



Corporate Stands



Investor Day

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October 2016

Corporate Stands – Presenting Team

Digital 360° Stand

Cristina García
Head of Marketing at Grupo Lar

More than 10 years of experience in the retail sector
Cristina has worked for the main retail companies in Spain & Portugal, being her last position Head of Marketing at Unibail-Rodamco
Professor at EOI university in different programs such as MBA, Customer Experience, Marketing Intelligence, etc.
Researcher from Universidad Autónoma de Madrid

Diego de Vicente
Founding partner and Managing Director of MODDO

MODDO is a company founded in 2010 and specialized in technology applied to fashion
PhD in Economics and Business Administration by the Complutense University
Associate professor in the department of Business Organization for the Complutense University and San Pablo CEU University

Transformation Stand

Alvaro Ansorena
Senior Asset Manager

Senior asset manager at Grupo Lar since August 2014
Previously operating manager at Unibail-Rodamco for 3.5 years

Nataliia Varvarovska
Senior Analyst Asset Management

Member of Asset Management Retail since August 2014
Analyst and Project Management Officer for Altran (a global leader in innovation and consulting) during 2.5 years
CFA Program Level II Candidate

Retail Investment Stand

Susana Cabrera
Director Investment & Divestment

Head of Transaction Management Retail from February 2014
14 years of experience in Real Estate sector
Portfolio Manager leading the acquisition and asset management of European retail funds for ING REIM & CBRE GI during 11 years

Javier Muelas
Senior Investment Analyst

Member of Transaction Management Retail since March 2015
2.5 years of experience in Real Estate sector
Passed Level I of the CFA Program
Real Estate & FIG Equities Analyst for Alantra (former Nplusone) during 1 year

Retail Development Stand

Fernando Sánchez de las Matas
Technical Director

Architect specialized in Commercial/Mixed Use projects, with 26 years of experience in Real Estate, leading complex design processes and world-class professional teams.
Architecture Director in multinational companies: Wanda Group, INTU-Eurofund, Mall Plaza Chile, Riofisa

Beatriz Moreno-Luque
Development Manager in Retail Development Department

7 years of experience in Real Estate Consultancy as valuation and investment analyst
Previously worked in KPMG FIG & Real Estate Team and Aguirre Newman

Lagasca99 Stand

Luis Valdés
Sales Manager of Lagasca99

10 years of experience in Real Estate sector
Previously worked in CBRE & Variant as Senior Consultant and Head of Residential Department respectively

Nicolás Alcibar
Project Manager of Lagasca99

More than 10 years of experience in Real Estate sector
Previously worked in Cushman & Wakefield, Lico Leasing
Member of RICS



Digital 360°



Real Estate

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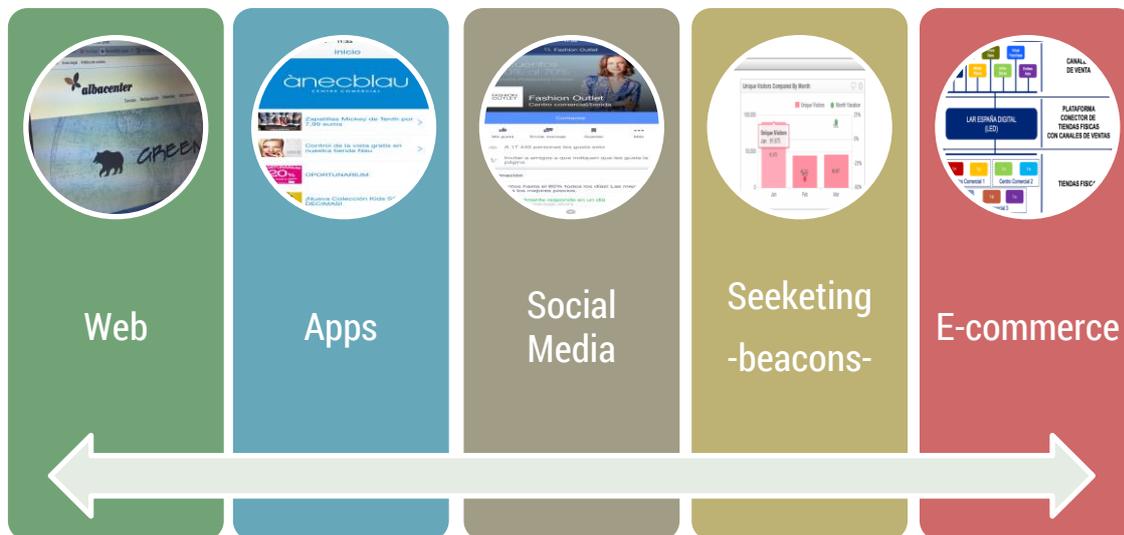
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Digital channels to be in

LAR ESPAÑA EXISTING CHANNELS

- Our first goal is to KNOW our clients and their needs. We go from know or clients to CONNECT them.
- Now, more than ever, many people are connected digitally to their 'love brands'. Our brands need to be also in the digital environment.
- We need to have the proper channels to connect with our customers in they way they want to.



DESCUBRE!

LAS MEJORES MARCAS CERCA DE TI

TU PARQUE COMERCIAL EN **ALICANTE** CON MÁS DE 35.000M2 DE LAS MEJORES MARCAS



EL BAÑO QUE IMAGINAS



PRÓXIMA APERTURA: MAISONS DU MONDE



BIENVENIDO A CASA
2015/2016

BIENVENIDO A CASA

PARQUE COMERCIAL VISTAHERMOSA

Tenemos claro lo que debe ser un parque comercial. Por eso, desde 2.002 nos esforzamos día a día en cumplir un objetivo claro: conseguir que las mejores marcas estén cerca de ti.

Digital channels to connect

SEEKETING SYSTEM

- E-beacons installed in our Shopping Centres.
- Thanks to this system, we are able to know more about the behaviour of our customers within the shopping centres.



