



*Real Estate*

**Investor Day**

[www.larespana.com](http://www.larespana.com)

**October 2016**

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# The Value of the Management



*Real Estate*

## Investor Day

**Luis Pereda**  
Chairman Grupo Lar

[www.larespana.com](http://www.larespana.com)

**October 2016**

# 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

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

## 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**

# Grupo Lar evolution and key milestones

1

c. 40 year track record of operations

2

Experience across varied asset classes

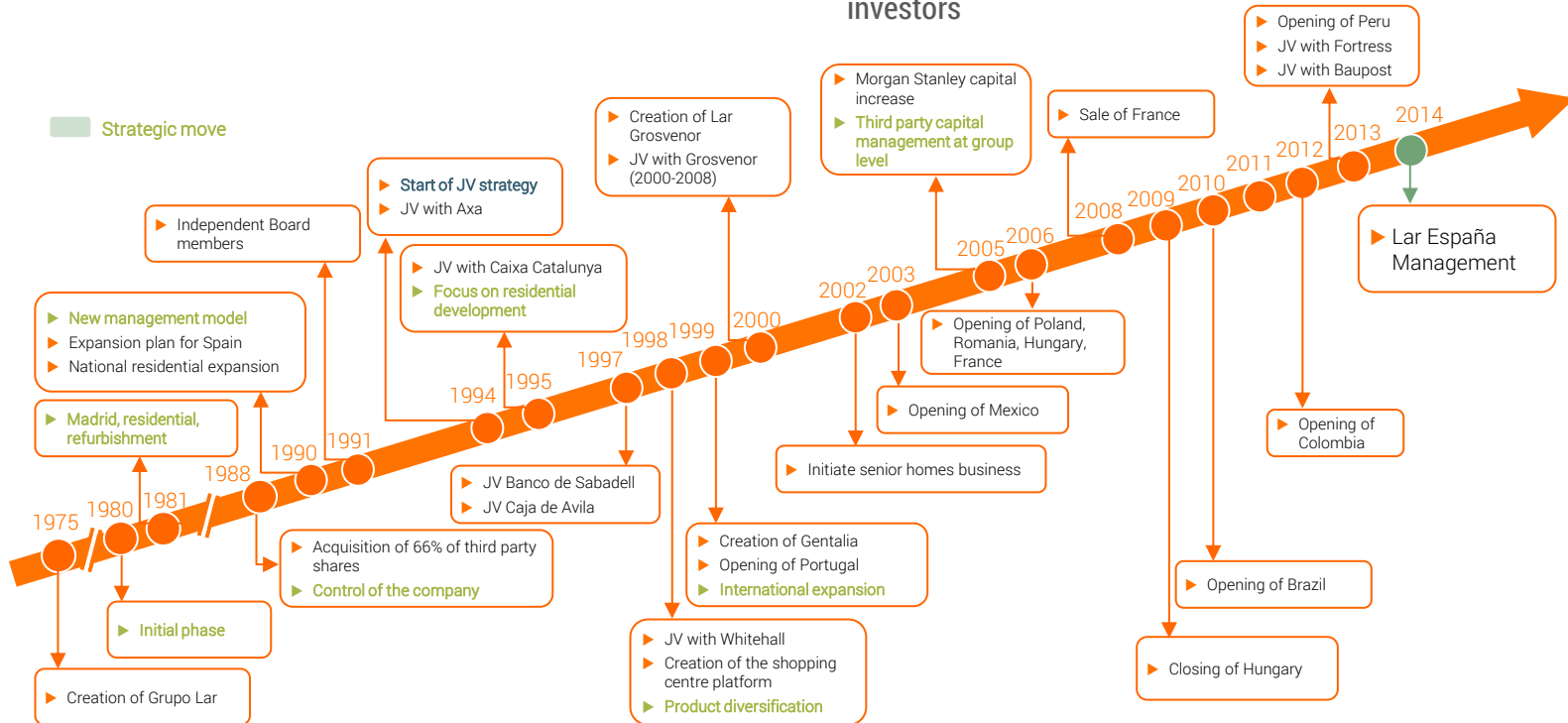
3

Partnerships with key international institutional investors

4

Phased expansion into international markets

Strategic move



# Board of Directors

Total of 10 Directors



**Mr. Felipe Pereda**



**Mr. Luis Pereda**  
Executive Chairman



**Mr. Miguel Pereda**



**Mr. Jaime Pereda**  
Secretary



**Mr. Miguel Amo**

4 Independent  
Directors



**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. Jeremy Newsum**  
Chief Executive trustee of Grosvenor  
Estate since 1993.  
Group Chief Executive from 1989 to  
2008

1 Director from  
*Special Situations Fund*  
Managed by Proprium



**Mr. Philipp Westermann**  
Head of Europe of Proprium Capital Partners.

# Experience in all asset classes

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



## Retail



**39** shopping centres invested, developed or managed

Historic Investment Volume:

**€1,509 Mn**

**GLA 972,626 sqm**



## Offices



**9** office buildings developed and managed

**>140,000 sqm**

Madrid & BCN



## Logistics



**10** Industrial Parks developed since 2003

Specializing in the concept of Industrial Park



## Residential



10,000 residential units sold in the last 10 years

**15,000 Units managed**



# Successful international experience

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

## Retail co-investments

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*Whitehall*



*MSREF*



GREENOAK



