



Beni Stabili Siiq

Results as at 31 December 2015: a good basis for growth

Summary of Results as at 31 December 2015

- **Recurring consolidated net income**¹ + 14% y/y, equal to + €99.4 million (compared to + €87.2 million in 2014).
- **Gross rental revenues**: €210.6 million (compared to €228.4 million at the end of 2014), slight decrease to - 1,5% on the *like-for-like*² basis and with the exclusion of the impact of the agreement with Telecom Italia.
- **Net rental revenues**: €174.5 million (compared to €194.2 million at the end of 2014).
- **Real Estate Portfolio**: €3,902.6 million (compared to €4,091.5 million at the end of 2014), also influenced by the sale of assets at a *gross selling price* equal to €203.3 million.
- **NNNAV per share**: €0.756 (compared to €0.797 in December 2014).
- **Total NNNAV**: €1,714.8 million (compared to €1,808.9 million at the end of 2014).
- **Net Financial Position**: improved and equal to - €2,064.3 million (compared to - €2,209.6 million at the end of 2014).
- **Average cost of debt and maturity**: average cost of debt significantly improved, equal to 2.9% (compared to 3.9% at the end of 2014) and average maturity equal to 4.3 years (compared to 3 years at the end of 2014).
- **Loan to value**³: stable at 50.9% (compared to 50.8% as at 31 December 2014).
- **Increase in proposed dividend**: + 9%, equal to €0.024 per share, corresponding to €54.4 million (compared to €49.9 million in 2014).
- **Acceleration of the asset rotation strategy**: binding sales agreement signed for €262.1 million, average gross exit yield totaling 6.6%, and acquisition of assets for €80.6 million.
- **Asset management**: framework agreement signed with Telecom Italia to renegotiate rental contracts, extending the average duration from 6.4 years to 15.3 years upon an average reduction in rents of 6,9%.
Subscription of 41 new rental contracts for an annualized value of €5.6 million.

¹ Beni Stabili Siiq defines the net recurring consolidated income (previously called recurring cash result for the Group) as an alternative performance indicator by adjusting the net consolidated results, excluding: 1) disposals margin (*capital gain* and related costs) and the related financial expenses deriving from the early repayment of loans and financial instruments; 2) non-cash items (changes in values of properties and financial instruments, amortizations, etc); 3) relevant extraordinary and non-recurring items.

² The Like-for-like rental growth is calculated on the stabilized portfolio as the growth rate coming from 1) the effect of indexation to inflation 2) the effect of an increase or reduction in the vacancy rate of the stabilized portfolio 3) the effect of renegotiating expiring rents or of new rents. The stabilized portfolio is the portfolio adjusted by sales, capex on "non *development*" assets and reclusterings.

³ The LTV is calculated by considering the hypothetical value of the assets transfer taxes (4%) and the current preliminary sales contracts. Excluding these effects, the LTV as at 31 December 2015 is equal to 52.7% (52.9% as at 31 December 2014).



Important Facts in the Period

Important Framework Agreement signed with Telecom Italia

In April 2015, a binding framework agreement was signed with Telecom Italia S.p.A. aimed at extending and strengthening the partnership with the leased real estate portfolio that represents 41% of the total Beni Stabili portfolio. The agreement provided for the signing of 147 new lease contracts with Telecom Italia, with new minimum durations comprised between 9 and 21 years upon an average reduction of the current lease rents of 6,9%, equal to €7.5 million. The agreement included, among others, the commitment by Telecom Italia to buy back 2 buildings located in Rome (Via Oriolo Romano and via Tor Pagnotta) for a total consideration of €126.3 million.

The closing of the agreement for the property located in via Oriolo Romano occurred in December 2015 (cs. 16 December 2015) for a price of €76.1 million while the closing of the agreement for via Tor Pagnotta occurred last 28 January (cs. 28 January 2016) for a price of €50.2 million. The agreement leads to an overall improvement in long-term visibility on the real estate assets of the Beni Stabili group and consolidates its competitive position on the Italian and European market, increasing the quality of the portfolio.

