



LANDMARKGROUP

Real Estate Investment & Management Group

London, United Kingdom

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Executive Summary

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LANDMARK Group

EXECUTIVE SUMMARY

OPPORTUNISTIC REAL ESTATE INVESTMENTS IN THE UK

Landmark Group ("Landmark") is managed by fund managers who have extensive experience in sourcing, structuring, planning, financing real estate investment and managing institutional investment portfolios.

Landmark has a minimum correlation to property market by buying stressed real estate and adding value to properties.

Landmark invests in special situation property which requires renovation, re-zoning or modification to upgrade the quality of revenue and increase income.

Landmark is looking to divest the property at the earliest possible time to obtain the highest IRR.

INVESTMENT STRATEGIES

THREE MAIN STRATEGIES TO DELIVER 15% PLUS NET IRR

Strategy 1: Secondary to prime yield arbitrage:

- Acquire fundamentally sound and well located but troubled or distressed assets
- Increase income and value through refurbishment, re-zoning and re-gearing leases
- Extension and enlargement of rentable space increase yield
- Improving tenant profile and acquiring key tenant with favourable credit rating

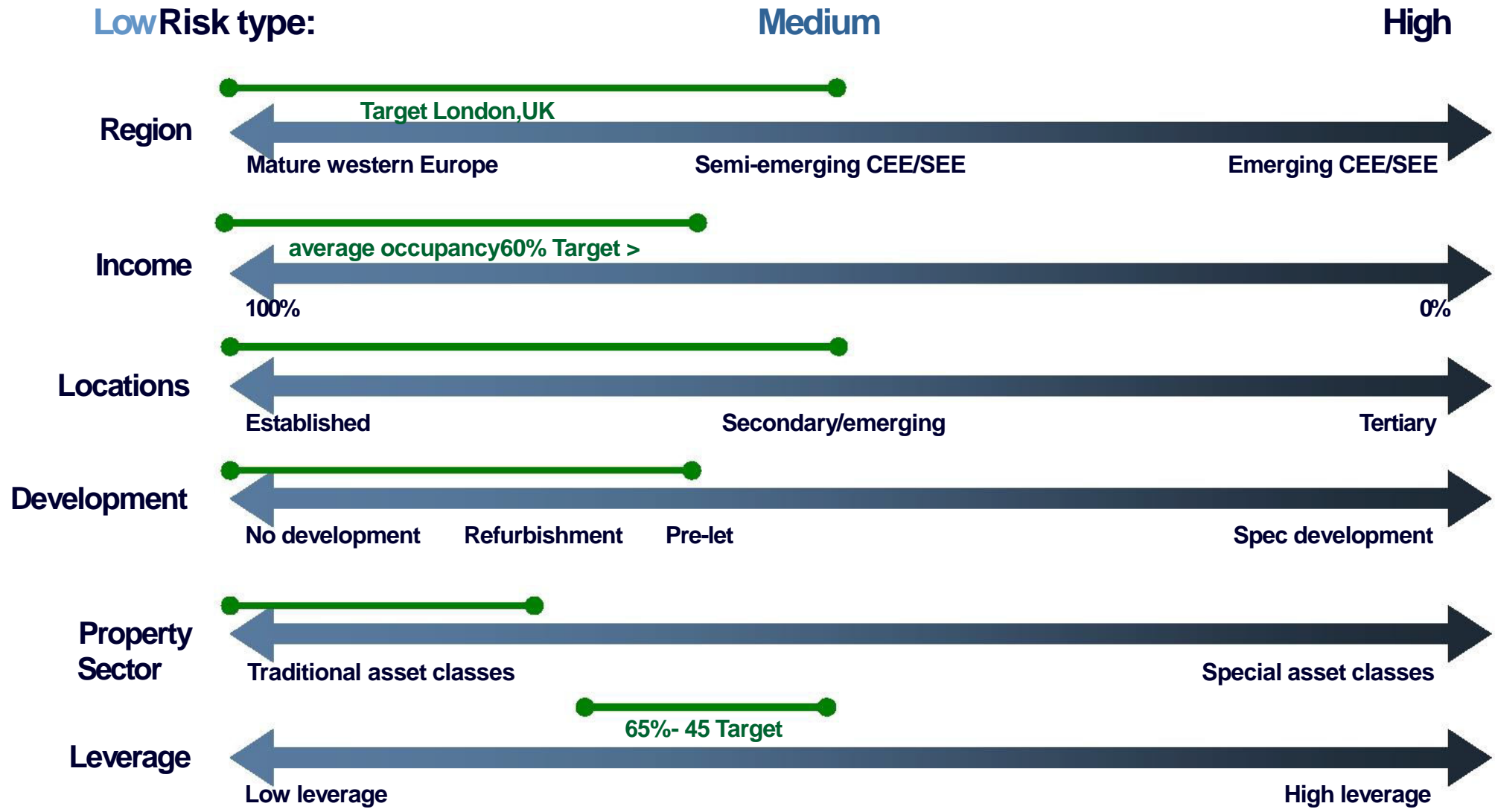
Strategy 2: Refinancing and financial engineering of the assets:

