



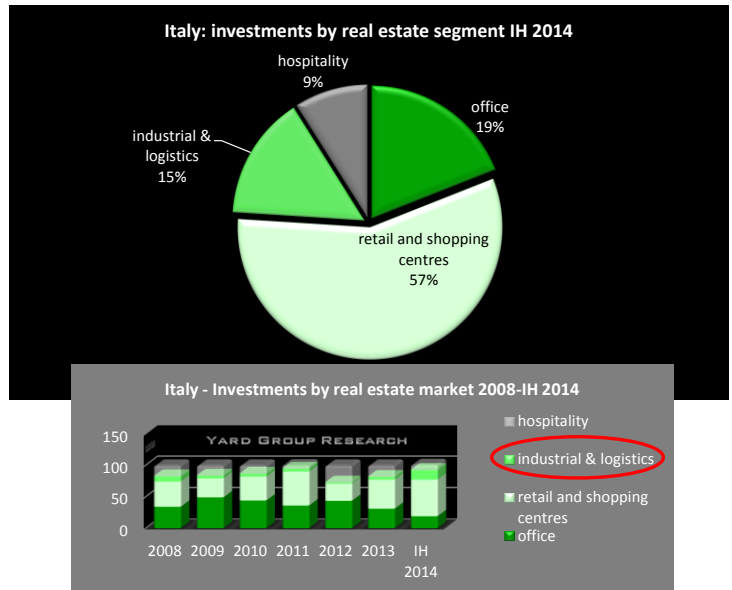
Industrial property market 1H 2014

Industrial & logistics real estate market in Italy 1H 2014

KEY ECONOMIC INDICATORS

MACRO ECONOMIC INDICATORS		
population (2013)	60.782.668	↑
GDP growth rate QoQ** (II Q 2013-II Q 2014)	-0,10%	↓
GDP forecast (2014)	0,50%	↓
GDP per capita 2013* (\$)	33.094	↓
unemployment rate (2014)	12,60%	↑
disposable household income	-2,45	↓
inflation rate (June 2014)	0,28%	↑

**International monetary fund*
***Q-o-Q % : quarter on quarter % change*



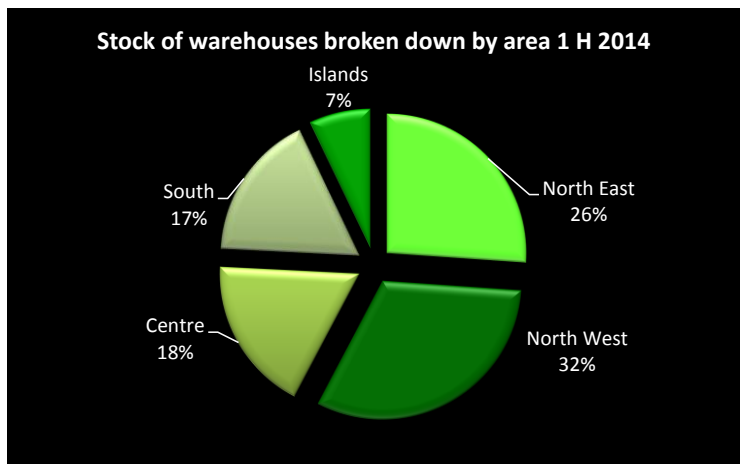
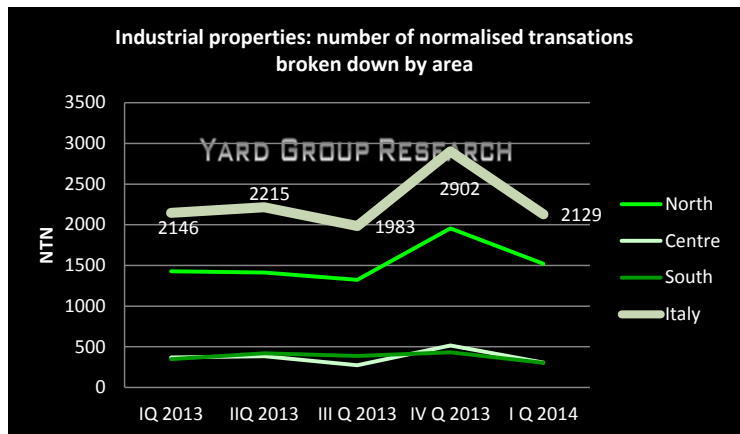
ECONOMIC OUTLOOK

Italy is expected to go through a slow recovery, with improved credit conditions, and increasing lending demand. According to the data released by the Italian Banking Association (ABI) between January and July, the amount of new mortgage loans amounted to 14.6 billion euro compared to 11.4 of the same period of 2013. The increase on an annual basis is therefore 29.2%. Italian banks are expected to continue adjusting their balance sheets, which should allow more favourable credit conditions for households and firms. Weak demand and high unemployment rate (12.7%) will contribute to keep inflation low, GDP is positive after gloomy years and in 2014 GDP is projected to grow by 0.5% . Finally government deficit is on a decreasing path and it is projected at 2.6% of GDP according to Eurostat.

