

PRESS RELEASE

LAR ESPAÑA sells two non-strategic retail properties for EUR33 million

- The company sells two big box units located at Nuevo Alisal, Santander, and a retail warehouse in Villaverde, Madrid, achieving a value uplift of 27% on the purchase price for both properties
- LAR ESPAÑA has now divested a total of EUR145 million, and so far this year has already carried out EUR76 million of acquisitions, more than half of the total invested in 2017

Madrid, 12 March 2018. LAR ESPAÑA REAL ESTATE SOCIMI S.A. (LRE), the listed real estate investment company, forges ahead with the asset rotation plan that it launched last year. Having already divested two of its office properties, Arturo Soria and Egeo, the SOCIMI announced today that it has sold a further two non-strategic assets for a combined total of EUR33.2 million. The first property sold comprises two big box stores at Nuevo Alisal retail park in Santander, whilst the second is a retail warehouse in Villaverde, Madrid.

LAR ESPAÑA achieved a 27% value uplift on the original purchase price for these properties. It also achieved an 8.2% increase on the last valuation of the properties, which was carried out at the end of 2017. LAR ESPAÑA acquired the Villaverde property in July 2014, and the Nuevo Alisal properties in December of the same year.

The units sold by LAR ESPAÑA at Nuevo Alisal comprise a total area of 7,649 sqm, less than a third of the retail park's total GLA of 25,338 sqm. The retail warehouse sold in Villaverde is occupied by one sole tenant. Simmons&Simmons has been LAR ESPAÑA's legal advisor.

LAR ESPAÑA's 2018-2021 business plan includes divesting assets to the value of EUR470 million. Taking into account both of the retail property sales announced today and the other two office properties already sold, the company has divested a total of EUR145 million to date. Over the next two years, the SOCIMI will continue to divest the rest of its office portfolio, its logistics portfolio and its sole residential development (Lagasca99).

These non-strategic asset divestments will enable LAR ESPAÑA to continue focusing its efforts on acquiring more strategic retail properties. The 2018-2021 business plan sets out EUR220 million worth of investments in shopping centres and retail parks, EUR247 million in developments, especially retail developments, and EUR49 million in improving its retail properties.

So far this year, LAR ESPAÑA has acquired the Rivas Futura retail park for EUR62 million, making it Spain's leading retail park operator. It also acquired Abadía commercial gallery for EUR14 million, complementing last year's purchase of Parque Abadía retail complex and taking its ownership to 80% of the entire retail complex. It has therefore already invested a total of EUR76 million this year, more than half of the EUR119 million invested in 2017.

José Luis del Valle, Chairman of LAR ESPAÑA, said: *"the deal that we are announcing today is yet another step forward in our asset rotation strategy, which will allow us to focus on more strategic properties that will enable us to further establish LAR ESPAÑA as one of the leading players in the Spanish retail sector"*.

LAR ESPAÑA REAL ESTATE currently owns 30 properties valued at EUR1,505 million, of which; EUR1,148 million relate to shopping centres located in Madrid, Toledo, The Balearic Islands, La Rioja, Navarre, Vigo, Valencia, Seville, Alicante, Lugo, León, Vizcaya, Guipúzcoa, Palencia, Albacete and Barcelona; EUR85 million to office buildings; EUR87 million to logistics properties; and EUR185 million to developments under construction.

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 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.

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