

PRESS RELEASE

LAR ESPAÑA books EUR10.5 million profit to March, up 20% y-o-y

- Rental income jumps 39%, reaching EUR18 million
- Asset purchases and improved management bring the yield up to 12.5%
- The average cost of debt stands at 2.2% and the LTV ratio is at 38%

Madrid, 12 May 2017. LAR ESPAÑA REAL ESTATE SOCIMI S.A. (LRE), the listed real estate investment company, registered a profit of EUR10.5 million in the first quarter of 2017, up 20.3% y-o-y.

Once again, rental income played a key role in these positive results, growing 39% to EUR18 million, versus the EUR13 million booked in Q1 2016. The increased revenue is down to the acquisition of the Parque Abadía retail scheme in Toledo and a portfolio of 22 retail units in March, as well as the improvements made to the rest of the assets in the company's portfolio. The return on equity reached 12.5%.

The value of the company's assets at the end of March stood at EUR1,399 million, 47% more than one year ago. Following March's acquisitions, shopping centres now account for 77% of LAR ESPAÑA's total portfolio.

José Luis del Valle, chairman of LAR ESPAÑA, highlighted that "the quarterly profit has once again attained a high double-digit increase, which paints a clear picture of the SOCIMI's growth and its excellent management". Del Valle underlined LAR ESPAÑA's commitment to its shareholders and reiterated the fact that "in the next Annual General Meeting, the payment of EUR0.331 per share will be proposed, equating to a total remuneration of EUR30 million, significantly higher than 2016's EUR12 million".



Aerial view of Parque Abadía

The financing deals completed over the last two months are of particular note, as is the positive position in which the SOCIMI currently finds itself. The average cost of debt stands at 2.2% and the LTV ratio, at 38%, meaning the SOCIMI has room to increase its debt up to 50%.



LAR ESPAÑA REAL ESTATE currently owns 31 real estate assets valued a EUR1,399 million, of which; EUR1,081 million relate to 16 retail schemes located in Madrid, Toledo, The Balearic Islands, La Rioja, Vigo, Valencia, Seville, Alicante, Cantabria, Lugo, León, Vizcaya, Navarre, Guipúzcoa, Palencia, Albacete and Barcelona; EUR171 million to four office buildings in Madrid and one in Barcelona; EUR79 million to four logistics properties in Guadalajara and one in Valencia; and EUR68 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, for the second year running, 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 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.

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