

# Update on Sky Complex in Milan Amid Covid-19 Outbreak in Italy

DBS Bank Ltd. is the Sole Financial Adviser and Issue Manager for the Offering (the “**Sole Financial Adviser and Issue Manager**”). DBS Bank Ltd. and Citigroup Global Markets Singapore Pte. Ltd. are the joint global coordinators, bookrunners and underwriters for the Offering (collectively, the “**Joint Global Coordinators, Bookrunners and Underwriters**”).

- Sky Complex comprises three grade A office buildings with no retail component
- Sky Complex is 100% leased to Sky Italia, which is owned by Comcast Corporation, the largest<sup>1</sup> broadcasting and cable television company in the world by revenue
- Long lease term till 2032<sup>2</sup>, triple net lease structure and annual rental escalation based on 75% ISTAT<sup>3</sup> consumer price index variation
- Revenue from Sky Complex contributes to approximately 34%<sup>4</sup> of Lendlease Global Commercial REIT’s net property income
- Revenue received from Sky Complex is exempt from Italian withholding and income taxes, and Singapore income tax
- Projected Euro-denominated income for FY2020 and FY2021 has been substantially hedged
- Euro-denominated term loan obtained to provide a natural currency hedge against the investment in Sky Complex

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<sup>1</sup> Based on Forbes publication dated 21 January 2020.

<sup>2</sup> Assumes that Sky Italia does not exercise its break option in 2026.

<sup>3</sup> The Italian National Institute of Statistics.

<sup>4</sup> As at 31 December 2019.



**Singapore, 11 March 2020** – Lendlease Global Commercial Trust Management Pte. Ltd. (the “**Manager**”), the manager of Lendlease Global Commercial REIT (“**LREIT**”), would like to provide an update on its office asset in Milan amid the Covid-19 outbreak in Italy.

We understand that the tenant, Sky Italia, has activated its business contingency plan to minimise disruption to their operations during this time.

Mr Kelvin Chow, Chief Executive Officer of the Manager, said, “Sky Italia is a blue-chip tenant owned by Comcast Corporation, the largest<sup>1</sup> broadcasting and cable television company in the world by revenue. The three grade A office buildings, with no retail component, are on a long lease term till 2032<sup>2</sup>, triple net lease structure and annual rental escalation based on 75% ISTAT<sup>3</sup> consumer price index variation. Sky Italia has made all its rental payments on time, there are no arrears due from them.”

“Sky Complex provides very stable income of approximately 34%<sup>4</sup> to the REIT’s net property income. The revenue received is exempted from Italian withholding and income taxes, and Singapore income tax. This is distributed fully to our unitholders. To mitigate foreign currency risks, we have substantially hedged the projected Euro-denominated income for FY2020 and FY2021. We are committed to delivering stable and long-term returns to investors. A Euro-denominated term loan was obtained to provide a natural currency balance sheet hedge against our investment in Sky Complex,” he added.

For further questions on Sky Complex, please email Ling Bee Lin at [enquiry@lendleaseglobalcommercialreit.com](mailto:enquiry@lendleaseglobalcommercialreit.com) or contact her at +65 6671 7374 by **20 March 2020** to be addressed on our website <https://lendleaseglobalcommercialreit.com/> on **31 March 2020**.

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### **About Lendlease Global Commercial REIT**

Listed on 2 October 2019, Lendlease Global Commercial REIT (“LREIT”) is established with the principal investment strategy of investing, directly or indirectly, in a diversified portfolio of stabilised income-producing real estate assets located globally, which are used primarily for retail and/or office purposes.

Its initial portfolio comprises a leasehold interest in, 313@somerset, a retail property located in Singapore and a freehold interest in Sky Complex, which comprises three office buildings located in Milan. The portfolio has a total net lettable area of approximately 1.3 million square feet, with an appraised value of S\$1.4 billion.

LREIT is managed by Lendlease Global Commercial Trust Management Pte. Ltd., an indirect wholly-owned subsidiary of Lendlease. Its key objectives are to provide Unitholders with regular and stable distributions, achieve long-term growth in distribution per unit and net asset value per unit, and maintain an appropriate capital structure.

### **About the Sponsor - Lendlease Corporation Limited**

The Sponsor, Lendlease Corporation Limited, is part of the Lendlease Group<sup>5</sup>, an international property and infrastructure group with core expertise in shaping cities and creating strong and connected communities, with operations in Australia, Asia, Europe and the Americas.

Headquartered in Sydney and established in 1958, the Lendlease Group’s vision is to create the best places by striving for world leading standards for safety, innovation and sustainability.

The Lendlease Group’s approach is to maintain a portfolio of operations that deliver diversification of earnings by segment and region, providing a mitigant to property cycles. This approach means that through cycles the composition of earning from each segment or region may vary.

The Lendlease Group has a development pipeline value approximately A\$112 billion<sup>6</sup> and funds under management of A\$37 billion<sup>6</sup>. The Lendlease Group is a trusted investment manager to over 150 key capital partners in property and infrastructure investments.

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<sup>5</sup> Lendlease Group comprises the Sponsor, Lendlease Trust and their subsidiaries.

<sup>6</sup> As at 31 December 2019.

**For more information, please contact Investor Relations:**

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**Important Notice**

This press release has not been reviewed by the Monetary Authority of Singapore (“MAS”). The Prospectus dated 25 September 2019 has been registered by the MAS on 25 September 2019.

Capitalised words and expressions used in this news release shall unless otherwise defined, bear the same meanings assigned to them in the Prospectus. This news release is for information purposes only and does not constitute an offer of, or invitation to subscribe or purchase or solicitation of subscriptions or purchases of units in LREIT in any jurisdiction nor should it or any part of it form the basis of, or be relied upon in any connection with, any contract or commitment or any investment decision whatsoever. The information in this news release in respect of LREIT is qualified in its entirety by, and should be viewed in conjunction with, the full text of the Prospectus in relation to the Offering of the Units. The Offering is made by the Lendlease Global Commercial Trust Management Pte. Ltd. (as manager of LREIT).

The value of the Units and the income derived from them may fall as well as rise. The Units are not obligations of, deposits in, or guaranteed by, the Manager, RBC Investor Services Trust Singapore Limited (as trustee of LREIT), the Sponsor, the Joint Global Coordinators, Bookrunners and Underwriters or any of their respective affiliates, advisers or representatives. An investment in the Units is subject to investment risks, including the possible loss of the principal amount invested. Investors have no right to request that the Manager redeem or purchase their Units while the Units are listed. It is intended that holders of the Units may only deal in their Units through trading on the SGX-ST. Listing of the Units on the SGX-ST does not guarantee a liquid market for the Units. The past performance of LREIT and the Manager is not necessarily indicative of the future performance.

This news release may contain forward-looking statements that involve assumptions, risks and uncertainties. Actual future performance, outcomes and results may differ materially from those expressed in forward-looking statements as a result of a number of risks, uncertainties and assumptions. Predictions, projections or forecasts of the economy or economic trends of the markets are not necessarily indicative of the future or likely performance of LREIT. The forecast financial performance of LREIT is not guaranteed. A potential investor is cautioned not to place undue reliance on these forward-looking statements, which are based on the Manager's current view of future events.

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