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Valter Mainetti's group present in the London road show to present its project to 300 investors

### **A City with Sorgente**

**A company listed on the Stock Exchange that will collect 1 million Euros. Objective: betting on the upswing recovery of the building industry in Italy, the United Kingdom, France, USA and Brazil**

A company listed in London with a capital of one million Euros to be invested in the real estate sector in Italy, the United Kingdom, Brazil, the United States, France and Switzerland. This new project presented by Sorgente Group, headed by Valter Mainetti, will be presented to 300 investors during the road show to be held in the City of London during the month of March, as anticipated by *Il Mondo*. A financial and industrial transaction, predicted to be one of the biggest to be held in Europe in the real estate market during the whole of 2013, and in relation to which project, as rumor has it, Barclays is acting as an advisor. For Sorgente, which to date holds assets amounting to 5 billion dollars, among owned and managed assets, (the characteristic of the group is that of investing in Trophy Buildings, such as the Flatiron in New York, Queensbury House in London, the Galleria Colonna in Rome, re-baptized Galleria Alberto Sordi, and the Fine Arts Building in Los Angeles), this constitutes a fundamental step in the process of expanding at an international level which in 2012 has led it towards Brazil by means of a joint-venture with Brasilinvest belonging to the Garnero family.

### TARGET STOCK EXCHANGE

Such a path has caused shareholders to stop and think about the corporate structure: in fact, what is being contemplated, is the listing of Sorgente Holding on the Stock Exchange in a couple of years time, a holding controlled by the Mainetti family (the other company at the vertices of control is Sorgente Group of America): "We are considering this hypothesis" as **Valter Mainetti** admits, "but we will wait for the moment when the stock market will attribute the highest value to our company, which in the last years has endeavored to expand its business especially between Europe and the United States. At present we feel the need to give a strong signal to the market which has connoted us as one of the principal players in the real estate industry having a principal interest in Europe whilst also having diverse interests all over the world". And even if Valter Mainetti didn't clearly spell it out, the ideal stock market for allocating the "brainpower" of Sorgente is not the Italian Stock Exchange in Milan but the London Stock Exchange, housing the major capital movements. In fact, it is no coincidence that the new project is about to be presented in London where the major sovereign funds, such as Qatar and Abu Dhabi, as well as the most important pension and social security funds are expected to be found. Are Italian investors also expected to be present? "We hope so", as Mainetti affirms. "We confide in the recovery of the real estate sector and in the opportunities which are presenting themselves in certain parts of the world, including Brazil. The financial vehicle which we have in mind is not a real estate fund but a listed structure in possession of an asset allocation focused on certain compartments such as buildings intended for office and commercial use, as well as new development initiatives, whilst only a reduced share of investments will be dedicated to residential areas".

### THE TROPHY ASSETS CARD

Among the most important stakeholders of the real estate funds of Sorgente in Italy are the private social security funds, such as Enasarco, one of the shareholders of Michelangelo, the fund which between 2005

and 2008 bought and resold (with a huge capital gains), the majority shareholding in the Chrysler Building of New York and between 2006 and 2009 has acquired the majority shareholding of the Flatiron Building, today leased to the German publishing group Holtzbrinck with a contract due to expire in 2017. With regards to its future investments, Sorgente intends to maintain its approach of acquiring trophy assets, that is buildings which have an imperative symbolic value (from the historic, architectural and urban point of view), and which are universally recognized due to their aesthetic value. "Our strategy is based on the conviction that these types of assets are not only anti-cyclical but they acquire value with time", as held by Sorgente's number one. In Italy, Sorgente Sgr is today occupied with consolidating and incrementing the institutional investors and the managed assets. The objectives are two: acquiring trophy buildings through a real estate fund and acquiring control over other asset management companies. Regarding the new vehicles, in 2012 the contribution real estate funds Tintoretto, Leon Battista Alberti, two products reserved for institutional investors, that is Brunelleschi (investments in France, Switzerland, USA and the United Kingdom) and Guercino (for buildings exclusively located in Rome and Milan). Currently, the fund which will take hold of the Cinema Adriano in Rome, and for which negotiations are underway, is still unknown. The Flatiron Building is not the sole presence which Sorgente has in the United States. It can be said that Sorgente has a strong American *milieu*, since it derives its origins from the construction of multi-floor iron structures employed in the Nyse and Chrysler Building during the first half of the Twentieth century. The business conducted in America, headed by Valter's daughter, **Veronica Mainetti**, on one hand involves projects of restoration and redevelopment (such as the building on Greene Street in Soho), while on the other, the acquisition of shareholdings in the most representative Trophy Buildings in New York, San Francisco, Los Angeles and Chicago.

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