SEEKETING ALLOWS US TO:

Count the number of people in each area

Calculate the average visit time per area

Know the number of new people

Observe the flow of people

Connect them through an app

Digital channels to buy I

NEXT STEP: SALES ONLINE

- We want to offer our customers the type of services they are asking for.
- Buying online is now a reality which is continuously increasing.
- Television did not kill radio; sales online wont kill sales offline. We need to be updated.

consumers

- New channel for buying
- Better experience with the brand
- Access to promotions and new services
- Click & Collect Service

retailers

- Improve the services directed to clients
- Improve the control of stocks and operations
- Cross-selling opportunities and sales through click & collect
- Access to more products and Infinite corridor

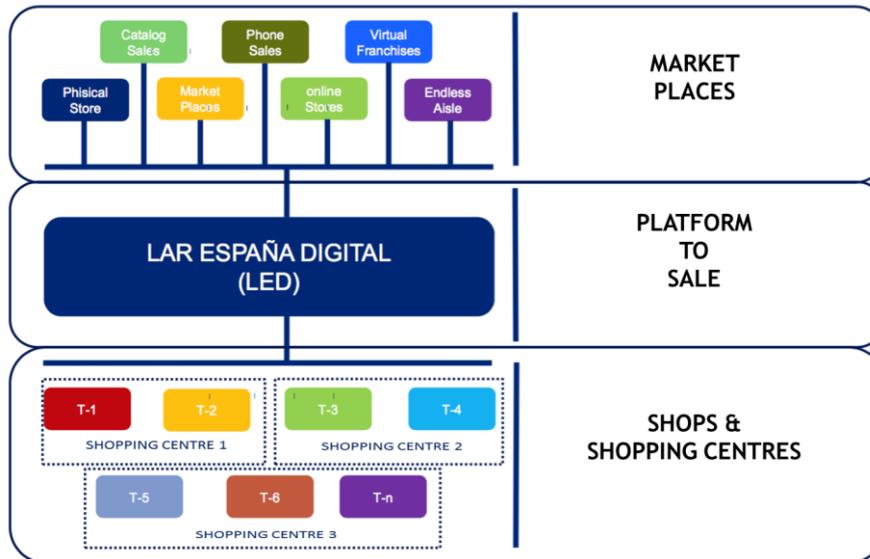
owners

- Differentiation among its competitors
- Be perceived as modern and updated
- New incomes thanks to the new channel
- Add value to brands

Digital channels to buy II

SALES ONLINE: PROCESS

- Shops from each shopping centres will get requests directly from customers or other market places.
- The platform will receive visits from customers within the catchment area but also outsiders: new sales creation.



CATEGORÍAS

- Automóvil y Motos
- Electrónica
- Deportes y Exterior**
- Smartphone y Tablets
- Salud y Belleza
- Bolsos, Zapatos y Accesorios
- Juguetes y Hobbies
- Televisores
- Ordenadores y Portátiles
- Joyas y Relojes
- Luces y Lámparas
- Más Categorías

- Inicio **Hot** Novedades Rebajas Inspirarte Centros Comerciales Contáctanos

Deportes

- Running
- Ciclismo
- Futbol
- Otros deportes

Exteriores

- Acampada
- Telescopios
- Sombreros
- Calzado
- Bolsos de dormir

Baño

- Baño Mujer
- Baño Hombre
- Baño Niños
- Sombrillas
- Toallas
- Gorras y sombreros
- Neveras portátiles



CONSIGUE UN DESCUENTO DEL **30%** EN TODOS LOS DEPORTES Y EXTERIOR SOLO ESTE FIN DE SEMANA

REBAJAS

GRATIS*

PAGO SEGURO
EN TODAS TUS COMPRAS



GARANTÍA
TIENES 30 DÍAS DE

ELECTRÓNICA

NOVEDADES

MÁS VENDIDOS

MÁS VISTOS



NUEVO ONIX SP

NX1 23.2 MP SMART 4K CAMERA WITH 16-50MM POWER ZOOM LENS



OFERTA



OFERTA





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Transformation



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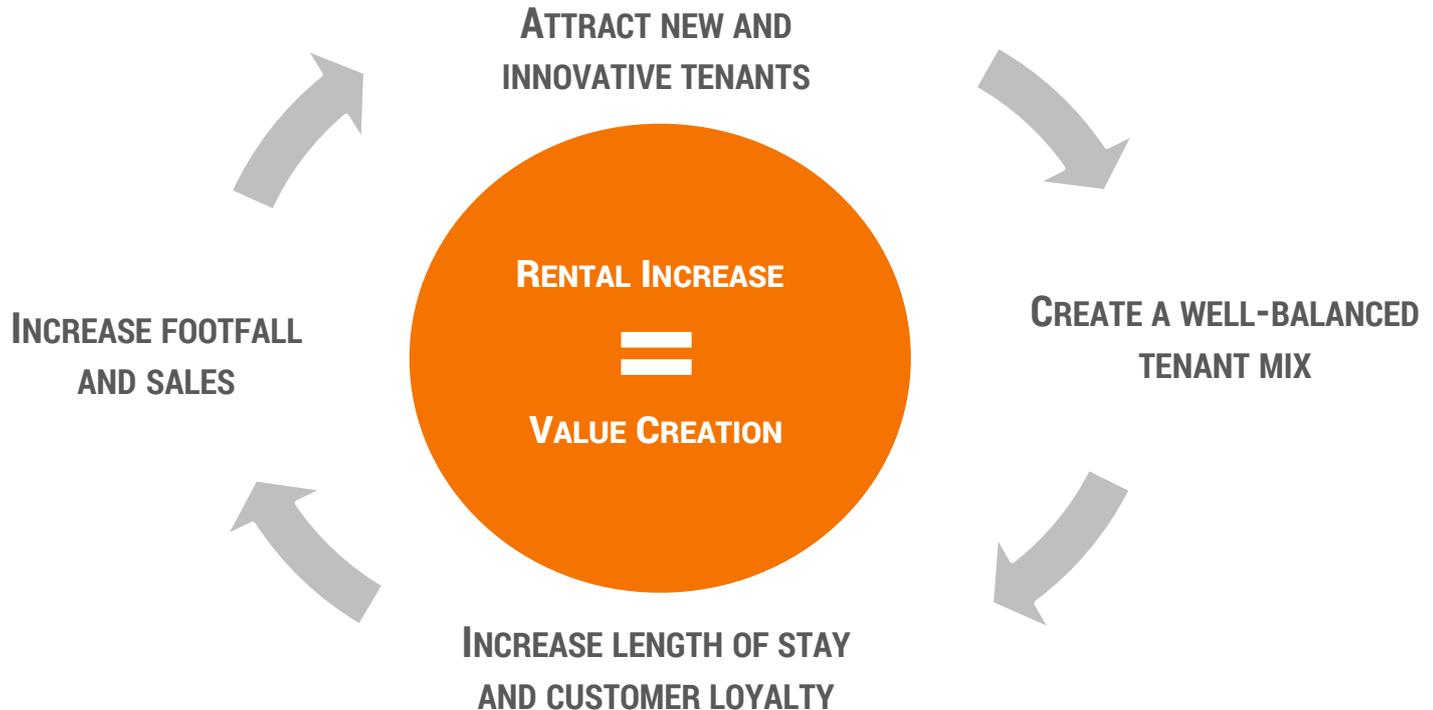
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Asset Management Strategy Framework



