

August 2014

# Company Update



- 1 Fully-integrated real estate investment company with significant scale in our core market
- 2 Well-positioned in a favourable macroeconomic and attractive real estate environment
- 3 High quality commercial real estate portfolio in attractive Bucharest locations
- 4 Robust rental income and cash flow growth
- 5 Large and diversified international and creditworthy tenant base
- 6 Experienced senior management team supported by local integrated operating platform

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# Fully-integrated real estate investment company with significant scale in our core market

Fully-integrated platform with scale in the fragmented Bucharest office market...

...with proven capabilities in leasing out substantial space in a short time frame

1 Turn-key solutions, tailored to tenant's needs

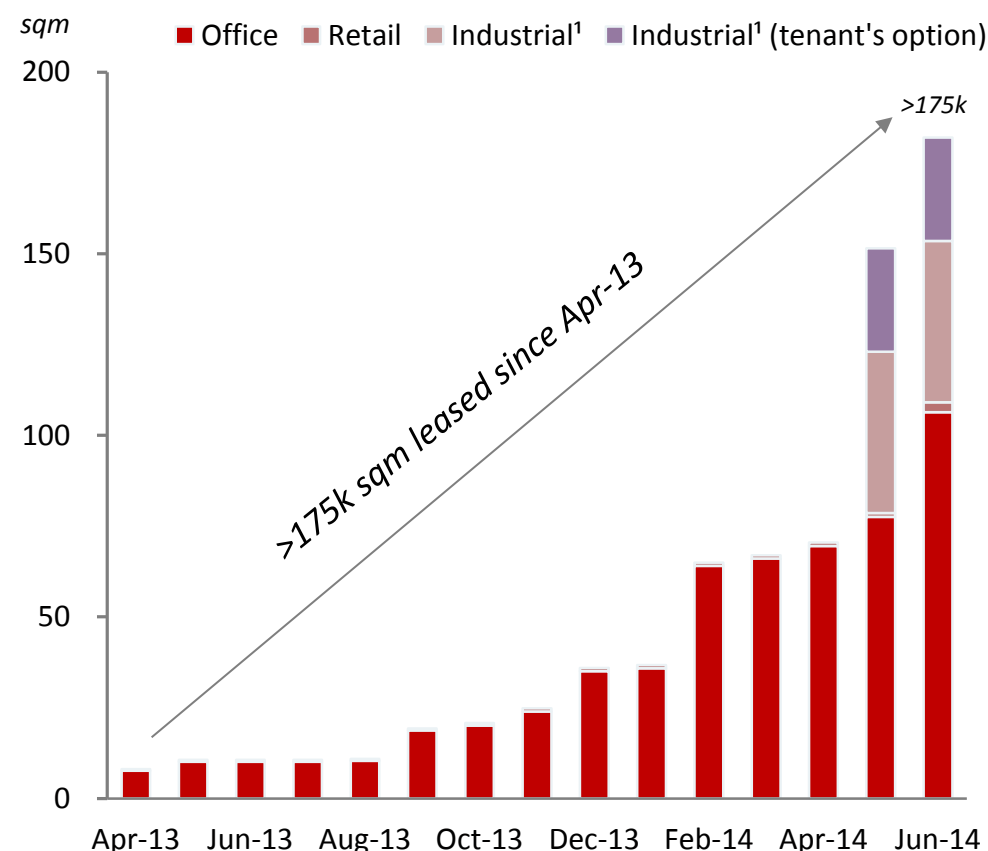
2 Significant scale in a fragmented segment

3 Single counterparty for tenants

4 Depth and breadth of market knowledge

Trusted  
real estate  
advisor for  
tenants

GWI cumulative leased space by month

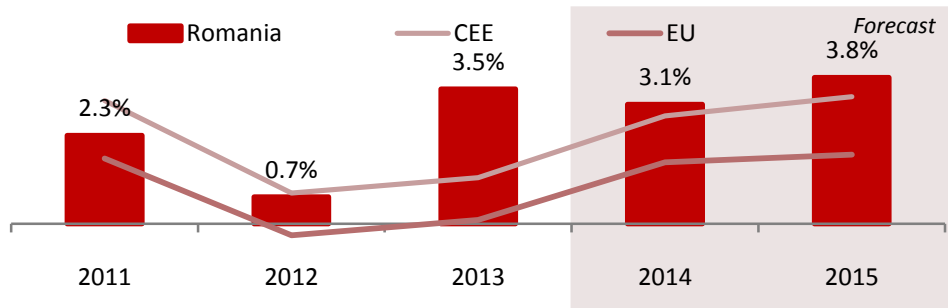


¹ Include expansions that tenants of the TAP asset are entitled to exercise under their lease agreements

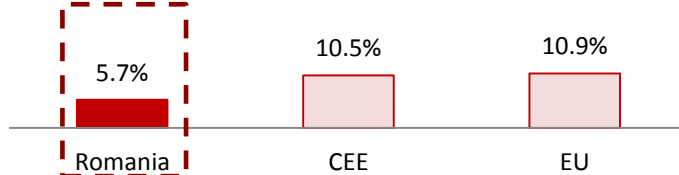
# 2 Romania is a large CEE country with solid economic fundamentals and a legal environment favourable to investors

## Strong macroeconomic fundamentals

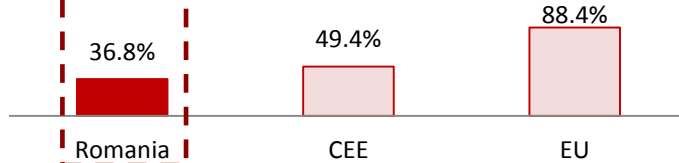
### GDP growth above the CEE average



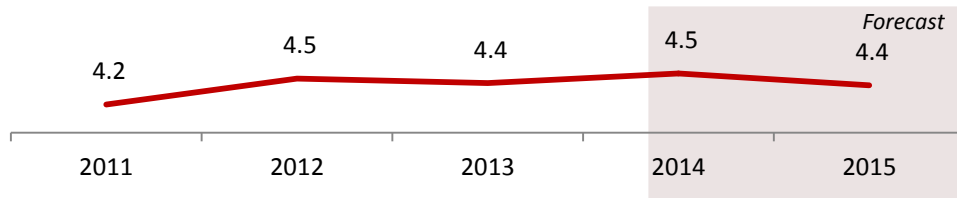
### Low unemployment (2013)



### Low Public debt / GDP (2013)



### Stable currency (RON/EUR)

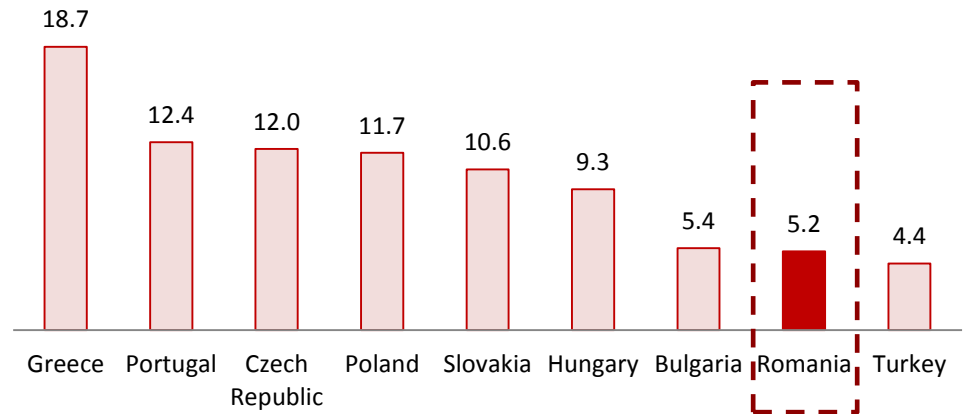


Source: Economist Intelligence Unit

## Favourable environment for real estate investments

### One of the lowest cost of labour in the EU

USD per hour, 2013 data



### High quality infrastructure

- ✓ Increasing highway network
- ✓ Modern metro system in Bucharest

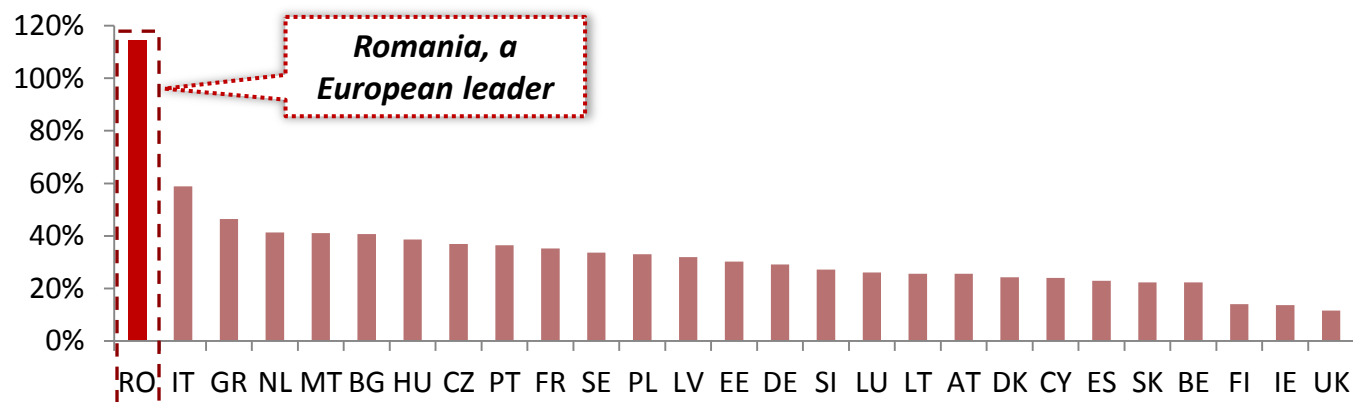
### Modern regulation

- ✓ Further improved certainty of property rights
- ✓ Further protection of landlord

