

## PRESS RELEASE -

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LAR ESPAÑA REAL ESTATE SOCIMI has reached an agreement to acquire the Megapark Barakaldo Retail Park and Factory Outlet, the largest retail space in the Basque Country

- This is the largest acquisition that LAR ESPAÑA REAL ESTATE has carried out to date, having now committed to invest EUR 828.4 million..
- This transaction relates to a retail park that features a relevant number of large retail brands, such as Conforama, Media Markt, Decathlon, El Corte Inglés, Maison du Monde and Toys R Us, and a Factory Outlet, the only one within a radius of 400 km, with brands such as Nike, Mango, Puma, Desigual, Geox and Levis.
- One million people live within 15 minutes drive from Megapark Barakaldo, which receives an average of 18 million visitors per year.
- The retail space comprises a gross lettable area of approximately 64,000 sqm and benefits from 8,200 car parking spaces. In aggregate, the project has an estimated initial occupancy of 92% and an expected EPRA net initial yield of 6.25%.
- The acquisition fits perfectly with the LAR ESPAÑA REAL ESTATE retail investment strategy that focuses on retail properties located in large catchment areas, with growth potential and limited competition.

Madrid, 21 July 2015 – Today, LAR ESPAÑA REAL ESTATE SOCIMI S.A. (LRE), the listed real estate investment company, has announced an agreement to acquire the Megapark Barakaldo Retail Park and Factory Outlet in October for EUR 170 million. This transaction would be the largest transaction executed by the SOCIMI to date following the acquisition of the El Rosal shopping centre, acquired two weeks ago for EUR 87.5 million.

Miguel Pereda, co-CEO of Grupo Lar and Board member of Lar España, highlighted that *"in just 15 days, we have committed to carry out the two largest investments to date and started a share capital increase of EUR 135 million, on the back of our visible pipeline, which demonstrates the financial robustness of the SOCIMI"*.

Megapark Barakaldo comprises an area of 128,000 sqm, of which LAR ESPAÑA has acquired approximately 64,000 sqm. Other owners operate under their own brands, such as Ikea, Leroy Merlin and Repsol, thereby making it the largest retail hub in the area.

Barakaldo, with more than 100,000 inhabitants, is one of the largest cities in the Basque Country. It has very good highway transport links, given that it is located next to the A-8 Bilbao-Santander motorway, which makes it a strong catchment area: one million inhabitants within 15 minutes drive and more than 3 million within 90 minutes drive.

The purchase of Megapark Barakaldo includes a retail park and a factory outlet. The retail park features all of the main fashion, home and entertainment brands, such as Media Markt, Decathlon, El Corte Inglés, Conforama, Maison Du Monde and Toys R Us (including 14 commercial warehouses). The retail park is 100% occupied. Other operators in the park include Ikea and Leroy Merlin, which also own their own retail warehouse units.



Factory Outlet in Megapark Barakaldo

The Factory Outlet Centre, which was refurbished and redesigned in 2007, is the only one in the North of Spain, with the next closest located in the French city of Bordeaux, 400 km away. The Factory Outlet has 59 stores and benefits from top-tier tenants, such as Nike, Mango, Puma, Desigual, Geox, Benetton, Levis, Purificación García and CK Jeans.

Following this transaction, LAR ESPAÑA has now committed to invest EUR 828.4 million in assets, of which EUR 564.5 million has been assigned to the purchase of ten retail spaces located in Guipúzcoa, Palencia, Albacete, Barcelona, Alicante, Madrid, Cantabria, Lugo, León and the Basque Country; EUR 140.5 million to the purchase of four office buildings in Madrid and one in Barcelona; EUR 63.4 million for four logistics properties in Guadalajara and one in Valencia; and EUR 60 million for a residential property in Madrid.

#### **ABOUT LAR ESPAÑA REAL ESTATE SOCIMI S.A.**

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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 commercial property (offices and retail) raised €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.

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. The inclusion of Lar España on the index is a clear demonstration of the Company's current positioning, which after carrying out the first IPO of a Socimi on the Spanish Stock Exchange, has created a highly attractive real estate portfolio and continues to have an 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.

**For more information:**

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