

PRESS RELEASE

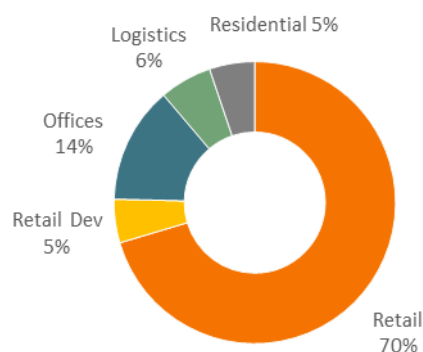
LAR ESPAÑA doubles its profits in 2016, reaching EUR 91.4 million

- The acquisitions made and the improved management of the assets allowed income to increase to EUR 60.2 million, 69% more than in 2015
- The value of LAR ESPAÑA's portfolio increased by 16% and now stands at EUR 1,275 million
- The SOCIMI's shopping centres increased sales by 8.8% in 2016 and welcomed 53 million visitors, 5.7% more than the previous year
- In its next AGM, LAR ESPAÑA will propose a dividend distribution totalling EUR 30 million, EUR 0.33 per share, 65% more than in 2015

Madrid, 28 February 2017. LAR ESPAÑA REAL ESTATE SOCIMI S.A (LRE), the listed real estate investment company, doubled its profits in 2016. It registered a profit of EUR 91.4 million, an increase of 110%, compared to the EUR 43.6 million booked in 2015.

The 2016 profit was largely down to the strong performance of property rental income, that reached EUR 60.2 million, 69% more than the EUR 35.7 million in 2015. The improved management of the assets and the increase in size of the SOCIMI's portfolio in 2016 are two of the reasons behind this notable increase in income.

The distribution of LAR ESPAÑA's income by autonomous region demonstrates the geographical diversity of the SOCIMI's property portfolio: 23% of income in 2016 related to assets in the Basque Country, followed by Castilla-La Mancha with 14%, the Community of Valencia with 13%, Galicia with 13%, Castilla y León with 12%, Catalonia with 11% and Madrid with 11%.



Lar España's GAV distribution

The active management of the SOCIMI's portfolio of 29 assets allowed it to reach a value of EUR 1,275 million at the end of 2016, raising their acquisition price by 16%, a percentage which stood at 9.3% at the end of H1 2016. By asset class, shopping centres achieved a value uplift of 13.5%, logistics assets 20.7%, offices 21.7% and the residential asset the company owns increased in value by 31.2%. In terms of portfolio growth, the largest deals in 2016 were the acquisition of the Gran Vía de Vigo shopping centre for EUR 141 million and the Vistahermosa shopping centre for EUR 42.5 million.

The occupancy rate of LAR ESPAÑA's assets stood at 93.5% in 2016 and the portfolio reached a combined total of 708,000 sqm, of which 68% relates to shopping centres, 22% to logistics assets, 7% to offices and the remaining 3% to one residential asset.

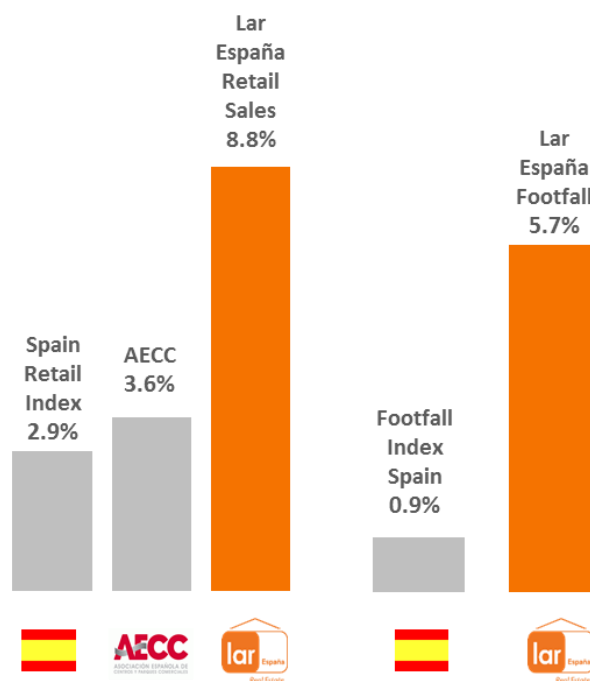
José Luis del Valle, Chairman of LAR ESPAÑA, indicated that "the excellent results achieved in 2016 confirm that we are on the right track. We have achieved a net profit of EUR 91 million, more than doubling the 2015's figure, and our property portfolio has increased in value by 16%. This excellent financial stability allows us to comfortably meet our shareholders' expectations, who this year will receive a EUR 30 million in dividends as we had agreed."

Increase in sales and footfall at shopping centres

LAR ESPAÑA's shopping centres performed extremely well in 2016, with sales increasing by 8.8% - higher than Spain's average of 2.9% - and footfall climbing by 5.7% - Spain's average grew by 0.9% -. Among the improvements made to enhance shopping centre returns: renovations and store relocations, as well as the entry of new tenants.

In its next AGM, LAR ESPAÑA will propose a dividend distribution totalling EUR 30 million, i.e. EUR 0.33 per share, 65% more than in 2015.

LAR ESPAÑA REAL ESTATE owns 29 real estate assets valued a EUR 1,275 million, of which: EUR 961.6 million relate to fourteen retail schemes located in Madrid, Vigo, Valencia, Seville, Alicante, Cantabria, Lugo, León, Vizcaya, Navarre, Guipúzcoa, Palencia, Albacete and Barcelona; EUR 171 million to the purchase of four office buildings in Madrid and one in Barcelona; EUR 76.5 million to four logistics properties in Guadalajara and one in Valencia; and EUR 65.8 million to one residential asset in Madrid.



Shopping centers activity in 2016



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 400 million in initial capital from its IPO and in January 2015 completed the first bond issue carried out by a SOCIMI in Spain for EUR 140 million. In August 2015 it successfully completed a EUR 135 million share capital increase, and another EUR 147 million one in August 2016.

On 4 June 2015, LAR ESPAÑA REAL ESTATE SOCIMI 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. On 7 September 2016, for the second year running, the company was awarded the 'Gold Award' from the European Public Real Estate Association (EPRA), in recognition of the quality of the information provided by LAR ESPAÑA within the Index standards framework. The inclusion of LAR ESPAÑA REAL ESTATE on the index and the award received is a clear demonstration of the Company's current positioning, which after carrying out the first listing of a SOCIMI on the Spanish Stock Exchange, has created a highly attractive real estate portfolio and continues to forge ahead with its ambitious acquisitions plan.

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.

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