

Paris, 23 April 2019

## **Agreement for the disposal of €263.5M portfolio in Italy and launch of a new 20,000 m<sup>2</sup> building in Symbiosis, Milan**

*With those two Italian transactions, Covivio crystallizes the value creation on mature assets, increases its portfolio quality and levers on its development pipeline expertise to create additional value.*

Covivio has signed a binding agreement for the disposal of a portfolio of mature and non-core assets for €263.5M, including a building located in Milan, via Montebello, and 9 assets located in Rome, Bologna, Venice and other cities in Italy. The price is slightly above last December book value and implies a net exit yield of approx. 4.9% (4.3% based on passing rents). The transfer of the properties will be effective in December 2019.

Milan, via Montebello is a core mature office building, located in Milan CBD and accounting for almost 18,000 m<sup>2</sup> of gross lettable area. The building was acquired in 2002, in the context of a sale and lease back with a leading Italian bank, and was refurbished in 2017. The disposal completes the asset management cycle for the property allowing to fully benefit of the positive momentum of Milan's real estate market.

The other assets part of the portfolio consist of 9 office buildings, located in other Italian cities, with over 38,000 m<sup>2</sup> of GLA, almost entirely let (98% occupancy).

Covivio has also successfully pre-let more than 30% of the third building (of 20,000 m<sup>2</sup> in total) to be developed in Symbiosis, to a leading multinational company that will set its Italian HQ in Symbiosis, representing an additional step for the complete development of this smart business district. The lease agreement provides for an annualized rent of €2M with a firm maturity of 10 years (+6 years at the option of the tenant).

Construction of the new committed building, for a total investment of €84M and a target yield around 7%, will be promptly launched right behind Fastweb's new HQ of 20,500 m<sup>2</sup>, delivered in October 2018.

As a reminder, in the same area, the works are already ongoing for another building committed to ICS International School, a private school operator part of the NACE Schools group, for around 9,200 m<sup>2</sup>, with a total cost of €21M and around 8% target yield. The completion is expected in summer 2020.

Symbiosis is an innovative business district development project in the Porta Romana area, South of Milan city center, not far from Piazzale Lodi (Metro Line 3) and right in front of Fondazione Prada, of approx. 125,000 m<sup>2</sup> (of which ca 50,000 m<sup>2</sup> are already delivered or launched) and approx. €520M total cost overall. The project targets the highest grades of energy efficiency and green certifications (Leed Platinum, "A" Energy Class).



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PRESS RELEASE

*“Those transactions confirm Covivio’s Italian value strategy to focus on Milan through a proactive rotation approach based on the disposal of mature or non-core assets and the reinvestment of the proceeds into new properties or development projects in prime locations in Milan.”* declared Alexei dal Pastro, CEO Italy of Covivio.

The committed development pipeline of Covivio in Italy amounts to more than €600 million in 2019, focused in Milan for around 90%, on assets aiming at reaching the highest standards of sustainability.



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## COVIVIO

Thanks to its solid real estate expertise, its long partnerships with its customers and its deep-rooted presence in Europe, Covivio is redesigning the experience of today's real estate users and designing the cities of tomorrow.

With 23 billion euros of assets managed, Covivio is a leading actor in the European real estate sector in the office, hotel and residential segments, and offers support to companies, hotel groups and cities so that they can increase their capacity of attraction, manage transformation and achieve the highest standards of sustainability.

The shares of Covivio are listed on Euronext of compartment A in Paris (FR0000064578-COV) and on the MTA (stock market) of Borsa Italiana, are admitted to the negotiations on the SRD and included in the composition of the indices MSCI, SBF 120, Euronext leif " SIIC France "and CAC Mid100, in the reference European real Estate indexes" Epra "and" GPR 250 ", Epra Bprs Gold Awards (financial + Sustainability), CDP (A-), Green Star gresb and ethical indexes 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.

Covivio has a BBB+/Outlook Stable rating of Standard and Poor's.



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