THE BAUPOST GROUP®



# Leaders in retail management - Gentalia



# Leaders in retail management - Gentalia

Grupo Lar holds a stake of 66,66% in the shopping centre management company "Gentalia"



## Gentalia in Numbers

**52**

Shopping Centres  
under leasing and  
management

**4**

New Shopping  
Centre Project  
Management

**3,298**

Retail units

**€117.3 Mn**

Managed Rents

**121**

Employees

**1,523,901**

sqm GLA Managed



## Leasing Activity 2007-H1 2016 Period

**679,289**

sqm GLA of signed  
contracts

**3,145**

Number of signed  
contracts

**11,002**

Number of Mall  
concession/quickstore  
contracts signed

**€32.9 Mn**

Income from Mall  
concession/  
quickstore property  
income

# Grupo Lar's track record - Awards

## ■ PANORAMA

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"Architecture, Urbanism and Public Service Award 2007" in the category of New Residential Developments granted by the Town Hall of Madrid.

## ■ PANORAMA

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"National Architecture Award 2007" granted by the Spanish Ministry of Housing.

## ■ ISLAZUL

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"Best Shopping centre Award 2007", awarded by La Gaceta de los Negocios, and ISCS Award finalist for the Best European Shopping centre.

## ■ CRISALIS

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"Innovation Award", awarded by the Government of Madrid (2004).

## ■ SARRIÁ FORUM

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Most innovative building" Real Estate Quatrum Awards, granted by Grupo Vía (2003).

## ■ PARQUE PRINCIPADO

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"Best Large Shopping Centre", awarded by The Spanish Association of Shopping Centres (2002).

## ■ SERRANO 55

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"Best non Residential development Award" granted by the Town Hall of Madrid (2001).

## ■ SOCIAL RESPONSIBILITY

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"Empresa y Sociedad" Awards, to the best CSR initiatives (2002).





