

FY 2015 Presentation



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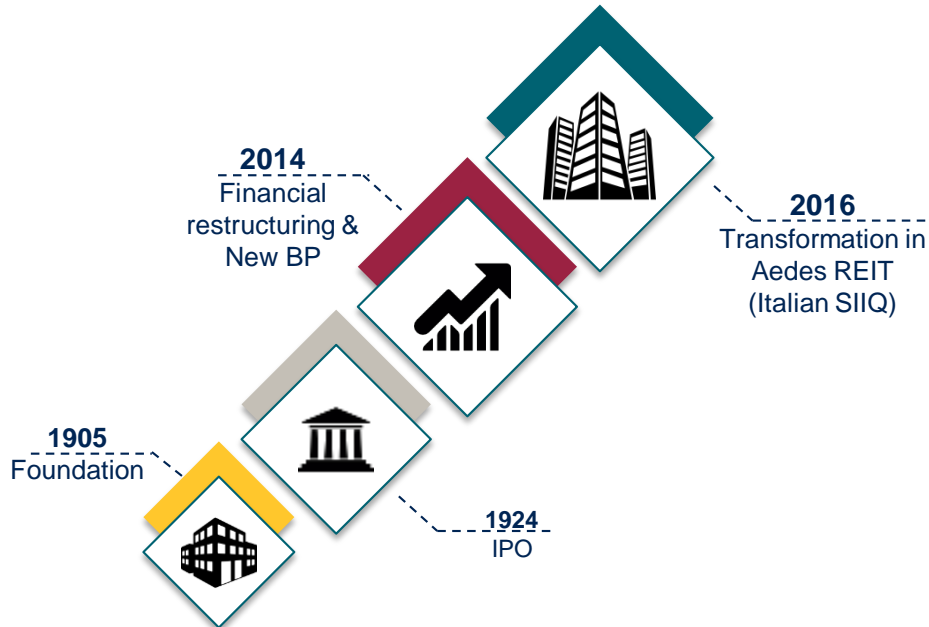
- ❑ Corporate Overview
- ❑ Aedes' Portfolio
- ❑ Investment Opportunities
- ❑ Achievement 2015
- ❑ Financial Results: FY 2015

Corporate Overview

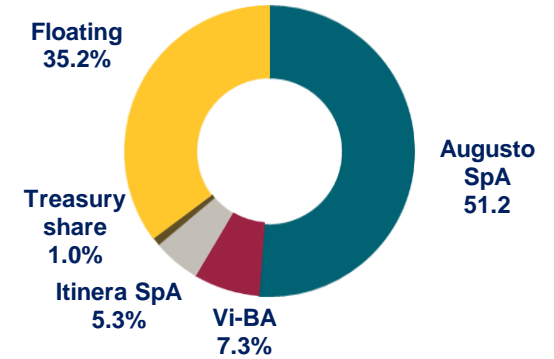
COMPANY OVERVIEW

The Aedes REIT strategy aims to create and maintain a real estate portfolio with mainly commercial destination, that generates cash flows consistent with REIT model.

Aedes REIT has two portfolios: “Rented portfolio” to compete with the performances of European REIT and a “Development portfolio for rent” to create a new generation of shopping and leisure centers, for rent. Both portfolio has limited indebtedness with a maximum of 60% LTV.



