
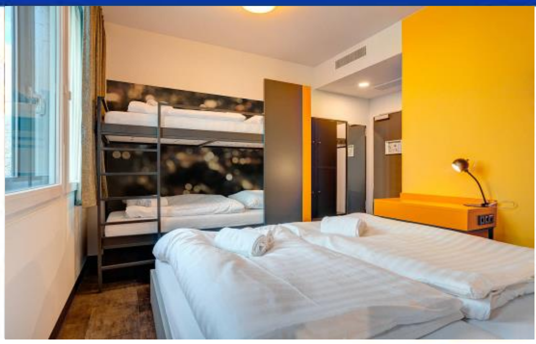


Paris, 24 April 2019

First quarter 2019: Steady asset rotation and revenue growth

Steady asset rotation

- Launch of a new building on Symbiosis in Milan: 20,000m² in offices already 30% pre-let
- €325m Group share of deliveries scheduled in 2019, 86% pre-let on average.
- Pursuit of asset disposals: €360,5m Group share of new commitments, of which more than 70% in Italy

Solid like-for-like revenue growth of +3.3%

- Revenue Group share: €166.0m, up +13.5%, and +3.3% at a like-for-like scope
- France Offices: +4.2% like-for-like
- Italy Offices: +1.0% like-for-like
- Germany Residential: +4.1% like-for-like
- Hotels in Europe: +1.2% like-for-like

S&P upgraded the financial rating of Covivio to BBB+, outlook Stable

2019 General Meeting: Scrip dividend option and developments concerning the Board of Directors

- Approval of the scrip dividend option with a subscription price of €81.29
- Renewal of the term of Jean Laurent as Chairman of the Board of Directors
- Appointment of two new Independent Directors, Christian Delaire and Olivier Piani

A leading European operator with a €23 billion (€15 billion Group share) portfolio centred on major European cities, in particular Paris, Berlin and Milan, Covivio supports companies, hotel operators, and regions in their pursuit of attractiveness, transformation and responsible performance. A global player covering all stages of the real estate value chain, the Group relies on a European development pipeline of €6 billion to ensure its ongoing growth.

Steady asset rotation in the first quarter of 2019

Covivio pursued its asset rotation policy in the first quarter of 2019. First by intensifying the development pipeline: €1.3 billion Group share of projects were committed at end 2018, with an additional €800m Group share slated for 2019, including a new project in Milan, launched this quarter. Consequently, the Group is making progress with regard to its strategic objectives, by strengthening its presence in the major European cities, and meeting heavy demand for new spaces with high-quality assets that are suited to new usages.

Meanwhile, Covivio has signed new disposals and new agreements worth €360.5m Group share (€395.5m at 100%), with an average yield of 5.7% and a +2.5% margin on the latest appraisal values. These sales, of which more than 70% concerns assets in Italy, are in addition to the €274m Group share secured in 2018 and still to be completed.

Launch of Symbiosis building D, a new 20,000m² office project in Milan already 30% pre-let

After delivery of the Fastweb headquarters building in 2018, Covivio launched the third building in the Symbiosis Project. Building D represents 20,000m² in offices for a total investment of €84m and a yield of around 7%. 6,400m² have already been pre-let to a multinational to locate its Italian headquarters, thus marking a new stage in the development of this innovative business district. The lease was signed with rent of €315/m² for the offices portion and a firm maturity of 10 years (+6 years at tenant's discretion). Delivery is scheduled for 2021.

For the record, another development project is ongoing for a 9,400m² building in the zone, entirely pre-let to ICS International School.

Average pre-letting rate of 86% on 2019 deliveries

2019 deliveries total €325m Group share (€399 million at 100%) of projects across all asset classes. These include five office projects in Milan, Bordeaux, and Lille totalling 63,000m², five hotels in Paris, Lyon, and Munich for 790 rooms, and 454 housing units in Berlin.

Two of these projects were delivered this quarter, for a €54m total cost (€36m Group share) and 6.9% yield, both fully let: the Hélios Project for 9,000m² of offices in Lille, leased by the Caisse d'Epargne group, and the 173-room Meininger Hotel in Munich. The three remaining projects for delivery this year are already 86% pre-let on average.

Disposal of a portfolio of 10 assets in Italy for €263.5m

Covivio signed a sale agreement on a portfolio of mature and non-core assets for €263.5m, including the building on Via Montebello in Milan and nine assets located in secondary locations in Italy (Rome, Bologna, Venice, etc.). The price is slightly higher than the latest appraisal value and shows a net yield rate of 4.9%. Ownership will be transferred in December 2019.

