

METRO PROPERTIES SELLS PARTS OF ITS REAL ESTATE PORTFOLIO IN SPAIN

1 - 3

Düsseldorf, 30 July 2018 – METRO PROPERTIES, the real estate entity of METRO AG, sold parts of the real estate portfolio of MAKRO Spain as part of sale-and-lease-back transaction. LaSalle Investment Management, on behalf of Encore+, acquired the wholesale and office space of three properties in Madrid. The sales price was 86 Million Euros. MAKRO has secured ongoing operations through a 15-year lease contract with extension options.

“In the last years we have significantly strengthened our business with hospitality customers here in Spain. The investments we have recently made in our property portfolio by remodelling some of the older sales areas increased the attractiveness even further,” says Peter Gries, CEO of MAKRO Cash & Carry Spain.

The divested three assets of the Spanish portfolio comprise the newly rebuilt MAKRO store in El Polígono de las Mercedes (Barajas) close to the landmark Madrid Plenilunio shopping center, the fully redeveloped mixed-use building on Paseo Imperial into which MAKRO Spain’s headquarters moved three years ago, and the MAKRO store in Alcobendas. This represents a total Gross Leasable Areas (GLA) of ca. 30,000 sqm.

The sale of the real estate portfolio in Spain is part of METRO PROPERTIES’ global portfolio strategy. The real estate company of METRO plays the whole life cycle of an asset. All activities strictly follow the aim of sustainably increasing the value of METRO’s real estate. This includes the investment in locations, their further development and sale & lease back as long-term commitment.

Wolfgang Baumgartinger, Director Transactions of METRO PROPERTIES, adds: “Some of the real estate values are now at point in their life cycle where we can realize their value increase. The assets will be maintained as cash and carry stores whilst they are central to MAKRO’s Spanish portfolio. LaSalle Investment is benefitting from both METRO PROPERTIES’ successful developments and from MAKRO Spain being a premium operator.”

David Ironside, Investment Manager of Encore+ at LaSalle Investment Management: “We strongly believe in the future of these three urban locations over the next 15 to 30 years and there is long term upside potential, due to several large-scale development projects in the neighbouring areas.”

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Portfolio-Overview:

2 - 3

Paseo Imperial was built in 2012 to a high technical standard and provides 3,026m² (32,572 sq ft) of cash and carry on the ground and first floor with 5,408m² (58,211 sq ft) of office space across six upper floors, which house MAKRO's Spanish headquarters. In addition, there are 155 car parking spaces on site. It is located to the South of Madrid's central business district adjacent to the Mahou-Calderón Project (former Mahou brewery factory and former Atlético de Madrid stadium), a major redevelopment that will deliver 119,000m² (1,280,905 sq ft) of new housing.

Barajas has been MAKRO's flagship store since 1972, but it was completely rebuilt to a modern standard in 2015 following a partial rezoning of the site. It provides 12,709m² (136,799 sq ft) of space with wholesales retail on the ground floor and further office and employee space on the first floor. There are 740 car parking spaces on site and it is located close to the international airport to the East of Madrid. The area boasts one of the biggest shopping centres in the city, Madrid Plenilunio, along with retail warehouses and a new business park.

Alcobendas was built in 1997, the main warehouse was modified to a high standard in 2011. It provides 12,945m² of warehouse space across basement, ground and mezzanine floors along with 666 semi-underground car parking spaces. It is located to the North of the city in Madrid's Silicon Valley, which is home to 15,000 companies and benefits from strong road and public transport links (metro and bus).

METRO is a leading international specialist in wholesale and food retail. The company operates in 35 countries and employs more than 150,000 people worldwide. In financial year 2016/17, METRO generated sales of approximately €37 billion. The company provides custom solutions to meet the regional and international needs of its wholesale and retail customers. With its sales brands METRO/MAKRO Cash & Carry and Real as well as delivery services and digitisation initiatives, METRO sets the standards for tomorrow: for customer focus, digital solutions and sustainable business models. More information is available at metroag.de.

METRO PROPERTIES is the real estate company of METRO AG, a leading international specialist in wholesale and food retail, operating in 35 countries and employing more than 150,000 people worldwide. METRO PROPERTIES combines comprehensive wholesale and retail competence, highly developed real estate expertise and implementation capability. METRO PROPERTIES is a partner for investments as well as for the development and support of modern wholesale, retail and mixed used concepts. At both the national and international level, METRO PROPERTIES pursues active and value-enhancing asset management. Investors, leasing partners and customers receive competent support worldwide. Apart from its headquarters in Germany, the company operates through locations in Poland and Turkey. In other countries, the company is represented by regional management and METRO team.

About Encore+

Encore+ is a diversified, open-ended Continental European real estate fund which aims to deliver stable and growing income alongside long-term capital appreciation, from an actively-managed portfolio. The Fund has been successfully co-managed by Aviva Investors as Fund Manager and LaSalle Investment Management as Asset Manager for over 10 years.

About LaSalle Investment Management

LaSalle Investment Management is one of the world's leading real estate investment managers with approximately \$60 billion of private and public equity and private debt investments under management (as of Q3 2016). LaSalle's diverse client base includes public and private pension funds, insurance companies, governments, corporations, endowments and private individuals from across the globe. LaSalle sponsors a complete range of investment vehicles including separate accounts, open- and closed-end

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funds, public securities and entity-level investments. LaSalle is a wholly-owned, operationally independent subsidiary of Jones Lang LaSalle Inc. (NYSE: JLL), one of the world's largest real estate companies. For more information please visit www.lasalle.com

3 - 3

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