Shareholders' structure 18.04.2016

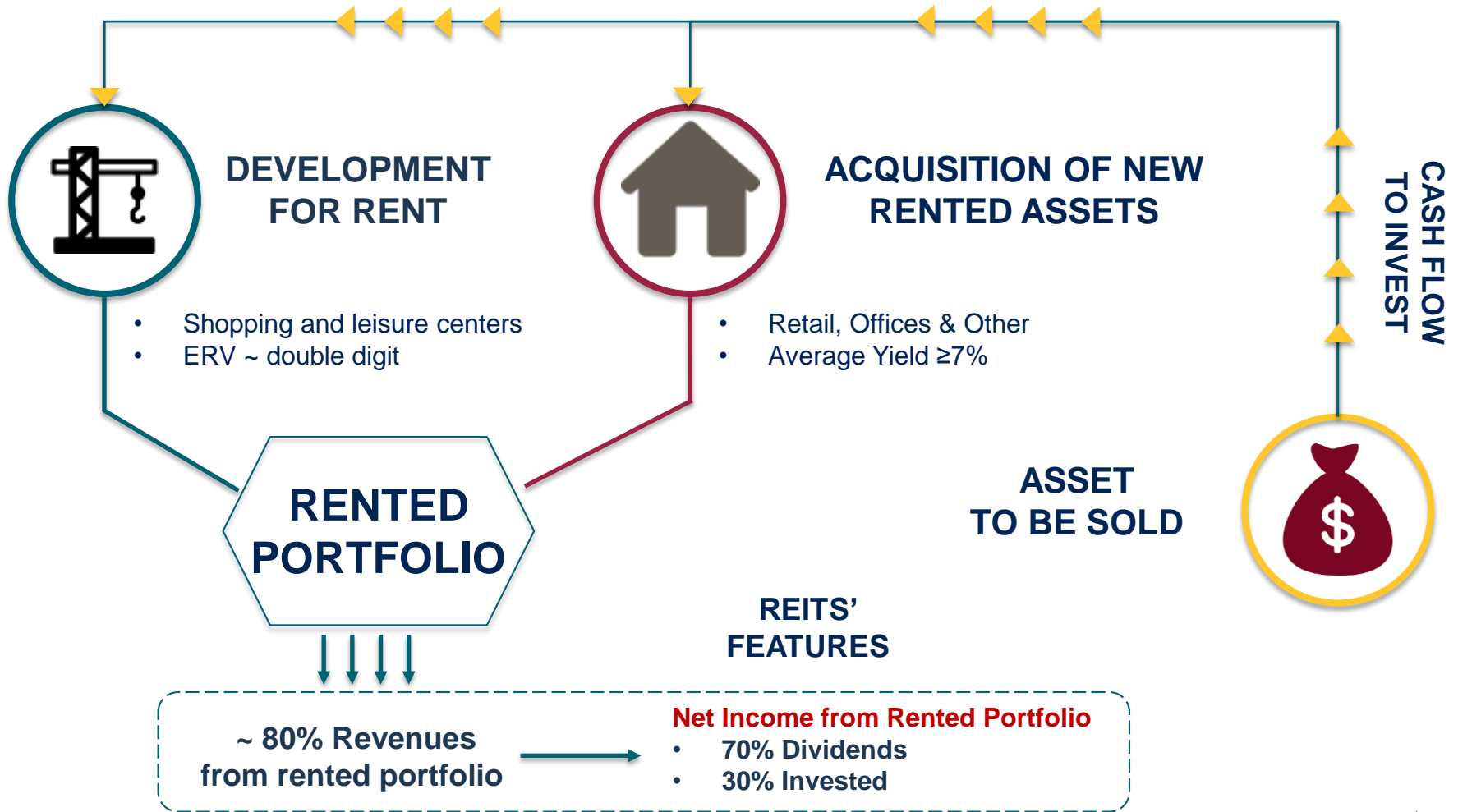


Highly experienced Management

A team of ~ 50 skilled people

- Chairman**
Carlo A. Puri Negri
- CEO**
Giuseppe Roveda
- CFO**
Gabriele Cerminara

AEDES REITS' BUSINESS MODEL



MARKET REAL ESTATE SCENARIO

- + High Liquidity
- + Financial market volatility

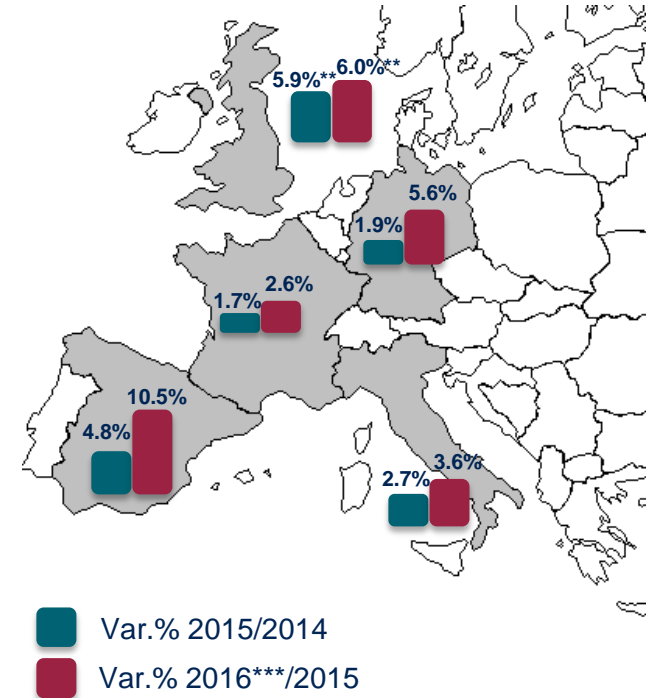
CAPITAL INCREASE IN RE



REVENUES GROWTH IN RE

- In **2015** Revenues* of the five major European countries (England, Germany, France, Spain, Italy) had an increase of **3.1%**,
- In 2015, in Italy, Revenues raised of about **2.7%**

2016 FORECAST REVENUES IN RE



Source: Scenari Immobiliari Outlook 2016

* Revenues data: the amount of money exchanged in RE transactions. In the case of tertiary sector it means the market value of the asset, even if rented.

