



Corporate Presentation - Strategic and Financial Update

September 2015

www.larespana.com



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Agenda

1 Overview of Lar España

2 July 2015 Share Capital Increase

3 Asset Portfolio

Appendix

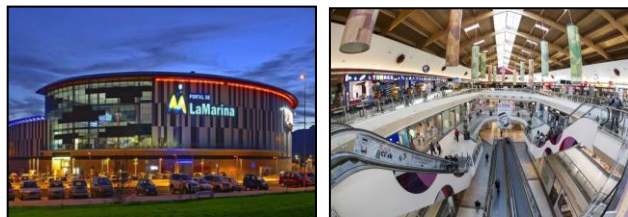
Lar España at a glance

Key figures as at September 2015

Market cap ¹	€544m	Total acquisitions	€853m	Passing net rent ^{2,3}	€52m
Occupancy rate	94.9%	GLA owned	556,163 sqm	WAULT	2.5 years
	LTV ⁵	34.3%	EPRA Net Initial Yield ⁶	6.6%	

Flagship assets

Shopping centres



Retail units



Offices



¹ Share price of €9.06 as at September 11, 2015; ² Passing rent calculated as the annualised last passing rent before the acquisition on the purchase of the assets; ³ Future rent contribution of Sagunto Retail development has not been included; ⁴ The calculation of WAULT, Avg. Rent/Sqm and Avg. Gross Initial Yield do not include the acquisition of Megapark ⁵ LTV as at 30th June 2015; LTV= Total Loans & Borrowings & Notes (Net of Cash) / Total GAV; ⁶ 6.6% is the NIY on cost of rental income producing assets. Thus, the €60m investment for a residential development is not included in its calculation.

Introduction to Lar España

Lar España's aim is to generate high returns for its shareholders via its business strategy of owning, operating and renting its Real Estate portfolio (through Active Property Management), which is mainly focused on Commercial Property Assets in Spain

Strong Corporate Governance

- **Independent Board of Directors** (4 out of 5 members are independent)
- Highly **regarded individuals** with experience in Spain, listed markets, real estate and finance

Board Structure

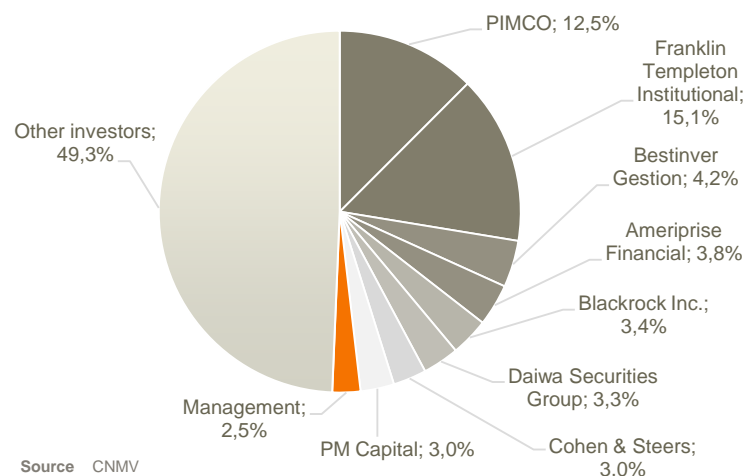
Name	Position
Jose Luis Del Valle	Chairman, Independent
Alec Emmott	Director, Independent
Roger Cooke	Director, Independent
Pedro Luis Uriarte	Director, Independent
Miguel Pereda	Director, Non-Independent
Juan Gomez-Acebo	Secretary (Non-Director)

Source CNMV

Overview

- **First IPO** of a Spanish REIT listed on the Spanish Stock Exchange
- Focused on creating both **sustainable income** and **strong capital returns** for shareholders
- **€135m share capital increase** in July 2015.

Shareholder Structure as at September 2015



- **Lar España** went public in March 2014 (IPO gross proceeds of **€400m**) and opted for the **SOCIMI tax regime** (REIT regime)
- It is **externally managed by Grupo Lar** (family owned, Spanish private Real Estate developer, Investor and Asset Manager with a 40-year track record of international experience)
- **Company's business strategy** is to acquire real estate assets for rental purposes with high return potential consisting primarily of **commercial property** (mainly retail and office)


Lar España is committed to a value-added strategy

- Clear strategy driving asset allocation
- Focus on assets with value creation potential beyond macro cycle
- Specialist approach to asset management


Asset Class		Investment and Asset Management strategy	Location
c.80%	Core Commercial	Retail <ul style="list-style-type: none"> ▪ Shopping Centres and Retail Parks with a confirmed catchment area expected to be consolidated through an improved tenant mix or with upside potential for repositioning, extension and development ▪ Intense asset management through vacancy reduction, increase in turnover rents and mall income, as well as a reduction of non-recoverables 	Locations with limited density and higher GDP per capita than average, throughout Spain
		Office <ul style="list-style-type: none"> ▪ Value-creation based on intensive property management: <ul style="list-style-type: none"> ▪ Increase on NOI through vacancy reduction, lease contracts restructuring and reduction on non-recoverables ▪ Repositioning and improving quality: capex investments ▪ Targeted refurbishment or development ▪ Selective rotation strategy: hold office assets to then gain value uplift (repositioning) and increase rents ahead of selling the properties 	Madrid & Barcelona Core locations with limited vacancy, record low rents and good public transportation
	Other Commercial	<ul style="list-style-type: none"> ▪ Other Commercial asset classes on a selective basis: combination of low rents, high yields and low price per sqm 	Madrid, Barcelona, Valencia areas with very good access
Up to 20%	Residential	<ul style="list-style-type: none"> ▪ Focus on primary homes only ▪ New developments in niche markets without zoning risk, limited supply and clear demand (lack of new development) 	Madrid and other big cities on a very selective basis

Strong Management Team & Investment Manager Platform

Miguel Pereda
Managing Director at Grupo Lar
Co-CEO of Grupo Lar and Board Member of LRE



Real Estate Manager
Luis Pereda
Executive Chairman of Grupo Lar




LAR ESPAÑA MANAGEMENT TEAM

SERGIO CRIADO
CFO



- Over 14 years of experience in finance and real estate



JON ARMENTIA
Corporate Manager



- Over 12 years of experience in audit, finance and real estate



SUSANA GUERRERO
Legal Manager



- Worked as M&A and Corporate lawyer at Uría Menéndez for 10 years



JORGE PEREZ DE LEZA
Europe



- Managing Director of Residential Product Europe since 2005
- Over 9 years of experience in the sector



MIGUEL ÁNGEL GONZÁLEZ
Residential



- 13 people
- Over 20 years of experience in the sector



JOSE MANUEL LLOVET
Retail



- 15 people
- Over 25 years of experience in the real estate sector



ARTURO PERALES
Offices & Logistics



- 3 people
- Over 19 years of experience in the sector




SONSOLES CANTERO
Managing Director



- 120 people
- Over 28 years of experience in the real estate sector, 12 of which in Gentalia



Grupo Lar's platform in Spain (including Gentalia) amounts to 157 employees out of which more than half are dedicated to Lar España

 % dedication to LRE

2015 Update

Solid performance and NAV Evolution, while Real Estate Portfolio grows by c.50% with mostly off-market and value-add deals

+6% NAV Growth in H12015 & 19.3 Net profit generated, on the back of a solid Business performance

Initial Investment target surpassed / **Already on track to new target of > €1Bn** to be accomplished before year-end

Strong support of the shareholders for the €135m capital increase / **LTV¹ @34.3%** and total **cost of debt below 2.5%**

High quality portfolio acquired mostly off-market @ 6.6% Epra Net Initial Yield NIY and ample room for improvement

Excellent accretive deals in terms of cash flow generation for short & mid term / €282m since mid 2015

¹ LTV as at 30th June 2015; LTV= Total Loans & Borrowings & Notes (Net of Cash) / Total GAV

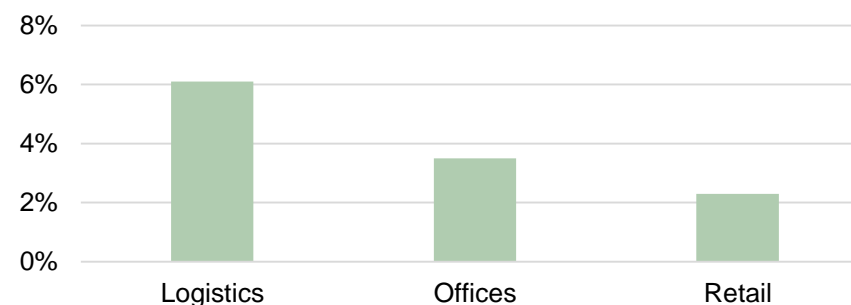
Financial Indicators as at June 30, 2015

+ 6% NAV growth since the end of 2014

GAV EPRA valuation growth:

3% in the H1 ⁽¹⁾

Relative growth figures by segment



Financial Indicators	30/06/2015	31/12/2014	%Chg
EPRA Earnings (€'000)	6,776	2,516	
EPRA Earnings per share (€) ⁽²⁾	0.17	0.07	
EPRA NAV (€'000)	413,413	389,862	6.0%
EPRA NAV per share (€) ⁽²⁾	10.33	9.87	4.7%
EPRA NNAV (€'000)	412,900	389,493	6.0%
EPRA NNAV per share (€) ⁽²⁾	10.31	9.86	4.6%
LTV	34.30% ⁽³⁾	16.60%	

EPRA Indicator	30/06/2015
EPRA Net Initial Yield (NIY)	6.9%
EPRA "topped-up" NIY	7.0%
EPRA Vacancy Rate	6.4%
EPRA Cost Ratio	41.7%
EPRA Cost Ratio (excluding costs of direct vacancy)	39.5%

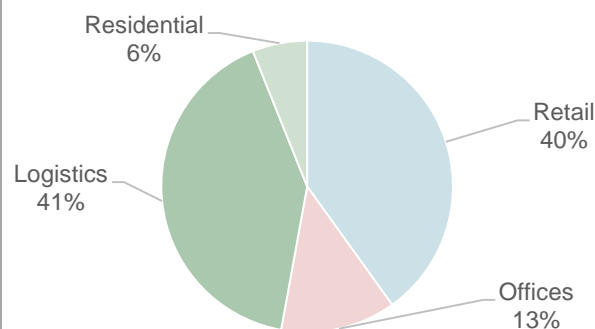
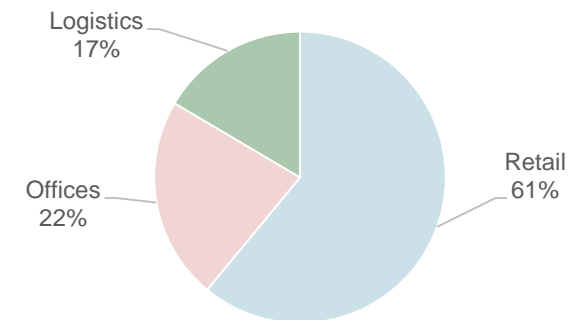
(1) Valuation growth from December 31, 2014 to June 30, 2015 for 2014 assets. From acquisition date to June 30, 2015 for assets acquired during the period

