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Oggetto	:	Board of Directors approves results, as of September 30th, 2017

Testo del comunicato

Vedi allegato.

COIMA RES

COIMA RES - PRESS RELEASE

SOUTH OF ITALY BANK BRANCHES DISPOSAL PROGRAM COMPLETED TWO YEARS IN ADVANCE, NEW CORE PLUS OFF MARKET ACQUISITION IN MILAN, INTERIM DIVIDEND OF EURO 0.09 PER SHARE PAYABLE IN NOVEMBER 2017, BOARD OF DIRECTORS APPROVES RESULTS, AS OF SEPTEMBER 30th, 2017

Strong Results in the First 9 Months of 2017, Conservative Financial Position Maintained

- GAV grew by 14% to Euro 600.6 million[1] (since December 31st, 2016)
- EPRA NAV per share of Euro 10.39 (+5.0% over the last 12 months)
- EPRA NIY of 5.4%[2]
- Like for like rental growth of +1.1% (+3.3% excluding Deutsche Bank branches)
- VAT reimbursement of Euro 38.7 million received 8 months in advance
- Pro-forma Net LTV at 37.0%[1]
- Lowered EPRA Cost Ratio to 37.2%[3] (from 40.4% as of June 30th, 2017)
- EPRA Cost Ratio at c. 30% once fully invested (based on current firepower)
- EBIT at Euro 21.4 million (Euro 15.6 million higher than the first nine months of 2016)
- EPRA EPS of Euro 0.28, Recurring FFO per share of Euro 0.34
- Interim dividend for the year 2017 of Euro 0.09 per share payable on November 15th, 2017
- First dividend (c. Euro 0.11 per share) paid in April 2017, one year ahead vs IPO plan

Disposal of Bank Branches, Investments and Asset Management Ongoing

- 21 Deutsche Bank branches sold, no residual exposure to the South of Italy
- Bank branches sale price of Euro 37.8 million
- 57% of the remaining Deutsche Bank branches are in Lombardy
- Completion of Deutsche Bank branches disposal plan two years in advance
- Open to consider the disposal of additional bank branches on an opportunistic basis
- "Off-market" acquisition of Monte Rosa, a Core plus office in Milan
- Monte Rosa purchase price of Euro 57.0 million
- Monte Rosa EPRA net initial yield of 5.0%, expected net stabilised yield of 5.6%
- Monte Rosa upside from rental growth, increase in surfaces and yield compression
- Acquisition allows further diversification of overall COIMA RES tenant base
- Progress on COIMA RES investment plan accretive to earnings and cash flow
- Exposure to Milan increased to 72%[1] of GAV (from 64% as of June 30th, 2017)
- Exposure to offices increased to 75%[1] of GAV (from 67% as of June 30th, 2017)
- Exposure to bank branches reduced to 16%[1] of GAV (from 24% as of June 30th, 2017)
- Study carried out to evaluate Deruta capacity increase and energy efficiency improvements
- Plan to increase rentable area of Eurcenter by 360 sqm (c. 3% of NRA) approved
- Bonnet Value-add project on track, approval of the massing design received by authorities

Selective Approach to Further Investments in a Strong Market

- Approx. Euro 80 million[1] of firepower with target LTV below 45%
- Disciplined approach to capital allocation
- Core to Core plus focus
- Increased focus on the Milan office market

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[1] Pro-forma considering Bonnet on a look through basis, the VAT Line reimbursement, the Deutsche Bank branches sale and the Monte Rosa acquisition as if closed on September 30th, 2017
[2] Pro-forma considering the VAT Line reimbursement, the Deutsche Bank branches sale and the Monte Rosa acquisition as if closed on September 30th, 2017
[3] Pro-forma annualized considering the Deutsche Bank branches sale and the Monte Rosa acquisition as if closed on January 1st, 2017

Milan, October 25th, 2017 – The Board of Directors of **COIMA RES S.p.A. SIIQ** ("**COIMA RES**" or the "**Company**") – a listed real estate company specialised in the investment and management of commercial property in Italy – meeting under the chairmanship of Massimo Capuano on October 25th, 2017, approved the consolidated financial statements as at September 30th, 2017.

