



Offices Arturo Soria (Madrid)

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Shopping Centre Portal de la Marina (Alicante)

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## EXECUTIVE SUMMARY

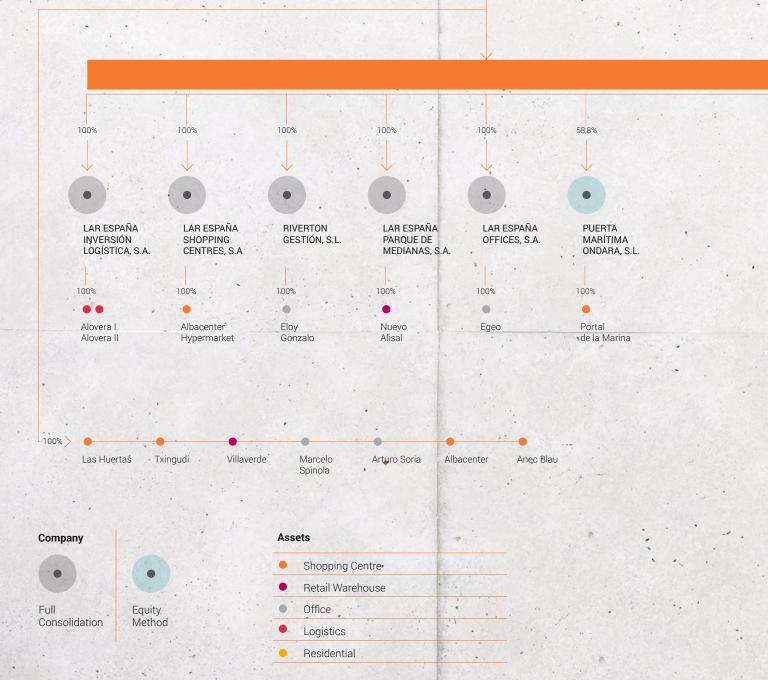
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At 31 March 2015 the consolidated financial statements of the consolidated Lar España Group (hereinafter the Group) are presented in accordance with the accounting criteria set out in the International Financial Reporting Standards (IFRS-EU) approved by the European Parliament at the present date.

The consolidated Group is as follows:



### LAR ESPAÑA REAL ESTATE SOCIMI, S.A.

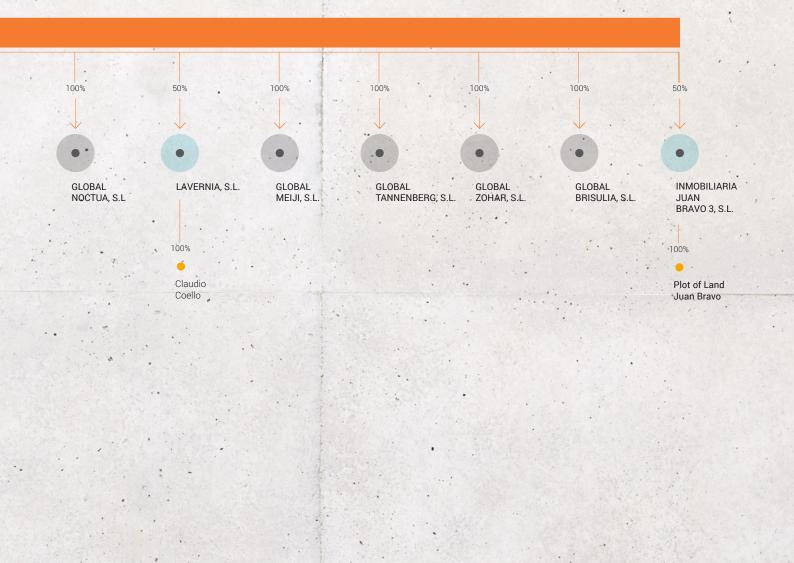
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Quarterly Results Q1 2015

The consolidated statement of comprehensive income presents comparative figures for the same period of 2014, whereas the consolidated statement of financial position includes comparative figures at 31 December 2014.

The financial statements presented at 31 March 2014 are for the company Lar España Real Estate, SOCIMI, S.A. (hereinafter the Company or Lar España) prepared in accordance with generally accepted accounting principles in Spain.

