

## QUARTERLY RESULTS



Q1  
2016

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Palmas Altas Shopping Centre  
(Seville)

○

1

# EXECUTIVE SUMMARY





**1.1**  
Highlights  
Q1 2016  
p. 6

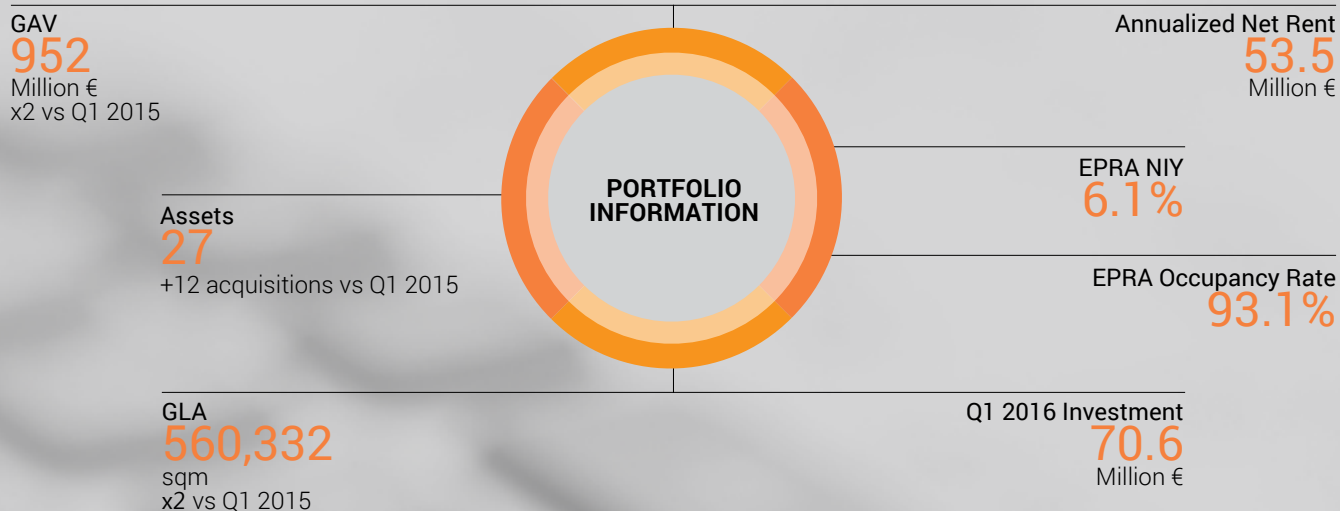
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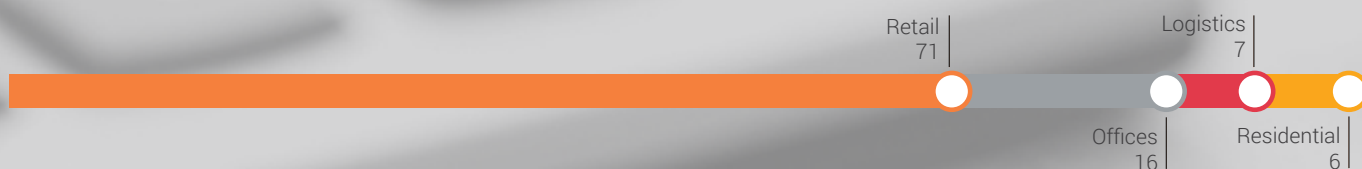
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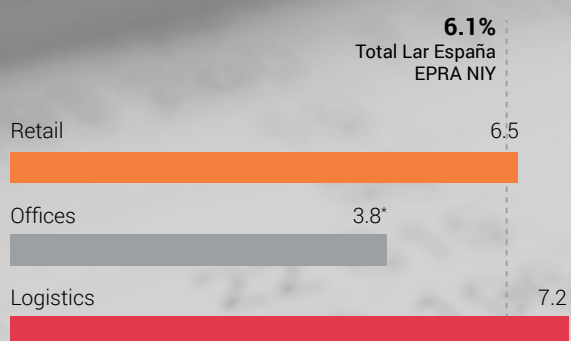
## 1.1 Highlights Q1 2016



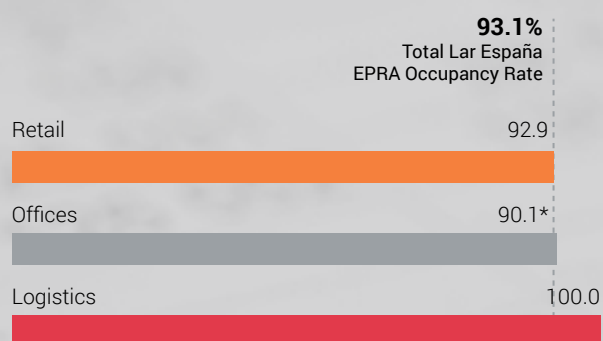
### GAV by asset class (%)



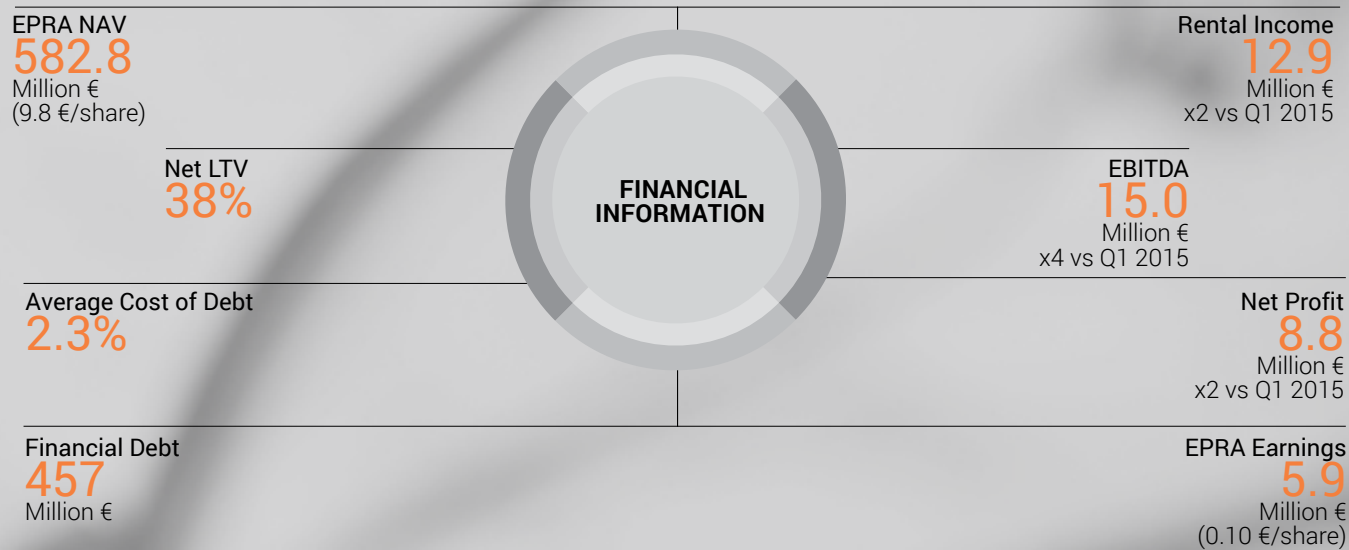
### EPRA Net Initial Yield breakdown by asset class (%)



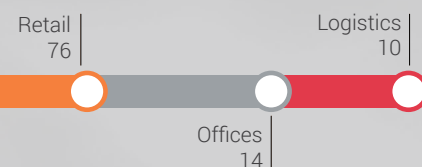
### EPRA Occupancy Rate breakdown by asset class (%)



(\*) For further information see point 3 "EPRA Information"



#### Rental Income by asset class (%)



#### Retail Performance



**Sales**  
**+7.2%**  
 vs Q1 2015



**Footfall**  
**+3.5%**  
 vs Q1 2015



## 1.2 Main Events

### 1. Valuation reports

On 21 January 2016, Lar España received the **valuation reports** for its property portfolio as of 31 of December 2015, carried out by Jones Lang LaSalle España, S.A and Cushman Wakefield Sucursal en España. The **total market value** of the company's portfolio as detailed in the abovementioned reports is **898.9 million Euros**. The acquisition Price – transaction costs not included - of the assets subject to the valuation was 852.7 million Euros.

The properties were valued according to the Royal Institution of Chartered Surveyors (RICS) valuation standards, based on net market value as at 31 December 2015.



Megapark Shopping Centre  
(Bilbao)

### 2. Megapark financing

In connection with the acquisition of the building complex **Megapark Barakaldo (Vizcaya)**, it is now reported that on 24 February 2016, the Company has entered into a **bank financing agreement** with NATIXIS, as Agent bank, Credit Agricole CIB and Santander, associated to the above referred asset, for a total amount of **97 million Euros**, a 7 years duration and a "bullet" amortization structure.



### 3. Palmas Altas acquisition

On 1 March 2016 the Company, through its wholly owned subsidiary LAR ESPAÑA SHOPPING CENTRES VIII, S.L.U. reached an agreement with Inmobiliaria VIAPOL, S.A. for the acquisition of a **plot intended for commercial use in Palmas Altas Norte, Seville**. On this commercial plot with a surface area of more than 123,000 sqm, it is planned the development of a large commercial and family leisure-entertainment complex.

It is forecasted that this development venture will be accomplished by the end of 2018, involving an approximated total cost of **145 million euros**, corresponding 36 million euros to the plot purchase price. The rest of the investment will be used for the development of the commercial and leisure-family entertainment macro-complex.



