

- **APPROVED THE INTERIM RESULT AS AT MARCH 31, 2017**
- **RENTAL INCOME, TOTAL REVENUES AND NOI SHOW A SIGNIFICANT IMPROVEMENT**
 - **Rental income: € 4.2 mln (€ 2.4 mln)¹ +79%;**
 - **Total revenues: € 4.5 mln (€ 3.6 mln) +25%;**
 - **N.O.I.: € 3.2 mln (€ 2.8 mln) +14%;**
 - **EBITDA in line with March 31th, 2016**
 - **Profit for the period: € 2.2 mln (€ 14.2 mln) due to lower fair value adjustments**
 - **Net financial debt: € 150.7 mln (€ 150.6 mln); LTV 37%²**

Milan 10 May 2017, - The Board of Directors of **Aedes SiiQ S.p.A.** (MTA: AE), chaired by Carlo A. Puri Negri, met today and approved the interim result as at March 31 2017.

CONSOLIDATED INCOME STATEMENT AS AT 31 MARCH 2017

The **net profit** for the first quarter of 2017 was **€ 2.2** attributable to the Group, against a profit of € 14.1 million in the same period in 2016. This decrease is due to lower fair value adjustments made in the first quarter of 2017 of € 3.5 million (for the signing of the Open Mall project in Turin Caselle) compared with those made in the first quarter of 2016 of € 15.7 million (for the revaluation of real estate portfolio acquisitions made during the period).

The **Total revenues** amount of **€ 4.5 million** against the € 3.6 million in the same period in 2016 werw up by 25%. In line with the property company model, the weight of recurring revenues from rental income increased to € 4.2 million (93% of total revenues) from € 2.4 million in the first quarter of 2016 (65% of total revenues).

Direct costs amounted to € 1.3 million at March 31, 2016, against the € 0.8 million as at March 31, 2016, showing an increase of € 0.5 million attributable to the growth of real estate assets.

The **Net Operating Income (NOI)** is € 3.2 million, against the € 2.8 million as at March 31, 2016. Taking into account only the Group's real estate assets, the **NOI** results positive of € 3.0 million with an increase of € 0.3 million compared to € 2.7 million at March 31, 2016.

Overheads amount to € 2.9 million substantially unchanged compared to March 31, 2016.

The **EBITDA** was negative by € 0.1 million and in line with March 31, 2016.

The **investment property fair value adjustment** is € 3.5 million entirely due to the adjustment to fair value - based on a valuation prepared by the Independent Expert CBRE - of the Caselle development area as a result of the signature with The Municipality of Caselle of the Urban Planning Convention on March 30, 2017. At March 31, 2016, the item had a balance of € 15.7 million, entirely attributable to the fair value adjustment of Redwood real estate acquired during the period.

¹ The financial figures shown in brackets refer to March 31 2016 and December 31, 2016

² LTV calculated as the ratio between NFP and real estate portfolio at fair value

Amortization, write-downs and provisions as at 31 March 2017 amounted to € 0.2 million, compared to € 0.3 million at March 31, 2016.

The **income from associated companies and joint ventures** shows a positive balance of € 0.2 million against to the negative balance of € 0.1 million at March 31, 2016.

EBIT is positive for € 3.4 million with respect to €15.4 million in 2016 for the minor adjustment highlighted above.

Net Financial expenses amount to € 0.8 million with respect to € 1.4 million at 31 March 2016. The improvement is mainly due to the lower negative fair value adjustment of interest rate risk hedging instruments as at 2017.

In detail, the item is composed by:

- Financial income: € 0.1 million compared to € 0.2 million at March 31, 2016;
- Financial charges: - € 0.9 million compared to - € 1.1 million at March 31, 2016;
- Adjustment to fair value of derivative instruments: essentially zero at March 31, 2017 compared to - € 0.6 million at March 31, 2016.

CONSOLIDATED BALANCE SHEET AS TO 31 MARCH 2017

The **Invested Capital** at 31 March 2017 which amounts to **€ 460.9 million** with respect to € 460.1 million at the end of 2016, is financed with equity by €305.6 million (66%), with the net financial debt by € 150.7 million (33%) and with other net non-current liabilities by € 4.7 million (1%); the breakdown is as follows:

- **Fixed Capital** equal to **€ 403.8 million** (€398.4 million at the end of 2016). This item includes the following the main items:
 - Intangible assets to € 0.1 million unchanged compared to 2016;
 - Investment properties and other assets equal to € 350.2 million (€ 344.2 million in 2016);
 - Capital invested in associated companies and joint ventures for € 53.4 million (€ 54.0 million in 2016);
 - Other financial assets equal to € 0.1 million unchanged compared to 2016;
- The **Net Working Capital** is **€ 57.1 million** (€ 61.7 million at the end of 2016) and consists of:
 - Inventories for € 56.3 million in line with the end of 2016;
 - Trade receivables and other receivables of € 28.9 million versus € 27.0 million in 2016;
 - Trade payables and other payables of 28.1 million, versus € 21.6 million at the end of 2016.

