

PRESS RELEASE

LAR ESPAÑA secures a 20% value uplift in its assets

- The 32 assets acquired by the SOCIMI are now valued at EUR 1,448 million, EUR 236 million more than their initial purchase price
- This is largely thanks to the improved management strategy put in place when they were first acquired

Madrid, 6 July 2017 – LAR ESPAÑA REAL ESTATE SOCIMI S.A. (LRE), the listed real estate investment company, announced today that as at 30 June 2017 the value of its 32 assets had reached EUR 1,448.2 million.

This equates to a 20% increase on the acquisition price of the assets, which was EUR 1,211.8 million, meaning that the SOCIMI has achieved a value uplift of EUR 236 million. The increase achieved up until 30 June is particularly noteworthy when compared to the same figure at the end of June 2016, which stood at 9.3%.

José Luis del Valle, Chairman of LAR ESPAÑA, underlined that “the significant uplift in the value of our assets, which now stands close to EUR 1,500 million, is the clearest proof yet that the measures we have taken to improve our assets have been extremely successful”. “The fact that the value of the SOCIMI’s properties is almost 20% higher than their initial acquisition price is the best way of confirming to our shareholders that we are moving in the right direction”, he added.

LAR ESPAÑA’s property management measures include investment in improving communal areas in the properties, relocation and searching for new retailers, as well as its policy to acquire the largest stake possible in each asset in order to be able to implement the necessary improvements without limitations.



Palmas Altas

By asset class, shopping centres reached a value of EUR 1,040.8 million in June 2017, a value uplift of 15.2%. Notable acquisitions in recent months include the Gran Vía de Vigo and Parque Comercial Abadía (Toledo) shopping centres, as well as 22 retail units across Spain.

Office values totalled EUR 178.6 million, representing a 27.1% value uplift. Meanwhile, logistics assets reached a value of EUR 83.3 million, equating to a 31.6% increase. The value of the four developments that LAR ESPAÑA has underway rose to EUR 145.4 million, a 40% increase since acquisition; these developments include the shopping centres at Palmas Altas in Seville and Vidanova Park in Sagunto (Valencia), the residential property Lagasca99 in Madrid and a logistics development in Cheste (Valencia). Cushman & Wakefield and JLL Valoraciones carried out the property valuations.

LAR ESPAÑA has 18 retail assets and 22 retail units located in Madrid, Toledo, the Balearic Islands, La Rioja, Vigo, Valencia, Seville, Alicante, Cantabria, Lugo, León, Vizcaya, Navarre, Guipúzcoa, Palencia, Albacete and Barcelona; four office buildings in Madrid and one in Barcelona; four logistics assets in Guadalajara and two in Valencia; and one 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, incorporated as a SOCIMI "*Sociedad Anónima Cotizada de Inversión en el Mercado Inmobiliaria*" (Listed Corporation for Investment in the Real Estate Market).

The company, whose objective is to invest in the Spanish real estate sector, particularly in the retail sector, raised EUR 400 million in initial capital from its IPO and in January 2015 completed the first bond issue carried out by a SOCIMI in Spain for EUR 140 million. In August 2015 it successfully completed a EUR 135 million share capital increase, and another EUR 147 million one in August 2016.

On 4 June 2015, LAR ESPAÑA REAL ESTATE SOCIMI was included on the FTSA EPRA/NAREIT Global index, a select global index designed to showcase the general trends of listed real estate companies around the world. On 7 September 2016, for the second year running, the company was awarded the 'Gold Award' from the European Public Real Estate Association (EPRA), in recognition of the quality of the information provided by LAR ESPAÑA within the Index standards framework. The inclusion of LAR ESPAÑA REAL ESTATE on the index and the award received is a clear demonstration of the Company's current positioning, which after carrying out the first listing of a SOCIMI on the Spanish Stock Exchange, has created a highly attractive real estate portfolio and continues to forge ahead with its ambitious acquisitions plan.

The company 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 solely mandated to GRUPO LAR based on a 5-year management contract.

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