**Data are available for England and not only for the whole of Great Britain (England, Scotland, Wales)

***Estimates to Year end

Aedes' Portfolio

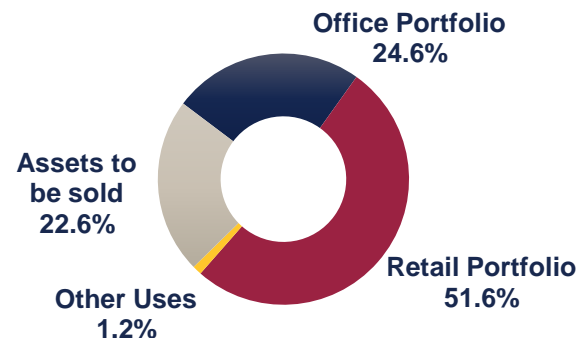
GAV PORTFOLIO BY USE – 31.12.2015

€/000	Consolidated pro-quota	Not consolidated Funds & JV	Total pro-quota Portfolio	GLA sqm	Building permits sqm	Passing Yield %	ERV %	LTV Ratio
Retail Rented	31,200	56,542	87,742	56,481		6.8%	7.8%	57.7%
Retail Development for Rent	109,133	15,982	125,115	4,469	251,868			20.3%
Total Retail Portfolio	140,333	72,524	212,857	60,950	251,868			35.7%
Office Rented	99,093	1,580	100,673	72,094		6.4%	7.6%	62.0%
Office Development for Rent	660		660		32,000			0.0%
Total Office Portfolio	99,753	1,580	101,333	72,094	32,000			61.6%
Total Other Uses Portfolio	1,200	3,904	5,104	4,303		6.4%	8.0%	44.0%
SUB TOTAL PORTFOLIO RENTED/FOR RENT	241,286	78,009	319,295	137,347	283,868			44.1%
Assets to be sold	30,815	15,583	46,398	30,001				50.1%
Lands to be sold	26,281	20,443	46,724	4,688	218,975			74.6%
SUB TOTAL PORTFOLIO TO BE SOLD	57,096	36,026	93,122	34,689	218,975			62.4%
TOTAL PORTFOLIO	298,382	114,035	412,417	172,036	502,843			48.2%

Minorities

Petrarca Fund (35%)	20,479
Praga France Sarl (25%)	2,448
TOTAL CONSOLIDATED PORTFOLIO	321,308

GAV % on Total Portfolio



GAV PORTFOLIO BY TYPE – 31.12.2015

€/000	Consolidated pro-quota	Not consolidated Funds & JV	Total pro-quota Portfolio	GLA sqm	Building permits sqm	Passing Yield %	ERV %	LTV Ratio
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Office	99,093	1,580	100,673	72,094		6.4%	7.6%	62.0%
Other uses	1,200	3,904	5,104	4,303		6.4%	8.0%	44.0%
Rented Assets	131,493	62,027	193,520	132,878				59.6%
Retail Development for Rent	109,133	15,982	125,115	4,469	251,868			20.3%
Office Development for Rent	660	0	660		32,000			0.0%
Development for Rent	109,793	15,982	125,775	4,469	283,868			20.2%
SUB TOTAL PORTFOLIO RENTED/FOR RENT	241,286	78,009	319,295	137,347	283,868			44.1%
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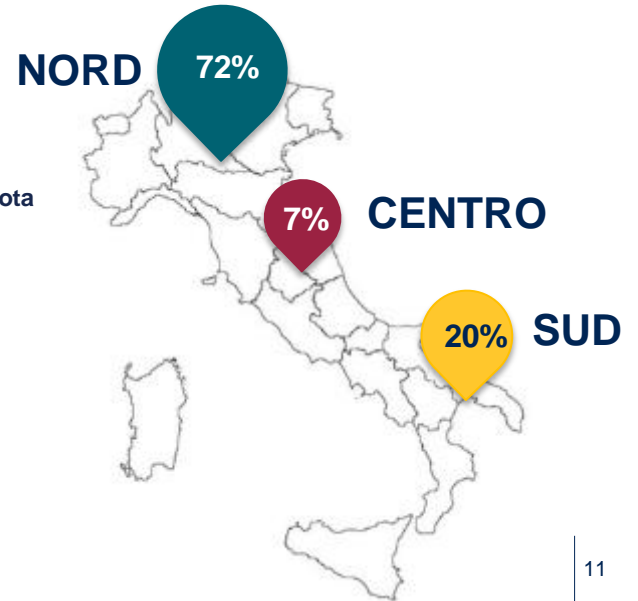
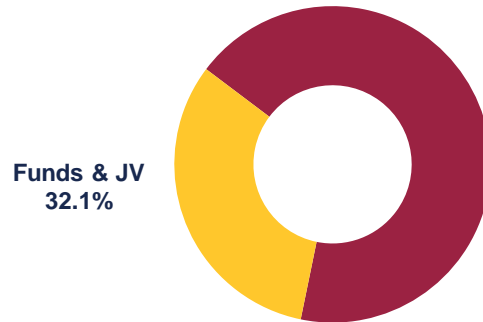
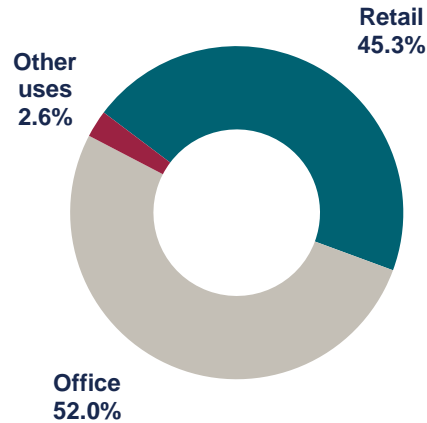
GAV % on Total Portfolio