(2) Calculated excluding treasury shares

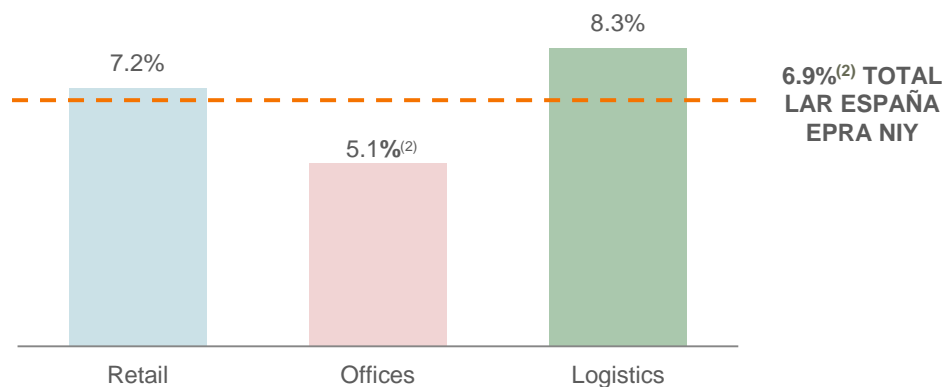
(3) LTV = Total Loans & Borrowings & Notes (Net of Cash) / Total GAV

H1 2015 Portfolio Breakdown and EPRA KPI's

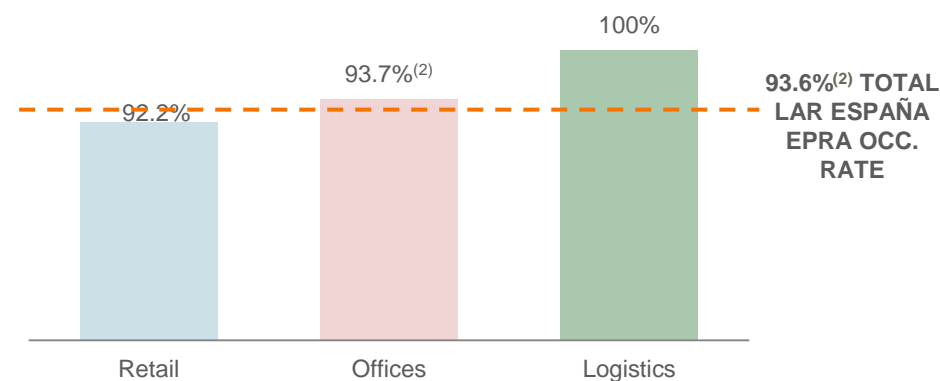
Lar España's portfolio at a glance (H1'15)

GLA
breakdown by
asset classRental Income
by asset class

EPRA Net Initial Yield breakdown by asset class



EPRA Occupancy Rate by asset class



⁽²⁾ Marcelo Spinola's EPRA NIY is not calculated due to the lack of representativeness. During Q4 2014, the office was prepared and vacated in order to refurbish the property. The refurbishment started during Q2 2015 and is expected to be finished during Q2 2016. To calculate the NIY for the total portfolio we have excluded the data from Marcelo Spinola.

Consolidated P&L (IFRS) and Consolidated Balance Sheet (IFRS)

Positive financial performance, but still expecting ramp-up phase

Consolidated Income Statement

	H1 2015	H1 2014 ^{(1) (2)}
Revenues	14,116 ⁽³⁾	933
Other income	400	14
Change in fair value of investment properties	12,470	-
Personnel costs	-160	-2
Other expenses	-6,055	-2,221
Results from operations	20,771	-1,276
Financial Income	615	1,251
Financial Expenses	-2,330	-
Impairment and results of disposals fin. instruments	-257	-
Share in profit (loss) of equity-accounted companies	547	-
Profit/loss before Tax	19,346	-25
Income Tax	-	-
Profit/loss for the period	19,346	-25

(*) All figures expressed in Thousands of EUR

Consolidated Balance Sheet

Assets	Jun 30, 2015	Dec 31, 2014
Investment properties	485,916	357,994
Equity-accounted investees	20,740	18,087
Other non-current assets	30,285	3,841
Total Non-Current Assets	536,942	379,922
Cash & cash equivalents	86,434	20,252
Other current assets	43,688	36,981
Total Current Assets	130,122	57,233
Total Assets	667,064	437,155

Liabilities and Equity	Jun 30, 2015	Dec 31, 2014
Total Equity	412,900	389,493
Bonds and other marketable securities	138,433	-
Loans and borrowings	94,579	37,666
Other non-current liabilities	7,978	5,143
Total Non-Current Liabilities	240,990	42,809
Loans and borrowings	5,306	156
Other current liabilities	7,868	4,697
Total Current Liabilities	13,174	4,853
Total Equity and Liabilities	667,064	437,155

(*) All figures expressed in Thousands of EUR

Lar España was listed on March 15, 2014

(1) Non comparable data since the Company was incorporated in 2014 and held no control over any society, not forming a Group.

(2) Data presented in accordance with the generally accepted accounting principles in Spain (PCGAE).

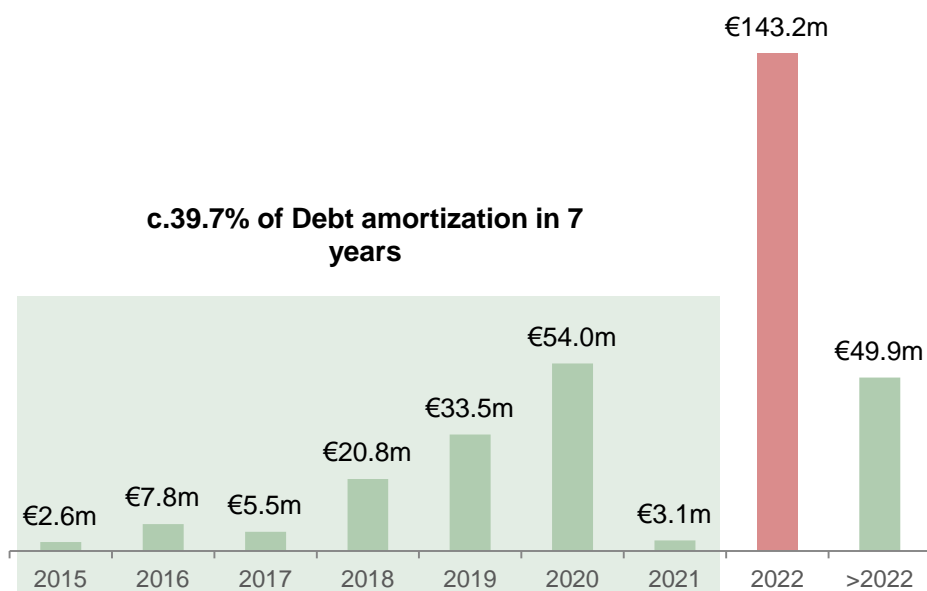
(3) Revenues from Portal de la Marina amount to €1.9m. This amount is included in the line "Share in profit (loss) of equity accounted companies" because this shopping centre is accounted for using the equity method.

Debt overview H1 2015

**Flexible Balance Sheet structure provides stability to our strategy –
Cost of Bank Debt Euribor + 1.86%, while >70% of the debt is fixed**

Back-loaded amortization of the debt

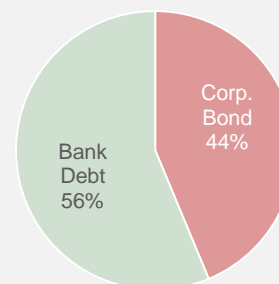
c.39.7% of Debt amortization in 7 years



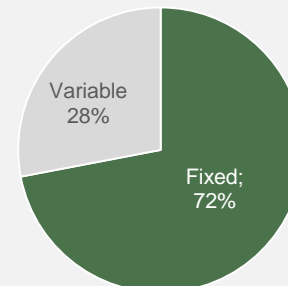
Prudent Financial Management: 72% exposure to fixed debt and diversified sources

- **€320.2m of Financial Debt (August 31 2015)**

Diversification of sources



Exposure to variable / fixed rates



Agenda

1 Overview of Lar España

2 July 2015 Share Capital Increase

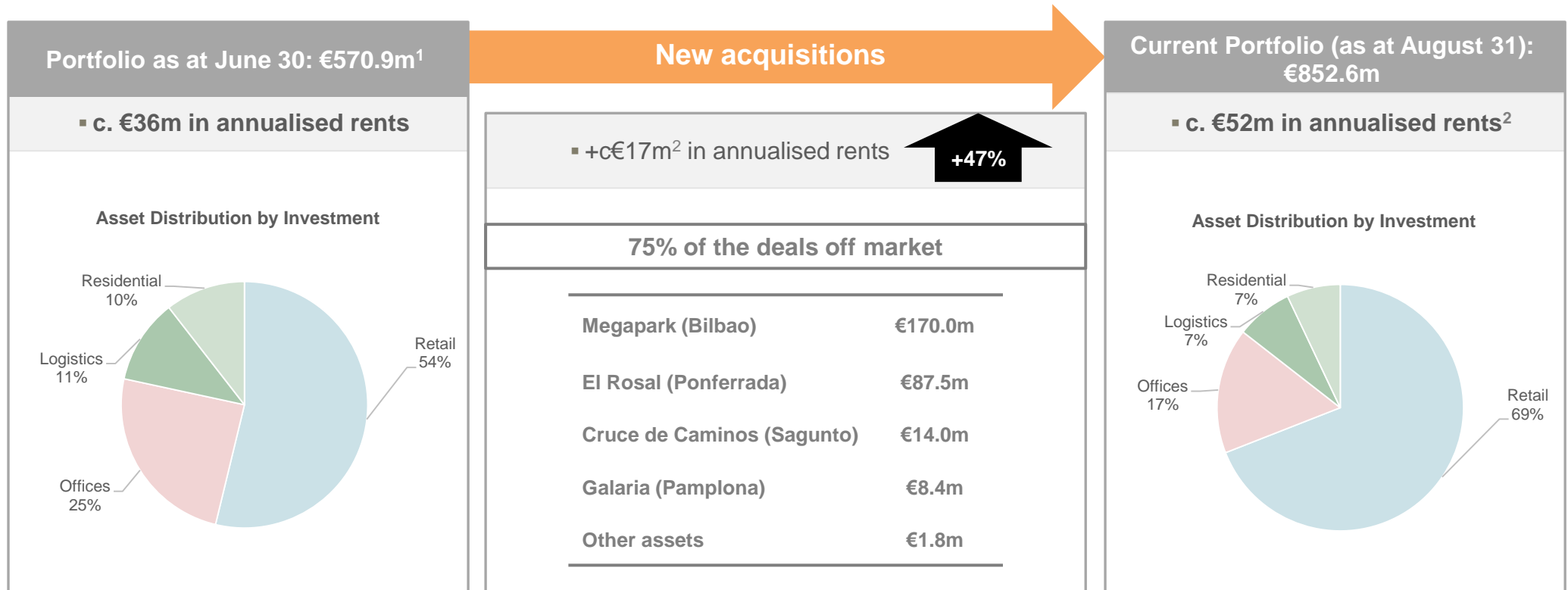
3 Asset Portfolio

Appendix

July 2015 Capital Increase

€135m Capital increase enabling for accretive deals after mid 2015

The share capital increase transaction was met with **strong support from existing and new investors**. Initial take-up of the rights offering was 99.48% and the New Ordinary Shares were 9.2X oversubscribed

