

PRESS RELEASE

Lar España posts a profit of EUR129 million and is set to pay the largest dividend in its history, EUR0.80 per share

- Lar España also improves its operating results by 42.4% in 2018
- The Socimi achieves an annual value uplift of 12.1% on its assets, while the NAV per share ticks up 8.5%
- Shopping centres now account for 94% of the firm's rental income following the divestment of non-strategic assets
- The sale of the luxury residential apartments at Lagasca 99 will allow the Socimi to raise its dividend by 63.2% to EUR0.80 per share vs. last year's EUR0.49 per share

Madrid, 27 February 2019. LAR ESPAÑA REAL ESTATE SOCIMI S.A. (LRE), recorded a profit before variable fees of EUR155.8 million in 2018, up 7% on the EUR145.6 million registered in 2017. The acquisitions and divestments completed last year have further established the Socimi as a shopping centre specialist.

LAR ESPAÑA booked very strong results in 2018, with operating results growing by 42.4%. In 2018, the Socimi achieved value uplift of 12.1% on its assets, while its NAV per share increased by 8.5% – both testament to the Socimi's sound management.

One of the main drivers behind the Socimi's upbeat results was the stellar performance seen at its shopping centres, key to LAR ESPAÑA's strategy. In 2018, they received a total of 63 million visitors, up 0.8% on 2017, outgrowing the national y-o-y average, which failed to post any growth. Sales amounted to EUR708.4 million, up 2.2% and also outstripping the national y-o-y average, which remained flat.

In terms of LAR ESPAÑA's financial performance, at YE 2018 its net debt totalled EUR431.5 million, with an LTV of 28%, an average cost of 2.16%, 98% at fixed rate and an average maturity period of 5.6 years.

A strong recurring dividend and the sale of the luxury apartments at Lagasca 99 will allow the company to raise its shareholder dividend from EUR0.49 in 2017 to EUR0.80 in 2018, a y-o-y increase of 63.2%. The company will propose the payment of this dividend at its AGM in April.

José Luis del Valle, Chairman of the LAR ESPAÑA Board of Directors, highlighted the company's "excellent" results: "*Lar España has firmly established itself as the leading Socimi in Spain's shopping*

centre and retail park market. We are also proud to have accomplished the company's main objective of providing returns for our shareholders, including a proposal for cash remuneration of EUR0.80 per share, totalling EUR75 million."

Miguel Pereda, Member of the Board of Directors at Lar España and CEO of Grupo Lar, pointed out that *"2018 was a very strong year in operating terms. We have outperformed the rest of the market for 12 consecutive quarters, achieving value uplift of 12.1% y-o-y on our assets and reaching major milestones, such as the delivery of Lagasca 99, the opening of Vidanova Parc and asset divestments that have secured an average value uplift of over 55% on their acquisition price. The company's portfolio and financial situation bode extremely well for the next few years"*.

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 in Madrid; and EUR84 million to the Lagasca99 residential development.

About LAR ESPAÑA Real Estate SOCIMI S.A.

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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