Financial Highlights, as of September 30th, 2017

Euro million	***September 30th, 2017***	**per share**	***December 31st, 2016***	**per share**	**Δ**	**Δ%**
Total property value	545.4		493.1		52.3	10.6%
EPRA NAV	374.1	10.39	362.2	10.06	11.9	3.3%
EPRA NNNAV	371.9	10.33	359.6	9.99	12.3	3.4%
Debt position	302.3		290.0		12.3	4.2%
Cash position	81.0		113.1		(32.1)	(28.4%)
Net Loan To Value	33.4%		27.4%		6.0 p.p.	n.m.
EPRA Net Initial Yield	5.4%		5.3%		0.1 p.p.	n.m.
EPRA "topped-up" NIY	5.5%		5.3%		0.2 p.p.	n.m.
EPRA vacancy rate	3.7%		4.2%		(0.5) p.p.	n.m.

Euro million	***September 30th, 2017***	**per share**	***December 31st, 2016***	**per share**	**Δ**	**Δ%**
Rents	25.1		8.4		16.7	n.m.
NOI	22.4		7.5		14.9	n.m.
EBITDA	15.6		3.8		11.8	n.m.
EBIT	21.4		5.8		15.6	n.m.
Recurring FFO	12.2		3.2		9.0	n.m.
Net Profit	16.0	0.44	6.3	0.17	9.7	n.m.
EPRA Earnings	10.2	0.28	2.3	0.06	7.9	n.m.
EPRA Cost Ratio (including direct vacancy costs)	38.3%		57.3%		(19.0) p.p.	n.m.
EPRA Cost Ratio (excluding direct vacancy costs)	36.5%		57.1%		(20.6) p.p.	n.m.
Like for like rental growth	1.1%		n.m.		n.m.	n.m.
WALT (years)	7.8		8.9		(1.1)	(12.4%)

NAV Growth on Track, Conservative Financial Position Maintained

EPRA Net Asset Value per share as of September 30th, 2017 was Euro 10.39, an increase over the last twelve months of 6.1% before the April 2017 dividend payment related to FY 2016 and of 5.0% after the April 2017 dividend payment. The increase in the NAV is related to positive operating results generated over the last twelve months, improvements made to the real estate portfolio and revaluation gains. As of September 30th, 2017, the consolidated Net LTV for COIMA RES is 34.6%[4], the weighted average debt maturity is 3.7 years and the weighted average "all in" cost of debt is 1.95% (79.7% of debt is hedged). Pro-forma Net LTV for COIMA RES is 37.0%[5].

[4] Pro-forma data considering Bonnet on a look through basis
[5] Pro-forma data considering Bonnet on a look through basis, the VAT Line reimbursement, the Deutsche Bank branches sale and the Monte Rosa acquisition as if closed on September 30th, 2017

First Dividend Paid in April 2017, Next Distribution in November 2017

In line with our announcement on April 27th, 2017, COIMA RES Board of Directors resolved to distribute to shareholders an interim dividend for the fiscal year 2017 of Euro 3,240,360 (Euro 0.09 per share) with an ex-dividend date on November 13th, 2017, record date on November 14th, 2017 and payment date on November 15th, 2017. COIMA RES independent auditors, today have issued their report pursuant to Article 2433-bis, paragraph 5, of the Italian Civil Code. The Board's resolution on the interim dividend was made based on the accounts of the parent company COIMA RES S.p.A. SIIQ as of September 30th, 2017, which were prepared in accordance with IFRS. As a reminder, COIMA RES paid its first dividend of Euro 4,068,352 (c. Euro 0.11 per share) on April 12th, 2017, representing 70% of 2016 distributable profits. The Board of Directors report relating to the interim dividend distribution for the fiscal year 2017 is available for review at COIMA RES Headquarters (Piazza Gae Aulenti, no. 12, 20154, Milano, Italy) and is available in electronic form upon request.

VAT Reimbursement

On October 20th, 2017, COIMA RES has received a reimbursement payment from the Italian Inland Revenue Agency of Euro 38.7 million related to the VAT incurred by COIMA RES at the time of the acquisition of the Vodafone Village (June 2016). The cash received will be used for the full repayment of the related VAT Line, thus simplifying the COIMA RES capital structure. The reimbursement has been made by the Italian Inland Revenue Agency c. 8 months in advance of COIMA RES initial expectations. The reimbursement is neutral on an LTV basis, as both the VAT receivable and the VAT Line had already been excluded from the LTV calculation.

Portfolio as at September 30th, 2017 (Pro-Forma)

As of September 30th, 2017, and pro-forma for the Deutsche Bank sale and Monte Rosa acquisition, COIMA RES portfolio totals Euro 600.6 million[6] (of which 72% is in Milan). The net rentable area ("**NRA**") comprises 157,932 sqm and gross initial rents amount to approximately Euro 34.6 million. The property portfolio recorded a net increase in value of Euro 5.9 million in the first 9 months of 2017.