## 2 A comprehensive program of subsidies from both the national government and the EU provides substantial support to FDI in Romania

### A successful track record of absorption of funds...

Increase of reimbursements from the EU in 2013 compared to the 2008 - 2012 period<sup>2</sup>



### ...and significant new funding planned for 2014 – 2020...

€43bn of funding for 2014 – 2020 with multiple objectives

Long term commitment to the country is a pre-requisite to access the subsidies

Technological development



Access and use of quality information



Shift towards low-carbon economy



Education, skills and lifelong learning



Sustainable transportation

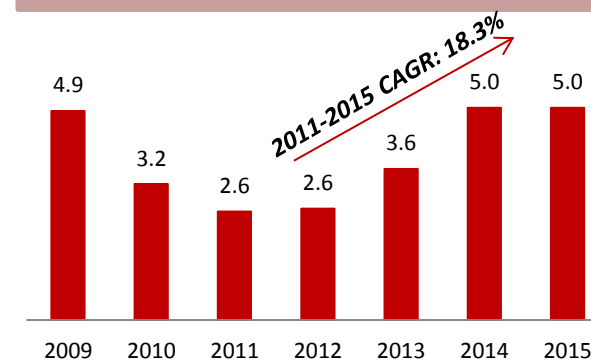


Promoting employment and labour mobility



### ...position Romania as a top FDI destination

Increasing FDI flow (\$bn)...



... from blue-chip internationals<sup>1</sup>



Source: Ministry of European Funds of Romania; EIU

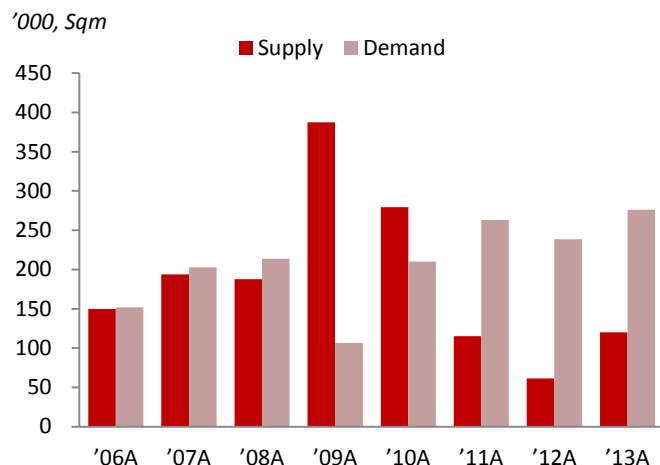
<sup>1</sup> Example of 10 blue-chip multinationals investing in Romania leveraging on the public incentives

<sup>2</sup> RO: Romania, IT: Italy, GR: Greece, NL: The Netherlands, MT: Malta, BG: Bulgaria, HU: Hungary, CZ: Czech Republic, PT: Portugal, FR: France, SE: Sweden, PL: Poland, LV: Latvia, EE: Estonia, DE: Germany, SI: Slovenia, LU: Luxembourg, LT: Lithuania, AT: Austria, DK: Denmark, CY: Cyprus, ES: Spain, SK: Slovakia, BE: Belgium, FI: Finland, IE: Ireland, UK: United Kingdom



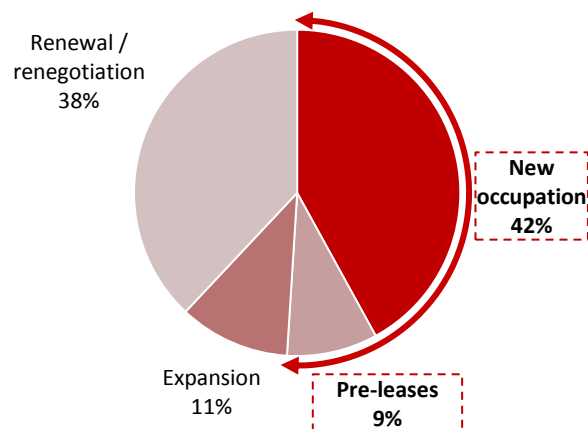
## 2 Favorable market dynamics position Romania among the most attractive real estate markets in the CEE region globalworth™ PPPP

### Structural supply/demand imbalance for commercial space in Bucharest...



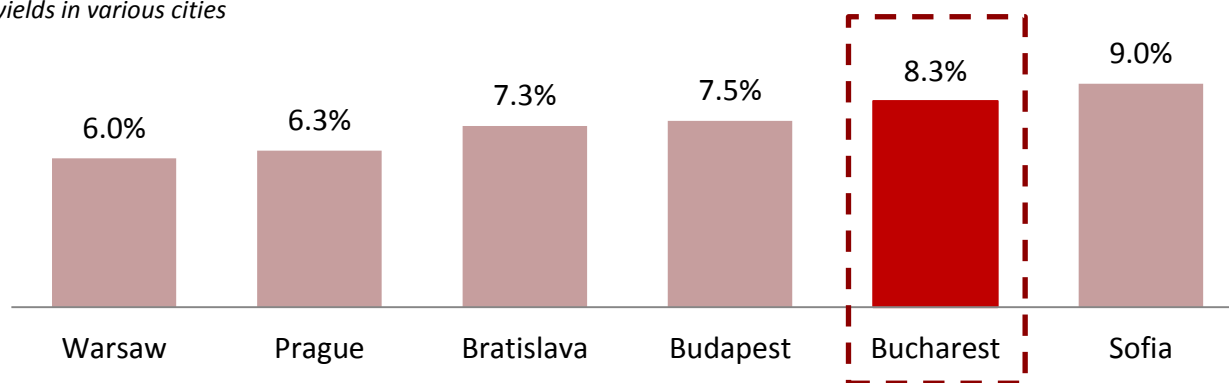
### ...with over 50% of the take up comprising new occupation / pre-leases

