



COIMA RES - PRESS RELEASE

ACQUISITION OF MONTE ROSA OFFICE COMPLEX IN MILAN FOR EURO 57 MILLION, CORE PLUS PROPERTY WITH POTENTIAL FOR RENTAL GROWTH AND UPSIDE THROUGH ACTIVE ASSET MANAGEMENT

- Core plus property in an established semi-central Milan business district
- Purchase price of Euro 57.0 million (3.7% discount to fair value of Euro 59.2 million)
- Gross passing rent of Euro 3.5 million per year (stabilised rent of Euro 3.6 million)
- Estimated net stabilised yield of c. 5.6% through letting of vacant premises
- EPRA occupancy ratio at c. 88%
- WALT of 5.2 years
- Further diversification of overall COIMA RES tenant base
- Asset upside potential from rental growth, yield compression and increase in surfaces
- Progress on COIMA RES investment plan accretive to earnings and cash flow

Milan, October 24th, 2017 – **COIMA RES S.p.A. SIIQ** (“**COIMA RES**” or the “**Company**”) – a listed real estate company specialised in the investment and management of commercial properties in Italy – announces that it has purchased “off-market” an office complex in Via Monte Rosa 93, Milan (“**Monte Rosa**”) for Euro 57.0 million (plus transfer tax and due diligence costs). The purchase price represents a discount of 3.7% vs the fair value of Euro 59.2 million, as estimated by the independent appraiser CBRE. The fair value implies an EPRA net initial yield of 5.0% and an EPRA topped-up net initial yield of 5.2% (excluding the vacant portion of the property). Gross passing rent is Euro 3.5 million per year and gross stabilised rent is Euro 3.6 million per year (excluding the vacant portion of the property). The seller of the property is TEUR S.p.A., the Italian sub-holding of the Techint Group.

Monte Rosa represents a sizeable core plus asset rented at attractive levels (considering the recent rental growth in Milan), situated in an established semi-central Milan business district. Proximity to the newly developed CityLife district and good transport connections to two metro lines (MM1 and MM5) add to the asset’s appeal. The acquisition contemplates a short-to-medium-term value enhancement strategy including (i) lease-up of vacant premises and reletting of space vacating over the coming years and (ii) a potential recovery of surfaces previously authorized which could increase the surfaces by up to c. 30%. We estimate a net stabilised yield of c. 5.6% based on lease-up of vacant premises.

Monte Rosa is composed of four buildings which were subject to intensive refurbishment works in 1997. The complex is characterised by efficient space utilisation with total gross buildable area (“**GBA**”) of 23,728 sqm and net rentable area (“**NRA**”) of c. 14,500 sqm (excluding parking areas).

The Monte Rosa acquisition was sourced “off-market” and is structured as a sale and leaseback of the Italian headquarters of the Techint Group on a nine-year basis with an unbreakable master lease 100% indexed to CPI. Techint - a global industrial conglomerate with revenues exceeding US\$15 billion and 48,500 employees worldwide - will therefore become one of the main tenants in the complex, accounting for 40% of the NRA. The other tenants are PricewaterhouseCoopers and an Italian tourism company, occupying 43% and 6% of NRA, respectively. The overall WALT is 5.2 years.

The purchase is financed by COIMA RES using its own cash on balance sheet.



Manfredi Catella, Founder and CEO of COIMA RES, commented: *“The acquisition of the Techint headquarter in Milan allows COIMA RES to progress further in its investment program in line with the planned timeline and target yields further enhanced with the potential growth deriving from the expected rental income dynamics.”*

Gianfelice Rocca, President of the Techint Group, commented: *“We are satisfied of the agreement reached with COIMA RES for the sale of the Monte Rosa building which will continue to host the Italian headquarters of the Techint Group.”*

COIMA RES is a real estate company listed on Borsa Italiana. COIMA RES manages real estate assets in Italy, primarily focusing on commercial properties. The company operates with the beneficial tax status granted to SIIQs (Società di Investimento Immobiliare Quotate), which is similar to the Real Estate Investment Trust (REIT) structure in other jurisdictions. The investment strategy of COIMA RES is focused on creating a high-quality portfolio of real estate assets with the potential for capital appreciation and with the objective of generating a stable, growing and sustainable cash flow for its shareholders.

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