



Corporate Presentation

January 2016

www.larespana.com



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Agenda

1 Description & Financials

2 Accretive deals and growth ahead

3 Active Management Strategy

3 Annexes

Financial Highlights

Accelerating business performance and portfolio growth

Strong asset contribution during first 9M of 2015

Solid signs of **asset value generation** and confirmation of consumption improvement

+2%¹ Growth in Footfall; **+6%¹** in average sales per customer; **+7%¹** in total sales vs. market² (+4%)

Total Revenue of **€23.5m** in 9M 2015 vs. **€14.1m** in 1H 2015

€454m in assets added to the portfolio throughout 2015

Accelerating Portfolio Growth since 1H2015

Accretive deals since last capital increase **strengthens portfolio's rent generation:**

Investment of €454m in acquired assets during 2015

Full consolidation of Portal de la Marina Shopping Centre expected to take place in 2016

Attractive pipeline of more than €1Bn³ **with more than 80% off-market deals**

¹ 9M 2015 vs. 9M 2014.

² Spanish Retail Index.

³ Capex expected included.

Lar España at a glance

Key figures as at December 2015

Market cap ¹	€568m	GAV ²	€877m	LTV ³	37%
EPRA Occupancy ⁴ rate (Sep 2015)	92.8%	EPRA Net Initial Yield ⁴ (Sep 2015)	6.3%	EPRA NAV (Sep 2015)	€549m
WAULT ⁵ (Sep 2015)	2.2 years	Annual Net Rent Generation ^{6,7}	€52m	GLA Owned	556,163 sqm

Flagship assets

Shopping centres



Retail units



Offices

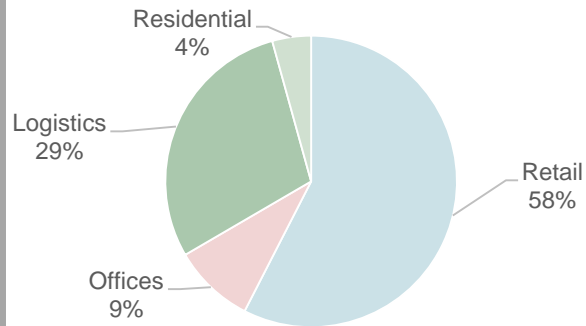


¹ Share price of €9.46 as at December 31, 2015. ² Based on valuation reports as of June 30, 2015 plus purchase price of assets acquired after June 30, 2015. ³ LTV as at 31 December 2015; LTV= Total Loans & Notes (Net of Cash) / Total GAV. ⁴ Marcelo Spinola's EPRA NIY and EPRA Occupancy rate are not included in the calculations due to the lack of representativeness. During Q4 2014, the office was prepared and evicted in order to refurbish the property. The refurbishment was started during Q2 2015. ⁵ The calculation of WAULT, does not include the acquisition of Megapark. ⁶ Annual net rent calculated as the annualised net operating income in the first quarter since acquisition of the assets held as of December 31, 2015. ⁷ Excludes Sagunto Retail Borrowings development, with an expected Annual Net Rent generation of €4.4m.

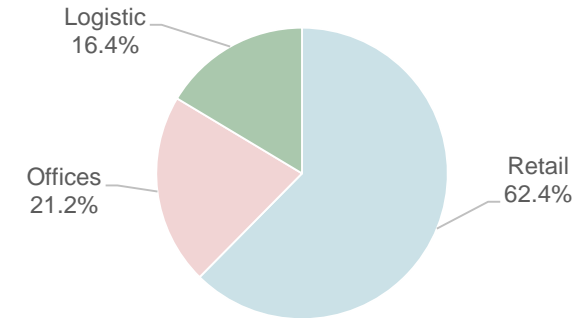
9M 2015 Portfolio Breakdown and EPRA KPI's

Overview of Lar España's portfolio (9M'15)

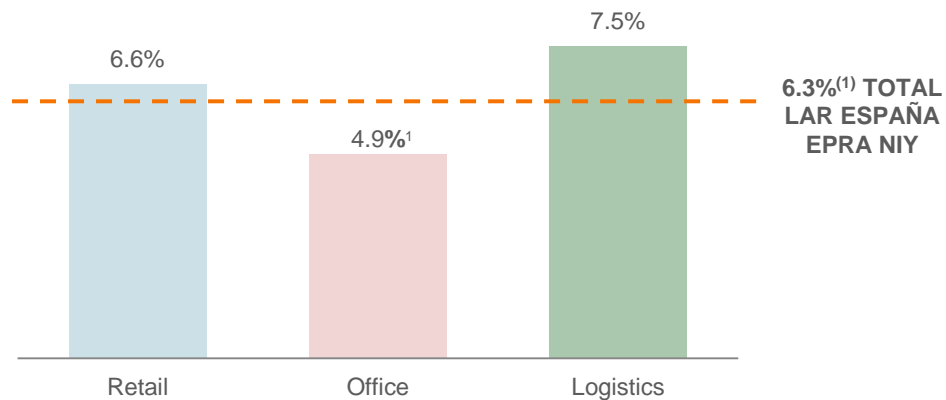
GLA breakdown by asset class



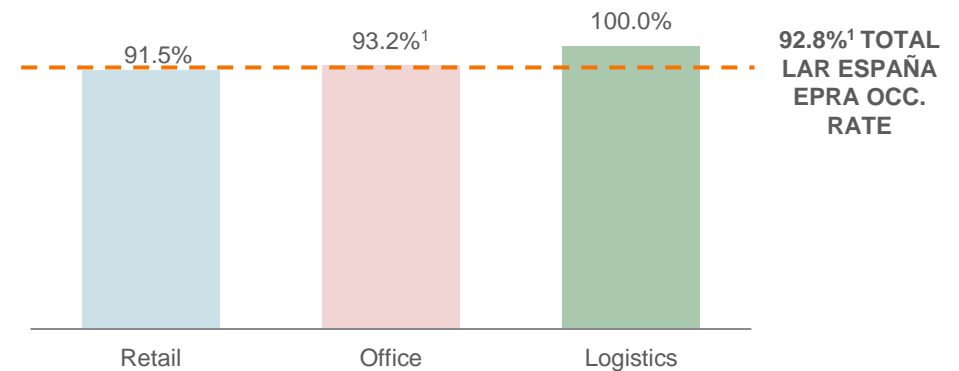
Rental income by asset class



EPRA Net Initial Yield breakdown by asset class



EPRA Occupancy Rate by asset class



¹ Marcelo Spinola's EPRA NIY and Occupancy rate are not included in the calculations due to the lack of representativeness. During Q4 2014, the office was prepared and evicted in order to refurbish the property. The refurbishment was started during Q2 2015.

Summary

Committed to delivering value to shareholders through an active asset management strategy of a carefully selected portfolio

Maintaining IPO target of a minimum 12%¹ shareholder return per annum

12%

- **The company has already** created a portfolio with stable cash-flow generated from **commercial property** (mainly retail and offices) with room for improvement through an active asset management strategy.
- **Carefully selected off-market acquisitions.**
- **Capital Increase of €135m** in July 2015.
- **Dividend paid in 2014** (first fiscal year of activity) and expects to pay a dividend on the back of 2015 results.

40
years

Grupo Lar: 40 years of experience from a unique Real Estate Manager

- **Grupo Lar has successfully partnered** with Real Estate funds from the **most highly regarded international institutions.**
- > 100 Real Estate experts contributing for Lar España's value delivery.
- Real R.E. Manager with objective of implementing an Active Management Strategy in order to deliver "Alpha".