Palmas Altas Shopping Centre  
(Seville)



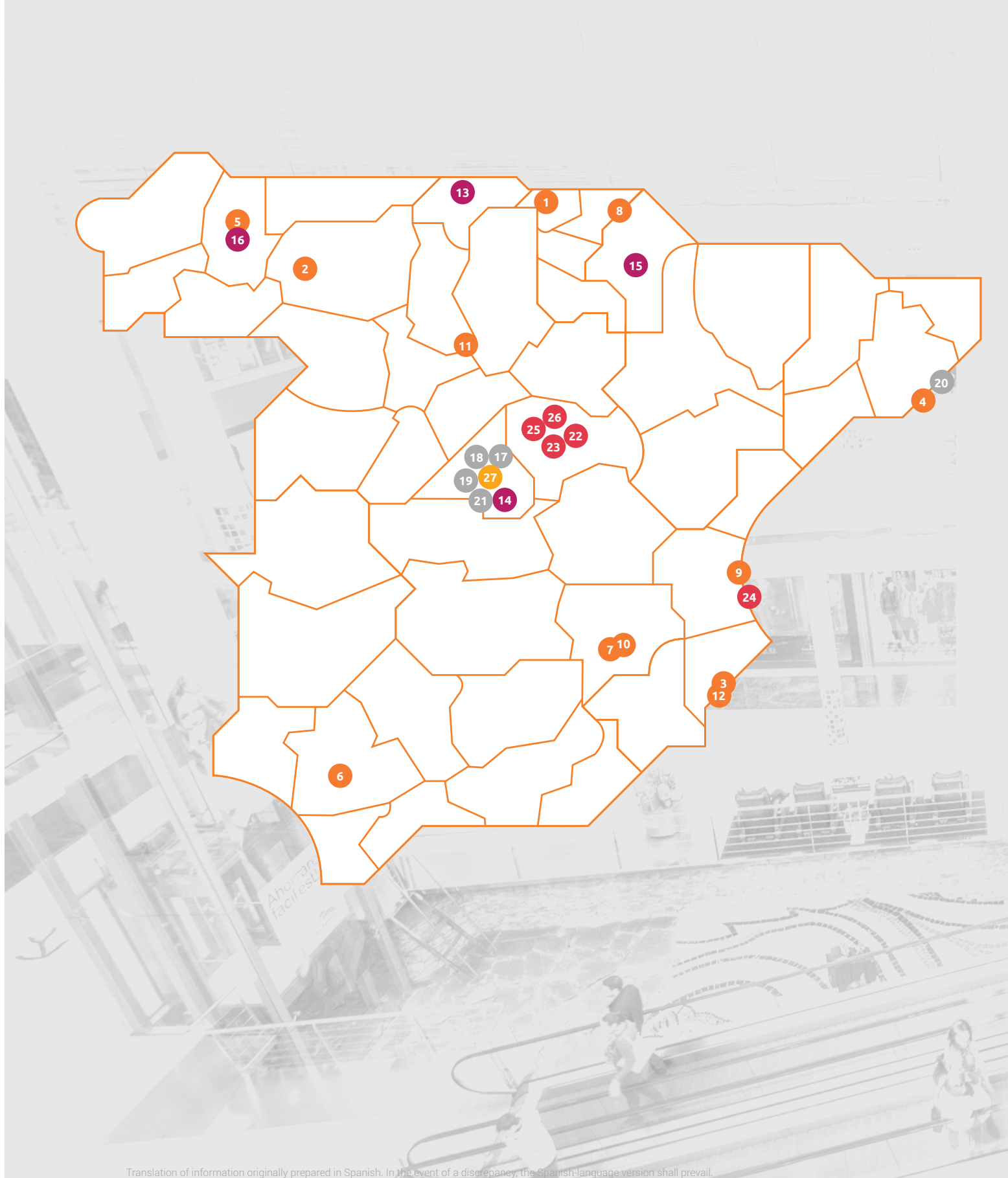
Portal de la Marina Shopping Centre  
(Alicante)

### 4. Acquisition of 41.22% of Portal de la Marina stake

On 30 March 2016, making use of the authorisation granted by the Extraordinary General Shareholders' Meeting held on 18 December 2015 under item one of its agenda, the Company finalised the **acquisition of the 41.22% stake in Puerta Marítima Ondara, S.L.** from Grupo Lar Actividad Arrendamiento, S.A., fully owned by Grupo Lar Inversiones Inmobiliarias, S.A. the Company's manager.

The acquisition was carried out for a total amount of 14.588.336 Euros, becoming Lar España the sole shareholder of Puerta Marítima Ondara, S.L., and indirectly the owner of 100% of the Portal de la Marina Shopping Centre.

## 1.3 Portfolio at 31 March 2016





**SHOPPING CENTRES**

- 1 Megapark (Bilbao)
- 2 El Rosal (León)
- 3 Portal de la Marina (Alicante)
- 4 Anec Blau (Barcelona)
- 5 As Termas (Lugo)
- 6 Palmas Altas (Seville)
- 7 Albacenter (Albacete)
- 8 Txingudi (Guipúzcoa)
- 9 Cruce de Caminos (Valencia)
- 10 Albacenter Hypermarket and Retail Units (Albacete)
- 11 Las Huertas (Palencia)
- 12 Portal de la Marina Hypermarket (Alicante)

**RETAIL WAREHOUSES**

- 13 Nuevo Alisal (Santander)
- 14 Villaverde (Madrid)
- 15 Parque Galaria (Pamplona)
- 16 As Termas Petrol Station (Lugo)

**OFFICES**

- 17 Egeo (Madrid)
- 18 Arturo Soria (Madrid)
- 19 Marcelo Spinola (Madrid)
- 20 Joan Miró (Barcelona)
- 21 Eloy Gonzalo (Madrid)

**LOGISTICS**

- 22 Alovera II (Guadalajara)
- 23 Alovera I (Guadalajara)
- 24 Almussafes (Valencia)
- 25 Alovera IV (C5-C6) (Guadalajara)
- 26 Alovera III (C2) (Guadalajara)

**RESIDENTIAL**

- 27 Lagasca 99 (Madrid)

**1 MEGAPARK, BILBAO**

Location	Bilbao
GLA	63,938 sqm
Purchase Date	19 October 2015
Acquisition Price	EUR 170.0 m
Market Value (31 December 2015)*	EUR 171.4 m

**2 EL ROSAL, LEÓN**

Location	Ponferrada (León)
GLA	51,022 sqm
Purchase Date	7 July 2015
Acquisition Price	EUR 87.5 m
Market Value (31 December 2015)*	EUR 89.6 m

**3 PORTAL DE LA MARINA, ALICANTE**

Location	Ondara (Alicante)
GLA	30,093 sqm
Purchase Date	30 October 2014/ 30 March 2016
Acquisition Price	EUR 82.2 m <sup>(1)</sup>
Market Value (31 December 2015)*	EUR 86.8 m

(1) Weighted average price of both acquisitions.

**4 ANEC BLAU, BARCELONA**

Location	Barcelona
GLA	28,603 sqm
Purchase Date	31 July 2014
Acquisition Price	EUR 80.0 m
Market Value (31 December 2015)*	EUR 84.9 m

**5 AS TERMAS, LUGO**

Location	Lugo
GLA	33,150 sqm
Purchase Date	15 April 2015
Acquisition Price	EUR 67.0 m
Market Value (31 December 2015)*	EUR 68.5 m

**6 PALMAS ALTAS, SEVILLE**

Location	Seville
Retail Area	123,400 sqm
Purchase Date	1 March 2016
Acquisition Price	EUR 36.0 m
Market Value (31 December 2015)*	-

\* The valuations have been made at 31 December 2015 by external independent valuers: JLL or C&W.



**7 ALBACENTER, ALBACETE**

Location	Albacete
GLA	15,428 sqm
Purchase Date	30 July 2014
Acquisition Price	EUR 28.4 m
Market Value (31 December 2015)*	EUR 32.3 m

**8 TXINGUDI, GUIPÚZCOA**

Location	Irún (Guipúzcoa)
GLA	9,862 sqm
Purchase Date	24 March 2014
Acquisition Price	EUR 27.7 m
Market Value (31 December 2015)*	EUR 30.7 m

**9 CRUCE DE CAMINOS, VALENCIA <sup>(2)</sup>**

Location	Sagunto (Valencia)
GLA	43,091 sqm
Purchase Date	3 August 2015
Acquisition Price	EUR 14.0 m
Market Value (31 December 2015)*	EUR 15.7 m

(2) Development of the project dependent on planning and commercialization fulfillment.

**10 ALBACENTER HYPERMARKET AND RETAIL UNITS, ALBACETE**

Location	Albacete
GLA	12,462 sqm
Purchase Date	19 December 2014
Acquisition Price	EUR 11.5 m
Market Value (31 December 2015)*	EUR 12.4 m

**11 LAS HUERTAS, PALENCIA**

Location	Palencia
GLA	6,225 sqm
Purchase Date	24 March 2014
Acquisition Price	EUR 11.7 m
Market Value (31 December 2015)*	EUR 11.7 m

**12 PORTAL DE LA MARINA HYPERMARKET, ALICANTE**

Location	Ondara (Alicante)
GLA	9,924 sqm
Purchase Date	9 June 2015
Acquisition Price	EUR 7.0 m
Market Value (31 December 2015)*	EUR 7.8 m

\* The valuations have been made at 31 December 2015 by external independent valuers: JLL or C&W.

