



## **PRESS RELEASE**

Paris, February 12, 2019

### **TERREÏS reaches an agreement for the disposal of a property portfolio for a price of €1.7 billion**

- **Signature of an agreement with Swiss Life AG for the disposal of a property portfolio comprising 28 real estate assets for a price of €1.7 billion (excluding transfer duties)**
- **Proposed dividend to all shareholders and public share buyback tender offer providing liquidity to minority shareholders, representing a total consideration of approximately 60 euros per share for the minority shareholders of TERREÏS (including dividend and price of public offer)**

Paris, February 12<sup>th</sup>, 2019 – TERREÏS announces today that it has signed an agreement for the disposal of a property portfolio comprising 28 real estate assets for €1.7 billion (excluding transfer duties) to Swiss Life AG (with substitution option in favour of entities controlled or managed by Swiss Life Asset Managers). The disposal value externalises a premium of 7% above the appraisal value (excluding transfer duties) of the portfolio as of December, 31<sup>st</sup>, 2018. The transaction is perfectly in line with TERREÏS' strategy of value creation through an active management of its portfolio and follows the receipt of an unsolicited offer from Swiss Life AG.

The transaction perimeter includes approximately 72% of TERREÏS' property portfolio as appraised on December 31<sup>st</sup>, 2018. Following the transaction, TERREÏS will retain a property portfolio with an appraisal value of c.€600 million as of December 31<sup>st</sup>, 2018, including c.€150 million of non-strategic assets. The closing of the transaction is subject to (i) the satisfaction of the condition related to the potential exercise of the urban pre-emption rights and (ii) relevant antitrust approval.

The closing of the transaction with Swiss Life AG would trigger the following operations:

- (i) Payment of a dividend corresponding to the legal distribution obligations under the SIIC tax regime in relation to the disposal of the portfolio of 28 assets to Swiss Life AG;
- (ii) Payment of a dividend corresponding to the legal distribution obligations under the SIIC tax regime between January and the month of the closing of the transaction with Swiss Life AG, expected in May 2019.

The payment of both amounts, which together represent approximately €25 per share<sup>1</sup>, would be concomitant with the payment of the balance of the dividend relating to the 2018 financial year;

and

- (iii) Launch of a public share buyback tender offer (OPRA) by TERREÏS for a price of approximately €35 per share<sup>2</sup>, thereby providing liquidity to all minority shareholders of TERREÏS. Ovalto, which owns 54% of the share capital of TERREÏS, has indicated its intention not to tender its shares to the public offer, in order to reserve liquidity to all minority shareholders. This public offer will be subject to a clearance decision (*décision de conformité*) by the *Autorité des marchés financiers*. The price of the public offer will be determined in reference to the EPRA liquidation NAV (excluding transfer duties) of TERREÏS adjusted for the impact of the disposal to Swiss Life AG and the payment of the dividends referred to above. Depending on the outcome of the share buyback tender offer (OPRA), Ovalto will file a public tender offer on TERREÏS followed by a mandatory squeeze-out at the same price as that of the public share buyback tender offer.

Taking into account the payment of the dividends referred to above and the price to be offered in the context of the public tender offer, TERREÏS minority shareholders would receive approximately 60 euros per share<sup>3</sup>, representing a premium of 49% on the closing price of February 8<sup>th</sup>, 2019, 56% on the volume-weighted average price during the month prior to February 8<sup>th</sup>, 2019 and 5% on the EPRA liquidation NAV per share (excluding transfer duties) of TERREÏS as of December 31st, 2018.

As part of the Annual General Meeting, the shareholders of TERREÏS will be (i) consulted on the disposal to Swiss Life AG in accordance with the position-recommendation 2015-05 of

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<sup>1</sup> This indicative amount will be finalized according to the conclusions of the report of the independent expert and to legal distribution obligations under the SIIC tax regime.

<sup>2</sup> This indicative amount will be finalized according to the conclusions of the report of the independent expert.

<sup>3</sup> This indicative amount, balance of 2018 dividend attached, will be determined in accordance with the conclusions of the report prepared by the independent expert.

the *Autorité des marchés financiers*, and (ii) invited to vote the resolutions intended to allow the implementation of the public share buyback tender offer (OPRA).

The Annual General Meeting will be held in May 2019. The actual completion of the disposal to Swiss Life AG is scheduled in May 2019, and the payment of the dividend and the settlement of the public tender offer are expected in early July.

TERREÏS' Board of Directors has appointed Ledouble as independent expert to assess the fairness of the aforementioned transactions for the shareholders of TERREÏS, and in the context of a potential mandatory squeeze-out. Subject to the conclusions of the independent expert, all members of TERREÏS' Board of Directors, with the exception of Ovalto, have already announced their intention to tender their TERREÏS shares to the public offer.

Commenting on the transaction, Fabrice Paget-Domet, Chief Executive Officer, said: "Since the creation of TERREÏS, we have assembled a property portfolio mostly comprising Parisian assets, at very attractive terms. This successful strategy has enabled TERREÏS to grow and become a leading player in the Paris office property market. The proposal of Swiss Life AG to acquire a significant portion of our assets enables us to crystalize this value creation and deliver an exceptional value proposition to our shareholders. An implied valuation of TERREÏS at €2.3 billion, a multiple of 6.8 times the 2006 IPO price per share (excluding dividends), and the crystallization of a significant premium to the EPRA liquidation NAV (excluding transfer duties) are all testimony to an exceptional achievement that we are proud to share with all of our shareholders today. Subject to the conclusions of the independent expert, I will tender all my TERREÏS shares to the public offer that will be filed."

The listing of TERREÏS will resume on February 14, 2019, at market opening.

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**About TERREÏS** ([www.terreis.fr](http://www.terreis.fr)) - ISIN: FR0010407049 - Ticker symbol: TER

TERREÏS is a real estate company where the assets consist of offices and retail premises that are primarily located in Paris. TERREÏS has been listed on the Euronext regulated market in Paris since December 2006, and has been included in Compartment B since January 2012. The Group has opted for the status of listed property investment company ("SIIC") since 1st January 2007.