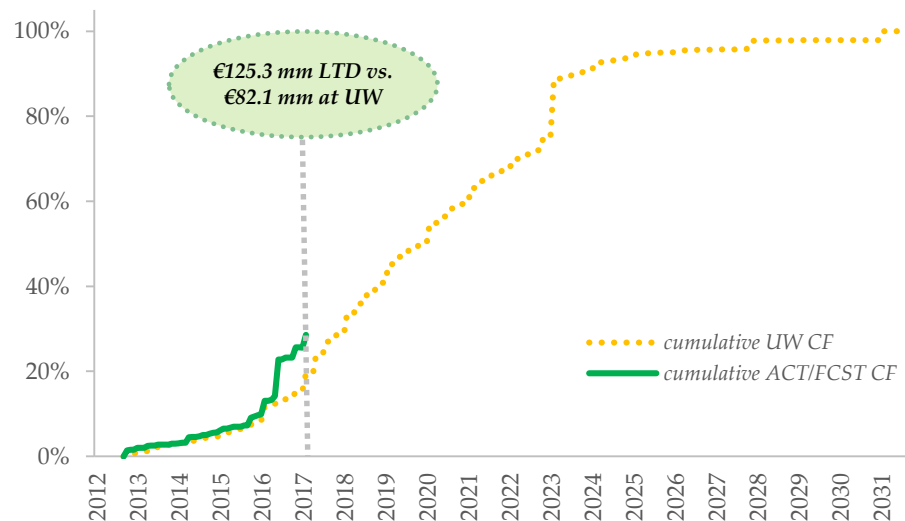
(€ mm)

To Date

Cash flows Generated	€ 125.3 <sup>(4)</sup>
Original Underwriting	€ 82.1
Variance	€ 43.2
Levered Pace vs. Underwriting	153%
Unlevered Pace vs. Underwriting <sup>(2)</sup>	117%
Unlevered Profitability vs. Underwriting <sup>(3)</sup>	172%

### Levered Investment Cash Flows<sup>(5)</sup>

(% of total underwritten cash flows)



(1) GBV at acquisition of all portfolios in which Eurocastle has an interest.

(2) Represents total collections received to date versus underwriting projections for the same period.

(3) Represents collections received on fully resolved claims only versus underwriting. It does not reflect profitability as recorded under IFRS.

(4) Includes €13.1 million generated and currently held at the level of the investment

(5) Projected cash flows are based on a variety of estimates and assumptions, actual results may vary materially. Please see the Disclaimers at the front of the presentation for additional information concerning the above projections.



### 3 Italian Real Estate Funds – Investment Overview

- Strategy is to realise profits from asset sales as funds approach their termination dates
- In 2017, sold 2 RE funds, realising ~€39 million of profit / 2.6x multiple / 116% IRR
- In total received ~€84 million of proceeds realised through Q4 2017 → returning basis and ~€16 million of additional cash:
  - Pace – cash from distributions at 120% of underwriting<sup>(1)</sup>
  - Profitability – sales proceeds at 122% of underwriting<sup>(2)</sup>

#### Investment Summary

(€ mm)	Fund Investment I	Fund Investment II	Fund Investment III	Fund Investment IV	Fund Investment V	Total
Investment Date	Q1 2014	Q3 2014	Q3 2015	Q1 2016	Q2 2017	
Ownership% & Fund type	7% of Public Fund	49% of Private Fund	n/a	n/a	50% of Private Fund	
Collateral	5 mixed-use properties in northern & central Italy	2 luxury residential redevelopment projects in Rome	13 mixed-use office & light industrial assets leased to Telecom Italia across Italy	Retail portfolio in northern Italy	Luxury residential redevelopment project in Rome	
Initial Equity Invested / committed	(22.2)	(15.4)	(10.7)	(13.3)	(5.8)	(67.4)
Cash Received (up to end of Q4'17)	15.2	5.3	28.7	34.6	-	83.8
(Net Invested Capital) / Profit	(7.0)	(10.1)	18.0	21.3	(5.8)	16.4
ECT's Q4 Carrying Value (NAV)	11.1	13.1	-	0.3	6.3	30.8
Fund Level Leverage	-	28%			42%	
Legal Maturity	Q4 2020	Q4 2019			Q4 2023	