#### Demand by type of transactions, 2013



### Bucharest has one of the most attractive return profiles in the region

#### Office yields in various cities

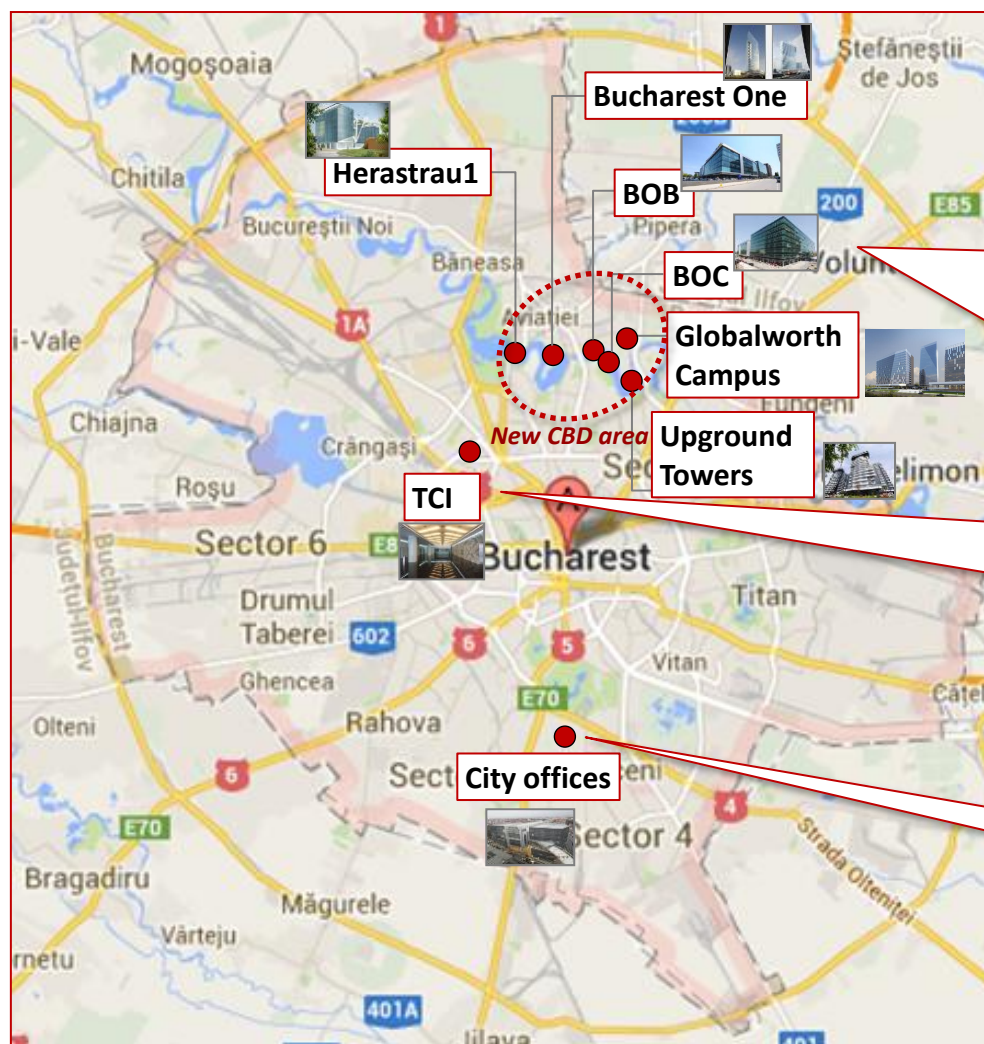


- ✓ Demand for high quality modern office space exceeding the supply over the last few years
- ✓ Majority of take-up is comprised of new occupation and pre-leases, benefiting from the favourable fundamentals for real estate operators / developers
- ✓ One of the most attractive return profiles in the region with the second highest yields

Significant supply / demand imbalance recorded over the last few years from strong multinationals tenants demand and limited new developments, coupled with superior yields compared to other CEE capitals, and room for potential significant appreciation

## Majority of the portfolio located in the New CBD

- ✓ Newest and highest quality assets district
- ✓ Lower vacancy rates and higher rental levels
- ✓ Most sought after area for commercial real estate
- ✓ Excellent infrastructure access



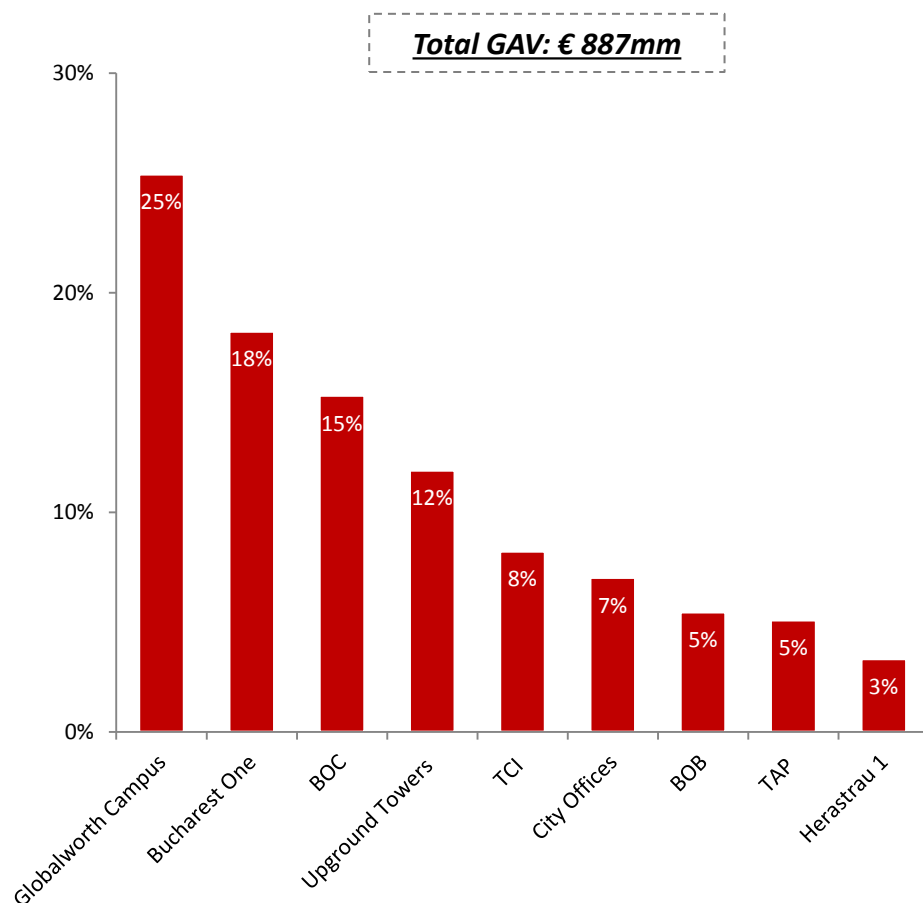
- Majority of Globalworth's portfolio is located in the new business centre of Bucharest, New CBD
- The portfolio provides top quality assets that are in high demand in this sought-after district
- Attractive, modern, recent office stock benefitting from the immediate proximity to infrastructure (metro, tram, bus, road) as well as facing main streets
- Proximity to both national and international airports, natural attractions (parks, lakes), affluent residential clusters, and a new fully-leased mall create an environment conducive to a fast growing business centre

- TCI is a landmark asset in the historical CBD area, being the second tallest office tower in the country
- Excellent infrastructure access (metro, tram, bus, road) in the heart of Bucharest
- Overlooks Romanian central government buildings and ministries
- Immediate access to a large park

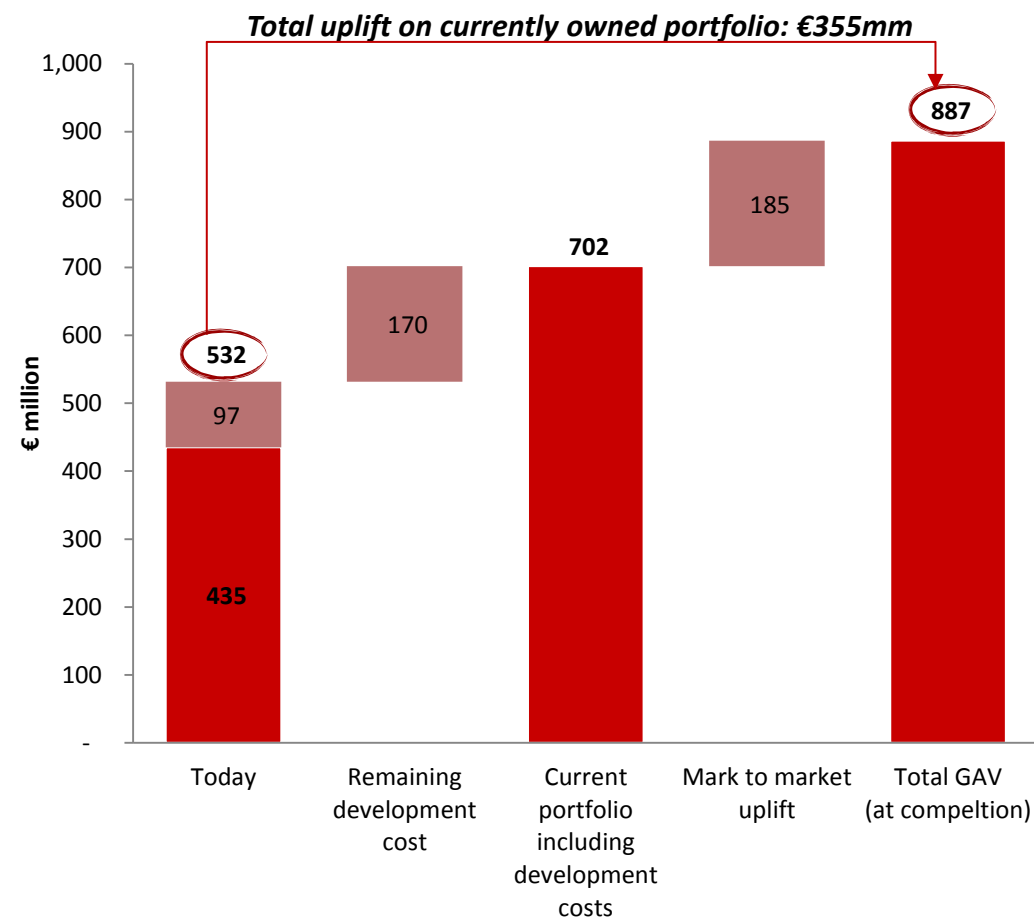
- Newly refurbished office stock in the South of the city centre, only two metro stops away from the heart of Bucharest, in a residential area where such stock is scarce
- Excellent infrastructure access (metro, tram, bus, road)

### 3 ...with significant value growth potential

#### GAV upon completion<sup>1</sup>



#### GAV bridge to value upon completion<sup>1</sup>



<sup>1</sup> Based on average appraised valuation as per Coldwell Banker and CBRE appraisals as of June 2014. Excludes Floreasca 1 asset which is in the process of being sold.



