

PRESS RELEASE

LAR ESPAÑA's Annual General Shareholder Meeting approves a dividend payment of EUR45 million, EUR0.49 per share

- Dividend yields have reached 5.5%, one of the most attractive on the Spanish Stock Exchange
- LAR ESPAÑA announces that in 2019 it will propose an extraordinary dividend distribution charged to the profits generated from the disposal of Lagasca99
- Shareholders approved all of the points on the agenda, including last year's accounts, which registered profits of EUR135.6 million, up 48% on the 2016 figure

Madrid, 19 April 2018. 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 EUR0.49 dividend per share reported against 2017's results, which equates to a EUR45 million dividend payment, 50% more than the EUR30 million paid in 2016, and well above the EUR12 million in 2015.

The dividend payment will be made on Wednesday 18 May. Dividend yields stand at 5.5%, relative to the share price at 31 December 2017.

The Annual General Shareholder Meeting approved the 2017 accounts, in which LAR ESPAÑA booked a profit of EUR135.6 million, 48% more than in 2016. Rental income drove this surge in profits, up 29% y-o-y to EUR77.6 million.

At 31 December 2017 its property portfolio was valued at EUR1,538 million, a 28% increase on the acquisition price. In 2017 alone, the properties increased in value by EUR173 million thanks to the overall improvement in the market, but primarily due to the management of the portfolio, which accounts for 62% of the value uplift.

A total of 128 operations were completed in shopping centres, involving either renovations, replacements, relocations or re-lettings, equivalent to signing an agreement every two days throughout the course of 2017, and a tenant rotation rate of 10% was achieved across the portfolio. If one takes the acquisition date as a point of reference, 28% of all of the retail space has been rotated, i.e. the lease has been revised.

As a result of this improved management, sales in LAR ESPAÑA's shopping centres grew by 3.3%, significantly outstripping the 1.2% national average, whilst footfall increased by 2.7%,

compared to the sector average of 1.8%.

In 2017 LAR ESPAÑA launched its asset rotation strategy, in order to specifically focus on shopping centres. Between 2017 and the first few months of 2018, LAR ESPAÑA disposed of four assets valued at a total of EUR145 million, 26% more than the acquisition price. In the same timeframe, the SOCIMI has invested EUR195 million in new retail assets, particularly focusing on retail parks. Following its acquisition of Rivas Futura in Madrid, LAR ESPAÑA has now become the number one retail park operator in Spain, with some 150,000 sqm of Gross Lettable Area.

This strategy follows the 2018-2021 business plan, presented at the end of last year and that contemplates disposals valued at EUR470 million - essentially offices, logistics assets and its only residential development (Lagasca99) and other non-strategic assets. It also includes new investments: EUR220 million in shopping centres and retail parks; EUR247 million in developments, especially retail developments; and EUR49 million in improving its property portfolio.

Among some of these divestments we would particularly note Lagasca99, which is already more than 80% pre-sold, with the first units expected to be delivered at the start of Q3 2018. In today's General Shareholder Meeting the company announced that in 2019 it will propose an extraordinary dividend distribution to shareholders charged to the profits generated from the disposal of this residential development.

In terms of financial management, EUR202 million in financing deals were completed or improved in 2017, while in 2018 the purchase of Megapark Leisure was financed for EUR8.2 million.

In his speech at the AGM, the chairman of LAR ESPAÑA, José Luis del Valle, highlighted "*the SOCIMI's commitment to our attractive dividend policy, which in 2017 achieved a dividend yield of 5.5%, one of the most attractive on the Spanish Stock Exchange,*" and reminded that "*this is the fourth year running that LAR ESPAÑA has proposed a higher dividend pay-out to its shareholders*". "*We are confident about the performance of our business and the financial returns from these developments in the near future, meaning that we remain committed to this remuneration policy*", he added.

Finally, in 2017, Lar España also created over 20,000 direct jobs, reduced its real estate portfolio's CO₂ emissions by 36% and invested over EUR300,000 in social, cultural, sporting and charity initiatives across Spain.

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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