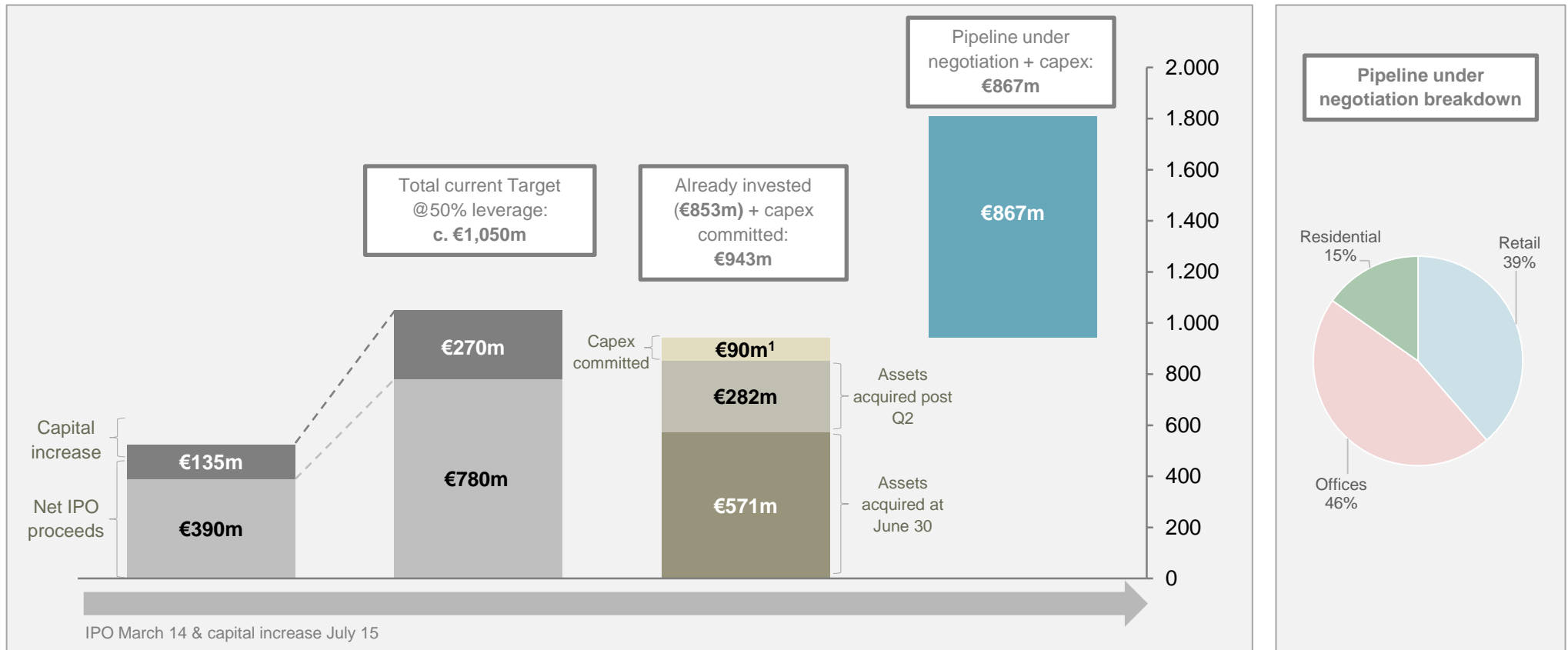


¹ Acquisition Price

² Future contribution of Sagunto Retail development has not been included.

Portfolio construction after share capital increase

Lar España has accelerated its portfolio construction by signing off-market deals, pushing total portfolio+committed capex to c.€1000m



¹ Includes c.€60m of development costs associated to Juan Bravo and Sagunto

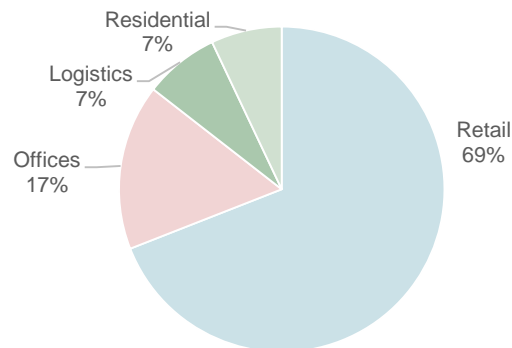
Portfolio overview as of August 31

Lar España consolidates a diversified and stable rental income producing portfolio

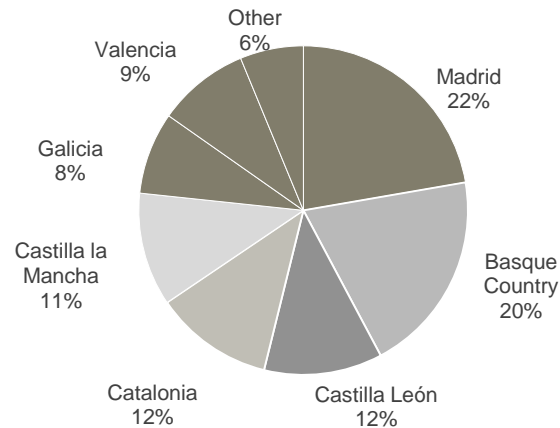
All figures stated at the acquisition date

Asset Class	Units	Price	Gross Lettable Area	W.A.U.L.T as at June 2015	Avg. Rent/sqm	Avg. Initial Occupancy	Weighted Avg. EPRA Net Initial Yield	Annual Net Rent Generation
Retail ⁴	12	€588.7m	320,049 sqm	2.6	13.82€	92.5%	6.57%	c.€38m
Offices	5	€140.5m	50,342 sqm	2.0	13.7€	95.6%	5.6%	c.€8m
Logistics	5	€63.4m	161,840 sqm	2.7	3.4€	100%	9.6%	c.€6m
Residential	1	€60m	23,932 sqm	n/a	n/a	n/a	n/a	n/a
Total	23	€852.6m	556,163 sqm	2.52⁽³⁾	13.0€	94.9%	6.6%⁽²⁾	c.€52m⁽⁴⁾

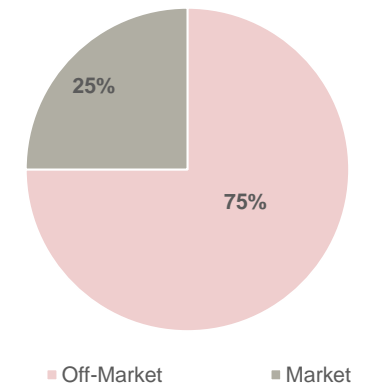
Asset Distribution by Investment



Balanced Investment Geographical distribution



Mostly off-market acquisitions

¹ 7.2% is the Gross Initial Yield of rental income producing assets. Thus, €60m investment for a residential development is not included in its calculation.² 6.6% is the NIY on cost of rental income producing assets. Thus, €60m investment for a residential development is not included in its calculation.³ Marcelo Spínola is not included in the calculation as it is under refurbishment.⁴ Future rent contribution of Sagunto Retail development has not been included

Agenda

1 Overview of Lar España

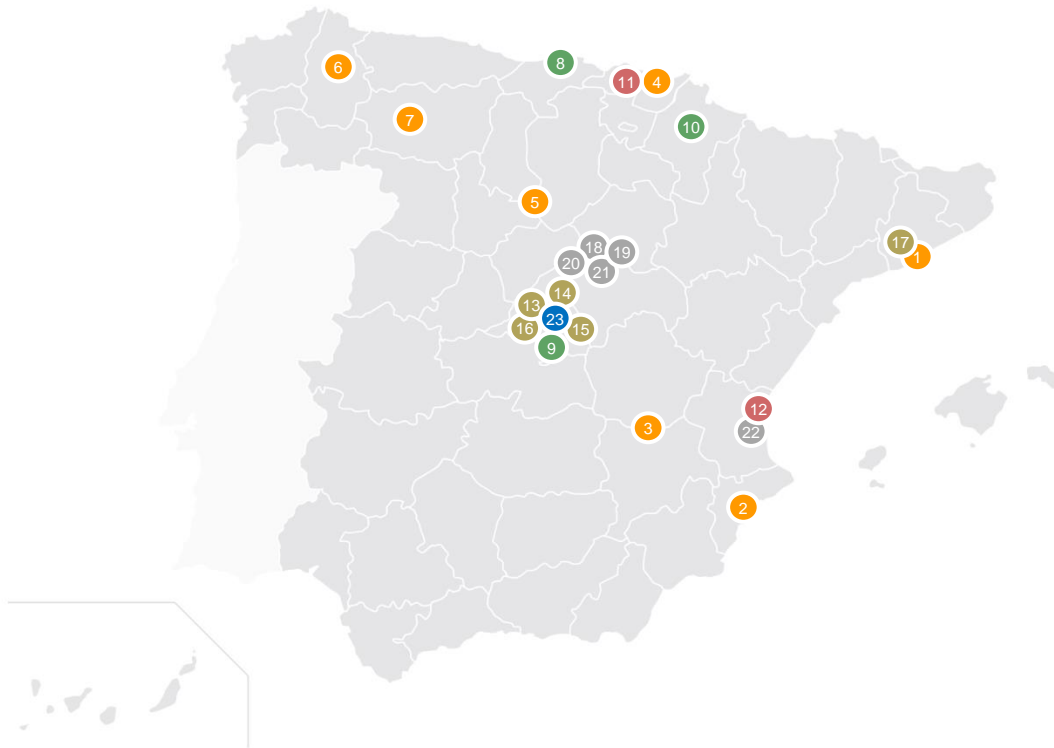
2 July 2015 Share Capital Increase

3 Asset Portfolio

Appendix

Portfolio Overview

Location by asset class



Shopping Centre

- 1 L'Anec Blau (Barcelona)
- 2 Portal de la Marina (Alicante)
- 3 Albacenter (Albacete)
- 4 Txingudi (Guipúzcoa)
- 5 Las Huertas (Palencia)
- 6 As Termas (Lugo)
- 7 El Rosal (León)