## 4 Robust rental income and cash flow growth

Asset Name	Status	Acquisition & Development Cost			NOI (€ m)			NOI Yield <sup>3</sup>
		Investment Cost YTD (€ m) <sup>1</sup>	Remaining Development Cost (€ m)	Acq./Dev .Cost (€ m)	Current / Contracted <sup>2</sup>	Q1 '15(E)	Q1'16(E)	
BOB	Completed	42.0	-	42.0	3.3	3.9	4.0	9.5%
BOC	Completed	110.0	-	110.0	9.7	10.5	10.8	9.8%
Upground Towers	Completed	58.0	-	58.0	2.8	4.8	5.1	8.7%
TCI	Completed	58.0	-	58.0	4.7	5.0	5.2	8.9%
City Offices	Completed/ Redevelopment	40.7	2.8	43.5	2.0	5.4	6.6	15.3%
TAP <sup>4</sup>	Completed/Development	18.3	16.6	34.8	3.0	3.4	3.7	10.6%
Herastrau 1	Development	6.0	14.0	20.0	-	-	2.7	13.6%
Globalworth Campus	Development	17.8	80.3	98.0	4.2	4.2	18.9	19.2%
Bucharest One	Development	36.7	63.3	100.0	5.1	5.1	12.0	12.0%
<b>TOTAL REAL ESTATE</b>		<b>387.4</b>	<b>176.9</b>	<b>564.3</b>	<b>34.9</b>	<b>42.6</b>	<b>69.0</b>	<b>12.2%</b>
Asset Manager	Operations	15.0	-	15.0	2.7	2.7	2.7	18.0%
<b>TOTAL GWI</b>		<b>402.4</b>	<b>176.9</b>	<b>579.3</b>	<b>37.6</b>	<b>45.3</b>	<b>71.7</b>	<b>12.4%</b>

<sup>1</sup> Investment Cost YTD, represents the total acquisition cost and subsequent capex spent by GWI on each investment.

<sup>2</sup> Contracted rent includes the pre-letting for Globalworth Campus, Bucharest One which are expected to be completed in Q1/2016 as well as c. 1.6m and 1.1m of pre-lettings associated with TAP and City offices which are expected to be delivered in Q1/2015 and Q4/2014 respectively .

<sup>3</sup> NOI yield based on Acquisition and Development Cost and Q1'16E NOI per property.

<sup>4</sup> Remaining development for TAP includes c.€10.8m relating to the construction cost for the light industrial premises leased to Continental to be delivered in Q1 2015 and the costs for the second phase of development of Valeo and Continental

# 4 ...supported by triple-net lease terms, secure and visible cash flows...

## Predictable, stable cash flows...

### 1 Expenses covered by tenants

Tax	✓
Insurance	✓
Maintenance	✓
<b>Triple net lease</b>	<b>✓✓✓</b>

### 2 Euro-denominated, matching debt currency leases

Interest	Rent	✓✓✓
€	€	

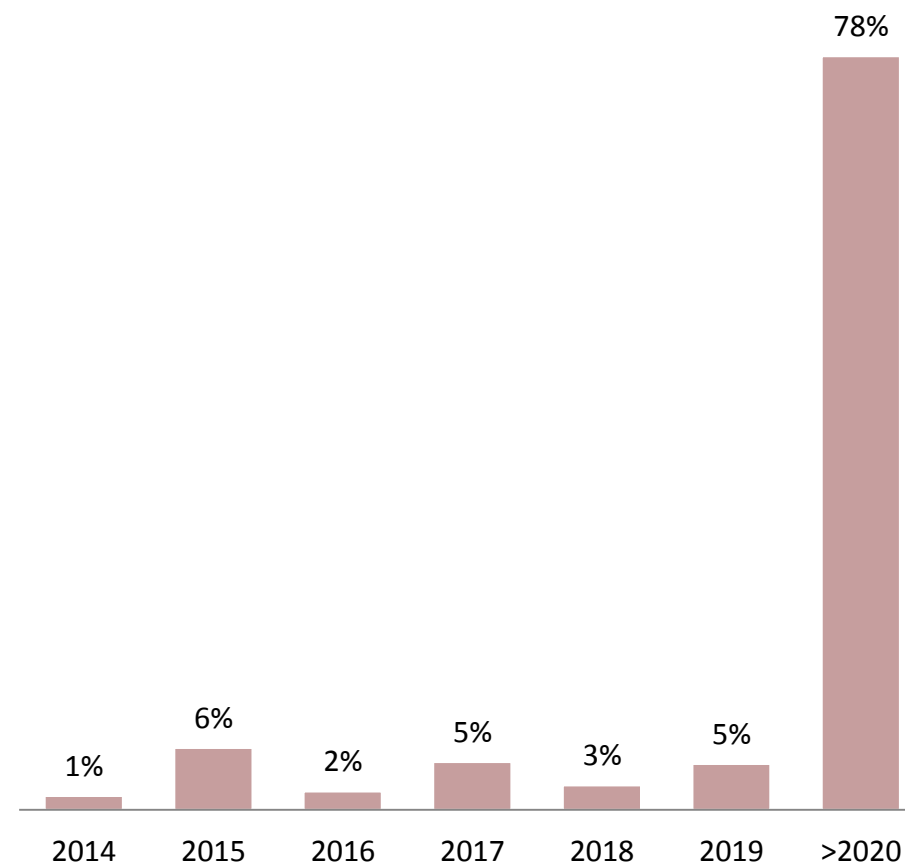
### 3 Inflation-indexed leases

### 4 Not material exposure to local currency

Building contracts	Management	Few local employees	✓✓✓
€	€	RON	

## ... secured on a long term basis

Approximately 78% of the leases expire in or after 2020



Note: Lease expiry based on contracted commercial rental income and calculated on full lease life, not on first break date

The turn-key contracts with contractors provide the highest protection to GWI and no space for downside cash flow exposure

Risk of cost over-run	<ul style="list-style-type: none"> <li>✓ <b><u>Turn-key contracts</u></b> <ul style="list-style-type: none"> <li>■ Deviations from pre-agreed specifics and price covered by the contractor</li> </ul> </li> </ul>
Risk of delays in the delivery	<ul style="list-style-type: none"> <li>✓ Delivery date of the building contractually agreed</li> <li>✓ Penalties to the contractor for delayed delivery of space</li> </ul>
Risk of defects	<ul style="list-style-type: none"> <li>✓ Work to rectify deviations from contracted specifications covered by the contractor</li> </ul>
External credit support	<ul style="list-style-type: none"> <li>✓ <b><u>Bank guarantees</u></b> enhance the constructor's credit worthiness, covering against: <ul style="list-style-type: none"> <li>■ Cost over-run</li> <li>■ Delays-related penalties</li> <li>■ Defects</li> </ul> </li> </ul>
Leverage over the constructor	<ul style="list-style-type: none"> <li>✓ <b><u>Retention mechanism</u></b> <ul style="list-style-type: none"> <li>■ A certain % retained on all interim payments to the constructor as form of guarantee, paid upon satisfactory completion</li> </ul> </li> </ul>

