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Informazione Regolamentata n. 1669-64-2016	Data/Ora Ricezione 24 Ottobre 2016 19:35:39	MTA
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Societa' : COIMA RES

Identificativo : 80531

Informazione
Regolamentata

Nome utilizzatore : COIMARESN03 - Ravà

Tipologia : IRAG 03

Data/Ora Ricezione : 24 Ottobre 2016 19:35:39

Data/Ora Inizio : 24 Ottobre 2016 19:50:40

Diffusione presunta

Oggetto : Third quarter update for the period ending
September 30th, 2016

Testo del comunicato

Vedi allegato.



PRESS RELEASE

COIMA RES: Continued Progress on IPO Business Plan

3rd quarter update for the period ending September 30th, 2016

- Acquisitions of 145.5 million Euros in July bring portfolio size to approximately 500 million euros
- Blended EPRA Net Initial Yield of portfolio is 5.2%
- Average Wait is 8.9 years and EPRA Vacancy rate 2.9%
- Remaining firepower of approximately 180 million Euros at current target LTV of 45%
- Founders increase investment to more than 3 million Euros

Milan, October 24th, 2016 – The Board of Directors of **COIMA RES S.p.A. SIIQ** (“COIMA RES” or “Company”) – a Listed Real Estate Investment Company, specialized in the investment and management of commercial real estate properties in Italy – has approved today the results for the period ending September 30th, 2016.

Highlights:

COIMA RES acquired 345.5 million Euros in new property since IPO; completing approximately 80% of its investment program in less than 5 months

- On June 30th the acquisition was completed of the LEED certified build to suit, three building complex known as the **Vodafone Headquarters** in Milan for 200 million Euros.
- On July 27th the acquisition was completed of two prime properties; **Gioiaotto** (Porta Nuova, Milan) and **Palazzo Sturzo** (Eur District, Rome) for 145.5 million Euros.

These acquisitions bring **total investment to approximately 500 million Euros with the blended EPRA Net Initial Yield of portfolio is 5.2%, average Wait of 8.9 years and the EPRA Vacancy rate 2.9%**.

All acquisitions following IPO have been sourced on an off market basis.

Less than 5 months from IPO, COIMA RES achieves accelerated results

- **Real Estate portfolio growth:** increase from 140 million Euros at IPO to approximately 500 million Euros;
- **Tenant diversification:** from 1 at IPO to 21 tenants;
- **Gross Rental Income¹ growth:** increase from 7.7 million Euros at IPO to 29.9² million Euros;
- **Funds From Operation growth:** increase from 2.6 million Euros at IPO to 12.1³ million Euros;
- **EPRA Earnings:** increase from 2.5 million Euros (0.1 Euro per share) at IPO to 13.0⁴ million Euros (0.4 Euro per share);
- **Controlling risks:** Net Loan to Value equal to 32.1% (including self-liquidating VAT line) and 25.9% (ex VAT);
- **Dividend distribution:** management accelerated investment execution following IPO allows COIMA RES to anticipate distribution of proceeds with first distribution starting in April, 2017 (in relation to 2016 profit);
- **EPRA Net Initial Yield:** equal to 5.2%.

¹ According to IAS/IFRS principles.

² Pro-forma data considering all the acquisition completed on January 1st, 2016.

³ Pro-forma data considering all the acquisition completed on January 1st, 2016.

⁴ Pro-forma data considering all the acquisition completed on January 1st, 2016.



Portfolio as of September 30th, 2016

As of September 30th, 2016, COIMA RES' Portfolio totalling approximately 500 million Euros includes the Deutsche Bank portfolio, three buildings that compose the real estate complex known as "Vodafone Village", Gioiaotto and 2331 Eur Center. The net rentable area is equal to 128,314 square meters and gross initial rents equal to approximately 29 million Euros. The overall Initial Portfolio WALT is approximately 8.9 years, EPRA Net Initial Yield 5.2%.