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EXECUTIVE SUMMARY

#### 1.1. Significant Events

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- On 30 January 2015, Lar España signed the acquisition, through two joint ventures split 50/50 with the Luxembourg-based company LVS II LUX XIII S.a r.l., whose investment advisor is Pacific Investment Management Company LLC (PIMCO) or its subsidiaries, of the following property assets located in a prime neighbourhood in the city of Madrid:
  - Land located at calle Juan Bravo 3 to be used for residential development, with a total area of 26,203 sqm, of which 19,453 sqm are buildable.
- A residential property located at calle Claudio Coello 108, which has a total built area of 5,318 sqm, of which 4,479 sqm are above ground and 839 sqm below ground, and which is occupied on a rental basis.

The total maximum purchase price (some adjustments are pending) was Euros 120 million, which has been settled by the shareholders and the joint ventures using a combination of equity and bank financing.



 On 12 February 2015 Lar España issued a communication that Morgan Stanley & Co. International plc, as authorised in the mandate granted by the Company, had successfully completed the prospection process aimed solely at qualified investors for a secured senior bond placement (the "bonds") to be issued by the Company for a total amount of Euros 140,000,000, maturing on 21 February 2022. In accordance with the bond agreement adopted by the Company's board of directors, the bonds will be issued at par with a face value of Euros 100,000 and an annual coupon rate of 2.90%.

Quarterly Results Q1 2015

1.2. Portfolio as at 31 March 2015

#### Shopping Centres

- 1 Anec Blau (Barcelona)
- 2 Portal de la Marina (Alicante)
- 3 Albacenter (Albacete)
- 4 Albacenter-Hypermarket + Retail Units (Albacete)
- 5 Txingudi (Guipúzcoa)
- 6 Las Huertas (Palencia)

#### Offices

9 Egeo (Madrid)

13

- 10 Arturo Soria (Madrid)
- 11 Marcelo Spinola (Madrid)
- 12 Eloy Gonzalo (Madrid)

#### Logistics

| 13 | Alovera I | (Guadalajara) |
|----|-----------|---------------|
|    |           |               |

14 Alovera II (Guadalajara)

| Data II tota as harras |
|------------------------|
| Retail Warehouses      |

- 7 Nuevo Alisal (Santander)
- 8 Villaverde (Madrid)

#### Residential

15 Juan Bravo / Claudio Coello (Madrid)

9

#### **1 ANEC BLAU, BARCELONA**

#### 2 PORTAL DE LA MARINA, ALICANTE

#### **3 ALBACENTER, ALBACETE**



01

| Location          | Barcelona    |
|-------------------|--------------|
| GLA               | 28,863 sqm   |
| Purchase Date     | 31 July 2014 |
| Acquisition Price | EUR 80.0 m   |



| Location          | Alicante                  |
|-------------------|---------------------------|
| GLA               | 17,638 <sup>(*)</sup> sqm |
| Purchase Date     | 30 October 2014           |
| Acquisition Price | EUR 47.6 m                |
|                   |                           |

(\*) Lar España has acquired 58.78% of Puerta Marítima Ondara, S.L. Total GLA: 30,007 sqm.

#### 5 TXINGUDI, GUIPÚZCOA



| Location          | Albacete     |
|-------------------|--------------|
| GLA               | 15,488 sqm   |
| Purchase Date     | 30 July 2014 |
| Acquisition Price | EUR 28.4 m   |
|                   |              |

## 4 HYPERMARKET ALBACENTER, ALBACETE



| Location          | Albacete         |
|-------------------|------------------|
| GLA               | 12,486 sqm       |
| Purchase Date     | 19 December 2014 |
| Acquisition Price | EUR 11.5 m       |



| Location          | Guipúzcoa     |
|-------------------|---------------|
| GLA               | 9,920 sqm     |
| Purchase Date     | 24 March 2014 |
| Acquisition Price | EUR 27.7 m    |

#### **6 LAS HUERTAS, PALENCIA**



| Location          | Palencia      |
|-------------------|---------------|
| GLA               | 6,108 sqm     |
| Purchase Date     | 24 March 2014 |
| Acquisition Price | EUR 11.7 m    |

#### 7 NUEVO ALISAL, SANTANDER



| Location          | Santander        |
|-------------------|------------------|
| GLA               | 7,648 sqm        |
| Purchase Date     | 17 December 2014 |
| Acquisition Price | EUR 17.0 m       |

#### 8 VILLAVERDE, MADRID

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| Location          | Madrid       |
|-------------------|--------------|
| GLA               | 4,391 sqm    |
| Purchase Date     | 29 July 2014 |
| Acquisition Price | EUR 9.1 m    |

#### 9 EGEO, MADRID



| Location          | Madrid           |
|-------------------|------------------|
| GLA               | 18,254 sqm       |
| Purchase Date     | 16 December 2014 |
| Acquisition Price | EUR 64.9 m       |