- Refinance or recapitalise the asset to improve yield on the equity
- Use of financial engineering such as inflation swaps to release the equity from the property and increase the return on equity

Strategy 3: Income Generation

- Acquire real estate which will provide long term quality high yield income
- Look to acquire the property with short term lease at a discount and modify lease and profile of tenants which will provide stable yield income.

LOW TO MODERATE RISK



KEY SUCCESS FACTORS

Sourcing

- Flexible approach focused on finding value without institutional constraints

- Network & strategic relationship/partners with other participants

Disciplined investment decision & alignment of interest

Financial engineering and structuring to lower cost of fund and increase yield

Ability to commit & close transaction in short timeframe

Post-acquisition renovation, execution & management

Portfolio risk management



Attractive risk/adjusted Investment Returns

Sample Investments in the United Kingdom



The Little Britain Complex, London EC1

Purchased of 474,205 sq ft. vacant prominently positioned London office complex.

Improved value by negotiating the lease with the City of London.

Obtained new planning permission.

Maximized value by increasing and optimizing floor plates, creating mix use planning including retail.

Refurbished the complex.

Created new identity for the complex and leased the complex to various tenants.



Farrington Point, London EC1

Purchased of 34,152 sq ft multi let office and retail complex represent 8,7% initial yield.

Improved value by negotiating the new leases with the tenants by extending the term and increasing rent.

Obtained a new planning permission for 13 residential units on the roof, totaling 9,117sq ft.

Negotiated section 106 with the Camden Council in London.

Sold the investment 14 months later with the benefit of the planning Permission.



Bouverie House, London EC4

56,000sq ft of vacant offices arranged over basement, ground and seven upper floors on 159-160 Fleet Street (BLP former Headquarters)

Increased value by obtaining a new long term lease from the Trust for London.

Obtained a new planning permission for additional 14,000 sq totaling 70,00 sq ft of offices and retail.

Sold the investment 7 months later with the benefit of the planning permission.



79 Mount Street, London W1

Purchased of 4,000 sq ft let office and building with short term tenancy.

Improved value by negotiating new leases with Grosvenor Estates

Obtained a new planning permission for change of use from the office building to residential house of 7,800 sq ft

Sold the investment 9 months later with the benefit of the planning permission.



Saffron Hill, London EC1

A former 1950s office building that was converted into luxury apartments. The original five upper floors have now been extended with three extra levels added and converted to form twenty five flats over eight floors.



Farringdon Rd, London EC1

30,000sq ft, redevelopment,
Acquired for a mixed office, retail and residential development.
Originally constructed in the mid 1950s - the building was
formerly occupied and used as a cheese factory.



West Heath Rd, Hampstead NW3

Purchase of 33,305 sq ft lot to develop 14 brand new luxury apartments (total of 30,000sq ft)

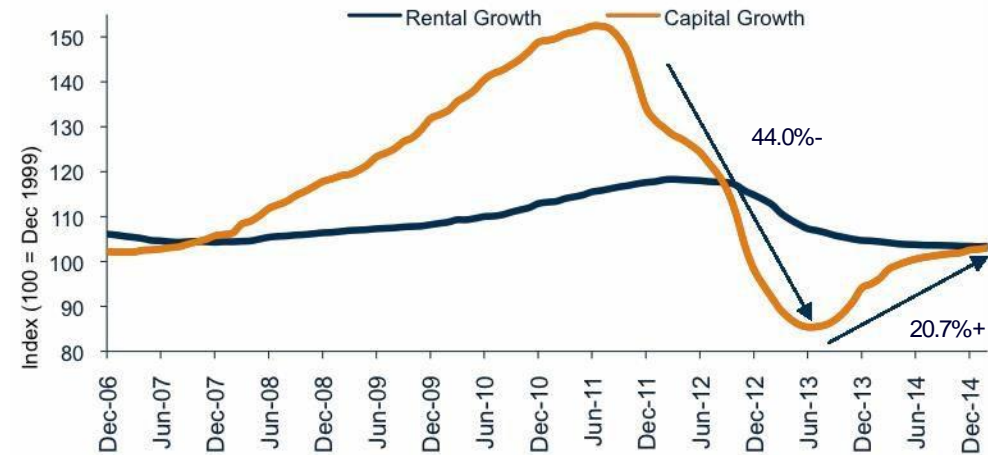
SAMPLE OF LONG TERM INVESTMENTS HELD

72Lloyds Assets
Williams Road, London NW1 New
Kent Road, London SE1 Borough
Road, Middlesbrough
Fore Street, Exeter
Sauchiehall Street, Glasgow
Greenbank Crescent, Aberdeen