Retail Warehouses

- 8 Nuevo Alisal (Santander)
- 9 Villaverde (Madrid)
- 10 Galaria (Pamplona)

Retail Complex

- 11 Megapark (Bilbao)
- 12 Cruce de Caminos (Sagunto)

Office

- 13 Egeo (Madrid)
- 14 Arturo Soria (Madrid)
- 15 Cardenal Marcelo Spinola (Madrid)
- 16 Eloy Gonzalo (Madrid)
- 17 Joan Miró (Barcelona)

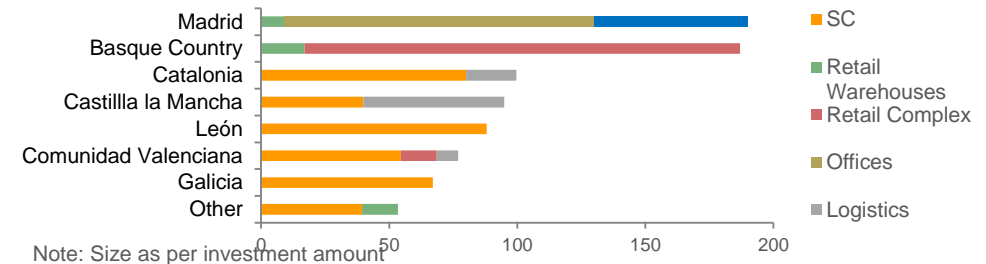
Logistics

- 18 Alovera I (Guadalajara)
- 19 Alovera II (Guadalajara)
- 20 Alovera III (Guadalajara)
- 21 Alovera IV (Guadalajara)
- 22 Almussafes (Valencia)

Residential

- 23 Juan Bravo / Claudio Coello

Breakdown of properties by Location, €m



Note: Size as per investment amount

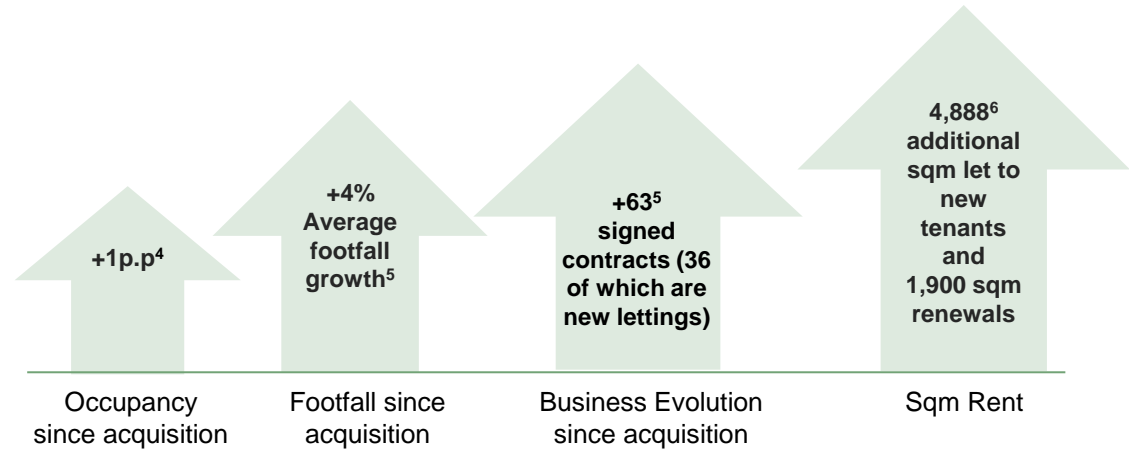
Lar España's investments are mainly focused on Madrid, Bilbao, Barcelona and wealthy areas of other selected cities

Positive Results achieved by active property management

Retail



	Investment amount	Net Initial yield on cost	Initial Occupancy
1 L'Anec Blau	€80.0m	6.1%	90.4%
2 Portal de la Marina ¹	€47.6m	6.6%	89.9%
3 Albacenter ²	€28.4m	6.9%	91.7% ³
4 Txingudi	€27.7m	6.7%	90.3%
5 Las Huertas	€11.7m	6.9%	85.9%
6 As Termas	€67.0m	6.2%	91.5%
7 El Rosal	€87.5m	6.3%	91.6%
8 Nuevo Alisal	€17.0m	6.8%	100.0%
9 Villaverde	€9.1m	7.5%	100.0%
10 Megapark	€170m ⁶	6.25%	92.4%
11 Cruce de Caminos	€14m	9.2%	N/A



- ✓ **6.57% Weighted Avg. EPRA Net Initial Yield**
- ✓ **c. €38m⁷ of annualised Net Rental Income per year**
- ✓ **Properties expected to be resistant to the Business Cycle with a sustainable income stream supported by a strong tenant line-up and a maintainable occupancy cost ratio**

¹ Does not include Hypermarket (Investment amount: €7.0m, Net initial yield on cost: 7.2%, Initial Occupancy: 100%); ² Does not include Albacenter Hypermarket (Investment amount: €11.5m, Net initial yield on cost: 7.4%, Initial Occupancy: 100%); ³ 14.6% occupancy comes from guaranteed rent; ⁴ Average physical occupancy increase from December 31, 2014 to March 31 2015, considering the properties owned by the Company as of each respective date; ⁵ Average growth in footfall in shopping centres in the period from April 2014 through February 2015 compared to the period from April 2013 through February 2014, considering the properties held as at March 31, 2015; ⁶ With respect to shopping centres owned as of May 31, 2015. Signed contracts since acquisition until end of May 2015. ⁷ Approximate purchase price (Lar España has deposited a down payment of €10m on July 20, 2015). ⁷ Future rent contribution of Sagunto Retail development has not been included

KPI: Initial Figures

Detailed Portfolio Overview

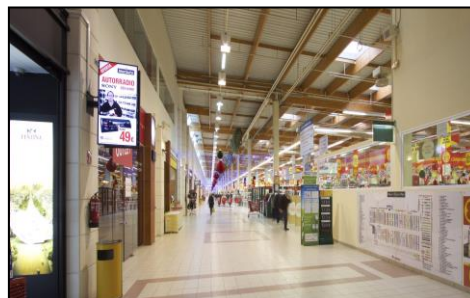
Shopping Centres

Albacenter + Hypermarket



Acquisition date	30/07/2014	19/12/2014
Location:	Albacete	Albacete
GLA:	15,488 sqm	12,486 sqm
Acquisition price:	EUR 28.4m	EUR 11.5m
Initial Occupancy (%):	91.7%	100.0%
Net Initial yield on cost (%):	6.9%	7.4%
Monthly Rent (€/sqm)	12.4€	6.2€

Txingudi



Acquisition date	24/03/2014
Location:	Guipúzcoa
GLA:	9,920 sqm
Acquisition price:	EUR 27.7m
Initial Occupancy (%):	90.3%
Net Initial yield on cost (%):	6.7%
Monthly Rent (€/sqm)	18.8€

Las Huertas



Acquisition date	24/03/2014
Location:	Palencia
GLA:	6,108 sqm
Acquisition price:	EUR 11.7m
Initial Occupancy (%):	85.9%
Net Initial yield on cost (%):	6.9%
Monthly Rent (€/sqm)	15.8€

El Rosal



Acquisition date	07/07/2015
Location:	Leon
GLA:	51,142 sqm
Acquisition price:	EUR 87.5m
Initial Occupancy (%):	91.6%
Net Initial yield on cost (%):	6.3%
Monthly Rent (€/sqm)	10.7€

KPI: Initial Figures

Detailed Portfolio Overview

Shopping Centres

L'Anec Blau



Acquisition date	31/07/2014
Location:	Barcelona
GLA:	28,863 sqm
Acquisition price:	EUR 80.0m
Initial Occupancy (%):	90.4%
Net Initial yield on cost (%):	6.1%
Monthly Rent (€/sqm)	€16.9

As Termas



Acquisition date	15/04/2015
Location:	Lugo
GLA:	33,151 sqm
Acquisition price:	EUR 67.0m
Initial Occupancy (%):	91.5%
Net Initial yield on cost (%):	6.2%
Monthly Rent (€/sqm)	€12.4

P. De la Marina + Hypermarket



Acquisition date	30/10/2014	09/06/2015
Location:	Alicante	Alicante
GLA:	30,007 sqm ¹	9,924 sqm
Acquisition price:	EUR 47.6m	EUR 7.0m
Initial Occupancy (%):	89.9%	100.0%
Net Initial yield on cost (%):	6.6%	7.2%
Monthly Rent (€/sqm)	€17.6	€4.4

¹ LRE owns 58.78% of the Shopping Centre (30,007 sqm), the rest is held by Grupo Lar

² Based on ownership of 58.78% of GLA

KPI: Initial Figures

Detailed Portfolio Overview

Retail Complex

Megapark



Asset Characteristics

Location:	Bilbao
GLA:	63,907 sqm
Acquisition price:	EUR 170 m ¹
Price per sqm.:	€2,340/sqm
No. Tenants:	Multi-tenant

KPI's (Initial)

Occupancy (%):	92.4%
Net yield on cost (%):	6.25%
Monthly Rent (€/sqm)	€15.6

Retail Complex & Factory Outlet Centre:

Retail Complex

GLA:	44,512 sqm
Occupancy (%):	100%
Monthly Rent (€/sqm)	€16.9

Factory Outlet Centre

GLA:	19,210 sqm
Occupancy (%):	75% Incl. Mercadona
Monthly Rent (€/sqm)	€12

Under development:

Cruce de Caminos



Asset Characteristics

Location:	Sagunto
GLA:	43,091 sqm
Acquisition price:	EUR 14.0 m
Price per sqm.:	N/A
No. Tenants:	Multi-tenant

KPI's (Initial)

Occupancy (%):	N/A
Net yield on cost (%):	9.2%
Monthly Rent (€/sqm)	€10.5

¹ Approximate purchase price (Lar España deposited a down payment of €10m on July 20, 2015)

KPI: Initial Figures

Detailed Portfolio Overview

Retail Units

Nuevo Alisal



Asset Characteristics

Location:	Santander
GLA:	7,648 sqm
Acquisition price:	EUR 17.0 m
Price per sqm:	€2,223/sqm
No. Tenants:	Multi-tenant

KPI (Initial)

Occupancy (%):	100.0%¹
Net yield on cost (%):	6.8%
Monthly Rent (€/sqm)	€13.6

¹ Based on December 2014 appraisal report;

Villaverde



Asset Characteristics

Location:	Madrid
GLA:	4,391 sqm
Acquisition price:	EUR 9.1 m
Price per sqm:	€2,072/sqm
No. Tenants:	Single-tenant

KPI (Initial)

