

*May 2013*



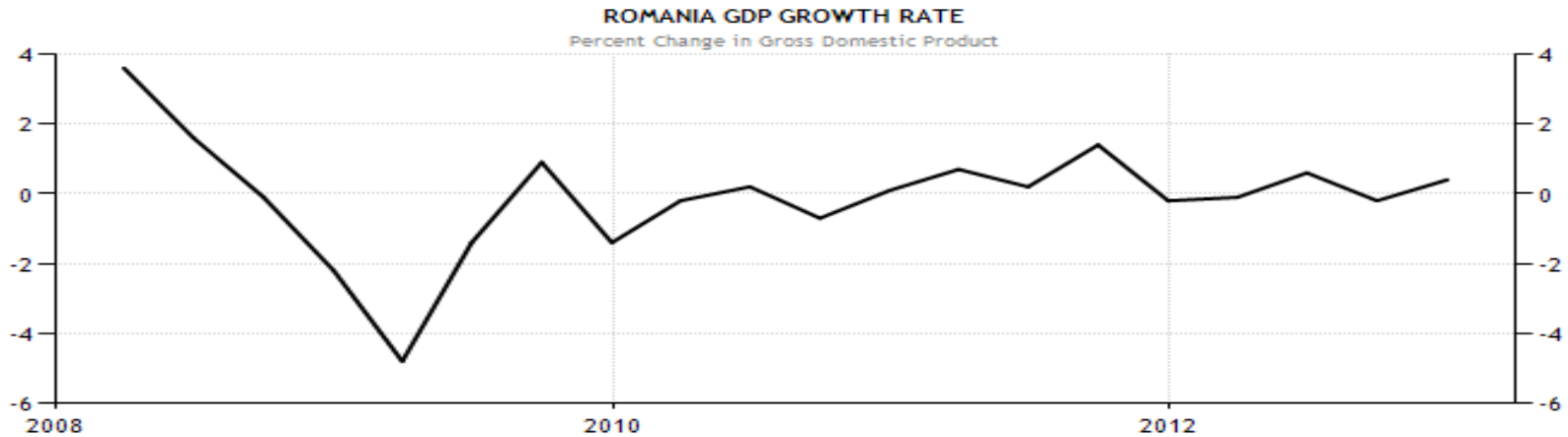
*Opportunities in distressed times*



# **MAMAN GROUP PROFILE**

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- ***Largest logistics group in Israel***
  - ***Maman group core business - logistics, cargo and aviation services, real estate***
  - ***Number of employees - 2,100***
  - ***Active in CEE since year 2000***

