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27 September 2018

Principal acquires Henkel's French Headquarters for Principal European Office Fund

Principal Real Estate Europe, acting as asset and transaction manager of the Principal European Office Fund, has acquired Henkel's French headquarters building from a fund managed by Primonial REIM.

The nine-storey building comprises 8,110 sqm of lettable area, of which 7,600 sqm is let on a long-term lease to Henkel, the international chemical and consumer goods company, which was the building's first occupier in 1994. In addition to the office space, there are 500 sqm of restaurant space on the ground floor and 193 car parking spaces.

Built in 1992, the building is located on Rue de Silly 161 in Boulogne-Billancourt, a suburb southwest of Paris that is well served by public transport with excellent links to the city via the metro and several bus routes. Planned improvements to the local metro that are due to come into service in 2025 are set to significantly reduce journey times to other parts of the city. For example, it will take only eight minutes to reach La Défense, the largest office "town" in mainland Europe and home to the headquarters of numerous banks and insurance companies.

Guillaume Masset, Head of Transactions and Asset Management in Europe, commented: "This is an office building with potential, let to a blue-chip tenant on a long-term lease and located in a promising suburb of Paris that is set to benefit from a large state-backed infrastructure investment project. It is exactly the sort of core asset we are targeting for the Principal European Office fund, providing stable income and potential capital value appreciation over the long-term".

The Principal European Office strategy is a balanced, geographically diversified office property strategy with long term value stability. The focus of the investment strategy is on first-class European properties in excellent locations.

Ernst & Young, KL Gates, Duhamel Blimbaum AARPI undertook the structuring of the transaction for Principal Real Estate Europe. The legal firm Orrick Rambaud Martel was responsible for legal aspects and CBRE for technical due diligence. C&C Notaires advised Principal Real Estate Europe.

Principal Real Estate Europe

Principal Real Estate Europe is part of Principal Financial Group's dedicated real estate business, Principal Real Estate Investors, which manages or sub-advises \$82 billion¹ in real estate assets globally.

The group's real estate capabilities cover all four quadrants encompassing public and private, equity and debt investment solutions.

In Europe, Principal Real Estate Europe operates from offices in London, Frankfurt, Amsterdam, Paris, Lisbon, Luxembourg, Madrid and Milan, employing more than 100 staff who manage real estate across all asset classes in nine different countries.

Principal Real Estate Europe was formerly known as INTERNOS Global Investors, which was set up 10 years ago by Jos Short and Andrew Thornton, who continue to lead the business.

Principal Global Investors

Principal Global Investors² is a diversified asset management organization and a member of the Principal Financial Group®, with expertise in equities, fixed income and real estate investments, as well as specialized overlay and advisory



services. Principal Global Investors manages \$430 billion in assets primarily for retirement plans and other institutional clients.

¹As of June 30, 2018. AUM figure does not include Principal Real Estate Europe.

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