6.6% EPRA Net Initial Yield² as of the acquisition date

6.6%²

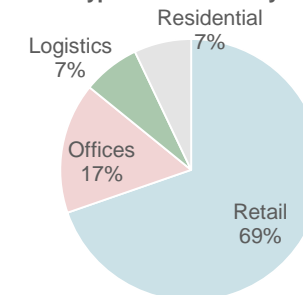
Asset Class	Avg. EPRA Initial Yield ²
Retail	6.6%
Office	5.6%
Logistics	9.6%
Total	6.6%

100%

100% of total investment initial target already committed

Asset Type Distribution by Acq. Price

As of 31st December 2015



- €390m net proceeds raised in March 2014 IPO.
- €135m capital increase in July 2015.
- €853m invested, with initial target of ~ €780m as of IPO.
- LTV c.50% target.

¹This is a target only and not a profit forecast. There can be no assurance that this target can or will be met. ²EPRA KPI's acquisition model

Clearly defined investment strategy – target assets with low risk and high expected upside potential

- Established and clear strategy driving property allocation
- Focus on value creation through asset management capabilities, beyond macro cycle
- Strong track record on specialist approach to property management

 % weight portfolio ¹

	Property Class	Investment strategy	Location
Target >80% GAV	Retail (mainly Shopping Centres)  69% GAV	<ul style="list-style-type: none"> ▪ Top retail player ▪ Leading Shopping Centres in their catchment area ▪ Retail parks with proven demand and profitability potential ▪ Good quality properties with excellent access and visibility 	Locations with limited density or higher GDP per capita than average, throughout Spain
	Office  17% GAV	<ul style="list-style-type: none"> ▪ Offices in consolidated locations of Madrid and Barcelona with good connections / public transport ▪ Recurrent activity with selective rotation 	Madrid and Barcelona
	Logistics  7% GAV	<ul style="list-style-type: none"> ▪ Focus on logistic properties on a selective basis with low rents, low capital values and high yields 	Main logistic hubs: Madrid, Barcelona and Valencia
Target <20% GAV	Residential  7% GAV	<ul style="list-style-type: none"> ▪ Development of first homes in niche markets without zoning risk, limited supply and clear demand 	Madrid and other big cities on a very selective basis
Distinctive approach focused on in-depth property management expected to allow to capture upside across Spanish Real Estate sector			

¹ As of 31st December 2015

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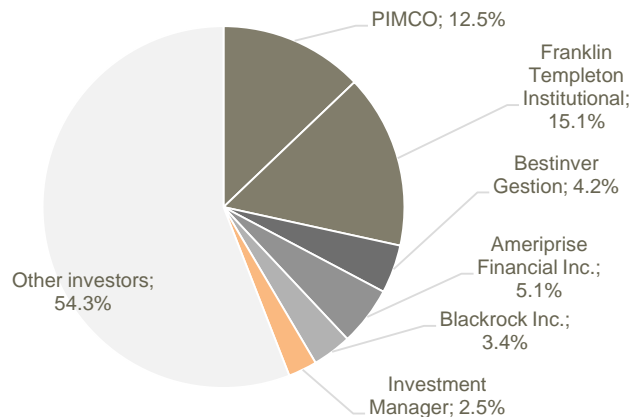
3 Annexes

July 2015 Capital Increase

€135m Capital increase enabled LRE accretive deals after mid 2015

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

Shareholder Structure after August Capital Increase



Source: CNMV – 31 December 2015

€282m in Assets acquired since August Capital Increase

■ +C.€17m¹ in Annual Net Rent Generation

+47%

75% of the deals off market

Megapark (Bilbao)	€170.0m
El Rosal (Ponferrada)	€87.5m
Cruce de Caminos (Sagunto)	€14.0m
Galaria (Pamplona)	€8.4m
Other assets	€1.8m

¹ Excludes Sagunto Retail development, with an expected Annual Net Rent generation of €4.4m

Acquisition of Megapark, Bilbao

The acquisition of **MegaParx[®]** for €170m makes Lar España's portfolio one of the most attractive real estate platforms in Spain

Unique asset by location, size and tenant line up, located in one of the **wealthiest regions** in Europe

The **largest retail area** in the Basque Country, with one of the **strongest catchment areas** in Europe

Game-changing, Off Market Deal, representing over **20% of Lar España's Current Net Rental Income**

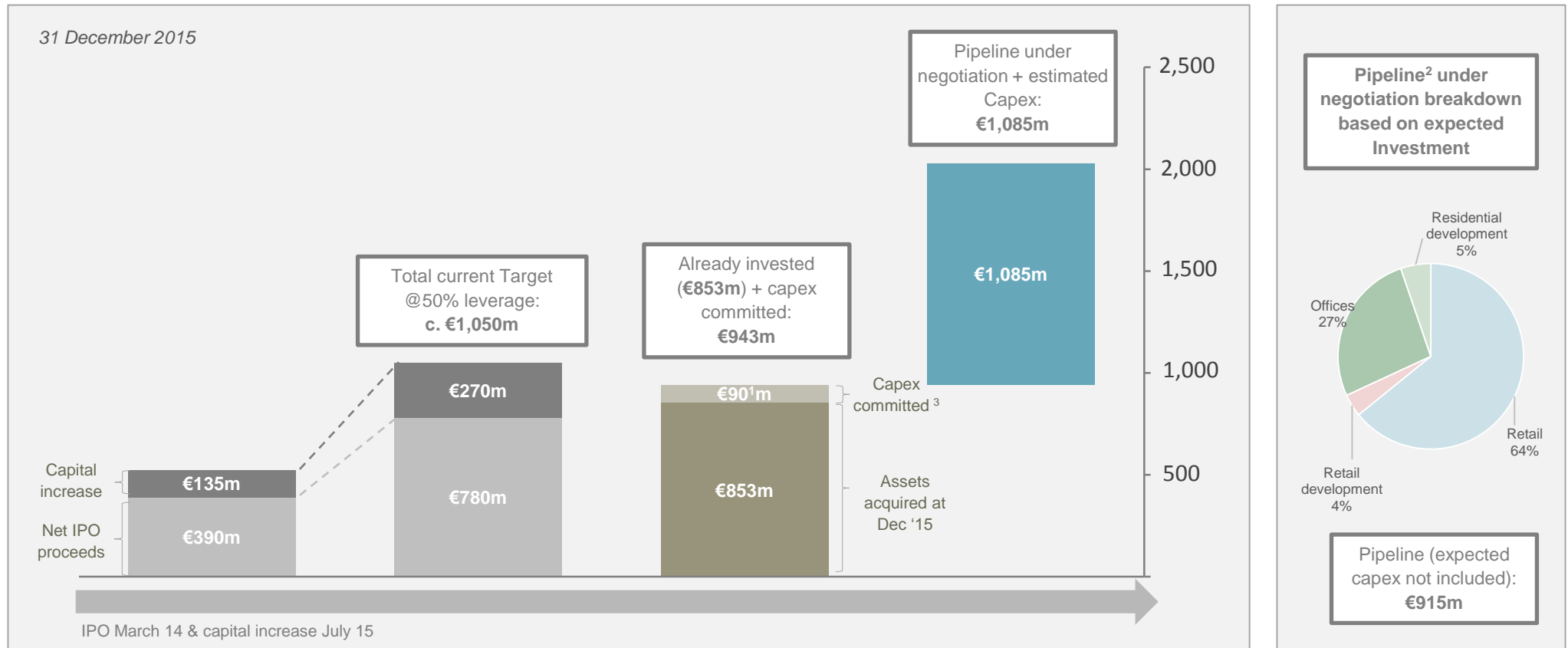


New opening of Mercadona (leading food retailer in Spain) in Megapark in October:

- ✓ **First Mercadona in Vizcaya** (a region of Basque Country).
- ✓ **Doubling footfall in Factory Outlet Centre** during the first weeks of operation.

