Lar España Real Estate SOCIMI, S.A. (LRE)

Q1 2016 Results

13th May, 2016

www.larespana.com
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Lar España’s presenting team

MIGUEL PEREDA
Board Member of Lar España and Co-CEO of Grupo Lar

SERGIO CRIADO
CFO of Lar España

HERNÁN SAN PEDRO
Head of Investor Relations of Lar España
Agenda

1. Highlights
2. Financials
3. Business Performance
4. Closing Remarks
Strong performance through active asset management

Strong results start to show the run rate potential of the portfolio

- €13Mn of Gross Rental Income / EPRA Annualized Net Rent1 of €53.5Mn
- 6.1% EPRA Net Initial Yield
- Increase of NAV to 9.80€ from 9.65€ at the end of the year
- Investment in Palmas Altas (Seville) and the Acquisition of 100% of Portal de la Marina SC

Proven Value Added Portfolio Management

- +7.2% in retail tenant Sales & +3.5% footfall in Q1 2016 vs Q1 2015
- +4.3% in retail Gross Rental Income since acquisition
- +5% Retail NOI since acquisition

Dividend Approved

- Second dividend distribution of €12Mn by the AGM

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1 Marcelo Spínola’s EPRA Annualized net rent is 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. It also Excludes Sagunto Retail development and Palmas Altas.
Delivering strong operating and financial results in Q1

- **€952Mn** GAV\(^1\) +104% vs Q1 2015
- **€13Mn** Gross Rental Income +100% vs Q1 2015
- **38%** Net LTV\(^2\) 2.3% Cost of Debt
- **+5.3%** Tenants Sales Growth outperforming the market
- **+3.5%** Footfall outperforming the market

- **€53.5Mn** EPRA Annualised Net Rent\(^3\)
- **€5.9Mn** EPRA Earnings
- **€9.8** EPRA NAV per share +1.6% vs Dec 2015
- **93.1%** EPRA Occupancy Rate
- **6.1%** EPRA Net Initial Yield

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\(^1\) Total GAV = Valuation of assets at the end of 2015 + Acquisition Price of additions to the portfolio occurred in Q1

\(^2\) Net LTV as of 31 March 2016 = Net Debt/ Total GAV = 38%

\(^3\) Marcelo Spínola’s EPRA Annualized net rent is not included in the calculations due to the lack of representativeness. It also Excludes Sagunto Retail development and Palmas Altas.
Attractive recent investments enhance the existing portfolio

**Palmas Altas acquisition**

<table>
<thead>
<tr>
<th>Asset Type</th>
<th>Regional SC</th>
</tr>
</thead>
<tbody>
<tr>
<td>Location</td>
<td>Seville</td>
</tr>
<tr>
<td>Date of Opening</td>
<td>End 2018</td>
</tr>
<tr>
<td>Acquisition Price</td>
<td>€36Mn</td>
</tr>
<tr>
<td>Est. Total Cost</td>
<td>€145Mn</td>
</tr>
<tr>
<td>Net Yield on Cost</td>
<td>&gt;8%</td>
</tr>
</tbody>
</table>

Development of a large commercial and family leisure-entertainment macro-complex in Seville

**Full control of Portal de la Marina (remaining 41.22% stake)**

<table>
<thead>
<tr>
<th>Asset Type</th>
<th>Regional SC</th>
</tr>
</thead>
<tbody>
<tr>
<td>Location</td>
<td>Ondara</td>
</tr>
<tr>
<td>Date of Opening</td>
<td>2008</td>
</tr>
<tr>
<td>41.22% Acq Price</td>
<td>€14.6Mn</td>
</tr>
<tr>
<td>Total GAV</td>
<td>€86.8Mn</td>
</tr>
<tr>
<td>Net Yield on Cost</td>
<td>6.7%</td>
</tr>
</tbody>
</table>

Acquisition of the 41.22% stake in Puerta Marítima Ondara, gaining full control of the asset and consolidation of the results

**Excellent performance of the asset:**

- 2015: +13% sales increase and >3.7 visitors
- Q1 2016: +8% sales and c.800k visitors

**New generation project** with an integrated offer of traditional shopping, restaurants and cinemas with open air leisure and free time activities and a food experience area, all in a total area of 123,000 Sqm

