

PRESS RELEASE

COIMA RES ACQUISITION OF TWO PRIME MULTITENANT COMMERCIAL PROPERTIES IN MILAN AND ROME FOR 145.5 MILLION EUROS

- Preliminary agreement signed for acquisition of two prime commercial properties in Milan and Rome with a net rentable area of 27,332 square meters for 145.5 million Euros
- Acquisition of Gioiaotto (Porta Nuova district, Milan) at purchase price of 65.3 million Euros (all-in cost)
- Acquisition of Palazzo Sturzo (EUR district, Rome) at purchase price of 80.2 million Euros (all-in cost)
- Total investment volume to date nearing 500 million Euros
- Geographic portfolio allocation includes approximately 75% to the 2 primary office markets in Italy, Milan and Rome (60% Milan/15% Rome)

Milan, July 21st 2016 – **COIMA RES S.p.A. SIIQ** (“COIMA RES”) – a Listed Real Estate Investment Company, specialized in investment and management of commercial real estate properties in Italy – announces that it signed a preliminary agreement for the acquisition of **two assets for 145.5 million Euros**. The transaction has been structured through acquisition of the units of the real estate fund MH Real Estate Crescita owning the properties.

The two assets are located in prime business districts, both well connected to public transport. Gioiaotto is located in Milan in via Melchiorre Gioia, in the Porta Nuova district and **Palazzo Sturzo** is located in Rome in piazzale Sturzo, a prime position in the EUR district. Closing is scheduled within 30 days.



Gioiaotto (Porta Nuova district, Milan), which is the first LEED Platinum property in Milan, has a net rentable area of 13,620 square meters. The property – which was valued at 65.3 million Euros – is leased to leading tenants, such as Roland Berger and Grant Thornton among others and generates initial annual gross rental income of 2.4 million Euros and **expected stabilised gross rental income of approximately 4 million**

Euros, with an expected EPRA Net Stabilized Yield of approximately 5.5% calculated on the basis of the acquisition price, agreed rent step up and re-gearing at regime in August 2018. 50% of the property is leased as office at an average stabilized annual rent of 360 euro/sqm, which is below current market level. The remaining 50% of the property is leased as hotel operated by NH Hotel at 100 euro/sqm with the contract expiring in December 2016 leaving a significant upside potential.

EPRA Net Initial Yield	Net Stabilized Yield (including agreed rent step up - August 2018)	Expected Net Stabilized Yield (after August 2018)
3,1%	4,3%	5,5%

The WALT index is equal to 4.8 years. Over the last 3 years, the Porta Nuova district take up has been in excess of 35% of the Milan CBD take up and has recorded a rental growth of approximately 30% in the same period. Companies such as Unicredit, Microsoft, Google, Samsung, BNP, AXA, Nike, HSBC have relocated their Italian headquarters to the Porta Nuova district transferring in excess of 10.000 employees. Further growth of the Porta Nuova district is expected in terms of take up and rents.



Palazzo Sturzo (EUR District, Rome) has a net rentable area of 13,712 square meters. The property – which was valued 80.2 million Euros – is leased to leading tenants, such as Fastweb and Axa, and generates initial annual gross rent income of 4.9 million Euros and **expected stabilised gross rental income of 5.1 million Euros**, with an **expected EPRA Net Stabilized Yield of 5.7%** calculated on the basis of the acquisition price, agreed rent step up at regime in September 2017.

EPRA Net Initial Yield	Net Stabilized Yield (including agreed rent step up – September 2017)	Expected Net Stabilized Yield (after September 2017)
5,5%	5,7%	5,7%

The WALT is equal to 5.9 years. The EUR district take up has been in excess of 30% of the Rome office take up. Companies like ENI, Q8, TIM and Wind have established their headquarters in the EUR district.

The properties, Gioiaotto and Palazzo Sturzo, are leased to **19 relevant tenants** which include – in the case of Gioiaotto – NH Hotels, Roland Berger, Bernoni Grant Thornton, QBE Insurance and Axelero, and – in the case of Palazzo Sturzo – Fastweb, AXA, Willis and Confindustria Energia. The occupancy rate for Gioiaotto and Palazzo Sturzo is 100%.

