

PRESS RELEASE

LAR ESPAÑA REAL ESTATE SOCIMI books a profit of EUR65 million to June, up 50% y-o-y

- Rental income reached EUR37.5 million, marking a 40% increase
- In H1 2017, LAR ESPAÑA acquired the Parque Abadía retail complex in Toledo, along with 22 retail units in different provinces across Spain
- The SOCIMI signed a number of financing agreements between January and June this year, taking its net LTV ratio to 39%

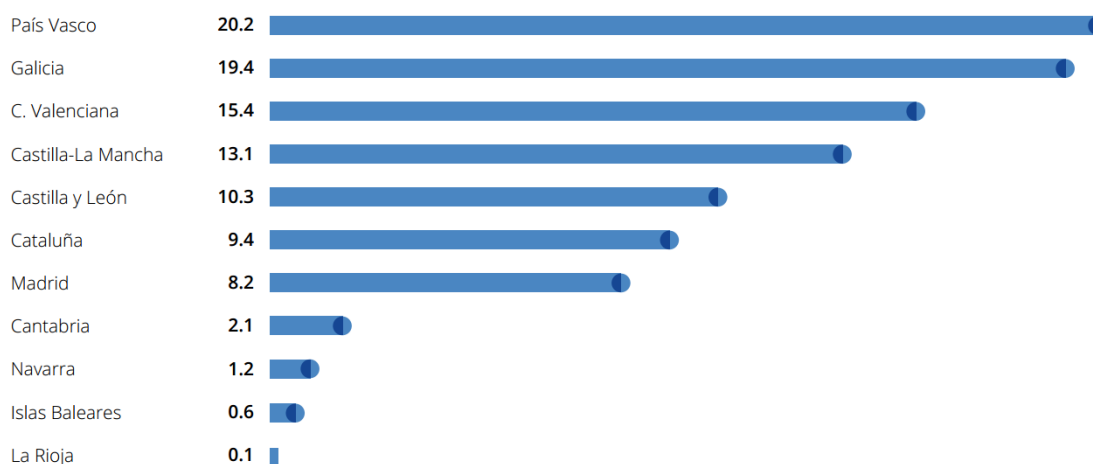
Madrid, 27 July 2017 – LAR ESPAÑA REAL ESTATE SOCIMI S.A. (LRE), the listed real estate investment company, registered a net profit of EUR65 million in H1 2017, up 50% y-o-y.

Once again, strong rental income levels were the reason for this marked improvement. More specifically, EUR37.5 million was registered between January and June 2017, up 40%, on rental income for H1 2016.

This increase in revenue was down to the acquisition of new assets and improved management. During the first six months of 2017, LAR ESPAÑA acquired the Parque Abadía retail complex in Toledo and 22 retail units across Spain.

One result of the improved management was the value uplift of its assets, which reached 20% at the end of June. The SOCIMI's average occupancy rate, up to 94.3% in the second half of 2017, is further evidence of the measures undertaken to increase revenues.

Income per region (%)



José Luis del Valle, chairman of LAR ESPAÑA, said: *“We are extremely satisfied with the results for the first half of the year, which are the result of our active acquisition policy and excellent portfolio management. This is without a doubt the best news we can give our investors.”*

H1 2017 was also a very active time for securing financing agreements. The SOCIMI completed a number of transactions totalling EUR139 million, placing LAR ESPAÑA's debt at EUR591 million at the end of June 2017. The net LTV ratio therefore reached 39%, and the company still has room to increase its financing to 50%. It also refinanced the existing debt for Lagasca99, and secured financing for 100% of the construction costs for the development.

LAR ESPAÑA REAL ESTATE currently owns 31 real estate assets valued at EUR1,448 million, of which; 17 are retail schemes valued at EUR1,041 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 EUR179 million; four logistics properties in Guadalajara and one in Valencia at EUR83 million; as well as Palmas Altas, LAR ESPAÑA also owns three developments under construction: the Vidanova Parc retail complex in Sagunto (Valencia), the residential property Lagasca99 in Madrid and a logistics development in Cheste (Valencia).

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 EUR400 million in initial capital from its IPO and in January 2015 completed the first bond issue carried out by a SOCIMI in Spain for EUR140 million. In August 2015 it successfully completed a EUR135 million share capital increase, and another EUR147 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.

Press contact: *Luis de Lojendio*, Tel: 91 702 68 29 llojendio@eurocofin.com