Fast Value Creation Cycle



Leasing Strategy: Good Results

**+28%
MGR Uplift**

**36,000 sqm
GLA Leased**



98 New Lettings

+€1.5 Mn of new rent in vacant units

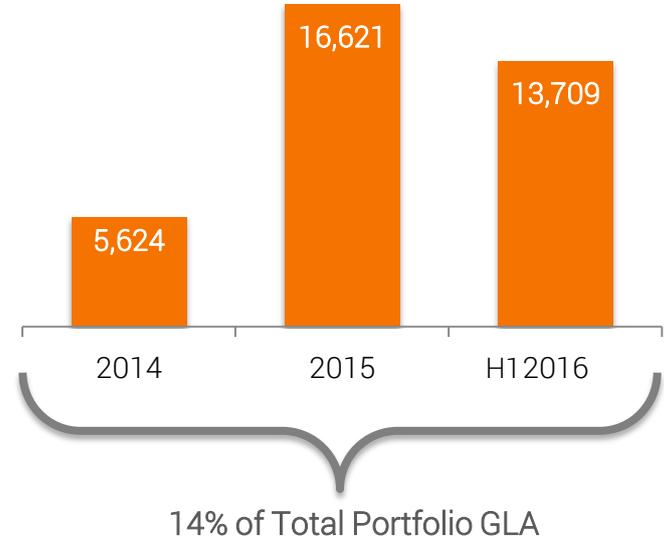


95 Renewals

50% of tenants upgraded their image →
Up-to-date retailers → Higher sales →
Higher rents.



14 Relocations



Leasing Strategy: Good Results



Txingudi
Portal de la Marina



As Termas



Albacenter
Portal de la Marina



Portal de la Marina



DEICHMANN

Las Huertas



EL GANSO

Megapark



Koröshi.
Maniaks Graphic Design TM

El Rosal
Las Huertas
Txingudi



Portal de la Marina



El Rosal
Las Huertas
As Termas
Portal de la Marina



Man & Woman

Txingudi



Txingudi



El Rosal
Megapark
Albacenter
Portal de la Marina

Leasing Strategy: International Retailers

Portal de la Marina



Leasing Strategy: International Retailers

As Termas



Leasing Strategy: International Retailers

Portal de la Marina



Leasing Strategy: International Retailers

Albacenter



Leasing Strategy: International Retailers

Las Huertas



Leasing Strategy: International Retailers

Txingudi

Before



Now



Leasing Strategy: International Retailers

Portal de la Marina

Before



Now



Leasing Strategy: International Retailers

Txingudi

Before



Now



Strategic Marketing

The New Marketing

- What do we aspire?
 - We want to become leaders in the minds of our customers
- How do we do it?
 - Locate inexistent markets and expand beyond saturated markets
 - Define new concepts, products and services
 - New pricing models

Partner:



Shopping center Management

Familiar



Digital experience



Memorable experiences

Greenery



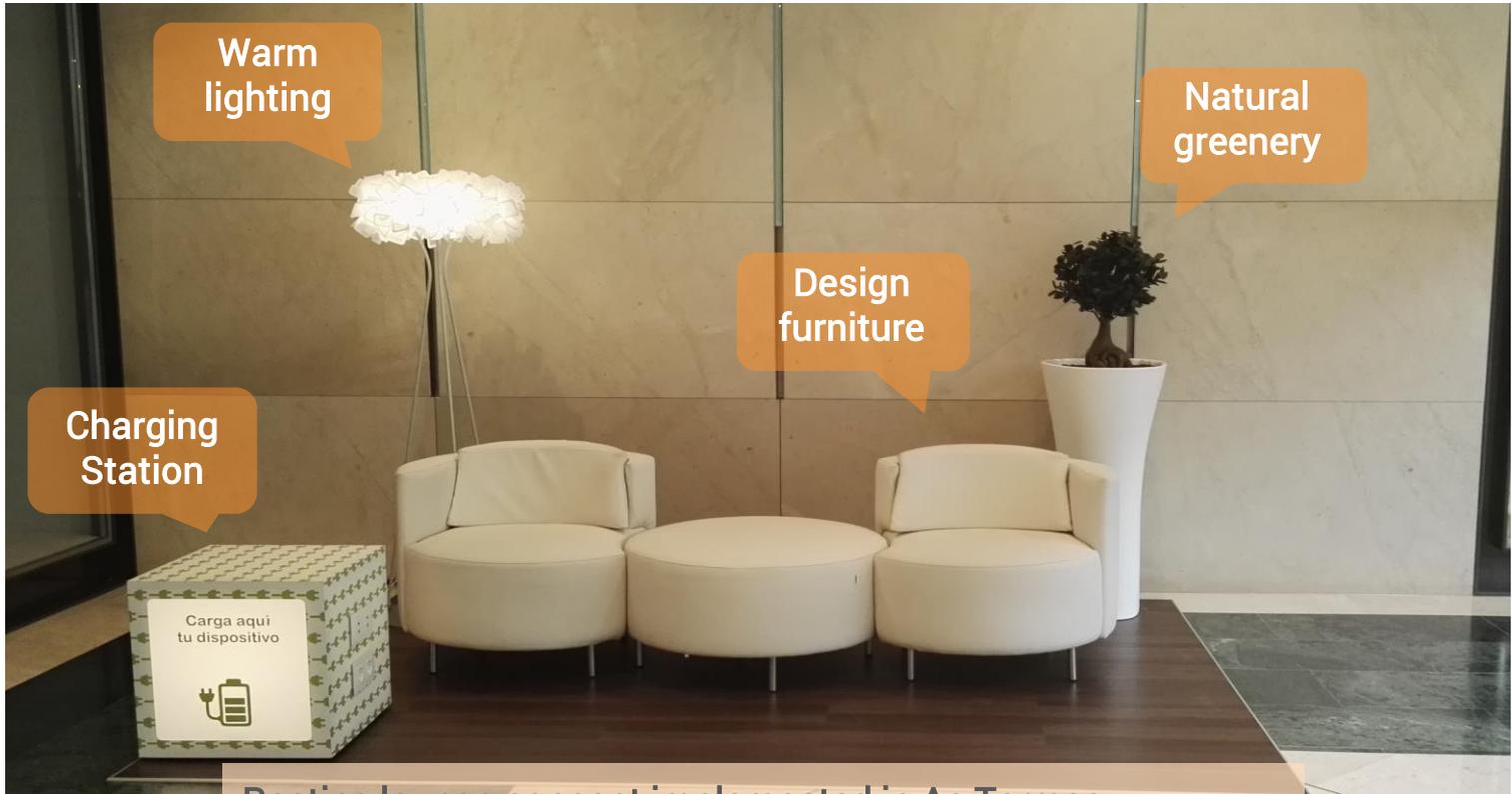
Services



Multisensorial

Welcoming

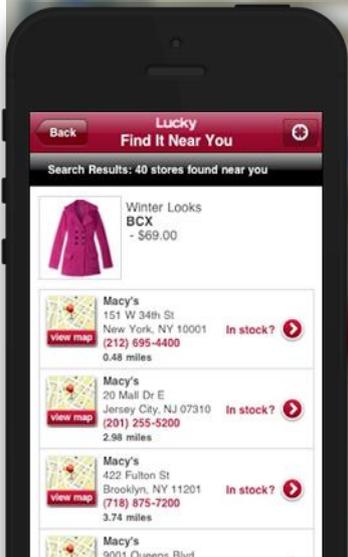
Shopping center Management: Focus on unique experiences



Resting lounge concept implemented in As Termas...
...soon to be rolled out to whole portfolio

Shopping center Management

-Business intelligence based on mobile technology-



Invisible detection of
Our visitors



Building our
Customers profiles



Engagement at
the **sale point**

Shopping center Management: Events



ALBACENTER
9,000 visitors



Refurbishment Projects

Las Huertas

Before



Refurbishment Projects

Albacenter

Current status



Refurbishment Projects

Txingudi

Current status



Asset Management Strategy Framework





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Retail Investment



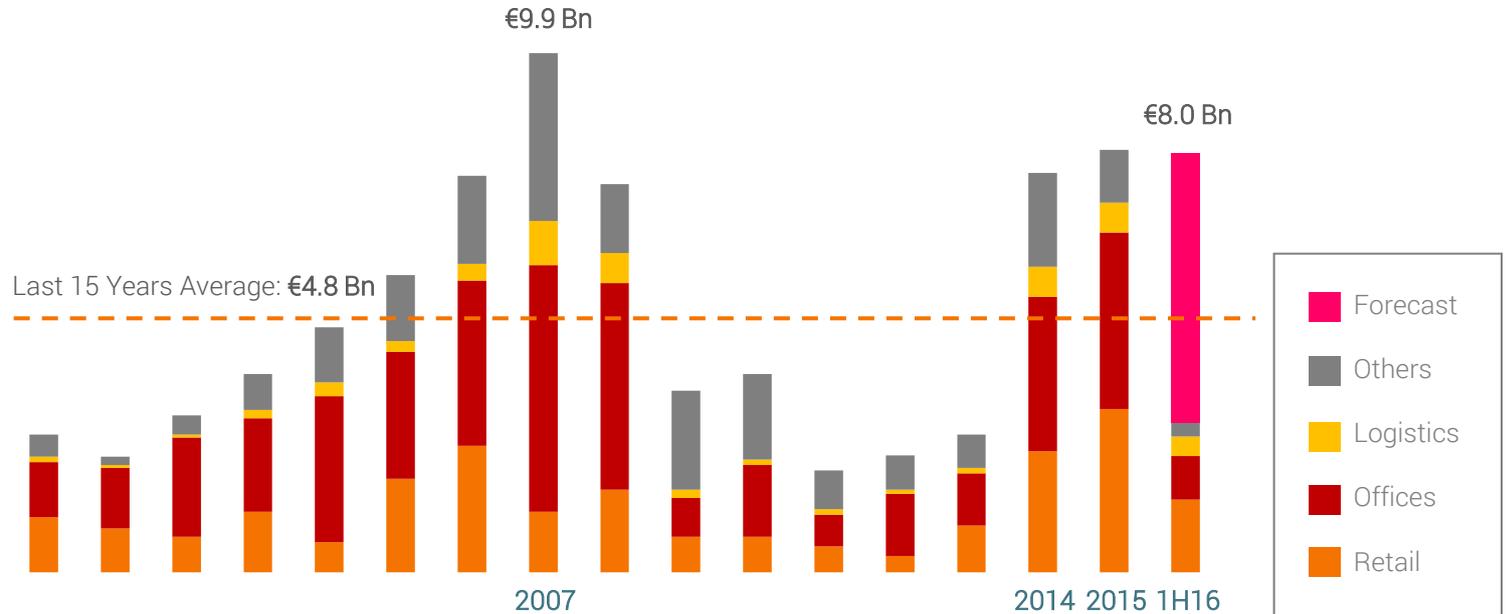
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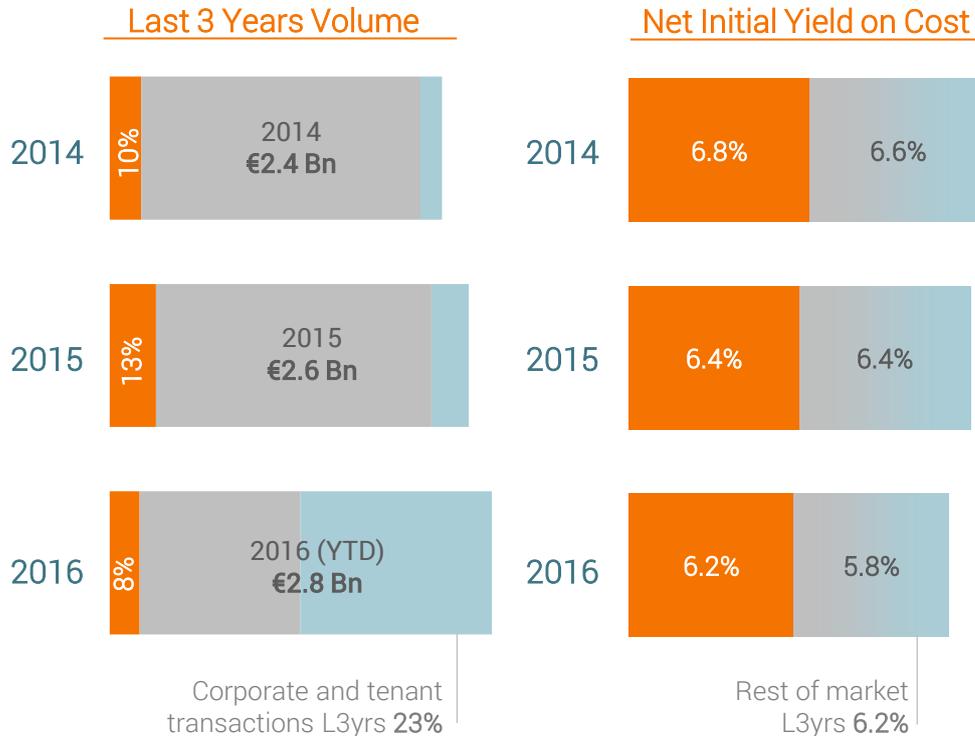
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The CRE Investment Context¹



