

## PRESS RELEASE

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### LAR ESPAÑA REAL ESTATE SOCIMI carries out a share capital increase for EUR 147.1 million

- LAR ESPAÑA REAL ESTATE SOCIMI's Board of Directors has decided to approve a rights issue transaction amounting to EUR 147.1 mm on the back of GSM's authorization
- The SOCIMI has identified a very visible pipeline of assets amount to EUR 838 mm and expects to carry out acquisitions in the coming months.
- This would be the second capital increase carried out by the SOCIMI during the last year, consolidating their active investment strategy and their financial strength.

Madrid, 7 July 2016.- LAR ESPAÑA REAL ESTATE SOCIMI S.A. (LRE), the listed real estate investment company, has announced its intention to carry out a share capital increase valued at EUR 147.1 million, following the agreement reached yesterday by the board of directors' approval.

The company will issue 30 million of new shares with a subscription price of 4.92 - two euros of nominal and 2.92 of premium).

Transaction has been structured as a rights issue and hence current shareholders could exercise its pre-emption rights in order to avoid the dilution of their current stake. As in the last capital increase, a solid base of the existing shareholders has confirmed their intention of subscribing their pro-rata rights. J.P. Morgan and Morgan Stanley are acting as global coordinators and, along with Fidentiis, as bookrunners underwriting the entire size of the transaction, ensuring proceeds raised.

José Luis del Valle, chairman of LAR ESPAÑA REAL ESTATE, said: "The capital increase that we announce today, under the current market circumstances, prove the strength and appeals of our SOCIMI and shows the company's ability to successfully call the capital markets."

"We have decided - continued Del Valle - to carry out this capital increase in order to take advantage of very interesting investment opportunities that will generate the added value our investors expect from us."

The SOCIMI has already identified a range of assets, assuring that the funds will be used shortly. José Luis del Valle said that "the nearly 150 million that we expect to raise will be used in the coming months, with almost all certainty, before the end of this year."

"We are continuing to grow in size, as we will clearly exceed one billion euros in investments, whilst maintaining the high quality standards of all the assets in our portfolio", he added.

As detailed in the prospectus, the SOCIMI has identified market opportunities valued at EUR 838 million. Approximately 81% of the pipeline identified corresponds to retail facilities, 14% to office properties and the remaining 5% belong to other categories.

#### **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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