**SOLD**  
IN FEB. 2017

**SOLD**  
IN NOV. 2017

(1) Represents total cash generated to date versus underwriting projections for the same period.  
 (2) Represents total sales proceeds received versus total proceeds expected at underwriting only on those assets sold. It does not reflect profitability as recorded under IFRS.



# NPL Market – Lots of Activity, but Not Much has Changed

- Italian banks continue to hold ~€300 billion<sup>(1)</sup> of bad loans on their balance sheets – largest NPL market in Europe
- Pressure from the ECB guidelines combined with IFRS 9 changes should continue to motivate banks to reduce stock through portfolio sales or improve collections through outsourcing
- Our current focus is on large complex transactions and large single borrower deals

## Current Focus

**Large Complex Transactions**

~€10 billion GBV

**Single Name NPLs**

~€0.7 billion GBV

**Unlikely To Pay (“UTP”)**

€2 billion GBV

## Announced Disposal Plans<sup>(1)</sup>

### Portfolio GBV

<b>S G A</b>	€9.6 bn	Securitisation & Sale of NPLs
<b>BANCO BPM</b>	€9.5 bn	NPL Disposal Plan and Platform Sale
<b>REV</b>	€9.0 bn	NPL Sale & Management Outsourcing
<b>BPÉR: Banca</b>	€4.0 bn	NPL Sale Plan 2017-2019
<b>GRUPPO BANCARIO Credito Valtellinese</b>	€2.1 bn	Portfolio Sale
<b>UBI Banca</b>	€1.0 bn	Sale of €1 bn NPL Banco di Sardegna in 1H2018
<b>UniCredit</b>	undisclosed	Management & Portfolio Sale

Over €35 bn GBV

(1) Source: PWC report Italian NPL Servicing Market, as of December 2017.