# Lar España



*Megapark Retail Complex, Bilbao*

# 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



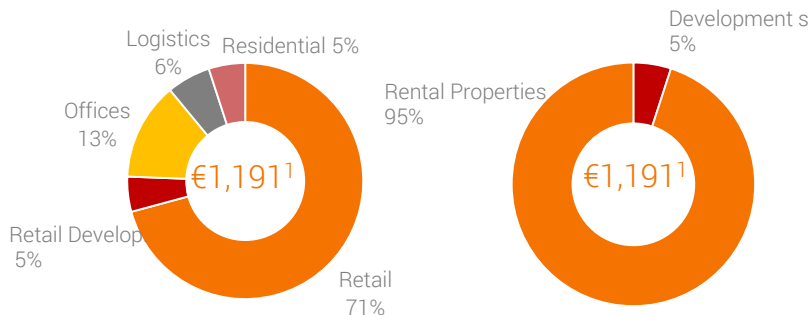
### Residential

Development of first homes in niche markets without zoning risk, limited supply and clear demand

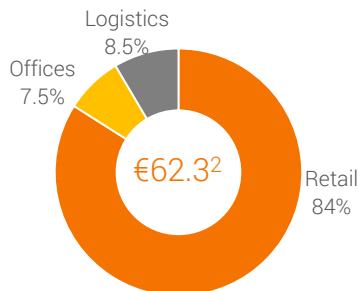
5%  
GAV

# Company Snapshot

## GAV (€ Mn)

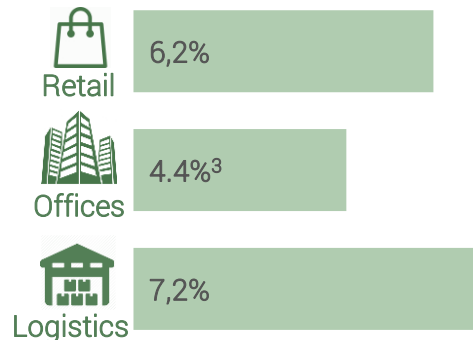


## Annualized Net Rental Income (€ Mn)

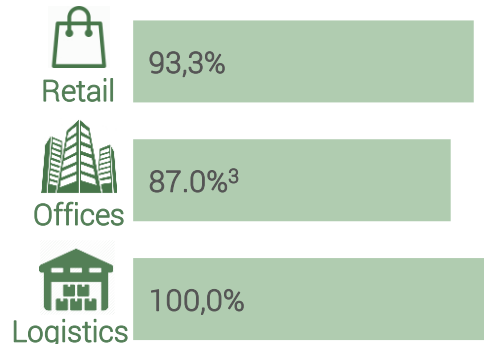


1. Total GAV = Valuation of assets as of 30th June + acquisition price Gran Vía de Vigo
2. Annualized Net Rental Income as at H1 2016 + estimated Net Rental Income from Gran Vía de Vigo
3. Office EPRA NIY & NIY excludes Marcelo Spinola. Office EPRA Occupancy Rate is 84.8%. Nevertheless, 87% is excluding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

