

## PRESS RELEASES

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### LAR ESPAÑA secures financing worth 104 million euros for new acquisitions.

- The SOCIMI's financing costs are reduced to 2.20% and the maturity of the loans is 5.9 years.
- LAR ESPAÑA's net leverage ratio currently stands at 33% of gross asset value and, once the new funds are invested, it will be around 38%, so the company will still have room, up to 50%, to raise more financing in the future.
- LAR ESPAÑA's total debt amounts to 558 million euros, of which 418 million euros correspond to bank debt and 140 million euros to a bond issue.

**Madrid, 15 March 2017.** LAR ESPAÑA REAL ESTATE SOCIMI S.A. (LRE), a listed real estate investment company, has closed financing agreements worth 103.9 million euros that will enable it to acquire new assets in the coming months. These agreements have been reached with ING and BBVA.

Following the signing of these agreements, LAR ESPAÑA has a debt of €558 million, of which €418 million are bank loans and the remaining €140 million correspond to a bond issue made at the beginning of 2015, the first by a SOCIMI in Spain.

The net leverage ratio currently stands at 33% of gross asset value and, once these funds are invested, it will rise to approximately 38%, so the company still has room to increase its funding, specifically to 50%, one of the key objectives of its strategy.

The recently signed agreements reduce the SOCIMI's debt financing costs to 2.20%. The average maturity of the financing now stands at 5.9 years and its hedging, through different financial instruments, reaches 81%, which allows it to reduce its exposure to interest rate movements.

Sergio Criado, CFO of Lar España, said that *'the financing agreements we have just obtained demonstrate the confidence of the financial system in the company's business plan, allow us to reduce the cost of debt and enable us to face the growth of our portfolio with guarantees'*.

The financing agreements reached are associated with the two most important assets acquired by LAR SPAIN in 2016. These are the Gran Vía shopping centre in Vigo, purchased in September 2016 and which at the end of last year had rental income of close to €10 million, and the Vistahermosa shopping centre, acquired by LAR ESPAÑA in 2016.

Vistahermosa shopping centre, acquired in June 2016 and whose occupancy has risen from 80% to 90% in just six months.



Gran Vía de Vigo shopping centre

LAR ESPAÑA REAL ESTATE has 29 real estate assets with a value of 1,275 million euros, of which 961.6 million euros correspond to fourteen shopping centres located in Madrid, Vigo, Valencia, Seville, Alicante, Cantabria, Lugo, León, Vizcaya, Navarra, Guipúzcoa, Palencia, Albacete and Barcelona; 171 million euros to four office buildings in Madrid and one in Barcelona; 76.5 million euros to four logistics assets in Guadalajara and one in Valencia; and 65.8 million euros to a residential asset in Madrid.

## **ABOUT LAR ESPAÑA REAL ESTATE SOCIMI S.A.**

LAR ESPAÑA REAL ESTATE SOCIMI, S.A. is a Spanish company listed on the Spanish Stock Exchanges, constituted SOCIMI 'Sociedad Anónima Cotizada de Inversión en el Mercado Inmobiliario'.

The company, which aims to invest in the Spanish real estate sector, especially in the retail segment, raised initial capital of €400 million on its IPO and completed in January 2015 the first bond issue by a SOCIMI in Spain for an amount of €140 million. In August 2015 it successfully completed a capital increase of €135 million and in August 2016 a capital increase of €147 million.

On 4 June 2015 LAR ESPAÑA REAL ESTATE SOCIMI was included in the FTSA EPRA/NAREIT Global index, a selective global index designed to represent general trends of listed real estate companies worldwide. Also, on 7 September 2016, the company received the Gold Award from EPRA, for the second consecutive year, in recognition of the quality of the information provided by LAR ESPAÑA REAL ESTATE within the framework of the standards required by the index. The inclusion of LAR ESPAÑA REAL ESTATE in the index and the award received are a clear sign of the current situation of the Company, which after being the first listing of a SOCIMI on the Continuous Market, has consolidated a highly attractive real estate portfolio and continues with an ambitious acquisition plan.

The company is managed by a highly experienced independent Board of Directors, which combines reputable professionals from the Spanish and international real estate and financial sectors. The management of Spain has been entrusted exclusively to Grupo Lar under a 5-year management contract.

### **For further information:**

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