INDUSTRIAL PROPERTY MARKET

In the first half of 2014 the industrial segment registers a downturn in terms of number of transactions. Both sale and rental values are decreasing and average time on market is reaching about 16 months (warehouses for rent) and 20 months (warehouses for sale). The geographical area where the market is more buoyant is the North, while central and southern areas lag behind.

Investments allocated to industrial assets represent 15% of the total volume, as shown in the pie chart on the right. The data refer to the first quarter of 2014. The line chart on the right shows the NTN (number of normalised transactions) broken down by area, followed by the stock of warehouses present in Italy. Stock of industrial warehouses has increased in the past few years although demand is still weak . Occupiers require modern and functional warehouses tailor-made according to company needs, but the majority of the existing stock is formed of lower quality and/or specifications and outside prime locations. Discounts applied to asking prices are about 20% and 15% to sales and rental values respectively.





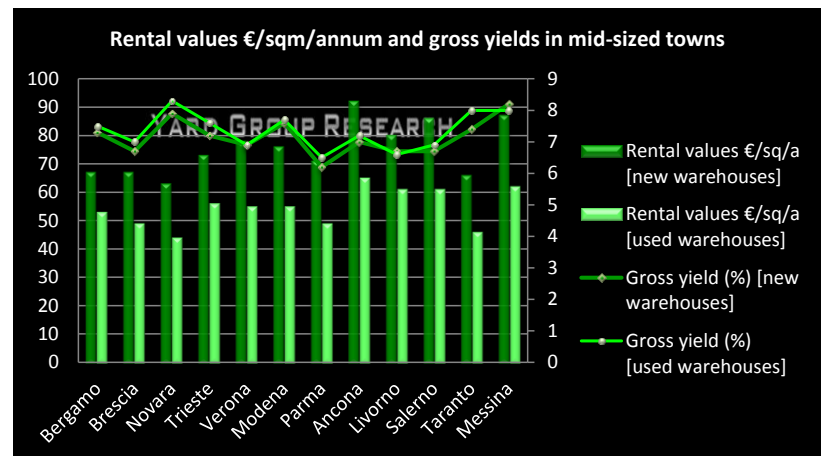
Industrial property market 1H 2014

Industrial property asking price €/sqm

Warehouses: asking price €/sqm - mid sized towns 2014			
	new warehouses	used warehouses	
North	Bergamo	916	703
	Brescia	991	702
	Novara	797	528
	Trieste	1006	737
	Verona	1134	805
Centre	Modena	992	719
	Parma	1142	760
	Ancona	1321	900
	Livorno	1199	926
	Salerno	1283	882
South	Taranto	903	576
	Messina	1062	779



Town	Rental values €/sq/a [used warehouses]	Gross yield (%) [used warehouses]
Bergamo	53	7,5
Brescia	49	7
Novara	44	8,3
Trieste	56	7,6
Verona	55	6,9
Modena	55	7,7
Parma	49	6,5
Ancona	65	7,2
Livorno	61	6,6



ASSET	DATE	TOWN	Sale value €	USE	VENDOR	BUYER
Magazzino logistico a Paullo	July 2014	Paullo, Milan	20,5	Logistics	Corpus Sireo Immobiliensfor	Prologis Italy
Logistica Origgio	July 2014	Origgio, Varese	16,65	logistics	Castello SGR	ICCREA Bancaimpresa
Centri logistici Centro-Nord	March 2014	Centre and North	200	logistics	Torre SGR SpA, Arcese Imm	Blackstone Group
"Logistica del freddo" Modugno	February 2014	Modugno, Bari	1,05	logistics	Polis Fondi SGR pA	MAGI Immobiliare Srl

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YARD GROUP

Corso Vittorio Emanuele II, 22 20122 Milano tel. +39.02.77.80.70.1 - fax +39.02.76.31.92.16
web: <http://www.yard.it>

RESEARCH DIVISION Head of Research Daniela Angioletti e-mail: d.angioletti@yard.it