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The Value of the Management

Investor Day
Luis Pereda
Chairman Grupo Lar

October 2016

www.larespana.com
Commitment and exclusivity

Contract Summary

1. Grupo Lar is contracted to exclusively provide Management services to LRE. Initial five-year contract.

2. 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.

3. Real Estate related activities and expertise provided by the Manager. Critical activities reside in Lar España.
## Grupo Lar Snapshot

**A Real Estate Reference in Spain**

| 1 | Stable Ownership & Governance |
| 2 | Strong Management Team |
| 3 | Geographical Diversification |
| 4 | Product Diversification |
| 5 | Reliable manager and Partner of third party funds |
| 6 | Strong Balance Sheet |

### Family owned Company with more than 40-year of track record

### +270 employees in 7 Countries

### Long history of Real Estate of Residential, Shopping Centres and Office development

### Gentalia, one of the foremost Shopping Centre Operators in Spain
Grupo Lar evolution and key milestones

1. c. 40 year track record of operations
   - Initial phase
   - Creation of Grupo Lar

2. Experience across varied asset classes
   - New management model
     - Expansion plan for Spain
     - National residential expansion
   - Madrid, residential, refurbishment
   - Independent Board members
   - Start of JV strategy
     - JV with Axa
   - JV with Caixa Catalunya
     - Focus on residential development
   - JV with Banco de Sabadell
     - JV Caja de Avila
   - Acquisition of 66% of third party shares
     - Control of the company
   - Creation of Lar Grosvenor
     - JV with Grosvenor (2000-2008)
   - Creation of Gentalia
     - Opening of Portugal
     - International expansion
   - JV with Whitehall
     - Creation of the shopping centre platform
     - Product diversification

3. Partnerships with key international institutional investors
   - Morgan Stanley capital increase
     - Third party capital management at group level
   - JV with Caixa Catalunya
   - JV with Caja de Avila
   - Focus on residential development
   - JV Banco de Sabadell
     - JV Caja de Avila
   - Initiate senior homes business
   - Opening of Portugal
   - International expansion
   - Creation of Lar Grosvenor
     - JV with Grosvenor (2000-2008)
   - Initiate senior homes business
   - Opening of Mexico
   - Opening of Poland, Romania, Hungary, France
   - Sale of France

4. Phased expansion into international markets
   - Opening of Brazil
   - Opening of Colombia
   - Lar España Management
   - Closing of Hungary
   - Opening of Peru
     - JV with Fortress
     - JV with Baupost
Board of Directors

Total of 10 Directors

- Mr. Felipe Pereda: Executive Chairman
- Mr. Luis Pereda
- Mr. Miguel Pereda: Secretary
- Mr. Jaime Pereda
- Mr. Miguel Amo
- Mr. Félix González Quesada: Vice President Qualcomm Spain and Head of Global Business with Telefonica
- Mr. Antonio Rodríguez Pina: Deutsche Bank’s Country Head in Spain
- Ms. Maite Ballester: Senior Advisor to E&Y in Madrid since April 2014. Partner and Spain Country Head of 3i Group from 2008 to 2014.
- Mr. Philipp Westermann: Head of Europe of Proprium Capital Partners.

4 Independent Directors

1 Director from Special Situations Fund Managed by Proprium
Experience in all asset classes

Long track record of experience investing, developing and managing shopping centres, offices, logistics and residential buildings

<table>
<thead>
<tr>
<th>Retail</th>
<th>Offices</th>
<th>Logistics</th>
<th>Residential</th>
</tr>
</thead>
<tbody>
<tr>
<td>39 shopping centres invested, developed or managed</td>
<td>9 office buildings developed and managed</td>
<td>10 Industrial Parks developed since 2003</td>
<td>10,000 residential units sold in the last 10 years</td>
</tr>
<tr>
<td>Historic Investment Volume:</td>
<td>&gt;140,000 sqm</td>
<td>Specializing in the concept of Industrial Park</td>
<td>15,000 Units managed</td>
</tr>
<tr>
<td>€1,509 Mn</td>
<td>Madrid &amp; BCN</td>
<td>GLA 972,626 sqm</td>
<td></td>
</tr>
</tbody>
</table>
Successful international experience

Joint Ventures with Tier 1 Investors and long term relationships with Financial Institutions

Retail co-investments

Whitehall  
Grosvenor  
Fortress  
GE Capital  
MSREF  
Rockspring Property Investment Managers Ltd  
GreenOak  
Henderson Global Investors  
AXA Real Estate  
Ivanhoe Cambridge  
The Baupost Group®  
SONAE  
"la Caixa"  
GRUPO EROSKI
Leaders in retail management -

The Expertise Leader in Spanish Market
**Leaders in retail management -**

Grupo Lar holds a stake of 66.66% in the shopping centre management company “Gentalia”

### Gentalia in Numbers

<table>
<thead>
<tr>
<th>Metric</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Shopping Centres</td>
<td>52</td>
</tr>
<tr>
<td>under leasing and management</td>
<td></td>
</tr>
<tr>
<td>Retail units</td>
<td>3,298</td>
</tr>
<tr>
<td>Employees</td>
<td>121</td>
</tr>
</tbody>
</table>

