lar España
Real Estate

Q1 2016 Results

13th May, 2016

EPRA BPR GOLD
FINANCIAL REPORTING

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

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1 Highlights

2 Financials

3 Business Performance

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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 Rent[1] 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

[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	€53.5Mn	EPRA Annualised Net Rent[3]	
€13Mn	Gross Rental Income	+100% vs Q1 2015	€5.9Mn	EPRA Earnings	
38%	Net LTV[2]	2.3% Cost of Debt	€9.8	EPRA NAV per share	+1.6% vs Dec 2015
+5.3%	Tenants Sales Growth outperforming the market		93.1%	EPRA Occupancy Rate	
+3.5%	Footfall outperforming the market		6.1%	EPRA Net Initial Yield	

[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 acqusition

Asset Type	Regional SC
Location	Seville
Date of Opening	End 2018
Acquisition Price	€36Mn
Est. Total Cost	€145Mn
Net Yield on Cost	>8%

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

Total cost of €145Mn, corresponding €36Mn to the plot purchase price and €109Mn capex

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

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

Asset Type	Regional SC
Location	Ondara
Date of Opening	2008
41,22% Acq Price	€14.6Mn
Total GAV	€86.8Mn
Net Yield on Cost	6.7%

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

- **Oct 2014** — Acquisition of **58.78%** stake at **€17.5Mn**
- **Jun 2015** — Acquisition of **100% of the hipermarket** to Eroski at **€7.5Mn**
- **Mar 2016** — Acquisition of **41.22%** stake at **€14.6Mn**

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

Consolidated Income Statement (Thousands of Euros)

	Q1 2016			Q1 2015			Chg (%)
	Recurring	Non-Recurring	Total	Recurring	Non-Recurring	Total	
Rental Income	12,985	-	**12,985**	6,471	-	6,471	
Other income	319	6,978	**7,297**	130	-	130	
Property Operating Expenses	(2,743)	-	**(2,743)**	(827)	-	(827)	
Base Fee	(1,505)	-	**(1,505)**	(1,001)	-	(1,001)	
Property Operating Results	**9,055**	**6,978**	**16,033**	**4,773**	**-**	**4,773**	**+236%**
Corporate Expenses	(734)	(283)	**(1,017)**	(500)	(306)	(806)	
EBITDA	**8,321**	**6,696**	**15,017**	**4,273**	**(306)**	**3,967**	**+279%**
Changes in the Fair Value	-	-	**-**	-	-	-	
EBIT	**8,321**	**6,696**	**15,017**	**4,273**	**(306)**	**3,967**	**+279%**
Financial Result	(1,529)	(4,104)	**(5,633)**	(626)	-	(626)	
Share in profit (loss) for the period of equity-accounted companies	(636)	-	**(636)**	477	-	477	
EBT	**6,156**	**2,592**	**8,748**	**4,124**	**(306)**	**3,818**	**+129%**
Income Tax	-	-	**-**	-	-	-	-
Profit/loss for the period	**6,156**	**2,592**	**8,748**	**4,124**	**(306)**	**3,818**	**+129%**

Diversified and prudent financing strategy with a highly competitive cost of debt