#### Quarteri Results Q1 2015

#### **10 ARTURO SORIA 336, MADRID**

11 MARCELO SPINOLA 42, MADRID

#### **12 ELOY GONZALO, MADRID**







| Madrid       |
|--------------|
| 8,584 sqm    |
| 31 July 2014 |
| EUR 19.0 m   |
|              |

14 ALOVERA II, GUADALAJARA



| Location          | Madrid           |
|-------------------|------------------|
| GLA               | 6,231 sqm        |
| Purchase Date     | 23 December 2014 |
| Acquisition Price | e EUR 12.7 m     |
|                   |                  |

#### 13 ALOVERA I, GUADALAJARA



| Location          | Guadalajara   |
|-------------------|---------------|
| GLA               | 35,196 sqm    |
| Purchase Date     | 7 August 2014 |
| Acquisition Price | EUR 12.7 m    |

| 18 |
|----|
|    |
|    |
|    |

| Location          | Guadalajara     |
|-------------------|-----------------|
| GLA               | 83,951 sqm      |
| Purchase Date     | 13 october 2014 |
| Acquisition Price | EUR 32.1 m      |

## 15 JUAN BRAVO 3 Y CLAUDIO COELLO, MADRID



| Location          | Madrid                    |
|-------------------|---------------------------|
| Area              | 31,521 <sup>(*)</sup> sqm |
| Purchase Date     | 30 January 2015           |
| Acquisition Price | EUR 60 (**) m             |

(\*) 26,203 sqm for development in Juan Bravo 3 and 5,318

sqm corresponds to the Claudio Coello building. (\*\*) Corresponds to the 50% of the JV with PIMCO.

#### 1.3. Key Indicators

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#### **Financial Indicators**

In the first quarter of 2015 the Group obtained EBITDA of Euros 3,967 thousand and a net profit of Euros 3,818 thousand.

| (Thousands of Euros) | Q1 2015 | Q1 2014 <sup>(1) (2)</sup> |
|----------------------|---------|----------------------------|
| Revenues             | 6,471   | -                          |
| EBITDA               | 3,967   | (484)                      |
| EBIT                 | 3,967   | (494)                      |
| PBT/(LBT)            | 3,818   | (228)                      |
| Net profit           | 3,818   | (228)                      |

(1) Figures are not comparable as the Company was incorporated in 2014 and had no control over any entity, thus did not form a Group.(2) Figures presented in accordance with generally accepted accounting principles in Spain (Spanish GAAP).

The Group is analysing and evaluating investment opportunities that are in line with its policy (see point 4. "Events after the Reporting Period").

#### **Other Financial Indicators**

The Group presents the following financial indicators:

|                                      | 31/03/2013 | 31/12/2014 |
|--------------------------------------|------------|------------|
| Working capital (Thousands of Euros) | 163,582    | 52,380     |
| Liquidity ratio                      | 14.8       | 11.8       |
| Solvency ratio                       | 1.4        | 1.1        |
| Return on Equity (ROE)               | 3.76%*     | 0.89%      |
| Return on Assets (ROA)               | 2.46%*     | 0.79%      |
| EPRA Earnings (in thousands of Eur)  | 3,727      | 2,516      |
| EPRA Earnings per share (in Eur)     | 0.09       | 0.07       |
| EPRA NAV (Thousands of Euros)        | 394,956    | 389,962    |
| EPRA NAV per share (in Euros)        | 9.97       | 9.87       |
|                                      |            |            |

(\*) Estimation calculated based on the annualized Net Profit at March 31, 2015.

At 31 March 2015 the Group presents liquidity-related ratios (working capital, liquidity ratio and solvency ratio) with very substantial figures, showing that the Group has sufficient liquidity and a high security margin vis-à-vis its payment commitments.

At 31 March 2015 ROE (Return on Equity), which measures the return obtained by the Group on its equity, is 0.97% (0.89% at 31 December 2014) and ROA (Return on Assets), which measures the efficiency of the Group's total assets irrespective of the sources of financing employed, i.e., the capacity of the Group's assets to generate income, is 0.63% (0.79% at 31 December 2014).

