lar España
Real Estate

9M 2016 Results

15th November, 2016

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Nov 2016

EPRA BPR GOLD
FINANCIAL REPORTING

Gran Vía de Vigo, Pontevedra

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Head of Investor Relations

Key Facts 9M 2016

1,201 Mn	GAV [1]	+71% vs Q3 2015
€42.2Mn	Rental Income	+80% vs Q3 2015
35%	Net LTV [2]	2.24% Cost of Debt
+9.2%	Tenants Sales Growth outperforming the market 9M 2016	
+6.5%	Footfall outperforming the market 9M 2016	
10%	ROE [4]	
6%	ROA [4]	

EPRA

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€8.4	EPRA NAV per share	€757.9	EPRA NAV (€ '000s)
6.1%	EPRA "topped-up" NIY	5.8%	EPRA Net Initial Yield
€18.8Mn	EPRA Earnings +56% vs 9M 2015	€62.7Mn	EPRA Annualised Net Rent [3]
34.6%	EPRA Cost Ratio	92.8%	EPRA Occupancy Rate

1. Total GAV = Valuation of assets as of 30th June + Gran Vía de Vigo + invested Capex (€10 Mn)
2. Net LTV as of 30 September 2016
3. Includes only operating assets generating rents by the end of September 2016
4. Indicators calculated using the figures from the last 12 months

Agenda

1 Highlights

As Termas Shopping Centre, Lugo

Strong Operational and Financial Results in 9M 2016

Financial Results

- Rental Income of €42.2 Mn — +80% vs Q3 2015
- Annualised Gross rent of €70 Mn — +123% vs Q3 2015
- EBITDA of €30.3 Mn — +77% vs Q3 2015
- Net Profit of €46.6 Mn — +77% vs Q3 2015
- GAV of €1,201 Mn — +71% vs Q3 2015
- EPRA earnings of €18.8Mn — +56% vs Q3 2015
- EPRA NAV of €757.9 Mn — +31% vs Dec 2015

Business Performance

- **Intense asset management: 20,051 Sqm** leased in 9M 2016 14% €/sqm higher. **Re-tenanting of** 7,330 Sqm, improving tenant mix and at **19% €/sqm higher**
- **Retail EPRA Occupancy 92.6%** / **Retail tenant Sales +9.2%** in Q3 2016
- **Sales per visitor +3%** and strong growth in the assets located in touristic areas
- **Retail NOI +4.9%** in 9M 2016 since acquisition[1] driven by rental price recovery and reduction in discounts

Corporate Highlights

- Acquisition of **Gran Vía de Vigo for €141 Mn**, a prime dominant shopping centre
- **Q3 LTV of 35%** with a cost of debt of 2.24%
- Active asset management with targeted capex of €10.5 Mn:
  Retail €5.5 Mn; **Logistic** €0.2 Mn; **Offices** €4.8 Mn

1 Average holding period: 16.3 months.

2 9M2016 Financial Results

Anecblau Shopping Centre, Barcelona

Consolidated Income Statement (€ Millions)

