

PRESS RELEASE

LAR ESPAÑA's Annual General Shareholder Meeting approves a dividend payment of EUR30 million, EUR0.331 per share

- Shareholders have given the go-ahead to increase the number of directors from five to seven, with the appointment of Isabel Aguilera as an independent director, and Laurent Luccioni as a representative for Pimco
- Shareholders approved all of the points on the agenda, including last year's accounts, which registered profits of EUR91 million, more than doubling the 2015 figure
- The SOCIMI reduced the CO₂ emissions of its property portfolio by 56%, and donated more than EUR300,000 to social initiatives

Madrid, 29 May 2017 - LAR ESPAÑA REAL ESTATE SOCIMI S.A. (LRE) today held its Annual General Shareholder Meeting, in which a majority agreement was reached on all items tabled for voting. Particularly notable, was the approval of a EUR30 million dividend payment reported against 2016's results, which equates to a EUR0.331 dividend per share, almost three times the EUR12 million paid in 2015 (EUR0.201 per share more). The dividend payment will be made on Wednesday 31 May. Dividend yields are at 4.7%, relative to the share price at 31 December 2016.

The SOCIMI's shareholders also approved the expansion of the board of directors from five members to seven, with the appointment of Isabel Aguilera as an independent director, and Laurent Luccioni as a representative for Pimco, which is currently LAR ESPAÑA's largest shareholder, with a 20% stake. The addition of these two directors to the SOCIMI reinforces its commitment to good corporate governance; the number of independent directors will increase from four to five, and gender diversity has also improved.

José Luis del Valle, Chairman of LAR ESPAÑA, underlined that the dividend payment demonstrated that today *"once again reflects the SOCIMI's commitment to its shareholders, made possible thanks to the excellent results achieved in 2016"*. He also emphasised the appointment of the two new directors, who *"bring their valuable knowledge and professionalism to the SOCIMI, and who will also help us to take new strides down the road to good corporate governance"*.

The Annual General Shareholder Meeting approved last year's accounts, in which LAR ESPAÑA booked a profit of EUR91 million, a 110% y-o-y increase. The surge in profits was made possible thanks to a sharp increase in revenue through asset acquisition and the implementation of management services; more specifically, rental income jumped to EUR60 million, a 69% y-o-y increase.

An example of the measures taken to improve shopping centre management were the 130 lettings carried out in 2016 - including new tenants, refurbishments and relocations. As a result of this improved management, sales in LAR ESPAÑA's shopping centres grew by 8.8%, outstripping the 2.9% national average, whilst footfall increased by 5.7%, compared to the sector average of 0.9%.

In 2016, LAR ESPAÑA acquired a number of new properties, enabling it to continue to expand its portfolio, which currently comprises a total of 31 assets with an overall value of EUR1,399 million. Noteworthy purchases last year included the Gran Vía de Vigo and Vistahermosa (Alicante) shopping centres. In addition to this is the purchase of Toledo's Parque Abadía shopping centre in March, as well as 22 retail units in various cities across Spain.

In order to acquire these properties, LAR ESPAÑA carried out a EUR141 million capital increase in July. It also reached several agreements with financial institutions in order to increase resources, as well as improving its debt terms and conditions, which currently has an average term of six years, at a total cost of 2.2%.

Finally, in terms of corporate social responsibility, LAR ESPAÑA reduced the CO₂ emissions of its property portfolio by 56%, and donated more than EUR300,000 to social, cultural and sporting initiatives throughout Spain.

Out of the 31 real estate assets owned by LAR ESPAÑA, 16 are retail schemes valued at EUR1,081 million, located in Madrid, Toledo, The Balearic Islands, La Rioja, Vigo, Valencia, Seville, Alicante, Cantabria, Lugo, León, Vizcaya, Navarre, Guipúzcoa, Palencia, Albacete and Barcelona; four office buildings in Madrid and one in Barcelona are valued at a total of EUR171 million; four logistics properties in Guadalajara and one in Valencia at EUR79 million; and one residential asset in Madrid is valued at EUR68 million.

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 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 management of LAR ESPAÑA has been solely mandated to GRUPO LAR based on a 5-year management contract.



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