

Press release

AXA Investment Managers - Real Assets agrees to acquire NYSE listed Northstar Realty Europe the owner of a prime European office portfolio valued at €1.1 billion

-Public-to-Private transaction includes prime assets in London, Paris, Berlin and Hamburg-

AXA Investment Managers - Real Assets (“AXA IM - Real Assets”), a global leader in real asset investments and the leading¹ real estate portfolio and asset manager in Europe, announces that it has signed an agreement to acquire (the “Acquisition”), as part of a core strategy on behalf of a client, the entire issued share capital of NorthStar Realty Europe Corp. (NYSE: NRE) (“NRE” or the “Company”), a NYSE listed real estate investment trust, which owns a significant portfolio of 12 office properties and two hotel assets with a combined value at €1.1 billion (the “Portfolio”⁴) located in key European cities within Germany, the United Kingdom and France. The transaction follows an announcement by NRE in November 2018 that its Board of Directors was undertaking a strategic review of the business, including a possible sale of the Company.

Under the terms of the Acquisition, AXA IM - Real Assets has agreed to pay an estimated price per NRE share equivalent to U.S.\$16.95 per share, based on spot foreign exchange rates² and U.S.\$ 17.03 based on forward foreign exchange rates³, which represent respective premiums of 15.8% and 16.4% to the Company’s share price of U.S.\$14.63 immediately prior to the announcement of its strategic review. The Acquisition is subject to approval by majority of NRE shareholders. Completion of the Acquisition is expected in the fourth quarter of this year.

Through a single transaction, the Acquisition provides AXA IM – Real Assets with immediate access to a significant 122,000 sqm (1.3 million sq ft) portfolio of modern, prime, well located office space across Europe’s three core markets. The office portfolio is 96% let, with an average lease expiry of 5.9 years and offers potential for both asset management and further income generation.

The 68,000 sqm German portfolio comprises six office assets including three in the city centre of Hamburg, with the remaining three in Cologne, Münster and Berlin. The two hotels are also in Berlin and comprise 334 rooms across 12,000 sqm in total. There are a further two assets totalling 22,000 sqm in the City and West End of London and four offices totalling 32,000 sqm across a range of locations in central Paris.

Commenting on the acquisition John O’Driscoll, European Head of Transactions at AXA IM – Real Assets, said: “This proposed public-to-private transaction demonstrates our ability to tackle complex deals to unlock opportunities for our clients. The acquisition of NRE is a rare opportunity to secure a significant portfolio of prime modern European offices in a single transaction. The properties, which are located in the major cities of Europe’s largest economies of France, the U.K. and Germany, have high occupancy and produce strong levels of income that are ideally suited to our clients. As well as highlighting our ability to undertake complex deals of scale globally, this transaction also demonstrates our highly flexible 360 degree approach to investing in real estate via debt or equity and through a range of private or public entry points, including corporate acquisitions.”

-ENDS-

¹ Source: INREV/ANREV Fund Manager Survey – May 2019 – in terms of assets under management

² Based on spot foreign exchange rates of 1.129 EUR/USD and 1.2595 GBP/USD as of July 2, 2019, per Bloomberg

³ Based on 3-month forward FX rates of 1.1368 EUR/USD and 1.26125 GBP/USD as of 03-Jul-2019, per Chatham

⁴ Source for portfolio statistics - NRE website: <http://ir.nrecorp.com/static-files/44373cee-6d71-417e-8b23-0d3278bd2eb9>

Additional Information and Where to Find It

This communication may be deemed to be solicitation material in respect of the proposed merger. In connection with the proposed merger, NRE intends to file relevant materials with the SEC, including a proxy statement on Schedule 14A. BEFORE MAKING ANY VOTING DECISION, STOCKHOLDERS OF NRE ARE URGED TO READ ALL RELEVANT DOCUMENTS FILED WITH THE SEC, INCLUDING THE PROXY STATEMENT WHEN IT BECOMES AVAILABLE AND ANY OTHER DOCUMENTS TO BE FILED WITH THE SEC IN CONNECTION WITH THE PROPOSED MERGER OR INCORPORATED BY REFERENCE IN THE PROXY STATEMENT, BECAUSE THEY WILL CONTAIN IMPORTANT INFORMATION ABOUT THE PROPOSED MERGER.

Investors and security holders of NRE will be able to obtain, free of charge, a copy of the proxy statement (when available) and other relevant documents filed with the SEC from the SEC's website at <http://www.sec.gov>.

NRE and its directors and executive officers, may be deemed to be participants in the solicitation of proxies from NRE's stockholders in respect of the proposed merger. Information about the directors and executive officers of NRE is set forth in the Company's Annual Report on Form 10-K for the year ended December 31, 2018, which was filed with the SEC on March 13, 2019, and subsequent documents filed with the SEC. Investors may obtain additional information regarding the interest of such participants by reading the proxy statement regarding the proposed merger when it becomes available.

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About AXA Investment Managers

AXA Investment Managers (AXA IM) is an active, long-term, global, multi-asset investor. We work with clients today to provide the solutions they need to help build a better tomorrow for their investments, while creating a positive change for the world in which we all live. With approximately €750 billion in assets under management as at end of March 2019⁽¹⁾. AXA IM employs over 2,350 employees around the world and operates out of 30 offices across 21 countries. AXA IM is part of the AXA Group, a world leader in financial protection and wealth management.

About AXA Investment Managers - Real Assets

AXA Investment Managers - Real Assets has €82 billion in assets under management, including €62.8 billion in direct property & infrastructure and €15.6 billion in real asset finance as of end of March 2019⁽²⁾. We offer a 360° approach to investing in real assets, which comprises opportunities in equity or debt, across different geographies and sectors, as well as via private or listed instruments. We are a global leader in real assets investment, the number one property portfolio and asset manager in Europe⁽³⁾, and one of the largest worldwide. Our teams have been managing funds and mandates for over 30 years and comprise over 600 people in 13 offices that operate in over 20 countries around the world, which provide us with in-depth knowledge of countries, cities and sectors.

AXA Investment Managers is part of the AXA Group, a world leader in financial protection and wealth management.

Visit our websites: www.axa-im.com / <https://realassets.axa-im.com>

Follow us on Twitter @AXAIM / @AXAIMRealAssets to get our latest information

¹ Source: AXA IM unaudited data

² Source: AXA IM - Real Assets' unaudited data

³ Source: INREV/ANREV Fund Manager Survey – May 2018 in terms of assets under management

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