The two properties are owned by the real estate fund MH Real Estate Crescita, originally promoted by Monte dei Paschi Asset Management SGR and at this stage under liquidation. COIMA RES made an offer to the fund's institutional investors to purchase all their units in the fund. 86,67% of the funds' investors accepted the offer, most notably Generali Italia, AXA Montepaschi Vita, CNP Unicredit Vita, Effepilux Alternative, Fondazione Cassa di Risparmio in Bologna, Fondazione Cassa di Risparmio di Padova e Rovigo, Fondazione Cassa di Risparmio di Torino, Fondo Pensione per il Personale della Banca di Roma, Fondo Pensione per il Personale della Cassa di Risparmio di Torino, Unicoop Tirreno Soc. Coop.

The remaining 13.33% of the units of the fund, for which COIMA RES has a pre-emption right will continue to be held by Fondazione Cassa di Risparmio di Lucca and by Cassa di



Previdenza Aziendale Personale MPS, which have expressed the will to maintain their investment in the fund alongside COIMA RES in relation to the quality of the assets. COIMA RES having achieved a 86,67% ownership is in full control of the governance of the Fund.

The fund investors' general meeting on July 21st 2016 has also approved to interrupt the fund's wind up and extend the term to 20 years' duration as per COIMA RES' requirement in accordance with its investment strategy.

MH Real Estate Crescita fund will continue to be managed by COIMA SGR in accordance to the asset management agreement executed with COIMA RES as indicated in the IPO prospectus.

The total fund is valued at 156 million Euros, of which 145.5 million Euros to the two real estate assets Gioiaotto and Palazzo Sturzo and for the remaining 10.5 million Euros to cash and receivables. The value of 100% of the Fund units is equal to 78 million Euros considering the debt exposure of 78 million Euros (bullet financing with first expiration on June 2018 and second expiration on June 2020 with a margin of 175bps over euribor). Following the signing of this agreement the complete portfolio of COIMA RES, including properties owned directly by the Company and those through shares of Funds, will total 492 million Euros in total investments.

COIMA RES portfolio includes now 101 properties for current net rentable area 133,625 square meters and gross initial rents equal to 28.8 million Euros. **The geographic portfolio allocation includes 76% to the two primary office markets in Italy Milan and Rome, respectively at 58% and 18%. The overall portfolio WALT is 9.1 years and expected EPRA net stabilized yield is 5.5%. Below a summary of portfolio build up from IPO (May 13th 2016)**

	At IPO	Current	Difference
Net rentable area (sqm)	61.761	133.625	+116%
Gross Initial Rent (milioni di Euro)	7.7	28.8	+276%
Tenants (n)	1	21	+20

Manfredi Catella, CEO of COIMA RES, commented: "Following the acquisition of Vodafone Village in June 2016, we expanded our portfolio by two additional properties of excellent value for their strategically unique position, building features, environmental sustainability and quality of tenants. Since IPO, the real estate portfolio has grown from approximately 140 million Euros to nearly 500 million Euros and gross rent from nearly 8 million Euros to almost 30 million. We expect that our active management approach for both, the Milan and Rome properties will further enhance the return for our shareholders. We are delivering on our investment strategy of creating a high-quality real estate assets portfolio for the generation of stable and sustainable cash flows for investors, thereby establishing the leading REIT to access the Italian market.



COIMA RES S.p.A. SIIQ is a commercial real estate company listed on the Italian Stock Exchange. COIMA RES manages real estate transactions, primarily focused on commercial properties (offices, retail, logistics), aimed at generating rental income from the major national and international operators. The company operates with the beneficial tax status granted to SIIQs (Società di Investimento Immobiliare Quotate) which is similar to a Real Estate Investment Trust (REIT) in other jurisdictions. The investment strategy of COIMA RES is focused on creating a high-quality portfolio of real estate assets, with a view to generating stable, growing and sustainable cash flows for investors by acquiring, managing, and selectively disposing of properties intended mainly for use in the services and commercial sector and with the potential for their capital value to increase over time.

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