31/03/2015 31/12/2014

At 31 March 2015, following the criteria set forth in the EPRA (European Public Real Estate Association Best Practices Recommendations, the Company has the following occupancy rate for each of its assets:

|                        | Occupancy rate % |
|------------------------|------------------|
| Anec Blau              | 96.4%            |
| Txingudi               | 93.0%            |
| Las Huertas            | 79.5%            |
| Albacenter             | * 85.7%          |
| Hyper Albacenter       | 100.0%           |
| Villaverde             | 100.0%           |
| Nuevo Alisal           | 100.0%           |
| Total Shopping Centres | 93.3%            |
| Arturo Soria           | 84.9%            |
| Marcelo Spinola        | 38.0%            |
| Eloy Gonzalo           | 96.9%            |
| Egeo                   | 100.0%           |
| Total Offices          | ** 82.0%         |
| Alovera I              | 100.0%           |
| Alovera II             | 100.0%           |
| Total Logistics        | 100.0%           |
| TOTAL GROUP            | *** 90.7%        |

If the guaranteed rental income from two premises that are not rented is taken into account, the occupancy rate would be 86.7%. Total occupancy in shopping centres would be 93.5%. (\*)

(\*\*) The office occupancy rate, excluding Marcelo Spinola, which is undergoing a complete refurbishment, would be 96%.

(\*\*\*) Taking into account the security deposits received for Albacenter and excluding the asset under refurbishment, i.e. Marcelo Spinola, the total occupancy rate would be 95.12%.

The percentage occupancy per business unit at 31 PERCENTAGE OCCUPANCY BY BUSINESS UNIT March 2015 is as follows:

| Logistics        |       |
|------------------|-------|
|                  | 100.0 |
| Shopping Centres |       |
|                  | 93.3  |
| Offices          |       |
|                  | 82.0  |

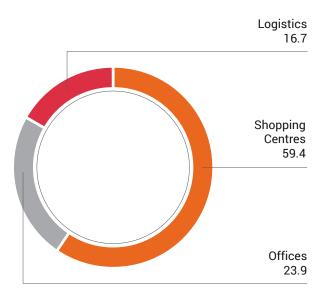
#### 1.4. Business Performance

#### **Income Distribution**

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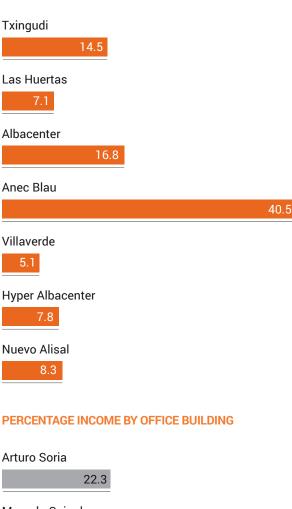
Rental income totalled Euros 6,471 thousand in the first quarter of 2015 (in the same period of 2014 no income was recorded as the Company was starting its activity). The relative weight of rental income by business unit at 31 March 2015 is as follows:

#### 1Q 2015 % RENTAL INCOME BY BUSINESS UNIT



Details of the income per asset for these three lines of business in the first quarter of 2015 is as follows:

#### PERCENTAGE INCOME BY SHOPPING CENTRE



Marcelo Spinola

2.6

Egeo

60.4

78.6

Eloy Gonzalo

14.8

#### PERCENTAGE INCOME BY LOGISTICS WAREHOUSE

| Alovera I  |  |
|------------|--|
| 21.4       |  |
| Alovera II |  |
|            |  |

The chart below presents the 10 tenants that have generated the most rental income in the first quarter of 2015, as well as their main characteristics:

| Ranking | Trade name                                 | Project            | % of total rental income | %<br>Accumulated | Expiry date | Sector         |
|---------|--|--------------------|--------------------------|------------------|-------------|----------------|
| 1       | Centros Comerciales Carrefour, S.A.        | Alovera II         | 13.14%                   | 13.14%           | 2015        | Distribution   |
| 2       | Ingeniería y Economía del Transporte, S.A. | Egeo               | 10.56%                   | 23.70%           | 2021        | Transport      |
| 3       | Tech Data                                  | Alovera I          | 3.57%                    | 27.27%           | 2019        | Technology     |
| 4       | Media Markt                                | Villaverde         | 5.68%                    | 32.95%           | 2022        | Technology     |
| 5       | Toys R Us Iberia, S.A.                     | Nuevo Alisal       | 2.29%                    | 35.24%           | 2033        | Distribution   |
| 6       | Cecosa Hipermercados, S.L.                 | Hyper Albacenter   | 2.29%                    | 37.53%           | 2024        | Distribution   |
| 7       | Yelmo Films, S.L.                          | Anec Blau          | 1.93%                    | 39.46%           | 2038        | Film           |
| 8       | Segurcaixa Adeslas, S.A.                   | Arturo Soria       | 1.84%                    | 41.30%           | 2020        | Insurance      |
| 9       | Primark Tiendas, S.L.U.                    | Hyper Albacenter   | 1.74%                    | 43.05%           | 2027        | Retail fashion |
| 10      | C&A  | Txingudi/Anec Blau | 1.74%                    | 44.79%           | 2020        | Retail fashion |

