

Paris, 19 December, 2018

Major disposal of non-strategic assets in Italy

Covivio, through its subsidiary Beni Stabili, has closed today the disposal of a portfolio of non-strategic assets in Italy, including the building Excelsior in Milan and two office properties located in Turin. The price of €220.5 million is in line with last June book value (implying a net exit yield of approx. 4%¹). With this disposal, the company crystalizes the value creation realized during the 1st half of the year following the re-letting of the asset in Milan, while increasing by ca. 2 pts the exposure to Milan offices, up to 72%².

Excelsior is a high-street retail building, located in the heart of Milan just behind the Duomo. Last July, Covivio has successfully signed a new lease agreement for approximately 5,000 m² with Hexagon, which is expected to replace the existing main tenant during the course of 2019, after a complete refurbishment of the building. Hexagon, part of the Percassi Group, is a vehicle dedicated to the development of Victoria's Secret stores franchised network in Italy, France and Spain. Excelsior is expected to host Victoria's Secret largest flagship store in Italy.

This disposal successfully finalizes the asset management cycle for this property acquired in 2006: the building was reconverted from a cinema/theatre into high-street retail and was recently re-let with a significant rise in rent. This increase, which has been reflected in the H1 2018 asset value, allowed Covivio to fully benefit from the positive momentum of Milan's high-street retail real estate market.

The other assets of the portfolio consist of two multi-tenant office buildings located in the center of Turin. The assets total over 44,000 m² of GLA and are almost entirely let.

This transaction confirms the strategy to focus on Milan offices through a proactive capital rotation policy based on the disposal of mature or non-strategic assets (retail and assets outside Milan) and the reinvestment of the proceeds into new properties or development projects in strategic locations in Milan, with attractive yields as well as strong value creation potential.



CONTACTS

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- 1 Based on rents adjusted for the impacts of the new lease agreement signed on the Excelsior asset in Milan
 - 2 On the Group share portfolio value



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ABOUT COVIVIO

Thanks to its partnering history, its real estate expertise and its European culture, Covivio is inventing today's user experience and designing tomorrow's city.

A preferred real estate player at the European level, Covivio is close to its end users, capturing their aspirations, combining work, travel, living, and co-inventing vibrant spaces.

A benchmark in the European real estate market with 23 Bn€ in assets, Covivio offers support to companies, hotel brands and territories in their pursuit for attractiveness, transformation and responsible performance.

Its living, dynamic approach opens up exciting project and career prospects for its teams.

Covivio's shares are listed in the Euronext Paris A compartment (FR0000064578 - COV), are admitted to trading on the SRD, and are included in the composition of the MSCI, SBF 120, Euronext IEIF "SIIC France" and CAC Mid100 indices, in the "EPRA" and "GPR 250" benchmark European real estate indices, EPRA BPRs Gold Awards (financial + Sustainability), CDP (A-), Green Star GRESB and in the ESG FTSE4 Good, DJSI World & Europe, Euronext Vigeo (World 120, Eurozone 120, Europe 120 and France 20), Euronext® CDP Environment France EW, Oekom, Ethibel, Sustainalytics and Gaïa ethical indices.

Covivio is rated BBB/Positive outlook by Standard and Poor's.



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