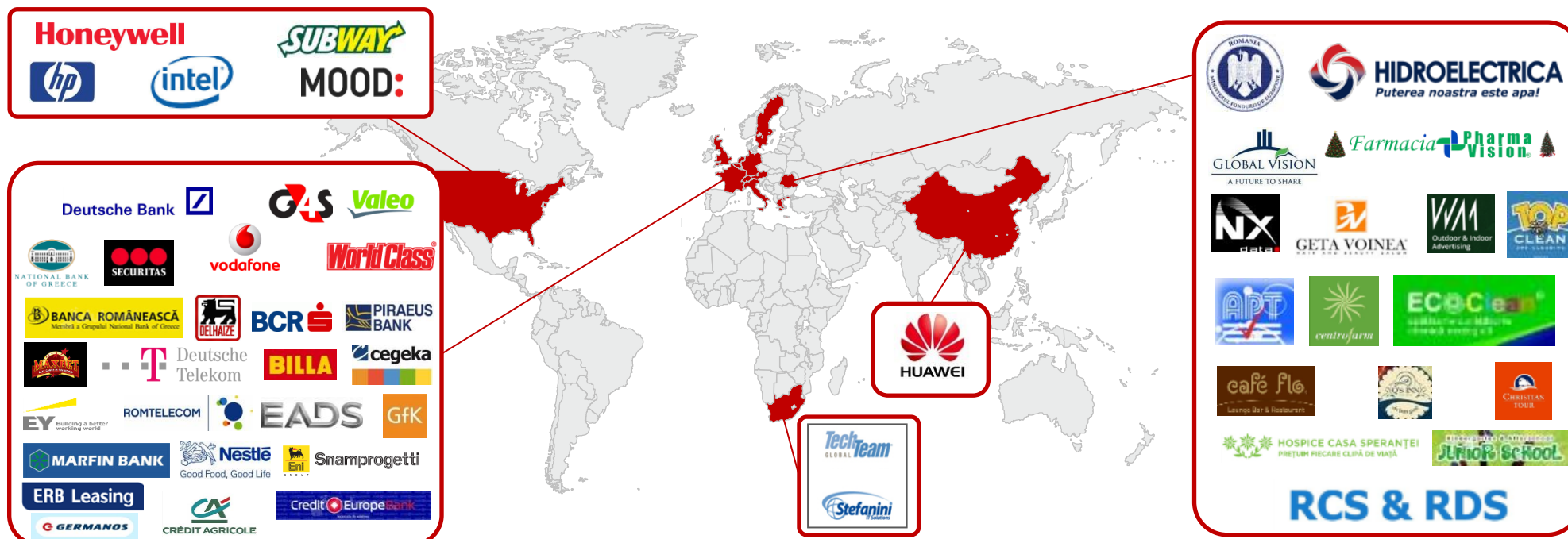
GWI selects best-in-class contractors with a solid track-record

Bog'Art example

- ✓ **Strong track record**
  - Built the award winning Unicredit Tower
- ✓ **High reputation**
  - Best constructor of the year 2013 (*Construction & Investment Journal*)
- ✓ **In depth local knowledge**

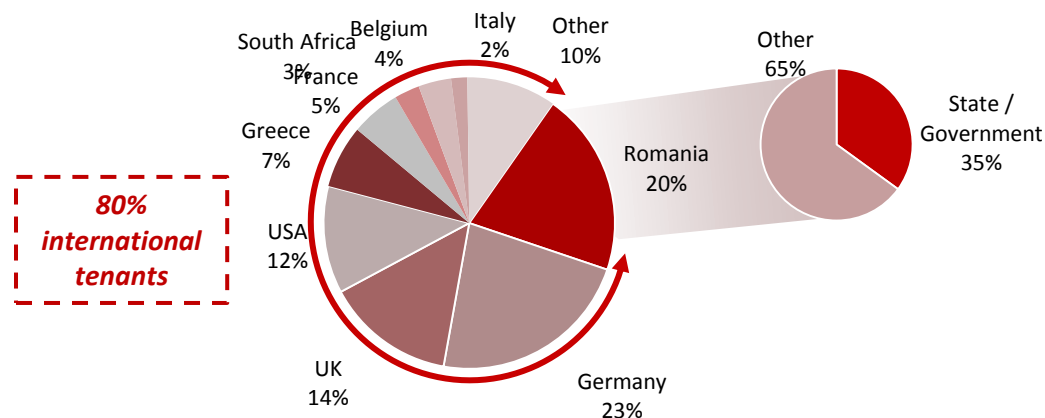
Conservative, favourable contract features and partnerships with best-in-class contractors reinforce GWI's track record of assets delivered on time, with no material defects

# 5 Attracting high quality, diversified tenants from around the world



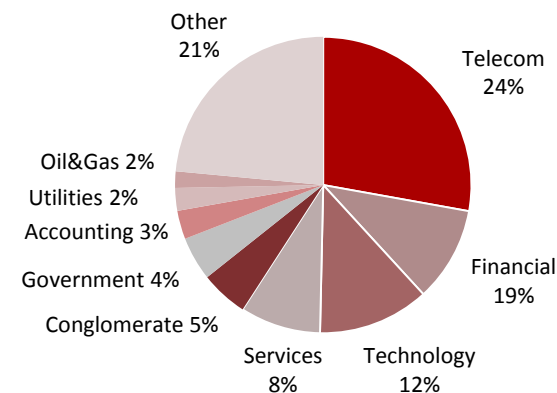
## A highly diversified tenants base both by country of origin...

Based on annualized contracted rental income as of June 30, 2014

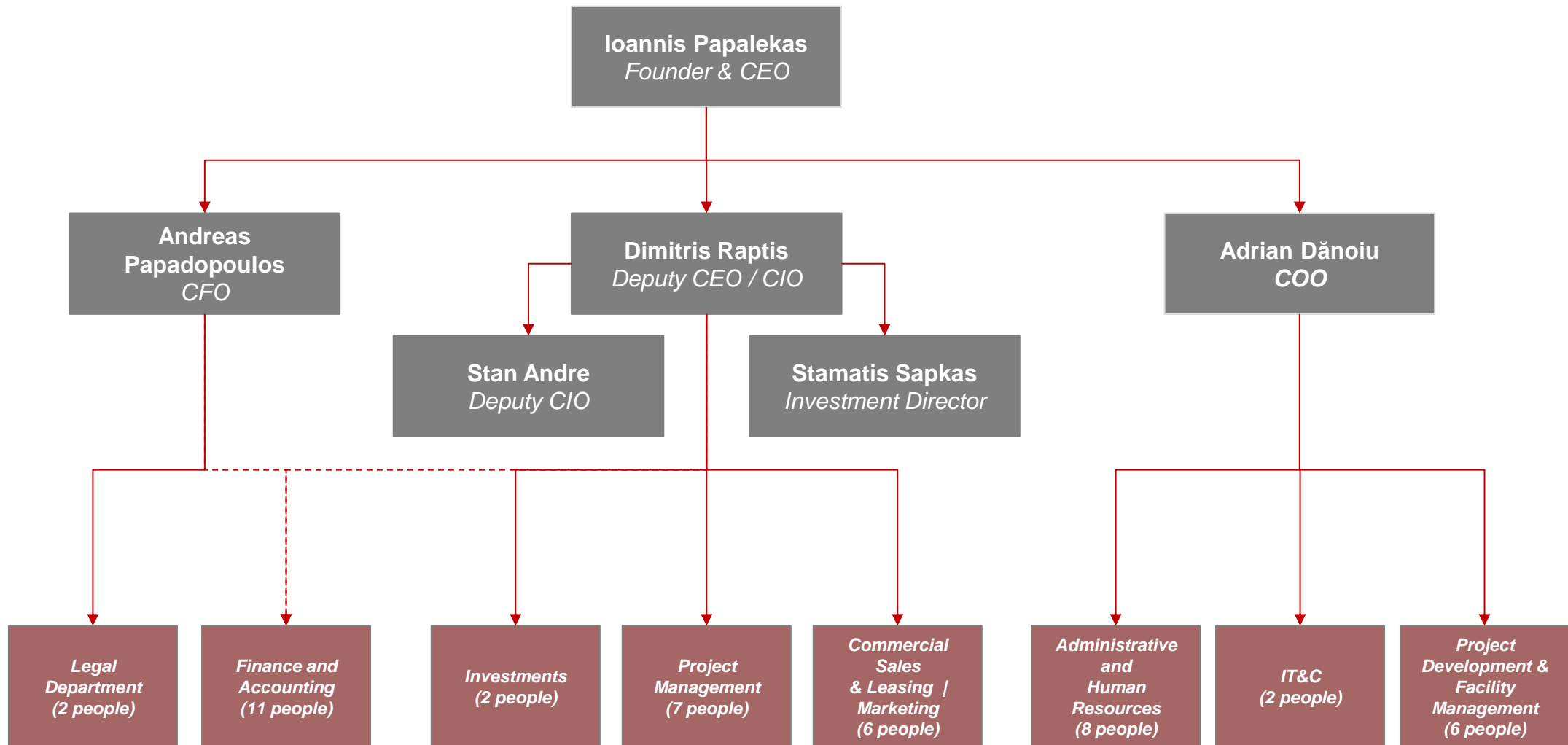


## ...and by business sector

Based on annualized contracted rental income as of June 30, 2014



## 6 A top management with unique track record in the real estate sector...



Experienced top management leading a successful investment team of 40+ professionals