Appointment of the new Beni Stabili SiiQ CEO - Christophe Kullmann

On 21 October 2015, the Beni Stabili and Foncière des Régions Board of Directors appointed Christophe Kullmann as CEO of Beni Stabili to drive the business into a new relaunch phase, replacing Eng. Aldo Mazzocco who left the Group.

Beni Stabili thus accelerates the implementation of its new real estate policy focused on asset rotation with the aim of improving the quality of the portfolio to help grow rental income and values over the long term.

Successful achievement of the financial structure improvement project

In 2015, the Company implemented a series of operations that allowed to [further optimizing its financial structure](#), significantly extending the average debt maturity to 4.3 years (3 years at the end of 2014) and reducing the average cost of debt by one percent, from 3.9% in 2014 to 2.9% in 2015.

The main operations conducted in 2015 were:

- Issuance in March 2015 of the €125 million 7-year unsecured senior bond and fixed coupon for 2.125% due March 2022. The net revenue of the bonds issuance was dedicated to the refinancing of the existing debt due 2016.
- Repayment upon maturity, as at April 2015, of the residual amount of the convertible bond (€105.5 million) issued in 2010 with a fixed coupon of 3.875% and conversion price of €0.8476.



Beni Stabili Siiq



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Communiqué de presse

- Signing with a consortium of Italian and international banks of a new 10-year mortgage for €255 million and a spread of 1.4%, used to repay the loan due 2015 and part of the loan due 2016. Part of the loan (€90 million) was provided in the first half of 2015 while the residual portion was provided in December 2015 based on the maturity of the remaining debts to repay.
- Issuance, in August 2015, of the €200 million 0.875% fixed coupon convertible bond due 2021. The issuance revenue was intended to optimize the financial structure through the buyback of the €225 million convertible bond issued in 2013 and due 2018. On 4 August 2015, Beni Stabili bought back bonds, with reverse bookbuilding, for a total nominal value of €219.1 million equal to approx. 97.38% of the Existing Bonds originally issued, while on 10 September 2015, Beni Stabili exercised the early repayment option for the bonds still in circulation for a nominal amount of €5.8 million for approx. 2.58% of the Existing Bonds originally issued.

Ruling of the “Corte di Cassazione” on the pending dispute with the Tax Agency related to the purchase of Immobiliare Fortezza S.r.l.

On 23 December 2015, the ruling on the dispute between the Tax Agency, on one side, and Beni Stabili S.p.A. SIIQ and Fondo Pensioni COMIT, on the other side, was filed with the clerk at the “Corte di Cassazione” related to the sale and purchase of stake into Immobiliare Fortezza S.r.l.. The ruling granted the appeal of the Tax Agency by referring the ruling to a new court of appeals.

The Company, which filed an appeal, together with Fondo Pensione Comit, decided, as a precaution, to put a specific provision in the accounts.

Rental Activity

About 60,591 square meters of [new rental contracts and renewals](#) in 2015, in addition to about 2.160 square meters of new rental contracts and renewals signed before the period and activated during the year and a preliminary agreement for about 900 meters located in via Dante, Milan.

- [Average residual lease maturities](#): 9.8 years for the Core and Dynamic portfolios.
- [Physical occupancy](#) of the properties at 93.5% for the Core and Dynamic portfolios.
- [Financial occupancy](#) of the properties at 92.8% for the Core and Dynamic portfolios.
- Signing of [147 new rental contracts with Telecom Italia](#), with an average extension of the contract maturity of 15 years upon an average reduction in the current rents of 6,9% (€7.5 million).
- Signing of [41 new rental contracts](#) for an annual base value of €5.6 million;

Purchase and Sales Activity

In August, Beni Stabili was awarded the real estate portfolio from the Public Administration's assets from Cassa Depositi e Prestiti Immobiliare, which included two buildings for office use located in Milan in Corso Italia 19 and in Via Principe Amedeo 5 with a total gross surface of about 22,445 meters squared. The total purchase price is equal to €80.6 million. The purchase is fully consistent with the portfolio rotation strategy of the group aimed at increasing the Class A Office component in the heart of the Capital of Lombardy Region, where approximately half of the total portfolio is already located.

Yesterday, 9 February 2016, the closing of the purchase of the property located in Corso Italia 19 was finalized for a total amount of €38 million.