**13 NUEVO ALISAL, SANTANDER**

Location	Santander
GLA	7,649 sqm
Purchase Date	17 December 2014
Acquisition Price	EUR 17.0 m
Market Value (31 December 2015)*	EUR 17.2 m

**14 VILLAVERDE, MADRID**

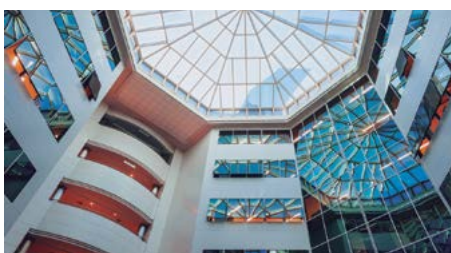
Location	Madrid
GLA	4,391 sqm
Purchase Date	29 July 2014
Acquisition Price	EUR 9.1 m
Market Value (31 December 2015)*	EUR 9.9 m

**15 PARQUE GALARIA, PAMPLONA**

Location	Pamplona
GLA	4,108 sqm
Purchase Date	23 July 2015
Acquisition Price	EUR 8.4 m
Market Value (31 December 2015)*	EUR 9.5 m

**16 AS TERMAS PETROL STATION, LUGO**

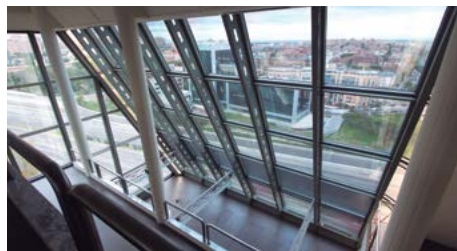
Location	Lugo
GLA	2,000 sqm
Purchase Date	28 July 2015
Acquisition Price	EUR 1.8 m
Market Value (31 December 2015)*	EUR 1.8 m

**17 EGO, MADRID**

Location	Madrid
GLA	18,254 sqm
Purchase Date	16 December 2014
Acquisition Price	EUR 64.9 m
Market Value (31 December 2015)*	EUR 69.2 m

**18 ARTURO SORIA, MADRID**

Location	Madrid
GLA	8,663 sqm
Purchase Date	29 July 2014
Acquisition Price	EUR 24.2 m
Market Value (31 December 2015)*	EUR 25.6 m

**19 MARCELO SPINOLA, MADRID**

Location	Madrid
GLA	8,586 sqm
Purchase Date	31 July 2014
Acquisition Price	EUR 19.0 m
Market Value (31 December 2015)*	EUR 21.5 m

**20 JOAN MIRÓ, BARCELONA**

Location	Barcelona
GLA	8,610 sqm
Purchase Date	11 June 2015
Acquisition Price	EUR 19.7 m
Market Value (31 December 2015)*	EUR 20.4 m

**21 ELOY GONZALO, MADRID**

Location	Madrid
GLA	6,231 sqm
Purchase Date	23 December 2014
Acquisition Price	EUR 12.7 m
Market Value (31 December 2015)*	EUR 13.0 m

\* The valuations have been made at 31 December 2015 by external independent valuers: JLL or C&amp;W.



**22 ALOVERA II, GUADALAJARA**

Location	Guadalajara
GLA	83,952 sqm
Purchase Date	13 October 2014
Acquisition Price	EUR 32.1 m
Market Value (31 December 2015)*	EUR 36.8 m

**23 ALOVERA I, GUADALAJARA**

Location	Guadalajara
GLA	35,195 sqm
Purchase Date	7 August 2014
Acquisition Price	EUR 12.7 m
Market Value (31 December 2015)*	EUR 14.3 m

**24 ALMUSSAFES, VALENCIA**

Location	Valencia
GLA	19,211 sqm
Purchase Date	26 May 2015
Acquisition Price	EUR 8.4 m
Market Value (31 December 2015)*	EUR 8.5 m

**25 ALOVERA IV (C5-C6), GUADALAJARA**

Location	Guadalajara
GLA	14,891 sqm
Purchase Date	26 May 2015
Acquisition Price	EUR 7.2 m
Market Value (31 December 2015)*	EUR 7.5 m

**26 ALOVERA III (C2), GUADALAJARA**

Location	Guadalajara
GLA	8,591 sqm
Purchase Date	26 May 2015
Acquisition Price	EUR 3.0 m
Market Value (31 December 2015)*	EUR 3.3 m

**27 LAGASCA 99, MADRID**

Location	Madrid
GLA	26,203 sqm
Purchase Date	30 January 2015
Acquisition Price	EUR 50.1 <sup>(3)</sup> m
Market Value (31 December 2015)*	EUR 54.4 m

(3) Corresponds to the 50% of the Joint Venture with PIMCO.

\* The valuations have been made at 31 December 2015 by external independent valuers: JLL or C&amp;W.

## 1.4 Key Indicators

### Economic & Financial Figures

In the first quarter of 2016 the Group generated an **EBITDA of 15,017 thousand Euros** and a **net profit of 8,748 thousand Euros**.

Thousands of Euros	Q1 2016	Q1 2015
<b>Revenues</b>	12,985	6,471
<b>EBITDA</b>	15,017	3,967
<b>EBIT</b>	15,017	3,967
<b>PBT</b>	8,748	3,818
<b>Net profit</b>	8,748	3,818

The Group is immersed in the analysis and evaluation of investment opportunities in line with its policies.

### Other Financial Indicators

The Group presents the following financial indicators:

	31/03/2016	31/12/2015
<b>Working capital</b> (Thousands of Euros)	94,446	49,645
<b>Liquidity ratio</b>	3.6	3.5
<b>Solvency ratio</b>	1.1	1.1
<b>ROE</b>	9.22%	9.05%
<b>ROA</b>	5.52%	5.72%

At 31 March 2016 and 31 December 2015, the Group presented ratios related to liquidity (working capital and liquidity ratio) with very high values, showing that the Group has sufficient liquidity and a high safety margin to meet its payments.

At 31 March 2016, the **ROE ("Return on Equity")**, which measures the Group's profitability as a percentage of its shareholders equity, amounted to **9.22%** (9.05% at 31 December 2015) whilst the **ROA ("Return on Assets")**, which measures the efficiency of the Group's total assets regardless of the sources of financing used, i.e. the ability of a company's assets to generate income, was **5.52%** (5.72% at 31 December 2015).





El Rosal Shopping Centre  
(León)



## 1.5 Business Performance

### Income Distribution

**Rental income reached 12,985 thousand Euros** in the first quarter of 2016 (versus 6,471 thousand Euros in the same period of the year before). The increase in rental income between the first quarter of 2016 and the same period of the previous year mainly corresponds to the

Group's acquiring and launching new real estate investments during said period (six shopping centres, an office building and three logistics warehouses).

The relative weigh of rental income by line of business at 31 March 2016 is as follows:

### Rental Income by asset class. Q1 2016 (%)



The breakdown of the **income per asset** for these three lines of business in the first quarter of 2016 is as follows:

### Income by Shopping Centre (%)

Megapark	29.2	
El Rosal	17.1	
Anec Blau	14.9	
As Termas	13.2	
Albacenter	7.0	
Txingudi	5.2	
Nuevo Alisal	3.3	
Albacenter Hyper	2.5	
Las Huertas	2.3	
Villaverde	2.0	
Parque Galaria	1.7	
Portal de la Marina Hyper	1.3	
As Termas Petrol Station	0.3	











### Income by Office Building (%)

Egeo	48.4	
Arturo Soria	19.9	
Joan Miró	17.2	
Eloy Gonzalo	12.1	
Marcelo Spínola	2.4	

### Income by Logistics Warehouse (%)

Alovera II	50.1	
Alovera I	18.7	
Almussafes	13.8	
Alovera IV (C5-C6)	13.7	
Alovera III (C2)	3.7	

Below are the **ten tenants that have generated the most revenue** during the first quarter of 2016 and their main characteristics:

Ranking	Tenant	Project	% of total rental income	% Accumulated	Lease End	Sector
1	 Carrefour	Alovera II/El Rosal	8.43%	8.43%	2017-2028	Distribution
2	 INDITEX	Anec Blau/Albacenter/El Rosal/As Termas/Huertas	5.54%	13.97%	2025-2033	Retail Fashion
3	 MediaMarkt	Villaverde/As Termas/Nuevo Alisal	5.51%	19.48%	2022-2036	Technology
4	 ineco	Egeo	5.29%	24.77%	2021	Engineering
5	 DECATHLON	Megapark	3.70%	28.47%	2036	Distribution
6	 El Corte Inglés	Megapark/Parque Galaria	3.13%	31.60%	2027-2036	Distribution
7	 H&M	Anecblau/Albacenter/El Rosal/As Termas	2.25%	33.85%	2022-2036	Retail Fashion
8	 ToysRUs	Megapark/Nuevo Alisal	2.16%	36.01%	2036	Distribution
9	 EROSKI	Albacenter Hyper/Portal de la Marina Hyper/As Termas	2.07%	38.08%	2024-2031	Distribution
10	 Tech Data <small>The Difference in Distribution</small>	Alovera I	1.95%	40.03%	2019	Technology



Lagasca 99 Residential  
(Madrid)

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## CONSOLIDATED FINANCIAL STATEMENTS





