



BANK OF GEORGIA
HOLDINGS PLC

Affordable Housing

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September 2014

m² Real Estate Strategy

2014 – 2017 Strategy

Create a diversified real estate play in Georgia:

Create a hybrid real estate fund on the basis of m² assets focused on residential developments (its mainstream products targeting middle class and economy class buyers) and building portfolio of income generating assets (primarily high street retail locations)

IPO the real estate fund:

IPO the real estate fund on London Stock Exchange in 2016-2017

Create fund manager on the basis of m² Real Estate:

Retain control of m² Real Estate and transform it into a fund manager for the listed real estate fund

m² Real Estate strategy, cont'd

m²

Residential developments + income generating assets

Residential developments (mainstream):

- m² standard (mainstream product with unleveraged IRR of 35%+)
- m² optima (mainstream product with unleveraged IRR of 30%+)

Diversify m² Real Estate “core business” - residential developments - by capturing mass market with a new product line targeting families with lower purchasing power (US\$29K 1-bedroom turn key apartments in Tbilisi)

Residential Developments (selective):

- Develop opportunistically small scale but high margin luxury residential projects
- Targeted unleveraged IRR of 40%+

Selectively develop small scale but high margin luxury housing projects in Tbilisi, Georgia

Opportunistically acquire income generating properties:

- High street retail primarily with single good quality tenants
- Target annual asset yield: 12%

Opportunistically acquire and/or develop high street retail real estate with capital gain upside and create portfolio of high street retail properties with c.12% annual yield

m² Real Estate Performance

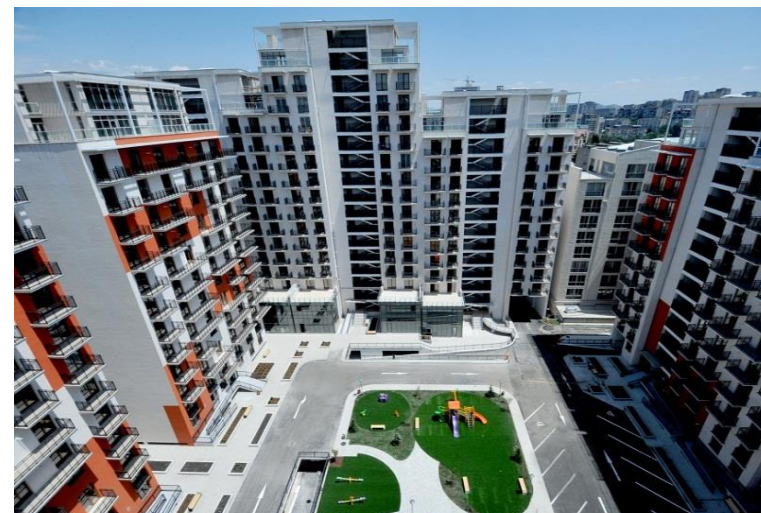
2014 Sale Results*

Project	Units	US\$	Apartments	
			sqm	Avg Price
13 Tamarashvili St.	41	4,539,240	3,703	1,226
25 Kazbegi Ave.	122	10,503,960	8,451	1,243
71 Nutsubidze St.	100	7,054,224	7,163	985
6 Tamarashvili St.	86	7,286,615	6,970	1,045
	349	29,384,040	26,287	1,118

2013 Sale Results

Project	Units	US\$	Apartments	
			sqm	Avg Price
13 Tamarashvili St.	242	21,107,708	17,696	1,193
68 Chubinashvili St.	6	530,712	529	1,003
25 Kazbegi Ave.	108	9,102,191	8,231	1,106
71 Nutsubidze St.	25	1,724,688	1,866	924
	381	32,465,299	28,322	1,146








* As of August 31, 2014










m2 Real Estate Performance, cont'd

Completed projects

68 Chubinashvili St. Project

-  Project status: completed (2010-2012)
-  No of apartments: 123
-  Total development cost : US\$8.2M
-  Sales progress: 100%
-  Project net income: US\$1.3M
-  Land value materialized: US\$0.9M
-  Project IRR: 47% (unleveraged)








13 Tamarashvili St. Project

-  Project status: completed (2012-2014)
-  No of apartments: 522
-  **Total development cost: US\$40.4M**
-  Sales progress: 97% (since 05/2012)
-  Project expected net income: US\$5.7M
-  Land value to be materialized: US\$5.4M
-  Project expected IRR: 46% (unleveraged)








Total no. of apartments - 645
Total size of the projects - \$49M

On-going projects

25 Kazbegi Ave. Project








-  Project status: expected completion in 10/2015
-  No of apartments: 295
-  **Total development cost: US\$20.4M**
-  Sales progress: 78% (since 12/2013)
-  Project expected net income: US\$6.6M
-  Land value to be materialized: US\$3.6M
-  Project expected IRR: 165% (unleveraged)

71 Vazha-Pshavela Ave. Project








-  Project status: expected completion in 08/2015
-  No of apartments: 221
-  **Total development cost: US\$14.8M**
-  Sales progress: 57% (since 12/2013)
-  Project expected net income: US\$2.2M
-  Land value to be materialized: US\$2.2M
-  Project expected IRR: 58% (unleveraged)

Total no. of apartments - 1,024
Total size of the projects - \$65M

6 Tamarashvili St. Project

-  Project status: expected completion in 04/2016
-  No of apartments: 270
-  **Total development cost: US\$18.5M**
-  Sales progress: **32%** (since 07/2014)
-  Project expected net income: US\$4.2M
-  Land value to be materialized: US\$2.7M
-  Project expected IRR: 71% (unleveraged)

Moscow Ave. Project

-  Project status: expected completion in 03/2016
-  No of apartments: 238
-  **Total development cost: US\$11.5M**
-  Sales progress: **0%** (sales not started yet)
-  Project expected net income: US\$ 0.9M
-  Land value to be materialized: US\$ 1.6M
-  Project expected IRR: **31%** (unleveraged)

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