As at 31 December 2015, Beni Stabili has [binding sales agreements for a total amount of €262.1 million](#) of gross selling price⁴:

- [Deeds](#) performed in 2015: gross selling price equal to €203.3 million (+1.5% compared to the book value), particularly €101.5 million regarding the finalizing of the sale and purchase agreement for the hotel at corso Matteotti in Milan. Of the 10 buildings sold, 7 are included in the portfolio leased to Telecom Italia.
- [Preliminaries and other binding agreements](#) as at 31 December 2015: gross selling price equal to €58.8 million⁵ (+1.0% compared to the book value as at 31 December 2015). Of these, €50.2 million refer to the property bought back by Telecom Italia at via Tor Pagnotta in Rome in January 2016 pursuant to the binding agreement signed in April 2015.
- [Average gross exit yield on deeds and preliminary contracts/other binding agreements in effect](#): 6.6%

Recurring net income: + €99.4 million compared to + €87.2 million of the previous year.

Net results before accounting adjustments regarding the equity-linked convertible bonds, before the effects of early repayment of debts and the related hedging instruments that occurred during the year and before the other non-recurring special items: + €68.2 million compared to + €50.1 million as at 31 December 2014.

Net results after accounting adjustments regarding the equity-linked convertible bonds, after the effects of early repayment of debts and the related hedging instruments that occurred during the year and before the other non-recurring special items: - €66.3 million compared to - €231.6 million as at 31 December 2014.

⁴ Excluding the agreements signed in 2013/2014, the gross selling price is equal to €257.3 million, of which €202.03 million of deeds performed in 2015 and €55.3 million related to preliminaries and other binding agreements.

⁵ Of which €3.5 million of preliminaries already existing as at the end of 2014.

The number of shares in circulation⁶ as at 31 December 2015 totals 2,268,631,803, compared to 2,268,464,886 as at 31 December 2014.

Milan, 10 February 2016 – Today, the Board of Directors of Beni Stabili S.p.A. Siiq approved the consolidated results as at 31 December 2015.

Summary of Economic Data	31/12/2014	31/12/2015
Gross rental revenues (€m)	228.4	210.6
Lease contribution margin (€m)	194.2	174.5
Sales contribution margin (€m)	2.3	0.3
Services contribution margin (€m)	9.3	0.1
Recurring net income for the Group (€m)	87.2	99.4
Net consolidated results before the accounting effects (€m)	50.1	68.2
Consolidated net results (€m)	(231.6)	(66.3)
Base EPS (€)	(0.11667)	(0.02924)
Diluted EPS (€)	(0.11667)	(0.02924)

Summary of Financial Data	31/12/2014	31/12/2015
Book value of the real estate portfolio (€m)	4,091.5	3,902.6
Gross EPRA NAV (€m)	1,983.0	1,867.8
Gross EPRA NAV per share (€)	0.874	0.823
EPRA NNNNAV (€m)	1,808.9	1,714.8
EPRA NNNNAV per share (€)	0.797	0.756
Book value of the net financial position (€m)	2,209.6	2,064.3
Loan to value of the group (%)	50,8%	50,9%

The Consolidated recurring net income amounts to €99.4 million compared to €87.2 million in 2014. The increase is due primarily to the reduction in financial expenses.

The recurring net income per share totals €0.044 increased by +2.9% from €0.043⁷ in 2014.

⁶ Net of own shares, amounting to 961,000 shares.

⁷ Post-adjustment after the capital increase in late 2014 (adjustment coefficient 0.9690)

The net consolidated results for 2015, net of the accounting adjustments for the equity-linked convertible bonds, the effects of the early repayment of debts and the related hedging tools in the period and the other special non-recurring items amounts to €68.2 million compared to €50.1 million on December 31, 2014.

However, the 2015 results were still negatively impacted by the amount of the fair value change of the conversion option for convertible bonds for - €60.1 million (- €22.1 million in the same period of 2014) and by the costs for the early repayment of loans and the related derivative instruments for - €19.6 million. The special allocation to the risk fund regarding the tax dispute for the 2006 purchase of stake in Immobiliare Fortezza Srl from the Comit Pension Fund also weighed negatively on the 2015 net results. These negative impacts were partially offset by the positive margin deriving from the integration of Beni Stabili Gestioni S.p.A. SGR in Investire SGR S.p.A. equal to + €3.9 million.

