

## PRESS RELEASE

---

### LAR ESPAÑA REAL ESTATE SOCIMI books a profit of EUR 43.3 million up to June, more than doubling last year's figure

- Rental income increased by a 90%, reaching EUR 26.9 million
- Sales in the shopping centres owned by LAR ESPAÑA grew 12.5% until June, well above the average of 3.1% registered for the sector in Spain, whilst footfall increased 8.6%, versus the national average of 1.5%
- Efforts continue to be made to reduce the cost of debt - down to 2.24% - and extend maturities - up to 6.9 years

**Madrid, 12 September 2016.** LAR ESPAÑA REAL ESTATE SOCIMI S.A. (LRE), a listed real estate investment company, booked a net profit of EUR 43.3 million in H1 2016, slightly more than double the EUR 19.3 million recorded in the same period last year; more specifically, a 124% increase, in line with the upbeat results seen in previous quarters.

These positive results come off the back of good rental income performance, which stood at €26.9 million for H1 2016, up 90% on the EUR 14.1 million recorded in H1 2015.

The acquisition of new assets over the last twelve months and the management improvements implemented have fuelled this increased income. At the end of June 2015, LAR ESPAÑA owned assets valued at EUR 596 million, whereas by the end of June 2016, this figure rose almost double to €1,050 million. Of the assets acquired during this period, we would highlight the purchases of the Megapark Barakaldo retail complex and the Sagunto and Palmas Altas (Seville) plots of land for the construction of future shopping centres.

José Luis del Valle, chairman of LAR ESPAÑA, underlined that *"the excellent results achieved during the first half of the year confirm that we are on the right track and will allow us to fulfil our commitments with our shareholders"*. *"The quarter by quarter profits achieved by LAR ESPAÑA also demonstrate the enormous appeal of the SOCIMI and the sound acquisition and asset management policies which are being implemented"*, he added.

The sales and footfall figures of the shopping centres owned by LAR ESPAÑA are testament to the management improvements that have been implemented over the last year. Sales increased 12.5% between January and June 2016 versus the same period in 2015, which in comparable terms is well above the Spanish average of 3.1%. There is also a significant

difference if the number of people visiting these centres is taken into account: footfall rose by 8.6% in LAR ESPAÑA's centres, considerably higher than the sector's average increase of 1.5% for Spain.

In terms of financial performance, the SOCIMI continues to work on its twofold objective of reducing the cost of debt and extending its average maturity term. More specifically, in H1 2016 the cost of debt fell to 2.24% and the average amortization period stood at 6.9 years.

The 25 real estate assets owned by LAR ESPAÑA REAL ESTATE are valued at EUR 1,049 million according to the latest available valuations. Of these EUR 1,049 million, EUR 759 million equate to the purchase of thirteen retail schemes located in Madrid, Valencia, Seville, Alicante, Cantabria, Lugo, León, Vizcaya, Navarre, Guipúzcoa, Palencia, Albacete and Barcelona; EUR 160 million to the purchase of four office buildings in Madrid and one in Barcelona; EUR 72 million to four logistics properties in Guadalajara and one in Valencia; and EUR 58 million to one residential asset in Madrid.

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

---

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 the retail sector 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, and another EUR 147 million one in August 2016.

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 7 September 2016, the company was awarded for the second consecutive year 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 listing 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 management of Lar España has been solely mandated to Grupo Lar based on a 5-year management contract.

**For more information:**

*Santiago de Juan, Tel: 91 702 68 08 [sdejuan@eurocofin.com](mailto:sdejuan@eurocofin.com)*

*Luis de Lojendio, Tel: 91 702 68 29 [llojendio@eurocofin.com](mailto:llojendio@eurocofin.com)*