(1) Excluding high street, corporate and tenant transactions
Source: Savills and BNP Paribas

Lar as one of the main retail players¹



■ Lar España Transactions

■ Direct Market Transactions

■ Corporate and Tenant Transactions

(1) Excluding high-street transactions
Source: Grupo Lar

Lar as one of the main retail players

Lar España Retail Figures at a Glance (L3yrs)

#1 investor

Controlling stake

#2 investor

Investment volumes

#3 investor

GLA acquired

✓ **Retail investment**
Lar €793 Mn *10% of market*

✓ **Entry NIY (oC)**
Lar 6.5% vs 6.2% market

✓ **GLA acquired**
Lar >350K sqm

What are we looking for?

Asset Type

1. Dominant shopping centres
2. Strong retail parks with conservative rents
3. Development on a selective basis



Asset Quality and Location

1. Dominant assets in their catchment areas
 - a) Low/medium commercial density (barriers of entry)
 - b) Above-average GDP per capita
 - c) Contribution from tourism
 - d) GPD growth potential

Value-add Strategy

1. Previously under-managed assets
2. Requiring Capex efforts and strong asset management

Ownership

1. High level of ownership in target schemes to implement value creation strategy



Target Return

1. Levered return >12%

An investment example

Gran Vía de Vigo: Why we invested in it?

Above-average GDP per capita: 2nd wealthiest city in Galicia

Excellent Location: in Vigo's main shopping street

Low Retail Offer: >10% below national average

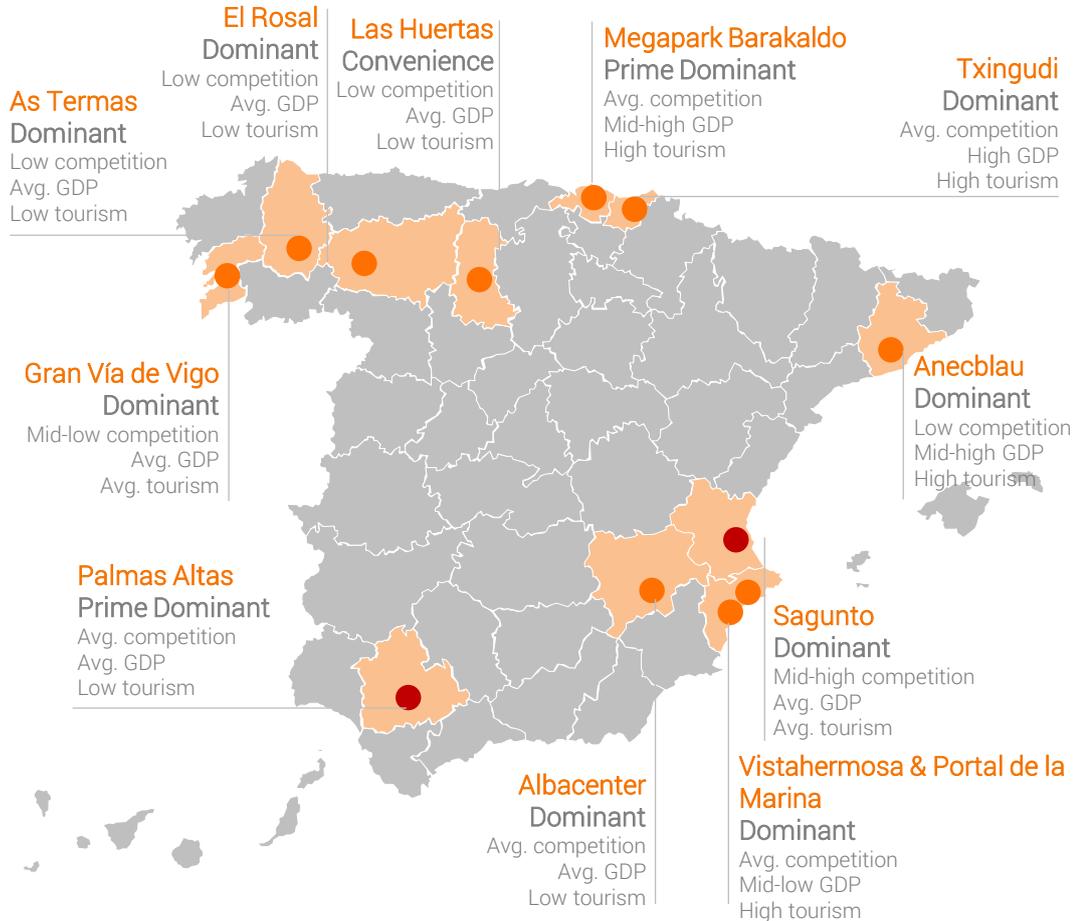
Add-value Potential: Capex budgeted for upper-floor refurbishment

