

## PRESS RELEASE -

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LAR ESPAÑA REAL ESTATE SOCIMI will invest EUR 53 million in the development of the “Cruce de Caminos” retail complex in Sagunto, Valencia.

- The transaction includes the acquisition of a 120,000 sqm plot of land, on which a retail complex will be constructed and developed.
- The retail complex, where site works have begun today, will comprise a shopping centre that will feature a hypermarket, a retail arcade, as well as a retail park with specialist retail warehouses, and an outdoor car park with capacity for close to 2,600 vehicles.
- Cruce de Caminos will benefit from 250,000 potential clients and it is expected that once it is up and running that it will create 1,000 jobs.

**Madrid, 4 August 2015** – LAR ESPAÑA REAL ESTATE SOCIMI S.A. (LRE), a listed real estate investment company, announced today that it has reached an agreement to acquire a 120,000 sqm plot of land in Sagunto (Valencia), on which it will construct and develop a 45,000 sqm gross lettable area retail complex. The total investment (purchase of land and construction) stands at EUR 53 million, of which EUR 14 million relates to the purchase of the plot of land.

The retail complex, which will be named Cruce de Caminos and is located in Sagunto’s Macrosector IV, will comprise a shopping centre, which will include a hypermarket and a retail arcade with fashion, accessories and service stores, and a retail warehouse park for specialist sports, DIY decoration, homewares, toys, fashion and accessories stores. A car park exclusively for the use of the retail park will also be constructed with capacity for close to 2,600 vehicles.

Many top tier brands have already signed up, including: Decathlon, AKI Bricolaje, C&A, Fifty Factory (Cortefiel Group), Panre Toys, Burger King and Foster’s Hollywood.

The site works, which start today in the presence of representatives from the SOCIMI, the development company and the local town hall, are expected to finish at the end of 2016 and beginning of 2017. It is expected that the construction of the retail complex will provide work

for 200 employees and once the retail park is up and running that it will create close to 1,000 jobs.

The retail complex is located in a prized location, as in addition to the 250,000 people that live close to the shopping centre; one must also add the thousands of tourists that spend their holidays in the area. It will also meet the pent-up demand of consumers in the area, who currently have very little shopping and leisure options available to them.

Miguel Pereda, CEO of LAR ESPAÑA REAL ESTATE, pointed out that Cruce de Caminos *"will strive to become the number one retail scheme across the region"*. Pereda underscored that *"this transaction has gone ahead thanks to the EUR 135 million share capital increase that we recently announced, which demonstrates the company's robust investment potential"*. This development transaction forms part of the market opportunities that the company has been exclusively analysing, that were already mentioned in the SOCIMI's share capital increase prospectus.

To date, LAR ESPAÑA REAL ESTATE has acquired assets valued at more than EUR 852 million, of which EUR 588,7 million have been assigned to the purchase of eleven retail spaces located in Guipúzcoa, Palencia, Albacete, Barcelona, Alicante, Madrid, Cantabria, Lugo, León, Vizcaya, Navarra and Valencia; EUR 140.5 million to the purchase of four office properties in Madrid and one in Barcelona; EUR 63.4 million to four logistics assets in Guadalajara and one in Valencia; and 60 million for a residential asset in Madrid. The overall figure is expected to increase by EUR 39 million, which are expected to be invested in the construction and development of Cruce de Caminos, once the works have been completed in two and a half years.

#### **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, who's 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.

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