	9M 2016			Chg (%) 9M16/9M15	9M 2015		
	Recurring	Non-Recurring	Total		Recurring	Non-Recurring	Total
Rental Income	42.2	-	**42.2**		23.5	-	23.5
Other income	1.3	-	**1.3**		0.8	-	0.8
Property Operating Expenses	(7.4)	-	**(7.4)**		(3.9)	-	(3.9)
Base Fee	(4.8)	-	**(4.8)**		(2.9)	-	(2.9)
Property Operating Results	**31.4**	**-**	**31.4**	**+79.4%**	**17.5**	**-**	**17.5**
Corporate Expenses	(2.7)	(0.7)	**(3.5)**		(1.8)	(0.9)	(2.7)
Other results	-	2.8	**2.8**		-	2.3	2.3
EBITDA (*)	**28.7**	**2.1**	**30.8**	**+79.4%**	**15.7**	**1.5**	**17.2**
Changes in the Fair Value	29.1	-	**29.1**		11.9		11.9
EBIT (*)	**57.8**	**2.1**	**59.8**	**+105.7%**	**27.6**	**1.5**	**29.1**
Financial Result	(5.7)	(4.1)	**(9.9)**		(2.7)	-	(2.7)
Share in profit (loss) for the period of equity-accounted companies	(3.0)	-	**(3.0)**		0.2	-	181
Impaiment and gains/(losses) on disposal of financial instruments	-	0.03	**0.03**		-	(0.3)	(0.3)
EBT	**49.0**	**(2.0)**	**47.0**	**+78.5%**	**25.1**	**1.2**	**26.3**
Income Tax	-	-	**-**		-	-	-
Profit for the Period[1]	**49.0**	**(2.0)**	**47.0**	**+78.5%**	**25.1**	**1.2**	**26.3**
FFO *(EBITDA – Financial Result)*	23.0	(2.1)	20.9		13.0	-	13.0
% FFO Annualized Yield /NAV	4.04%				3.16%	-	
Accounting provisions (Performance fee)	(0.4)	-	(0.4)		-	-	-
Profit for the Period (post accounting provisions)	**48.6**	**(2.0)**	**46.6**	**+76.8%**	**25.1**	**1.2**	**26.3**

+93.3%

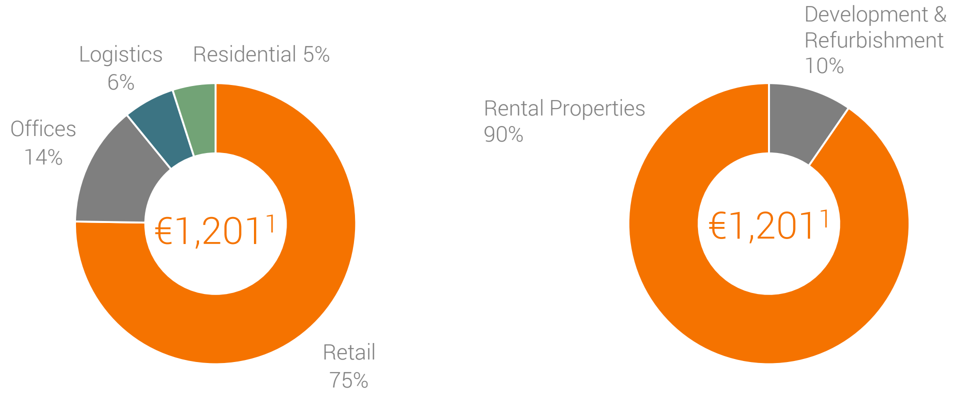
1. pre performance fee

3 Business Performance

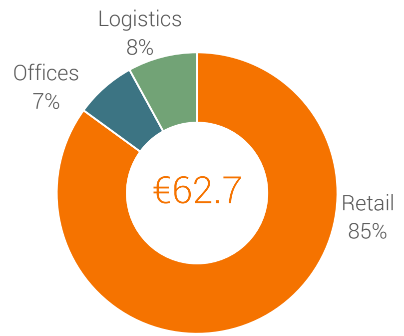
Albacenter Shopping Centre, Albacete

Portfolio at a glance

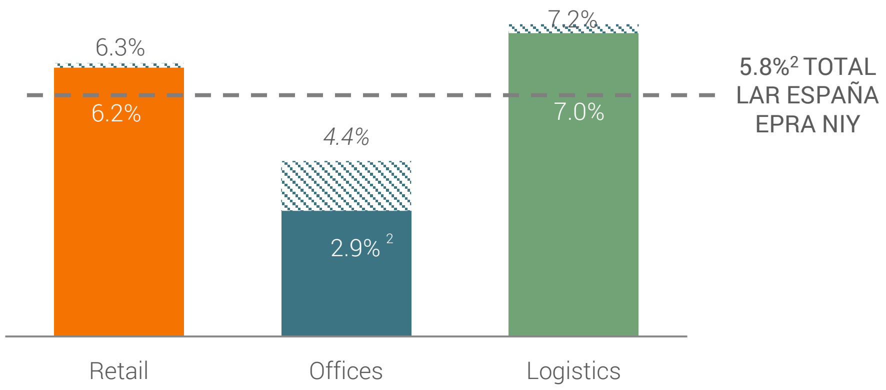
GAV (Mn€)



