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SPANISH STOCK MARKET COMMISSION (CNMV)

In compliance with reporting requirements set forth in Article 82 of Act 24/1988, dated 28 July, on the Stock Market (*Ley del Mercado de Valores*), Axiare Patrimonio SOCIMI, S.A. (hereinafter, "Axiare Patrimonio" or "The Company") notifies the Spanish Stock Market Commission (Comisión Nacional del Mercado de Valores) of the following

SIGNIFICANT INFORMATION ANNOUNCEMENT

Axiare Patrimonio has filed the Annual Accounts for the year 2016 with the CNMV. These are also available on the Company's website.

The **Full Year 2016 Earnings Report** can be accessed via the following link:

[FY 2016 Earnings Report](#)

Conference Call

A conference call for investors, analysts and media is scheduled for today, 27th February at 13:00 (CET), and will be accessible via the following phone numbers:

Spain: +34 917 900 862
UK: +44 (0) 203 009 24 54
USA: +1 866 388 19 27

The support material for the presentation will be filed with the CNMV prior to the conference call, and will also be shared live with the participants via the following link:

[Conference Call](#)

Please find press release attached.

Madrid, 27th February 2017

Luis López de Herrera-Oria
Chief Executive Officer
Axiare Patrimonio

The Socimi's rental income stood at EUR 42.4 million, a 19.5% YoY increase

Axiare Patrimonio completes the year with a profit of EUR 148.6 million, 74.2% more than in 2015

- **Axiare Patrimonio ended 2016 with a profit of EUR 148.6 million, a +74.2% YoY increase. The net asset value per share (EPRA NAV) increased to EUR 13.8, 17.6% more than in 2015 and 45.4% higher than at its IPO in July 2014.**
- **The Socimi's rental income stood at EUR 42.4 million, 19.5% higher than the year before. The active management and improvement of its property portfolio allows the Socimi to achieve rents higher than average market levels.**
- **According to CBRE, the independent real estate consultancy firm, the valuation of the Company's property portfolio at 31 December 2016 stands at EUR 1,343 million, demonstrating the Company's unique capability of selecting and acquiring properties and its excellent asset management capabilities.**



Photo: Axiare Patrimonio

Madrid, 27th February 2017 - The financial results demonstrate the company's strong management capabilities. Axiare Patrimonio ended 2016 with a net consolidated profit of EUR 148.6 million, a +74.2% YoY increase. The Socimi headed up by Luis López de Herrera-Oria also increased its net asset value per share (EPRA NAV) to EUR 13.8, equating to a 17.6% YoY increase and 45.4% higher than its IPO in July 2014.

Axiare Patrimonio's rental income in 2016 reached EUR 42.2 million, 19.5% higher than in 2015. This increase is due to the Company closing lettings at prices above average market rents. The Socimi is adding additional value to its portfolio, and as a result, is maximising returns to its shareholders.

During 2016, Axiare signed 14 new lettings totalling 53,481 sqm of Gross Lettable Area (GLA), allowing it to generate additional annual rent of EUR 3.1 million, 210% more than in 2015. At 31 December 2016, Axiare Patrimonio's portfolio occupancy rate stood at 88%, in line with the commitment it made at the start of the year. Since the start of 2017, the Socimi has signed and negotiated an additional 90,000 sqm of office and logistics assets, which it will complete in the short-term above market rental levels.

According to the independent real estate consultancy firm, CBRE Valuation Advisory, at year-end 2016 Axiare Patrimonio's property portfolio valuation stood at EUR 1,343 million, based on RICS (Royal Institution of Chartered Surveyors) valuation standards. During 2016, the Socimi invested a total of EUR 323.6 million in nine prime office buildings and logistics warehouses in excellent locations, in line with its strategy on average: 10% below replacement cost and with strong potential value uplift via the active management and improvements to its portfolio. In 2017, the company has already acquired Peugeot's headquarters in Madrid for EUR 41.5 million, Capgemini's headquarters in Madrid for EUR 43.5 million and an office building in Central Madrid (Miguel Angel 23) for EUR 53.4 million. It also has an additional EUR 20 million in due-diligence process for the imminent closure of a deal.

Axiare Patrimonio completed three major property renovations totalling 35,654 sqm, of which two have already been let, and the third is in very advanced stages of negotiation with a single tenant. During Q1 2017, the company expects to complete two repositioning works totalling 17,211 sqm.

The Board of Directors will propose to the Annual General Meeting to resolve an ordinary dividend above EUR 12 million against 2016 results, (EUR 0.18 per share), compared to EUR 0.04 in 2015. Additionally, the Board of Directors intends to propose an interim dividend on account of 2017 results - before the 30th November - reaching EUR 0.30 cents per share.

From a financial standpoint, the Socimi closed 2016 with an LTV 39% across the portfolio, following the completion of financing agreements with various mayor institutional banks, totalling EUR 537.9 million, all of which were signed on excellent financial terms.

Luis López de Herrera-Oria, CEO of Axiare Patrimonio indicated: "The implementation of our strategy is generating record high returns in this market, to our shareholders. In 2016 we drove our investment pipeline forwards and we have consolidated our rental portfolio, creating a unique portfolio that is outstripping rental expectations." López de Herrera-Oria added: "In 2017, we will continue to invest in our exceptional portfolio, to efficiently manage leases and carry out the very best property repositionings, whilst paying strong attention to technology and sustainability, both key values to our strategy".

Press Release



About Axiare Patrimonio:

Axiare Patrimonio is a Spanish company that has been listed on the Madrid Stock Exchange as a SOCIMI (*Sociedad Anónima Cotizada de Inversión Inmobiliaria*), since July 9, 2014. Its primary activity is the identification of investment opportunities in the Spanish real estate market and the creation of a prime property portfolio with strong potential value uplift that provides an attractive yield for its shareholders.

The company's value creation strategy is based on the active management of its portfolio, carried out by an expert team solely dedicated to this task - in order to maximise its quality, occupancy and value and transform the properties in to the leading schemes in their catchment area. Axiare Patrimonio's investment activity is focused on the acquisition of Grade A office buildings - or that have the potential to be - in the CBD and the most sought after business districts in Madrid and Barcelona; logistics platforms on the main distribution highways and retail schemes in established areas in Spain.

For more information please contact:

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