



## NATIONAL SECURITIES MARKET COMMISSION

In compliance with the reporting requirements under article 228 of the Royal Legislative Decree 4/2015, of 23 October, approving the consolidated text of the Securities Market Act, Lar España Real Estate SOCIMI, S.A. ("Lar España" or the "Company") hereby informs the National Securities Market Commission of the following

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### MATERIAL FACT

In connection with the material facts of last 16 September and 17 June 2016 (with Registry numbers 242769 and 239851 respectively), where it was reported that the Company had acquired (i) 100% of the share capital of the company GRAN VÍA CENTRUM HOLDINGS, S.A.U., owner of the shopping centre "Gran Vía de Vigo", with a gross leasable area (GLA) of around 41,386 square metres and (ii) the retail complex "Parque Vistahermosa" located in Alicante, with a total gross leasable area (GLA) of approximately 33,550 square metres; it is now reported that the Company has entered into a bank financing agreements with ING Bank NV sucursal en España and BBVA, associated respectively to the above referred assets, for a total amount of EUR 103.9 million, a 5 years duration and a "bullet" amortization structure.

Madrid, 15 March 2017

Lar España Real Estate SOCIMI, S.A.  
Mr. José Luis del Valle Doblado,  
Chairman of the Board of Directors

## PRESS RELEASE

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### LAR ESPAÑA secures EUR 104 million in financing to complete further acquisitions

- The SOCIMI lowers its financing costs to 2.2% and its debt maturity now stands at 5.9 years
- LAR ESPAÑA's net LTV, currently at 33% of its gross asset value, will rise to circa 38% once the new funds have been invested, leaving the company room, up to the 50% mark, to obtain additional financing in the future
- LAR ESPAÑA's total debt reaches EUR 558 million; EUR 418 million corresponding to bank financing and EUR 140 million to a bond issuance

**Madrid, 15 March 2017.** LAR ESPAÑA REAL ESTATE SOCIMI S.A (LRE), the listed real estate investment company, has successfully secured financing agreements totalling EUR 103.9 million, which will allow it to acquire new assets over the coming months. These agreements have been signed with ING and BBVA.

LAR ESPAÑA's total debt now stands at EUR 558 million, of which EUR 418 million corresponds to bank loans and the remaining EUR 140 million to a bond issuance completed at the start of 2015, the first carried out by a SOCIMI in Spain.

LAR ESPAÑA's net LTV currently stands at 33% of its gross asset value; once the new funds have been invested this will rise to circa 38%, leaving the company room, more specifically until the 50% mark is reached, for further additional leverage, one of its key strategic objectives.

The newly signed agreements lower the SOCIMI's financing costs to 2.2%. The average maturity for the financing now stands at 5.9 years and the debt is 81% hedged via various financial instruments, thereby reducing its interest rate exposure.

Sergio Criado, CFO of LAR ESPAÑA, highlighted that *"the financing agreements that we have just achieved are testament to the financial system's confidence in our company's business plan, and allow us to both reduce the cost of debt and assuredly take on our portfolio expansion."*

The financing agreements that have been reached are linked to the two most important assets acquired by LAR ESPAÑA in 2016. The Gran Vía de Vigo shopping centre, acquired in September 2016 and which towards the end of last year was booking rental income of almost EUR 10 million, and the Vistahermosa shopping centre, which was acquired in June 2016 and saw Occupancy rates rise from 80% to 90% in the space of just six months.



Gran Vía de Vigo shopping centre

LAR ESPAÑA REAL ESTATE owns 29 real estate assets valued a EUR1,275 million, of which; EUR961.6 million relate to fourteen retail schemes located in Madrid, Vigo, Valencia, Seville, Alicante, Cantabria, Lugo, León, Vizcaya, Navarre, Guipúzcoa, Palencia, Albacete and Barcelona; EUR171 million to the purchase of four office buildings in Madrid and one in Barcelona; EUR76.5 million to four logistics properties in Guadalajara and one in Valencia; and EUR65.8 million to one residential asset in Madrid.

#### **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 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.

#### **For more information:**

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