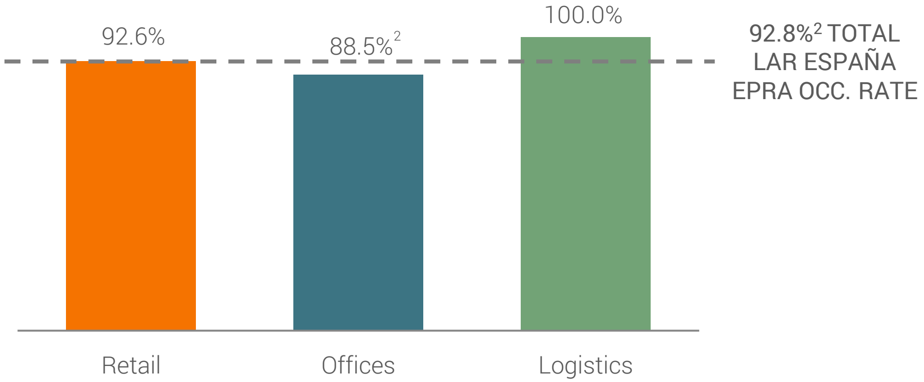
EPRA Annualized Net Rent (Mn€)



EPRA NIY & EPRA Topped-up NIY



EPRA Occupancy Rate



1. Total GAV = Valuation of assets as of 30th June + Gran Vía de Vigo + invested Capex (€10 Mn)
2. Marcelo Spínola's EPRA NIY and EPRA Occupancy rate is not calculated due to the lack of representativeness. To calculate the NIY for the total portfolio we have excluded the data from Marcelo Spínola.

Top international tenants showing great interest in our assets

High quality and diversified tenant base in all assets

Carrefour	7.78% TOTAL RENTS
INDITEX	5.85% TOTAL RENTS
MediaMarkt	5.52% TOTAL RENTS
ineco	4.88% TOTAL RENTS
DECATHLON	3.41% TOTAL RENTS
El Corte Inglés	2.88% TOTAL RENTS
C&A	2.70% TOTAL RENTS
H&M	2.03% TOTAL RENTS
Toys R Us	1.99% TOTAL RENTS