Occupancy (%):	100.0%¹
Net yield on cost (%):	7.5%
Monthly Rent (€/sqm)	€14.8

Galaria



Asset Characteristics

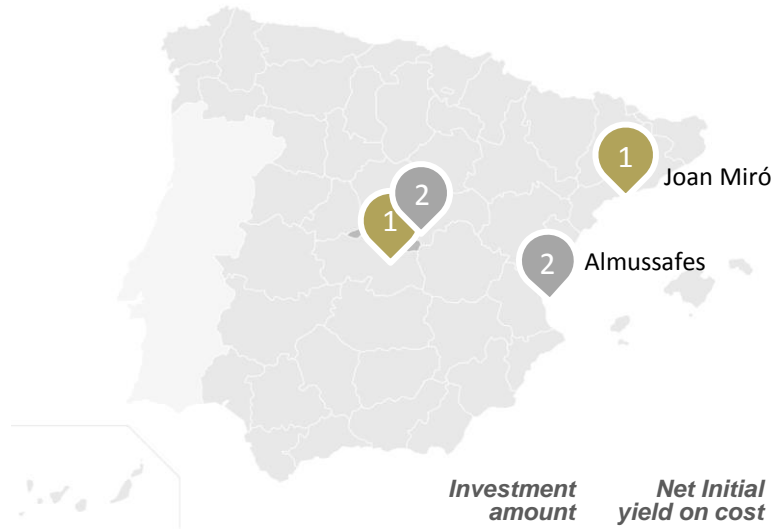
Location:	Pamplona
GLA:	4,108 sqm
Acquisition price:	EUR 8.4 m
Price per sqm.:	€2,394/sqm
No. Tenants:	Multi-tenant

KPI's (Initial)

Occupancy (%):	100%
Net yield on cost (%):	7.83%
Monthly Rent (€/sqm)	€13.8

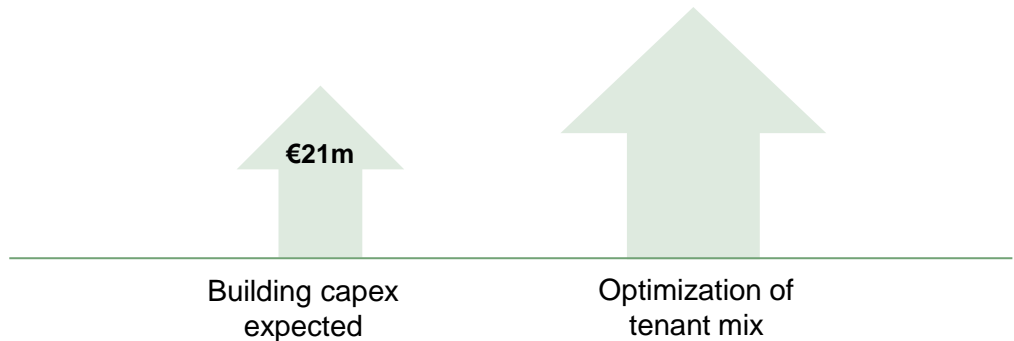
Positive Results achieved by active property management

Offices and Logistics



	<i>Investment amount</i>	<i>Net Initial yield on cost</i>	<i>Initial Occupancy</i>
1 Egeo (Office)	€64.9m	5.6%	100.0%
Arturo Soria (Office)	€24.2m	5.4%	82.7%
1 Marcelo Spinola (Office)	€19.0m	7.7% ¹	38.2%
Eloy Gonzalo (Office)	€12.7m	5.2%	95.9%
Joan Miró (Office)	€19.7m	5.8%	99.0%
2 Alovera I	€12.7m	9.6%	100.0%
Alovera II	€32.2m	10.2%	100.0%
2 Alovera III	€3.0m	8.3%	100.0%
Alovera IV	€7.2m	9.6%	100.0%
2 Almussafes	€8.4m	8.1%	100.0%

1 Offices 2 Logistics



✓ Active Management Strategy in Office Properties

● Offices:

✓ **5.6% Weighted Avg. EPRA Net Initial Yield**

✓ **~ €8m of annualised Net Rental Income**

● Logistics Warehouses:

✓ **9.6% Weighted Avg. EPRA Net Initial Yield**

✓ **~€6m of annualised Net Rental Income**

✓ Modular warehouses with a combination of attractive price and rent/sqm and attractive logistic locations

¹ Undergoing total refurbishment. Initial Occupancy to be 65% for calculation purposes. The development of Marcelo Spinola has already started

KPI: Initial Figures

Detailed Portfolio Overview

Office

Egeo	Arturo Soria	Marcelo Spinola	Eloy Gonzalo	Joan Miró
				
Acquisition date 16/12/2014	Acquisition date 29/07/2014	Acquisition date 31/07/2014	Acquisition date 23/12/2014	Acquisition date 11/06/2015
Location: Madrid	Location: Madrid	Location: Madrid	Location: Madrid	Location: Barcelona
GLA: 18,254 sqm	GLA: 8,663 sqm	GLA: 8,584 sqm	GLA: 6,231 sqm	GLA: 8,610 sqm
Acquisition price: EUR 64.9 m	Acquisition price: EUR 24.2 m	Acquisition price: EUR 19.0 m	Acquisition price: EUR 12.7 m	Acquisition price: EUR 19.7 m
Price per sqm.: €3,555/sqm	Price per sqm.: €2,793/sqm	Price per sqm.: €2,213/sqm	Price per sqm.: €2,043/sqm	Price per sqm.: €2,283/sqm
No. Tenants: Multi-tenant	No. Tenants: Multi-tenant	No. Tenants: Single-tenant	No. Tenants: Multi-tenant	No. Tenants: Multi-tenant
KPI's (Initial)	KPI's (Initial)	KPI's (Initial)	KPI's (Initial)	KPI's (Initial)
Initial Occupancy (%): 100.0%	Initial Occupancy (%): 82.7%	Initial Occupancy (%): 38.2%¹	Initial Occupancy (%): 95.9%	Initial Occupancy (%): 99.0%
Net Initial yield on cost (%): 5.6%	Net Initial yield on cost (%): 5.4%	Net Initial yield on cost (%): 7.7%²	Net Initial yield on cost (%): 5.2%	Net Initial yield on cost (%): 5.8%
Monthly Rent (€/sqm) €15.9	Monthly Rent (€/sqm) €15.6	Monthly Rent (€/sqm) €13.9	Monthly Rent (€/sqm) €7.9	Monthly Rent (€/sqm) €11.3

¹ As of today Occupancy has been affected by total refurbishment of the building

² With an estimated Occupancy of 65% after total refurbishment in 2015

KPI: Initial Figures

Detailed Portfolio Overview

Residential

Juan Bravo



Acquisition date	30/01/2015
Property Type:	Residential
Date of Construction:	2015-2017
Location:	Madrid
GLA	31,521 sqm ¹
Acquisition price:	€60/sqm
Price per sqm:	3,807 €/sqm ³

¹ 26,203 sqm for development in Juan Bravo 3 and 5,318 sqm corresponds to the Claudio Coello building. GLA above ground amounts to 23,932 sqm of which 19,453 sqm correspond to Juan Bravo 3 and 4,479 sqm corresponds to Claudio Coello. Total GLA corresponds to 100%, although Lar España owns 50% of the property

² Corresponds to the 50% of the JV with PIMCO

³ Based on ownership of 50% of total GLA

Logistics

Alovera I, II, III & IV



Acquisition date	07/08/2014 – 26/05/2015
Property Type:	Logistics W.
Location:	Guadalajara
GLA:	142,629 sqm
Acquisition price:	EUR 55.01 m
Price per sqm:	€386/sqm
No. Tenants:	Multi-tenant

KPI's (Initial)

Initial Occupancy (%):	100%
Net Initial yield on cost (%):	8.3%–10.2%
Monthly Rent (€/sqm)	€2.6–€4.2

Almussafes



Acquisition date	26/05/2015
Property Type:	Logistics
Location:	Valencia
GLA:	19,211 sqm
Acquisition price:	EUR 8.35 m
Price per sqm	€435/sqm

KPI's (Initial)

Initial Occupancy (%):	100%
Net Initial yield on cost (%):	8.1%
Monthly Rent (€/sqm)	€3.2

Agenda

1 Overview of Lar España

2 July 2015 Share Capital Increase

3 Asset Portfolio

Appendix

A Unique Real Estate Manager

Grupo Lar, our investment manager, is a seasoned, **family owned**, Spanish private Real Estate developer, Investor and Asset Manager with a **40-year track record** of **international** experience, **Joint Ventures** with **Tier 1 Investors** and long-term relationships with **Financial Institutions**

Expertise in Retail, Office and Residential

- **Retail:** **extensive track record** developing, investing and managing Retail assets:
 - owns 66% of **Gentalia**, one of the largest Shopping Centre developers and managers in Spain (52 units and 1.3 million sqm GLA)
 - Grupo Lar has made JVs with top-tier Retail investors
- **Office:** extensive experience; developed and managed 9 stand alone properties for corporate headquarters in Madrid and Barcelona
- **Residential:**
 - **+10,000 dwellings** sold during the last ten years
 - by the end of 2013 Grupo Lar had acquired and **managed 1,700 dwellings from Sareb** in partnership with Fortress

Long-term successful Joint Ventures

- Grupo Lar has **successfully partnered** with Real Estate funds of the **most highly regarded international institutions**
- E.g. 50-50% JV With **Grosvenor**, from 2000 to 2008, to develop, invest and manage Office, Shopping and Business Centres in Spain

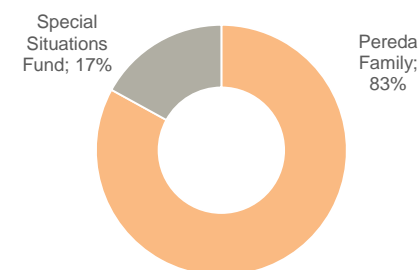


THE BAUPOST GROUP®

Reputation & Reliable Manager

- **Grupo Lar**, whose **consolidated position** in the market enables access to untapped opportunities
- **Grupo Lar's commitment:** holds a **2.5%** stake in Lar España, subject to a 3 year lock-up period since March 2014
- **Independent and high quality board** 4 highly regarded independent directors (4 out of 10)

Grupo Lar Ownership



Alignment of interests



1

Total Exclusivity

- The Manager is committed to **total exclusivity for commercial property investment** opportunities in Spain
- In the Residential sector, Lar España has the right to co-invest with the Manager
- International standards of Governance and Code of Conduct

2

Structure and Incentives

- **Critical** activities are carried out in-house:
 - ✓ CFO
 - ✓ Corporate Manager
 - ✓ Legal Manager
- **Real Estate related** activities and expertise provided by the Manager
- **Management fees:**
 - ✓ 1.25% per annum of NAV
 - ✓ 3 year **lock-up** (since March 2014) for the shares to be received as performance fees

3

Management Commitment

- **Grupo Lar** owns a **3%** stake in Lar España, subject to a **3 year lock-up** period (since March 2014)
- **Miguel Pereda**, family owner member and Grupo Lar co-CEO is the key figurehead from a Real Estate point of view
- **Grupo Lar** is **contracted to exclusively** provide Management services to **LRE**
- **Initial 5-year** management contract (since March 2014)



Appendix-Portfolio Description



Portfolio descriptions

Retail Complex

Megapark, Bilbao

Asset Characteristics

Asset Name:	Megapark
Asset Type:	Retail complex
Opening Date:	2004
Location:	Bilbao
GLA:	63,722 sqm RP ¹ : 44,512 sqm FOC ² : 19,210 sqm
Acquisition price:	EUR 170 m
Price per sqm:	€2,340/sqm
No. Tenants:	13RP + 61FOC units

Building Capex	
Capex committed:	€5.1
KPI's (Initial)	
Occupancy (%):	92.4% RP ¹ : 100% FOC ² : 75% incl. Mercadona
Net yield on cost (%):	6.25%
Monthly Rent (€/sqm)	€15.6 sqm/mth RP ¹ : €16.9 sqm/mth FOC ² : €12 sqm/mth

¹RP: Retail Park

²FOC: Factory Outlet Centre



Location & Profile

- Excellent location in **Barakaldo**, considered part of the **metropolitan area of Bilbao**, in the north of Spain.
- Catchment area: Is the **most consolidated retail area** in the Basque Country with 1 million people living within 15 minutes drive and more than 3 million within 90 minutes drive.
- **Solid and top-tier tenants**: Media Markt, Decathlon, Oportunidades El Corte Inglés, Mercadona, Nike...
- **Barakaldo**, with more than 100,000 inhabitants, is one of the **largest cities in the Basque Country**. It benefits from very good **highway transport links**, located next to the A-8 Bilbao-Santander motorway.