Shopping Centre Albacenter (Albacete)

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## CONSOLIDATED FINANCIAL STATEMENTS

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- 2.1. Consolidated Statement of Comprehensive Income
- 2.2. Consolidated Statement of Financial Position
- 2.3. Consolidated Statement of Cash Flows

#### 2.1. Consolidated Statement of Comprehensive Income

| (Thousands of Euros)   | Q1 2015 | Q1 2014 <sup>(1) (2)</sup> |
|--|---------|----------------------------|
| Revenues   | 6,471   | -                          |
| Other revenue  | 130     | -                          |
| Personnel expenses   | (93)    | -                          |
| Other expenses   | (2,541) | (494)                      |
| RESULTS FROM OPERATIONS                                      | 3,967   | (494)                      |
| Financial income   | 198     | 267                        |
| Financial expenses   | (824)   | -                          |
| Share in profit for the period of equity-accounted companies | 477     | -                          |
| PROFIT/(LOSS) BEFORE TAX FROM CONTINUING OPERATIONS          | 3,818   | (228)                      |
| Income tax   | _       | -                          |
| PROFIT/(LOSS) FOR THE PERIOD                                 | 3,818   | (228)                      |

(1) Figures are not comparable as the Company was incorporated in 2014 and had no control over any entity, thus did not form a Group.

(2) Figures presented in accordance with generally accepted accounting principles in Spain (Spanish GAAP).

#### **Results from operating activities**

At 31 March 2015, the Group presents an operating profit of Euros 3,967 thousand (a loss of Euros 494 thousand at 31 March 2014).

#### Revenues

Revenue for the first quarter of 2015 amounted to Euros 6,471 thousand, 83% of which was rental income from shopping centres and offices.

#### Other expenses

At 31 March 2015, the Group has incurred other expenses totalling Euros 2,541 thousand, which mainly comprise:

- Fees of Euros 1,001 thousand for management services rendered to the Group by Grupo Lar Inversiones Inmobiliarias, S.A. (Grupo Lar).
- Professional services (accounting and legal advisory services, audit, and property valuations) totalling Euros 887 thousand.

#### Net financial result

At 31 March 2015 the Group has reported a net financial cost of Euros 626 thousand (net financial income of Euros 267 thousand at 31 March 2014).

The financial income of Euros 198 thousand generated in the first quarter of 2015 comprises interest accrued on current and deposit accounts that the Group has with financial institutions. The financial expenses of Euros 824 thousand consist of interest borne on loans extended to the Group by financial institutions, as well as interest accrued on the bonds issued by the Group in February 2015 (see point 1.1 Significant Events).

## Consolidated Statement of Comprehensive Income by business unit

The income and expenses recognised by the Group at 31 March 2015 by business unit are as follows:

| (Thousands of Euros)   | Shopping<br>Centres | Offices | Logistics | LRE*    | Total   |
|--|---------------------|---------|-----------|---------|---------|
| Revenues   | 3,845               | 1,545   | 1,081     | -       | 6,471   |
| Other revenue  | 109                 | 21      | -         | -       | 130     |
| Personnel expenses   | -                   | -       | -         | (93)    | (93)    |
| Other expenses   | (420)               | (264)   | (143)     | (1,714) | (2,541) |
| RESULTS FROM OPERATIONS  | 3,534               | 1,302   | 938       | (1,807) | 3,967   |
| Net finance income/cost  | -                   | -       | -         | (626)   | (626)   |
| Share in profit for the period of equity-<br>accounted investees | -                   | -       | -         | 477     | 477     |
| PROFIT/(LOSS) FOR THE PERIOD                                     | 3,534               | 1,302   | 938       | (1,956) | 3,818   |

(\*) The amounts included in LRE column are corporate expenses.

At 31 March 2015 shopping centres present an operating profit of Euros 3,534 thousand; offices, an operating profit of Euros 1,302 thousand; and the logistic warehouses, an operating profit of Euros 938 thousand. The "LRE" column includes, inter alia, management fees and professional services of Euros 1,001 thousand and Euros 614 thousand, respectively.