Portfolio overview following share capital increase

Visible and sizable pipeline with over 80% envisaged off-market transactions


¹ Includes c.€60m of development or building costs related to Lagasca99 and Sagunto

² Cost of development not included

³ Building Capex + Development

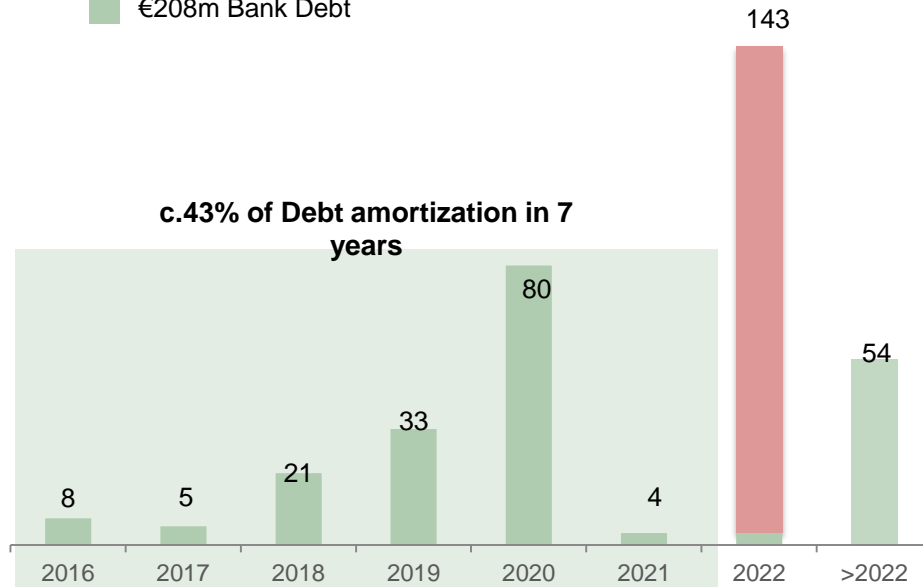
Debt overview

Good capacity to take additional debt from current LTV 37%¹ - taking advantage of the favourable finance conditions

Back-loaded amortization of the debt and diversification of sourcing

December 2015 (€m)

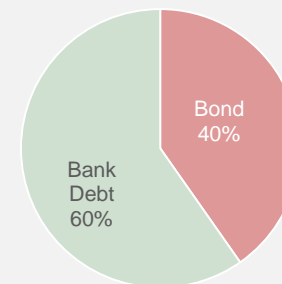
- €140m Senior Secured Bond
- €208m Bank Debt



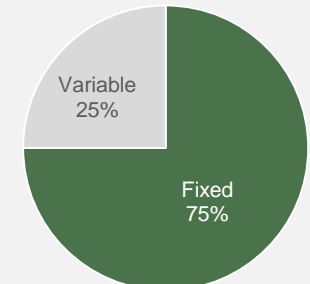
Prudent Financial Management: 75% exposure to fixed debt and diversified sources

- Cost of bank debt: **Euribor + 1.86%**
- €348m** of Financial Debt (December 2015)

Diversification of sources



Exposure to variable / fixed rates



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

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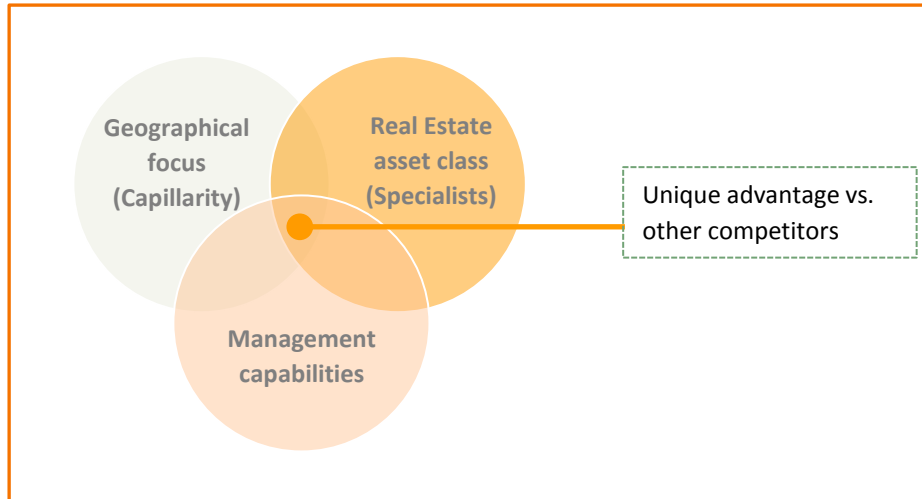
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3 Annexes

Clear business model to create value through active property management

Main differentiating factors



Strategic focus by product type

	S.C.	Other Retail	Logistics	Offices	Residential for sale
Opportunistic	✗	✗	✗	✗	✗
Value-Add	✓	✓	✓	✓	✗
Core	✗	✓	✓	✗	✗
Development/refurbishment	✓	✓	✓	✓	✓