## 6 ... and a clear, proven strategy

### Clear, focused strategic guidelines...

<b>Key Sector</b>	Commercial real estate assets
<b>Key Region</b>	Romania, Bucharest area in particular
<b>Key Tenants</b>	Multinational corporations and financial institutions
<b>Key Terms</b>	Attractive long-term lease terms, EUR denominated, triple-net, inflation linked

### ...with a proven investment strategy

- 1 Arbitrage between the acquisition, development and management of new commercial assets, and of existing distressed / underperforming / mispriced assets that can be transitioned into high quality properties
- 2 Total investment cost at an attractive discount to third party appraisal value, offering capital appreciation potential
- 3 High quality tenant pre-lettings drive the success of the developments
- 4 Focus on CF from triple-net leases, offering attractive yields

A conservative, proven strategy generating attractive risk-adjusted returns, made up of a combination of yield and capital appreciation, by investing in a diversified, internally managed portfolio of properties

# Appendix

*Assets profiles*

# Current Portfolio – Standing assets

## BOC

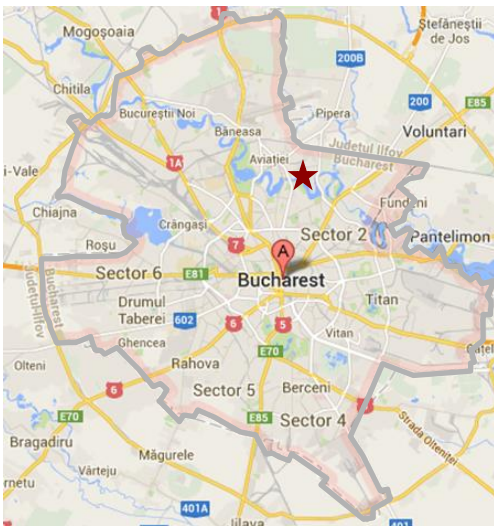




# Current Portfolio – Standing assets

## BOC

### BOC



### Description

- Class A office building completed in 2009, located in the Northern part of Bucharest on Dimitrie Pompeiu area
- Offers 57,607sqm (GLA) on 8 floors above ground and 895 parking spaces
- Part of a wider building complex developed by the Founder between 2006 and 2011 which includes BOB and Upground Towers

### Tenants

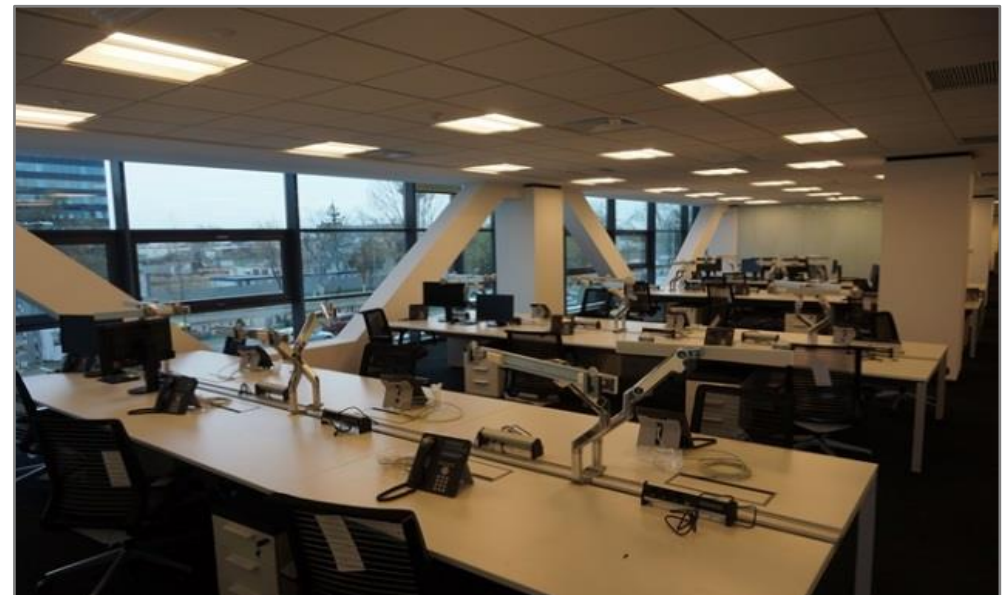


### Stats

GLA / Current Value	57,607sqm / €136mm
Contracted occupancy	95.6%
Remaining lease length to expiration	6.4 years
Parking indoor/outdoor	842 / 53

# Current Portfolio – Standing assets

## BOB

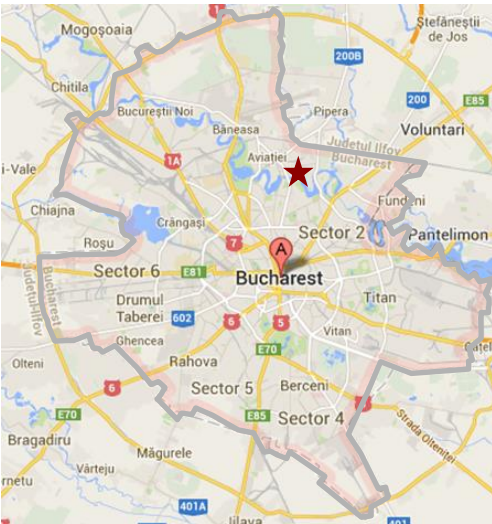




# Current Portfolio – Standing assets

## BOB

### BOB



### Description

- Class A office building, completed in 2008, located in the Northern part of Bucharest on Dimitrie Pompeiu area
- Offers 22,391sqm (GLA) on 7 floors above ground and 161 parking spaces
- Part of a wider building complex developed by the Founder between 2006 and 2011 which includes BOC and Upground Towers

### Tenants

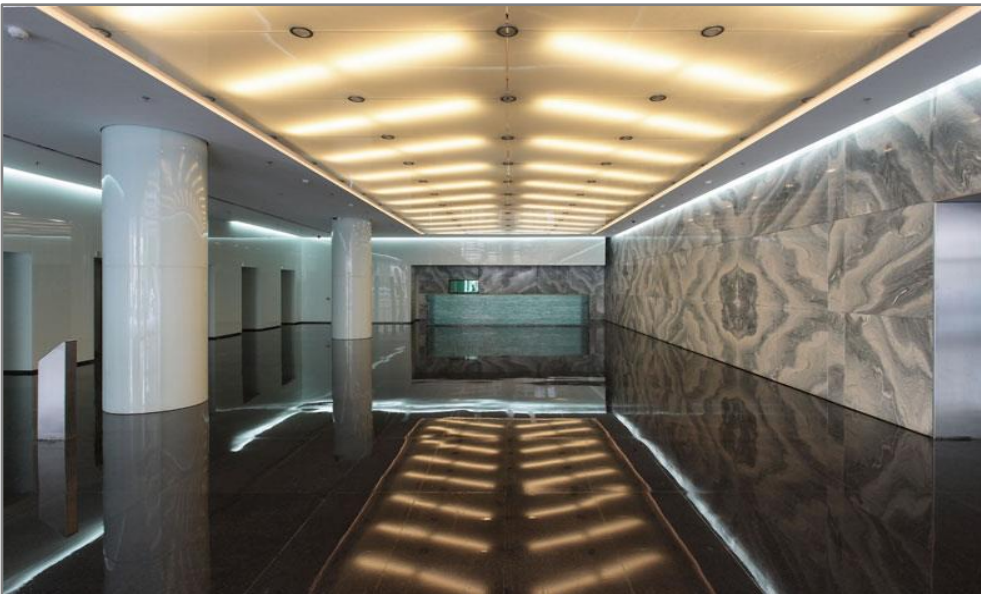
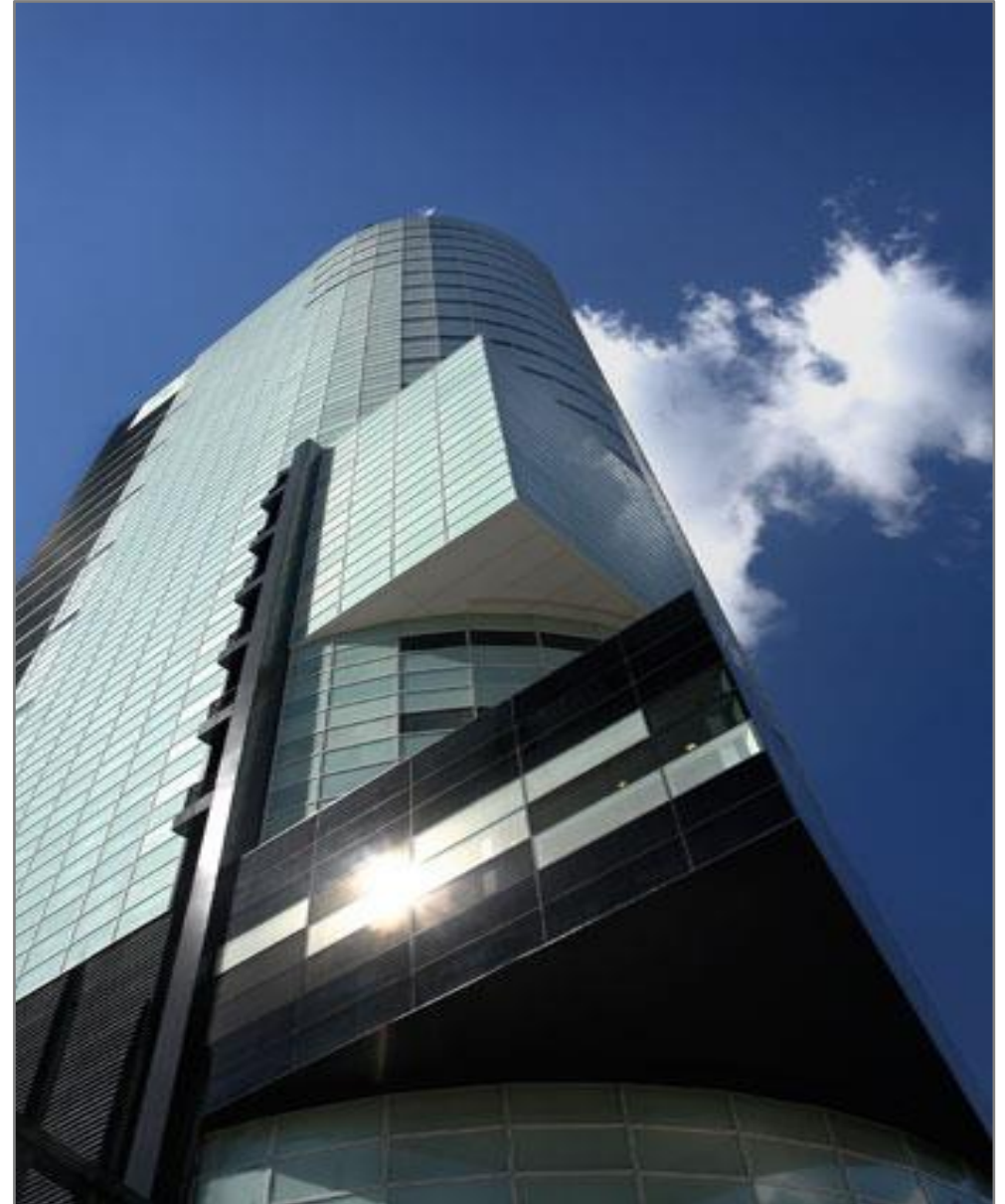