Aimed at becoming dominant centre of a catchment area of 1.45 Mn inhabitants

Acquisition of 58.78% stake at €17.5Mn

Acquisition of 100% of the hipermarket to Eroski at €7.5Mn

Acquisition of 41.22% stake at €14.6Mn
Agenda

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Significant progress of results driven by the positive performance of the portfolio

<table>
<thead>
<tr>
<th>Consolidated Income Statement (Thousands of Euros)</th>
<th>Q1 2016</th>
<th>Q1 2015</th>
<th>Chg (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Recurring</td>
<td>Non-Recurring</td>
<td>Total</td>
</tr>
<tr>
<td>Rental Income</td>
<td>12,985</td>
<td>-</td>
<td>12,985</td>
</tr>
<tr>
<td>Other income</td>
<td>319</td>
<td>6,978</td>
<td>7,297</td>
</tr>
<tr>
<td>Property Operating Expenses</td>
<td>(2,743)</td>
<td>-</td>
<td>(2,743)</td>
</tr>
<tr>
<td>Base Fee</td>
<td>(1,505)</td>
<td>-</td>
<td>(1,505)</td>
</tr>
<tr>
<td>Property Operating Results</td>
<td>9,055</td>
<td>6,978</td>
<td>16,033</td>
</tr>
<tr>
<td>Corporate Expenses</td>
<td>(734)</td>
<td>(283)</td>
<td>(1,017)</td>
</tr>
<tr>
<td>EBITDA</td>
<td>8,321</td>
<td>6,696</td>
<td>15,017</td>
</tr>
<tr>
<td>Changes in the Fair Value</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>EBIT</td>
<td>8,321</td>
<td>6,696</td>
<td>15,017</td>
</tr>
<tr>
<td>Financial Result</td>
<td>(1,529)</td>
<td>(4,104)</td>
<td>(5,633)</td>
</tr>
<tr>
<td>Share in profit (loss) for the period of equity-accounted companies</td>
<td>(636)</td>
<td>-</td>
<td>(636)</td>
</tr>
<tr>
<td>EBT</td>
<td>6,156</td>
<td>2,592</td>
<td>8,748</td>
</tr>
<tr>
<td>Income Tax</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Profit/loss for the period</td>
<td>6,156</td>
<td>2,592</td>
<td>8,748</td>
</tr>
</tbody>
</table>
Diversified and prudent financing strategy with a highly competitive cost of debt

Highly compelling 2.3% cost of debt

Back loaded debt amortization profile

Diversification of sources of funding including bank and debt capital markets

Prudent approach to financial risk management

1 Net LTV as of March 2016; LTV = Total Loans & Borrowings & Notes net of Cash / Total GAV; GAV = Valuation of assets at the end of 2015 + Acquisition Price of additions to the portfolio occurred in the quarter
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Portfolio at a glance

Rental Properties (88% of GAV)
1. Prime retail in selected secondary cities
2. Prime Logistics warehouses in highly consolidated areas
3. Office assets in Madrid and Barcelona offering attractive returns

Development and Refurbishment Projects (12% of GAV)
1. Retail Developments with highly attractive yields on cost
2. Ultra-prime residential development for sale

Acquisition price (€/Sqm) by asset class

<table>
<thead>
<tr>
<th>Category</th>
<th>Acquisition price €/Sqm</th>
</tr>
</thead>
<tbody>
<tr>
<td>Retail</td>
<td>2,194</td>
</tr>
<tr>
<td>Offices</td>
<td>2,791</td>
</tr>
<tr>
<td>Logistics</td>
<td>392</td>
</tr>
<tr>
<td>Retail Developments</td>
<td>485</td>
</tr>
<tr>
<td>Prime Residential Develop.</td>
<td>4,178</td>
</tr>
</tbody>
</table>

EPRA Initial Yield
- Retail: 6.5%
- Offices: 3.8%
- Logistics: 7.2%

EPRA Occupancy Rate
- Retail: 92.9%
- Offices: 90.1%
- Logistics: 100.0%

EPRA Initial Yield: 6.1% TOTAL LAR ESPAÑA EPRA NIY
EPRA Occupancy Rate: 93.1% TOTAL LAR ESPAÑA EPRA OCC. RATE

(1) Marcelo Spinola’s EPRA NIY and EPRA Occupancy rate is not calculated due to the lack of representativeness. The refurbishment was started during Q2 2015 and is expected to be finished during Q2 2016. To calculate the NIY for the total portfolio we have excluded the data from Marcelo Spinola.
Our portfolio continues to accelerate through Value-Added Management outperforming a strong market

