

Press Release

LAR ESPAÑA REAL ESTATE SOCIMI acquires El Rosal Shopping Centre, located in the Northwest of Spain (Ponferrada/León), for €87.5million

- This is the largest transaction so far carried out by LAR ESPAÑA REAL ESTATE, reaching an investment amount of €658.4 million and represents a new milestone in the delivery of its promised investment plan ahead of schedule allowing the Company to fully deploy equity raised in the IPO with an efficient leverage profile by Q3 2015.
- El Rosal Shopping Centre has an excellent location in the city of Ponferrada, in the province of León, with a total catchment area of over 200,000 people.
- The shopping centre, with an occupancy rate of 92% and 51,142 sqm of Gross Lettable Area (GLA) has prime tenants such as Carrefour, Zara, C&A, H&M or Worten and has been acquired at a net initial yield of 6.3%.
- This transaction is part of LAR ESPAÑA REAL ESTATE's strategy to acquire shopping centers located in areas of significant influence, with growth potential and without other shopping centre nearby.

Madrid, 8 July, 2015 -LAR ESPAÑA REAL ESTATE SOCIMI S.A. (LRE), a listed real estate investment company, has completed its largest investment acquisition to date. This implies the ninth transaction for the company regarding Spanish retail assets: the acquisition of El Rosal complex, located in the Northwest of Spain (Ponferrada/León), amounting to €87.5 million. El Rosal is a dominant shopping center in its location and has a strong relevance in the region, with an approximate catchment area of over 200,000 people.

Since opening in 2007, El Rosal is positioned as a prime asset given its excellent location in the city of Ponferrada, in the province of León. *"We should take into account that this is the only shopping centre in a 100km radius, which supports its status as the retail centre of choice in the region. The fact that Ponferrada and El Bierzo are surrounded by mountains and hills*



Façade of the shopping centre acquired by LAR ESPAÑA REAL ESTATE

creates a unique catchment area where all roads lead to the city from León", Miguel Pereda, member of the Board of the company, states. El Rosal Shopping Centre has an easy access through the A-6 motorway, linking all the surrounding towns to Ponferrada.

The shopping centre acquired by the SOCIMI comprises a Gross Lettable Area (GLA) of 51,142 sqm as well as c. 2,450 parking spaces. With an occupancy rate of 92%, El Rosal has prime tenants such as Carrefour (which comprises a total of 11,919 sqm), H&M, Zara, Worten, Cortefiel or C&A. *"The relevance of this asset is shown in the more than the 5.4 million visitors that it received in 2014. Nonetheless, we believe LAR ESPAÑA REAL ESTATE can capture additional value integrating the asset in its specialist national retail real estate platform"*, Miguel Pereda noted. In the medium term, the SOCIMI plans to invest €3.4 million in the building and its operators. The acquisition of El Rosal has long-term (15 Years) financing granted by CaixaBank. Clifford Chance, KPMG, CBRE and Gleeds have been the advisors of the transaction.

On the back of to this transaction, the SOCIMI has now invested €658.4 million. Of its total portfolio, €368.4 million have been allocated to acquiring seven shopping centres located in León, Lugo, Guipúzcoa, Palencia, Albacete, Barcelona and Alicante; €140.5 million for purchasing four office buildings in Madrid and another one in Barcelona; €63.4 million to 4 logistics assets in Guadalajara and another one in Valencia; €26.1 million to three retail warehouses in Madrid and Cantabria, and €60 million for a residential asset in Madrid.

LAR ESPAÑA REAL ESTATE believes the critical mass they are achieving in regional Spanish shopping centres will allow them to capture additional revenue and cost synergies fully taking advantage of their extensive platform and consolidated specialist expertise.

ABOUT LAR ESPAÑA REAL ESTATE SOCIMI S.A.

LAR ESPAÑA REAL ESTATE SOCIMI S.A. is a Spanish company listed on the Spanish stock exchanges. It has been incorporated as a Real Estate Investment Trust (REIT) known as a SOCIMI in Spanish (Sociedad Anónima Cotizada de Inversión en el Mercado Inmobiliario).

The company, which aims to invest in the Spanish real estate sector, especially in the commercial office and retail segments, raised an initial €400 million in capital when it was floated and in January 2015 completed the first bond issue by a SOCIMI in Spain for €140 million.

On 4 June 2015 Lar España Real Estate Socimi was included in the FTSE EPRA/ NAREIT Global index. This select Global Real Estate Index is designed to represent general trends of listed real estate companies worldwide. LAR ESPAÑA REAL ESTATE's inclusion on this Index is testament to the Company's current status, which after having been the first SOCIMI to list on the Spanish stock exchange, has built an extremely attractive consolidated property portfolio and continues to develop its highly ambitious acquisitions plan.

LAR ESPAÑA REAL ESTATE is managed by an independent Board of Directors with extensive experience, combining renowned Spanish and international real estate and financial professionals. The management of LAR ESPAÑA REAL ESTATE has been entrusted exclusively to Grupo Lar via a five-year management agreement.

For further information, please contact:

Raquel Capellas, Tel: (0034) 91 745 86 00 rcapellas@webershandwick.com

Inmaculada Bejarano, Tel: (0034) 91 745 86 00 ibejarano@webershandwick.com