**2.1**  
**Company Chart**  
**31.03.16**  
p. 22

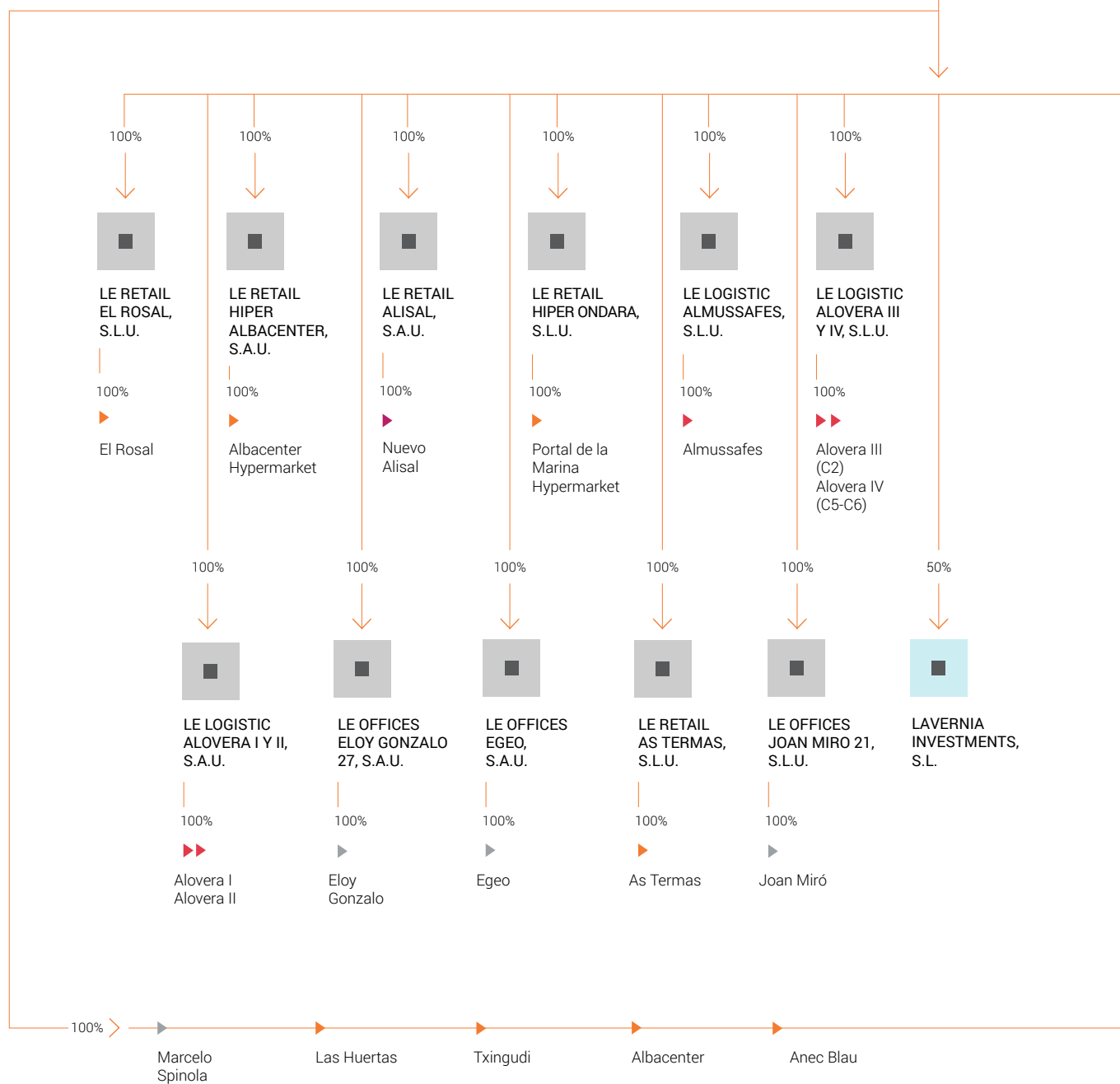
**2.2**  
**Consolidated Statement of**  
**Comprehensive Income**  
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**2.3**  
**Consolidated Statement of**  
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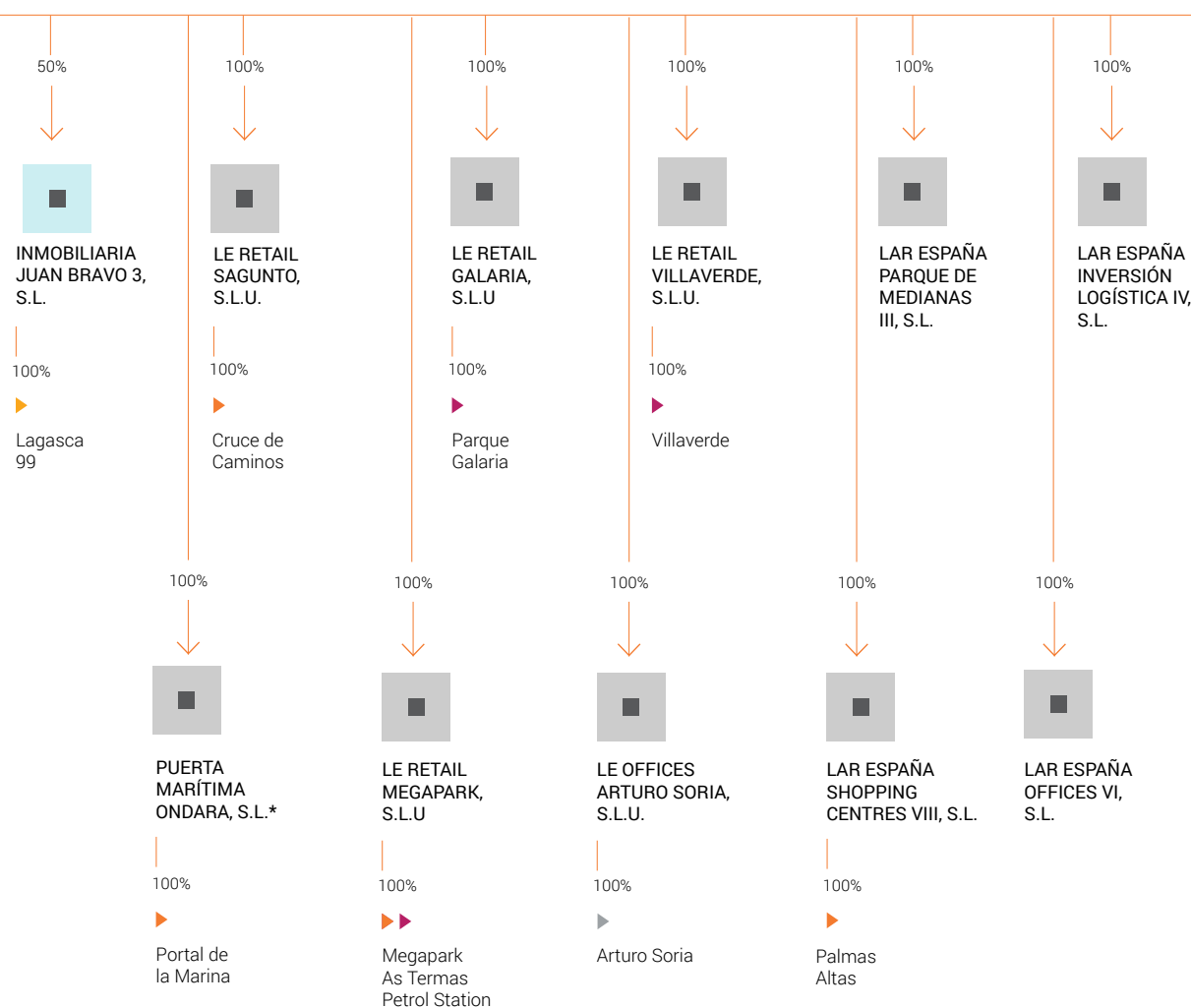
**2.4**  
**Consolidated Statement**  
**of Cash Flows**  
p. 32

LAR ESPAÑA  
 REAL ESTATE  
 SOCIMI, S.A.

The **scope of the Group's consolidation** is as follows:



For comparative purposes, the balances of the Consolidated Comprehensive Income Statement are shown together with those for the same period the year before, whilst for the Consolidated Statement of Financial Position they are shown together with those corresponding to 31 December 2015.

**Company**

Full Consolidation



Equity Method

**Assets**

Shopping Centres



Retail Warehouses



Offices



Logistics



Residential



## 2.2 Consolidated Statement of Comprehensive Income

(Thousands of Euros)	Q1 2016	Q1 2015
Revenues	12,985	6,471
Other income	7,297	130
Personnel expenses	(75)	(93)
Other expenses	(5,190)	(2,541)
<b>RESULTS FROM OPERATIONS</b>	<b>15,017</b>	<b>3,967</b>
Financial income	974	198
Financial expenses	(6,607)	(824)
Share in profit (loss) for the period of equity-accounted companies	(636)	477
<b>PROFIT BEFORE TAX FROM CONTINUING OPERATIONS</b>	<b>8,748</b>	<b>3,818</b>
Income tax	-	-
<b>PROFIT FOR THE PERIOD</b>	<b>8,748</b>	<b>3,818</b>

Data unaudited at 31 March 2016.

### Result from operating activities

At 31 March 2016, the Group presented a positive **result for its operations** amounting to **15,017 thousand Euros** (revenue of 3,967 thousand Euros at 31 March 2015).

#### Revenues

**Revenue** for the first quarter of 2016 amounted to **12,985 thousand Euros**, 90% of which was rental income from shopping centres and offices.

#### Other income

At 31 March 2016, **other income** mainly reflect the positive adjustment to 6,978 thousand Euros from the acquisition of 100% of the subsidiary company Puerta Marítima Ondara, S.L. Said amount is the difference between the fair value of the acquired assets and liabilities and the amount paid.

#### Other expenses

At 31 March 2016, the Group incurred **other expenses** amounting to **5,190 thousand Euros**, mainly related to:

- Recurring services and services directly linked to the daily management of the assets (property management, utilities, property tax (IBI)...) of 2,743 thousand Euros.
- Management fees (base fees) for services provided to the Company by Grupo Lar Inversiones Inmobiliarias ("Grupo Lar") (1,505 thousand Euros).

## Net Financial Result

The financial result was a negative balance of 5,633 thousand Euros at 31 March 2016 (negative balance of 626 thousand Euros at 31 March 2015).

**Financial income** amounting to **974 thousand Euros** in the first quarter of 2016 mainly comprises the interest accrued on credits granted to equity-accounted companies, while **financial expenses** amounting to **6,607 thousand Euros** mainly comprises the following items:

- Because of the control gained over the subsidiary company Puerta Marítima Ondara, S.L., and consequently the valuation at fair value of the 58.78% shareholding that the Group held, a negative adjustment amounting to 4,105 thousand Euros was recognised, which is the difference between said fair value and the current carrying amount.
- Interest accrued on loans taken out by the Group with financial institutions and the bonds issued by the Group in February 2015.