#### 2.1. Consolidated Statement of Financial Position

| (Thousands of Euros)           | 31/03/2015 | 31/12/2014 |
|--------------------------------|------------|------------|
| Investment properties          | 358,250    | 357,994    |
| Equity-accounted investees     | 20,214     | 18,087     |
| Non-current financial assets   | 53,641     | 3,841      |
| NON-CURRENT ASSETS             | 432,105    | 379,922    |
| Inventories                    | 2,843      | 2,843      |
| Trade and other receivables    | 1,694      | 1,970      |
| Other current financial assets | 6,995      | 32,032     |
| Other current assets           | 6,441      | 136        |
| Cash and cash equivalents      | 157,474    | 20,252     |
| CURRENT ASSETS                 | 175,447    | 57,233     |
| TOTAL ASSETS                   | 607,552    | 437,155    |

| (Thousands of Euros)  | 31/03/2015 | 31/12/2014 |
|---|------------|------------|
| Capital   | 80,060     | 80,060     |
| Share premium   | 320,000    | 320,000    |
| Other reserves  | (5,642)    | (9,185)    |
| Treasury shares   | (3,615)    | (4,838)    |
| Retained earnings   | 3,818      | 3,456      |
| EQUITY  | 394,621    | 389,493    |
| Financial liabilities from issue of bonds and other marketable securities | 138,098    | -          |
| Loans and borrowings  | 57,514     | 37,666     |
| Other non-current liabilities   | 5,454      | 5,143      |
| NON-CURRENT LIABILITIES   | 201,066    | 42,809     |
| Financial liabilities from issue of bonds and other marketable securities | 445        | -          |
| Loans and borrowings  | 5,155      | 156        |
| Trade and other payables  | 4,600      | 4,679      |
| Other financial liabilities   | 1,665      | 18         |
| CURRENT LIABILITIES   | 11,865     | 4,853      |
| TOTAL EQUITY AND LIABILITIES  | 607,552    | 437,155    |

Quarterly Results Q1 2015

#### Non-current assets

#### Investment properties

At 31 March 2015 investment properties are classified under non-current assets at a fair value of Euros 358,250 thousand (Euros 357,994 thousand at 31 December 2014). The Group's investment properties consist of five shopping centres, two retail warehouses, four office buildings and two logistics warehouses. Of particular significance is the investment in retail warehouses and offices amounting to Euros 312,179 thousand (Euros 311,923 thousand at 31 December 2014), the rental income from which accounted for 83% of the Group's total revenues in the first quarter of 2015 (86% of the Group's revenues at 31 December 2014).

#### **NET INVESTMENT**

| (Thousands of Euros)  | 31/03/2015 | 31/12/2014 |
|-----------------------|------------|------------|
| Shopping centres      | 189,274    | 189,053    |
| Offices               | 122,905    | 122,870    |
| Logistics             | 46,071     | 46,071     |
| Investment properties | 358,250    | 357,994    |

The gross lettable area (GLA), the fair value and the initial yield per asset, are as follows:

#### **SHOPPING CENTRES**

02

|   | Txingudi | Las<br>Huertas | Albacenter | Anec Blau     | Villaverde | Hyper<br>Albacenter | Nuevo<br>Alisal | Total<br>shopping<br>centres |
|---|----------|----------------|------------|---------------|------------|---------------------|-----------------|------------------------------|
| Total gross<br>lettable area<br>(GLA) (sqm) | 9,920    | 6,108          | 15,488     | 28,863        | 4,391      | 12,486              | 7,648           | 84,904                       |
| Fair value<br>(Thousands of<br>Euros)       | 28,500   | 12,221         | 29,103     | 81,310        | 9,345      | 11,788              | 17,007          | 189,274                      |
| Net initial yield                           |          |                | e          | 5.12% - 7.59% |            |                     |                 |                              |

#### **OFFICES**

|                                       | Arturo<br>Soria | Marcelo<br>Spinola | Egeo    | Eloy<br>Gonzalo | Total offices |
|---------------------------------------|-----------------|--------------------|---------|-----------------|---------------|
| Total gross lettable area (GLA) (sqm) | 8,663           | 8,584              | 18,254  | 6,231           | 41,732        |
| Fair value (Thousands of Euros)       | 24,690          | 19,335             | 65,980  | 12,900          | 122,905       |
| Net initial yield                     |                 | 5.4%               | - 5.62% |                 |               |

#### LOGISTICS

|                                       | Alovera I | Alovera II | Total<br>logistics |
|---------------------------------------|-----------|------------|--------------------|
| Total gross lettable area (GLA) (sqm) | 35,196    | 83,951     | 119,147            |
| Fair value (Thousands of Euros)       | 12,900    | 33,171     | 46,071             |
| Net initial yield                     | 7.97%     |            |                    |

At 31 March 2015 this item reflects the Group's investments that are recognised in the consolidated accounts using the equity method: Puerta Marítima Ondara, S.L., Lavernia Investments, S.L. and Inmobiliaria Juan Bravo 3, S.L. (Puerta Marítima Ondara, S.L., and Lavernia Investments, S.L. at 31 December 2014).

