

AXA Real Estate launches Japanese debt investment vehicle

YEN15 billion (€130 million) raised at first close

AXA Real Estate Investment Managers ("AXA Real Estate"), the leading real estate manager in Europe and second globally* with €39.9 billion of assets under management as of December 2010, announces that it has raised ¥15 billion (€130 million) at the first close of its Japanese Commercial Real Estate Debt investment vehicle from a Japan-based AXA Group insurance company. Additional capital funding is anticipated from AXA Insurance companies and third party institutions.

Despite the recent tragic events, AXA Real Estate remains a long term believer in the Japanese economy and the underlying fundamentals of its real estate market.

The investment vehicle will be managed by AXA Real Estate's experienced in-house team of local property experts based in Japan who will be supported by AXA Real Estate's property lending specialists. This combination provides it with both local market expertise and a thorough understanding of the characteristics and prospects of the underlying assets, as well as the experience and ability to execute debt transactions.

The vehicle will be able to invest, through investments in trust beneficiary interests, in loans of between three and ten year terms, longer than can typically be provided by local banks, on a competitive floating or fixed rate basis with spreads between 200 and 250 basis points above TIBOR. It will focus on newly originated senior loans which are backed by prime commercial real estate assets located in the Greater Tokyo region either directly or as part of a syndicate behind a bank. The loans will benefit from a full package of securities including mortgages. Lending is restricted to a maximum of 65% of the underlying asset value. The vehicle will also consider buying existing loans in the secondary debt market, although that will not be the main focus of the investment strategy.

This first closing brings AXA Real Estate's total global investment capacity into debt to over €2.7 billion and follows the recent second closing of the Commercial Real Estate 1 fund, which has raised €530 million to date to invest in European real estate debt opportunities.

Frank Khoo, AXA Real Estate's Global Head of Asia, commented: *"Despite the inevitable effect that the recent tragic events have had on Japan, we remain long term supporters of both its economy and its real estate market. The resilience of the Japanese people and the speed and efficiency with which they have been dealing with the situation, is an inspiration to us and we are pleased to make our support clear."*

"We believe that the Japanese economy, as a whole, will recover in a relatively short space of time, at which point the underlying imbalance of supply over demand in real estate lending will be the same as before. The fact that many banks in the region still have limited capacity to lend on commercial real estate remains unchanged and this presents a clear opportunity for us to satisfy some of the significant demand in the region, whilst delivering value for our investors."

Tetsuya Karasawa, AXA Real Estate's Head of Japan Business Development, added: *"Our ability to work closely with AXA Group insurance companies puts us in a unique position of being able to structure investment products which we know will be attractive to many third party investors because they have been developed using the insight and understanding of a major local insurance company. With the initial equity now in place, we hope to secure further commitments shortly from investors who are keen to access the attractive risk adjusted returns. Investors into the vehicle will benefit from our local team's extensive understanding of the Tokyo property market, combined with the specialist experience of our real estate lending team."*

"Living and working in Japan I am fully aware of the impact the recent earthquake has had on our country and I am pleased that we are able to make this positive announcement today which we hope will encourage other investors to focus on the long term prospects of the Japanese economy rather than the short term impact of recent events."

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AXA Real Estate Investment Managers (AXA Real Estate), a wholly-owned subsidiary of AXA Investment Managers, is the world's second largest real estate fund and asset manager, and the largest in Europe, with over €39.9 billion of assets under management as at the end of December 2010. It has over 120 external institutional clients spread across the world, in addition to managing funds for 10 AXA insurance companies.

With over 500 real estate people operating in 22 countries, AXA Real Estate's competitive advantage stems from its global fund management expertise combined with extensive on-the-ground deal sourcing, asset management and development execution capabilities.

AXA Real Estate structures and actively manages or advises investment products, seeking wide ranging opportunities along the risk spectrum to deliver targeted returns commensurate with clients' risk profiles, through a variety of investment strategies. These range from core to opportunistic, country-specific to geographically diversified, sector-specific to multi-sector, with the capacity to invest at all levels of the capital structure.

Global growth remains a key priority and AXA Real Estate is currently expanding its presence in both the US and Asia, most recently with the launch of its US platform in June 2010. AUM have grown from €17 billion 10 years ago to almost €40 billion today.

Visit our website: www.axa-realestate.com

AXA Investment Managers (AXA IM), is a multi-expert asset management company within the AXA Group, a global leader in financial protection and wealth management. AXA IM is one of the largest European-based asset managers with €516 billion in assets under management as of the end of December 2010. AXA IM employs 2,500 people around the world and operates out of 23 countries.

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