## Consolidated Statement of Comprehensive Income by business line

The income and expenses recorded by the Group at 31 March 2016 broken down by business line are as follows:

(Thousands of Euros)	Shopping Centres	Offices	Logistics	Residential	LRE*	Total
Revenues	9,828	1,799	1,358	-	-	<b>12,985</b>
Other income	7,265	25	7	-	-	<b>7,297</b>
Personnel expenses	-	-	-	-	(75)	<b>(75)</b>
Other expenses	(1,929)	(577)	(237)	-	(2,447)	<b>(5,190)</b>
<b>RESULTS FROM OPERATIONS</b>	<b>15,164</b>	<b>1,247</b>	<b>1,128</b>	<b>-</b>	<b>(2,522)</b>	<b>15,017</b>
Net finance income/cost	(5,032)	(288)	-	(318)	5	<b>(5,633)</b>
Impairment and results of disposals of financial instruments	-	-	-	-	-	<b>-</b>
Share in profit (loss) for the period of equity-accounted companies	580	-	-	(1,216)	-	<b>(636)</b>
<b>PROFIT/(LOSS) FOR THE PERIOD</b>	<b>10,712</b>	<b>959</b>	<b>1,128</b>	<b>(1,534)</b>	<b>(2,517)</b>	<b>8,748</b>

Data unaudited at 31 March 2016.

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

At 31 March 2016 shopping centres presented an operating profit of 15,164 thousand Euros; offices an operating profit of 1,247 thousand Euros; and the logistics warehouses an operating profit of 1,128 thousand Euros. The "LRE" column includes, inter alia, management fees of 1,505 thousand Euros.

## 2.3 Consolidated Statement of Financial Position

ASSETS (Thousands of Euros)	31/03/2016	31/12/2015
Intangible assets	1	1
Investment properties	896,557	776,375
Financial assets with associates	19,557	16,774
Equity-accounted investees	7,847	43,217
Non-current financial assets	9,392	8,475
<b>NON-CURRENT ASSETS</b>	<b>933,354</b>	<b>844,842</b>
Trade and other receivables	12,266	4,647
Financial assets with associates	25,000	26,717
Other current financial assets	1,651	1,676
Other current assets	1,457	601
Cash and cash equivalents	98,021	35,555
<b>CURRENT ASSETS</b>	<b>138,395</b>	<b>69,196</b>
<b>TOTAL ASSETS</b>	<b>1,071,749</b>	<b>914,038</b>

EQUITY AND LIABILITIES (Thousands of Euros)	31/03/2016	31/12/2015
Share capital	119,996	119,996
Share premium	415,047	415,047
Other reserves	37,710	(5,767)
Retained earnings	8,748	43,559
Treasury shares	(4,702)	(709)
Valuation adjustments	(3,677)	(1,560)
<b>EQUITY</b>	<b>573,122</b>	<b>570,566</b>
Financial liabilities from issue of bonds and other marketable securities	138,300	138,233
Loans and borrowings	304,988	173,354
Derivatives	3,998	1,560
Other non-current liabilities	12,392	10,774
<b>NON-CURRENT LIABILITIES</b>	<b>459,678</b>	<b>323,921</b>
Financial liabilities from issue of bonds and other marketable securities	423	3,504
Loans and borrowings	7,570	5,593
Other financial liabilities	93	2,651
Trade and other payables	30,863	7,803
<b>CURRENT LIABILITIES</b>	<b>38,949</b>	<b>19,551</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>1,071,749</b>	<b>914,038</b>

Data unaudited at 31 March 2016.



## Non-current assets

### Investments properties

At 31 March 2016, **investments properties** are classified under non-current assets, at a fair value of **896,557 thousand Euros** (776,375 thousand Euros at 31 December 2015). The Group's investment properties consist of ten shopping centres, four retail warehouses, two plots of land, five office buildings and five logistical warehouses. Of particular significance is the investment in shopping centres and offices amounting to 826,167 thousand Euros (705,985 thousand Euros at 31 December 2015), with revenue from leases representing 90% of the Group's total revenues in the first quarter of 2016 (85% of the Group's revenues at 31 December 2015).

## NET INVESTMENT

(Thousands of Euros)	31/03/2016	31/12/2015
Shopping Centres	635,001	547,707
Offices	151,993	149,750
Logistics	70,390	70,390
Others (*)	39,173	8,528
<b>Investment properties</b>	<b>896,557</b>	<b>776,375</b>

Data unaudited at 31 March 2016.

(\*) The amount registered in this line corresponds to the fair value of the plots of land acquired in relation to the Cruce de Caminos (Valencia) and Palmas Altas (Seville) projects.

The **GLA**, the **fair value** and the **initial yield** per asset is as follows:

### SHOPPING CENTRES

	Txingudi	Las Huertas	Albacenter	Anec Blau	Villaverde	Albacenter Hypermarket	Nuevo Alisal
Total gross leasable area (GLA) (sqm)	9,862	6,225	15,428	28,603	4,391	12,462	7,649
Fair value (Thousands of Euros)	30,700	11,748	32,400	84,968	9,851	12,437	17,202
Net initial yield	<b>5.97% - 6.88%</b>						

	Portal de la Marina Hypermarket	As Termas	As Termas Petrol Station	Parque Galaria	El Rosal	Megapark	Portal de la Marina	Total Shopping Centres
Total gross leasable area (GLA) (sqm)	9,924	33,150	2,000	4,108	51,022	63,938	30,093	<b>278,855</b>
Fair value (Thousands of Euros)	7,750	68,710	1,845	9,500	89,690	171,400	86,800	<b>635,001</b>
Net initial yield	<b>5.97% - 6.88%</b>							

### OFFICES

	Arturo Soria	Marcelo Spinola	Egeo	Eloy Gonzalo	Joan Miró	Total Offices
Total gross leasable area (GLA) (sqm)	8,663	8,586	18,254	6,231	8,610	<b>50,344</b>
Fair value (Thousands of Euros)	25,600	23,708	69,210	13,000	20,475	<b>151,993</b>
Net initial yield	<sup>(1)</sup> <b>4.63% - 5.19%</b>					

(1) Net Initial Yield does not take into account Marcelo Spinola due to it currently being under refurbishment

### LOGISTICS

	Alovera I	Alovera II	Alovera III (C2)	Alovera IV (C5-C6)	Almussafes	Total Logistics
Total gross leasable area (GLA) (sqm)	35,195	83,951	8,591	14,891	19,211	<b>161,839</b>
Fair value (Thousands of Euros)	14,300	36,840	3,250	7,500	8,500	<b>70,390</b>
Net initial yield	<b>7.85% - 9.52%</b>					

### OTHERS

	Cruce de Caminos	Palmas Altas	Total Others	Total Group
Total gross leasable area (GLA) (sqm)	43,091	123,400 <sup>(*)</sup>	<b>43,091</b>	<b>534,129</b>
Fair value (Thousands of Euros)	1,546	37,627	<b>39,173</b>	<b>896,557</b>

(\*) Corresponds with the total retail area. Not included in the total GLA calculation.

## Current assets

### Financial assets with associates

The amount recognised under this item at 31 March 2016 and 31 December 2015 reflects loans extended to Inmobiliaria Juan Bravo 3, S.L..

### Equity-accounted investees

At 31 March 2016, the amount reflects investments held by the Group that are accounted for using the equity method: Lavernia Investments, S.L. and Inmobiliaria Juan Bravo 3, S.L. (Puerta Marítima Ondara, S.L., Lavernia Investments, S.L. and Inmobiliaria Juan Bravo 3, S.L. at 31 December 2015).

The decrease in balance compared to 31 December 2015 is mainly due to the acquisition of the remaining 41.22% of the company Puerta Marítima Ondara S.L. The shareholding in the company thus being 100%, the global integration method was therefore used.

### Non-current financial assets

At 31 March 2016 and 31 December 2015, the Group has recognised as non-current financial assets mainly security deposits received from tenants, which the Group has deposited with the corresponding public bodies.

### Financial assets with associates

At 31 March 2016 and 31 December 2015, the amount of this item mainly reflects the loan and current accounts with the associate Inmobiliaria Juan Bravo 3, S.L.

### Cash and cash equivalent

At 31 March 2016, this category mainly comprises a fixed-term deposit contracted with a financial institution, the maturity of which is on 30 June 2016.



**Financial liabilities****Loans & Borrowings**

The characteristics of the Loans & Borrowings at 31 March 2016 are as follows:

Type	Project	Entity	Interest rate	Maturity date	Nominal amount (Thousands of Euros)	Current (Thousands of Euros)	Non-current (Thousands of Euros)
Mortgage loan	Egeo	WestImmo	Eur 3M + 2%	15/12/2019	30,000	-	30,000
Mortgage loan	Nuevo Alisal	Bankinter	Eur 3M + 2,90%	16/06/2025	7,822	166	7,470
Mortgage loan	Lagasca 99	Banco Santander	Eur 3M + 2,83%	30/01/2018	25,000	2,594	17,146
Mortgage loan	As Termas	ING BANK N.V.	Eur 3M + 1,80%	25/06/2020	37,345	-	36,492
Mortgage loan	El Rosal	Caixabank	Eur 3M + 1,75%	07/07/2030	50,000	271	48,673
Mortgage loan	Villaverde	Bankinter	1.75% until 30/09/2018 (afterwards Eur 12 months + 1.75%)	13/10/2020	4,550	4	4,466
Mortgage loan	Arturo Soria	Bankinter	1.80% until 30/09/2018 (afterwards Eur 12 months + 1.80%)	09/11/2020	13,000	31	12,759
Mortgage loan	Parque Galaria	Caixabank	1.75% until 14/03/2016 (afterwards Eur 3M + 1.75%)	14/12/2029	4,200	3	4,138
Mortgage loan	Joan Miró	BBVA	Eur 3M + 1,75%	23/12/2020	9,800	5	9,559
Mortgage loan	Megapark	Santander/ Natixis/ Credit Agricole	Eur 3M + 1,70%	24/02/2023	97,000	204	95,103
Mortgage loan	Portal de la Marina	Caixabank/ BBVA/ Sabadell	Eur 3M + 0,88%	31/03/2020	66,000	4,292	39,182

**Financial liabilities from the issue of bonds and other securities**

Corresponds to the bonds issued by the Group amounting to 140,000 thousand Euros in 2015.