#### Non-current financial assets

This item reflects security deposits received from lessees and deposited by the Group with the corresponding public bodies. At 31 March 2015 loans totalling Euros 50,000 thousand extended to jointly controlled entities have also been recognised under this item.

#### **Current assets**

#### Inventories

Inventories amount to Euros 2,843 thousand and reflect parking spaces acquired by the Group in relation to the Juan Bravo project with the sole intention of reselling them.

#### Other current financial assets

The balance of this item primarily reflects short-term deposits with financial institutions.

#### Working capital

The Euros 140 million bond issue carried out in February 2015 generated significant funds for the Group, resulting in working capital of Euros 163,582 thousand at 31 March 2015.

#### **Financial liabilities**

#### Loans and borrowings

The breakdown and conditions of loans and borrowings are as follows:

| Туре             | Project         | Entity   | Interest<br>rate              | Maturity<br>date | Nominal<br>amount | Current | Non-<br>current |
|------------------|-----------------|--|-------------------------------|------------------|-------------------|---------|-----------------|
| Mortgage<br>Ioan | Egeo            | Meag Munich Ergo<br>Kapitalanlagegesellschaf<br>mbH (MEAG) | 3-month<br>Euribor + 2%       | 15/12/2019       | 30,000            | -       | 30,000          |
| Mortgage<br>Ioan | Nuevo<br>Alisal | Bankinter  | 3.02%<br>quarterly            | 16/06/2025       | 7,822             | 117     | 7,665           |
| Mortgage<br>Ioan | Juan Bravo      | Banco Santander  | 3-month<br>Euribor<br>+ 2.83% | 30/01/2018       | 25,000            | 5,038   | 19,849          |

#### Financial liabilities from issuing bonds and other marketable securities

This item reflects the Group's Euros 140,000 thousand bond issue. (See point 1.1 Significant Events)

#### Other non-current liabilities

Other non-current liabilities comprise the security deposits received by the Group from the lessees of the shopping centres, office buildings and logistics warehouses.

#### Equity

02

At 31 March 2015 the Company's share capital is represented by 40,030,000 registered shares, represented through book entries, with a par value of Euros 2 each, subscribed and fully paid, all granting the same rights.

- The Company was incorporated with capital of Euros 60 thousand corresponding to 30,000 shares with a par value of Euros 2 each.
- On 5 February 2014 an agreement was reached to increase share capital by Euros 80 million through the issue of 40 million ordinary shares with a par value of Euros 2 and a share premium of Euros 8 each. The shares were to be sold via a subscription offer and paid in through a monetary contribution.
- To bring the value of the subscribed shares to Euros 10, the shareholders made a contribution of Euros 240 thousand, comprising 30,000 thousand shares at a price of Euros 8.

The Company recognised the Euros 9,421 thousand expense incurred for this share issue as a decrease in reserves under equity.

During the first quarter of 2015 the Company sold and bought treasury shares.

At the March 2015 close the Company held 398,829 treasury shares (531,367 treasury shares at 31 December 2014).

These transactions were carried out in the framework of a discretionary treasury share management agreement that was reported to the Spanish Securities Market Commission (CNMV) in compliance with the recommendations published by that entity on 18 July 2013. At 31 March 2015 the share price stood at Euros 10.73 (Euros 9.18 at 31 December 2014).

The Euros 136 thousand gain made from the sale of treasury shares during the first quarter of 2015 has been recognised under "Other reserves".