New tenants improve profitability and risk adjusted returns of our assets

Main Signed in Q3 2016 — 2,416 Sqm

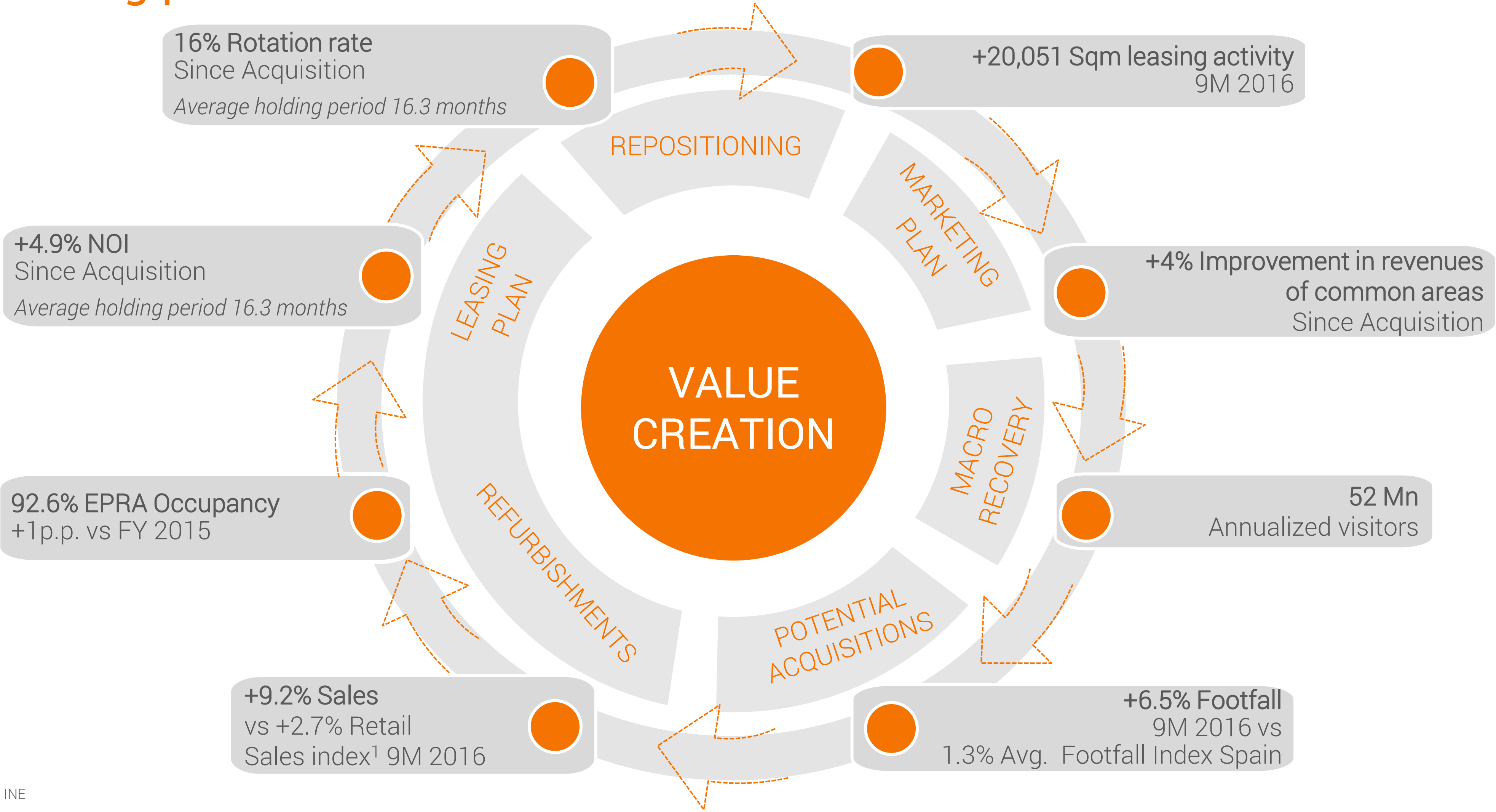
lefties	Anecblau
FIFTY FACTORY	Vistahermosa
DEICHMANN	As Termas
flying tiger copenhagen	El Rosal

Main New Openings in Q3 2016 — 3,028 Sqm

Bershka	Gran Vía
BIJOU BRIGITTE	Anecblau
MANGO	As Termas Txingudi
ENERGY SISTEM	Albacenter

Retail

Outperforming the market on an intense letting activity and excellent operating performance



1. Source: INE

Retail

Active asset management in place

P. Marina

+12% NOI vs Acquisition

9M

4 New Lettings

5 Relettings

6 Renewals

1 Relocation

24% **Rotation rate** since Acq

As Termas

+10% NOI vs Acquisition

9M

4 New Lettings

4 Relettings

5 Renewals

No Relocations

15% **Rotation rate** since Acq

Albacenter

+15% NOI vs Acquisition

9M

3 New Lettings

4 Relettings

2 Renewals

1 Relocation

12% **Rotation rate** since Acq

Txingudi

+9% NOI vs Acquisition

9M

2 New Lettings

1 Relettings

4 Renewals

2 Relocations

68% **Rotation rate** since Acq

Retail

A turnaround case study: Txingudi

Rotation to more profitable tenants

CINEMA

X4 Rents/Sqm

H&M

2,304 Sqm

&

KIABI

la moda a pequeños precios

Already owns 1,080 Sqm + 720 Sqm extension

Both contracts already signed and waiting for operator's activity licenses

68%
Rotation Rate
Since acquisition

97%
Occupancy rate pro-forma[1]

