

## PRESS RELEASE

### LAR ESPAÑA sells its Torre Spínola office property for EUR37million

- The SOCIMI secures a 94.7% value uplift on the July 2014 purchase price of EUR19 million
- Torre Spínola underwent a full-scale refurbishment, in which its façade was modified and all its internal systems replaced
- LAR ESPAÑA continues to fulfil its asset rotation strategy – divesting non-strategic properties to invest in others that are key to its business plan

**Madrid, 31 January 2019.** LAR ESPAÑA REAL ESTATE SOCIMI S.A. (LRE), the listed real estate investment company, announced today that it has sold its office property on Calle Cardenal Marcelo Spínola to Invesco, for the sum of EUR37 million.

Lar España acquired the property in July 2014 for EUR19 million, meaning that this purchase price equates to a 94.7% value uplift. This considerable uplift is partly thanks to the improved management implemented over the last four years, and the capital invested in refurbishing the property – which is currently 50% occupied.

LAR ESPAÑA invested around EUR9 million in carrying out a full-scale refurbishment at Torre Spínola. The works included stripping out all the internal elements on the property's above-ground floors, leaving only the structure intact, and replacing all its internal systems, such as HVAC, plumbing, electrics and lifts. The façade that fronts onto the M-30 was also given greater visibility.

Major energy efficiency improvements were also achieved at Torre Spínola, obtaining the 'Very Good' Breeam rating for "New Construction". This world-renowned sustainable building certification is granted by the leading firm in this type of property classification and reinforces the SOCIMI's commitment to the environment and its accessibility. The result of this complete refurbishment of the asset is a more flexible and versatile building with more modern and efficient equipment. It accounts with LED luminaries, intelligent illumination, VRV climate control system, bicycle parking or CCTV, amongst other commodities.

The sale of the office property, located at Calle Cardenal Marcelo Spínola 42, in the heart of northern Madrid's Chamartín district, allows the SOCIMI to further fulfil its strategy to divest non-strategic assets in order to invest in other retail assets that are key to its business plan. Ramón y Cajal acted as Lar España legal advisor.

José Manuel Llovet, Managing Director of Retail, Logistics & Offices at Lar, said *“We are very proud of this sale after four years of hard work and an active management of the property, which has included a full-scale refurbishment of the asset and the improvement of its environmental and social footprint, as demonstrated by the Breeam certification.”* Llovet added that *“Torre Spínola appealed to us from an investment standpoint given its potential and location. This type of product was hard to come by in Madrid, as the slowdown in refurbishments in previous years had reduced the amount of quality office buildings available within the M-30 ring road”*.

LAR ESPAÑA REAL ESTATE currently owns 17 properties valued at EUR1,499 million, of which; EUR1,376 million relate to shopping centres located in Madrid, Toledo, The Balearic Islands, La Rioja, Vigo, Valencia, Alicante, Lugo, León, Vizcaya, Guipúzcoa, Palencia, Albacete and Barcelona; EUR39 million to the Eloy Gonzalo office building; and EUR84 million to the Lagasca99 residential development.

#### **About LAR ESPAÑA Real Estate SOCIMI S.A.**

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LAR ESPAÑA REAL ESTATE SOCIMI S.A. is a 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) in March 2014.

The SOCIMI is currently actively implementing its 2018-2021 strategic plan. LAR ESPAÑA aims to generate value uplift via developing new projects, investing in its existing portfolio and new retail acquisitions. It will also rotate and dispose of non-strategic assets. The SOCIMI currently plans to divest properties worth EUR522 million, EUR310 million of which have already been disposed of, and has also committed to investing EUR250 million in to its existing properties, which are currently 30% complete.

The company's objective is to invest in the Spanish real estate sector, particularly in the retail sector. It raised EUR400 million 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 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 September 2018, for the fourth year running, Lar España received the EPRA Gold Award in recognition of the quality of the financial information it provided to its main stakeholders. In recognition of its information published on Corporate Social Responsibility and Sustainability, Lar España was awarded the highest distinction by EPRA, winning the Gold Award for the first time.

The company is managed by a highly-experienced and 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 management contract.

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