The Consolidated Net Results of the Group of 2015 is therefore negative for €66.3 million (negative for €231.6 million in 2014).

The gross rental revenues for 2015 amounts to €210.6 million (€228.4 million in 2014). The change is primarily due to:

- reduced rents due to the sale of assets for - €6.3 million;
- reduced rents due to Telecom Italia renegotiation for - €6.2 million
- reduced rents for the maturity/closure and renewal/set-up of rental contracts for - €4.7 million.
- other impacts for - €0.6 million.

On the like-for-like⁸ basis, the gross accounting rents vary by approx. -4.1% (-4.2% regarding the Core portfolio only). Excluding the Telecom Italia renegotiation impact, the like-for-like change drops to -1.5%.

The net rental revenues amount to €174.5 million compared to €194.2 million posted in 2014. In the fourth quarter of 2015, they are equal to €40.5 million compared to €47.4 million of the same period of the previous year. The reduction is due, in addition to the gross rent dynamic previously described, to the greater weight of contracts with owner's expenses, to the increase in management costs and in ordinary building maintenance costs.

The **net revenues for services** decrease to €0.1 million compared to €9.3 million in 2014 following the merger of BSG into Investire Immobiliare and the related equity consolidation of the SGR.

In 2015, properties were sold for a total consideration of €203.3 million, which includes sales in the fourth quarter for €79.5 million. The **net sales margin**, net of the related transaction costs, amounts to + €0.3 million compared to + €2.3 million as at 31 December 2014.

⁸ The Like-for-like rental growth is calculated on the stabilized portfolio as the growth rate coming from 1) the effect of indexation to inflation 2) the effect of an increase or reduction in the vacancy rate of the stabilized portfolio 3) the effect of renegotiating expiring rents or of new rents. The stabilized portfolio is the portfolio adjusted by sales, capex on "non *development*" assets and reclustering. Excluding the impacts from the release and subsequent reletting of properties subject to major recent restructuring by the internal development division of the group, gross book rents amount to -3.8% (-2.7% for the Core Portfolio).

As at 31 December 2015, the preliminary sales agreements in effect had a book value of €58.8 million⁹, including €50.2 million for the property bought back by Telecom Italia in via Tor Pagnotta in January 2016.

The gross average yield on the preliminary contracts and deeds for 2015 is 6.6%.

The **total operating costs** amount to €18.7 million (€23.8 million as at 31 December 2014) while in the fourth quarter of 2015, they amount to €6.5 compared to €6.7 million in the fourth quarter of 2014. The staff costs for 2015 dropped to €6.1 million compared to €9.0 million in the previous fiscal year (€1.6 million in the fourth quarter of 2015 compared to €2.3 million in the same period of 2014). The general costs went to €12.6 million, down from €14.8 million as at 31 December 2014, (€4.9 million in the fourth quarter of 2015 compared to €4.4 million in the same period of 2014). The reduction is primarily due to the de-consolidation of Beni Stabili Gestioni S.p.A SGR.

The **other net costs and expenses** amount to - €54.8 million compared to -15.1 million as at 31 December 2014 due to the increased non-recurring depreciations of old credit items. The change is primarily due to the allocations to the risk funds for tax disputes, net of the removal of the non-recurring depreciations for old credit items in 2014.

The **net change in value of the Real Estate portfolio**, based on estimates at 31 December 2015 carried out by Jones Lang LaSalle, REAG and Yard on total assets at IAS values of €3,902.6 million, is equal to €19.3 million (- €10.8 million in 2014).

It is noted that, in pursuance of the Beni Stabili Group's procedures for periodic rotation of the evaluators, the evaluators of the Group's property portfolio have already changed as of 31 December 2014. Jones Lang LaSalle and Yard started their cooperation with the Group since the projections in December, while REAG, which until June 2014 evaluated the Telecom Italia portfolio, as of 31 December 2014 have evaluated the retail portfolio.

