

## PRESS RELEASE



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### **EUROCOMMERCIAL PROPERTIES N.V. ENTERS INTO JOINT VENTURE WITH AXA IM - REAL ASSETS BY SELLING 50% OF ITS PARIS SHOPPING CENTRE “PASSAGE DU HAVRE”**

Eurocommercial Properties N.V. (Eurocommercial) announced today that it has signed a joint venture agreement with AXA Investment Managers – Real Assets (AXA IM – Real Assets), a global leader in real asset investments and the leading real estate portfolio and asset manager in Europe, acting on behalf of its clients, by which AXA IM – Real Assets becomes the owner of a 50% interest in the Passage du Havre shopping centre located in the prime boulevard Haussmann area of Paris. The price for the 50% share in Passage du Havre was based on Eurocommercial’s 31 December 2018 independent valuation resulting in an amount of € 203 million for the half share.

This transaction is part of the Company’s asset rotation programme, which since it started two years ago has resulted in the sale of over € 600 million of retail assets, all in line with Eurocommercial’s independent valuations. Other property sales are planned further improving the Company’s loan to value ratio. The net proceeds of the Paris sale will be used to reduce Eurocommercial’s debt. Closing is expected to take place in October, which under the current circumstances, will then reduce the loan to value ratio from 46% reported in March 2019 to 43%\*.

AXA – IM Real Assets, acting on behalf of its clients, is already joint venture partner with Eurocommercial in the Etrembières shopping centre near Geneva which, like the Passage du Havre, is jointly managed by the Eurocommercial and AXA IM – Real Assets respective teams of in-house local experts with Eurocommercial being responsible for the retail elements.

Passage du Havre was purchased in October 2000 and extended further by purchasing adjacent buildings in September 2002 and June 2012. The total cost price of the whole property was € 192 million. The property is fully leased to first class tenants such as Fnac, Sephora, Natures et découvertes, Yves Rocher, all leaders in their sectors. Ten out of the 40 stores are amongst the top three best performers of their chains.

Jeremy Lewis, Eurocommercial’s CEO commented:

“We are delighted to have entered into a further joint venture with AXA IM – Real Assets, one of the world’s most important and experienced institutional real estate investors.

The 50% share of the Passage du Havre was sold to AXA IM – Real Assets at Eurocommercial’s 2018 independent valuation, thus confirming once again the validity of our valuations and the high quality of our assets in the four countries in which we operate.

Complete details of Eurocommercial’s 2019 valuations for the rest of our properties will be released with our full year results on 30 August, but we can say now that the June 2019 valuation of our entire property portfolio is within 1% of that at June 2018.

\* On the basis of proportional consolidation.

Our vacancies remain under 1% and rental growth throughout the portfolio on renewals and relettings continues to be strong.”

Antoine Mesnage, Head of Acquisitions France at AXA IM - Real Assets added:

“This transaction brings a true trophy asset into our Parisian portfolio. The property’s strength and resilience is underscored by its exceptional prime location in the centre of one of the world’s leading capital cities. Its impressive track record of performance has been consistently delivered by our partners at Eurocommercial Properties, and leaves us confident in its long-term appeal. We continue to see a disconnect between the negative sentiment towards all retail, regardless of the underlying positive fundamentals of specific properties, such as Passage du Havre, which we believe is unjustified. We look forward to working with Eurocommercial Properties in this new joint venture.”

## **About Eurocommercial**

Eurocommercial Properties N.V. is a Euronext-quoted property investment company and one of Europe’s most experienced retail property investors. Founded in 1991, Eurocommercial currently owns and operates 28 retail properties in Belgium, France, Italy, and Sweden with total assets of €4.2 billion.

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