

News Release

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For Further Information Contact:

George Lancaster
+1-713-966-7676
George.lancaster@hines.com

Richard Stocks
+44 (0) 20 3727 1487 / +44 (0) 7951 328 475
richard.stocks@fticonsulting.com

Maurice Wilbrink
+31 (0)30 277 15 00
Maurice.wilbrink@pggm.nl



PGGM AND HINES ENTER SEPARATE ACCOUNT TO INVEST IN MILAN

First investments completed, a €110 million portfolio acquisition

(MILAN) – Hines, the international real estate firm, has entered a joint venture with PGGM, the Dutch pension fund service provider, to launch a separate account programme primarily targeting high-street retail, office and mixed-use value add developments in Milan, Italy.

Hines will co-invest alongside PGGM into the account, which has an initial commitment of €155 million of equity, supported by moderate debt finance, and is expected to grow as further capital is deployed.

Targeting prime assets in the heart of the historic city of Milan, the account is committed to pursuing a sustainability agenda through refurbishment of assets to meet the highest international standards of building energy efficiency, to upgrade the quality and enhance their value, in-keeping with Hines' philosophy to real estate development.

PGGM and Hines have already completed the first acquisition for the account, purchasing a portfolio of three buildings from Banco BPM for €110 million. Alongside the 10-storey Piazza Liberty tower in the centre of Milan, the portfolio includes two buildings in the historic centre on Via del Lauro and Via Mazzini. The three assets provide a mix of retail and office amenities.

With a total surface area of 20,000 square-metres, the three buildings will undergo an extensive €30 million refurbishment and renovation programme to transform the buildings into high quality, contemporary high-street retail and office spaces to meet current demands.

Lars Huber, CEO for Hines Europe, said: "Hines and PGGM have a long relationship, developing real estate together since the 1980s. PGGM are a trusted, highly respected partner and we are pleased to be

extending our relationship through this account. We are pleased to have launched this account in parallel with the first joint acquisition, and look forward to growing it further.”

Tinka Kleine, Senior Director Private Real Estate for PGGM, said: “Milan has become part of our city focused investment programme because it offers great investment opportunities, both for achieving attractive financial returns and for improving the sustainability performance of well-located assets. Hines’ track record in securing and executing such strategy provides a perfect base for a successful partnership in Milan.”

Mario Abbadessa, Italy Country Head for Hines, adds: “We are very pleased to have earned PGGM’s trust. This will allow us to continue Hines’ focus strategy on permanent locations in Italy into which we have invested around € 1 billion over the last 18 months. Historical, high-quality buildings in prime locations are generally resilient to Italy’s political and economic volatility and Milan is one of the most attractive cities in this respect.”

On the account’s first acquisition, Vitale&Co has acted as financial advisor, Legance as legal advisor and Reas and Studio Asti as technical advisors.

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About PGGM

PGGM is a cooperative Dutch pension fund service provider. Institutional clients are offered: asset management, pension fund management, policy advice and management support. On June 30, 2017 PGGM had €206 billion in assets under management. The PGGM cooperative has approximately 725,000 members and is helping them to realize a valuable future. Either alone or together with strategic partners, PGGM develops future solutions by linking together pension, care, housing and work.

www.pggm.nl

About Hines

Hines is a privately owned global real estate investment firm founded in 1957 with a presence in 201 cities in 21 countries. Hines has approximately €87 billion of assets under management, including €47.7 billion for which Hines provides fiduciary investment management services, and €39.9 billion for which Hines provides third-party property-level services. The firm has 113 developments currently underway around the world. Historically, Hines has developed, redeveloped or acquired 1,262 properties, totaling over 38.5 million square meters. The firm’s current property and asset management portfolio includes 529 properties, representing over 19.8 million square meters. With extensive experience in investments across the risk spectrum and all property types, and a pioneering commitment to sustainability, Hines is one of the largest and most-respected real estate organizations in the world.

Since entering Europe in 1991, Hines has grown its European platform to include a presence in 51 cities in 11 countries and Hines Europe currently has €14.0 billion of assets under management in Denmark, France, Germany, Greece, Ireland, Italy, Netherlands, Norway, Poland, Spain and the United Kingdom.

Since its opening its Italian office in 1999, Hines developed and acquired 20 projects, including the realization of the Porta Nuova master plan area in Milan. Recent acquisitions include historical buildings in Milan on Via Dante, Piazza Cordusio, Via Broletto, Via Torino, Piazza Edison, Via Orefici and in Florence on Via Tornabuoni.

Visit www.hines.com for more information about the firm and www.hinessustainability.com to learn more about the sustainability program and objectives at Hines.