

PRESS RELEASE - April 2015

LAR ESPAÑA REAL ESTATE SOCIMI acquires the prime shopping centre As Termas, located in Lugo, for €67 million

- With this transaction, the SOCIMI has now invested €526 million, well above the €400 million obtained from its IPO.
- This acquisition reaffirms LAR ESPAÑA REAL ESTATE's objective of purchasing income-producing properties, which now represent almost 90% of the SOCIMI's portfolio and thereby ensure high returns for shareholders in the coming years.
- The shopping centre stands out for its stable number of visitors received per year during the worst years of the economic crisis, the presence of major distributor brands such as Media Markt, Sfera, C&A, Cortefiel, AKI and Sprinter and for being located in a catchment area of 200,000 inhabitants.

Madrid, 15th April 2015 - LAR ESPAÑA REAL ESTATE SOCIMI S.A. (LRE), a listed real estate investment company, has completed its sixth Spanish shopping centre investment deal via the acquisition of the As Termas complex, located in the Galician province of Lugo, for €67 million. The shopping centre receives a very stable number of visitors every year, has a large and good quality catchment area and has the potential for significant improvement to be made to its management. This makes it a very attractive investment thanks to its current returns and potential value uplift.

Open since 2005, As Termas is a prime property, thanks to its excellent location on the northern outskirts of the city of Lugo. José Luis del Valle, President of LAR ESPAÑA REAL ESTATE, stated, "the 3.5 million annual and stable number of visitors that the centre received between 2007 and 2013 demonstrates the strength of the catchment area that the shopping centre is located in, which comprises 200,000



Façade of the shopping centre acquired by LRE

inhabitants, without even taking into account the footfall provided by Media Markt, AKI and Sprinter, which are also located in the shopping centre and which are estimated to provide at least 500,000 additional visitors per year."

The asset acquired by the SOCIMI, which is highly visible and easily accessible from the N-VI, N-640 and A-6 motorways, comprises a Gross Lettable Area (GLA) of 33,151 sqm, as well as 2,200 parking spaces.

Thanks to the proven retail property management track-record of its manager Grupo Lar, LAR ESPAÑA REAL ESTATE plans to optimise the current occupancy of the shopping centre, by improving the retail offering on the upper floor and adding new brands that will drive and enhance the customer's experience. Consequently, the SOCIMI plans to make an overall medium-term investment for operators and the property itself of €3 million. Some of the stores and brands at the As Termas shopping centre, such as H&M, Media Markt, C&A, Sfera and Cortefiel, are the only stores of their kind in the province and are a major draw for the public.

With this transaction, LAR ESPAÑA REAL ESTATE has become one of the main owners of properties operated by MediaMarkt: the SOCIMI already owns the centres located in Villaverde (Madrid), Alisal (Santander) and now Lugo. LAR ESPAÑA REAL ESTATE's investment in retail properties (shopping centres and retail units) represents 52% of the total investment portfolio.

José Luis del Valle, President of the SOCIMI, notes that, "with this transaction, 90% of LAR ESPAÑA REAL ESTATE's property portfolio is comprised of income-producing properties (including shopping centres, retail units, offices and logistics warehouses), which will make a direct contribution to LAR ESPAÑA REAL ESTATE's net rental income and at the same time help to consolidate cash flow in the short term and also provide future shareholder returns. This is a shopping centre that has good potential for active management."



With this transaction the SOCIMI has now invested €525.7 million in assets, far surpassing the €400 million obtained from its IPO. 90% of this investment has been focused on the acquisition of income-producing properties, reaffirming the company's objective to invest in these types of properties; the remaining 10% has been allocated to the development of a unique residential asset in a prime area in Madrid.

LAR ESPAÑA REAL ESTATE has allocated €273.9 million for the acquisition of six shopping centres in Galicia, Basque Country, Palencia, Albacete, Barcelona and Alicante; €120.8 million to the purchase of four office buildings in Madrid; €44.9 million to 8 logistics warehouses in Guadalajara; €26.1 million to three retail warehouses in Madrid and Cantabria and €60 million



to a residential asset in Madrid.

ABOUT LAR ESPAÑA REAL ESTATE SOCIMI S.A.

LAR ESPAÑA REAL ESTATE SOCIMI S.A. is a Spanish company that trades on the Spanish Stock Market as a SOCIMI "Sociedad Anónima Cotizada de Inversión en el Mercado Inmobiliaria" (Listed Real Estate Investment Company). It was the first SOCIMI to be listed on the Spanish Stock Market, which took place in March 2014.

The company, which aims to invest in the Spanish real estate sector, particularly in the commercial office and retail market, obtained an initial capital of €400 million from its IPO and in January 2015 secured the first bond issue carried out by a SOCIMI in Spain for a total amount of €140 million.

LAR ESPAÑA REAL ESTATE is managed by a highly experienced independent Board of Directors, which combines renowned Spanish and international professionals from the real estate and finance sectors. The management of Lar España has been exclusively mandated to Grupo Lar on a 5-year management contract.

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