Investment Rationale

- Megapark is the **largest retail scheme in the Basque Country**. It has one of the **strongest catchment areas in Europe** receiving 18 million visitors per year. It has growth potential and limited competition.
- Our tenants benefit from being in a wealthy European region that outperforms the national economy. The Basque Country has the **2nd highest GDP per capita in Spain (€29,683)**.
- The Retail complex benefits from an extremely strong tenant line up. The rents paid by our tenants **are above the national average**, but appropriate for its unique characteristics (quality Retail complex with no competitors).

Portfolio descriptions

Shopping Centre

El Rosal, León

Asset Characteristics

Asset Name:	El Rosal
Asset Type:	Shopping Centre
Opening Date:	2007
Location:	León
GLA:	51,142
Acquisition price:	EUR 87.5 m
Price per sqm:	€1,711/sqm
No. Tenants:	Multi-tenant

Building Capex

Capex committed:	€1.8m
------------------	--------------

KPI's (Initial)

Occupancy (%):	91.6%
Net yield on cost (%):	6.3%
Monthly Rent (€/sqm)	€10.7



Location & Profile

- Located in Ponferrada, in the North of Spain in the region of Bierzo.
- Catchment area: 200,000 Inhabitants.
- Main Tenants: Brico Group, Worten, La Dhesa, H&M. The Anchor tenant is Carrefour, one of the main hypermarket chains in Spain.
- Footfall 2013: c. 5m shoppers.
- El Rosal is the only major shopping centre in its catchment area with no other strong competitors for a 100km radius.



Investment Rationale

- El Rosal is the dominant shopping centre in the area, given the fact that Ponferrada and Bierzo are surrounded by mountains and hill, this creates a unique catchment area where all roads lead to Ponferrada.
- Attractive opportunity to improve cash-flow by generating an alternative marketing mix of tenants, introducing better performing tenants.
- Excellent tenant line-up and upside potential through active asset management.
- Surplus buildable area of 1,500 sqm, fitting target expectations of potential tenants.

Portfolio descriptions

Shopping Centre

Aneclubau, Barcelona

Asset Characteristics

Asset Name:	Aneclubau
Asset Type:	Shopping Centre
Opening Date:	2006
Location:	Barcelona
GLA:	28,863 sqm
Acquisition price:	EUR 80.0 m
Price per sqm:	€2,772/sqm
No. Tenants:	Multi-tenant

Building Capex

Capex committed:	€0.6m
------------------	--------------

KPI's (Initial)

Occupancy (%):	96.4% ¹
Net yield on cost (%):	6.1%
Monthly Rent (€/sqm)	€16.9

¹ Based on December 2014 appraisal report;



Location & Profile

- Located in Castelldefells, in the South-West of Greater Barcelona, next to the busiest highway in the area.
- 18 km to the South-West of Barcelona and 9 km from El Prat International Airport.
- Strong draw combination of fixed residential population and tourism.
- Primary catchment area: 140,000 within 0-10 minutes.



Investment Rationale

- Medium size dominant shopping centre in its catchment area.
- Excellent tenants such as Mango, Zara Group, H&M and Mercadona Supermarket (Leading distribution company in Spain).
- Requires intense asset management to improve the retail offering, reconversion of external non-let areas and to take advantage of the special Sunday trading licence.
- Footfall 2013: 4.7 M visitors.

Portfolio descriptions

Shopping Centre

As Termas, Lugo

Asset Characteristics

Asset Name:	As Termas
Asset Type:	Shopping Centre
Opening Date:	2005
Location:	Lugo
GLA:	33,151 sqm
Acquisition price:	EUR 67.0 m
Price per sqm:	€2,021/sqm
No. Tenants:	Multi-tenant

Building Capex

Capex Committed:	€1.0m
KPI's (Initial)	
Occupancy (%):	91.5%
Net yield on cost (%):	6.2%
Monthly Rent (€/sqm)	€12.4



Location & Profile

- As Termas is located on the northern outskirts of Lugo, a secondary city in a province of 350,000 inhabitants in the North West of Spain. It is the dominant centre in the area, with an extensive primary catchment area (over 200,000 people).
- As Termas is highly visible and easily accessible from the N-VI, N-640 and A-6 motorways.
- Average annual footfall of 3.45 million visitors between 2007 and 2013.
- 2,200 parking spaces.



Investment Rationale

- Large dominant shopping centre in its catchment area with top tier mass market operators, such as H&M, Media Markt, C&A, Sfera or Cortefiel, all of them are the only stores of their kind in the entire province.
- Catchment area's average retail spend is 13% above the Spanish average. Unemployment is the lowest of the four Galician provinces.
- Potential to increase occupancy via improvement of the retail offering.

Portfolio descriptions

Shopping Centre+Hypermarket

Portal de la Marina, Alicante

Asset Characteristics

Asset Name:	P. De la Marina
Asset Type:	Shopping Centre
Opening Date:	2008
Location:	Alicante
GLA:	39,931 ¹ sqm
Acquisition price:	EUR 47.6 m
Price per sqm:	€1,980/sqm
No. Tenants:	Multi-tenant

Building Capex

Capex committed:	€0.0m
------------------	--------------

KPI's (Initial)

Occupancy (%):	90.2% ²
Net yield on cost (%):	6.7%
Monthly Rent (€/sqm)	€15.9

¹ LRE has acquired 58.78% of the Company.

² Based on December 2014 appraisal report;



Location & Profile

- 100 Km South of Valencia beside the AP-7 Motorway.
- Catchment area: 216,000 Inhabitants.
- Main Tenants: Kiabi, Mango, Zara, H&M, Cortefiel and Eroski.
- Footfall 2013: c. 3.5m shoppers.
- Portal de la Marina shopping centre is the dominant centre in the area, located in Ondara, Alicante, a tourist hotspot on the Spanish Mediterranean coast.
- The anchor tenant is Eroski, one of the main hypermarket chains in Spain.



Investment Rationale

- Acquired in two phases: first the Shopping Centre and second, the hypermarket. Strategic acquisition for the full control of the Portal de la Marina shopping centre. It allows for greater liquidity at exit and a potentially higher exit price, the control of the anchor tenant allowing for potential resizing of the hypermarket and introduction of new anchor tenants.
- Attractive opportunity to improve cash-flow by generating an alternative marketing mix with the anchor tenants.
- Excellent tenant line-up and upside potential through active asset management.

Portfolio descriptions

Shopping Centre

Albacenter, Albacete

Asset Characteristics

Asset Name:	Albacenter
Asset Type:	Shopping Centre
Opening Date:	1996
Location:	Albacete
GLA:	27,974 sqm
Acquisition price:	EUR 39.9 m
Price per sqm:	€1,426.3/sqm
No. Tenants:	Multi-tenant

Building Capex

Capex committed:	€2.2m
------------------	--------------

KPI's (Initial)

Occupancy (%):	90.5%¹
Yield on cost (%):	7.0%
Monthly Rent (€/sqm)	€9.63

¹ Based on December 2014 appraisal report;



Location & Profile

- Located in Albacete, the largest city in Castilla La Mancha, with a provincial population of 402,837 inhabitants and municipal population of 172,472.
- Urban shopping centre with outstanding access from the city and regional main roads.
- Albacete's dominant shopping centre featuring the main mass market fashion operators and anchored by an Eroski hypermarket.
- Parking: 75 spaces over two levels.
- Main Tenants: Eroski, Primark, Orchestra.
- Footfall: 4m visitors.



Investment Rationale

- **Asset management:** Improve commercial attractiveness.
- Acquired in two phases: first the Shopping Centre and second, the hypermarket plus two retail warehouses. Strategic acquisition for the full control of Albacenter shopping centre.
- Medium size dominant shopping centre in its catchment area with top-tier mass market fashion operators. Anchored by Eroski Hypermarket and a +4,000 sqm Primark unit (European leading fashion specialist) together with a good number of relevant tenants such as H&M and Inditex brands.
- Eroski and Primark provide security to the income stream, in terms of size, quality and lease term.
- Focus on the leisure floor and fashion brands, taking advantage of its prized urban location and improving occupancy.

Portfolio descriptions

Shopping Centre

Txingudi, Guipuzcoa

Asset Characteristics

Asset Name:	Txingudi
Asset Type:	Shopping Centre
Opening Date:	1997
Location:	Guipúzcoa
GLA:	9,920 sqm
Acquisition price:	EUR 27.7 m
Price per sqm:	€2,789/sqm
No. Tenants:	Multi-tenant

Building Capex

Capex committed:	€0.6m
------------------	--------------

KPI's (Initial)

Occupancy (%):	94.9%¹
Net yield on cost (%):	6.7%
Monthly Rent (€/sqm)	€18.8

¹ Based on December 2014 appraisal report;



Location & Profile

- Irún (61,193 inhab.) within Guipuzcoa (Basque Country) on the North Coast of Spain, adjacent to the French border.
- Catchment (20 min drive): 91,351 inhabitants.
- Consolidated industrial and retail area with excellent access to the national motorway and the city.
- Footfall 2012: 4M shoppers.



Investment Rationale

- Located in the Basque Country near the French border. One of the areas with the highest GDP and income per capita in Spain.
- Anchored by Alcampo, Decathlon, Norauto, (owner-occupiers) Kiabi and Mango.
- Strong asset management opportunities based on reduction in non-recoverable costs improving vacancy and tenant mix. Reduction in leisure and increase in fashion brands to improve the balance between Spanish and French customers.

