

August 1, 2012
Stockholm

Offer to potential Hotel Investors and Developers

Dear Sirs,

We, NAI REA Caucasus LLC see tremendous potential in development of city, resort and regional hotels in Georgia. Emphasis is demand on selective service hotels, condo hotels at resorts and budget hotels chain in regions.

Market

It is observable that hotel market is one of the most advanced segment in Georgian Real estate Market.

By attracting international hotel brands market proved that it is wealthy and has a potential to emerge. At this extent it is worth to say that though hotel supply in Tbilisi and Batumi is well represented by mature players (5 international brands in Tbilisi and 3 in Batumi) the pipeline with 6 new brands and 3000 rooms just in these two towns proves that investors and operators outlook is very optimistic.

Georgia's growing touristic potential persistently supported by the Georgian government through amongst others establishing better infrastructure, business friendly environment and tax and other benefits attracts both local and foreign investor and therefore there is demand for hotel development and post development services.

Necessity of involving specialist

It is known that Hotels are considered to belong to the most complex investment types within the real estate industry.

In order to achieve a long-term increase in value an intense cooperation between the owner and operator is required. Unfortunately the interests and goals of the parties often diverge, a hotel management contract often favors the operator who can have a tendency to overspend, to create ever more lavish hotels offering more services and amenities, thus ensuring the brand's continuing acceptance in the consumers market;

Professional development and asset management should secure and safeguard the owner's interests and

- ensure that a hotel is acquired, constructed or reconstructed for a market-conform price, is operated professionally and, last but not least, is sold at the right point in time for the right price.
- mediate between the different interests and goals of the owner and operator, while taking the special aspects of the hotel business into account thus supporting the owner over the entire life cycle of a hotel with continual consultancy and expert know-how.

Remember the best (and therefore probably selected by owner) hotel management companies are supranational giants, they have legal power to defend their interest through highly qualified professionals, You want to safeguard your interest? You should relay also on professional advisors! .

Offer

We have hotel operational and asset management experience and therefore know both from an owner's and an operator's point of view to how hotels work and should perform. Therefore we can assist in maximizing profit, minimizing risk and enhancing the management of the asset(s).

We know the Georgian real estate and especially hotel market well. We are continuously monitoring market demand, existing supply and pipeline.

We advise in the development of new hotels, and work with developers, architects and other development team members to conceptualize the optimal lodging product for a particular site and to find the right brand be it for management or franchise.

Our experience in working with hotel developers/investors/owners have shown that a preferred solution is to offer **integrated package** covering all aspects of hotel development and operations.

Hotel development and management services package we offer includes but not limited to:

- Market assessment and initial concept study
- Advice on site selection and acquisition, zoning and development limitations
- Advice on hotel type selection
- Advice on branding (affiliation, franchise or management contracts)
- Advice on existing property conversion to hotel
- Brand selection
- Feasibility, Market and Concept Studies
- Preliminary Designs
- Technical Assistance
- Assistance in selection and procurement of FF&E and OS&E
- Assistance in selection and installation of buildings management systems
- Architect and General contractor selection
- Preparation of offering memorandums, Budgets and Proformas
- Development management
- GM hiring, executive search
- Preopening services
- Post-opening services
- Asset (and Property) Management

Should you be interested in hotel development in Georgia and desire to discuss our offer in more detail please advise at your earliest dates and times suitable for you to meet by email to thomas.foehrer@rea-caucasus.com or please call or email me +43 664 2533719 or my partner Levan vachnadze +995 599 579500,

With best regards,

NAI REA Caucasus LLC



Thomas Foehrer

Managing Partner



About NAI REA Caucasus hotel background

NAI REA Caucasus, only full service internationally branded real estate advisory and management company and NAI Global's (www.naiglobal.com) partner in Georgia, is owned and managed by professionals each having more than 20 years of experience in the hospitality and tourism industry.

Our senior partner

- was the managing director of Marco Polo Hotels & Resorts the first international hotel chain in the former Soviet Union, who developed, built, was a shareholder, initially provided the operative management and later the asset management for its hotels of which one was the now Sheraton Metechi Palace Hotel in Tbilisi.
- is advising owners, investors, funds, managers and operators on feasibility, concept, development, operation, sale & purchase, financing & refinancing of hotels, establishment of hotel fund(s), selection of management, franchisees, lessees and negotiation of these agreements in Austria, Georgia, Germany, Poland, Russia and the UK for amongst others;
 - SALANS
 - IKEA
 - PANDOX
 - Foremost Hospitality
 - Prime Income Asset Management
 - REGUS
 - AEDIFICUM Capital
 - SHIVA Hotels
 - Starwood,
 - Scandic
 - Kempinski
 - Marriot
 - Intercontinental
 - Radisson Hotels,
 - Bank Austria,
 - Creditanstalt,
 - Raiffeissen,
 - OEKB
 - Aaeral Bank
 - Georgia
 - ORBI Group
 - KBN Property
 - REDIX
 - Free Uni
 - IliiaUni
 - Telenet
- was renting and managing the Sport Hotel Gudauri until 2008.



About NAI Global

NAI Global was founded in 1978 as one of the industry's first commercial real estate networks.

Numbers that add up to success.

#1 Global Broker of the Year Private Equity Real Estate Magazine	#1 Real Estate Network Watkins Research Group Survey of Corporate Real Estate Executives	#3 Corporate Services Provider Watkins Research Group Survey of Corporate Real Estate Executives
#4 Top 25 Real Estate Brands The Lipsey Company	#6 Top 25 Brokerage Organizations National Real Estate Investor Magazine	#9 Top 25 Property Managers National Real Estate Investor Magazine

We're proud of these accomplishments because they reflect our commitment to our clients' success. With 5,000 professionals in 55 countries, NAI Global has the vast resources and business savvy to meet all of your commercial real estate needs. Our professionals offer intimate local market knowledge and a collaborative approach to client services, delivering results that help your business grow.

It's never too soon to prepare for your next success. Visit www.naiglobal.com today.



Commercial Real Estate Services, Worldwide.

Today NAI Global is one of the largest commercial real estate service providers worldwide. Headquartered in Princeton, New Jersey, NAI Global manages a network of 325 offices and 5,000 agents in 55 countries around the world. NAI professionals complete over \$40 billion in commercial real estate transactions annually.

NAI Global is different from other commercial real estate networks. NAI firms are independently owned and operated, providing the deep local market knowledge and insight you only get from a firm with deep connections in the local community. Its unique organizational structure supports successful service delivery to corporate, institutional, entrepreneurial or governmental

clients operating in one or 100 markets across the world.

NAI Global is the world's only managed network of real estate firms.

NAI's 75+ person corporate staff works with members and clients to ensure consistent client service and accountability, around the corner or around the world.