4 Pillars of operating performance of our retail portfolio:

A. Our selective investment approach: searching for hidden value and dominant asset in the area

B. Our unparalleled asset management execution capabilities: targeted capex deployment, lease up and tenant recycling and relocations to generate value

C. Focus on digital transformation of the retail assets – 360° model global vision with action plan ad hoc for every asset

D. The Spanish consumer recovery

+5% Net Operating Income since acquisition

+5k sqm of Intense leasing Activity (7% GLA) with 32 operations in Q1

+5% Sales in Q1 2016

-64% BAD Debt since acquisition

-26% Discounts since acquisition

+3.5% Footfall in Q1 2016

+4% Gross Rental Income since acquisition

GRI +4%
NOI +5%
Lar España portfolio continuously outperforms the market driven by an asset management aimed at improving shopping experience.

Q1 2016 increase in total and comparable sales

Q1 2016 vs Q1 2015 Performance of key Assets

Megapark
- Footfall growth: +8.5%
- Total Sales growth: +7%
- EPRA Vacancy Rate: 4.1%

El Rosal
- Footfall growth: +4.4%
- Total Sales growth: +6%
- EPRA Vacancy Rate: 8.5%

Anéc Blau
- Footfall growth: +7.4%
- Total Sales growth: +10%
- EPRA Vacancy Rate: 5.7%

Portal de la marina
- Footfall growth: +6.1%
- Total Sales growth: +13%
- EPRA Vacancy Rate: 7.8%

1 INE: Spanish Retail Index.
Tenants showing great interest in both our operating and under development assets

High quality and diversified tenant base / Retail Projects under development

<table>
<thead>
<tr>
<th>Rank</th>
<th>Tenant</th>
<th>Sales %</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>INDITEX</td>
<td>7.32%</td>
</tr>
<tr>
<td>2</td>
<td>MediaMarkt</td>
<td>7.28%</td>
</tr>
<tr>
<td>3</td>
<td>DECATHLON</td>
<td>4.88%</td>
</tr>
<tr>
<td>4</td>
<td>Carrefour</td>
<td>4.22%</td>
</tr>
<tr>
<td>5</td>
<td>ElCorteIngen</td>
<td>4.13%</td>
</tr>
<tr>
<td>6</td>
<td>H&amp;M</td>
<td>2.97%</td>
</tr>
<tr>
<td>7</td>
<td>TOYS R US</td>
<td>2.85%</td>
</tr>
<tr>
<td>8</td>
<td>EROSKI</td>
<td>2.74%</td>
</tr>
<tr>
<td>9</td>
<td>CORTEFIEL</td>
<td>2.34%</td>
</tr>
<tr>
<td>10</td>
<td>Conforama</td>
<td>2.34%</td>
</tr>
</tbody>
</table>

41% of sales from top 10 tenants

Close relationships: Lar España targets to exploit revenue synergies of its growing retail portfolio
Offices and logistics improving value

Offices

Evolution

Eloy Gonzalo Building
- Managing current occupancy to gradually renovate the asset

Joan Miró Building
- First signs of tenant renovation negotiated upwards

Office portfolio occupancy reached 90.1%\(^1\)

Repositioning

Marcelo Spínola Building
- Full refurbishment in progress
- Estimated works to conclude by end of July 2016
- Invested capex of c.€9.5Mn.

Logistics

- 100% occupancy
- Cost optimization

\(^1\) To calculate the portfolio’s occupancy rate, Marcelo Spínola’s has been excluded due to the lack of representativeness. The refurbishment was started during Q2 2015 and is expected to be finished during Q2 2016.
Construction works and market commercialization started

Underground Construction started this quarter

- More than €60Mn off-market reservations already prebooked

Completed

- VIP sales office in place, marketing plan launched
- **Construction contract signed** in February 2016: Constructora San Martin
- Estimated capex 2015-2017: €15m

Target Action Plan

- **Conclusion of the execution Project design** and currently working on an amendment to the existing license

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1 Capex adjusted by Lar España’s 50% share in the JV
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Closing Remarks

- Attractive portfolio of €834Mn of rental assets that generate €53.5Mn of annualised Net Rental Income and an EPRA net initial yield of 6.1%

- Significant future upside from current retail developments, refurbishment and residential projects

- Proven active management is delivering results well above market

- €12Mn Approved dividend payment – 20th of May