Portfolio descriptions

Shopping Centre

Las Huertas, Palencia

Asset Characteristics

Asset Name:	Las Huertas
Asset Type:	Shopping Centre
Opening Date:	1989
Location:	Palencia
GLA:	6,108 sqm
Price of acquisition:	EUR 11.7 m
Price per s.q.m.:	€1,916/sqm
No. Tenants:	Multi-tenant

Building Capex

Capex committed:	€1.0m
------------------	--------------

KPI's (Initial)

Occupancy (%):	83.4% ¹
Net yield on cost (%):	6.9%
Monthly Rent (€/sqm)	€15.8

¹ Based on December 2014 appraisal report;



Location & Profile

- Palencia, located in the Castilla y León region in North West Spain. Catchment (20 min drive): 99,310 inhabitants.
- Immediate surrounding area comprises a mix of residential and retail properties, therefore 50% of visitors are pedestrians. Well located, connecting the city centre with the A-67 highway (main link between Palencia and Valladolid).



Investment Rationale

- Only shopping centre in the city of Palencia
- Main tenants: Sprinter, MerKal, P&B.
- Footfall 2013: 2.3 m visitors.
- Renovation project under consideration aimed at attracting a diversified retail offer to change the positioning from a convenience centre to a fashion based centre, by remodelling and incorporating local specialists and international brands.

Portfolio descriptions

Retail Warehouse

Nuevo Alisal, Santander

Asset Characteristics

Asset Name:	Nuevo Alisal
Asset Type:	Retail Warehouse
Opening Date:	2010
Location:	Santander
GLA:	7,648 sqm
Acquisition price:	EUR 17.0 m
Price per sqm:	€2,223/sqm
No. Tenants:	Multi-tenant

Building Capex

Capex committed:	€0.0m
------------------	--------------

KPI's (Initial)

Occupancy (%):	100%¹
Net yield on cost (%):	6.8%
Monthly Rent (€/sqm)	€13.6

¹ Based on December 2014 appraisal report;



Location & Profile

- Stand alone unit next to the consolidated El Alisal Retail Park, operational since 2004.
- Located in Santander, capital city in the north of Spain with a strong and stable economy and growth potential.
- The retail park features Carrefour, Aki, Worten, Kiabi, Merkal, Galp, Burger King, McDonald's and Mercadona. El Alisal has a GLA of more than 25,000 sqm.
- The Media Markt located in Nuevo Alisal, was in the Spanish Top 10 for sales.



Investment Rationale

- Media Markt and Toys' r' us are two well-renowned international retailers.
- Very well located asset, where rent has recently been renegotiated to generate strong cash flow with mid-term potential for consolidation.
- Recently built and in excellent condition.
- Part of the most successful retail park in the region.

Portfolio descriptions

Retail Complex

Cruce de Caminos, Sagunto

Asset Characteristics

Asset Name:	Cruce de Caminos Retail Park & Gallery
Asset Type:	Retail Complex
Opening Date:	2016 (E)
Location:	Sagunto
GLA:	43,091 sqm RP ¹ : 25,820 sqm Hyper: 10,066 sqm RG ² : 7,205 Sqm
Acquisition price:	EUR 14 m
Price per sqm:	N/A
No. Tenants:	22RP ¹ + 34RG ² units
Building Capex	
Capex committed:	EUR 39 m
KPI's (Initial)	
Occupancy (%):	N/A
Net yield on cost (%):	9.20%
Monthly Rent (€/sqm)	RP ¹ : €8.2 sqm/mth RG ² : €18.8 sqm/mth

¹RP: Retail Park

²RG: Retail Gallery



Location & Profile

- Located in **Sagunto** 25 Km north of Valencia, on the east coast of Spain.
- It has a **catchment area of 243,000 inhabitants** and benefits from **high numbers of tourists** during the summer season. Within 5 minutes drive there are 92,552 registered inhabitants including Sagunto, Canet and surrounding towns.
- It is strategically located with **no competition in the surrounding area**, the nearest retail park "El Manar" is 19 km away.
- It benefits from **good visibility and accessibility** and has good road links.
- **It will benefit from solid and top-tier tenants** in both the Retail Park and the Gallery, as well as a **Carrefour hypermarket**.



Investment Rationale

- Cruce de Caminos is the **biggest retail scheme in Sagunto**, with the nearest retail park located 19 km away.
- **Strong catchment area** with very good visibility and accessibility, and benefiting from the high numbers of tourists during the summer months.
- Our tenants will benefit from being in a **new and modern retail scheme, with a strong retail mix**. The project has received excellent levels of interest from international retailers and a good level of pre-let contracts have been signed.
- **Growth potential:** The project has 10,744 sqm of surplus buildable area.

Portfolio descriptions

Retail Complex

Villaverde, Madrid

Asset Characteristics

Asset Name:	Villaverde
Asset Type:	Retail Warehouse
Date of Opening:	2002
Location:	Madrid
GLA:	4,391 sqm
Acquisition price:	EUR 9.1 m
Price per sqm:	2,072 €/sqm
No. Tenants:	Single-tenant

Building Capex

Capex committed:	€0.1m
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KPI's (Initial)

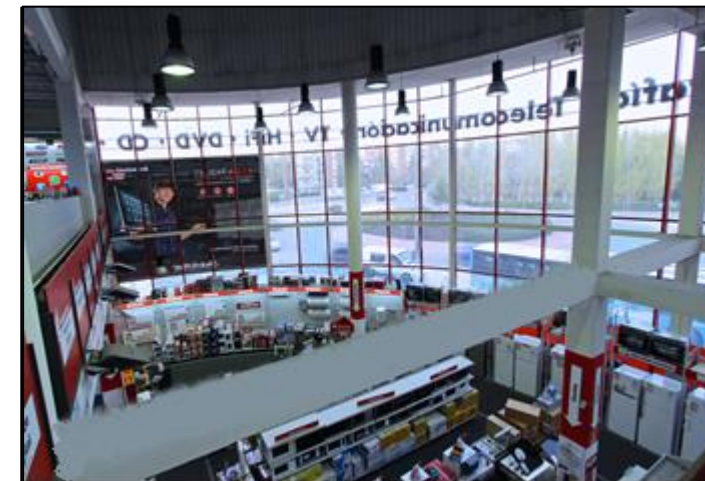
Occupancy (%):	100% ¹
Net yield on cost (%):	7.5%
Monthly Rent (€/sqm)	€14.8

¹ Based on December 2014 appraisal report;



Location & Profile

- Stand alone unit in a very consolidated residential area. Very well located in a highly populated area.
- Excellent visibility: fronts on to Avenida de Andalucía, the main urban link to the South of Madrid, with connections to the M-30, M-40 and M-45 ring roads.
- Public transport: bus and underground. In front of Villaverde transport interchange.



Investment Rationale

- Media Markt (part of Metro Group) is the leading electronics retailer in Spain and one of the biggest in Europe.
- The retailer has increased market share over the crisis, benefiting from the closing of a number of competitors and strengthening its position in Spain.
- The rent was renegotiated prior to the acquisition, in order to generate strong cash flow with mid-term potential.

Portfolio descriptions

Retail Warehouses

Galaria, Pamplona

Asset Characteristics

Asset Name:	PC Galaria
Asset Type:	Retail Units
Location:	Pamplona
GLA:	4,108
Acquisition price:	EUR 8.4 m
Price per sqm:	€2,394/sqm
No. Tenants:	3

Building Capex

Capex committed:	€0.06m
------------------	--------

KPI's (Initial)

Occupancy (%):	100%
Net yield on cost (%):	7.83%
Monthly Rent (€/sqm)	€13.8



Location & Profile

- Located in **Pamplona (Navarra)** in the north of Spain.
- Catchment area: the **most consolidated retail scheme** in the city. 240,840 inhabitants (0-10 min), 343,480 inhabitants (10-20 min) and 365,214 inhabitants (20-30 min).
- **Solid Tenants:** El Corte Inglés Oportunidades, Feuvert and Aldi.
- The Galaria retail complex benefits from an **excellent road network**: The ring roads A(P)-15 and PA-30 perfectly connect the city with its surrounding urban areas. The PA-31 provides quick and direct access to Pamplona's city centre.



Investment Rationale

- **Acquisition of stable and adjusted risk-return assets**, with established **tenants**, **long term lease agreements** and an **attractive yield**, to build a stable rental income producing portfolio.
- Navarra has a **very low retail density** and **has the 3rd highest GDP per capita in Spain** (€28,124 per capita).
- Our tenants benefit from being in a retail complex on the outskirts of Pamplona, the administrative capital of Navarra.

Portfolio descriptions

Office Building

Egeo, Madrid

Asset Characteristics

Asset Name:	Egeo
Asset Type:	Office Building
Location:	Madrid
GLA:	18,254 sqm
Acquisition price:	EUR 64.9 m
Price per sqm.:	€3,555/sqm
No. Tenants:	Multi-tenant

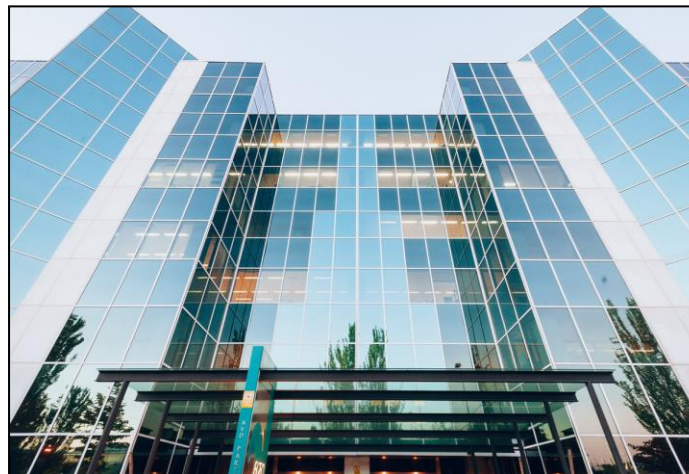
Building Capex

Capex committed:	€1.3m
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KPI's (Initial)

Occupancy (%):	100% ¹
Net yield on cost (%):	5.6%
Monthly Rent (€/sqm)	€15.9

¹ Based on December 2014 appraisal report;



Location & Profile

- Located in the North-East of Madrid, outside the M-30 ring road, in Phase I of Campo de las Naciones (5 minutes drive from the airport).
- Freestanding building.
- 6 storey building.
- Parking: 340 spaces (1.86 spaces per 100 sqm)
- Main Tenants: Ineco and Sanofi.



Investment Rationale

- Confirmed location.
- Building has two independent distribution wings with an attractive central lobby topped by a large skylight, providing light to the interior areas.
- Opportunity to improve management of building and invest capex to add value by improving energy efficiency.
- Clear potential rental growth.
- 100% occupied at current market rents.

