

## PRESS RELEASE -

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### LAR ESPAÑA REAL ESTATE SOCIMI increases its profits by 129% in Q1 2016

- It has reached EUR 8.7 million, compared to EUR 3.8 million in the same period the year before
- Rental income doubled, reaching EUR 13 million
- The asset yield stands at 6.1% in Q1 2016

**Madrid, May 13, 2016** - LAR ESPAÑA REAL ESTATE SOCIMI S.A. (LRE), the listed real estate investment company, registered a profit of EUR 8.7 million in the first quarter of the year, an increase of 129% compared to the EUR 3.8 million profit in the same period in 2015.

This significant increase in the SOCIMI's profits is linked to the growth in property rental income, which reached EUR 13 million in the first three months of 2016, double the EUR 6.5 million achieved in the same period last year.

The asset yield stood at 6.1% in Q1 2016; by asset class we would note the yield for logistics properties reached 7.2%, followed by shopping centres, at 6.6% and offices, at 4.6%. The occupancy rate for LAR ESPAÑA's assets stands at over 93%.

José Luis del Valle, chairman of LAR ESPAÑA REAL ESTATE, highlighted that "the results for Q1 2016 confirm the growth and profitability of LAR ESPAÑA and advocate our strategy based on a careful selection of the assets acquired and excellent management".

In terms of LAR ESPAÑA's balance sheet in Q1 2016, we would note the improvement in shopping centres, thanks to their active management, which has permitted, among others things, that sales in the shopping centres owned by the SOCIMI grew by 7.2% between January and March this year. This percentage is much higher than the average increase in retail sales in Spain, which reached 2.9% in the same period.

A total of 9.6 million people visited LAR ESPAÑA's twelve shopping centres between January and March of this year, an increase of 3.5% year-on-year, higher than the average in Spain - 1.8% -.

The company saw a marked increase in activity during the past 12 months, going from managing assets worth EUR 358 million at the end of March 2015 to EUR 961 million at the end of Q1 2016.



The SOCIMI announced today that the payment of the dividend approved in the Annual General Meeting will take place next May 20. This consists of EUR 12 million, which will result in the distribution of EUR 0.201 per share, six times higher than the EUR 0.033 per share in 2014.

LAR ESPAÑA REAL ESTATE has a property portfolio valued at EUR 961 million comprised of 24 assets in ten autonomous communities. Of these EUR 961 million, EUR 686 million have been assigned to the purchase of twelve retail schemes located in Madrid, Valencia, Seville, Alicante, Cantabria, Lugo, León, Vizcaya, Navarre, Guipúzcoa, Palencia, Albacete and Barcelona; EUR 150 million on the purchase of four office buildings in Madrid and one in Barcelona; EUR 70 million on four logistics properties in Guadalajara and one in Valencia; and EUR 55 million and one residential asset 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 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.

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 24 September 2015, 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 IPO 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 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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