**Other non-current liabilities**

At 31 March 2016 and 31 December 2015, these correspond to the deposits received as guarantees from the tenants of shopping centres, offices and logistics warehouses.

## Equity

At 31 March 2016, the Company's **share capital** consisted of **59,997,756 registered shares** represented by book entries with a **par value of 2 Euros each**, fully subscribed and paid up, giving their holders equal rights.

- The Company was incorporated with a capital of 60 thousand Euros, which corresponded to 30,000 shares with a par value of 2 Euros.
- On 5 February 2014, it was decided to increase the share capital by 80 million Euros by issuing and putting into circulation 40 million common shares in the Company with a par value of 2 Euros each and an issue premium of 8 Euros each, to be subscribed and paid up in cash and to be offered in a subscription offer.
- In order to make the value of the subscribed shares equal to 10 Euros, the shareholders made a contribution of 240 thousand Euros, corresponding to 30,000 shares at a price of 8 Euros

- On 6 August, the process of increasing Lar España's capital by 39,935,512 Euros was completed through the issuance and distribution of 19,967,756 new shares with a subscription price of 6.76 Euros each (with a nominal value of 2 Euros plus an issue premium of 4.76 Euros per share).

The Company has recognised **share issue costs** of **14,184 thousand Euros** as a reduction in reserves under equity.

During the first quarter of 2016, the Company has carried out its own share sale and purchase transactions, as described below:

	Number of shares	Thousands of Euros
<b>31 December 2015</b>	<b>74,250</b>	<b>709</b>
Additions	666,320	5,779
Disposals	(205,000)	(1,786)
<b>31 March 2016</b>	<b>535,570</b>	<b>4,702</b>

The negative balance arising from the sale of own shares in the first three months of 2016 amounted to 82 thousand Euros, recorded under "Other reserves".


## 2.4 Consolidated Statement of Cash Flows

(Thousands of Euros)	31/03/2016 <sup>(*)</sup>	31/03/2015 <sup>(*)</sup>
<b>A) CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES</b>	<b>360</b>	<b>(722)</b>
1. Profit/(loss) for the period before tax	8,748	3,818
2. Adjustments for:	(633)	31
Profit / (loss) from adjustments to fair value of investment properties	-	-
Impairment (+/-)	79	(118)
Financial income (-)	(974)	(198)
Financial expenses (+)	6,607	824
Share in profit (loss) for the period of equity-accounted companies	636	(477)
Adjustments to the consideration provided against income for the business combination	(6,981)	-
<b>3. Changes in operating assets and liabilities</b>	<b>(3,773)</b>	<b>(4,032)</b>
Trade and other receivables (+/-)	(6,934)	394
Other current assets (+/-)	(108)	(6,305)
Trade and other payables (+/-)	2,934	(79)
Other current liabilities (+/-)	-	1,647
Other non-current assets and liabilities (+/-)	335	311
<b>4. Other cash flows used in operating activities</b>	<b>(3,982)</b>	<b>(539)</b>
Interest paid (-)	(4,956)	(737)
Interest received (+)	974	198
<b>B) CASH FLOWS USED IN INVESTING ACTIVITIES</b>	<b>(21,006)</b>	<b>(26,669)</b>
1. Payments for investments (-)	(30,666)	(26,669)
Acquisition of entities	-	(1,650)
Outflow of liquid in business acquisitions	(14,218)	-
Investment property	(15,382)	(256)
Other financial assets	(1,066)	(24,763)
2. Proceeds from divestments (+)	9,660	-
Associates	9,660	-
<b>C) CASH FLOWS FROM FINANCING ACTIVITIES</b>	<b>83,112</b>	<b>164,613</b>
1. Payments made and received for equity instruments	(4,073)	1,223
Acquisition/disposal of treasury shares (- /+)	(4,073)	1,223
2. Proceeds from and payments for financial liability instruments	87,185	163,390
a) Issue of:	89,576	164,847
Bonds and other marketable securities (+)	-	140,000
Loans and borrowings (+)	89,576	24,847
Other financial liabilities (+)	-	-
b) Redemption and repayment of:	(2,391)	(1,457)
Bonds and other marketable securities (-)	-	(1,457)
Other financial liabilities (+)	(2,391)	-
3. Payments for dividends and remuneration on other equity instruments	-	-
Dividends (-)	-	-
<b>D) EFFECT OF EXCHANGE RATE FLUCTUATIONS</b>	<b>-</b>	<b>-</b>
<b>E) NET INCREASE IN CASH AND CASH EQUIVALENTS (A+B+C+D)</b>	<b>62,466</b>	<b>137,222</b>
<b>F) CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD</b>	<b>35,555</b>	<b>20,252</b>
<b>G) CASH AND CASH EQUIVALENTS AT END OF PERIOD (E+F)</b>	<b>98,021</b>	<b>157,474</b>

Data unaudited at 31 March 2016.

(\*) Three months period.





Arturo Soria Office Building  
(Madrid)





Megapark Shopping Centre  
(Bilbao)





### 3 EPRA INFORMATION



- **In December 2014**, the Reporting & Accounting Committee of EPRA (European Public Real Estate Association<sup>1</sup>) updated a Best Practices Recommendations<sup>2</sup> document in order to improve the presentation, transparency, comparability and relevance of the published results of listed real estate companies in Europe.
- **On September 24, 2015**, Lar España, the listed real estate investment company, has received the 'Gold Award' from the European Public Real Estate Association (EPRA) in recognition of the quality of the information provided by Lar España within the Index standards framework.

Lar España fully supports and endorses the principle of standardising the reporting of performance indicators from the perspective of comparability and improving the quality of information provided to investors and other users of the annual report.

For this purpose, Key EPRA performance indicators are reported in a separate chapter at the end of our financial reporting.

**Lar España has therefore become the first and only Spanish SOCIMI to receive this award, the most prestigious in the real estate sector.** The companies awarded were selected from among 106 real estate companies (92 of which are European listed companies on the FTSE EPRA/Nareit index).



- (1) Non-for-profit association founded in 1999 registered in Belgium which aims to make the financial statements of public real estate companies clearer, more transparent and comparable across Europe.
- (2) "Best Practices Recommendations – BPR" available at [www.epra.com](http://www.epra.com)

Key performance indicators described in the Best Practices Recommendations developed by EPRA are shown as follows:

EPRA Indicator	31/03/2016 (Thousands of Euros) / %	31/03/2016 (Euro per share)
EPRA Earnings	5,872	0.10
EPRA NAV	582,780	9.80
EPRA NNNNAV	578,782	9.73
EPRA Net Initial Yield (NIY)	6.1%	-
EPRA "topped-up" NIY	6.3%	-
EPRA Vacancy Rate	6.9%	-
EPRA Cost Ratio	41.3%	-
EPRA Cost Ratio (excluding costs of direct vacancy)	37.5%	-

See terms definitions in Glossary, point 6.



## EPRA EARNINGS

(Thousands of Euros)	31/03/2016	31/03/2015
Earnings per IFRS income statement	8,748	3,819
Change in value of investment properties	-	-
Negative goodwill (1)	(2,876)	-
Change in value of investment properties in associates	-	-
Change in fair value of financial instruments in associates	-	(91)
<b>EPRA Earnings</b>	<b>5,872</b>	<b>3,727</b>
Weighted average number of shares (excluding treasury shares)	59,586,714	39,477,327
<b>EPRA EARNINGS PER SHARE (EUROS)</b>	<b>0.10</b>	<b>0.09</b>

(1) Effect due to negative goodwill resulting from Portal de la Marina 41.22% acquisition.





## EPRA NAV

(Thousands of Euros)	31/03/2016	31/12/2015
<b>Net Asset Value per the Financial Statements</b>	<b>573,122</b>	<b>570,566</b>
Revaluation of other non current investments	5,660	5,660
Fair value of financial instruments	3,998	1,560
Deferred tax	-	-
Fair value of financial instruments in associates	-	184
Deferred tax in associates	-	-
<b>EPRA NAV</b>	<b>582,780</b>	<b>577,970</b>
<b>Number of Shares (excluding treasury shares)</b>	<b>59,462,186</b>	<b>59,923,506</b>
<b>EPRA NAV PER SHARE (EUROS)</b>	<b>9.80</b>	<b>9.65</b>

## EPRA NNNAV

(Thousands of Euros)	31/03/2016	31/12/2015
<b>EPRA NAV</b>	<b>582,780</b>	<b>577,970</b>
Fair value of financial instruments	(3,998)	(1,560)
Deferred tax	-	-
Fair value of financial instruments in associates	-	(184)
Deferred tax in associates	-	-
<b>EPRA NNNAV</b>	<b>578,782</b>	<b>576,226</b>
<b>Number of Shares (excluding treasury shares)</b>	<b>59,462,186</b>	<b>59,923,506</b>
<b>EPRA NNNAV PER SHARE (EUROS)</b>	<b>9.73</b>	<b>9.62</b>