Net financial costs and income decreased from a negative balance of €311.0 million to a negative balance of €152.3 million in 2015. The change is mainly attributable to:

- lower cash financial charges on short-term, medium and long term borrowings for €24.0 million, primarily related to the reduction in the cost of debt decreasing from 3.9% in 2014 to 2.9% in 2015;
- lower charges of the medium-long term non-cash portions for €4.7 million;
- lower financial operating expenses for €6.5 million following the repayment of the Imser securitization, which occurred in 2014;
- lower financial charges on sales for €1.8 million;
- lower charges related to the early repayment of debt and related hedging instruments that occurred in the accounting period for €152.5 million;
- lower charges on change in fair value of hedging instruments for €5.8 million;

⁹ Of which €3.5 million of preliminaries already existing as at the end of 2014.

- other impacts, lower charges for €0.4 million.

These positive impacts were partially offset by the recognition of the negative change in fair value of the conversion options of the equity-linked convertible bonds, resulting in higher charges for €37.0 million.

Net income from investments of 2015 amounts to + €3.1 million compared to - €17.6 million of the previous year. This change is primarily due to the positive margin obtained by the integration of Beni Stabili Gestioni S.p.A. SGR in Investire SGR S.p.A. for €3.9 million, and the impact of the valuation of investments using the net equity method, amounting to €2.6 million.

Income taxes increased from - €60.3 million (of which - €57.9 million is due to deferred taxes and contingencies) in 2014 to + €0.5 million in 2015. It is pointed out that the figure for the year 2014 included - €62.9 million related to the cancellation of credits for net prepaid tax recorded in previous years in respect of write-downs of property, following the introduction of the system of tax exemption on the margins of sale of properties to be leased introduced by the so-called “Decreto Sblocca Italia”.

The property portfolio of €3,902.6 million of book value / the financial statement

In compliance with Consob communication no. DEM/9017965 of 26 February 2009, the following information on the property portfolio is provided.

As at 31 December 2015, the total value of the property portfolio amounted to €3,902.6 million against €4,091.5 million at 31 December 2014. The reduction is mainly related to the sales occurred in the period and, to a lesser extent, to the write-down of some vacant assets, for which an investment plan for their enhancement is intended. The group's property portfolio is divided into the following three categories:

- The Core portfolio, amounting to €3,555 million (91% of the total portfolio) with a physical occupancy rate of approximately 96.8%. The average rate of return of annual rents is currently at approximately 5.5%, and is growing at 5.8%, if we take into account the annual run-rate rents. About 45% of the Core portfolio, in terms of value, consists of properties leased to Telecom Italy.
- The Dynamic portfolio amounts to €98 million (3% of the total portfolio) and is managed with a view to extracting value and / or disposal.
- The Development portfolio amounts to €250 million (6% of the total portfolio), and includes, in addition to the Symbiosis development project, properties and / or areas to be renovated such as via Ferrucci in Turin or via Schievano in Milan.



	Number of properties	IAS value (€000)	% Percentage of total	Market value (€ 000)	Gross Yield ¹⁰ (%)	Topped-up Yield ¹¹ (%)	Physical occupancy (%)
Office Telecom Italia	150	1,600,775	41.0%	1,600,775	6.4%	6.4%	100.0%
Office, Non Telecom Italia	40	1,617,293	41.4%	1,619,380	4.7%	5.2%	90.1%
Retail	13	336,670	8.6%	336,670	5.4%	5.9%	90.7%
Core portfolio	203¹²	3,554,738	91.1%	3,556,825	5.5%	5.8%	96.8%
Dynamic Portfolio	34	97,845	2.5%	98,051	1.6%	1.9%	24.3%
Portfolio Development (*)¹³	3	250,050	6.4%	250,050			0.0%
TOTAL	240	3,902,633	100.0%	3,904,926	5.1%	5.3%	90.9%

The **market value of the property portfolio** based on estimates at 31 December 2015 carried out by Jones Lang LaSalle, REAG and Yard amounted to €3,904.9 million. On a like-for-like basis compared to 31 December 2014, the value of the portfolio decreased by 0.4%. This reduction is due to the write-down of vacant properties which, excluding the Telecom portfolio, have a 14% financial vacancy of the Core and Dynamic portfolios. These properties will be subject, in the next two years, to investment for their enhancement and to a review of rental policy with the aim of leasing them at an average rent in line with market values.