RENTED ASSETS – 31.1.2015

1/2

€/000	Consolidated pro-quota	Not consolidated Funds & JV	Total pro-quota Portfolio	GLA sqm	Passing Yield %	ERV %	LTV Ratio
Retail	31,200	56,542	87,742	56,481	6.8%	7.8%	57.7%
Office	99,093	1,580	100,673	72,094	6.4%	7.6%	62.0%
Other uses	1,200	3,904	5,104	4,303	6.4%	8.0%	44.0%
Rented Assets	131,493	62,027	193,520	132,878			59.6%





- Location: Catania, Via Etna 116-124
- Total GLA: 7,935 sqm
- Fair Value 31/12/2015: €18.6 mln

- Location: Milano, via Agnello 12
- Total GLA: 4,406 sqm
- Fair Value 31/12/2015: €40.1 mln

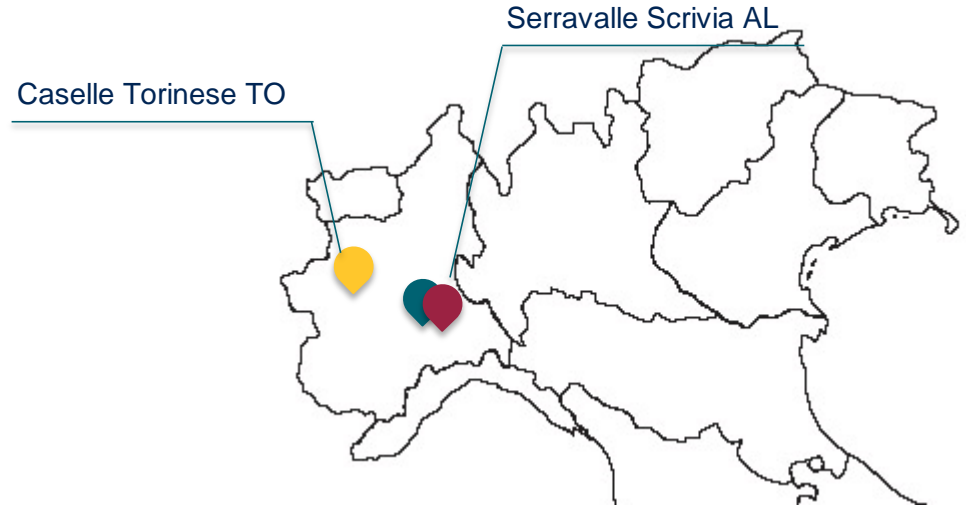
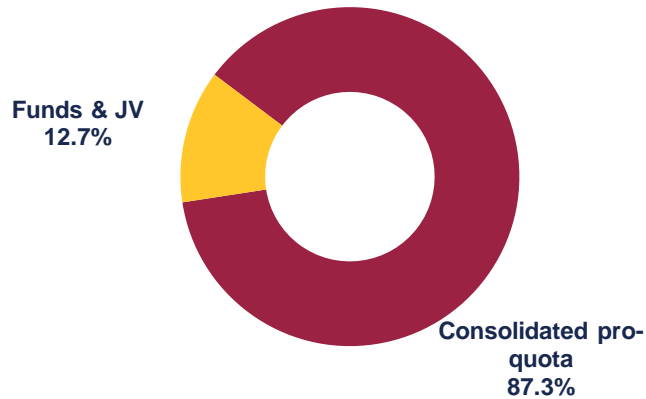