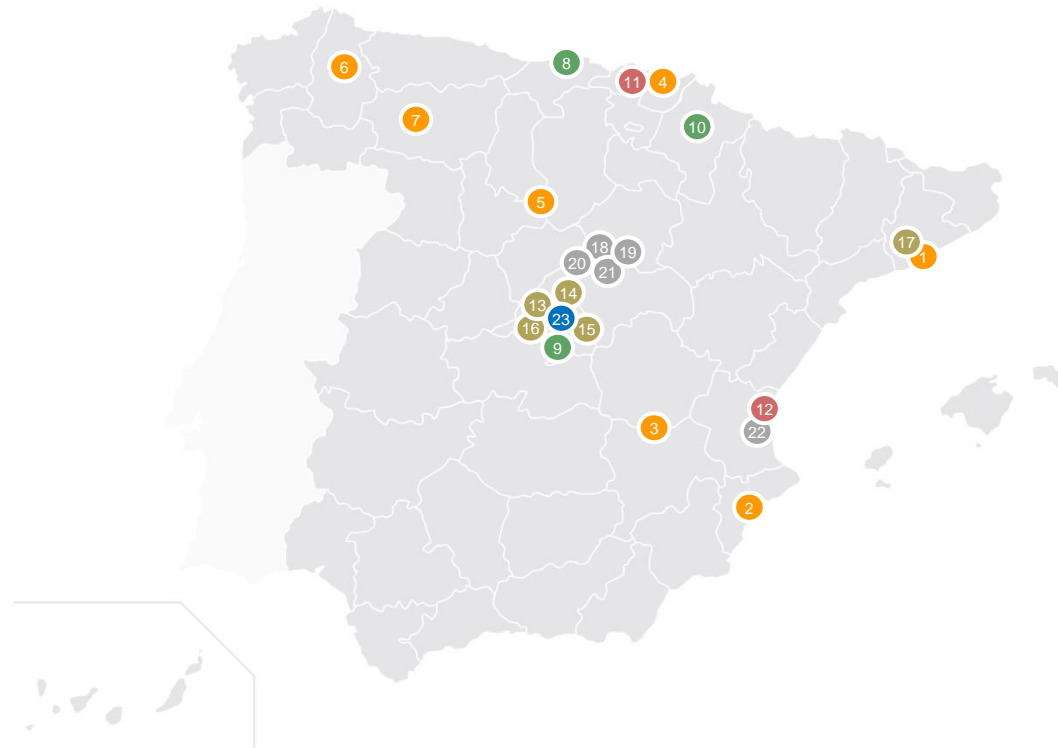
Asset Management levers

Retail	<ul style="list-style-type: none"> Increasing NOI: Taking advantage of the increase in consumption, reduction in vacancy, increase in turnover rents and mall incomes, and reduction of non-recoverables Repositioning SCs with tenant mix changes and capex investments Extensions or transformations Increasing control in the SC through additional acquisitions
Offices	<ul style="list-style-type: none"> Increasing NOI: Selective increase in rents, reduction of vacancy, restructuring lease contract base and reduction of non-recoverables Repositioning and improving quality: capex investments Refurbishment
Logistics	<ul style="list-style-type: none"> Adaptive warehouses with a combination of attractive price and rent per sqm
Residential	<ul style="list-style-type: none"> Selective opportunities in prime product with limited supply on the back of strong development capabilities

Lar España is capable of dealing with complex situations expected to lead to higher returns

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 / Development

- 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)

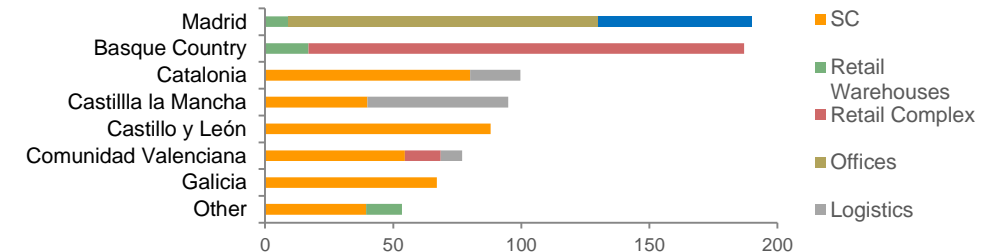
Logistics

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

Residential

- 23 Lagasca99 (Madrid)

Breakdown of properties by location, €m



Lar España's investments are mainly focused on Madrid area and relatively wealthy areas of other selected cities

KPI: Initial Figures

Detailed Portfolio Overview

Shopping Centres

Albacenter + Hypermarket



Txingudi



Las Huertas



El Rosal



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 ¹ (%):	91.7%	100.0%
Net Initial yield on cost ² (%):	6.9%	7.4%
Monthly Rent ³ (€/sqm)	12.4€	6.2€

Acquisition date	24/03/2014
Location:	Guipúzcoa
GLA:	9,920 sqm
Acquisition price:	EUR 27.7m
Initial Occupancy ¹ (%):	90.3%
Net Initial yield on cost ² (%):	6.7%
Monthly Rent ³ (€/sqm)	18.8€

Acquisition date	24/03/2014
Location:	Palencia
GLA:	6,108 sqm
Acquisition price:	EUR 11.7m
Initial Occupancy ¹ (%):	85.9%
Net Initial yield on cost ² (%):	6.9%
Monthly Rent ³ (€/sqm)	15.8€

Acquisition date	07/07/2015
Location:	Leon
GLA:	51,142 sqm
Acquisition price:	EUR 87.5m
Initial Occupancy ¹ (%):	91.6%
Net Initial yield on cost ² (%):	6.3%
Monthly Rent ³ (€/sqm)	10.7€

¹ Initial Occupancy – GLA leased over total GLA.

² Annualised net operating income of the first quarter since acquisition divided by acquisition price + purchase costs.

³ Initial Monthly Rent: Avg. monthly rent per occupied sqm in the month of acquisition.

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 ¹ (%):	90.4%
Net Initial yield on cost ² (%):	6.1%
Monthly Rent ³ (€/sqm)	€16.9

As Termas



Acquisition date	15/04/2015
Location:	Lugo
GLA:	33,151 sqm
Acquisition price:	EUR 67.0m
Initial Occupancy ¹ (%):	91.5%
Net Initial yield on cost ² (%):	6.2%
Monthly Rent ³ (€/sqm)	€12.4

P. De la Marina + Hypermarket



Acquisition date	30/10/2014	09/06/2015
Location:	Alicante	Alicante
GLA:	30,007 sqm ⁴	9,924 sqm
Acquisition price:	EUR 47.6m	EUR 7.0m
Initial Occupancy ¹ (%):	89.9%	100.0%
Net Initial yield on cost ² (%):	6.6%	7.2%
Monthly Rent ³ (€/sqm)	€17.6	€4.4

¹ Initial Occupancy – GLA leased over total GLA

² Annualised net operating income of the first quarter since acquisition divided by acquisition price + purchase costs

³ Initial Monthly Rent: Avg. monthly rent per occupied sqm in the month of acquisition.

⁴ LRE owns 58.78% of the Shopping Centre (30,007 sqm), the rest is owned by Grupo Lar: Nevertheless, the Extraordinary Shareholders' meeting held on 18th of December 2015, authorised, on an exceptional basis, the acquisition of Grupo Lar's stake.

KPI: Initial Figures

Detailed Portfolio Overview

Retail Complex

Megapark



Acquisition Date:	10/08/2015
Location:	Bilbao
GLA:	63,907 sqm
Acquisition price:	€170m
Price per sqm.:	€2,660/sqm
No. Tenants:	Multi-tenant
Initial Occupancy ¹ (%):	92.4%
Net yield on cost ² (%):	6.25%
Monthly Rent ³ (€/sqm)	€15.6

¹ Initial Occupancy – GLA leased over total GLA

² Annualised net operating income of the first quarter since acquisition divided by acquisition price + purchase costs.

³ Initial Monthly Rent: Avg. monthly rent per occupied sqm in the month of acquisition.

Retail Complex & Factory Outlet Centre:

Retail Complex	
GLA:	44,532 sqm
Occupancy (%):	100%
Monthly Rent (€/sqm)	€16.9
Factory Outlet Centre	
GLA:	19,395 sqm
Initial Occupancy ¹ (%):	75% Incl. Mercadona
Monthly Rent ³ (€/sqm)	€12

Development project

Cruce de Caminos



Location:	Sagunto
GLA:	43,091 sqm
Acquisition price:	EUR 14.0 m
Price per sqm.:	N/A
No. Tenants:	Multi-tenant
Initial Occupancy ¹ (%)	N/A
Net yield on cost ² (%)	9.2%
Monthly Rent ³ (€/sqm)	€10.5
Other Considerations	Development of the project conditioned to planning and commercialization fulfillment

KPI: Initial Figures

Detailed Portfolio Overview

Retail Units

Nuevo Alisal



Acquisition Date	17/12/2014
Location:	Santander
GLA:	7,648 sqm
Acquisition price:	EUR 17.0 m
Price per sqm:	€2,223/sqm
No. Tenants:	Multi-tenant
Initial Occupancy ¹ (%):	100.0% ¹
Net yield on cost ² (%):	6.8%
Monthly Rent ³ (€/sqm)	€13.6

Villaverde



Acquisition Date	29/07/2014
Location:	Madrid
GLA:	4,391 sqm
Acquisition price:	EUR 9.1 m
Price per sqm:	€2,072/sqm
No. Tenants:	Single-tenant
Initial Occupancy ¹ (%):	100.0%
Net yield on cost ² (%):	7.5%
Monthly Rent ³ (€/sqm)	€14.8

Galaria



Acquisition Date	23/07/2015
Location:	Pamplona
GLA:	4,108 sqm
Acquisition price:	EUR 8.4 m
Price per sqm.:	€2,045/sqm
No. Tenants:	Multi-tenant
Initial Occupancy ¹ (%):	100%
Net yield on cost ² (%):	7.83%
Monthly Rent ³ (€/sqm)	€13.8

¹ Initial Occupancy – GLA leased over total GLA

² Annualised net operating income of the first quarter since acquisition divided by acquisition price + purchase costs

³ Initial Monthly Rent: Avg. monthly rent per occupied sqm in the month of acquisition.