Portfolio Sale of Deutsche Bank Branches in the South of Italy

On October 25th, 2017, COIMA RES announced that it has accepted, through COIMA CORE FUND IV, a binding offer for the sale of a portfolio of 21 Deutsche Bank branches for a price of Euro 37.8 million essentially in line with the book value as of June 30th, 2017 (3.6% discount). The portfolio represents 11,416 sqm and includes the branch in Naples on Via Santa Brigida (4,600 sqm) and several smaller branches in the regions of Campania (10 branches), Abruzzo (1 branch) and Puglia (8 branches). The transaction marks the completion of our original non-core disposal program 2 years in advance and removes all remaining exposure to the South of Italy from the portfolio. As a reminder, to date, COIMA RES has sold Deutsche Bank branches in the North of Italy at a blended premium to book value of 4.1%. Since IPO, COIMA RES has sold 24 Deutsche Bank branches worth Euro 40 million. COIMA RES remains open to consider the disposal of additional bank branches on an opportunistic basis.

[6] Pro-forma data considering Bonnet on a look through basis, the VAT Line reimbursement, the Deutsche Bank sale and the Monte Rosa acquisition as if closed on September 30th, 2017

Acquisition of Monte Rosa Office Property in Milan

On October 24th, 2017, COIMA RES has purchased "off-market" an office complex in Via Monte Rosa 93, Milan ("**Monte Rosa**") for Euro 57.0 million (plus Euro 1.55 million in transfer tax and due diligence costs). The fair value is equal to 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.

Acquisition of Office Building Via Deruta in Milan

On January 16th, 2017, COIMA RES finalised the agreement to purchase for Euro 47.0 million the Deruta property located in Milan. The fair value of the property is Euro 51.2 million as of September 30th, 2017. A feasibility study has been carried out to evaluate (i) an increase in the capacity of the complex and (ii) optimisation of energy performance of the property.

Lease Renewal and Refurbishment for NH Hotel at Gioaiotto

On January 23rd, 2017, the MH Real Estate Crescita Fund ("**MHREC**"), 86.7% owned by COIMA RES, renewed and extended the lease with NH Hotel. The new lease signed with the NH Hotel (in force from January 1st, 2017), will run for nine years (no possibility to withdraw) plus a renewal option for further six years. The stabilised minimum rent is Euro 1.5 million (120% above the previous rent) with a potential increase based on the hotel's annual turnover. NH Hotel Group undertook to perform renovation works for Euro 4.0 million by the end of 2018 (MHREC will contribute Euro 1.4 million to this amount). NH Hotel has finalised the renovation design project in Q3 2017 with commencement of works planned for Q4 2017.

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MHREC Refinancing Extends Maturity and Lowers Borrowing Cost

On April 12th, 2017, COIMA RES announced that MHREC refinanced Euro 73.0 million of debt on two office buildings: Gioiaotto in Milan and Eurcenter in Rome. The refinancing extended by 3.7 years the previous maturity to 2022. A margin reduction of 25 bps was achieved.

Active Asset Management on Eurcenter

In May 2017, our application to increase the covered rentable area by c. 3% on the rooftop (320 sqm) and mezzanine level (40 sqm) was accepted by the relevant authorities. The design is being finalized and preliminary leasing activity with current tenants is being carried out.

Bonnet Project on Track with Approval of Massing Design by Relevant Authorities

On October 5th, 2017, the relevant authorities approved the massing design for the Bonnet project. The environmental clean-up was completed in October 2017, the strip-out will be completed in November 2017 and demolition works and excavations are expected to begin in November 2017. The final approval for the construction works is expected by January 2018. The construction phase will start in H1 2018 with completion of the overall project planned for the beginning of 2020. As a reminder, London-based studio PLP Architecture has been selected for the development of the Bonnet complex, focussing on the high-rise building and the adjacent square which will include a retail box. PLP Architecture has designed many high-profile projects, including: “The Edge” in Amsterdam (named the world's most sustainable building), 1 Page Street in London (Burberry’s headquarters) and Nova Victoria in London.