- Location: Milano, via San Vigilio 1
- Total GLA: 9,793 sqm
- Fair Value 31/12/2015: €23.1 mln

DEVELOPMENT FOR RENT ASSETS

1/5

€/000	Consolidated pro-quota	Not consolidated Funds & JV	Total pro-quota Portfolio	GLA sqm	Building permits sqm	LTV Ratio
Retail	109,133	15,982	125,115	4,469	251,868	20.3%
Office	660		660		32,000	0.0%
Development for Rent	109,793	15,982	125,775	4,469	283,868	20.2%



SERRAVALLE OUTLET VILLAGE PHASE 6

- Joint Venture with **European Outlet Mall Fund** (49.9%)
- Opening scheduled for September 2016
- Total GLA: 5,299 sqm
- Fair Value 31/12/2015: €31.9 mln



SERRAVALLE OUTLET VILLAGE PHASE 7

- It's an extension of Serravalle outlet village phase 6
- Total GLA: 9,909 sqm*
- Fair Value 31/12/2015 : €16.1 mln



SERRAVALLE RETAIL PARK

- Total GLA: 19,035 sqm
- Fair Value 31/12/2015: €15.4 mln



ROERO PHASE C

- Extension of Roero Center - Phase B (Rented portfolio)
- Total GLA : 6,400 sqm
- Fair Value 31/12/2015: €1.8 mln

Roero Center - Phase B (Rented Portfolio)



Roero Center - Phase C



CASELLE DESIGNER VILLAGE

- It's a shopping and leisure centers project close to Turin Airport
- Total GLA : 153,000 sqm
- Fair Value 31/12/2015: €60.5 mln



Investment Opportunities

INVESTMENT OPPORTUNITIES



Achievements 2015

ACHIEVEMENT 2015 – CORPORATE ACTIVITIES

June 25th, 2015 - Capital increase of €40 mln equal to 100% of the shares offered

September 17th, 2015 – Shareholders resolution to buy-back for 18 months up to 10% of the share capital

September 17th, 2015 – Changes in by law to transform in REIT (SIIQ) status

October 1st, 2015 - No longer subject to the Black List of CONSOB

November 2nd, 2015 - Intermonte SIM S.p.A. named Financial Intermediary and Specialist for Aedes shares

ACHIEVEMENT 2015 - OPERATING ACTIVITIES

March 17th, 2015 – purchase of a fully leased retail asset in Catania for € 18.8 mln;

April 9th, 2015 – fulfilment of the debt restructuring and release of any commitment of Aedes against previous lenders;

May 8th, 2015 – collection of €28.3 mln from the sale of an asset to Shangri-La (Hotel);

June 9th, 2015 – JV with TH Real Estate for widening of the Serravalle Designer Outlet;

July 29th, 2015 - merger of Praga Real Estate Holding S.p.A.;

September 15th, 2015 - Purchase of 50% of "Petrarca" fund and consolidation of €58 mln of assets and €3.5 mln of rents;

December 23th, 2015 – Purchase of 39% of Aedes Real Estate SGR S.p.A. at €2.7 mln, arriving to 95%;

December 29th, 2015 – Sale of the listed company Nova Re S.p.A. at €2.8mln with a margin of €2.6 mln;

Financial Results: FY2015

FINANCIAL RESULTS: FY 2015

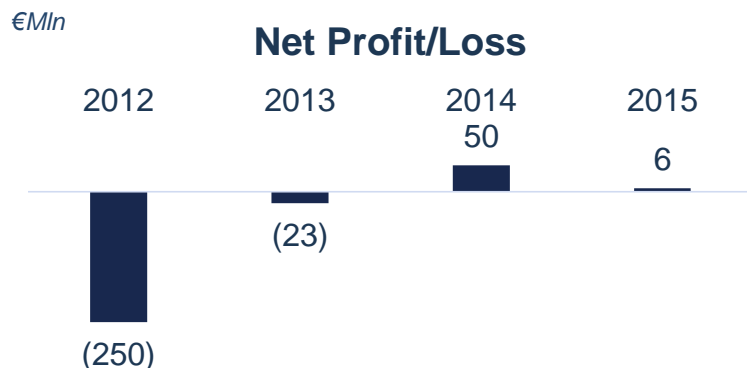
€/000	FY2015	FY2014
Net rent income	7,425	10,719
Net service revenues	13,903	7,888
Other income	20,819	23,769
Total revenues	42,147	42,376
<i>Total Costs</i>	<i>(35,750)</i>	<i>(43,779)</i>
EBITDA	6,397	(1,403)
EBIT (with no recurring revenues)	10,116	49,081
EBT	6,966	43,566
Taxes	(846)	6,222
Net income/(loss)	6,120	49,788
<i>of which Minorities</i>	<i>(946)</i>	<i>723</i>
<i>of which Net income of the Group</i>	<i>5,174</i>	<i>50,511</i>

