

## PRESS RELEASE

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### LAR ESPAÑA and Colonial agree the sale of Arturo Soria 336 in Madrid

- LAR España has successfully raised the property's occupancy rate to 100% from the 80% it had when the company first acquired the building three years ago, thanks to its strategy to invest in repositioning the asset
- Colonial now takes the baton from LAR ESPAÑA and will continue to reposition the property and optimise its value uplift potential

**Madrid, 27 September 2017** - LAR ESPAÑA REAL ESTATE SOCIMI S.A. (LRE), the listed real estate investment company, announced today that it has sold its office property on Calle Arturo Soria to Inmobiliaria Colonial, for EUR32.5 million.

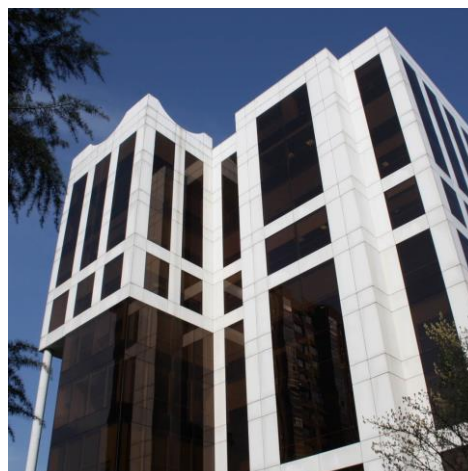
LAR ESPAÑA's strategy to divest non-strategic assets and Colonial's strategy to invest in office properties in Madrid, a market that continues to grow, have found their perfect match in the sale agreement signed today by both companies. Colonial has acquired the property, located at Arturo Soria, 336, and acquired by LAR ESPAÑA in 2014, for a total of EUR32.5 million.

The office building, situated in one of Madrid's most iconic areas, comprises nine floors and boasts a total above-ground GLA of 8,663 sqm, as well as 193 parking spaces. The property stands out for its design, size, quality and flexible floor layout that allows tenants to fully optimise the space.

Both companies highlight the current and future value uplift potential of the property, which has seen its occupancy rate rise from 80%, when it was first acquired by LAR ESPAÑA, to the current 100%, thanks to the company's initial investment in renovating the property.

José Luis del Valle, chairman of LAR ESPAÑA, underlined "the importance of this first divestment, which meets the objectives set out in our strategic plan: to acquire quality properties, raise their value via effective management and, once the business plan modelled at the time of purchase has been implemented, consider divestment in order to continue investing in strategic assets, thereby maximising value for our shareholders."

For Pere Viñolas, CEO of Colonial, this acquisition is perfectly aligned with the company's strategy to acquire assets in the three markets where the company is present "which are performing well and enjoying continued growth thanks to policies to refurbish and reposition assets". "This building has already demonstrated its ability to improve and its specifications will allow us carry out our value-add policy to provide the new services and features that are being sought by the rising demand for quality office properties in Madrid", added Pere Viñolas.



Aguirre Newman advised on the deal which was closed off-market, with Pérez-Llorca and Roca Junyent advising LAR ESPAÑA and Colonial on the legal side, respectively.

LAR ESPAÑA REAL ESTATE currently owns 30 real estate assets valued a EUR1,419.1 million, of which; EUR1,040.8 million relate to shopping centres located in Madrid, Toledo, The Balearic Islands, La Rioja, Vigo, Valencia, Seville, Alicante, Cantabria, Lugo, León, Vizcaya, Navarre, Guipúzcoa, Palencia, Albacete and Barcelona; EUR149.8 million to three office buildings; EUR83.3 million to four logistics properties; and EUR145.4 million to four developments under construction.

Grupo Colonial is one of Europe's leading listed rental property portfolio companies in the prime office market and owns properties in the main business districts of Barcelona, Madrid and Paris, with a property portfolio of over 870,000 sqm above-ground and more than EUR8,600 million worth of assets under management.

### **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.

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. In September 2017, for the third 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. For the first time, in 2017 the SOCIMI also achieved the 'Silver Award' and the 'Most Improved Award' for Sustainability in recognition of its hard work and the improvements made during the past year in terms of the information published concerning Corporate Social Responsibility. The inclusion of LAR ESPAÑA REAL ESTATE on the index and the awards 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.

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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