Disposal of an office building in Charenton

In France, Covivio signed €68m worth of new commitments with a slightly positive margin over the latest appraisal value. The Group entered into a sale agreement on an asset located in Charenton-le-Pont, for €54m. This building, totalling 11,500m² in offices, is fully let to Natixis for 4.5 years firm.

The rest of the disposals involve six non-*core assets* for €14m, located in the outer suburbs of Paris and in secondary cities in the regions.

Disposal of the Westin Hotel in Dresden

In hotels, Covivio sold the five-star Westin Bellevue in Dresden, with 340 rooms, for €48.5m (€21m Group share), with a margin of +8.8% on the appraisal value. In addition, the Group is keeping the adjacent land reserve that has strong residential development potential, thus feeding its development pipeline in Germany.

Revenue at end March: Solid like-for-like growth of +3.3%

Revenue for the quarter, which stood at €166.0m, up +13.5%, benefited from strong investment in 2018, mostly the merger with Beni Stabili and acquisitions in Hotels.

Like-for-like revenue increased by +3.3%, compared to +3.2% in 2018. This solid performance is the fruit of the portfolio transformation ongoing since 2015, and reflects the good performance of our rental markets.

- In France Offices, the increase of +4.2% like-for-like is primarily the result of 2018 new leases (+2.3 pts), realized mostly starting from the second quarter 2018. The positive impact will thus be progressively smoothed during 2019. Indexation contributed +1.2 pt and renewals +0.7 pt.

- In Italy, rental income increased by +1.0%. The offices portfolio in Milan, excluding Telecom Italia, recorded growth of +1.3%. On this portfolio, the Group benefits from a 98.0% occupancy rate at end March 2019.

- Rental performance in Germany Residential remains high, at +4.1% like-for-like, driven by the dynamism of Berlin (+5.0% like-for-like). 26% of this growth is generated by indexation, 28% by re-letting, and 46% comes from modernisation.

- Lastly, in Hotels, revenue increased +1.2%. The performance is due to the repositioning works realized by Accor on some hotels with variable rents, in order to enhance their future growth.

The occupancy rate and the maturity of the leases are staying high across all assets, respectively at 98.1% (+0.1 pt compared to end 2018), and 7.1 years firm (+0.1 year compared to end 2018).

First quarter 2019	Revenue 100% (€m)	Revenue Group share (€m)	Change (%)	Change like-for-like (%)	Occupancy rate (%)	Term of leases (years)
France Offices	66.6	59.3	-2.9%	+4.2%	97.4%	4.7
Italy Offices	46.8	36.0	+80.2%	+1.0%	98.1%	7.4
Germany Residential	61.9	39.7	+4.9%	+4.1%	98.5%	n.a.
Hotels in Europe	65.3	24.7	n.a.	+1.2%	100%	14.0
Hotels in lease	*57.8*	*21.8*	*+34.2%*	*+1.2%*	*100%*	*14.0*
Hotel operating properties	*7.5*	*3.0*	*-18.3%*	*+1.3%*	*n.a.*	*n.a.*
Total strategic activities	**240.7**	**159.8**	**+15.1%**	**+3.3%**	**98.2%**	**7.2**
Non-strategic activities (Retail in France and Italy, France Residential)	**8.0**	**6.2**	**-16.5%**	**+1.8%**	**94.6%**	**4.6**
Total	**248.7**	**166.0**	**+13.5%**	**+3.3%**	**98.1%**	**7.1**

S&P upgraded the financial rating of Covivio to BBB+, outlook Stable

S&P announced it had revised the financial rating of Covivio from BBB to BBB+, Stable outlook. This improvement comes 9 months after having placed the rating in Positive outlook, recognising the company's improved operational and financial profile.

This upgrade is due to the portfolio's repositioning since 2015, thanks to steady asset rotation and reinforcement around Paris, Berlin, and Milan. This transformation has allowed an acceleration of growth in the past two years, along with a solid outlook across all of Covivio's markets.

In addition, S&P underlines the company's improved financial profile, as a result of the revised Loan to Value target of "less than 40%", compared to the previous "40% to 45%". Beyond the regular policy of asset disposals to finance its investments, Covivio is in capacity to reach this target by end 2019, thanks to the scrip dividend option.

2019 General Meeting: Scrip dividend option, and developments on the Board of Directors

Scrip dividend option

The Combined General Shareholders' Meeting of 17 April 2019 approved the amount of the dividend, paid in respect of fiscal year 2018, of €4.60 per share (a +2.2% increase compared with 2017), as well as the scrip dividend option. The issue price of the shares concerned by the scrip dividend option is set at €81.29 (link to dedicated PR).

