

## PRESS RELEASE

### LAR ESPAÑA sells its six logistics properties for EUR120 million

- The properties comprise four logistics warehouses in Alovera (Guadalajara), one in Almussafes (Valencia) and a plot of land in Cheste (Valencia), achieving a total value uplift of 83%
- LAR ESPAÑA has now divested a total of EUR265 million, more than half of the EUR470 million set out in its 2018-2021 Business Plan

**Madrid, 18 July 2018.** LAR ESPAÑA REAL ESTATE SOCIMI S.A. (LRE), the listed real estate investment company, today announced the sale of its logistics portfolio for EUR119.7 million, marking a significant milestone in its asset rotation strategy.

More specifically, it has sold four logistics warehouses in Alovera (Guadalajara), one in the Juan Carlos I Business Park in Almussafes (Valencia) and one plot of land for logistics development in Cheste (Valencia).

All six properties are extremely well located. Alovera is situated within the Corredor del Henares, one of Spain's main industrial distribution hubs, while Almussafes and Cheste are very close to Valencia, one of the most active commercial and industrial areas in the country. The five logistics warehouses, which comprise a total of 162,000 sqm, are also all fully let with stable lease agreements. The plot in Cheste comprises 182,000 sqm.

LAR ESPAÑA has achieved a 83% value uplift on its logistics portfolio compared to its original purchase price of EUR65.6 million. LAR ESPAÑA was one of the first socimis in acquiring logistic assets: the properties in Alovera were acquired between August 2014 and May 2015, and the property in Almussafes, in May 2015. LAR ESPAÑA was advised on the transaction by CBRE, Pérez Llorca and Hill International.

LAR ESPAÑA made its first divestment in September 2017, when it sold the Arturo Soria office building. Since then, it has carried out a further two divestments in addition to the one completed today. The SOCIMI has therefore now divested a total of EUR265 million, more than half of the EUR470 million of divestments set out in its 2018-2021 Business Plan.

José Luis del Valle, chairman of LAR ESPAÑA, highlighted: *“The sale of the logistics portfolio demonstrates that we are diligently complying with our Business Plan and its value uplift reflects the sound management of our properties”. “We will continue to execute our portfolio rotation strategy, by making timely divestments of non-strategic assets, so that we can focus on our retail portfolio, which lies at the core of our strategy”,* he added.



### **Alovera Logistics Asset in Guadalajara**

Making non-strategic asset divestments enables LAR ESPAÑA to continue focusing its efforts on acquiring more strategic retail properties. More specifically, the 2018-2021 business plan includes EUR220 million of investments in shopping centres and retail parks, with the company already having acquired two strategic assets: the Rivas Futura retail park for EUR62 million – making the SOCIMI Spain’s leading retail park operator – and the Abadía commercial gallery for EUR14 million, which complements the EUR63.1 million acquisition of the Parque Abadía retail park purchased one year ago.

The 2018-2021 Business Plan also sets out EUR247 million of investments in retail developments: in the Vidanova Parc retail park, in Sagunto (Valencia), the first phase of which has already opened its doors, and the Palmas Altas shopping centre in Seville, which will open in 2019, for which the SOCIMI has recently gained EUR98.5 million of bank financing – it is the first time since the onset of the crisis that a retail property development of this size has received bank financing. Finally, the Business Plan also includes EUR49 million for retail property improvements, which are moving ahead of schedule.

LAR ESPAÑA REAL ESTATE currently owns 19 properties valued at EUR1,413 million, of which: EUR1,148 million relate to shopping centres (81% 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; EUR85 million to office buildings (6%); and EUR180 million to developments under construction (13%).



## 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 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.

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