## APPENDIX Financial Statements

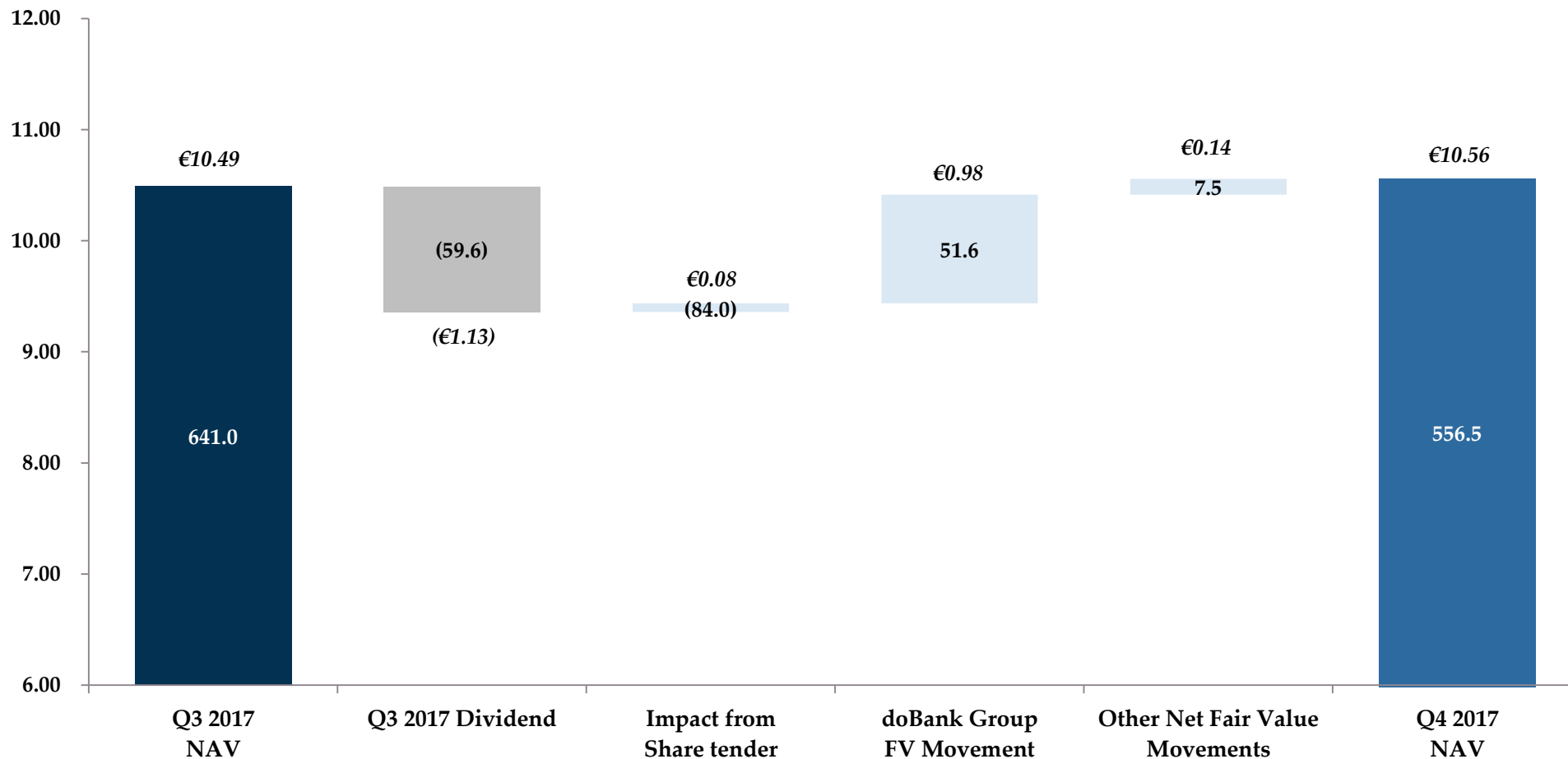


## Adjusted NAV Bridge

- Q4 2017 NAV of €556.5 million (€10.56 per share)

NAV up €0.07 per share on the quarter after having paid dividend of €1.13 per share

(€ per share & € mm)





# Summarised Q4 2017 Balance Sheet

Summarised Q4 2017 Balance Sheet	Italian Investments	Corporate	Total
(€ 000's)			
Cash & Cash Equivalents	-	121,481	121,481
doBank Group	271,842	-	271,842
Romeo NPLs <sup>(1)</sup>	48,712	-	48,712
FINO NPLs	43,451	-	43,451
Other NPLs	47,938	-	47,938
RE Funds	29,962	-	29,962
Other assets and investments	-	203	203
<b>Total Assets</b>	<b>441,905</b>	<b>121,684</b>	<b>563,589</b>
Trade and other payables	-	3,852	3,852
Manager Base and Incentive Fees	-	3,218	3,218
<b>Total Liabilities</b>	<b>-</b>	<b>7,070</b>	<b>7,070</b>
<b>NAV</b>	<b>441,905</b>	<b>114,614</b>	<b>556,519</b>
Commitment Investments <sup>(2)</sup>	73,915	(73,915)	-
<b>Adjusted NAV<sup>(3)</sup></b>	<b>515,820</b>	<b>40,699</b>	<b>556,519</b>
<b>Adjusted NAV (€ Per Share)</b>	<b>9.79</b>	<b>0.77</b>	<b>10.56</b>

NOTE: All figures extracted from the Company's Annual Report.

(1) Amount is net of Eurocastle's share of portfolio level financing (€33.3 million).