## *Global Economic crisis effects all....*

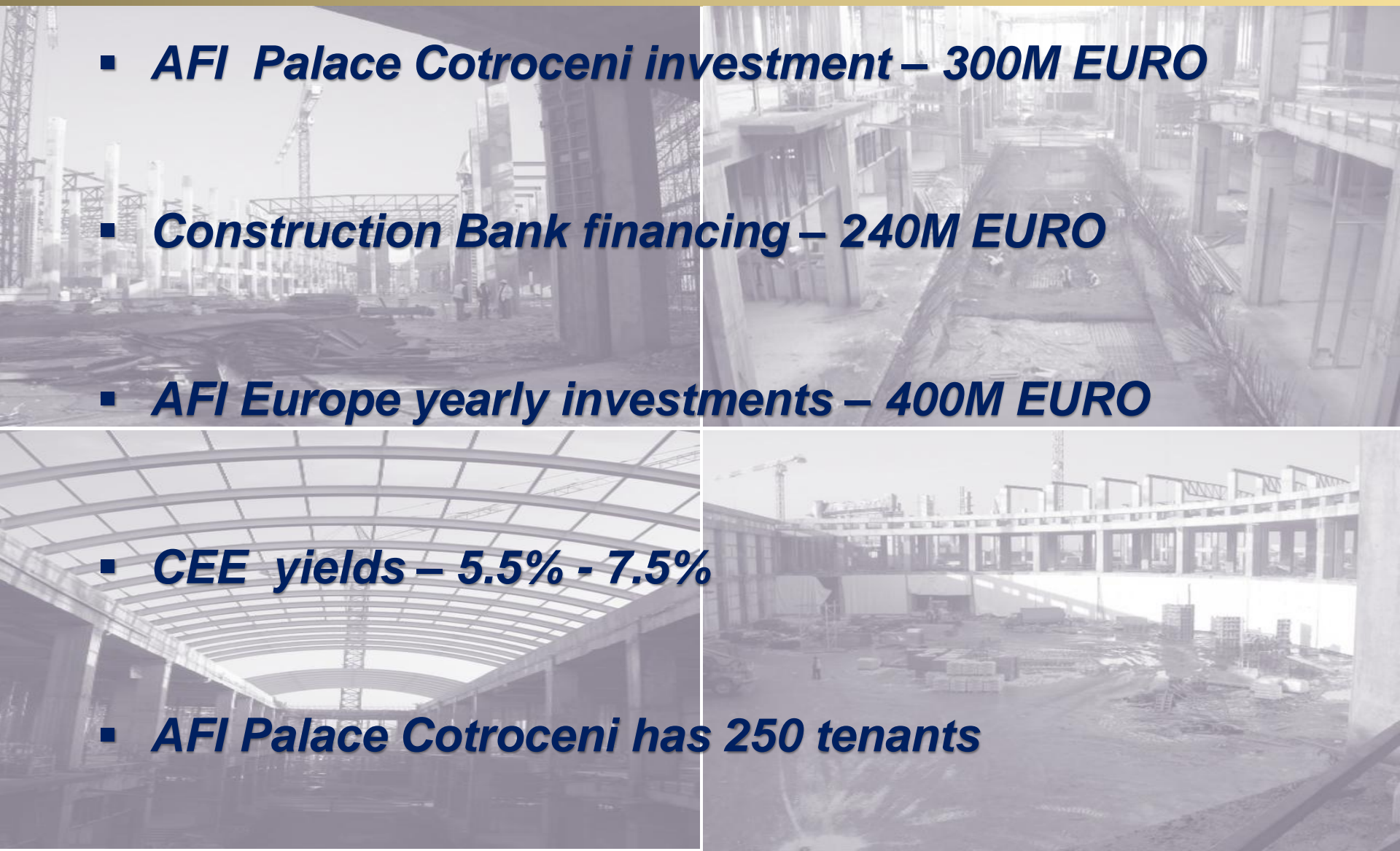


SOURCE: WWW.TRADINGECONOMICS.COM | NATIONAL INSTITUTE OF STATISTICS

***Romania of 2007 and Romania of 2013  
is not the same country (Economically)***



# ***Economic Growth - 2008***

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- ***AFI Palace Cotroceni investment – 300M EURO***
  - ***Construction Bank financing – 240M EURO***
  - ***AFI Europe yearly investments – 400M EURO***
  - ***CEE yields – 5.5% - 7.5%***
  - ***AFI Palace Cotroceni has 250 tenants***

# ***2013 – 5 years since crisis begun***

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- ***Constructions finance – almost doesn't exist***
  - ***25% of AFI Palace Cotroceni tenants changed during 3.5 years***
  - ***International investors less interested in Romania***
  - ***Competition of attention with countries with solid image (Germany, Poland, Czech and other CEE)***

# ***Investment strategy must change***

**Change in the world financial market**



**Change in the investment strategy and targets**



- **Targeting more solid and basic segment that is more stable**
- **Targeting central geographical location (Romania)**
- **Targeting market that trade more with the CIS countries**
- **Local market is a factor that should be taken under consideration**



**Changing the balance of investment from real estate to logistics**

# ***New investments / M&A “golden rules”***

- **Dedicated M&A team specializing in the region**
- **Only active companies**
- **Positive EBITDA**
- **Higher yields then Poland / Czech / Germany**
- **Focus on companies with attractive expansion plan that lack equity / know how**
- **Focus on companies that show high ROE – connect acquisition to refinancing of debt**





# ***Change in Real Estate investment policy***

- **Central locations only (AFI palace offices, mall in central Ploiesti)**
- **Much less development, more yielding properties**
- **Splitting developments into more phases**





# *In mall management*

- Longer leases < > lower rent
- Base rent < > turnover rent
- Blue chip clients < > lower rent
- Mid class clientele approach < > high class



# *last M&A deal we did in Romania - **IBT***

- Acquisition of control of **IBT – transportation and logistics**
- Positive EBITDA and profit in all years
- Blue chip clients (P&G, Michelin, Knauf, Intersnack ect.)

- Strong local management with group control. High incentive plan

- No debt



# ***What is the future looks like ?***

**Only god knows**

**But.....**



**We think that the above policy improves chances of promising profits in the coming years**



***THANK YOU  
FOR YOUR ATTENTION***

