

The Catalyst Cash-Out Option

Amsterdam, May 22, 2013

Amersfoort, May 23, 2013

**The Catalyst
Capital Group Inc.**



Introduction and Agenda

- The purpose of the information session:
 - To introduce you to Catalyst
 - To briefly explain the plan
 - To explain the Catalyst Cash-Out Option
 - To answer your questions

- Note: we look forward to answering your questions but we kindly ask that you keep them until the end of our presentation

- This information session is organised by Catalyst and is about the Catalyst Cash-Out Option



Introduction to Catalyst

- Catalyst is an institutional investment manager for pension funds, insurance companies, universities, charities and other long term stable investors with \$2.5 billion assets under management
- Registered with the Ontario Securities Commission (“OSC”), the government regulatory agency in Ontario, Canada, and the equivalent to the Netherlands National Regulator, AFM
- Catalyst has long-term locked up capital and a very patient approach to rebuilding companies
- Catalyst views Newco as a long term investment and expects to hold the investment for many years
- Catalyst is able and willing to ride out potential volatility in the real estate market, and has the capital and risk tolerance to even potentially sustain losses on its investment
- Catalyst is completely independent of Richard Homburg, Homburg Invest Inc. (HII) and any of their affiliates
- Catalyst foresees all conditions precedent will be met by Plan Implementation Date, currently contemplated to be 3 July 2013



Where Do We Stand Now?

- HII's restructuring plan was approved by the Canadian court in February 2013. Under the plan creditors will get a recovery for their bonds in two ways: 1) cash, and 2) shares in a new, smaller, restructured HII ("Newco")
- For your decision to be counted, you MUST fill out the proxy form and deliver it to the Monitor before May 29, 2013, or fill the same proxy in PERSON at the creditors' meeting on May 30, 2013
- In March 2013, HII conducted a court-supervised bidding process to find experienced institutional investors that would provide an option for those creditors that would not like to receive shares in Newco
- Catalyst submitted the best option of several experienced institutional investors in this process, and its option was selected by HII in consultation with the Monitor and the Trustee as the best option for creditors
- There will be a creditors meeting on May 30, where the creditors' votes will be counted. Creditors have two options; they can elect to receive cash from Catalyst or hold the Newco shares
- Under Catalyst's option ("Catalyst Cash-Out Option"), bondholders can sell the shares they would otherwise receive for cash payable within 10 business days of the plan closing scheduled for July 3, 2013



What is Your Choice as a Bondholder?

- Catalyst supports HII's court-approved Plan of Compromise and Reorganization and believes it to be the best option for creditors. The Trustee and Monitor have stated that if the Plan fails to be approved by 2/3rds of creditors, the Company will likely be forced into liquidation, resulting in lower recoveries for all bondholders
- As a bondholder, if you support the plan, you have two choices:
 1. Elect to sell your entitlement to receive shares to Catalyst for immediate cash
 2. Hold Newco shares



Elect to sell your shares

Estimated Recovery Rates of Affected Creditors	At Emergence		Post Emergence		Total	
	Low	High	Low	High	Low	High
	Cash		Cash		Cash	
HB4	6.18%	5.72%	25.44%	39.86%	31.62%	45.59%
HB5	17.98%	18.70%	5.73%	8.84%	23.71%	27.54%
HB6	20.56%	25.51%	2.91%	3.86%	23.47%	29.38%
HB7	4.91%	4.11%	40.76%	56.84%	45.67%	60.94%
Non-asset backed bonds	7.76%	8.57%	6.44%	9.94%	14.20%	18.51%
Unsecured creditors	7.02%	7.74%	5.84%	8.98%	12.86%	16.72%
	Shares (in cash)		Shares (in cash)		Shares (in cash)	
HB4	14.70%	12.72%	0.00%	0.00%	14.70%	12.72%
HB5	16.40%	16.94%	0.00%	0.00%	16.40%	16.94%
HB6	30.49%	30.23%	0.00%	0.00%	30.49%	30.23%
HB7	11.68%	9.13%	0.00%	0.00%	11.68%	9.13%
Non-asset backed bonds	18.45%	19.05%	0.00%	0.00%	18.45%	19.05%
Unsecured creditors	16.70%	17.21%	0.00%	0.00%	16.70%	17.21%
	Total		Total		Total	
HB4	20.88%	18.44%	25.44%	39.86%	46.32%	58.31%
HB5	34.38%	35.64%	5.73%	8.84%	40.11%	44.48%
HB6	51.05%	55.74%	2.91%	3.86%	53.96%	59.61%
HB7	16.59%	13.24%	40.76%	56.84%	57.35%	70.07%
Non-asset backed bonds	26.21%	27.62%	6.44%	9.94%	32.65%	37.56%
Unsecured creditors	23.72%	24.95%	5.84%	8.98%	29.56%	33.93%