## EPRA NIY and EPRA “topped-up” NIY

	RETAIL														
	SHOPPING CENTRES										RETAIL WAREHOUSES				TOTAL RETAIL
	Albacenter	Albacenter Hypermarket	Anec Blau	Las Huertas	Txingudi	As Termas	El Rosal	Megapark	Portal de la Marina Hypermarket	(1) Portal de la Marina	Villaverde	As Termas Petrol Station	Parque Galaria	Nuevo Alisal	
Completed property portfolio	32,400	12,437	84,968	11,748	30,700	68,710	89,690	171,400	7,750	86,800	9,851	1,845	9,500	17,202	635,001
Allowance for estimated purchasers' costs	801	319	1,320	293	583	1,713	1,504	3,257	194	2,170	246	46	133	430	13,009
Gross up completed property portfolio valuation (A)	33,201	12,755	86,288	12,040	31,283	70,423	91,194	174,657	7,944	88,970	10,097	1,891	9,633	17,632	648,008
Annualised cash passing rental income	2,376	940	5,653	1,002	2,091	5,070	7,106	11,780	528	6,938	775	112	680	1,246	46,297
Property outgoings	(272)	(10)	(446)	(140)	(196)	(264)	(901)	(972)	(5)	(599)	(89)	(1)	(11)	(77)	(3,983)
Annualised net rents (B)	2,104	931	5,207	861	1,895	4,806	6,206	10,808	522	6,339	686	111	669	1,169	42,314
Notional rent expiration of rent free periods or other lease incentives	145	33	72	44	23	117	244	159	0	212	0	0	0	50	1,099
Topped-up net annualised rent (C)	2,249	964	5,279	905	1,917	4,922	6,450	10,967	522	6,551	686	111	669	1,219	43,411
EPRA NET INITIAL YIELD (B/A)	6.3%	7.3%	6.0%	7.2%	6.1%	6.8%	6.8%	6.2%	6.6%	7.1%	6.8%	5.9%	6.9%	6.6%	6.5%
EPRA TOPPED-UP NET INITIAL YIELD (C/A)	6.8%	7.6%	6.1%	7.5%	6.1%	7.0%	7.1%	6.3%	6.6%	7.4%	6.8%	5.9%	6.9%	6.9%	6.7%

(1) From 30/03/2016 Lar España has owned 100% of Puerta Marítima Ondara, S.L.

OFFICES						LOGISTICS						TOTAL
Arturo Soria	Egeo	(2) Eloy Gonzalo	Joan Miró	(3) Marcelo Spínola	TOTAL OFFICES	Alovera I	Alovera II	Alovera III (C2)	Alovera IV (C5-C6)	Almussafes	TOTAL LOGISTICS	
25,600	69,210	13,000	20,475	23,708	151,993	14,300	36,840	3,250	7,500	8,500	70,390	857,384
1,245	2,003	325	640	580	4,793	286	1,125	65	150	170	1,796	19,598
26,845	71,213	13,325	21,115	24,288	156,786	14,586	37,965	3,315	7,650	8,670	72,186	876,980
1,407	3,341	605	1,191	(3)	6,544	1,092	2,720	218	746	749	5,525	58,366
(132)	(169)	(272)	(26)	(3)	(599)	(67)	(172)	(5)	(25)	(42)	(311)	(4,893)
1,274	3,172	333	1,165	(3)	5,944	1,025	2,548	213	721	707	5,215	53,473
0	0	0	0	(3)	0	232	0	50	0	0	282	1,381
1,274	3,172	333	1,165	(3)	5,944	1,257	2,548	263	721	707	5,496	54,851
4.7%	4.5%	2.5%	5.5%	(3)	3.8% (3)	7.0%	6.7%	6.4%	9.4%	8.2%	7.2%	6.1% (3)
4.7%	4.5%	2.5%	5.5%	(3)	3.8% (3)	8.6%	6.7%	7.9%	9.4%	8.2%	7.6%	6.3% (3)

(2) Ratio distorted as two floors of the property are to be refurbished.

(3) Data related to Marcelo Spínola has not been included in the EPRA NIY calculation due to its lack of representativeness. The asset had been preparing and evicting for a refurbishment that began during the second quarter of 2015 and is expected to finish during the second quarter of 2016.

## EPRA VACANCY RATE

Asset Class	ERV (Thousands of Euros)	ERV Vacancy (Thousands of Euros)	EPRA VACANCY RATE %
<b>Retail</b>	<b>47,696</b>	<b>3,409</b>	<b>7.15%</b>
Shopping Centres	45,046	3,409	7.56%
Albacenter	2,851	291	<sup>(1)</sup> 10.21%
Albacenter Hypermarket	870	0	0.00%
As Termas	5,412	588	10.87%
Anec Blau	6,084	349	5.74%
Las Huertas	1,334	233	<sup>(4)</sup> 17.49%
El Rosal	7,142	607	8.50%
Portal de la Marina	6,707	563	<sup>(2)</sup> 8.40%
Megapark	11,569	476	4.12%
Txingudi	2,542	300	11.82%
Portal de la Marina Hypermarket	536	0	0.00%
Retail Warehouses	2,650	0	0.00%
Villaverde	738	0	0.00%
Parque Galaria	568	0	0.00%
As Termas Petrol Station	112	0	0.00%
Nuevo Alisal	1,231	0	0.00%
<b>Offices</b>	<b>9,681</b>	<b>957</b>	<b><sup>(3)</sup> 9.89%</b>
Arturo Soria	1,299	284	21.87%
Egeo	3,423	251	7.33%
Eloy Gonzalo	3,796	379	9.98%
Joan Miró	1,162	43	3.72%
Marcelo Spinola	2,150	1,980	<sup>(3)</sup> 92.11%
<b>Logistics</b>	<b>5,862</b>	<b>0</b>	<b>0.00%</b>
Alovera I	1,267	0	0.00%
Alovera II	2,922	0	0.00%
Alovera III (C2)	283	0	0.00%
Alovera IV (C5-C6)	583	0	0.00%
Almussafes	807	0	0.00%
<b>TOTAL</b>	<b>63,239</b>	<b>4,366</b>	<b><sup>(3)</sup> 6.90%</b>

(1) The existence of a rental guarantee has been taken into account.

(2) From 30/03/2016 Lar España has owned 100% of Puerta Marítima Ondara, S.L.

(3) The data corresponding to Marcelo Spinola has been excluded from the total income and by sector due to it not being of significance. The property is currently being remodelled and is scheduled to be completed in Q2 2016. This is the reason for the % EPRA Vacancy rate for this specific property.

(4) Ongoing negotiations with new tenants.



## EPRA COST RATIOS

(Thousands of Euros)	31/03/2016	31/03/2015
Administrative expenses	(75)	(93)
Operating expenses (including net service charges)	(5,409)	(2,541)
Administrative/operating expenses in associates	(248)	(268)
<b>EPRA Cost (including direct vacancy costs) (A)</b>	<b>(5,733)</b>	<b>(2,902)</b>
Direct vacancy costs	(524)	(295)
<b>EPRA Cost (excluding direct vacancy costs) (B)</b>	<b>(5,209)</b>	<b>(2,607)</b>
Gross Rental Income less ground rent costs – per IFRS	13,891	6,471
Gross Rental Income less ground rent costs in associates	-	874
<b>Gross Rental Income (C)</b>	<b>13,891</b>	<b>7,345</b>
<b>EPRA COST RATIO (including direct vacancy costs) A/C</b>	<b>41.3%</b>	<b>39.5%</b>
<b>EPRA COST RATIO (excluding direct vacancy costs) B/C</b>	<b>37.5%</b>	<b>35.5%</b>



Anec Blau Shopping Centre  
(Barcelona)





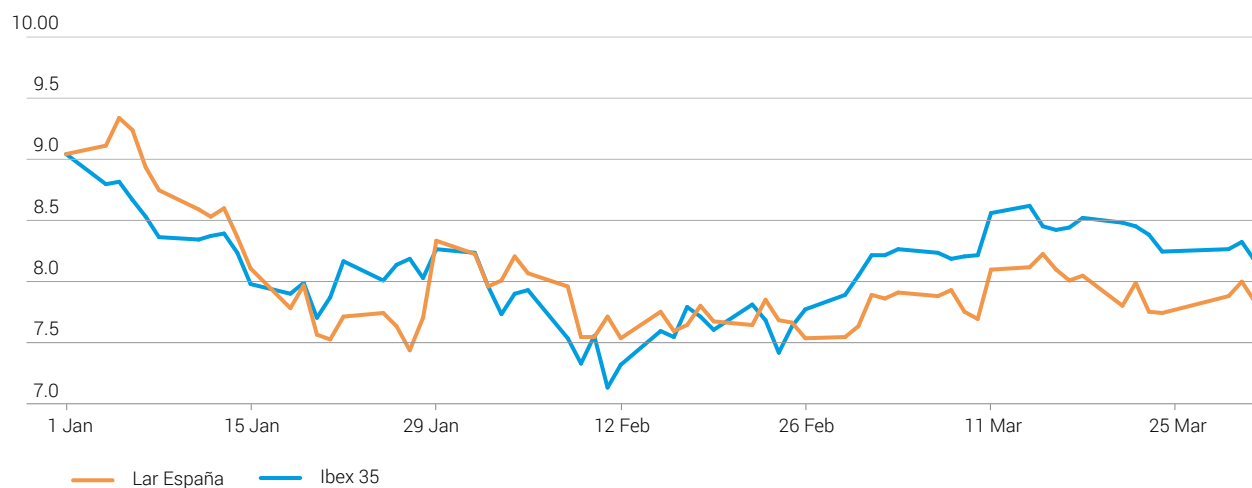
## 4 SHARE PRICE PERFORMANCE

## 4. SHARE PRICE PERFORMANCE

Details of shares (Euros)	Q1 2016
Price at the beginning of the period	9.46
Price at the end of the period	8.33
<b>Performance during the period (%)</b>	<b>-11.95</b>
Maximum price for the period	9.74
Minimum for the period	7.96
<b>Average price for the period</b>	<b>8.61</b>