2013 OPERATING ENVIRONMENT

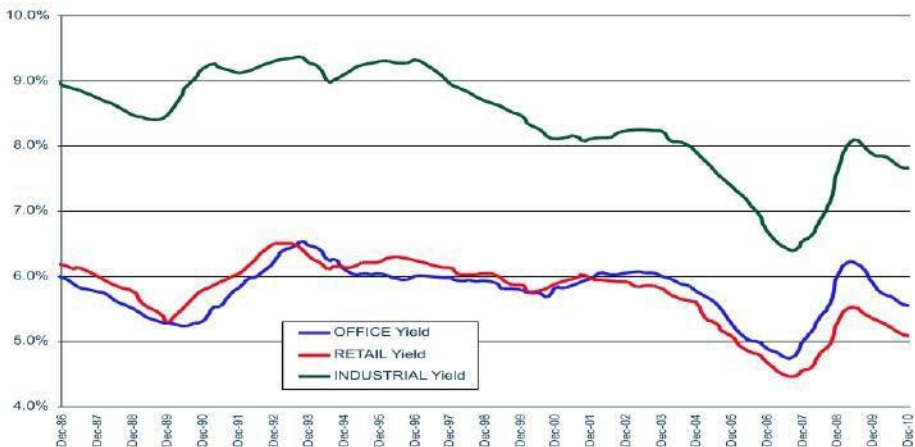
MARKETS NEAR CYCLICAL LOW

UK All Property Capital and Rental Growth



forecast2011 Source: CB Richard Ellis Monthly Index February

weighted average yield15 EU-



weighted average yield index15 Source: CB Richard Ellis EU-

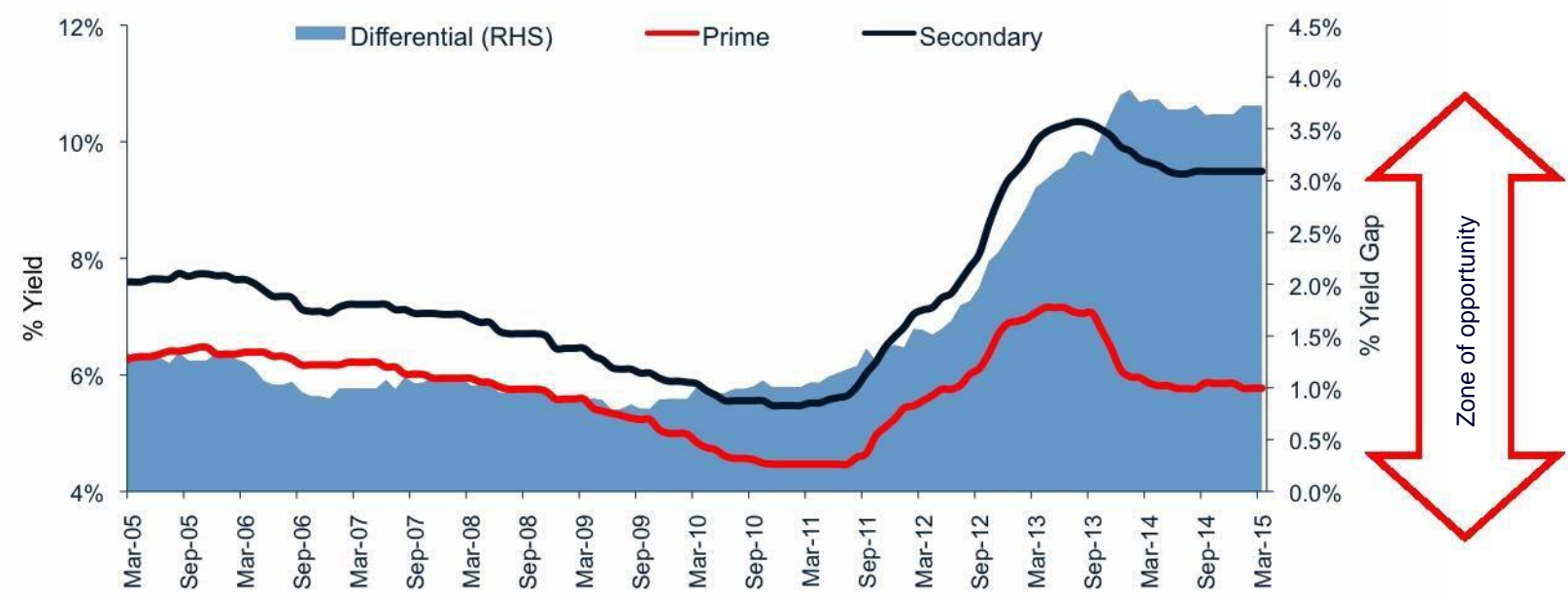
Capital values are at historic lows and often below replacement costs