## EPRA Net Initial Yield: 5.8%



## EPRA Occupancy Rate: 93.0%



# New base fee scheme

## Base fee

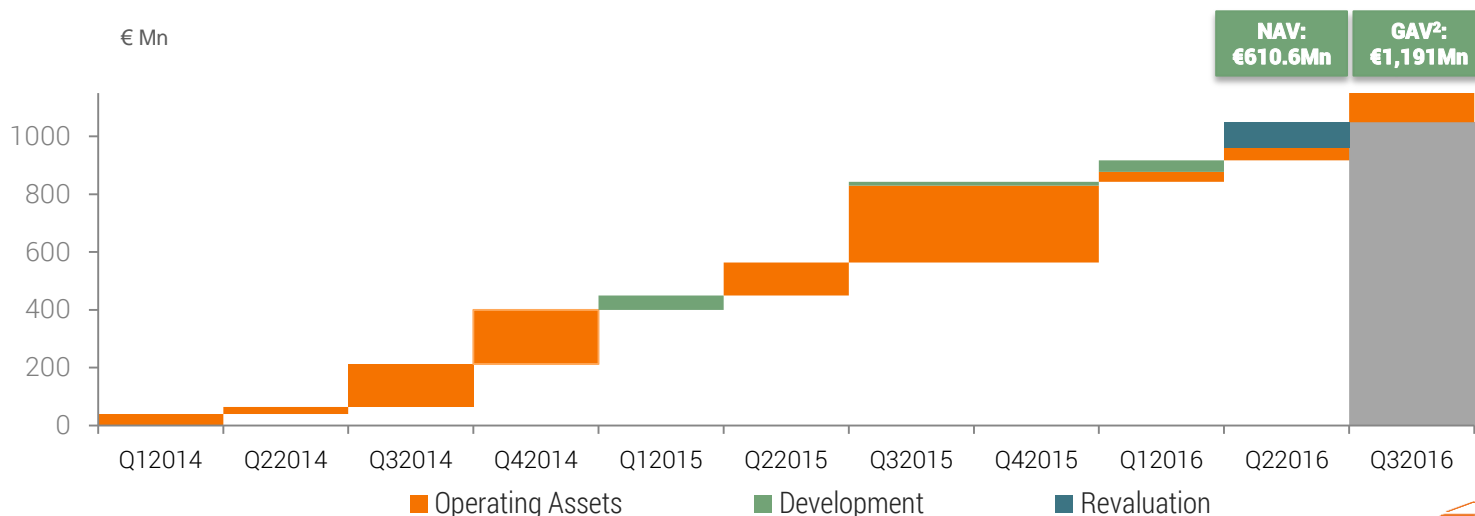
- 1.25% on last EPRA NAV reported

Base fee  
reduction

## New base fee scheme applicable since today<sup>1</sup>

- 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 6<sup>th</sup> 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



**15** RETAIL

**76%** GAV



**5** OFFICES

**13%** GAV



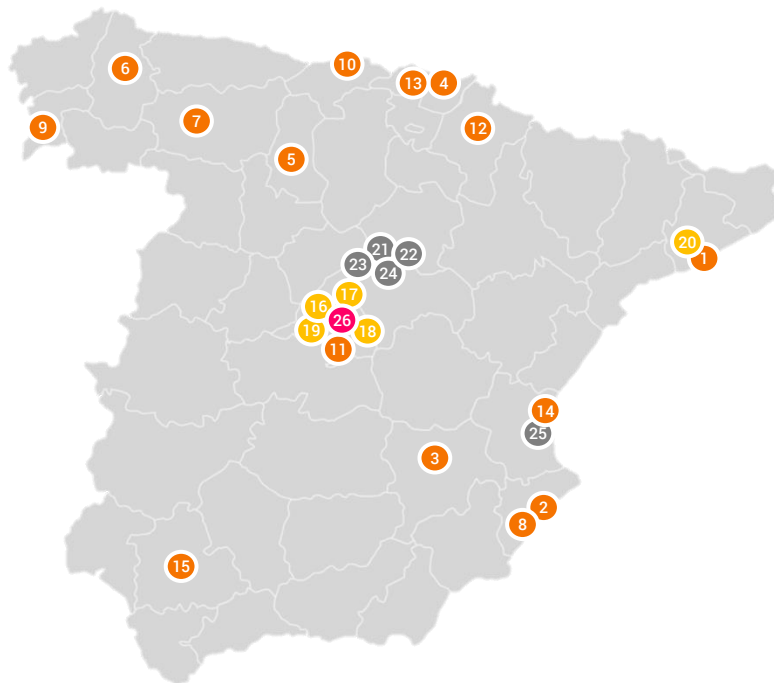
**5** LOGISTICS

**6%** GAV



**1** RESIDENTIAL

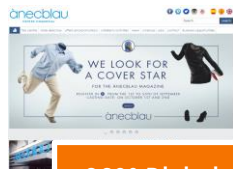
**5%** GAV



# Expertise and management tools...



...showcased in upcoming Corporate Stands



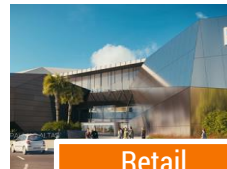
360° Digital



Transformation



Retail Investment



Retail Development



Lagasca 99



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Investor Day App