Rent income to € 7.4 million from € 10.7 million at December 31, 2014. The decrease (- € 3.3 million) is the result of sales or contributions, as part of the restructuring of the end of 2014. At the end of 2015, due to the properties acquired at the end of 2015, the Group has lease contracts on an annual basis for a total of € 10.0 million, and considering the acquisition of the first quarter the total rent would be €13.6 million on annual basis.

Revenues from services to € 13.9 million, compared to € 7.9 million at 31 December 2014. The increase was attributable to revenue from Prague Construction Srl, which performs general contractor, mainly to associated companies.

EBITDA was positive for € 6.4 million, an improvement of € 7.8 million compared to a negative EBITDA of € 1.4 million at 31 December 2014.

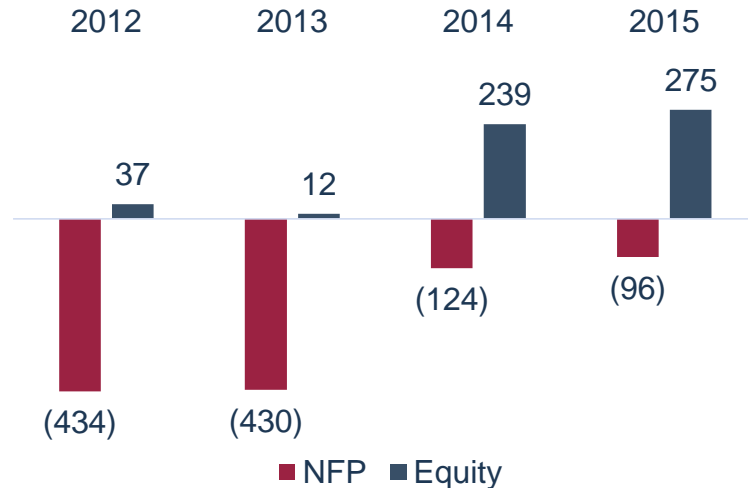
Net Income for the period, net of restructuring revenues amounted to € 4.4 million compared to an operating loss of € 24.1 million in 2014. The profit including restructuring income of € 1.7 million is amounting to € 6.1 million compared to a net profit of € 49.8 million in 2014 including restructuring income of € 73.9 million.



FINANCIAL RESULTS: FY 2015

€/000	FY2015	FY2014
Fixed capital	326,325	165,018
Net working capital	55,498	215,338
Invested capital	381,823	380,356
Equity	275,320	238,916
NFP	95,949	124,112

