

## PRESS RELEASE

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### LAR ESPAÑA to invest EUR250 million in new development projects and property improvements between 2018 and 2021

- The SOCIMI unveils its 2018-2021 Business Plan, which includes plans to ramp up its asset rotation policy
- At its next Annual General Shareholders Meeting, LAR ESPAÑA will propose a dividend payment equal to 5% of the NAV

**Madrid, 1 December 2017** - LAR ESPAÑA REAL ESTATE SOCIMI S.A. (LRE), the listed real estate investment company, held its Analyst Day today, during which the company's top executives explained the projects that the SOCIMI currently has underway and its plans for the coming years.

The SOCIMI detailed its 2018-2021 Business Plan, which sets out plans to raise investment and continue with the asset rotation strategy started in 2017. Over the next four years, the SOCIMI plans to invest EUR247 million in developing new projects and improving the properties it already owns; circa EUR200 million of this will be injected into two of its shopping centres, Vidanova Parc (Sagunto), which will open in 2018, and Palmas Altas (Seville), due to open in 2019.

LAR ESPAÑA will also continue to implement its non-strategic asset divestment policy, which it launched in September 2017 when it sold the Arturo Soria office building for EUR32.5 million and achieved a 34.5% value uplift on the acquisition price. Between 2018 and 2021, the SOCIMI plans to receive a total of EUR380 million from divestments, particularly highlighting those relating to office buildings and the delivery of the Lagasca99 residential development.

LAR ESPAÑA also announced that it plans to propose a dividend payment equal to 5% of the NAV in 2018 at the Annual General Shareholders Meeting. It also expects to pay extraordinary dividends associated to Lagasca99.

José Luis del Valle, chairman of LAR ESPAÑA, highlighted that everything the SOCIMI has achieved since it was founded in 2014 has made it *"one of the sector's most prestigious companies and the leader of the retail sector in Spain"*. *"Since 2014, LAR ESPAÑA has clearly demonstrated its ability to create value and satisfy its investors' expectations, who will once again receive one of the most attractive dividend payments on the Spanish stock market in 2018"*, he added.

Miguel Pereda, director at LAR ESPAÑA, highlighted that *“the objectives set out for the coming years in the Business Plan will allow us to keep increasing our returns and will further establish us as one of the main players in the sector”*.

Of all the issues addressed during the day, it is worth to highlight those relating to shopping centres, which account for 73% of the SOCIMI's portfolio and cover a total of 521,000 sqm, making LAR ESPAÑA the market's second largest retail player in terms of GLA. Shopping centres have performed very well in 2017: sales climbed 2.7% to September, topping the Spanish average of 2.1%, whilst footfall also outstripped the Spanish average, growing 1.9% versus 1.8%. Occupancy stood at 93.8%, 1.2 points up y-o-y.

LAR ESPAÑA REAL ESTATE currently owns 31 real estate assets valued a EUR1,429 million, of which; EUR1,043 million relate to shopping centres located in Madrid, Toledo, The Balearic Islands, La Rioja, Vigo, Valencia, Seville, Alicante, Cantabria, Lugo, León, Vizcaya, Navarre, Guipúzcoa, Palencia, Albacete and Barcelona; EUR157 million to three office buildings; EUR86 million to four logistics properties; and EUR143 million to four developments under construction.

#### **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, whose objective is to invest in the Spanish real estate sector, particularly in the retail sector, raised EUR 400million 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.

In 2015, LAR ESPAÑA 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. In 2017, it achieved the EPRA Gold Award for the third consecutive year in recognition of the quality of information provided by LAR ESPAÑA. In 2017, it also received the Silver Award and the Most Improved Award for Sustainability in recognition of the improvements made in terms of the information published concerning Corporate Social Responsibility.

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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