Tenants Quality: Carrefour, best Cinemas in Galicia, Inditex brands

Dominant: 7.2Mn visitors and c.500k potential catchment



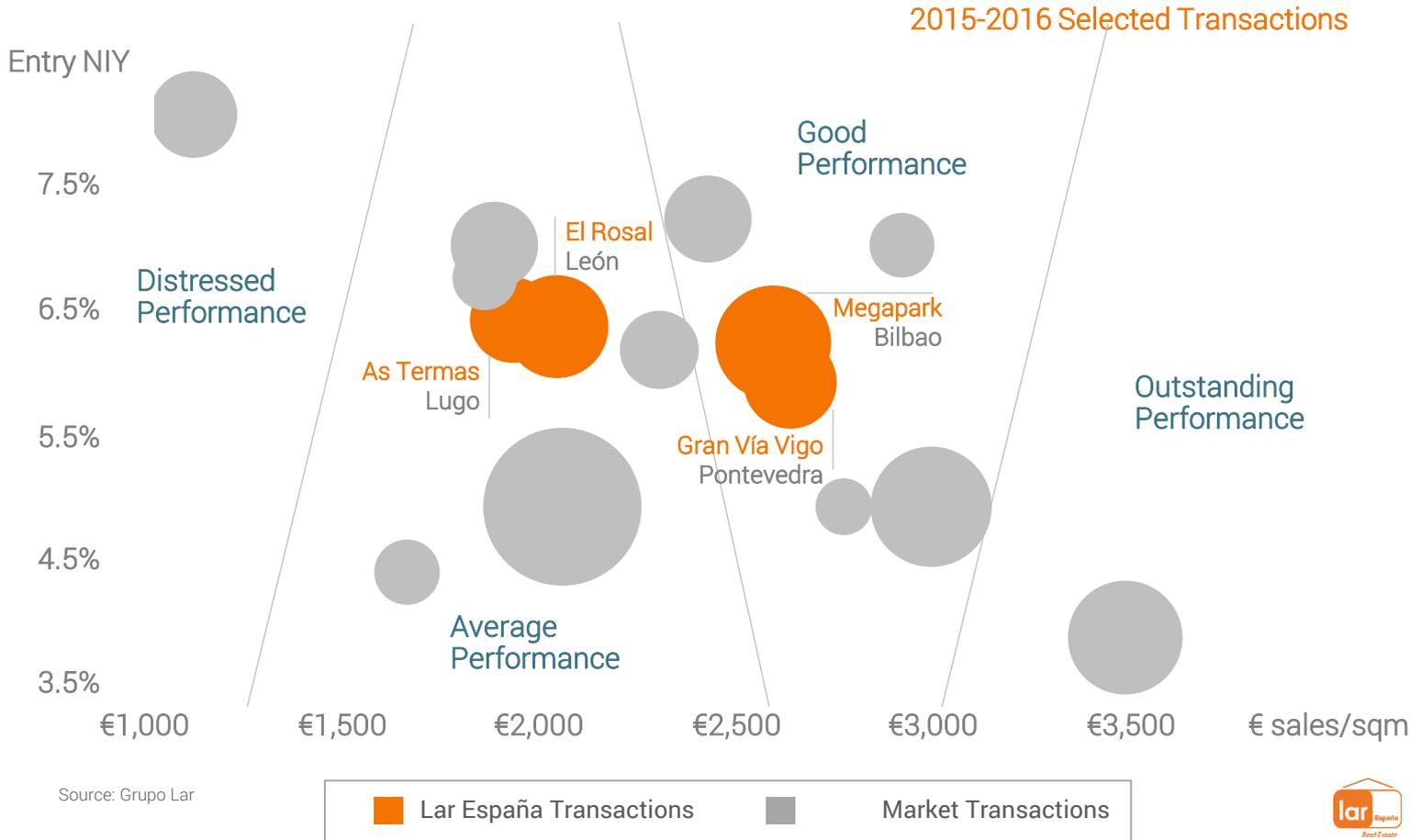
What have we achieved?



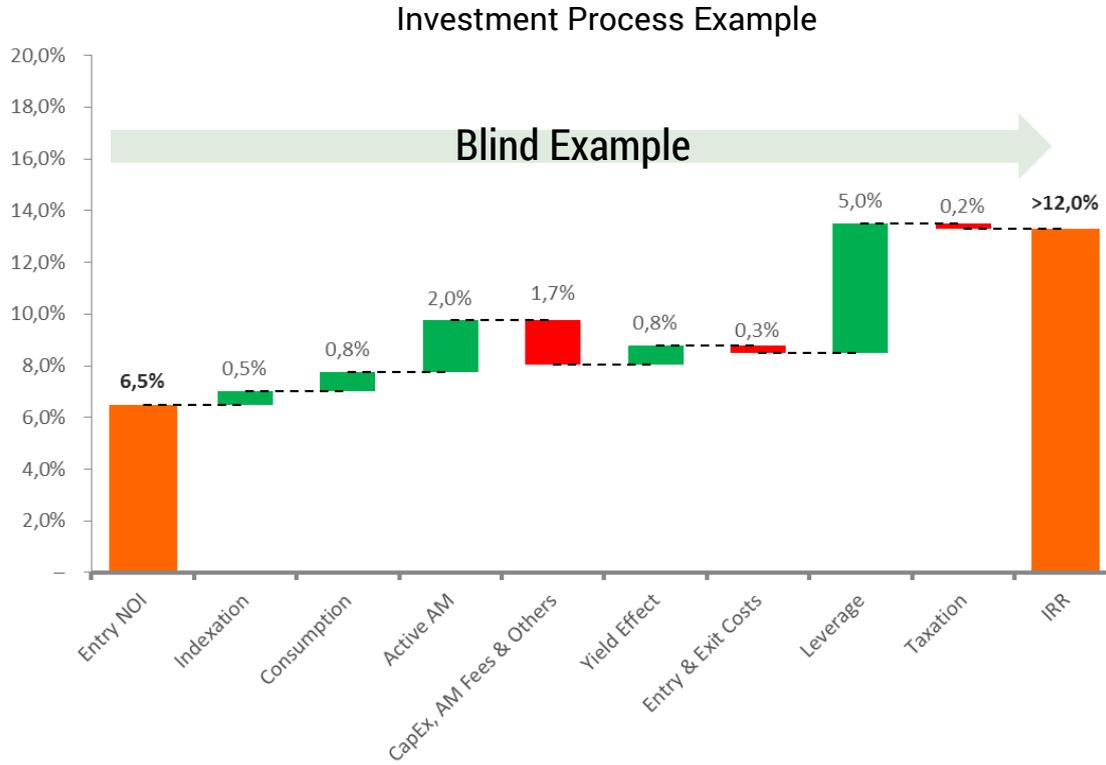
82% of transactions have been off-market

