



## NorthStar Realty Europe Announces Results Of Independent Portfolio Valuation Resulting In Implied Net Asset Value Of \$18 Per Share

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NEW YORK, March 2, 2016 /PRNewswire/ ? NorthStar Realty Europe Corp. (NYSE: NRE) ("NorthStar Realty Europe") today announced the results of an appraisal of its real estate portfolio by Cushman & Wakefield LLP, an independent third-party valuer. Cushman & Wakefield LLP provided an estimated real estate portfolio aggregate value of approximately \$2.6 billion for the NorthStar Realty Europe real estate portfolio (acquired over the last 18 months), which represents an approximate 11%<sup>1</sup> increase over the original purchase price allocation and implies a net asset value ("NAV") of approximately \$1.1 billion or \$18 per share, as of December 31, 2015. This independent third-party appraisal was prepared by Cushman & Wakefield LLP in accordance with the current U.K. and Global edition of the Royal Institution of Chartered Surveyors' (RICS) Valuation – Professional Standards (the "Red Book") on the basis of "Fair Value," which is widely recognized within Europe as the leading professional standards for independent valuation professionals.<sup>2</sup>

Mahbod Nia, chief executive officer, commented, "We are pleased at the implied NAV per share of \$18 supported by the recent independent third-party appraisal of our real estate portfolio. This implied NAV represents a significant premium to NorthStar Realty Europe's current value ascribed by the public market and we will continue to evaluate all strategies to unlock embedded value for our stockholders."

In December 2015, NorthStar Realty Europe sold three non-core real estate properties and committed to sell one additional non-core real estate property. The combined sale price of approximately \$26 million represents an approximate 29%<sup>1</sup> premium to NorthStar Realty Europe's original purchase price allocation. These assets were originally acquired as part of the Trias portfolio, which closed in April, 2015. Net proceeds from the sale are expected to be used for general corporate purposes, common stock repurchases and reduction of corporate debt. The results of the aforementioned appraisal exclude these non-core real estate properties.

### **About NorthStar Realty Europe Corp.**

NorthStar Realty Europe Corp. (NYSE: NRE) is a European-focused commercial real estate company with predominantly high quality office properties in the United Kingdom, Germany and France, organized as a REIT and managed by an affiliate of NorthStar Asset Management Group Inc. (NYSE: NSAM), a global asset management firm. For more information about NorthStar Realty Europe Corp., please visit [www.nrecorp.com](http://www.nrecorp.com).

### **Safe Harbor Statement**

Certain items in this press release may constitute forward-looking statements, which can be identified by words like "expect," "will," "intends" and similar expressions. These statements are based on management's current expectations and beliefs and are subject to a number of trends and uncertainties that could cause actual results to differ materially from those described in the forward-looking statements; NorthStar Realty Europe can give no assurance that its expectations will be attained, including any expectation regarding whether the properties under contract to sell will close and the use of proceeds from the sale of any non-core properties. The calculation of NAV is subject to numerous assumptions and may not be the best metric to use in evaluating the value of NorthStar Realty Europe and thus investors should not unduly rely on it as an indicator of value or otherwise. Forward-looking statements are necessarily speculative in nature, and it can be expected that some or all of the assumptions underlying any forward-looking statements will not materialize or will vary significantly from actual results. Variations of assumptions and results may be material. Factors that could cause actual results to differ materially from NorthStar Realty Europe's expectations include, but are not limited to, NorthStar Realty Europe's liquidity and financial flexibility; NorthStar Realty Europe's future cash available for distribution; NorthStar Realty Europe's use of leverage; and the anticipated strength and growth of NorthStar Realty Europe's business. Factors that could cause actual results to differ materially from those in the forward-looking statements are specified in NorthStar Realty's Registration Statement on Form S-11 (333-20544) and its other filings with the Securities and Exchange Commission. Such forward-looking statements speak only as of the date of this press release. NorthStar Realty Europe expressly disclaims any obligation to release publicly any updates or revisions to any forward-looking statements contained herein to reflect any change in its expectations with regard thereto or change in events, conditions or circumstances on which any statement is based.

### **Use of Non-GAAP Financial Measures**

NAV is a non-GAAP (generally accepted accounting principles) measure calculated as the value of total assets less the value of total liabilities divided by the total number of shares of common stock outstanding (common stock, long term incentive plan (LTIPs) and restricted stock units (RSUs) not subject to performance hurdles, outstanding) as at a specific date. The term NAV does not have any standardized meaning according to GAAP and therefore may not be comparable to similar measures presented by other companies. There is no comparable GAAP measure presented in NorthStar Realty Europe's consolidated financial statements and thus no applicable quantitative reconciliation for such non-GAAP financial measure.

### **Disclaimer**

As an opinion, appraisals are not a measure of realizable value and may not reflect the amount that would be received if the property in question were sold. Real estate valuation is inherently subjective due to, among other factors, the individual nature of each property, its location, the expected future rental revenues from that particular property and the valuation methodology adopted. Real estate valuations are subject to a large degree of uncertainty and are made on the basis of assumptions and methodologies that may not prove to be accurate, particularly in periods of volatility, low transaction flow or restricted debt availability in the commercial or residential real estate markets. For example, in the appraisal, a number of the properties were valued using the special assumption that such properties would be purchased through a tax-efficient special purpose vehicle, and is therefore subject to lower purchaser transaction expenses. If one or more assumptions are incorrect, the value may be materially lower than the appraised value.

<sup>1</sup> Excluding foreign currency adjustments.

<sup>2</sup> Each property is classified as an investment and has been valued on the basis of Fair Value adopted by the International Accounting Standards Board. This is the equivalent to the Red Book definition of Market Value. The Red Book defines Market Value as the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's-length transaction after proper marketing where the parties had each acted knowledgeably, prudently and without compulsion. The Cushman & Wakefield LLP appraisal assumes that certain of the properties would be purchased through market accepted structures resulting in lower purchaser transaction expenses (taxes, duties, and similar costs).

SOURCE NorthStar Realty Europe Corp.

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