The **share price performance** during the first quarter of 2016 can be seen in the following graph:

Share Price Performance vs Ibex 35 (Euros)





## Analyst Recommendations

Broker	Recommendation	Analysis Date	Target Price (Euros)
 <b>Sabadell</b>	Buy	05/10/2015	<b>11.44</b>
<b>bankinter.</b>	Buy	21/01/2016	<b>10.70</b>
 <b>Aborro Corporación</b>	Buy	03/02/2016	<b>11.50</b>
<b>fidentiis</b> <small>EQUITIES S.R.L.</small>	Buy	03/03/2016	<b>12.15</b>
<b>J.P.Morgan</b> <small>Asset Management</small>	Overweight	22/03/2016	<b>11.50</b>
<b>JBCapitalMarkets</b>	Buy	04/04/2016	<b>11.60</b>
 <b>Santander</b>	Buy	05/04/2016	<b>11.20</b>
 <b>Kepler Cheuvreux</b>	Buy	05/04/2016	<b>10.15</b>
 <b>KEMPEN &amp; CO</b> <small>Wolfsburg Bank</small>	Neutral	18/04/2016	<b>9.10</b>

Source: Bloomberg





As Termas Shopping Centre  
(Lugo)





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## EVENTS AFTER THE REPORTING PERIOD

## 5. EVENTS AFTER THE REPORTING PERIOD

- On 21 April 2016, the **Ordinary Shareholders' Meeting** of Lar España, **approved** with the majorities established by law and in the bylaws, **all the proposals** for resolutions submitted to its consideration and vote, on the terms submitted to the shareholders in the documentation made available to them with the notice of call for this shareholders' meeting, a copy of which was remitted to the CNMV by means of a relevant fact dated 18 March 2016 (with registration number 236455).
- The **General Shareholders' Meeting** of Lar España, validly held on 21 April 2016, on second call, approved, among other resolutions, to distribute:
  - (i) as **dividend** for the fiscal year, an amount of **4,499 thousand Euros**, at a ratio of 0.075 Euros gross per share;
  - (ii) with charge to **share premium**, an amount of **7,538 thousand Euros**, at a ratio of 0.125 Euros gross per share.
- Lar España hereby informs that, in compliance with article 7.2 of the Investment Manager Agreement entered into between the Company and the Manager –Grupo Lar Inversiones Inmobiliarias, S.A. ("Grupo Lar") – on 12 February 2014 and widely described in the Initial Public Offering Prospectus, has carried out a capital increase with the sole purpose that the Performance Fee due to Grupo Lar for the services provided as exclusive manager of the Company is invested in ordinary shares of the Company.

This capital increase, which has been fully subscribed and paid by Grupo Lar, has been carried out for a total **nominal value of 1,258,654 thousand Euros** through the **issuance of 629,327 new shares with a nominal value of 2 thousand Euros per share**, of the same class and series as the existing shares of Lar España, granting, therefore, the same political and economic rights. The new shares will have a lock-up period of three years.

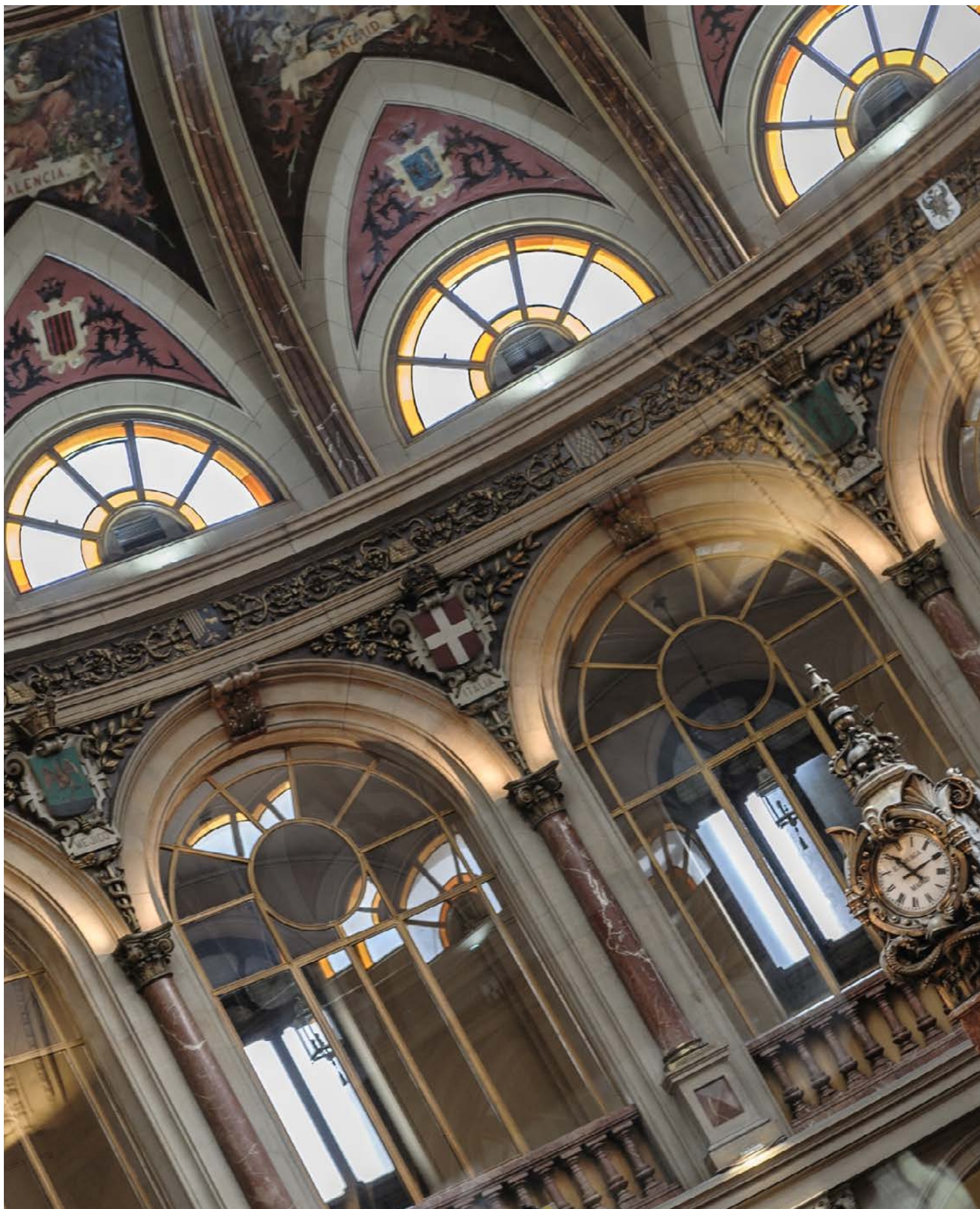
The new shares have been issued with a premium of 6.4189 Euros per share, amounting to a total premium of 4,039,590.37 Euros, pursuant to the authorisation granted to the Board of Directors by the Extraordinary General Shareholders' Meeting held on 18 December 2015 at second call.

The distribution will be carried out on 20 May 2016, by Banco Santander, S.A., via the depositaries participating entities in Sociedad de Gestión de los Sistemas de Registro, Compensación y Liquidación de Valores, S.A. (Iberclear).

It is reiterated that, pursuant to article 47 of the Bylaws, the authorized persons appearing on the accounting records of Sociedad de Gestión de los Sistemas de Registro, Compensación y Liquidación de Valores, Sociedad Anónima Unipersonal (Iberclear) at 23:59 hours on the day on which the Shareholders' Meeting approved the distribution.







## 6. GLOSSARY

### **PBT**

*Profit Before Tax.*

### **EBIT**

*Earnings Before Interest and Tax.*

### **EBITDA**

*Earnings Before Interest, Tax, Depreciation and Amortisation.*

### **Net profit/(loss)**

*Profit/(Loss) for the period after tax.*

### **ROE**

*Return on equity, calculated by dividing profit for the last 12 months by weighted average equity.*

### **ROA**

*Return on assets, calculated by dividing profit for the last 12 months by weighted average Company assets.*

### **Liquidity ratio**

*The Company's capacity to meet its obligations with liquid assets, calculated as the ratio between the Company's current assets and current liabilities.*

### **Solvency ratio**

*The Company's financial capacity to meet its payments obligations with all the assets and resources available. It is calculated by dividing equity plus non-current liabilities by non-current assets.*

### **Spanish GAAP**

*Spanish General Accounting Plan approved by Royal Decree 1514/2007 of 16th November 2007.*

### **EPRA Earnings**

*Earnings from operational activities.*

### **EPRA NAV**

*Net Asset Value adjusted to include properties and other investment interests at fair value and to exclude certain items not expected to crystallise in a long-term investment property business model.*

### **EPRA NNNAV**

*EPRA NAV adjusted to include the fair values of (i) financial instruments, (ii) debt and (iii) deferred taxes.*

### **EPRA Net Initial Yield (NIY)**

*Annualised rental income based on the cash rents passing at the balance sheet date, less non-recoverable property operating expenses, divided by the market value of the property, increased with (estimated) purchasers' costs.*

### **EPRA "topped-up" NIY**

*This measure incorporates an adjustment to the EPRA NIY in respect of the expiration of rent-free periods (or other unexpired lease incentives such as discounted rent periods and stepped rents).*

### **EPRA Vacancy Rate**

*Estimated Market Rental Value (ERV) of vacant space divided by ERV of the whole portfolio.*


### **EPRA Cost Ratio**

*Administrative & operating costs (including direct vacancy costs) divided by gross rental income.*

### **EPRA Cost Ratio (excluding direct vacancy costs)**

*Administrative & operating costs (including & excluding direct vacancy costs) divided by gross rental income.*





Egeo Office Building  
(Madrid)





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