(2) Adjusts to reflect the following unfunded investments (i) €64.7 million of deferred purchase price on FINO payable over the next few years, (ii) an additional €8.4 million as a follow-on investment in FINO, and (iii) a remaining unfunded commitment estimated at €0.8 million in Real Estate Fund Investment V

(3) Q4 2017 Adjusted NAV is before deducting €0.27 per share fourth quarter dividend declared in March 2018.





# Summarised Q4 2017 Income Statement

Summarised Q4 2017 Income Statement	Italian Investments	Legacy	Total
<b>(€ 000's)</b>			
Valuation movements on doBank Group	51,814	-	51,814
Valuation movements on Romeo NPLs	2,955	-	2,955
Valuation movements on FINO NPLs	1,400	-	1,400
Valuation movements on Other NPLs	2,063	-	2,063
Valuation movements on Real Estate Fund Units	5,509	-	5,509
Other Income (Inc. fair value movements on operating subsidiaries)	(1,802)	434	(1,368)
<b>Total income</b>	<b>61,939</b>	<b>434</b>	<b>62,373</b>
Interest expense	109	-	109
Transaction costs	(46)	-	(46)
Manager Base & Incentive Fees	3,012	-	3,012
Other operating expenses	711	371	1,082
<b>Total expenses</b>	<b>3,786</b>	<b>371</b>	<b>4,157</b>
<b>Profit for the quarter</b>	<b>58,153</b>	<b>63</b>	<b>58,216</b>
<i>€ Per Share</i>	<i>1.02</i>	<i>0.00</i>	<i>1.02</i>

NOTE: All figures calculated as variance between the Company's Annual Report (based on the retrospective Income Statement as shown on page 10) and the Q3 2017 Interim Report. Please refer to the "Change in Accounting Policy" section on page 4 of the Annual Report and the Income Statement commentary on page 10 of the Annual Report for further detail.



# Summarised FY 2017 Income Statement

Summarised FY 2017 Income Statement	Italian Investments	Legacy	Total
<b>(€ 000's)</b>			
Valuation movements on doBank Group	193,526	-	193,526
Valuation movements on Romeo NPLs	6,882	-	6,882
Valuation movements on FINO NPLs	2,988	-	2,988
Valuation movements on Other NPLs	4,771	-	4,771
Valuation movements on Real Estate Fund Units	10,896	-	10,896
Other Income (Inc. fair value movements on operating subsidiaries)	5,414	3,258	8,672
<b>Total income</b>	<b>224,477</b>	<b>3,258</b>	<b>227,735</b>
Interest expense	286	-	286
Transaction costs	287	-	287
Manager Base & Incentive Fees	37,357	-	37,357
Other operating expenses	3,171	371	3,542
<b>Total expenses</b>	<b>41,101</b>	<b>371</b>	<b>41,472</b>
<b>Profit for the first nine months</b>	<b>183,376</b>	<b>2,887</b>	<b>186,263</b>
<i>€ Per Share</i>	<i>3.09</i>	<i>0.04</i>	<i>3.13</i>

NOTE: All figures extracted from the Company's Annual Report and based on the retrospective Income Statement (non-IFRS) as shown on page 10. Please refer to the "Change in Accounting Policy" section on page 4 of the Annual Report and the Income Statement commentary on page 10 of the Annual Report for further detail.



## Q4 2017 Segmental Normalised FFO<sup>(1)</sup>

Q4 2017 Segmental Normalised FFO	Italian Investments	Legacy	Total	Average Invested Capital <sup>(2)</sup>	Annualised Yield
<b>(€ 000's)</b>					
doBank Group	2,673	-	2,673	81,151	13%
Italian NPLs	5,062	-	5,062	112,879	18%
RE Fund Investments	3,809	-	3,809	43,801	35%
Other Investments	-	-	-	n/a	n/a
<b>Italian Investments</b>	<b>11,544</b>	<b>-</b>	<b>11,544</b>	<b>237,831</b>	<b>19%</b>
Legacy Portfolios	-	434	434		
Manager Base & Incentive Fees	(3,012)	-	(3,012)		
Other operating expenses	(774)	(371)	(1,145)		
<b>Normalised FFO</b>	<b>7,758</b>	<b>63</b>	<b>7,821</b>		
<i>€ Per Share</i>	0.14	0.00	0.14		