The **NAV (Net Asset Value)**, calculated according to the EPRA guidelines and according to evaluations of the Group's entire real estate portfolio amounted to €1,867.8 million (€0.823 per share), compared with the NAV of 31 December 2014 amounting to €1,983.0 million (€0.874 per share).

The **NNNAV – triple NAV** – (NAV net of both deferred taxes on the portfolio and the Mark to Market of interest rate derivatives and of fixed-rate debt, net of tax effects) calculated according to the EPRA guidelines amounted to €1,714.8 million (€0.756 per share) compared to NNNNAV at 31 December 2014 amounting to €1,808.9 million (€0.797 per share).

The NNNNAV diluted, calculated taking into account the financial instruments with potential dilutive effect issued by the Group, represented by the only convertible bond due 2019 (while the option of converting the loan maturing in 2021 is "out of the money") the option of which at 30 December 2015 is "in the money", amounted to €0.772¹⁴ per share (€0.773 per share assuming the conversion of this bond entirely in cash).

¹⁰ Calculated on the basis of gross annual rents collectible at the end of the period and the corresponding market value of the assets.

¹¹ Calculated on the basis of gross annual rents collectible at the end of the period, taking into account the expiry of *rent free* periods / loans or other rental incentives (*step-up*), and the corresponding market value of the assets.

¹² The Core portfolio contains four properties that are part of the same Garibaldi Complex, and therefore considered a single initiative.

¹³ The GLA of the asset of the Development portfolio is based on the state of art of the existing properties before the start of the refurbishing works.

¹⁴ Calculated assuming the conversion into cash until reaching the nominal value of the convertible bonds, and in shares for the surplus due.

The **net financial position** at 31 December 2015 amounted to - €2,064.3 million compared to - €2,209.6 million as at 31 December 2014. The **LTV (Loan to Value)** ² amounted to 50.9% compared to 50.8% as at 31 December 2014.

Outlook

Benis Stabili expect a slight increase in net recurring income in 2016

The Board of Directors also:

- resolved to propose to the Shareholders' Meeting, to be convened for 7 April 2016, to distribute **a dividend of €0.024 per share, corresponding to €54.4 million**, on the basis of shares issued net of treasury shares kept in the portfolio. The dividend will be payable against presentation of coupon no. 20 on 2 May 2016, as of 4 May 2016. It is specified that, under the current legislation, the entitlement to the payment of profits is determined based on the records of the accounts relating to the end of the accounting day of the first settlement day following the ex-dividend date (*record date*: 3 May 2016).
- approved the proposal of the Remuneration Committee of the Directors, the Company's Remuneration Policy, and the submission of the first section of the Remuneration Report in accordance with art. 123-ter, paragraph 6, of Legislative Decree no. 58/98, to the advisory vote of the next General Shareholders Meeting. The Remuneration Report of the Company will be made available to the public and published on the company website within the timeframe envisaged by the applicable laws and regulations.
- Evaluated, on the basis of information supplied by the interested parties and at the disposition of the Company, the existence of the independence requirements in relation to the Chairman, prof. Enrico Laghi, and Directors Dr. Isabella Bruno Tolomei Frigerio, Dr. Françoise Pascale Jacqueline Debrus, Dr. Giacomo Marazzi and Dr. Clara Pierfranca Vitalini.

"The director responsible for preparing corporate accounting documents, Luca Lucaroni, declares, pursuant to paragraph 2 of Article 154-bis of the Consolidated Law on Finance that the accounting information contained in this statement corresponds to the documented results, books and accounting records."



PRESENTATION OF ANNUAL RESULTS FY2015

Christophe Kullmann and Luca Lucaroni

will meet the financial community today at 15:00

at the Auditorium of Beni Stabili in via Cornaggia 8, Milan

The presentation will also be visible on **Video Webcast** at the following link:

<http://services.choruscall.eu/links/benistabili160210.html>

Conference call:

Italy: **+39 02 805 88 11**

UK: **+44 1 212 818 003**

USA: **+1 718 705 8794**

The document that will be presented to the financial community will be available on the Beni Stabili website at <http://www.benistabili.it> in the Investors' Section.