Homco 61 - Plan						
<u>Unsecured creditors</u>						
Cash	8.85%	9.39%	7.36%	10.89%	16.21%	20.28%
Shares (in cash)	<u>21.05%</u>	<u>20.87%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>21.05%</u>	<u>20.87%</u>
Total	29.90%	30.26%	7.36%	10.89%	37.26%	41.15%



Elect to hold your shares

HII Consolidated						
Estimated Recovery Rates of Unsecured Creditors						
In Euros (000)	At emergence (June 30, 2013)		Post-Emergence		Total	
	Low	High	Low	High	Low	High
Estimated net realization value for unsecured creditors						
Cash	29,331	30,830	13,155	14,654	42,486	45,484
Net cash available from the sale of Non-Core Assets	10,606	11,918	20,033	34,907	30,639	46,825
Shares	162,108	162,108	-	-	162,108	162,108
	202,045	204,856	33,188	49,561	235,233	254,417
Unsecured creditors	568,780	552,130	-	-	568,780	552,130
Estimated dividend	35.52%	37.10%	5.83%	8.98%	41.36%	46.08%
Estimated Recovery Rates of Affected Creditors						
	At emergence		Post-Emergence		Total	
	Low	High	Low	High	Low	High
Cash						
HB4	6.18%	5.72%	25.44%	39.86%	31.62%	45.59%
HB5	17.98%	18.70%	5.73%	8.84%	23.71%	27.54%
HB6	20.56%	25.51%	2.91%	3.86%	23.47%	29.38%
HB7	4.91%	4.11%	40.76%	56.84%	45.67%	60.94%
Non-asset backed bonds	7.76%	8.57%	6.44%	9.94%	14.20%	18.51%
Unsecured creditors	7.02%	7.74%	5.84%	8.98%	12.86%	16.72%
Shares (in shares)						
HB4	25.09%	21.70%	0.00%	0.00%	25.09%	21.70%
HB5	27.99%	28.90%	0.00%	0.00%	27.99%	28.90%
HB6	52.03%	51.59%	0.00%	0.00%	52.03%	51.59%
HB7	19.93%	15.58%	0.00%	0.00%	19.93%	15.58%
Non-asset backed bonds	31.48%	32.51%	0.00%	0.00%	31.48%	32.51%
Unsecured creditors	28.50%	29.36%	0.00%	0.00%	28.50%	29.36%
Total						
HB4	31.27%	27.43%	25.44%	39.86%	56.71%	67.29%
HB5	45.96%	47.61%	5.73%	8.84%	51.69%	56.44%
HB6	72.59%	77.10%	2.91%	3.86%	75.50%	80.97%
HB7	24.84%	19.69%	40.76%	56.84%	65.60%	76.52%
Non-asset backed bonds	39.23%	41.08%	6.44%	9.94%	45.68%	51.02%
Unsecured creditors	35.52%	37.10%	5.84%	8.98%	41.36%	46.08%
Homco 61 - Plan						
Unsecured creditors						
Cash	8.85%	9.39%	7.36%	10.89%	16.21%	20.28%
Shares (in shares)	35.92%	35.62%	0.00%	0.00%	35.92%	35.62%
Total	44.77%	45.01%	7.36%	10.89%	52.13%	55.90%



Why Elect to Sell to Catalyst?

- Under Catalyst's option, bondholders can sell their entitlement to receive shares in Newco for cash payable within 10 business days of the plan closing scheduled for July 3, 2013
- HII conducted a competitive court supervised bidding process and Catalyst was selected as the best option for creditors.
- Shares have entirely different risk profile than bonds. Unlike bonds you will not receive a guaranteed coupon and shares will be more volatile in price. You will also be subject to Newco's business risks and the market risks of trading shares
- Catalyst has a long-term investment horizon. We are willing and able to accept the extensive risks of investing in Newco, and are able to absorb possible losses



Our Offer is the Best Offer for the Shares

- Catalyst's offer is based on a price of EUR95 million for 100% of the Newco shares, which is the best option HII received from experienced institutional investors in its court-supervised process. HII and the Monitor did not have to accept the offer if it didn't think it was beneficial to bondholders
- Catalyst's bid represents 59% of the Newco common shares forecasted equity value; however, Newco's starting balance sheet forecasted equity value does not represent the price at which Newco shares may be sold in the market. It is impossible to predict the amount for which the Newco shares can be sold after the initial three-month holding period. As an example the shares of many similar, larger, dividend-paying European real estate companies trade at less than 59% forecasted equity value
- Catalyst's offer is in line with this ratio, and is even higher compared to the ratio of many other more-established real estate companies, even though Newco is not expected to pay a dividend and is just emerging from restructuring
- Moreover, the risk profile of Newco shares is very different than bonds which pay a regular coupon and interest, and they will also fluctuate much more in price