(1) Normalised FFO ("NFFO") is a non-IFRS financial measure that, with respect to all of the Company's Italian Investments other than the doBank Group, recognises i) income on an expected yield basis updated periodically, allowing Eurocastle to report the run rate earnings from these investments in line with their expected annualised returns and ii) any additional gains or losses not previously recognised through NFFO at the point investments are realised. With respect to the doBank Group, following the IPO, the Company now recognises NFFO based on its share of doBank's reported annual net income after tax together with any gains or losses arising from the sale of its shares.

(2) Time weighted average of investments made (net of any capital returned) over the relevant period.



# FY 2017 Segmental Normalised FFO<sup>(1)</sup>

FY 2017 Segmental Normalised FFO	Italian Investments	Legacy	Total	Average Invested Capital <sup>(2)</sup>	Annualised Yield
<b>(€ 000's)</b>					
doBank Group	99,220	-	99,220	126,232	79%
Italian NPLs	17,027	-	17,027	104,689	16%
RE Fund Investments	25,837	-	25,837	44,707	58%
Other Investments	7,247	-	7,247	n/a	n/a
<b>Italian Investments</b>	<b>149,331</b>	<b>-</b>	<b>149,331</b>	<b>275,628</b>	<b>54%</b>
Legacy Portfolios	-	3,258	3,258		
Manager Base & Incentive Fees	(37,357)	-	(37,357)		
Other operating expenses	(3,744)	(371)	(4,115)		
<b>Normalised FFO</b>	<b>108,230</b>	<b>2,887</b>	<b>111,117</b>		
<i>€ Per Share</i>	1.82	0.04	1.86		

(1) Please refer to slide 18 for definition.

(2) Time weighted average of investments made (net of any capital returned) over the relevant period.



# Italian Investments: Net Invested Capital

## Net Invested Capital and Normalised FFO<sup>(1)</sup> Yield

(€ mm)

	FY 2013	FY 2014	FY 2015	FY 2016	Q1 2017	Q2 2017	Q3 2017	Q4 2017	Total Invested	Total Committed <sup>(2)</sup>	Grand Total
<b>Opening Net Invested Capital</b>	-	9.5	58.4	309.5	319.3	311.8	271.7	237.9	-	-	-
Italian Investments made	16.7	54.1	266.4	16.8	0.2	5.3	43.9	21.7	425.1	73.9	499.0
Invested Capital paid back	(7.2)	(5.2)	(15.3)	(7.0)	(7.7)	(45.4)	(77.6)	(18.1)	(183.5)	-	(183.5)
<b>Closing Net Invested Capital</b>	<b>9.5</b>	<b>58.4</b>	<b>309.5</b>	<b>319.3</b>	<b>311.8</b>	<b>271.7</b>	<b>237.9</b>	<b>241.6</b>	<b>241.6</b>	<b>73.9</b>	<b>315.5</b>
<i>Average Net Invested Capital<sup>(3)</sup></i>	7.5	35.9	97.8	313.4	316.5	299.0	249.1	237.8	121.2		
<i>Normalised FFO<sup>(1)</sup></i>	2.1	8.8	21.4	55.4	32.2	13.1	92.7	11.5	237.2		
<i>Average Yield</i>	28%	24%	22%	18%	41%	17%	149%	19%	41%		

(1) Please refer to slide 18 for definition.

(2) Includes the following unfunded committed investments (i) €64.7 million of deferred purchase price on FINO payable over the next few years, (ii) an additional €8.4 million as a follow-on investment in FINO, and (iii) a remaining unfunded commitment estimated at €0.8 million in Real Estate Fund Investment V

(3) Time weighted average of investments made (net of any capital returned) over the relevant period.