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
Initial Occupancy ¹ (%): 100.0%	Initial Occupancy ¹ (%): 82.7%	Occupancy ^{1,4} (%): 38.2% ³	Initial Occupancy ¹ (%): 95.9%	Initial Occupancy ¹ (%): 99.0%
Net Initial yield on cost ² (%): 5.6%	Net Initial yield on cost ² (%): 5.4%	Net Initial yield on cost ^{2,4} (%): 7.7% ⁴	Net Initial yield on cost ² (%): 5.2%	Net Initial yield on cost ² (%): 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 Initial Occupancy – GLA leased over total GLA.

² Annualised net operating income of the first quarter since acquisition divided by acquisition price + purchase costs.

³ As of today Initial Occupancy has been affected by total refurbishment of the building.

⁴ Asset is undergoing total refurbishment. Calculation of Net Initial Yield on cost Based on an estimated Occupancy of 95%.

KPI: Initial Figures

Detailed Portfolio Overview

Residential

Lagasca99



Logistics

Alovera I, II, III & IV



Almussafes



Acquisition date 30/01/2015

Property Type: Residential

Date of Construction: 2016-2017

Location: Madrid

GLA 26.203 sqm¹

Acquisition price: €60m²

Price per sqm: €3,807/sqm

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

Acquisition date 26/05/2015

Property Type: Logistics

Location: Valencia

GLA: 19,211 sqm

Acquisition price: €8.35 m

Price per sqm €435/sqm

¹ 26,203 sqm for development in Lagasca99. GLA above ground amounts to 23,932 sqm of which 19,453 sqm correspond to Lagasca99. Total GLA corresponds to 100%, although Lar España owns 50% of the property.

² Corresponds to the 50% of the JV with PIMCO.

Initial Occupancy³ (%): **100%**

Net Initial yield on cost⁴ (%): **8.3%–10.2%**

Monthly Rent (€/sqm) **€2.6–€4.2**

Initial Occupancy³ (%): **100%**

Net Initial yield on cost⁴ (%): **8.1%**

Monthly Rent (€/sqm) **€3.2**

³ Initial Occupancy – GLA leased over total GLA.

⁴ Annualised net operating income of the first quarter since acquisition divided by acquisition price + purchase costs.

Retail

Active management in place to enhance shopping experience

Top anchored tenant mix with a balanced offer of attractive retailers, leisure activity and food & drink

960 mall operators and 81 pop-up stores

28.2 million visits during the first 9 months of 2015

+10%¹ sales increase

vs.

4% Spanish retail sales (Sales Index Spain)

Intense letting activity to refresh customer experience

Letting Activity: €2.3m of new rent and +6% over total GLA²

c. €38m² of Annual Net Rent Generation



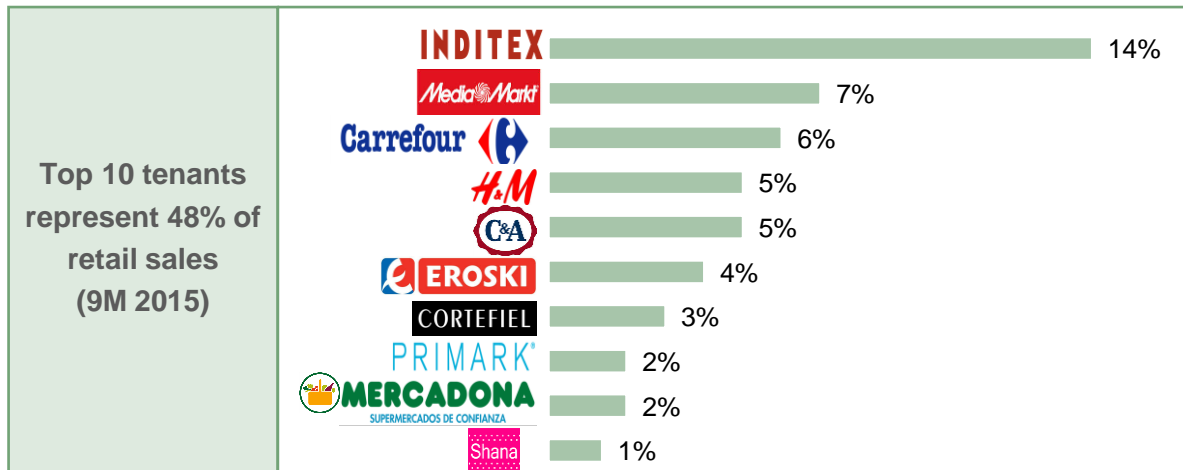
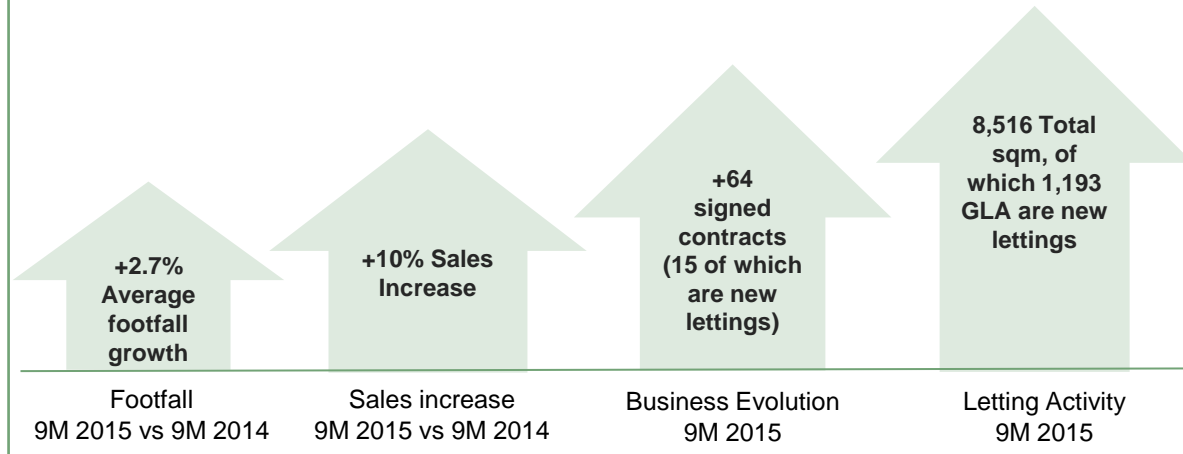
¹ 9M 2015 vs. 9M 2014.