€Mln

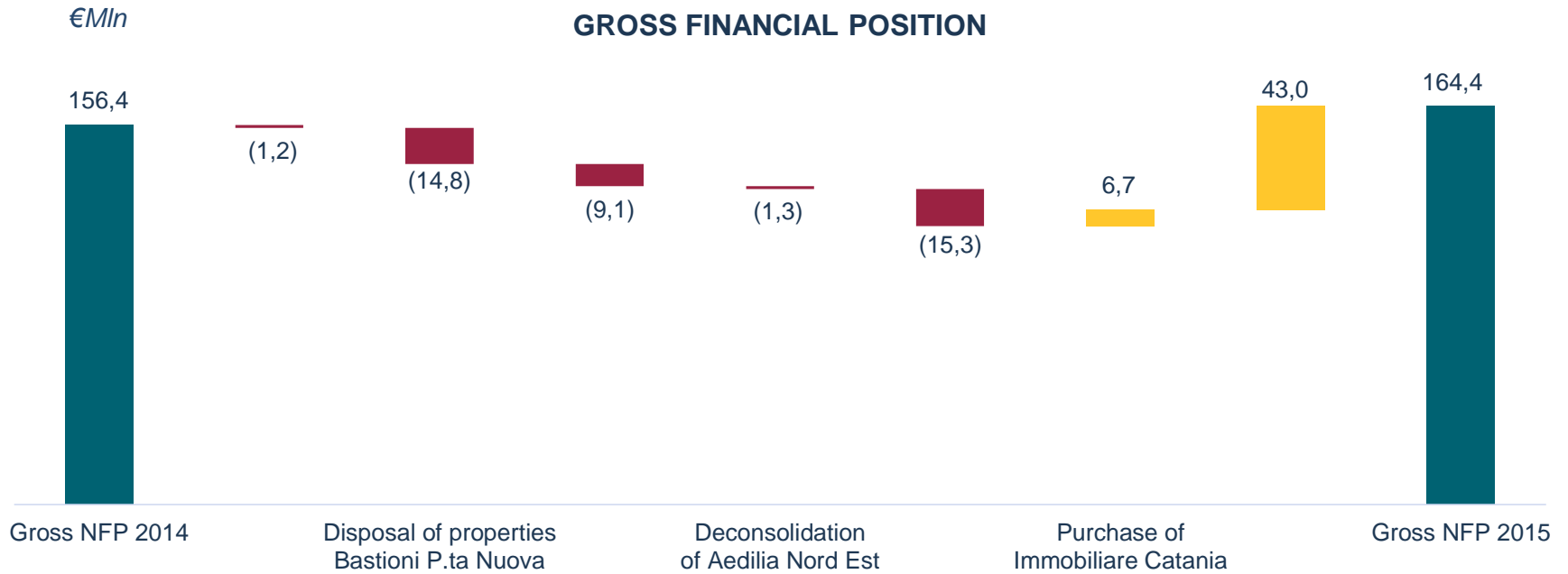


The fixed capital amounted to € 326.3 million (€ 165.0 million at the end of 2014), and consists of:

- Real estate investments and other assets for € 269.9 million;
- Capital investments in associated companies and joint ventures for € 53.0 million;
- Other assets Financial assets for € 2.1 million;
- Intangible assets for € 1.3 million

The invested capital at 31 December 2015 amounted to € 381.8 million versus € 380.4 million at the end of 2014. In line with the strategic guidelines of the Group, on 31 December 2015 it was decided to re-classification of all real estate, owned by the subsidiary companies that have acquired the status of SIINQ, for developing and making income from inventories to investment property item. Such reclassifications had no effect in terms of increase in value, because, Properties under development are stated at cost until their fair value cannot be measured reliably on an ongoing basis.

FINANCIAL RESULTS: FY 2015



NAV

(€/mln)	Accounting Method	Book value	Market value	Capital gain
Rented assets	IAS 40 – Fair Value	150.8	150.8	
Development for Rent	IAS 40 – Book Value	109.3	109.8	0.5
To Be Sold	IAS 2	60.6	60.7	0.1
Total Consolidated Group		320.8	321.3	0.6
Pro quota Assets in funds and JVs	IAS 40 – Fair Value	23.6	23.6	
Pro quota Development for Rent in funds and JVs	IAS 40 – Book Value	8.8	16	7.2
Pro quota in To Be Sold in funds and JVs	IAS 2	9.5	11.8	2.3
Total Funds and JVs		41.9	51.4	9.5
Total		362.7	372.7	10.1
Minority interest				
Equity of Grout at Book value				269.1
Net Asset Value				279.1
NAV Per share (€)				0.87