This transaction will enable Covivio to make significant progress toward the LTV objective of below 40%, while still being able to invest in the development pipeline, which offers high profitability (6.1% yield on the total development cost of committed projects). The shareholders represented on the Covivio Board of Directors (Delfin, Covea, Predica and ACM, representing 49% of the share capital), have already undertaken to subscribe to this option.

Renewal of the term of the Chairman of the Board of Directors, and appointment of two new Independent Directors

Further to the General Meeting of 17 April 2019, the term of Jean Laurent as Chairman of the Board of Directors was renewed for four more years. Shareholders also approved the appointment of two new Independent Directors, Christian Delaire and Olivier Piani.

Christian Delaire (ex-CEO of Generali Real Estate and AEW Europe) and Olivier Piani (ex-CEO of Allianz Real Estate and GE Capital Real Estate Europe) bring their expertise in real estate and international business to the Board of Directors.

Paris, 24 April 2019 at 18.00

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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) and on the MTA market (Mercato Telematico Azionario) of the Milan stock exchange, 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+/outlook Stable by Standard and Poor's.

APPENDIX

Reconciliation with IFRS accounts

€million	Revenues Q1 2019 IFRS statements	Minorities	Revenues Q1 2019 Group share
France offices	66.6	-7.3	59.3
Italy offices	46.8	-10.8	36.0
Germany Residential	61.9	-22.2	39.7
Hotels in lease	57.8	-36.1	21.8
Strategic activities	**233.2**	**-76.3**	**156.8**
Non-strategic activities	8.0	-1.9	6.2
Total rental income	**241.2**	**-78.2**	**163.0**
Operating hotel properties (EBITDA)	7.5	-4.5	3.0
Total Revenue	**248.7**	**-82.7**	**166.0**

Glossary

Definition of the acronyms and abbreviations used:

RevPar: Revenue per Available Room
Mietspiegel: Reference index for residential rents in some German cities
GS: Group share
Chg: Change
ED: Excluding Duties
ID: Including Duties
MRV: Market Rental Value

Firm residual term of leases

Average outstanding period remaining of a lease calculated from the date a tenant first takes up an exit option.

Like-for-like change in rent

This indicator compares rents recognised from one financial year to another without accounting for changes in scope: acquisitions, disposals, developments including the vacating and delivery of properties. The change is calculated on the basis of rental income under IFRS for strategic activities.

This change is restated for certain severance pay and income associated with the Italian real estate (IMU) tax.

Given specificities and common practices in German residential, the Like-for-Like change is computed based on the rent in €/m² spot N versus N-1 (without vacancy impact) on the basis of accounted rents.

For operating hotels, like-for-like change is calculated on an EBITDA basis.

Restatement done:

- Deconsolidation of acquisitions and disposals realized on the N and N-1 periods
- Restatements of under work assets, ie. :
  - Restatement of released assets for work (realized on N and N-1 years)
  - Restatement of deliveries of under-work assets (realized on N and N-1 years).

Occupancy rate

The occupancy rate corresponds to the spot financial occupancy rate at the end of the period and is calculated using the following formula:

$$1 - \frac{\text{Loss of rental income through vacancies (calculated at MRV)}}{\text{Rental income of occupied assets + loss of rental income}}$$

This indicator is calculated solely for properties on which asset management work has been done and therefore does not include assets available under pre-leasing agreements. Occupancy rate are calculated using annualised data solely on the strategic activities portfolio.

The indicator "Occupancy rate" includes all portfolio assets except assets under development.

Projects

Committed projects: these are projects for which promotion or construction contracts have been signed and/or work has begun and has not yet been completed at the closing date. The delivery date for the relevant asset has already been scheduled. They might pertain to VEFA (pre-construction) projects or to the repositioning of existing assets.

Controlled projects: These are projects that might be undertaken and that have no scheduled delivery date. In other words, projects for which the decision to launch operations has not been finalised.

Rental income

Recorded rent corresponds to gross rental income accounted for over the year by taking into account deferment of any relief granted to tenants, in accordance with IFRS standards.

The like-for-like rental income posted allows comparisons to be made between rental income from one year to the next, before taking changes to the portfolio (e.g. acquisitions, disposals, building works and development deliveries) into account. This indicator is based on assets in operation, i.e. properties leased or available for rent and actively marketed.

Annualised "topped-up" rental income corresponds to the gross amount of guaranteed rent for the full year based on existing assets at the period end, excluding any relief.

Yields/return

The portfolio returns are calculated according to the following formula:

$$\frac{\text{Gross annualised rent (not corrected for vacancy)}}{\text{Value excl. duties for the relevant scope (operating or development)}}$$

The returns on asset disposals or acquisitions are calculated according to the following formula:

$$\frac{\text{Gross annualised rent (not corrected for vacancy)}}{\text{Acquisition value including duties or disposal value excluding duties}}$$