² Do not include Sagunto Retail development.

Retail

Strong performance grounded on intense letting activity and boosting shopping experience

Strong business evolution 9M 2015



Diversified retail portfolio



Offices and Logistics

Positive results achieved by active property management



✓ Active Management Strategy in Office Properties and Logistics Warehouses

◆ Offices:

✓ ~€8m of annual Net Rent Generation

EGEO BUILDING

- Optimization of the asset: Possible transformation of part of the ground floor in a commercial area.

ARTURO SORIA 36 BUILDING

- Improvements works on the 2nd and 8th floors in the office areas nearly concluded.

ELOY GONZALO BUILDING

- Managing current occupancy to renovate the asset in a gradual way.

MARCELO ESPÍNOLA BUILDING

- Full remodeling in progress.

◆ Logistics Warehouses:

✓ ~€6m of annual Net Rent Generation

ALOVERA II

- The Carrefour contract has been extended until Sept. 2017, as the tenant has not exercised the option to rescind the contract.

LAGASCA99 progresses on schedule and confirms high interest of potential buyers

Done

- Demand Test, Waiting List, selective off market reservations
- Fine tuned preliminary design with potential customers' feedback
- VIP sales office in place, marketing plan launched

Target Action Plan

- Detailed project design in **Q1-2016**
- Underground construction starts in **Q1-2016**
- Full commercial launch in **Q1-2016**
- Estimated capex **2015-2017: €11m-€14m**
- **Delivery** of first units **from Q4 2017**

Update

- Conclusion of the preliminary design of the project and currently working on an amendment to the existing license.
- Contact with potential clients: Great interest in and acceptance of the project. Client feedback incorporated in the design.



Lar España expects to complete 100% acquisition of Portal de La Marina Shopping Center from Grupo Lar

Deal Rationale



Excellent performance of the asset: footfall increased by 6% and sales from retailers posted a 15% increase 9M 2015 vs 9M 2014.



Full Control of the Asset and **Consolidation of the Results**. So far, it consolidates through equity method.



Fiscal optimization due to full inclusion into the SOCIMI regime.

Deal Price at similar valuation levels than first tranche acquisition



3 asset valuations by independent appraisers have been made ruling out the highest of them.



An average of the two lowest has been computed.



PWC has **applied a liquidity discount** resulting in a final price in line with the acquisition of the first tranche of **c.80m** for the 100%.

Lar España Acquisition Process History of Portal de la Marina



Acquisition of **58.78%** of the Commercial Gallery from Grupo Lar at €47.61m (debt included)



Acquisition of **100%** of the Supermarket from Eroski at **€7.5m**



Potential acquisition of **41.22%** of the Commercial gallery from Grupo Lar at **€33.1m** (debt included)

IPO March 14

30th of October 2014

9th of June 2015

Start of 2016

Conclusions

Accelerating business performance and portfolio growth

Strong performance of the assets

Solid signs of **asset value generation** thanks to **active management strategy** in place and confirmation of consumption improvement

Consolidating rent generation thanks to the **contribution of the new assets**

Accelerating Portfolio Growth since 1H2015

Accretive deals since last capital increase **strengthens portfolio's rent generation**

Full consolidation of Portal de la Marina Shopping Centre to take place in 2016

Analysing new opportunities to **increase the return to our shareholders**

Agenda

1 Description & Financials

2 Accretive deals and growth ahead

3 Active Management Strategy

3 Annexes

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
Chief Financial Officer

HERNÁN SAN PEDRO
Head of IR

JON ARMENTIA
Corporate Manager

SUSANA GUERRERO
Legal Manager



- Over 15 years of experience in finance and real estate

- Over 28 years of experience in Finance, Insurance and Construction

- Over 13 years of experience in audit, finance and real estate

- Over 11 years of experience as corporate and M&A lawyer, ten of them at Uría Menéndez

REAL ESTATE TEAM / INVESTMENT MANAGER PLATFORM

MANAGEMENT TEAM

JORGE PEREZ DE LEZA
Offices & Residential Europe

ARTURO PERALES
Offices & Logistics

MIGUEL ÁNGEL GONZÁLEZ
Residential

JOSE MANUEL LLOVET
Retail

GENTALIA

SONSOLES CANTERO
Managing Director



- Managing Director of Residential Product Europe since 2005

5 people

- Over 20 years of experience in the sector

16 people

- Over 21 years of experience in the sector


16 people

- Over 26 years of experience in the real estate sector

120 people

- Over 29 years of experience in the real estate sector, 12 of which in Gentalia

Grupo Lar's platform in Spain (including Gentalia) amounts to 163 employees out of which more than half are dedicated to Lar España

 % dedication to LRE

A Unique Real Estate Manager

Our investment manager, is a seasoned, 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

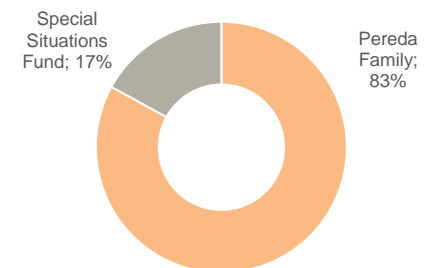


THE BAUPOST GROUP®

Reputation & Reliable Manager

- **Grupo Lar**, family owned Company, 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

Exclusivity

- The Manager is committed to **exclusivity for commercial property investment** opportunities in Spain.
- In the Residential sector in Spain, 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
 - ✓ Head of IR
- **Real Estate related** activities and expertise provided by the Manager.
- **Management fees:**
 - I. 1.25% per annum of NAV.
 - II. 3 year lock-up from March 2014 for shares held at IPO. From the date of their delivery, for the shares to be received as performance fees.
- **Performance fees**
 - I. 20% of NAV total return (NAV + dividends) outperformance over a 10% hurdle rate, paid annually subject to a high water mark. Hurdle resets annually based on closing NAV total return.
 - II. Provision for catch-up.

3

Management Commitment

- **Grupo Lar** owns a **2.5%** stake in Lar España, subject to a **3 year lock-up** period (since March 2014), for the shares acquired in the IPO.
- **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).

Consolidated P&L (IFRS) and Consolidated Balance Sheet (IFRS) 9M 2015

Positive financial performance, but still expecting ramp-up phase

Consolidated Income Statement (Thousands of Euros)

	9M 2015	9M 2014
Revenues	23,507 ⁽¹⁾	3,822
Other income ⁽²⁾	3,131	355
Change in fair value of investment properties	11,943	-42
Personnel costs	-243	-36
Other expenses ⁽³⁾	-9,243	-4,623
Results from operations	29,095	-524
Financial Income	1,701	1,998
Financial Expenses	-4,391	-
Impairment and results of disposals fin. instruments	-250	-
Share in profit (loss) of equity-accounted companies	181	-
Profit/loss before Tax	26,336	1,474
Income Tax	-	-
Profit/loss for the period	26,336	1,474

- (1) Revenues from Portal de la Marina amounts to €3,748m. This amount is included in the line "Share in profit (loss) of equity accounted companies" because this shopping center is accounted for using the equity method.
- (2) Other Income: Mainly made up of the difference between the cost of the business combination and the value of the identifiable assets acquired and the liabilities corresponding to the acquisition of El Rosal Retail, S.L.U.
- (3) Other Expenses: Mainly related to:
- Management fees for management services provided to the Company by Grupo Lar Inversiones Inmobiliarias, S.A. ("Grupo Lar") (2,907 thousand Euros).
 - Professional services (accounting and legal advisory services, audit and property valuations) amounting to 2,564 thousand Euros.