Active asset management plan under execution across all properties

COIMA RES has developed an active asset management plan on the entire portfolio which is focused on the following main areas: **optimization of financing costs and debt profile, disposal program, lease re-gearing and risk reduction.**

Clear disposal program activated on selected Deutsche Bank assets

- development of a three year disposal plan of approximately 50 selected assets which accounts for approximately 25% of the entire portfolio value in line with initial program presented during IPO. Following a tender process, four specialized brokers have been selected for sub-portfolios for different regions;
- execution of a preliminary sales and purchase agreement has on the vacant asset in Lecco via alla Spiaggia for 1.5 million Euros (+3.4% vs NAV). Final sales and purchase agreement to be finalized in Q4 2016.

Beginning of lease re-gearing negotiations

- execution on October 19th of addendum in the lease agreement of 6 DB assets which provides for a total increase of rents equal to 220 thousand Euros/year (c. +3% on the total rents) from 1st November 2016. Total rent of the portfolio increased to 7.9 million Euro per year, with a positive impact of the net yield of +0.16% on the overall Deutsche Bank Portfolio;
- active negotiation ongoing with the hotel operator to renew the contract in Gioiaotto which expires in December 2016. Current rent is equal to 98 Euro per sqm comparing to the average prime office rent in Porta Nuova of 400-500 Euro per sqm. Target rent for the hotel portion to break-even the base case alternative office conversion scenario would imply an increase in rental level which would improve the current net yield of the building of approximately 100bps.

Further management alignment

Founder and Co-Founders of COIMA RES have increased their investment to approximately 3 million Euros in the shares of the Company as a further strengthening of alignment with shareholders and opportunistically giving the very attractive level of price. Based on personal investments combined with pro rata ownership of applicable COIMA entities, CEO Manfredi Catella invested approximately 2.6 million Euros.

COIMA RES and regulated management agreements with COIMA entities

COIMA RES internal team increased to 4 employees including CFO, Investment Director, Planning and Control Manager and Finance Associate. Employees of COIMA RES are expected to increase to 5 professionals by year end including the reinforcement of the investor relations function.

COIMA RES benefits of the overall COIMA platform of COIMA SGR and COIMA Srl that has developed a unique track record in investment and asset management with over 40 years of experience and a solid legacy in both core and development projects including Porta Nuova in Milan.



Remaining fire power at Revised LTV Target

On June 29th, 2016, COIMA RES entered into a loan agreement with a pool of primary banking institutions for a total amount of 216.3 million Euros and a term of 5 years (3 years for the VAT financing amounting to 44 million Euros). Following the acquisitions of Gioiaotto and Palazzo Sturzo the remaining firepower is approximately 180 million Euros with a current target of LTV at 45%.

Pipeline under disciplined due diligence

Current pipeline is being analysed with focus on Milan, office, core acquisitions and based on the acquisition to date and pipeline, EPRA Net Initial Yields between 5.0% - 6.0% remains the management target. Yield compression is continuing to be seen in quality assets in prime and secondary locations in the office market. Opportunities in the market are under evaluation to leverage upon the unique management track record to gain exposure also to growth assets.

COIMA Real Estate Forum on October 27th

COIMA will host the 5th edition of the Real Estate Forum on October 27th 2016 attended by primary international and domestic institutional investors, which will include a Property Tour focused on COIMA RES assets.

Management will have a European roadshow in November and on December 12th-16th 2016 COIMA RES management will take part in the EPRA Roadshow in Asia.

Manfredi Catella, CEO of COIMA RES, commented: "In less than 5 months the management of COIMA RES succeeded in combining a high yield portfolio having invested approximately 80% of the available capital executing a disciplined investment strategy securing a EPRA Net Initial Yield of 5,2%. We will remain focused on selective acquisitions and on the active management of the portfolio in order to strengthen a solid Total Shareholder Return."

The manager responsible for preparing the company's financial reports, Fulvio Di Gilio, declares, pursuant to paragraph 2 of Article 154 *bis* of the Consolidated Law on Finance, that the accounting information contained in this press release corresponds to the document results, books and accounting records.

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 (primarily office properties), 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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COIMA RES will host a conference call open to the public at 3pm CET (Central European Time) on October 26th.

The conference call will be held in English and the presentation will be made available on the Company website (http://www.coimares.com/_EN/investor-relations/results-and-presentations.php).

To participate in the results call, please dial one of the following numbers 5-10 minutes prior to commencement:

Italy +39 (0) 236048071

UK +44 (0) 2030432439

US +1 6467224939

Fine Comunicato n.1669-64

Numero di Pagine: 6