

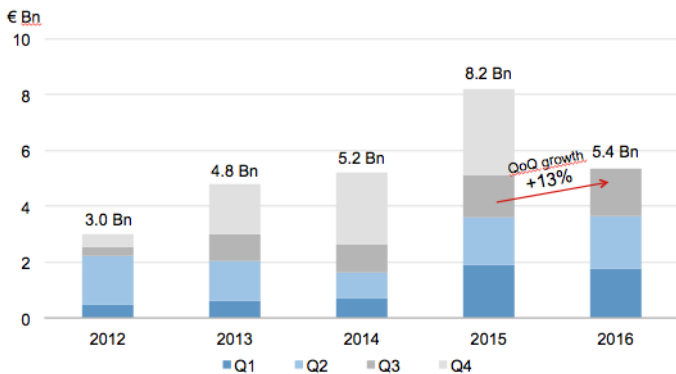
press release

COIMA REAL ESTATE FORUM: OVER 8 BILLION EURO EXPECTED IN ITALY IN 2016.

Over 70% of real estate investments in Italy come from international capital; up from 22% in 2008.

Milan, 27 October 2016 – Today, **COIMA** – leader in Italy in the investment, development and management of real estate on behalf of international and domestic institutional investors – has organised the **fifth edition of the COIMA Real Estate Forum**, the annual event dedicated to analysing economic scenarios at both domestic and international level which has now become a reference point for the real estate sector.

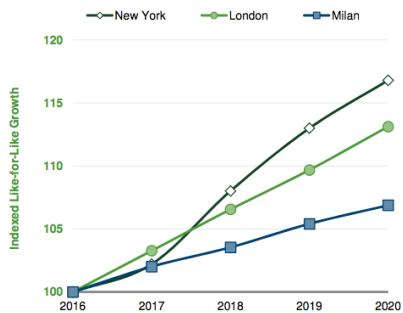
Over 8 billion euro is expected to be invested by international companies in the Italian real estate sector in 2016, with a significant 13% growth in the quarter just ended compared to the same period in 2015.



The Forum – which saw the involvement of **200 guests**, representing **over 50 leading Italian and international institutional investors** – was developed into three sessions: first, it focused on the analysis of the macroeconomic and financial scenario of the international and Italian real estate markets; second, on the definition of a competitive scenario for Italian cities; and finally, on a debate concerning the outlook of institutional investors.

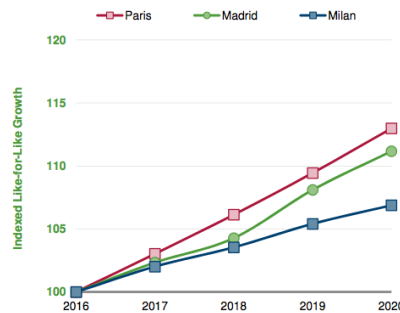
After a welcome address by **Pierfrancesco Maran**, City Councillor for Town-Planning, Agriculture and Green Areas in Milan and an introduction by **Manfredi Catella**, Founder and CEO of COIMA SGR, the panels involved: **Komal Sri-Kumar**, President of Sri-Kumar Global Strategies, **Peter Papadacos**, Managing Director at Green Street Advisor, **Gabriele Bonfiglioli**, Managing Director and Investment Management at COIMA, **Severino Salvemini**, Professor of Business Organisation at Bocconi University, **Fabrizio Pagani**, Head of the Secretariat for the Ministry of the Economy and Finance. A discussion then followed on the outlook of investors with a debate involving **Ruslan Alakbarov**, Head of Real Estate for the State Oil Fund of the Republic of Azerbaijan, **Navid Chamdia**, Head of Real Estate Investment at Qatar Holding LLC, **Silvana Chillelli**, Manager of Alternative Investments and Special Projects at Intesa San Paolo, **Madeleine Cosgrave**, Managing Director, Head of Europe at GIC, Government of Singapore Investment Corporation, and **Pascal Duhamel**, Head of European Real Estate Investments of ADIA, Abu Dhabi Investment Authority. Conclusions were drawn by **Aldo Mazzocco**, Head of Group Real Estate at CDP.

The economist **Komal Sri-Kumar**, President of Sri-Kumar Global Strategies, opened the discussions by highlighting a series of priorities for our country; specifically, the need to: accelerate the economic growth rate, reduce unemployment, strengthen the banking sector, manage the migrant crisis, and address the issue of the constitutional referendum.



