

PRESS RELEASE

LAR ESPAÑA books EUR80.7 million profit to September, up 12% y-o-y

- Rental income and operating income came in at EUR58.6 million and EUR60.6 million respectively
- Shopping centre sales climbed 0.5%, compared to the average 3.1% drop across the rest of the sector
- During Q3 the SOCIMI opened VidaNova Parc shopping centre in Valencia, and ramped up the marketing and development drive at the Lagoh shopping centre and Lagasca 99 residential project
- The occupancy rate for LAR ESPAÑA's retail portfolio topped 94%, with footfall standing at 41.5 million visitors

Madrid, 13 November 2018. LAR ESPAÑA REAL ESTATE SOCIMI S.A. (LRE) registered a net profit of EUR80.7 million from January to September 2018, equating to a 12% y-o-y increase.

This spike in revenues was largely thanks to improved asset management that has allowed for continued q-o-q improvement in the SOCIMI's accounts. Rental income stood at EUR58.6 million to September and operating income reached EUR60.6 million, with both figures outperforming last year's performance.

José Luis del Valle, Chairman of LAR ESPAÑA, highlighted the “*excellent results*” achieved by the SOCIMI, which “*demonstrate that the decisions made this year were the right ones*”. He added: “*This also encourages us to push forward with our 2018-2021 business plan, via our management company, and placing technology, user experience and sustainability as our core values*”.

The SOCIMI's shopping centre sales climbed 0.5% y-o-y to EUR486.3 million, outperforming the retail sector average, which posted a 3.1% decline.

LAR ESPAÑA is in the process of refurbishing four of its shopping centres in order to meet the new needs of its customers and provide a unique offering centred on experience. Footfall, occupancy rates and sales are expected to increase as a result of the works. One clear example is the already completed refurbishment of Albacenter shopping centre, where improvements have included remodelling the retail and dining areas to create dynamic, feel-good, urban spaces.

The uptick in occupancy – which rose to 94.6% – at its properties is another direct result of this improved management, as is the rise in footfall which reached 41.5 million people during the first nine months of the year. A total of 105 lettings were signed to September, including renewals, replacements, relocations and new signings; this equates to an annualised tenant turnover rate of 7% of the total area of LAR ESPAÑA's shopping centres.

VidaNova Parc was opened as planned during Q3, with an occupancy rate of 100%, with the public responding better than expected by the retailers at the retail park. The company also ramped up the development and marketing drive at the Lagasca 99 luxury residential development – with 90% of apartments already sold – and Lagoh shopping centre. Regarding the latter, the SOCIMI signed a EUR98.5 million syndicated loan to finance the final stages of the property development in Seville.

LAR ESPAÑA also continued to implement its asset rotation strategy, selling its logistics property portfolio for EUR119.7 million – 87% above the purchase price – and two retail warehouses in Pamplona (Parque Galaria) for EUR11.5 million, achieving a value uplift of 37% on the purchase price.

LAR ESPAÑA REAL ESTATE currently owns 23 properties valued at EUR1,526 million, of which; EUR1,325 million relate to shopping centres (87% of all properties) located in Madrid, Toledo, the Balearic Islands, La Rioja, Navarre, Vigo, Valencia, Seville, Alicante, Lugo, León, Vizcaya, Guipúzcoa, Palencia, Albacete and Barcelona; EUR99.5 million to office buildings (6%); and EUR101.5 million to the construction of a residential development (7%).

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 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 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.

For more information please contact:

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

Victor Relano, Tel: +34 91 308 36 57 vrelano@eurocofin.com