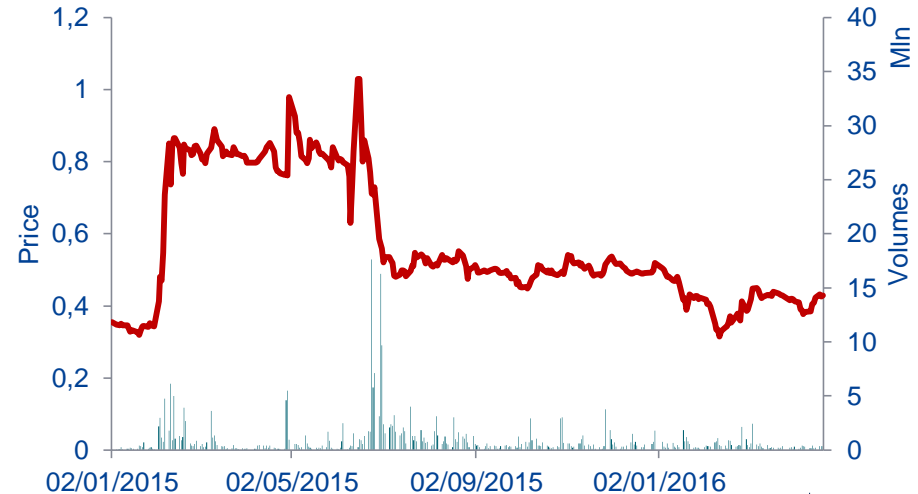
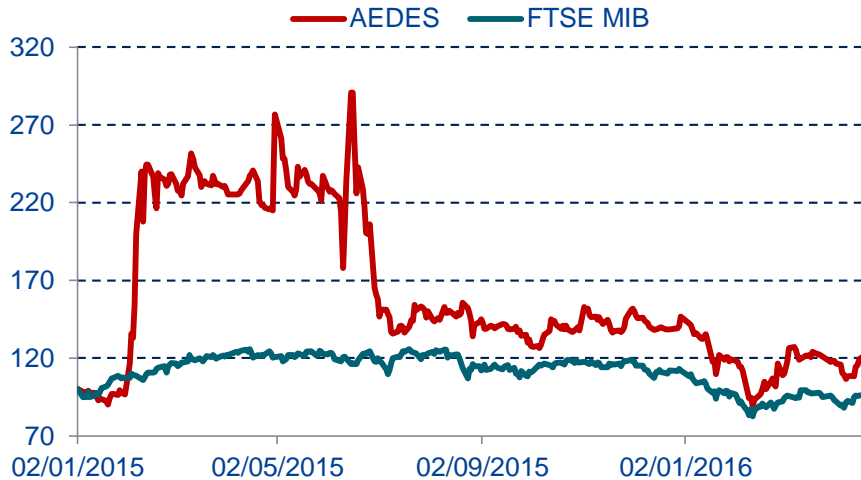
Cushman & Wakefield LLP is the primary independent expert that estimated the Aedes' real estate portfolio.

AEDES SHARE TREND – 21.04.2016

Market Segment	MTA
Ticker	AE
Specialist	Intermonte SIM S.p.A.
Auditing Company	Deloitte & Touche S.p.A.

21.04.2016

Market Cap (Mln)	137.04
N° of share	319,803,191
Share price (€)	0.4285
NAV per share 31.12.2015	0.87
Discount on NAV FY2015	50.8%



2016 EVENTS

- ☐ 11st May → 1Q 2016
- ☐ 3rd August → 1H 2016
- ☐ November → Business Plan
- ☐ 9th November → 3Q 2016
- ☐ March 2017 → FY2016

2016



Exhibitions where you can find us



REITS STATUS SINCE JANUARY 2016

SUBJECTIVE REQUIREMENTS

- Company organized as S.p.A.
- Residing in the Italian territory or in one of the EU Member States
- Listed on Italian regulated markets

STATUTORY REQUIREMENTS

- The Statute of the REIT must provide:
 - ✓ Rules on investments
 - ✓ Limits on the concentration of investment risks and the counterparty
 - ✓ maximum financial leverage permitted, on an individual and group level

STRUCTURE PARTICIPATORY REQUIREMENTS

- No shareholder should have directly or indirectly more than 60% of the voting rights in the ordinary and profit-sharing rights
- At least 25% of the shares must be held by shareholders who do not own directly or indirectly more than by 2% of the voting rights in the ordinary and profit-sharing rights. This threshold does not apply to companies already listed

OBJECTIVE REQUIREMENTS

- The SIIQ are required in prevailing carrying the property leasing activities, condition verified by two indices:
 - ✓ **Asset test:** land and buildings held as property or other real right allocated to it, represent at least 80% of the assets
 - ✓ **Profit test:** in each financial year, revenues emanating from it represent at least 80% of the positive components of the income statement
- Requirement in each year, to distribute to shareholders at least 70% of net income arising from property leasing and the possession of the investments (including those in real estate funds)
- Distribution requirement, within 2 years following the realization, 50% of capital gains realized on the leased property and equity investments in SIIQ, SIINQ and qualified real estate funds

GLOSSARY

- **ERV (Estimated Rental Value)** - It is the estimated rental value at market prices.
- **GAV (Gross Asset Value)** - Total real estate asset value calculated at current market values.
- **Gearing Ratio** – It is a measure of financial leverage, demonstrating the degree to which a firm's activities are funded by owner's funds versus creditor's funds. It is the ratio between the debt and the equity.
- **NAV (Net Asset Value)** - Difference between the total value of assets calculated at current market values and the total value of liabilities.
- **NAV (Net Asset Value) Real Estate** - Difference between the total real estate asset value calculated at current market values and the total value of financial liabilities allocated on real estate.
- **Reversionary Potential Yield** - Relationship between the ERV and the market value of the property. It is an indicator that shows the potential profitability of a property if it were fully leased at market rents.
- **Yield** - It is the ratio of the gross rental income and the real estate assets calculated at current market values. It is an index of profitability of real estate assets.

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