### Stats

GLA / Current Value	22,391sqm / €48mm
Contracted occupancy	86.5%
Remaining lease length to expiration	5.8 years
Parking spaces	161

# Current Portfolio – Standing assets

## TCI

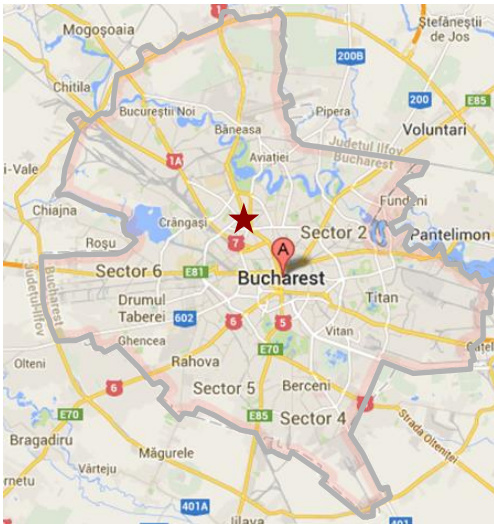




# Current Portfolio – Standing assets

## TCI

### TCI



### Description

- Landmark class A building completed in 2012 centrally located in Bucharest's Historical CBD area at Victoriei Square
- Consists of two interconnected buildings and is currently the 2<sup>nd</sup> tallest building in Bucharest.
- Comprises 22,228sqm GLA extending over 26 floors above ground

### Tenants



Ministry of  
European funds



Deutsche Bank



HUAWEI

EY



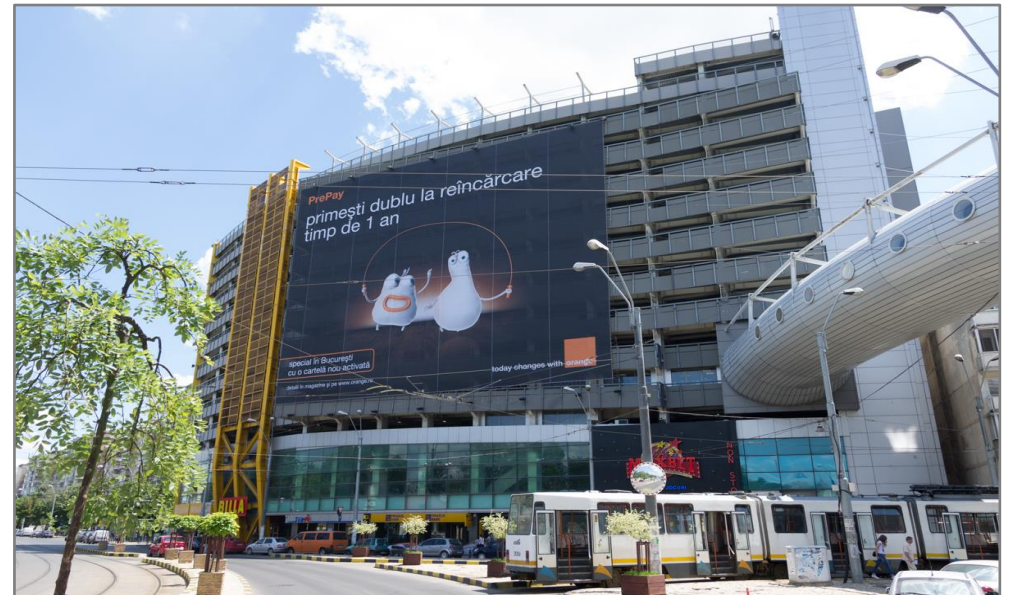
### Stats

GLA / Current Value	22,228sqm / €73mm
Contracted occupancy	97.3%
Remaining lease length to expiration	4.9 years
Parking indoor/outdoor	130 / 74



# Current Portfolio – Standing assets

## *City Offices*





# Current Portfolio – Standing assets

## City Offices

### City offices



### Description

- Mixed-use property comprising of two connected buildings, a Commercial Building and a Multilevel Parking (1,019 spaces)
- Located at the southern part of Bucharest in the densely populated area of Eroii Revolutiei
- Former retail mall recently re-developed/re-positioned to its current use with construction works expected to be completed in 2014

### Tenants



SOCIETE  
GENERALE



### Stats

GLA / Current Value	32,024sqm / €57mm
Contracted occupancy	32.0%
Remaining lease length to expiration	7.2 years
Parking spaces	1,019 (all indoor)



# Current Portfolio – Standing assets

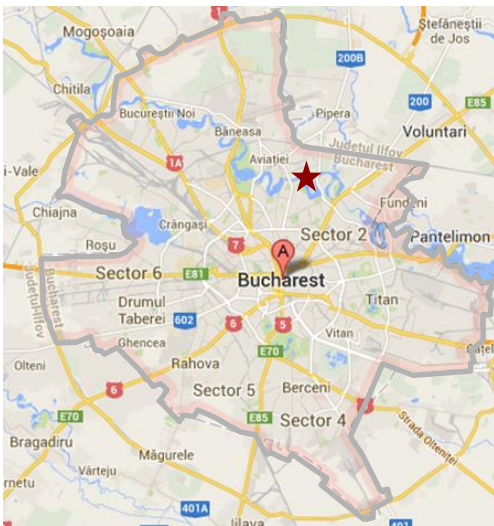
## *Upground Towers*



# Current Portfolio – Standing assets

## Upground Towers

### Upground Towers



### Description

- Modern residential complex located in the Northern part of Bucharest on Fabrica de Glucoza Street
- The complex was completed in 2009 and Globalworth currently owns 446 residential units (in 2 towers of 17 floors each), retail space of 6,589sqm and 618 parking spaces

### Tenants



### Stats

GLA / Current Value	67,493 sqm / €106mm
Contracted occupancy	95.0% (Retail) / 51.9% (Residential)
Remaining lease length to expiration	10.2 years
Parking indoor/outdoor	563 / 55