Yields have stabilised, but falling in some markets

Inward yield movement for prime assets in 2013

INCOME WITH ENHANCEMENT OPPORTUNITIES PRICED ATTRACTIVELY

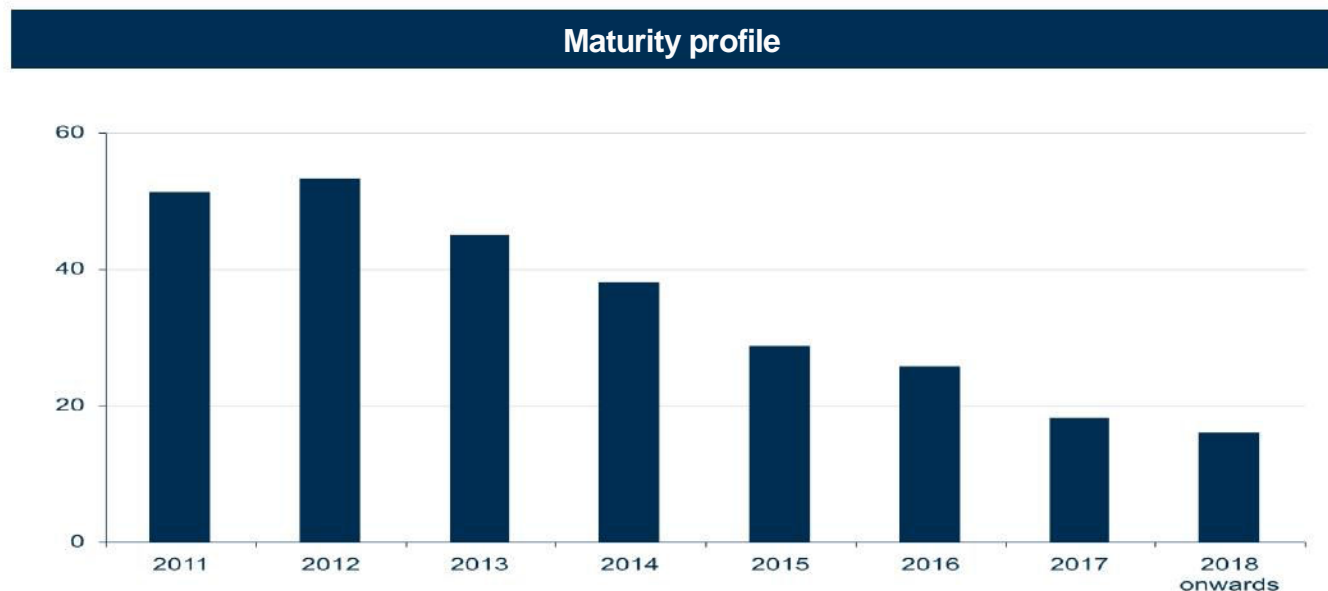
UK secondary yield vs. primary yield spreads



1 2011Source: CB Richard Ellis, Q

Historically wide yield spread for non-core assets

LARGE INVENTORY FROM BANKS



Source: CB Richard Ellis, De Montfort University

UK Banks will release bulk of property to market in 2013-2014

Risk of CMBS refinancing is worst in UK than US

£149 billion of debt matures in the next 3 years¹

IN SUMMARY: CYCLICAL LOW AND IMPROVING ECONOMY

Markets at cyclical lows. ...

- Cap rates have stabilised

- Capital values are at historic lows and often below replacement costs

- Historically wide yield spread for secondary assets

...BUT positioned for recovery....

- Lending is returning at moderate rates & risk free rate at historic lows

- GDP growth has turned positive and forecast to continue but bumpy recovery

- Business sentiment is improving

- Development pipeline is low

...WITH opportunities from motivated sellers

- Large inventory from banks

- Property companies/ funds that need to sell and/or recap



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