

PRESS RELEASE

LAR ESPAÑA achieves 29% value uplift across its property portfolio

- At year-end 2017, the SOCIMI's portfolio was valued at EUR1,538 million, compared to the acquisition cost of EUR1,196 million
- The effective management of the portfolio, including improvement investments (EUR74 million between 2016 and 2017) and changes in the tenant mix were key to achieving this value uplift

Madrid, 25 January 2018. LAR ESPAÑA REAL ESTATE SOCIMI S.A. (LRE) the listed real estate investment company, has seen the value of its portfolio increase by 29%. At year-end 2017, the SOCIMI's portfolio was valued at EUR1,538 million, significantly above the EUR1,196 million acquisition cost of the properties. Cushman & Wakefield and JLL Valoraciones SA carried out the property valuations.

The various management improvements and investments made in these properties are the reason behind the portfolio's value uplift. Just between 2016 and 2017, the company invested EUR74 million in its portfolio: in shopping centres (EUR20 million), offices (EUR11 million) and developments (EUR43 million).

In terms of property management, since the acquisition of the properties, the company has carried out a large number of changes in the tenant mix - renewals, new tenants -. These types of transactions have so far accounted for 22% of the total space managed by LAR ESPAÑA.

In terms of property type, it has been significant the value uplift achieved in the company's office properties. The improvements made have increased the office portfolio's value by 41% and allowed LAR ESPAÑA to get its forecast divestment policy underway, starting with properties, such as Arturo Soria last September and Egeo in January 2018. In terms of investments made in its office portfolio, we would note the full redesign of Marcelo Spínola for EUR9.6 million and the EUR4.1 million of improvement works at Eloy Gonzalo.

By year-end 2017, the value of LAR ESPAÑA's shopping centres increased by 21%. Txingudi, in Guipúzcoa, which has been fully renovated and rebranded, is one of the properties in which the company has injected significant capital. Another shopping centre where improvement works have started is Albacenter, which is undergoing a full redesign.

As well as investments, some of the other improvements being made to its shopping centres are: retail mix improvements and customer shopping experience enhancements, by including new leisure and dining areas. Consolidating ownership of some shopping centres has also allowed optimise property management. An example of this is the acquisition of Megapark's leisure area in Barakaldo, where the retail park and factory outlet were already owned by LAR ESPAÑA.

Miguel Pereda, director of LAR ESPAÑA, highlighted: *“Achieving such a high percentage increase in the value of our properties is important for the SOCIMI and a clear demonstration that the investment policy implemented over the past few years has been the right one.”*

LAR ESPAÑA's CFO Sergio Criado noted the improvements in the properties management: *“LAR ESPAÑA's strategy is to acquire investor grade properties that are in need of just the right level of improvement so that, with the SOCIMI's highly skilled management team, they can be turned around, a strategy which has been a resounding success, as demonstrated in the figures we are publishing today.”*

LAR ESPAÑA REAL ESTATE currently owns 30 properties valued a EUR1,460* million, of which; EUR1,103 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; EUR85 million to office buildings; EUR87 million to logistics properties; and EUR185 million to developments under construction.

* This valuation includes the divestment of the Egeo office building completed in 2018.

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 based on a 5-year management contract.

For more information, please contact:

Santiago de Juan, Tel: 91 702 68 08 sdejuan@eurocofin.com

Luis de Lojendio, Tel: +34 91 702 68 29 llojendio@eurocofin.com