At 31 March 2016, there were no past due or unpaid financial, tax and social security liabilities or amounts due to employees. As regards trade payables, on the same date, the Aedes Group has an overdue amount equal to € 4.0 million, for which there are no disputes or legal actions or suspension of supplies.

The **Net Equity** is equal to **€305.6 million** versus € 303.4 million as at 31 December 2016, with an increase of € 2.2 million mainly due to the result for the period.

The **net financial debt of the Group** at 31 March 2017 is **€150.7 million** against € 150.6 million at 31 December 2016. The figure of 31 March 2017 includes gross debts of € 159.8 million and bank deposits of € 9.1 million, gross debts of € 163.2 million and bank deposits of € 12.6 million at the end 2016. The

Group's total financial exposure is 68.7%. variable, The average duration is 2.43 years. LTV goes from 38% to 31 December 2016 to 37% at 31 March 2017.

As to 31 March 2017 there are no financial *covenant* or other terms of the loan agreements that had been not been respected.

KEY EVENTS DURING THE FIRST QUARTER OF 2017

March 30, 2017 – Aedes SIIQ S.p.A. announced that has been signed, with the Municipality of Caselle, the agreement for urban development of the area in the Turin CaselleTorinese, held through its 100% Satac SIIQ SpA.. In the area, which covers an area of about 300,000 square meters, Aedes REIT will develop an Open Mall of over 120,000 square meters of GLA, characterized by a functional mix of Retail and Entertainment, in line with the most innovative international concept already successfully opened abroad.

KEY EVENTS AFTER THE FIRST QUARTER OF 2017

April 4, 2017 – The Board of Directors of Aedes SIIQ S.p.A. announced the appointment of Gabriele Cerminara as Chief Operating Officer and Luca Lucaroni as Chief Financial Officer and manager responsible for preparing the financial reports of Aedes SIIQ S.p.A. from May 11th 2017.

April 11, 2017 – Aedes SIIQ announced that has been signed with ING Bank N.V. – branch of Milan and UniCredit S.p.A. a contract for a mortgage loan of € 56 million on a rented portfolio valued about € 111 million. The loan with an LTV of 50% approximately, will run for five years, allowing an increase in the average maturity of the Aedes Group's debt of about one year.

April 12, 2017 – Aedes SIIQ S.p.A. signed with professional investors a contract for the issue of non-convertible bonds of € 15 million with date of issue and/or subscription Q2 2017, maturity date Q4 2018 - choose by Aedes - further 18 months and 5% fixed rate.

April 20, 2017 – Aedes SIIQ S.p.A signed a shareholder's loan of € 10 million with the mayor shareholders Augusto SpA; this loan expires on October 31st 2018, and may be extended for a further 18 months and regulated at the 3-month Euribor plus a spread of 5%.

STATUS OF THE PLAN

The Industrial Plan 2014-2019, approved by the Board of Directors of Aedes on May 27, 2014 and subsequently supplemented, lastly on December 1, 2014, was drawn up on a semi-annual basis so a quarterly analysis and comparison cannot be fully representative and exhaustive.

For comparing the final results, therefore, a re-elaboration of the data underlying the Plan is used in the first quarter 2017.

INCOME STATEMENT

The income statement at March 31, 2017 reported a negative **EBITDA** of € 0.1 million, an improvement

over the negative € 0.7 million plan. The Business Plan figure relative to **EBIT** is not comparable given that the Half Yearly Plan data also includes fair value adjustments, and real estate portfolio values are updated only at the half-yearly and annual financial statements.

BALANCE SHEET

As to the Balance Sheet, the net financial position figure is approximately -€ 150.7 million, compared with an expected figure of -€ 176.3 million. The difference, positive of about € 25.6 million, is due:

- a) € 57.8 million in lower Group debt than forecasts, net of
- + € 81.6 million less debt on development projects due to the shortage of investment in capex, as a result of the deferment of approximately 6 months after completion of the 2014 restructuring operation compared with the expectations of the Plan;
 - € 22.2 million of higher debt on income portfolio as a result of anticipating investments of € 56.0 million compared with the expectations of the Plan, by acquiring the majority of the Petrarca Fund, Redwood Fund and Via Veneziani property in Rome;
 - - € 1.6 million due to other lenders;
- b) for - € 32.2 million for lower cash availability compared to the Plan figure, as a result of the aforementioned higher investment in income assets.

The **Equity** amounted to € 305.6 million compared to a figure expected by the Plan of € 311.6 million.

OUTLOOK

In 2017, the Company will be focused on divestiture of a part of the non-strategic portfolio, and the acquisition of new rented assets, the refinancing of the property portfolio in order to lengthen the *duration* of the debt, the growth of the rented assets value, to continue the development projects to improve the rented asset portfolio in line with the SIIQ strategy and updating the Plan. The *management* will also continue to focus on opportunities offered by the market for the Group growth.