Highly compelling 2.3% cost of debt

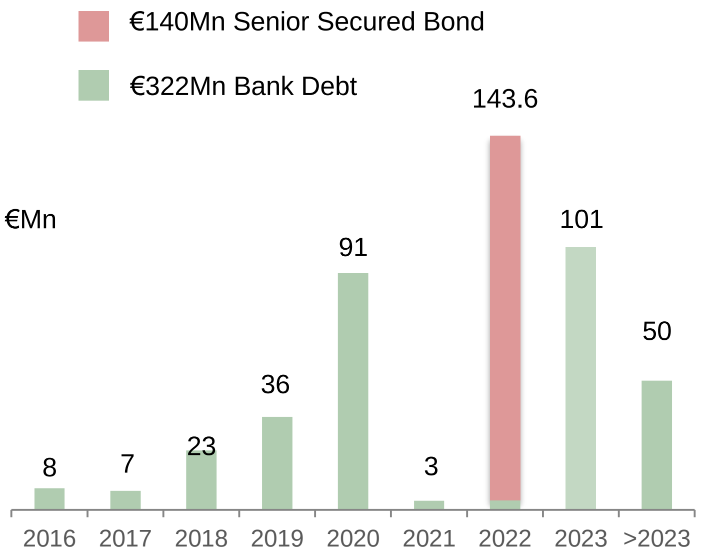
Back loaded debt amortization profile

Diversification of sources of funding including bank and debt capital markets

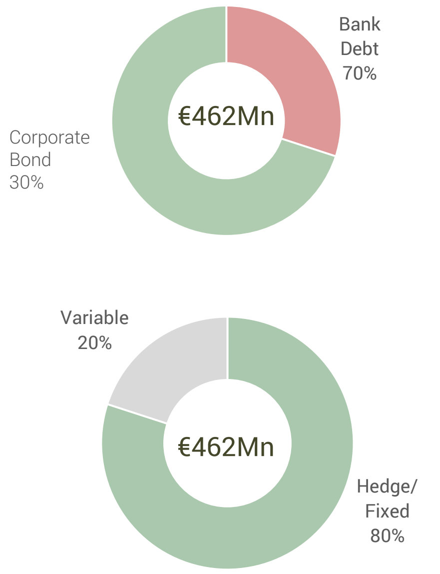
Prudent approach to financial risk management

Amortization Profile

Net LTV[1]: 38%



Diversification of sources



[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

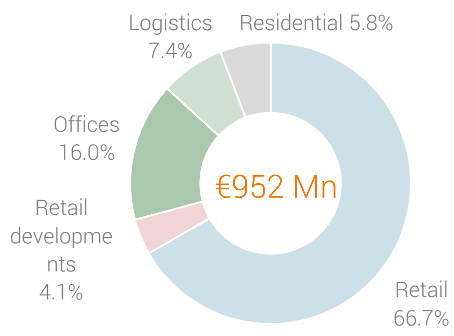
Rental Properties (88% of GAV)

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

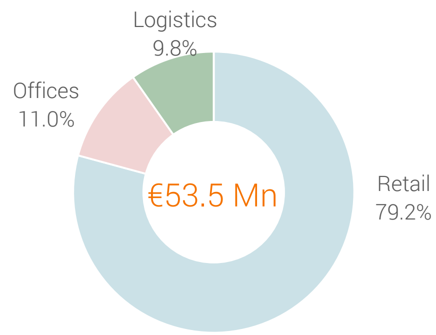
Development and Refurbishment Projects (12% of GAV)

1. Retail Developments with highly attractive yields on cost
2. Ultra-prime residential development for sale

GAV



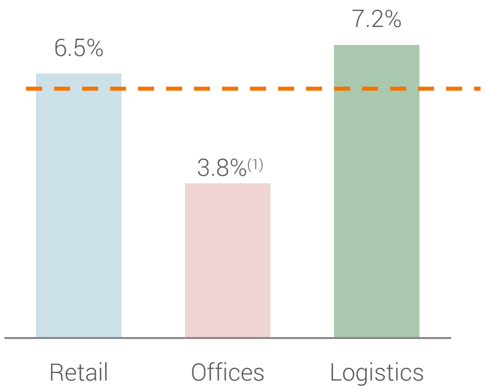
Rental Income



Acquisition price (€/Sqm) by asset class

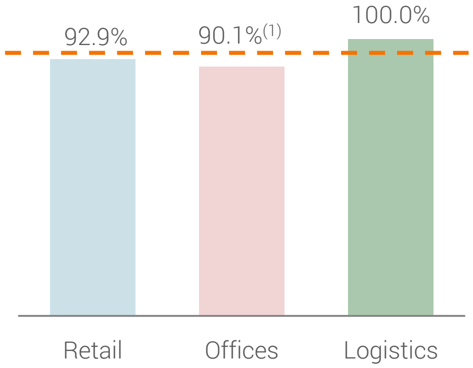
Retail	2,194
Offices	2,791
Logistics	392
Retail Developments	485
Prime Residential Develop.	4,178