Compound Annual Growth Rate ('17-'20)

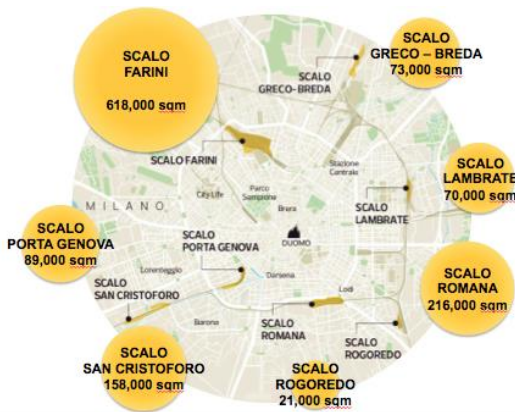
City	CAGR
New York	3.2%
London	2.5%
Milan	1.3%



Compound Annual Growth Rate ('17-'20)

City	CAGR
Paris	2.5%
Madrid	2.1%
Milan	1.3%

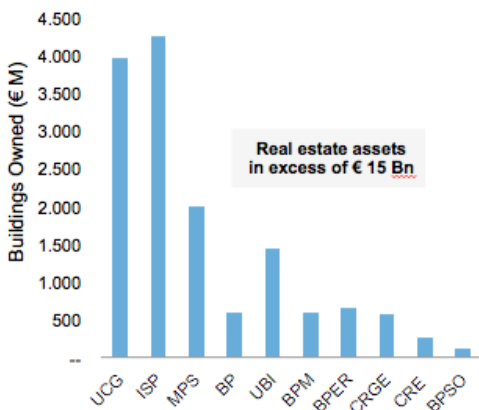
Peter Papadakos, Managing Director at Green Street Advisor, outlined a global scenario in which continental Europe is still among the areas enjoying the highest returns with an approximately 5.6% average: within this context, Milan has a CAGR of +1.3% (2017-2020) compared with +3.2% for New York, +2.5% for London and Paris and +2.1% for Madrid.



In this context, the **Italian market**, according to the analyses presented by Gabriele Bonfiglioli, Managing Director of COIMA SGR, is confirmed as being driven by the search for quality products, with a vacancy rate in cities of 10.7%, but which falls to under 2% in relation to A-rated buildings.

In terms of new opportunities, interest has been aroused by the railway station space in Milan which could potentially free up over 1.2 million sq.m., while – nationally – the next challenge is the management of assets on banks' balance sheets, whose value exceeds 15 billion euro.

Italian Banks – Real Estate Assets on Balance Sheet



COIMA's Founder and CEO **Manfredi Catella** stated: "Today's Forum has confirmed the deep attraction and great opportunities for our country.

Thanks to intensive team work involving institutions, the Government and the private sector it will be possible to create a national and international project which considers the territorial development as a strategic resource that can attract long-term capital, thus favouring investments in tourism, logistics, the reuse of existing assets and regeneration projects."

Finally, during the event a **survey was undertaken of the investors present**, in order to hear the views of market operators on some important issues: according to most participants (55%) the real estate market is growing; while the main market conditioning factors are legislative stability (33%), transparency and financing (19%). The European periphery (in particular Milan, Madrid and Dublin) is the region which will offer the best returns, according to 51% of investors, followed by Asia, North-Central Europe (London, Paris, Frankfurt and Munich) and the Americas. Prime rental offices are the type of property which will prevail as part of an investment strategy (38%), followed by retail (26%). Similar results were recorded as for changes in real estate allocation over the next 12 months: according to 43% of investors it will remain stable, while for 42% it will grow by 5%. As for the question as to what will be the next trend in real estate, the two main sectors were tourism (35%) and residences for young professionals (33%), followed by co-

working and the medical sector. The last two questions focussed on the national economic scenario, which is seen as weak but recovering by most investors (64%) and – within this context – the forthcoming referendum is fundamental and is considered as important by 58% of investors.

COIMA SGR, authorised by the Bank of Italy in 2007, is a leading independent manager of real estate investment funds on behalf of Italian and international institutional investors. COIMA SGR currently manages 17 real estate investment funds, with over 5 billion euros in investments, including third parts mandates.

COIMA, established in 1974 by the Catella family together with Domo Media, specialises in developing and managing real estate assets on behalf of institutional investors. COIMA works with leading Italian and international institutional investors, including sovereign funds, pension funds, banks, insurance companies, property developers, real estate funds, and private equity funds. In over 40 years of experience, COIMA has developed and managed over 5 million square metres in real estate assets – including Milan's Porta Nuova, one of the largest urban renewal projects in Europe.

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