(EUR millions unless otherwise noted)

Company	Country	Total Assets	Real Estate Assets	Book Common Equity Value	Market Cap	Price / Book	Dividend Yield
Prime Office REIT AG	GER	1,031.6	908.4	389.1	218.2	0.56x	5.7%
Alstria Office REIT	GER	1,786.9	1,628.3	829.3	761.5	0.92x	5.6%
DIC Asset AG	GER	2,210.2	1,847.4	612.8	390.9	0.64x	4.2%
IVG Immobilien	GER	6,130.8	3,823.7	1,279.4	72.7	0.06x	0.0%
ORCO Germany SA	GER	634.8	504.7	158.2	84.1	0.53x	0.0%
Nieuwe Steen Investments NV	NED	2,147.9	2,039.9	666.9	394.1	0.59x	8.1%
Corio NV	NED	7,631.0	6,738.3	4,082.5	3,377.6	0.83x	7.9%
VastNed Retail NV	NED	2,003.5	1,933.0	903.3	677.5	0.75x	7.5%
Wereldhave NV	NED	3,004.0	2,317.5	1,389.5	1,225.8	0.88x	6.1%
Bever Holding NV	NED	134.2	106.9	87.0	32.1	0.37x	0.0%
Plaza Centers NV	E. Europe	958.0	781.0	374.3	77.5	0.21x	0.0%
Total Mean						0.58x	4.1%
Total Median						0.59x	5.6%
Newco	NED	616.2	613.1	162.1	95.0	0.59x	0.0%

Source: Capital IQ, Bloomberg.



Conclusion and Q&A

- For your decision to be counted, you **MUST** fill out the proxy form and deliver it to the Monitor before May 29, 2013, or fill the same proxy in **PERSON** at the creditors' meeting on May 30, 2013
- If you vote in favour of the plan you will have the ability to select the Catalyst Cash-Out Option. Our option was selected as the best option for creditors received from experienced institutional investors in a court-supervised bidding process
- If you decide to accept the option, you will receive a cash consideration for your entitlement to receive shares in the Newco. You will get a guaranteed amount of cash upon selling your entitlement to receive shares and are still eligible for the other future cash components to be distributed by the company
- Catalyst has a long-term investment horizon. We are willing and able to accept the risks of investing in the Newco, and able to absorb possible losses
- We expect to hold our investment in Newco for several years, giving us a totally different risk profile than an average bondholder who had expected a safe investment

- **QUESTIONS?**



Filling Out Your Proxy Form

PLANVOLMACHT

BETROKKEN SCHULDEISERS (NIET ZUNDE CONVENIENCE CLASS. SCHULDEISERS EN KIEZENDE SCHULDEISERS) DIE EEN GEVOLMAGTIGDE WILLEN AANSTELLEN OM DE SCHULDEISERSVERGADERING HI/SHARECO BIJ TE WONEN EN OP DEZE VERGADERING TE STEMMEN, MOETEN HET BOVENSTE GEDEELTE VAN DIT VOLMAGTFORMULIER INVULLEN.

BENOEMING VAN GEVOLMAGTIGDE EN STEM

Door één van de drie onderstaande vakjes aan te vinken, herroept de ondergetekende Betrokken Schuldeiser alle eerder gegeven volmachten en benoemt hij, wijst en stelt hij aan ofwel *(wanneer u geen vakje aanvinkt, zal de Monitor als uw gevolmachtigde optreden)*:

- _____ (naam van gevolmachtigde), of
- een vertegenwoordiger van **Samson Balfour Deloitte & Touche Inc.**, in zijn hoedanigheid als Monitor, of
- een vertegenwoordiger van **Stichting Homburg Bonds**, in zijn hoedanigheid als trustee ingevolge het *Corporate Bond Trust Indenture of Mortgage Bond Trust Indenture*, zoals van toepassing

Gelieve aldus aan te vinken.