# Current Portfolio – Assets under completion

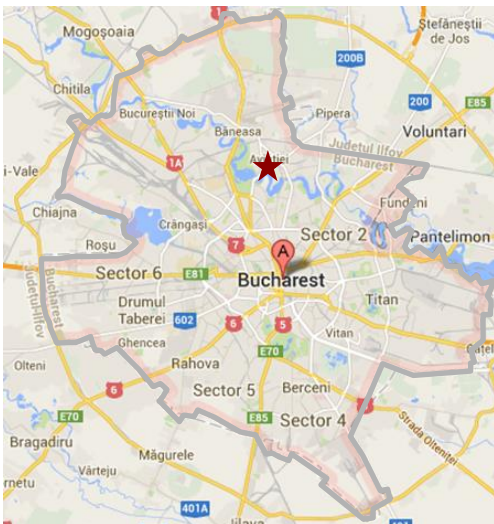
## *Bucharest One*



# Current Portfolio – Assets under completion

## Bucharest One

### Bucharest One



### Description

- Flagship office development project under construction in the northern part of Bucharest in the Floreasca/Barbu Văcărescu area
- Upon completion, the building will be the second tallest tower in Bucharest, offering 53,923 sqm GLA over 23 floors above ground
- Development expected to be completed by Q4 2015

### Tenants



### Stats

GLA / Current Value	53,923sqm / €55mm
Contracted occupancy	44.1%
Remaining lease length to expiration	9.8 years
Parking indoor/ outdoor	528 / 219



# Current Portfolio – Assets under completion

## *Globalworth Campus*

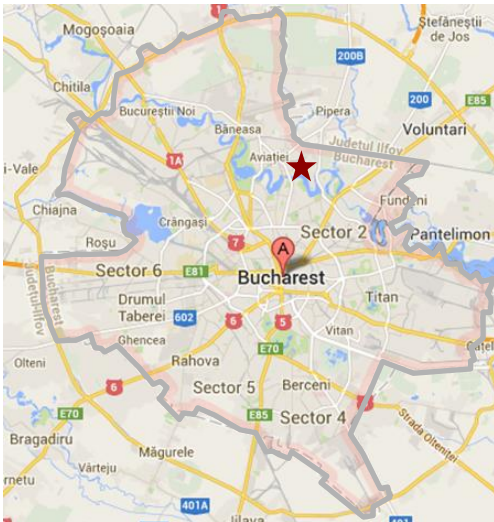




# Current Portfolio – Assets under completion

## Globalworth Campus

### Globalworth Campus



### Description

- Globalworth Campus project is set to become upon completion one of the largest business parks in Romania offers 105,000sqm (GLA) and 1,500 parking spaces
- Unique development to be constructed on top of one of the busiest metro stations in Bucharest
- Development of three towers, one in advanced stage of negotiations with a large multinational tenant for approx. 25,000sqm, offering office and retail space

### Tenants

***Advanced stage of negotiations with a large multinational tenant for approx. 25,000sqm***

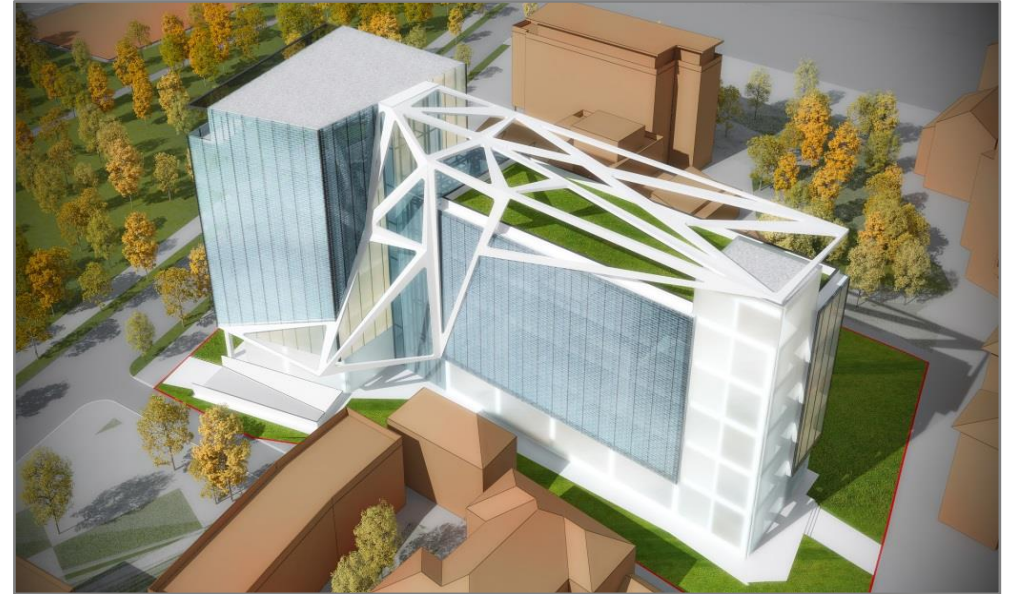
### Stats

GLA / Current Value	105,000sqm / €29mm
Contracted occupancy	23.8%
Remaining lease length to expiration	10.0 years
Parking spaces	1,500



# Current Portfolio – Assets under completion

## *Herastrau 1*

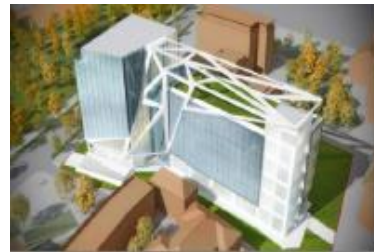
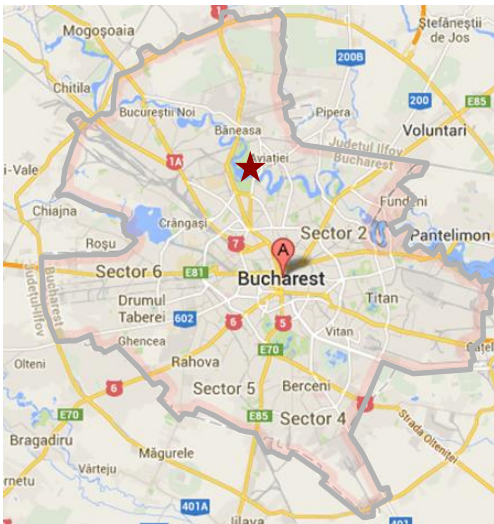




# Current Portfolio – Assets under completion

## Herastrau 1

### Herastrau 1



### Description

- Herastrau 1 is an office development project to be constructed in the northern part of Bucharest on Nordului Road across from Herastrau Park
- Most of the site was acquired out of insolvency in 2012
- The building is expected to have seven floors above ground
- The development is currently at conceptual phase and is expected to be completed in 2016

### Tenants

***Currently under negotiation with potential tenants***

### Stats

GLA / Current Value	12,166 sqm / €7mm
Contracted occupancy	n.m.
Remaining lease length to expiration	n.m.
Parking spaces	132 (all indoor)

# Current Portfolio

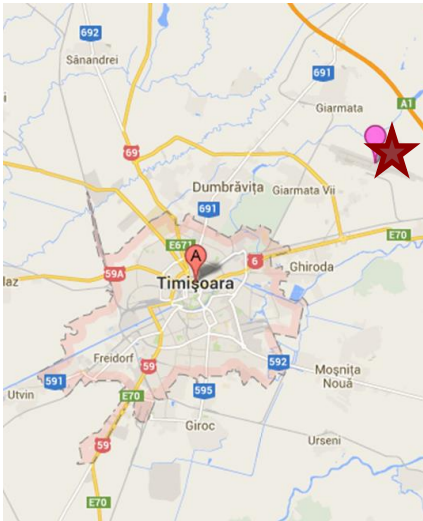
## *Timisoara Airport Park*



# Current Portfolio

## Timisoara Airport Park

### Timisoara Airport Park (TAP)



### Description

- Industrial project located in the North-East of Timisoara in the vicinity of the international airport
- Benefits of easy access towards the 4th European Corridor
- Comprises of one logistics warehouse leased to Valeo (completed, 27,474 sqm) and a second leased to Continental (development, 45,361 sqm), both on long term contracts
- Both Valeo and Continental have the option to further expand in the property with additional warehouses to be developed upon exercise of this option (40,503 sqm)
- New phases would be 100% pre-let

### Tenants



### Stats

GLA / Current Value	72,835 sqm / €21mm
Contracted occupancy	100.0%
Remaining lease length to expiration	13.0
Parking indoor/outdoor	Outdoor area leased / used as parking