Consolidated Balance Sheet (Thousands of Euros)

Assets	Sep 30, 2015	Dec 31, 2014
Investment properties	594,937	357,994
Equity-accounted investees	30,278	18,087
Other non-current assets	32,507	3,841
Total Non-Current Assets	657,722	379,922
Cash & cash equivalents	146,987	20,252
Other current assets	54,659	36,981
Total Current Assets	201,646	57,233
Total Assets	859,368	437,155

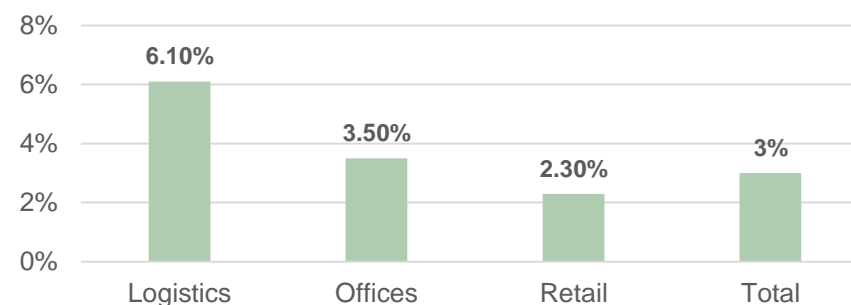
Liabilities and Equity	Sep 30, 2015	Dec 31, 2014
Total Equity	547,723	389,493
Fin. Liabilities from issue bonds	138,166	-
Loans and borrowings	143,429	37,666
Other non-current liabilities	10,180	5,143
Total Non-Current Liabilities	291,775	42,809
Fin. Liabilities from issue bonds	2,480	-
Loans and borrowings	5,517	156
Other current liabilities	11,873	4,697
Total Current Liabilities	19,870	4,853
Total Equity and Liabilities	859,368	437,155

Financial Indicators as of September 30th, 2015

+ 10% of EPRA Annualized Net Rent compared to June 30

EPRA Annualized Net Rent of c.€40m as of September 30th, +10% more than June 30th

GAV¹ Relative growth figures by segment up to June 2015



Financial Indicators	30/09/2015	31/12/2014	%Chg
EPRA Earnings (€'000)	12,062	2,516	299.9%
EPRA Earnings per share (€) ⁽²⁾	0.20	0.07	185.7%
EPRA NAV (€'000)	549,313	389,862	41%
EPRA NAV per share (€) ⁽²⁾	9.18	9.87	-7%
EPRA NNAV (€'000)	547,722	389,493	41%
EPRA NNAV per share (€) ⁽²⁾	9.15	9.86	-7%
LTV	31.0% ⁽³⁾	16.60%	

EPRA Indicator	30/09/2015	31/12/2014
EPRA Net Initial Yield (NIY)	6.3%	7.0%
EPRA "topped-up" NIY	6.6%	7.1%
EPRA Vacancy Rate	7.22%	7.27%
EPRA Cost Ratio	41.3%	91.3%
EPRA Cost Ratio (excluding costs of direct vacancy)	37.7%	86.0%

(1) Last asset appraisal on 30th of June 2015: For assets acquired during 2014, valuation growth from 31th December 2014 to 30th June 2015. For assets acquired during 2015, valuation growth from acquisition date to 30th June 2015.

(2) Calculated excluding treasury shares

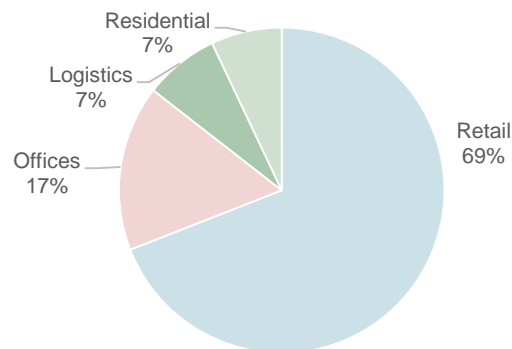
(3) LTV = Total Loans & Borrowings & Notes (Net of Cash) / Total GAV

Portfolio overview as of December 31st

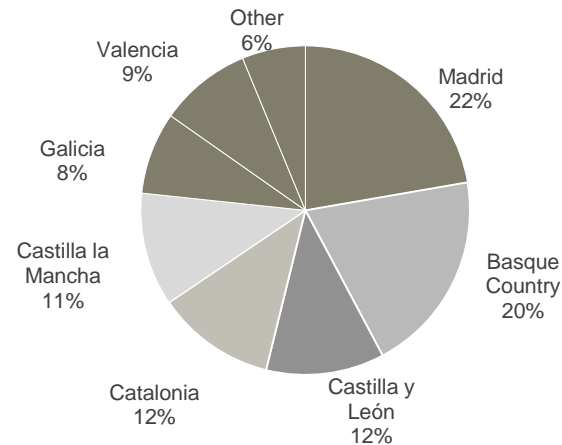
Lar España consolidates a diversified and stable rental income portfolio

Asset Class	Units	Price	Gross Lettable Area	W.A.U.L.T as at Sep 2015	Initial Avg. Rent/sqm	Avg. Initial Occupancy ⁵	Weighted Avg. EPRA Net Initial Yield	Annual Net Rent Generation
Retail	12	€588.7m	320,049 sqm	2.4	13.82€	92.5%	6.57%	c.€38m ⁽³⁾
Offices	5	€140.5m	50,342 sqm	2.1	13.7€	95.6%	5.6%	c.€8m
Logistics	5	€63.4m	161,840 sqm	2.6	3.4€	100%	9.6%	c.€6m
Residential	1	€60m	23,932 sqm	n/a	n/a	n/a	n/a	n/a
Total	23⁴	€852.6m	556,163 sqm	2.2²	13.0€	94.9%	6.6%¹	c.€52m³

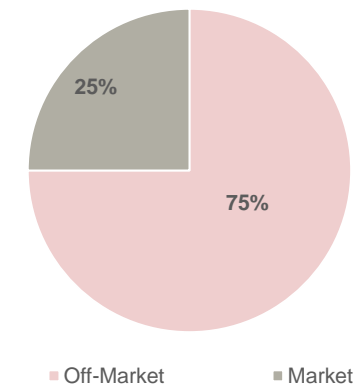
Asset Distribution by Investment



Geographical distribution by investment



Mostly off-market acquisitions by Investment

¹ 6.6% is the EPRA NIY on cost at the time of acquisition.² Marcelo Espínola is not included in the calculation as it is under refurbishment.³ Excluded Sagunto Retail development, with an expected Annual Net Rent generation of €4.4m.⁴ 23 Units, according to Business Unit criteria. For example, Hypermarket and Shopping gallery of every Shopping Centre is considered single business unit disregarding of the different acquisitions.⁵ Physical Occupancy – GLA leased over total GLA

Portfolio descriptions

Retail Complex

Megapark, Bilbao

Asset Characteristics

Asset Name:	Megapark
Asset Type:	Retail complex
Opening Date:	2004
Location:	Bilbao
GLA:	63,907 sqm RP ¹ : 44,532 sqm FOC ² : 19,395 sqm
Acquisition price:	€170 m
Price per sqm:	€2,660/sqm
No. Tenants:	13RP + 61FOC units
Global Capex committed:	
Global Building Capex:	€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 a strong tenant line up. The rents paid by our tenants **are above the national average**, given 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:	€87.5 m
Price per sqm:	€1,711/sqm
No. Tenants:	Multi-tenant

Capex committed:

Building Capex:	€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 most roads lead to Ponferrada.
- Attractive opportunity to improve cash-flow by generating an alternative marketing mix of tenants, introducing better performing tenants.
- Attractive tenant line-up and upside potential through active asset management.
- Surplus buildable area of 1,500 sqm.