Indien u de Gewone Aandelen Newco Cash-Out Optie kiest, wordt u overigens om die reden geacht vóór te stemmen (zie onderdeel 5 van de aanwijzingen voor het invullen van de volmacht).

ge bevoegdheid van substitutie, voor het bijwonen, stemmen en anderszins op de Schuldeisersvergadering HI/Shareco en op mogelijke Stemrechtverandering van de Betrokken Schuldeiser, op het bedrag van de Stemrechtverandering van de Betrokken Schuldeiser, op het bedrag van de rechten die hierbij worden verleend te beperken, als gevolg van de instructie van de gevolmachtigde specifiek de instructie om te stemmen zoals hieronder aangegeven. Het is de plicht van de Betrokken Schuldeiser op het Plan en de Stemrechtverandering te stemmen op de dag van de vergadering, uitstel of verplaatsing daarvan en om krachtens het Plan en de Stemrechtverandering van de Betrokken Schuldeiser als volgt te stemmen (*vink slechts één vakje aan*):

Gelieve plaats en datum in te vullen.

Te stemmen **VOÓR** goedkeuring van het Plan Te stemmen **TEGEN** goedkeuring van het Plan

Wij wijzen u er op dat indien hierboven geen keuze wordt gemaakt en de Betrokken Schuldeiser de Monitor als zijn gevolmachtigde heeft aangesteld, de Betrokken Schuldeiser wordt geacht **VOOR** goedkeuring van het Plan te hebben gestemd op de Schuldeisersvergadering HI/Shareco.

Gedateerd te _____ op _____, 2013.

Handtekening Betrokken Schuldeiser:

(Juridische naam van de Betrokken Schuldeiser)

(Handtekening van de Betrokken Schuldeiser of een gevolmachtigde vertegenwoordiger van de Betrokken Schuldeiser)

(Naam en functie/relatie van een gevolmachtigde vertegenwoordiger van de Betrokken Schuldeiser, indien van toepassing)

(Postadres van de Betrokken Schuldeiser)

(Telefoonnummer van de Betrokken Schuldeiser of een gevolmachtigde vertegenwoordiger van de Betrokken Schuldeiser)

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Filling Out Your Proxy Form – Catalyst Cash-Out

CASH-OUT KEUZEFORMULIER

LEES VOORDAT U DIT FORMULIER INVULT EERST DE INFORMATIEBRIEF, WAARONDER DE DELEN GETITELD “BESCHRIJVING VAN HET HII/SHARECO PLAN GEWONE AANDELEN NEWCO CASH-OUT OPTIE” EN “GESCHATTE VERHAAL (OPBRENGST) DOOR BETROKKEN SCHULDEISERS EN KIEZENDE SCHULDEISERS INGEVOLGE HET HII/SHARECO PLAN EN DOOR BETROKKEN SCHULDEISERS HOMCO 61 EN KIEZENDE SCHULDEISERS INGEVOLGE HET HOMCO 61 PLAN”, ALSMEDE HET BIJHORENDE RAPPORT VAN DE MONITOR TER ONDERSTEUNING VAN DE PLANNEN. DEZE DOCUMENTEN BEVATTEN BELANGRIJKE INFORMATIE MET BETREKKING TOT DEZE OPTIE.

In verband met het Tweede Gezamenlijke Gewijzigde en Herzien Plan of Compromise and Reorganization van Homburg Invest Inc. en Homburg Shareco Inc. krachtens de *Companies' Creditors Arrangement Act* (Canada) en de *Business Corporations Act* (Alberta) d.d. 3 mei 2013 (zoals van tijd tot tijd gewijzigd, herzien, aangepast en/of aangevuld: het “Plan”) kiest ondergetekende hierbij voor het volgende:



Voor het ontvangen van de Gewone Aandelen Newco Cash-Out Optie (aangeboden door Catalyst). De ondergetekende maakt deze keuze met betrekking tot zijn Evenredig Aandeel in Gewone Aandelen Newco ingevolge het Plan. Door voor deze optie te kiezen:

- (i) bevestigt ondergetekende dat hij zijn evenredige aandeel zal ontvangen in het Volledige Definitieve Cash-Out Bedrag Gewone Aandelen Newco, en zijn Evenredig Aandeel in de Cash Pool en de Cash Pool Activa-Uitwinning, en geen ander recht op de Gewone Aandelen Newco;
- (ii) geeft ondergetekende opdracht en wordt hij geacht onherroepelijk opdracht aan Newco te hebben gegeven diens Evenredig Aandeel in Gewone Aandelen Newco uit te geven krachtens en in overeenstemming met de Instructiebrief die door Catalyst in overeenstemming met het Plan aan de Monitor wordt verstrekt; en
- (iii) verklaart en garandeert ondergetekende dat hij het vereiste recht en de vereiste hoedanigheid en bevoegdheid heeft de Keuze voor Gewone Aandelen Newco Cash-Out Optie te maken en dat hij de vereiste toestemmingen en goedkeuringen heeft ontvangen zodat Catalyst bij uitgifte van de Gewone Aandelen Newco de onbezwaarde en vrije eigendom daarvan verkrijgt.

**Gelieve aldus
aan te vinken.**