EPRA Initial Yield



6.1% TOTAL LAR ESPAÑA EPRA NIY

EPRA Occupancy Rate



93.1% TOTAL LAR ESPAÑA EPRA OCC. RATE

(1) Marcelo Spínola'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 Spínola.

Retail

Our portfolio continues to accelerate through Value-Added Management outperforming a strong market

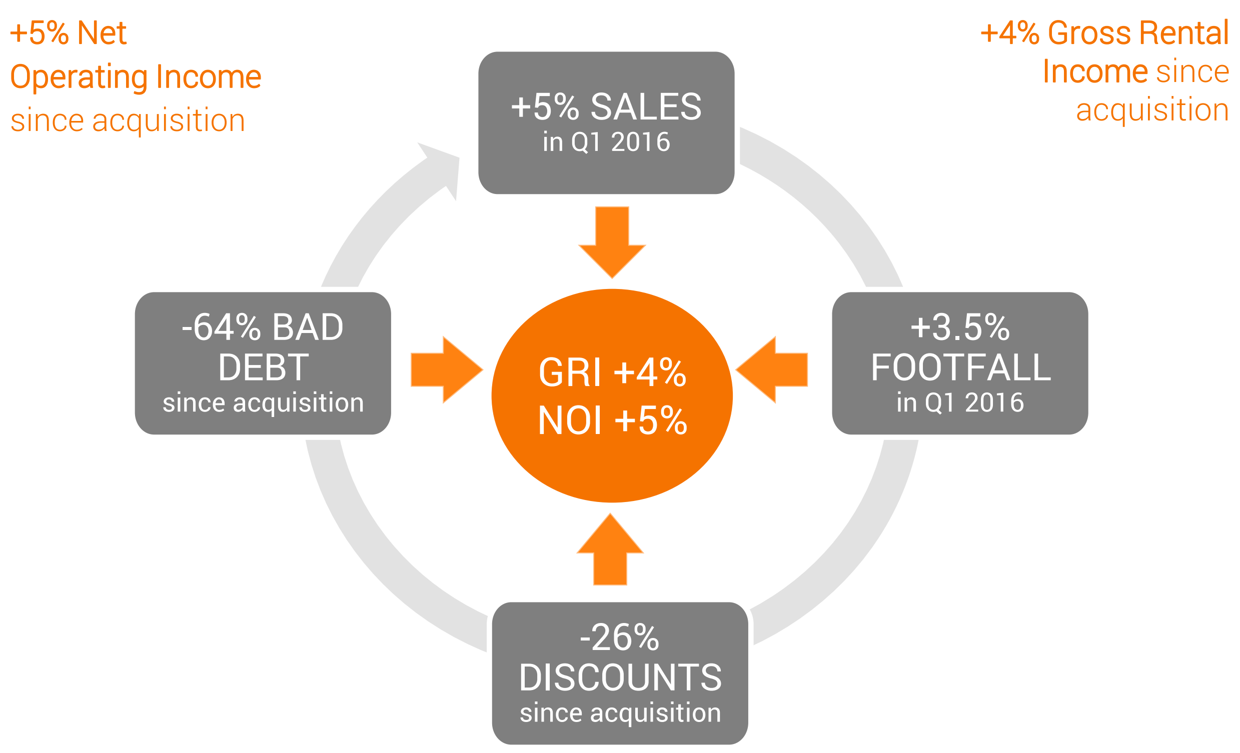
4 Pillars of operating performance of our retail portfolio:

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 – 360º model global vision with action plan ad hoc for every asset

D. The **Spanish consumer recovery**

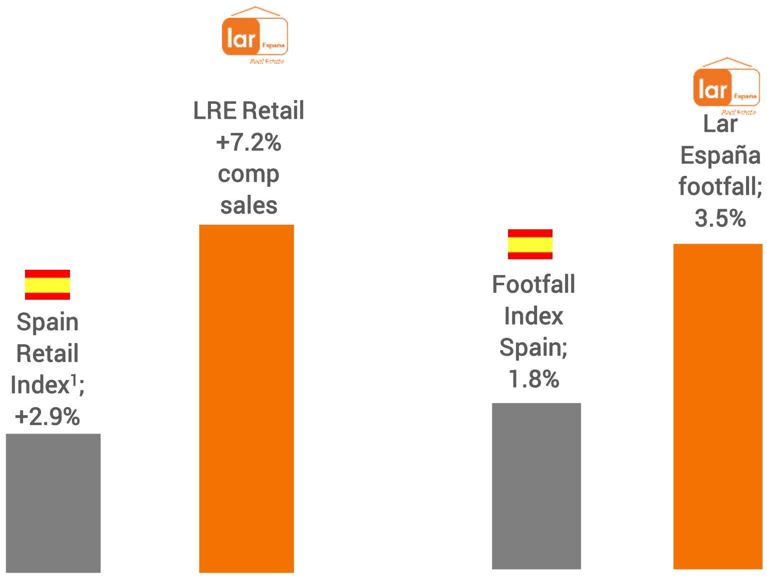


+5k sqm of Intense leasing Activity (7% GLA) with 32 operations in Q1

Retail

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



[1] INE. Spanish Retail Index.

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

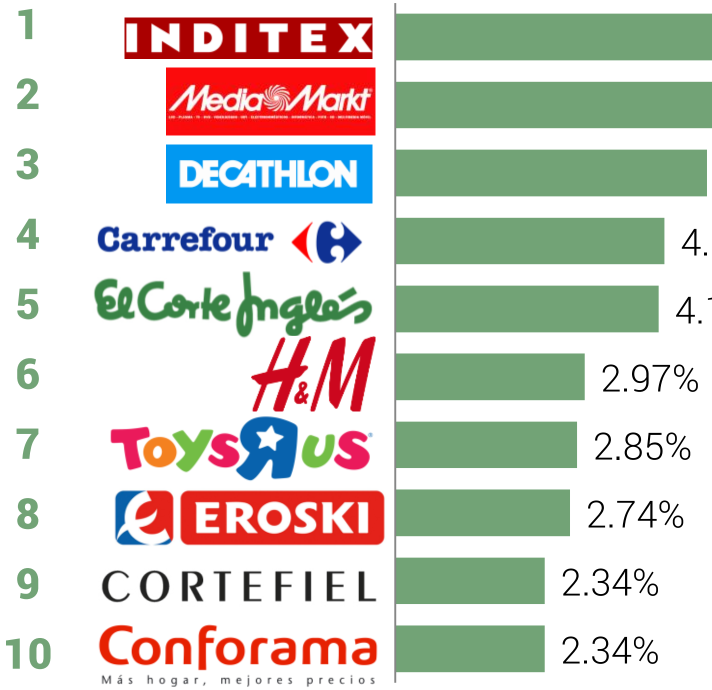
Footfall growth: +7.4%
Total Sales growth: +10%
EPRA Vacancy Rate: 5.7%

Portal de la marina

Footfall growth : +6.1%
Total Sales growth : +13%
EPRA Vacancy Rate: 7.8%

Tenants showing great interest in both our operating and under development assets

High quality and diversified tenant base / Retail Projects under development



41% of sales from top 10 tenants

Palmas Altas Seville

Cruce de Caminos Sagunto

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.

LAGASCA99

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**[1]

Target Action Plan

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

[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 lar España

Real Estate