



NorthStar Realty Europe Completes Sale of Three U.K. Assets and Executes Definitive Sale and Purchase Agreements to Sell a Further Three German Assets at an Aggregate 27% Premium to EPRA NAV

January 10, 2019

NEW YORK--(BUSINESS WIRE)--Jan. 10, 2019-- NorthStar Realty Europe Corp. (NYSE:NRE) ("NorthStar Realty Europe" or "NRE") announced today that it has completed the sale of three assets in the United Kingdom and signed definitive sale and purchase agreements to sell a further three assets in Germany for an aggregate consideration of \$84 million and releasing approximately \$49 million of net equity to NRE after repayment of financing and transaction costs (based on the exchange rate as of December 31, 2018), representing an approximately 27% premium to the EPRA NAV¹ as of September 30, 2018.

Mahbod Nia, NorthStar Realty Europe's Chief Executive Officer and President, commented: "We are pleased to have sold these non-strategic assets, realizing a significant premium to EPRA NAV while further enhancing the quality of our remaining portfolio. These sales are the latest demonstration of our ability to enhance asset value and crystalize that value for our stockholders."

Disposal of Three Assets in the U.K. Completed in December 2018

On December 21, 2018, NRE completed the disposal of three assets with a combined lettable area of 7,135 sqm located in Greater London (Chiswick and St. Albans) and Glasgow (Scotland) for total consideration of \$40 million, releasing approximately \$22 million of net equity to NRE after repayment of financing and transaction costs, representing an 8% premium to EPRA NAV.

These assets are 100% occupied with a 5.5 year weighted average lease term as of December 31, 2018. Since acquisition in April 2015, NRE has signed leases or lease extensions for over 4,000 sqm including new 10-year leases at St. Albans and a 15-year lease at Chiswick to the Co-operative Group Food Limited following receipt of a local authority consent for the change of use and conversion of the ground floor office space to retail.

Definitive Agreements to Dispose of Three German Assets Executed in December 2018

In December 2018, NRE signed a definitive sale and purchase agreement to dispose of the Uhlandstrasse asset in Frankfurt for \$41 million, releasing \$23 million of net equity to NRE after repayment of debt and transaction costs and representing a 51% premium to EPRA NAV. The 7,000 sqm former Saatchi & Saatchi headquarters is located in close proximity to the European Central Bank in Frankfurt and was 78% occupied as of December 31, 2018. Since acquisition in April 2015, NRE executed lease agreements for over 70% of the lettable area and increased the weighted average lease term by approximately 4 years.

In addition to Uhlandstrasse, NRE executed definitive sale and purchase agreements to sell two small non-core retail assets located in Werl and Bremen for total consideration of \$4 million.

Completion of the above disposals is expected to occur in the first quarter of 2019 and remains subject to customary closing conditions. NRE expects to release approximately \$27 million of net equity from these sales post repayment of debt and transaction costs.

Safe Harbor Statement

This press release contains certain "forward looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995, Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. Forward looking statements are generally identifiable by use of forward looking terminology such as "may," "will," "should," "potential," "intend," "expect," "seek," "anticipate," "estimate," "believe," "could," "project," "predict," "hypothetical," "continue," "future" or other similar words or expressions. Forward looking statements are not guarantees of performance and are based on certain assumptions, discuss future expectations, describe plans and strategies, contain projections of results of operations or of financial condition or state other forward looking information. Such statements include, but are not limited to, the likelihood and timing of successfully completing the transaction referred to in this press release, and the amount of the net equity released after repayment of financing and transaction costs. 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. Factors that could cause actual results to differ materially from NRE's expectations are specified in NRE's annual report on Form 10-K for the year ended December 31, 2017, and its other filings with the Securities and Exchange Commission. Such forward looking statements speak only as of the date of this press release. Variations of assumptions and results may be material. NRE 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.

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 Germany, the United Kingdom and France, organized as a REIT and managed by an affiliate of Colony Capital, Inc. (NYSE: CLNY), a leading global real estate and investment management firm. For more information about NorthStar Realty Europe Corp., please visit <http://www.nrecorp.com>

Endnotes

1. EPRA Net Asset Value ("EPRA NAV")

NRE's entire portfolio is based in Europe, and NRE's management calculates European Public Real Estate Association net asset value, or EPRA NAV, a non-GAAP measure, to compare our balance sheet to other European real estate companies and believes that disclosing EPRA NAV provides

investors with a meaningful measure of our net asset value. Our calculation of EPRA NAV is derived from our U.S. GAAP balance sheet with adjustments reflecting our interpretation of EPRA's best practices recommendations. Accordingly, our calculation of EPRA NAV may be different from how other European real estate companies calculate EPRA NAV, which utilize International Financial Reporting Standards ("IFRS") to prepare their balance sheet. EPRA NAV makes adjustments to net assets as determined in accordance with U.S. GAAP in order to provide our stockholders a measure of fair value of our assets and liabilities with a long-term investment strategy. This performance measure excludes assets and liabilities that are not expected to materialize in normal circumstances. EPRA NAV includes the revaluation of investment properties and excludes the fair value of financial instruments that we intend to hold to maturity, deferred tax and goodwill that resulted from deferred tax. All other assets, including real property and investments reported at cost are adjusted to fair value based upon an independent third party valuation conducted in December and June of each year. This measure should not be considered as an alternative to measuring our net assets in accordance with U.S. GAAP.

For EPRA NAV as of September 30, 2018 and reconciliation of EPRA NAV to Total Equity, please refer to NRE's Third Quarter 2018 Results filed with the SEC and supplemental information.

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