Investments and Pipeline

COIMA RES is approx. 88% invested post Deutsche Bank branches disposal and Monte Rosa acquisition. Current investment firepower amounts to c. Euro 80 million at an LTV target below 45% (pro forma for the Monte Rosa acquisition and Deutsche Bank branches disposal). Core to Core plus remain the current focus for COIMA RES. Value-add projects (also in JV) will be selectively considered given the expertise and track record of the COIMA platform and considering the meaningful tightening of prime yields. The Milan office market currently remains the primary focus for COIMA RES. Pipeline in excess of Euro 500 million currently under investigation.

Changes to Board of Directors Further Improve Independence

On April 26th, 2017, the Board of Directors appointed two new independent directors of high international standing and long experience in managing listed real estate companies: Luciano Gabriel and Olivier Elamine. In addition, the Board of Directors has decided to propose to the next shareholders’ meeting the annual appointment of all Board members.

COIMA RES won Gold Awards for its Annual Report and Sustainability Report

On September 6th, 2017, COIMA RES has been assigned by the European Public Real Estate Association (“**EPRA**”) two Gold Awards for its 2016 Annual Report and its 2016 Sustainability Report which relate to the Company first year of operations. EPRA is the major association for the listed real estate sector in Europe. Its objective is to establish best practices in accounting, reporting and corporate governance, to provide high-quality information to investors and to create a framework for debate and decision-making on the issues that determine the future of the sector.

Roadshow Activity

COIMA RES organizes regular monthly update calls focussed on the Italian real estate sector, the next one is scheduled for November 30th, 2017. In addition, the 6th edition of the COIMA Real Estate Forum and the related property tour of COIMA RES assets will take place in Milan on October 26th, 2017.

Manfredi Catella, Founder and CEO of COIMA RES, commented: "*In the first nine months of 2017 we have focused on strengthening our governance, paying our first dividend to our shareholders one year earlier than planned, increasing our exposure to Milan, rationalising our bank branches portfolio and extracting value from our properties through active asset management.*"

COIMA RES will discuss its results during a public conference call on October 25th, 2017 at 16:00 (Italian time). The call will be held in English and the presentation will be available on the company website (http://www.coimares.com/_EN/investor-relations/results-and-presentations.php). To participate to the call, please call on of the following numbers:

Italy: +39 028020902
UK: +44 2030595875
USA: +1 7187058795

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The Executive responsible for the preparation of the company's accounting documents, Fulvio Di Gilio, declares that, pursuant to the art. 154-bis comma 2 of the Consolidated Financial Act, the accounting information given in this press release corresponds to accounting documents, books and entries.

This press release may contain forecasts and estimates which reflect the current management expectations on future events and developments and, therefore, by their nature, forecasts and estimates involve risks and uncertainties. Considering such risks and uncertainties, readers are cautioned not to place undue reliance on these forward-looking statements which should not be considered as forecasts of actual results. The ability of COIMA RES to achieve the expected results depends on many factors outside of management's control. Actual results could cause the results to differ materially (and to be more negative) from those expressed or implied in the forward-looking statements. Such forecasts and estimates involve risks and uncertainties that may significantly affect the expected results and are based on certain key assumptions. The forecasts and estimates expressed herein are based on information made available to COIMA RES as of the date hereof. COIMA RES does not assume any obligation to publicly update and review these forward-looking statements to reflect new information, events or other circumstances, subject to compliance with applicable laws.

The report on the financial results as at September 30th, 2017 will be made available to the public at the company headquarters, on the company internet website (www.coimares.com) and by the authorised storage system NIS-Storage (www.emarketstorage.com) from October 25th, 2017.

This release uses some "alternative performance indicators" not foreseen by the IFRS-EU accounting standards. Their meaning and contents, consistent with the CESR/05-178b recommendation published on 3 November 2005, are illustrated in the single sections of this release.

For further information on the company: www.coimares.com

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) equivalent 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.

Contacts:

COIMA RES – + 39 02 655 609 72
Alberto Goretti (Investor Relations Director) – alberto.goretti@coimares.com

COIMA SGR
Kelly Russell (Managing Director, Marketing & Investor Relations) – kelly.russell@coimasgr.com
Lorenzo Barbato (Director, Marketing & Communication) – lorenzo.barbato@coimasgr.com

Italia
SEC Relazioni Pubbliche +39 02 624 999 1
Daniele Pinosa – pinosa@secrp.com – +39 335 723 3872
Fabio Leoni – leoni@secrp.com – +39 348 869 1144

International
Tancredi Group +44 (0) 207 887 7632
Giovanni Sanfelice – giovanni@tancredigroup.com - +44 777 585 8152
Salamander Davoudi – salamander@tancredigroup.com - +44 787 205 7894

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