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:	€80.0 m
Price per sqm:	€2,772/sqm
No. Tenants:	Multi-tenant

Capex committed:

Building Capex:	€0.6m
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KPI's (Initial)

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



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:	€67.0 m
Price per sqm:	€2,021/sqm
No. Tenants:	Multi-tenant

Capex committed:

Building Capex:	€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:	€47.6 m
Price per sqm:	€1,980/sqm
No. Tenants:	Multi-tenant

Capex committed:

Building Capex:	€0.0m
-----------------	--------------

KPI's (Initial)

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

¹ LRE has acquired 58.78% of the Company.



Location & Profile

- 100 Km South of Valencia close to 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.
- The company intends to acquire the remaining stake from Grupo Lar.



Investment Rationale

- Acquired in two phases: first the Shopping Centre and second, the hypermarket. Strategic acquisition for the full control over decision making of 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:	€39.9 m
Price per sqm:	€1,426.3/sqm
No. Tenants:	Multi-tenant

Capex committed:

Building Capex:	€2.2m
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KPI's (Initial)

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



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:	€27.7 m
Price per sqm:	€2,789/sqm
No. Tenants:	Multi-tenant

Capex committed:

Building Capex:	€0.6m
-----------------	--------------

KPI's (Initial)

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



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



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, MerKaI, 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:	€17.0 m
Price per sqm:	€2,223/sqm
No. Tenants:	Multi-tenant

Capex committed:

Building Capex:	€0.0m
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KPI's (Initial)

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



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, Merkál, 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 Retail Park: 25,820 sqm Hyper: 10,066 sqm Retail Gallery: 7,205 sqm
Acquisition price:	€14 m
Price per sqm:	N/A
No. Tenants:	22RP ¹ + 34RG ² units

Capex committed:	
Development Costs:	EUR 39 m
KPI's (Initial)	
Occupancy (%):	N/A
Net yield on cost (%):	9.20%
Monthly Rent (€/sqm)	Retail Park: €8.2 Retail Gallery: €18.8
Other Considerations	Development of the project conditioned to planning and commercialization fulfillment



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.
- **To 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 high numbers of tourists during the summer months.
- Tenants to 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:	€9.1 m
Price per sqm:	2,072 €/sqm
No. Tenants:	Single-tenant

Capex committed:

Building Capex:	€0.1m
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KPI's (Initial)

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



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:	€8.4 m
Price per sqm:	€2,045/sqm
No. Tenants:	3

Capex committed:

Building Capex:	€0.06m
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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 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**, based on existing 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

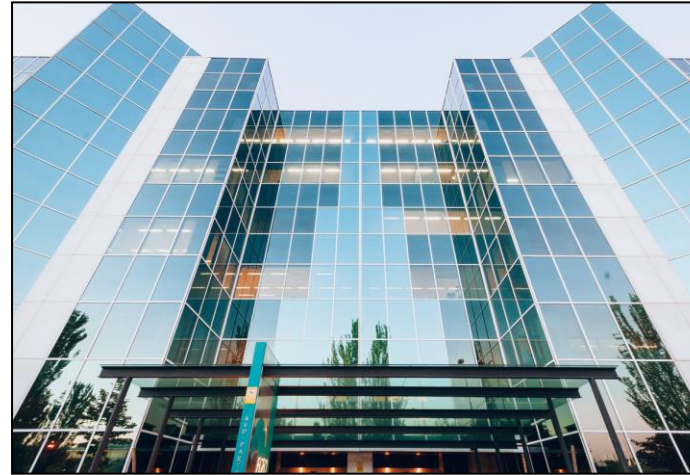
Asset Name:	Egeo
Asset Type:	Office Building
Location:	Madrid
GLA:	18,254 sqm
Acquisition price:	€64.9 m
Price per sqm.:	€3,555/sqm
No. Tenants:	Multi-tenant

Capex committed:

Building Capex:	€1.3m
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KPI's (Initial)

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



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

- Consolidated office 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:	€24.2 m
Price per sqm.:	€2,793/sqm
No. Tenants:	Multi-tenant

Capex committed:

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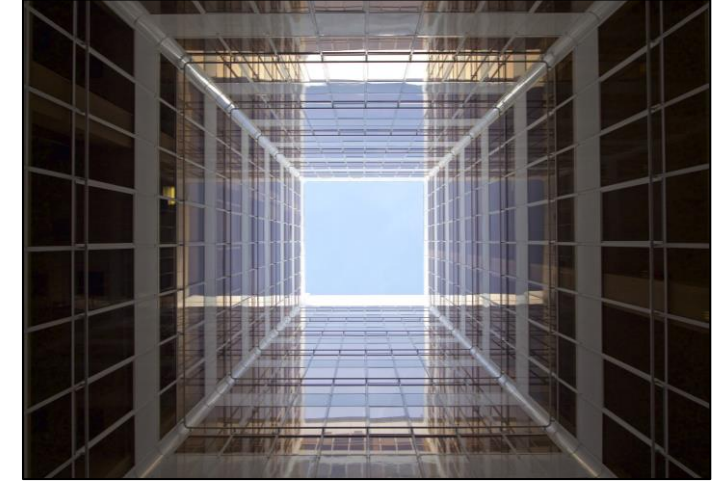
KPI's (Initial)

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



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.
- Capex committed 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:	€19.7 m
Price per sqm:	€2,285/sqm
No. Tenants:	4

Capex committed:

Building Capex:	€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 literal 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

- Consolidated office 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:	€19.0 m
Price per sqm.:	€2,213/sqm
No. Tenants:	Multi-tenant

Capex committed:

Building Capex::	€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. Building Capex: €9.4m.
- Creation of a very flexible space (single tenant– multi-tenant) at expected 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:	€12.8 m
Price per sqm.:	€2,043/sqm
No. Tenants:	Multi-tenant

Capex committed:

Building Capex:	€1.9m
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KPI's (Initial)

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



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.
- A repositioning, via partial refurbishment of the asset is required. Building 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:	€44.85 Mn
Price per sqm:	€376.42/sqm
No. Tenants:	Multi-tenant

Capex committed:

Building Capex:	€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 nearby locations.

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:	€18.5 m
Price per sqm:	€434/sqm
No. Tenants:	3

Capex committed:

Building Capex:	€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 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 generally requires its providers to be no further than 6 km away from its premises.

Portfolio descriptions

Residential Portfolio

Lagasca99
Madrid

Asset Characteristics

Asset Name:	Lagasca99
Asset Type:	Residential
Date of Construction:	2016-2018
Location:	Madrid
GLA	26,203 sqm
Acquisition price:	EUR 60* M

(*) Corresponds to 50% of the JV with PIMCO

LAGASCA99

Location & Profile

- Location in Salamanca district, the most exclusive area in Madrid.
- Total 26,203 sqm to develop residential units for sale.
- 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.