€3.2 Mn
Investment Capex
Yield on Capex >8%

GLA and traffic optimization	Relocation of existing tenants	Tenant mix improvement adjusted to targeted market	Increase in footfall and sales per visitor

1. Txingudi Occupancy pro-forma is 97%.Txingudi actual occupancy (76.2%) is affected by current transition of tenants.

Retail

Active management case study: Vistahermosa

Acquisition Date
16th June 2016

Strong performance in a record time as a result of ongoing asset management actions

vistahermosa

New tenants
2 new tenants since acquisition

Occupancy
From 80% to 87.2% since acquisition by letting two more units

Footfall
+62.8% increase 2016 vs 2015

New image and renovation
Improvement of common spaces and signage replacement

Total Sales
+110% increase 2016 vs 2015

Sales per Visitor
+29% increase 2016 vs 2015

Retail

Investment in developments will improve our existing portfolio

VidaNova Parc

- ✓ c.60% of GLA signed and pre-signed
- ✓ Leases signed with anchors: **Leroy Merlin** and **Urban Planet**
- ✓ **€4 Mn** of annual rental income

GLA (Sqm)	44,252
Expected Opening Date	Q1 2018
Expected development costs	€26 Mn
Expect. Net Initial Yield	> 9%
Acq. Price	€14 Mn

Palmas Altas

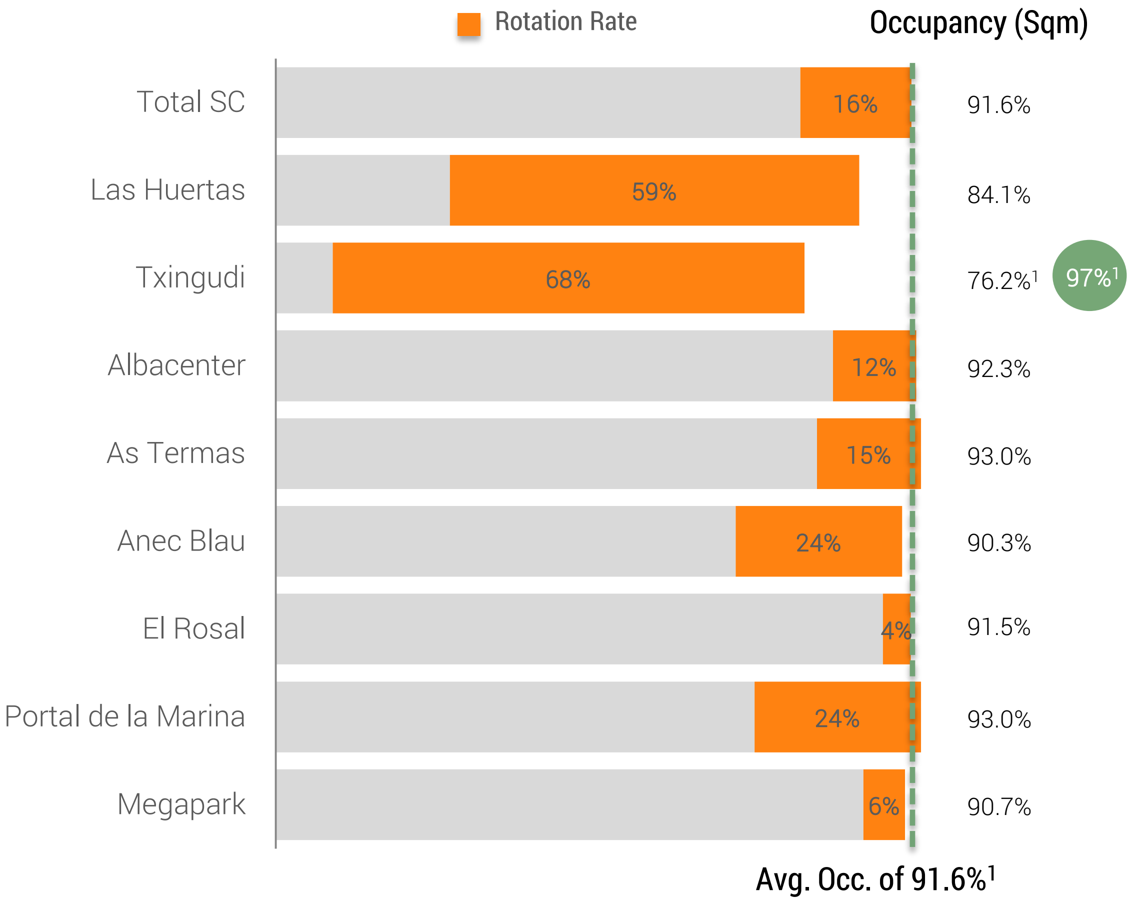
- ✓ Anchoring Phase: **25%** of GLA pre-agreed by December 2016
- ✓ High interest shown by **international retailers**
- ✓ **€14 Mn** of annual rental income