- Under Management
- Under Development

Our Investment Positioning

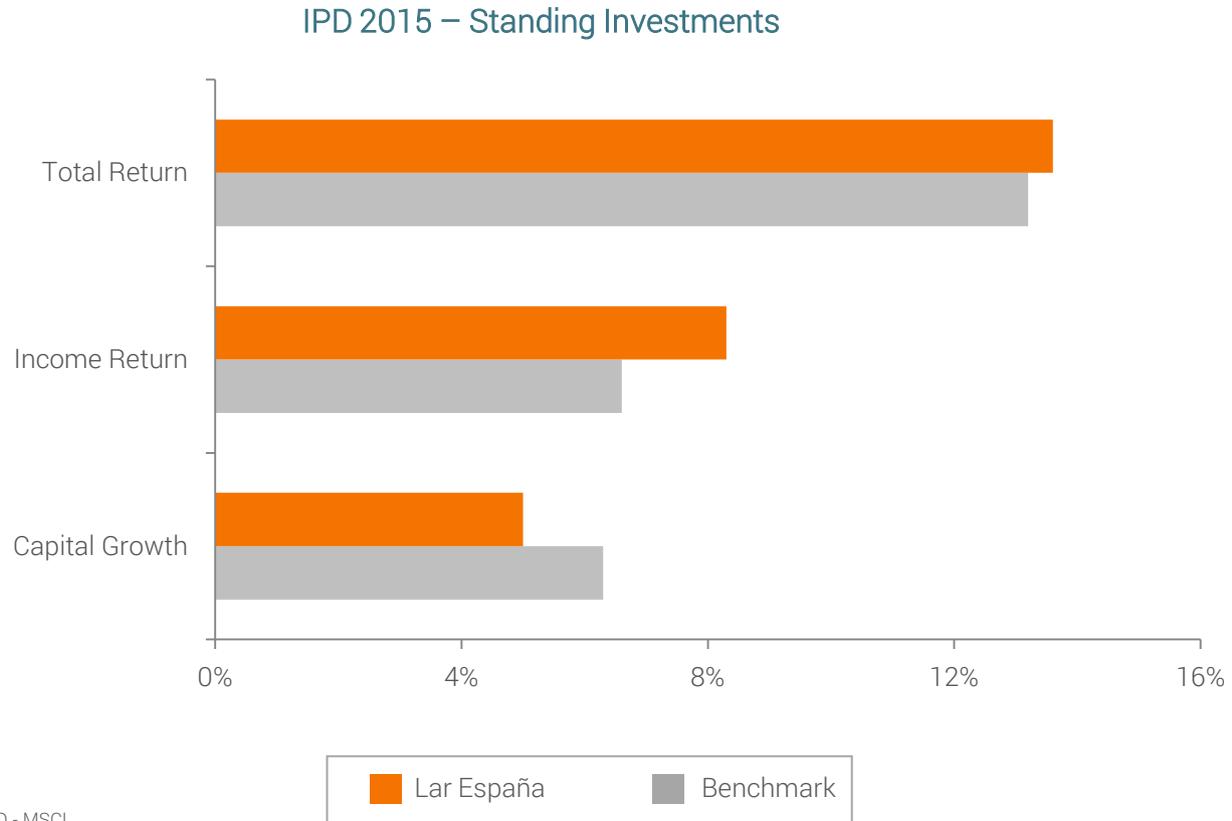


How do we create value for shareholders?



“The retail strategy of Lar España -strict asset selection and additional value creation through active asset management- results in outstanding returns to its shareholders”

How do we create value for shareholders?