The manager responsible for preparing the corporate accounting documents of Aedes SIIQ S.p.A., Mr. Gabriele Cerminara hereby certifies, as set forth by section 154-bis, paragraph 2, of Legislative Decree no. 58/98 that the accounting information contained in this press release comply with the book entries, accounting records and ledgers.

Aedes SIIQ S.p.A.

Aedes, which was founded in 1905 and listed in 1924, was the first real estate company listed on the Milan Stock Exchange (MTA:AE.MI). The strategy of the Company, which became a REIT on 1 January 2016, is to create and maintain in the medium term, a real estate portfolio used for commercial purposes, which generates cash flows consistent with the REIT model. Recurring cash flows will come from the retail and office properties already owned, which are currently rented assets or being sold, and from in house areas developed for the constructed of rented property used above all for retail purposes.

For further information: www.aedes-siiq.com

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***Please find attached the Income Statement - Balance Sheet - Net Financial Debt
Reclassified consolidated statements as to 31 March 2017***

RECLASSIFIED CONSOLIDATED INCOME STATEMENT

Description (€/000)	31/03/2017	31/03/2016	Change
Gross revenue from rents	4,214	2,357	1,857
Margin on property sales	59	-	59
Margin on sales of non-property inventories	172	152	20
Margin from general contractor and project mgmt services	(108)	773	(881)
Other revenues	186	341	(155)
Total Revenues	4,523	3,623	900
Net Losses for vacant properties	(118)	(85)	(33)
IMU Property Tax, other taxes and insurance on properties	(759)	(346)	(413)
Opex	(114)	(109)	(5)
Fees and commissions	(236)	(95)	(141)
Other non-rechargeable costs	(95)	(179)	84
Total Direct Costs	(1,322)	(814)	(508)
Net Operating Income	3,201	2,809	392
Direct personnel costs	(581)	(479)	(102)
Internal capitalised costs	175	483	(308)
Total Internal Direct Costs	(406)	4	(410)
Cost of head office staff	(676)	(679)	3
Advisory services to Structure	(840)	(1,048)	208
G&A	(1,404)	(1,215)	(189)
Internal capitalised costs	-	20	(20)
Total Overheads	(2,920)	(2,922)	2
EBITDA	(125)	(109)	(16)
Adjustment to fair value of real estate investments	3,519	15,665	(12,146)
Amortisation, depreciation provisions and impairment	(161)	(263)	102
Income/(expenses) from associates	167	82	85
EBIT (Operating Result)	3,400	15,375	(11,975)
Financial income/(charges)	(777)	(1,364)	587
EBT (Result before taxes)	2,623	14,011	(11,388)
Taxes/Tax charges	-	-	-
Profit/(loss) from continuing operations	2,623	14,011	(11,388)
Profit/(loss) after taxes on non-current assets to be divested	(418)	186	(604)
Profit (Loss)	2,205	14,197	(11,992)
Share of result of the minority shareholders	38	55	(17)
Group's share of the result	2,167	14,142	(11,975)

RECLASSIFIED CONSOLIDATED BALANCE SHEET

Description	31/03/2017	31/12/2016	Change
Fixed capital	403,779	398,367	5,412
Net working capital	57,147	61,727	(4,580)
INVESTED CAPITAL	460,926	460,094	832
Equity of the group:	298,564	296,408	2,156
Equity share of the minority shareholders	6,991	6,953	38
Consolidated Equity	305,555	303,361	2,194
Other non-current (assets) and liabilities	467	6,115	(1,440)
Medium-long term amounts due to banks and other lenders	111,917	113,866	(1,949)
Short-term amounts due to banks and other lenders	47,846	49,362	(1,516)
Cash and cash equivalents	(9,067)	(12,610)	3,543
Net financial debt	150,696	150,618	78
FUNDING SOURCES	460,926	460,094	832

NET FINANCIAL DEBT

	31/03/2017	31/03/2016	Change
A Cash	9.067	12.610	(3.543)
B Cash equivalents	0	0	0
C Securities	0	0	0
D) Liquid assets	9.067	12.610	(3.543)
E Current financial receivables	0	0	0
F Current amounts due to banks	(46.267)	(47.798)	1.531
G Current portion of non-current financial liabilities	0	0	0
H Other current financial liabilities	(1.579)	(1.564)	(15)
I Total current financial debt	(47.846)	(49.362)	1.516
J Net current financial debt	(38.779)	(36.752)	(2.027)
K Non-current amounts due to banks	(95.491)	(97.107)	1.616
L Bonds issued	0	0	0
M Other non-current financial liabilities	(16.426)	(16.759)	333
N Non-current net financial debt	(111.917)	(113.866)	1.949
O Net financial debt	(150.696)	(150.618)	(78)