### Leasing Activity 2007-H1 2016 Period

<table>
<thead>
<tr>
<th>Metric</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>New Shopping Centre Project Management</td>
<td>4</td>
</tr>
<tr>
<td>sqm GLA of signed contracts</td>
<td>679,289</td>
</tr>
<tr>
<td>Managed Rents</td>
<td>€117.3 Mn</td>
</tr>
<tr>
<td>Number of signed contracts</td>
<td>3,145</td>
</tr>
<tr>
<td>Number of Mall concession/quickstore contracts signed</td>
<td>11,002</td>
</tr>
<tr>
<td>Income from Mall concession/quickstore property income</td>
<td>€32.9 Mn</td>
</tr>
<tr>
<td>sqm GLA Managed</td>
<td>1,523,901</td>
</tr>
</tbody>
</table>
Grupo Lar’s track record - Awards

- **PANORAMA**
  “Architecture, Urbanism and Public Service Award 2007” in the category of New Residential Developments granted by the Town Hall of Madrid.

- **PANORAMA**
  “National Architecture Award 2007” granted by the Spanish Ministry of Housing.

- **ISLAZUL**
  “Best Shopping centre Award 2007”, awarded by La Gaceta de los Negocios, and ISCS Award finalist for the Best European Shopping centre.

- **CRISALIS**

- **SARRIÁ FORUM**
  Most innovative building” Real Estate Quatrum Awards, granted by Grupo Vía (2003).

- **PARQUE PRINCIPADO**
  “Best Large Shopping Centre”, awarded by The Spanish Association of Shopping Centres (2002).

- **SERRANO 55**
  “Best non Residential development Award” granted by the Town Hall of Madrid (2001).

- **SOCIAL RESPONSIBILITY**
What have we achieved?
Retail platform + non-retail assets

**Retail**
- 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
- **76% GAV**

**Offices**
- Offices in consolidated locations of Madrid and Barcelona with good connections / public transport
- Recurrent activity with selective rotation
- **13% GAV**

**Logistics**
- Focus on logistic properties on a selective basis with low rents, low capital values and high yields
- **6% GAV**

**Residential**
- Development of first homes in niche markets without zoning risk, limited supply and clear demand
- **5% GAV**
Company Snapshot

**GAV (€ Mn)**

- Retail: 6% of GAV (€1,191)
- Offices: 13% of GAV (€1,191)
- Logistics: 5% of GAV (€1,191)
- Residential: 5% of GAV (€1,191)
- Development: 5% of GAV (€1,191)

**Annualized Net Rental Income (€ Mn)**

- Retail: 71% of Annualized Net Rental Income (€62.3)
- Offices: 7.5% of Annualized Net Rental Income (€62.3)
- Logistics: 8.5% of Annualized Net Rental Income (€62.3)

**EPRA Net Initial Yield: 5.8%**

- Retail: 6.2%
- Offices: 4.4%
- Logistics: 7.2%

**EPRA Occupancy Rate: 93.0%**

- Retail: 93.3%
- Offices: 87.0%
- Logistics: 100.0%

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1. Total GAV = Valuation of assets as of 30th June + acquisition price Gran Vía de Vigo
2. Annualized Net Rental Income as at H1 2016 + estimated Net Rental Income from Gran Vía de Vigo
3. Office EPRA NIY & NIY excludes Marcelo Spinola. Office EPRA Occupancy Rate is 84.8%. Nevertheless, 87% is excluding non-recurring effects
New base fee scheme

Base fee

- 1.25% on last EPRA NAV reported

New base fee scheme applicable since today\(^1\)

- 1.25% on EPRA NAV up to €600 Mn
- 1% on the excess on EPRA NAV > €600 Mn

Portfolio evolution since IPO

1. New Base fee scheme approved by the board of Directors and applicable since 6th of October 2016
2. Total GAV = Valuation of assets as of 30th June + acquisition price Gran Vía de Vigo
### Portfolio distribution

**Location by asset class**

<table>
<thead>
<tr>
<th>Asset Class</th>
<th>N. of Locations</th>
<th>GAV</th>
</tr>
</thead>
<tbody>
<tr>
<td>RETAIL</td>
<td>15</td>
<td>76%</td>
</tr>
<tr>
<td>OFFICES</td>
<td>5</td>
<td>13%</td>
</tr>
<tr>
<td>LOGISTICS</td>
<td>5</td>
<td>6%</td>
</tr>
<tr>
<td>RESIDENTIAL</td>
<td>1</td>
<td>5%</td>
</tr>
</tbody>
</table>
Expertise and management tools...

1. Fundraising
2. Acquisition
3. Development, Repositioning & turnaround activities
4. Active property Management
5. Divestments

Shareholder Return

...showcased in upcoming Corporate Stands

360º Digital
Transformation
Retail Investment
Retail Development
Lagasca 99