Source: IPD - MSCI



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Retail Development



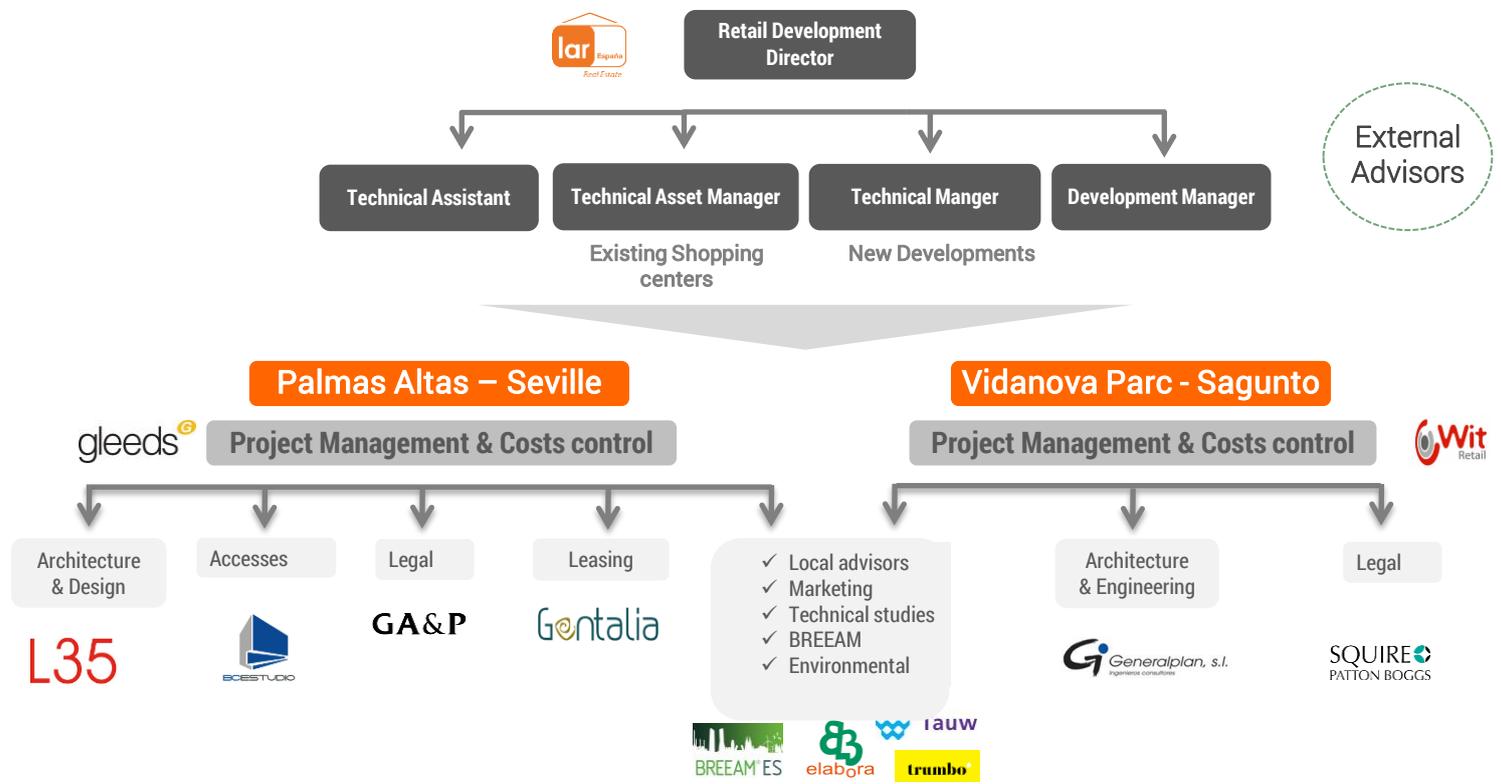
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Development Team



Highly experienced in-house team, supported by qualified external advisors



Why Development?

Generation of market opportunities for Lar España

Land Market Opportunities in Target Locations

- ✓ Low competition: Market gap
- ✓ Tourism Attraction
- ✓ Retailers 'target location
- ✓ Minimum development risk



 Target locations

Dominating Projects: High Quality & New Concept

- ✓ Traditional concepts are obsolete: Innovative concept
- ✓ New Generation Retail Assets: New experiences, green areas..
- ✓ Creating a "place to stay" for customers: entertainment areas



Opportunity to Create Value

- ✓ Higher profit & project returns
- ✓ Yield on cost > 8-9%



Support to investment and asset management departments

Ongoing Projects

| | PALMAS ALTAS SEVILLE | VIDANOVA PARC SAGUNTO |
|-------------------------|--|--|
| Excellent location | Best possible location: urban site | Best possible location: urban site |
| Catchment area | 1.5 Million people | 250,000 people |
| Tenants target location | ✓ | ✓ |
| Low competition | Low commercial offer in the immediate area | Nearest similar retail park is 19 km far from Sagunto |
| Touristic destination | 3.5 million visitors in 2015 | Triple population in Summer |
| New concept | Sustainable Family oriented Modern & comfortable | Balanced commercial mix Family oriented Modern & comfortable |



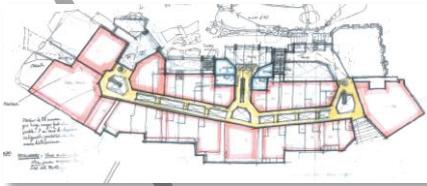
Best locations to get retail assets leaders in their catchment area

Development Process

Feasibility Report

Technical and commercial Due Diligences
Meet LRE investment parameters

Land Acquisition



Concept Design

Architectural + Retail Concept
Research
Financial analysis
Leed/Breem implementation
Pre-commercialization support



Master Planning

Layout alternatives
Innovation
Commercial Mix & Flows
GLA confirmation

Leasing strategy

Leasing Plan compliance
Retail/Architect. feedback
GLA control
Commercial info & material

Retail Innovative Concepts

A place to stay
Family oriented
New experiences
Modern & comfortable
Tenant & customers demand
Balanced commercial mix



Opening

Final quality control
Retail targets
Commissioning
Start Asset management

Construction

Architectural quality control
Value-Engineering
Leed/Breem commissioning
Private Works Team



Projects Images

Palmas Altas - Seville



Palmas Altas has 100,000 sqm of commercial, leisure and green areas, including a 6,000 sqm lake, excellent for water activities, sailing, etc

Project Images

Vidanova Parc - Sagunto



VidaNova Parc is a new concept of leisure, shopping, entertainment and life.



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Lagasca 99



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Driver of value to Lar España Shareholders

“Nowadays, Lagasca 99 is one of the reference projects in Europe and the most important residential project from the Salamanca’s neighborhood of Madrid”

Antonio Pan de Soraluce.

Partner.

Colliers Internacional

After a major commercial success off market committing more than 42% of the product and with an impact on the sales over the initial estimate (10,000 € / sqm).

Lagasca 99 will launch the marketing to the market in October.

Construction works on schedule

In the first days of October, it will be completed the foundation and structure to the street level. The construction works have been proceeding smoothly and on schedule.

Significant Revaluation of assets

The latest deals in the prime residential city center, as well as the product scarcity due to development problems, suggest a significant revaluation since acquisition of the plot of land.



A residential project in a unique location

Acquisition date:
30/01/2015

Acquisition price:
€50 Mn ¹

26,203 Sqm

Price per sqm:
3,807/sqm





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