

Apex Investments
Bondholder Meeting II

13 March 2009
Riga, Latvia



STRATEGY: LEASE SECURITY



The cash flow is secured by:

Lease Security	Average Lease Term	Unbreakable Term
Retail side	4.8 years	3.2 years
Office side	3.8 years	2.2 years**
Weighted Average	4.5 years	2.9 years**

NEW BOND ISSUE: TERMS

Option A



Issuer:	New Holding Company SIA
Amortisation:	Cash Sweep
Coupon rate:	Step-up Structure: Year 1 – 6% Year 2 – 6% Year 3 – 8% Year 4 – 8% Year 5 – 8%
Call options:	At premium to achieve YTM of 11%
Final maturity date:	30 April 2014

NEW BOND ISSUE: TERMS

Option B



Issuer:	New Holding Company SIA
Amortisation:	Cash Sweep
Coupon rate:	Step-up Structure: Year 1 – 0% Year 2 – 4% Year 3 – 5% Year 4 – 6% Year 5 – 7%
Call options:	At premium to achieve YTM of 8%
Final maturity date:	30 April 2014

NEW BOND ISSUE: EQUITY KICKER

Option B



Extra payment at maturity:	Property is valued by Top Global appraiser (Colliers, DTZ, Jones LangSalle etc. with local representatives) at the end of 2013
“Equity”	Value of property - loan balance - bond balance
Equity kicker =	20% of “Equity” is paid to bond holders as additional payment on top of coupons and principal. Extra yield of around 4%-7%*
Funding	Refinance the bond with senior debt at 75%-80% loan to value (LTV)

* - if market yields for cash flow projects are 8-9%

NEW BOND ISSUE: EQUITY KICKER

Option C - Typical real estate fund



Coupon payments:	2%
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Asset management fee	1.5% a year
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Exit fee	3% one time fee
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Hurdle rate	11%
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Profit split	70% bond holders
	30% owners