Portfolio descriptions

Office Building

Arturo Soria 336, Madrid

Asset Characteristics

Asset Name:	Arturo Soria
Asset Type:	Office Building
Location:	Madrid
GLA:	8,663 sqm
Acquisition price:	EUR 24.2 m
Price per sqm.:	€2,793/sqm
No. Tenants:	Multi-tenant

Building Capex

Capex committed:	€1.1m
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KPI's (Initial)

Occupancy (%):	84.9% ¹
Net yield on cost (%):	5.4%
Monthly Rent (€/sqm)	€15.6

¹ Based on December 2014 appraisal report;



Location & Profile

- Located in the north east of Madrid, very close to the M-30 ring road and Airport. Quick access to the M-11 (Airport) and A-1 motorways and the M-30 & M-40 ring roads.
- Metro station "Pinar de Chamartín" located 150 m from the building.
- 9 storey freestanding building with plenty of natural light.
- Divisible floor 1,045 sqm in 2/3 units.
- Good average car parking ratio (2.22 spaces: 100 sqm)
- Main Tenants: Banco Santander, Adeslas and Clear Channel.



Investment Rationale

- Urban and consolidated area with good identity and communications.
- Offers very competitive average rents, €16 per sqm/month, with potential growth.
- Programmed Capex will improve the distribution of the building, enable lease-up of the current vacant space and improve its energy efficiency.

Portfolio descriptions

Office Building

Joan Miró, Barcelona

Asset Characteristics

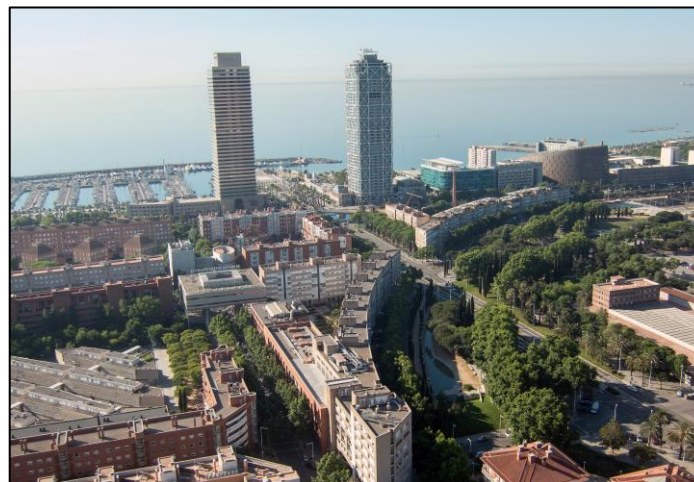
Asset Name:	Joan Miró
Asset Type:	Office Building
Location:	Barcelona
GLA:	8.610 sqm
Acquisition price:	EUR 19.7 m
Price per sqm:	€2,285/sqm
No. Tenants:	4

Capex

Capex Committed:	€1.5m
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KPI's (Initial)

Occupancy (%):	99%
Net yield on cost (%):	5.8%
Monthly Rent (€/sqm)	€11.3



Location & Profile

- Excellent location at Calle Joan Miró 21, in the north-east of Barcelona (Dec Area), in the Olympic Village, 400 metres from Ronda litoral and emblematic buildings such as the Hotel Arts.
- The closest underground station is 400m away, 5 minutes walk.
- Office building with 7 above ground floors (GF+6) & 74 parking spaces in the adjoining building (direct access)



Investment Rationale

- Good location .
- Price €/sqm very attractive for the location and potential for rental increases.
- Floor size, flexibility for multiple tenants.
- Tenant quality: Property Registry, Mutua Pelayo, and a BBVA bank branch on the ground floor.

Portfolio descriptions

Office Building

Card. Marcelo Spínola 42, Madrid

Asset Characteristics

Asset Name:	Marcelo Spinola
Asset Type:	Office Building
Location:	Madrid
GLA:	8,584 sqm
Acquisition price:	EUR 19.0 m
Price per sqm.:	€2,213/sqm
No. Tenants:	Multi-tenant

Building Capex

Capex committed:	€9.4m
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KPI's (Initial)

Occupancy (%):	38.0% ¹
Net yield on cost (%):	7.7% ²
Monthly Rent (€/sqm)	€13.9

¹ Occupancy affected by full refurbishment of the building.

² With an estimated Occupancy of 95% after total refurbishment in 2015.



Location & Profile

- Located in Madrid (North - East), inside M-30 ring road.
- Metro station is 900 m away from the building.
- 14 above ground floors, freestanding tower with 4 facades.
- Main Tenants: Maessa, Acer Computer, Sungard.
- Parking: 150 parking spaces (1.75 spaces: 100 sqm)



Investment Rationale

- Consolidated location with excellent visibility from M-30.
- A repositioning, via full refurbishment of the asset is required, due to under management and low occupancy. Capex: €8.5m.
- This will create a very flexible space (single tenant–multi-tenant) at net rents of around €20 per sqm, taking into account the expected market improvement and lack of renovated/new buildings.

Portfolio descriptions

Office Building

Eloy Gonzalo, Madrid

Asset Characteristics

Asset Name:	Eloy Gonzalo
Asset Type:	Office Building
Location:	Madrid
GLA:	6,231 sqm
Acquisition price:	EUR 12.8 m
Price per sqm.:	€2,043/sqm
No. Tenants:	Multi-tenant

Building Capex

Capex committed:	€1.9m
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KPI's (Initial)

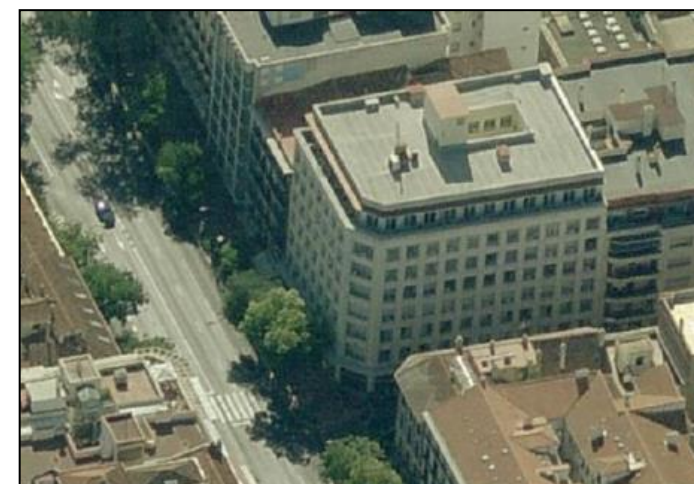
Occupancy (%):	96.9%¹
Net yield on cost (%):	5.2%
Monthly Rent (€/sqm)	€7.9

¹ Based on December 2014 appraisal report;



Location & Profile

- Located in the centre of Madrid, inside the M-30 ring road, 1km away from Paseo de la Castellana.
- Metro, 100m away.
- 5 street level retail units (24% of GLA)
- Main Tenants: Spotify, Territorio Creativo.



Investment Rationale

- Under-rented – 20% below market levels
- The flexibility of its layout and natural day-lighting offer versatile accommodation for a wide variety of office users generating a solid cash-flow on the low unit cost.
- A repositioning, via partial refurbishment of the asset is required. Capex: EUR 1.9 m; average rent clearly below market rents. Opportunity for rental increases.
- The seven floors currently used as office space, also allow for conversion to residential space if vacancy can be achieved.

Portfolio descriptions

Logistics Warehouse

Alovera I & Alovera II , Guadalajara

Asset Characteristics

Asset Name:	Alovera I & Alovera II
Asset Type:	Logistics W.
Date of Opening:	1992-2008
Location:	Guadalajara
GLA:	119,147 sqm
Acquisition price:	EUR 44.85 Mn
Price per sqm:	€376.42/sqm
No. Tenants:	Multi-tenant

Building Capex

Capex committed:	€5.3m
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KPI's (Initial)

Occupancy (%):	100.0%¹
Yield on cost (%):	10.03%
Monthly Rent (€/sqm)	€3.4

¹ Based on December 2014 appraisal report;



Location & Profile

- Guadalajara (East), 48 km from Madrid. Fronting onto A-2 (national highway).
- Prime Logistics and industrial area.



Investment Rationale

- Tenant: Carrefour, Factor 5 & TechData.
- Very strong logistics location.
- Below replacement cost purchase price avoids risk from new supply.
- Lack of large warehouses in good locations.
- Captive clients and a high-tech warehouse.

Portfolio descriptions

Logistics Warehouse

Alovera C2 & Alovera C5C6,
Guadalajara & Almussafes, Valencia

Asset Characteristics

Asset Name:	3 warehouses
Asset Type:	Logistics Warehouse
Date of Opening:	2007 & 2008 & 2005
Location:	Guadalajara & Valencia
GLA:	42,693 sqm
Acquisition price:	EUR 18.5 m
Price per sqm:	€434/sqm
No. Tenants:	3

Capex

Capex Committed:	€2.4m
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KPI's (Initial)

Occupancy (%):	100%
Net yield on cost (%):	8.91%
Monthly Rent (€/sqm)	€3.4



Location & Profile

- Alovera, together with Azuqueca and Cabanillas, is at the beginning of Madrid's Tier 3 area. The assets are located in Alovera's Sector 3, adjacent to the Cabanillas R2 park. 35 km from the Madrid International Airport.
- Almussafes is located 17 km south of Valencia's city centre and the AVE Station and 23 km away from the airport. It has excellent access from the AP7, the highway that links to the whole Mediterranean coast.



Investment Rationale

- Tenant: Factor 5 Solución, Saint Gobain & Valautomoción.
- Alovera is the most important secondary location in the area, benefits from a strategic location between the R-2 toll road and the A-2 highway.
- Almussafes has become one of the most expensive logistics areas in Valencia due to the presence of the Ford factory, which requires its providers to be no further than 6 km away from its premises.

Portfolio descriptions

Residential Portfolio

Juan Bravo 3
and Claudio Coello Building,
Madrid

Asset Characteristics

Asset Name:	Juan Bravo
Asset Type:	Residential
Date of Construction:	2015-2017
Location:	Madrid
GLA	31,521* sqm
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 50% of the JV with PIMCO



Location & Profile

- Location in Salamanca district, the most exclusive area in Madrid.
- Total 26,203 sqm to develop residential units for sale. 5,318 sqm belongs to a residential building in Claudio Coello.
- Fully licensed plot of land for a new-build residential building, with no building refurbishment limitations.
- Opportunity to define units with areas that are fully adapted to current demand. The land allows for the construction of a stand-alone building, providing excellent natural light and ventilation options. Possibility of interior designed common areas providing XXI century services.



Investment Rationale

- The property will be the most exclusive residential development in Madrid since 2006
- High demand and a lack of supply of luxury residential apartments in Madrid.
- Construction costs have dropped significantly due to the real estate crisis, while quality has increased.
- Projects with high customisation options are performing very well in the market.