For more information:

Beni Stabili Siiq

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Beni Stabili Siiq, a leading property company in the Italian real estate sector

Beni Stabili is the leading property player in the Italian real estate market with total assets of 4bn euro. Our assets portfolio is sited in key locations of North and Central Italy's major cities and consist mainly of offices. We pursue the appreciation of our assets to increase profitability and create value for our clients, partners and shareholders.

As a major player in office investment and development, we foster pioneering solutions to improve the environmental performance of our buildings for the well-being of our clients' employees. With this in mind we are developing in Milan a new business area dedicated to smart working: Symbiosis.

Beni Stabili is listed on the Milan and Paris Stock Exchanges and operates through its main offices of Milan and Rome. Beni Stabili belongs to the Foncière des Régions group, a leading real estate player in Europe who owns and manages an 18bn euro portfolio located in the most attractive metropolitan cities of France, Germany and Italy.

Income statement - Beni Stabili Group

(in thousands of Euro)

	31/12/2015	31/12/2014
Rental revenues	210,615	228,358
Property costs	-36,153	-34,194
Net rental income	174,462	194,164
Net service income	99	9,342
Personnel costs	(6,082)	(9,046)
Overheads	(12,616)	(14,782)
Total operating costs	-18,698	-23,828
Other revenues and income	3,818	2,887
Other operating costs	(58,625)	(17,999)
Total other revenues and charges	-54,807	-15,112
Revenues from disposal of trading properties	140	9,297
Cost of sale	-93	-9,230
Profit / (Loss) from disposal of trading properties	47	67
Revenues from disposals of investment properties	101,585	74,500
Cost of sales	(100,134)	(72,226)
Profit / (Loss) from disposal of investment properties	1,451	2,274
Revenues from disposal of properties held for sale	101,660	24,240
Cost of sales	(102,833)	(24,248)
Profit / (Loss) from disposal of properties held for sale	-1,173	-8
Property write-ups	98,304	53,552
property write-downs	(117,621)	(64,351)
Property write-ups/(write-downs)	-19,317	-10,799
EBIT	82,064	156,100
Net financial income /(charges)	(152,326)	(310,986)
Income / (charges) from associates	6,482	672
Income / (charges) from other companies	(3,410)	(18,240)
Pre-tax profit/(loss)	-67,190	-172,454
Income taxes for the period	516	(60,272)
Net profit/(loss)	-66,674	-232,726
Non- controlling interest profit/(loss)	344	1,121
GROUP NET PROFIT/(LOSS)	-66,330	-231,605
Earnings per share in Euro		
- Base	(0.02924)	(0.11667)
- Diluted	(0.02924)	(0.11667)



Income/(Expenses) - Beni Stabili Group

	31.12.2015	31.12.2014
Financial income on bank accounts and time deposits	992	1,973
Other financial income	382	224
Total financial income	1,374	2,197
Financial charges on medium/long-term payables - cash portion	-60,156	-84,343
Financial charges on short-term payables - cash portion	-657	-421
Financial charges on the medium/long-term - non-cash portion	-9,859	-14,598
Commitment fees (on medium/long-term and short-term payables)	-1,078	-1,796
Financial charges on property sales	-	-1,773
Change in fair value of ineffective derivative instruments	910	-4,931
<i>On-going swap differentials between inflation and costs of Imser securitization</i>	-	-6,521
Other financial charges	-328	-788
Total financial charges	-71,168	-115,171
Financial charges on advance settlement of loans and derivative instruments	-19,905	-172,448
Change in the fair value of the conversion option of bond	-62,627	-25,564
Total overall financial income and expenses	-152,326	-310,986