#### 2.3. Consolidated Statement of Cash Flows

|   | 31/03/2015 | 31/03/2014 |
|---|------------|------------|
| A) CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES                 | (722)      | 1,569      |
| 1. Profit/(loss) for the period before tax                        | 3,818      | (228)      |
| 2. Adjustments for:   | 31         | (257)      |
| Amortisation and depreciation (+)                                 | -          | 10         |
| Impairment (+/-)  | (118)      | -          |
| Finance income (-)  | (198)      | (267)      |
| Finance costs (+)   | 824        | -          |
| Share in profit for the year of equity-accounted companies        | (477)      | -          |
| 3. Changes in operating assets and liabilities                    | (4,032)    | 2,054      |
| Trade and other receivables (+/-)                                 | 394        | (142)      |
| Other current assets (+/-)  | (6,305)    | -          |
| Trade and other payables (+/-)                                    | (79)       | 1,642      |
| Other current liabilities (+/-)                                   | 1,647      | 554        |
| Other non-current assets and liabilities (+/-)                    | 311        | -          |
| 4. Other cash flows used in operating activities                  | (539)      | -          |
| Interest paid (-)   | (737)      | -          |
| Interest received (+)   | 198        | -          |
| B) CASH FLOWS USED IN INVESTING ACTIVITIES                        | (26,669)   | (40,318)   |
| 1. Payments for investments (-)                                   | (26,669)   | (40,318)   |
| Acquisition of entities   | (1,650)    | -          |
| Investment property   | (256)      | (40,318)   |
| Other financial assets  | (24,763)   | -          |
| C) CASH FLOWS FROM FINANCING ACTIVITIES                           | 164,613    | 399,543    |
| 1. Proceeds from and payments for equity instruments              | 1,223      | 399,543    |
| Issue of equity instruments (+)                                   | -          | 399,543    |
| Acquisition/disposal of equity instruments (- /+)                 | 1,223      | -          |
| 2. Proceeds from and payments for financial liability instruments | 163,390    | -          |
| a) Issue of:  | 164,847    | -          |
| Bonds and other marketable securities (+)                         | 140,000    | -          |
| Loans and borrowings (+)  | 24,847     | -          |
| b) Redemption and repayment of:                                   | (1,457)    | -          |
| Bonds and other marketable securities (-)                         | (1,457)    | -          |
| D) EFFECT OF EXCHANGE RATE FLUCTUATIONS                           | -          | -          |
| E) NET INCREASE IN CASH AND CASH EQUIVALENTS (A+B+C+D)            | 137,222    | 360,794    |
| F) CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD               | 20,252     | -          |
| G) CASH AND CASH EQUIVALENTS AT END OF PERIOD (E+F)               | 157,474    | 360,794    |

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Translation of information originally prepared in Spanish. In the event of a discrepancy, the Spanish-language version shall prevail.

### 3. SHARE PRICE PERFORMANCE

| Details of shares (Eur)       | 1Q 2015 |
|-------------------------------|---------|
| Price at beginning of period  | 9.18    |
| Price at end of period        | 10.73   |
| Performance during the period | 16.88%  |
| Maximum price for the period  | 10.81   |
| Minimum price for the period  | 8.94    |
| Average price for the period  | 9.55    |

The following graph presents the share price performance during the first quarter of 2015:

#### SHARE PRICE PERFORMANCE



Translation of information originally prepared in Spanish. In the event of a discrepancy, the Spanish-language version shall prevail.

EVENTS AFTER THE REPORTING PERIOD

Quarter Results Q1 2015

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## 4. EVENTS AFTER THE REPORTING PERIOD

On 15 April 2015 the Company acquired the As Termas shopping centre in Lugo (Galicia), which has a gross lettable area (GLA) of approximately 33,151 square metres, from Lugo Retail Gallery, S.A. This acquisition was made through, Global Noctua, S.L.U., a subsidiary of the Company.

The acquisition was carried out for a total amount of Euros 67.0 million, paid in full using Company equity.

as termas

TIMEDIA MÓVIL

Shopping Centre As Termas (Lugo)

## 5. GLOSSARY

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| Concept            | Description  |
|--------------------|--|
| PBT/(LBT)          | Profit/(Loss) Before Tax.  |
| EBIT               | Earnings Before Interest and Tax.  |
| EBITDA             | Earnings Before Interest, Tax, Depreciation and Amortisation.  |
| Net profit/(loss)  | Profit/(loss) for the period after tax.  |
| ROE                | Return on equity, calculated by dividing profit for the year by average equity.  |
| ROA                | Return on assets, calculated by dividing profit for the year by total Company assets.  |
| Liquidity ratio    | The Company's capacity to meet its obligations with liquid assets, calculated as the ratio between the Company's current assets and current liabilities.   |
| Solvency ratio     | The Company's financial capacity to meet its payments obligations with all the assets<br>and resources available. It is calculated by dividing equity plus non-current liabilities by<br>non-current assets. |
| EPRA NAV           | This is calculated based on the Company's equity, making adjustments to certain items as recommended by EPRA.  |
| EPRA NAV per share | This is calculated by divided EPRA NAV by the number of Company shares (excluding treasury shares).  |

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