

## **Report of the Board of Directors**

**Report of the Board of Directors on the Increase in the Share Capital of "TRASTOR REAL ESTATE INVESTMENT COMPANY" by payment in cash, through pre-emption right to existing shareholders and issuance of new ordinary shares, in accordance with Article 9 para. 1 of Law 3016/2002 and paras. 4.1.4.1.1 and 4.1.4.1.2 of the Athens Exchange Rulebook.**

**To the Extraordinary General Meeting of shareholders of 01/07/2016, or any repeat meeting, following adjournment or discontinuation thereof**

Dear Shareholders,

**1. Share Capital Increase - Terms of Increase** Pursuant to resolution dated 9th June 2016, the Board of **TRASTOR REAL ESTATE INVESTMENT COMPANY S.A.** (the "Company") proposes to the General Meeting of Shareholders the increase in the share capital of the Company for the purpose of raising capital totalling EUR 24,082,215.30 (hereinafter the "Increase") by payment in cash, through the issuance of 30,874,635 new ordinary registered voting shares with a nominal value of EUR 0.50 each (the "New Shares") and at a proposed issue price of EUR 0.78 per new share and by granting a pre-emption right to existing ordinary shareholders in a ratio of 9 new shares for every 16 old shares. The resulting difference between the issue price and the total nominal value of the New Shares, i.e. a total amount of EUR 8,644,897.80 will be credited to the account of the Company's equity capital "Share premium".

As to the disposal of the New Shares, the Board of Directors recommends as follows:

Granting a pre-emption right to:

- (i) all existing holders of ordinary shares of the Company at the relevant Record Date to be determined and announced by the Board of Directors, in accordance with the procedures described in the Athens Exchange Rulebook, and
- (ii) those who will acquire a pre-emption right in the period of their trading on the Athens Stock Exchange.

Furthermore, in the event where, there are unsold New Shares after exercising the pre-emption right (the "**Unsold Shares**"), it is recommended to apply the following:

- (i) Granting a subscription right to those who have exercised their pre-emption right (the "**Beneficiaries**") to acquire up to 1.40 Unsold Shares for each subscribed New Share at Issue Price.
- (ii) If the number of Unsold Shares is not sufficient to satisfy the Beneficiaries' demand completely, then they will be satisfied proportionally based on the number of Unsold Shares which they will have requested and until complete exhaustion of demand.
- (iii) If, finally, after the above, there are Unsold Shares, the Board of Directors shall be entitled to sell them at its discretion, otherwise the Company's share capital will be increased up to the amount of final subscription, pursuant to Article 13A of Codified Law 2910/1920.

**2. Report Figures in accordance with the provisions of Articles 4.1.4.1.1 and 4.1.4.1.2 of the Athens Exchange Rulebook**

## **2A. Report on use of funds raised from the previous increase in the Company's share capital**

The previous increase in the Company's share capital, from which funds amounting to EUR 24,910,000 were raised, took place following resolution of the Extraordinary General Meeting of shareholders dated 28th April 2005 and was certified by resolution of the Company's Board of Directors dated 22th June 2005.

The above funds raised were expended by 30th June 2006 as follows:

Amounts in thous. €	FUNDS RAISED TO BE EXPENDED (in accordance with the Bulletin)			FUNDS EXPENDED		Remaind er to be expended
	2nd Semeste r 2005	1st Semeste r 2006	Total	2nd Semester 2005	1st Semester 2006	
Investing in Income Properties to be used as a Professional Space or for other Professional or Industrial Purpose	14,946	9,946	24,910	13,020	9,104 (2)	0
Investing in Cash	0	0	0	0	2,786 (3)	0
<b>Total</b>	<b>14,946</b>	<b>9,964</b>	<b>24,910</b>	<b>13,020</b>	<b>11,890</b>	<b>0</b>

## **2B. Investment Plan - Investment plan implementation schedule - Destination of funds to be raised**

The Company intends to invest the net capital resulting from the proposed Increase in accordance with the provisions of Law 2778/1999, as applicable, and in accordance with its investment policy and strategy.

The fundamental investment objective of the Company, both with respect to the Increase and in general, is to create long-term value for its shareholders, through its main activity, i.e. commercial investments mainly in real estate, such as office buildings, shops, storage and industrial areas, tourism properties, etc., in geographically high commercial areas, if conditions allow, of both the capital market and the real estate market.

Individual investments to be made by the Company have not yet been fully identified and, therefore, it is not possible to set them out in detail in this report. The Company, however, is committed to providing the information required in paragraph 4.1.4.1.2 (4) of the Athens Exchange Rulebook at the time of carrying out the above investments and complying with all regulatory obligations arising from the applicable law.

## **2C. Statements by Main Shareholders that participate simultaneously in the Board of Directors or the management of the Company.**

Piraeus Bank, the main shareholder of the Company, stated to the Company's Board that, following the sale of 18,551,880 Company shares held by Piraeus Bank, which correspond to 33.8% of the Company's share capital, to WERT RED Sàrl, it will not exercise at the forthcoming increase of the Company's share capital (the "**Increase**"), its pre-emption right corresponding to its participation interest in the Company after the above sale, as part of its restructuring plan implementation. In addition, Piraeus Bank stated that it will retain (a) its remaining participation interest in the Company (57.91%) after the above sale for a period up to completion of

the Increase and the listing of the new shares on the Athens Stock Exchange, and (b) at least 90% of its remaining participation interest in the Company, as it will have been formed after completion of the Increase, for a period of at least six (6) months from the commencement of trading of the new shares.

## **2D. Issue Price**

The Board of Directors proposes that the issue price of new shares be set to EUR 0.78 per New Share (the "**Issue Price**"). The Company's Board of Directors proposes to the General Meeting that the Issue Price can be higher than the market price at the record date or other critical time under the applicable provisions.

THE BOARD OF DIRECTORS

ATHENS, 09/06/2016