Statement of Financial Position - Beni Stabili Group

	31/12/2015	31/12/2014
ASSETS		
Investment properties	3,470,730	3,736,760
Properties under development	219,390	149,740
Operating properties and other assets	19,302	19,902
Intangible assets	167	173
Investments		
- In associates	20,951	1,891
- In other companies	1,538	1,538
Securities	9,064	13,204
Trade and other receivables	44,938	36,420
Derivative instruments	549	846
Deferred tax assets	12,517	15,627
Total non current assets	3,799,146	3,976,101
Trading properties	34,075	63,305
Trade and other receivables	37,210	101,018
Cash and cash equivalents	80,770	113,444
Total current assets	152,055	277,767
Assets held for sale	161,345	146,252
Total assets	4,112,546	4,400,120
EQUITY		
Share capital	226,959	226,943
Share premium reserve	341,449	341,403
Other reserves	1,254,322	562,562
Retained earnings	(74,775)	727,098
Total Group equity	1,747,955	1,858,006
Non-controlling interest equity	5,565	10,889
Total consolidated net equity	1,753,520	1,868,895
LIABILITIES		
Financial payables	2,106,000	1,840,335
Trade and other payables	-	-
Derivative instruments	104,213	91,348
Post-employment benefits	348	491
Deferred tax liabilities	13,957	17,911
Total non-current liabilities	2,224,518	1,950,085
Financial payables	39,083	482,756
Trade and other payables	37,661	88,993
Provisions for risks and charges	57,764	6,944
Total current liabilities	134,508	578,693
Liabilities associated with assets held for sale	-	2,447
Total liabilities	2,359,026	2,531,225
Total consolidated equity and liabilities	4,112,546	4,400,120



Statement of Cash Flows - Beni Stabili Group

(Euro thousands)

	31.12.2015	31.12.2014
EBT	(67.190)	(172.454)
Amortisation of intangible assets	65	64
Depreciation of operating and other assets	840	877
Unrealised (write-ups)/write-downs on properties	18.927	10.651
(Write-ups/write-downs on investments	828	17.600
Non-cash fin. charges/(income) on derivatives & amort. cost	81.161	56.951
Fair value stock option free share	19	29
Merger surplus Beni Stabili Gestioni SpA SGR into Investire Immobiliare SGR	(3.900)	-
Provisions for doubtful debts and risks and charges	53.330	13.628
Release of provisions for bad debts and risks and charges		(33)
Cash flow from operating activities	84.080	(72.687)
Current income taxes	(336)	(4.149)
Cash flow from operating activities after taxes	83.744	(76.836)
<i>Movements in assets and liabilities</i>		
Other assets/liabilities	40.457	(18.041)
Receivables/payables for sale/purchase of prop. & investments	(20.122)	(61.089)
Payment of SIQ/SIINQ income taxes	(15.186)	(19.588)
Cash flow before investing and financing activities	88.893	(175.554)
<i>Investing/divesting activity</i>		
Increase in intangible assets	(59)	(64)
Increase in operating and other assets	(1.880)	(235)
Increase in properties and incremental costs	(31.022)	(50.420)
Disposals property	200.779	105.009
Disposal/redemption property fund units	961	1.211
Dividends from investments valued at Equity	741	400
Partial consideration for Beni Stabili Property Service S.p.A.	-	(6.104)
Financing activity	(49.906)	(42.138)
Dividends	(64)	146.506
Share cap. increase w/ share prem. for exercise stock option	-	(1.271)
Contrib./redemptions & attrib. reserves from/to non-controlling interests	-	155
Acquisition minority holdings in consolidated companies	(241.117)	(14.684)
Liquidity generated/(absorbed) in the period	(32.674)	(37.189)
Cash and cash equivalents at beginning of period	113.444	150.633
Cash and cash equivalents at end of period	80.770	113.444



Net Financial Position - Beni Stabili Group

	in thousands of Euro	
	31 December 2015	31 December 2014
Borrowings from banks and financial institutions	964,757	1,129,492
of which:		
- Short-term portion	10,736	348,052
- Medium-long term portion	954,021	781,440
Bonds issued	746,047	619,112
of which:		
- Short-term portion	26,171	24,168
- Long-term portion	719,876	594,944
Convertible bond loans	434,279	574,487
of which:		
- Short-term portion	2,176	110,536
- Long-term portion	432,103	463,951
Gross debt	2,145,083	2,323,091
Cash and cash equivalents	(80,770)	(113,444)
Net debt	2,064,313	2,209,647