Retail and family leisure space	123,000 (Close & Open areas)
Expected Opening Date	Q1 2019
Expected development costs	€109 Mn
Expect. Net Initial Yield	> 8%
Acq. Price	€36 Mn

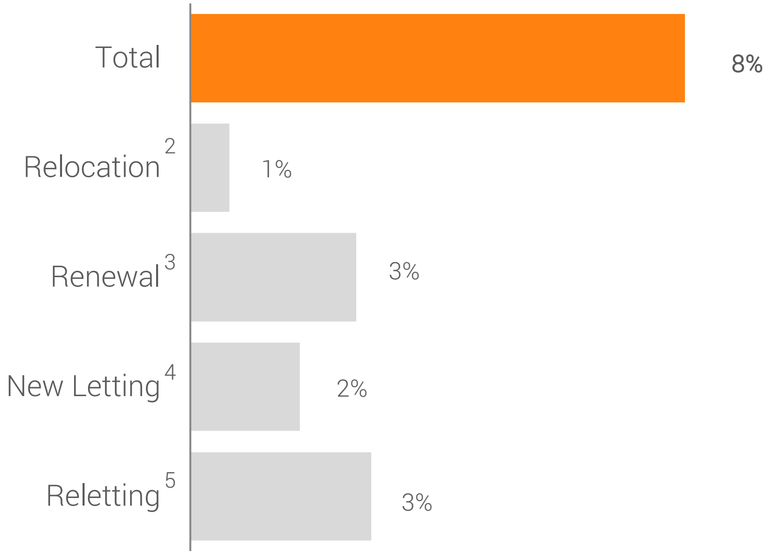
Retail

Proven asset management though intense tenant Rotation

16% of Total Tenant Rotation is upgrading tenant profile, mix, and re-tenanting at double digit growth vs. previous rents



Rotation Rate in 9M 2016



Reletting New Rent 19% up vs previous in 9M2016

94 signed contracts during 9M2016

1. Txingudi Occupancy pro-forma is 97%.Txingudi actual occupancy (76.2%) is affected by current transition of tenants. (Cinemas vs H&M and Kiabi, contracts already signed and waiting for activity licenses).
2. Relocation = deal signed with existing tenant on another unit (empty or previously rented)
3. Renewal = deal signed with existing tenant to renew its lease agreement on the same unit
4. New letting = deal signed with a tenant leasing the unit that was empty at acquisition
5. Reletting = Deal signed with a new tenant replacing an existing tenant

Non-retail assets

Residential

43%

LAGASCA99
Pre-sales

- Launched the marketing to the market in October
- Structure to the first level completed
- Construction works on schedule and proceeding smoothly
- Expected sales price >€10,000 Mn

Offices

88.5%[1]

Offices
EPRA occupancy rate

- Intense commercial activity to reduce vacancy
- Advanced negotiations with potential tenants
- MS Tower started commercialization after refurbishment works completed
- Renovation of contracts and rent improvements

Logistics

100%

Logistics
EPRA occupancy rate

- Stability of logistics assets maintaining attractive yield
- Tenant contracts renovations in advanced conversations
- Cost optimization

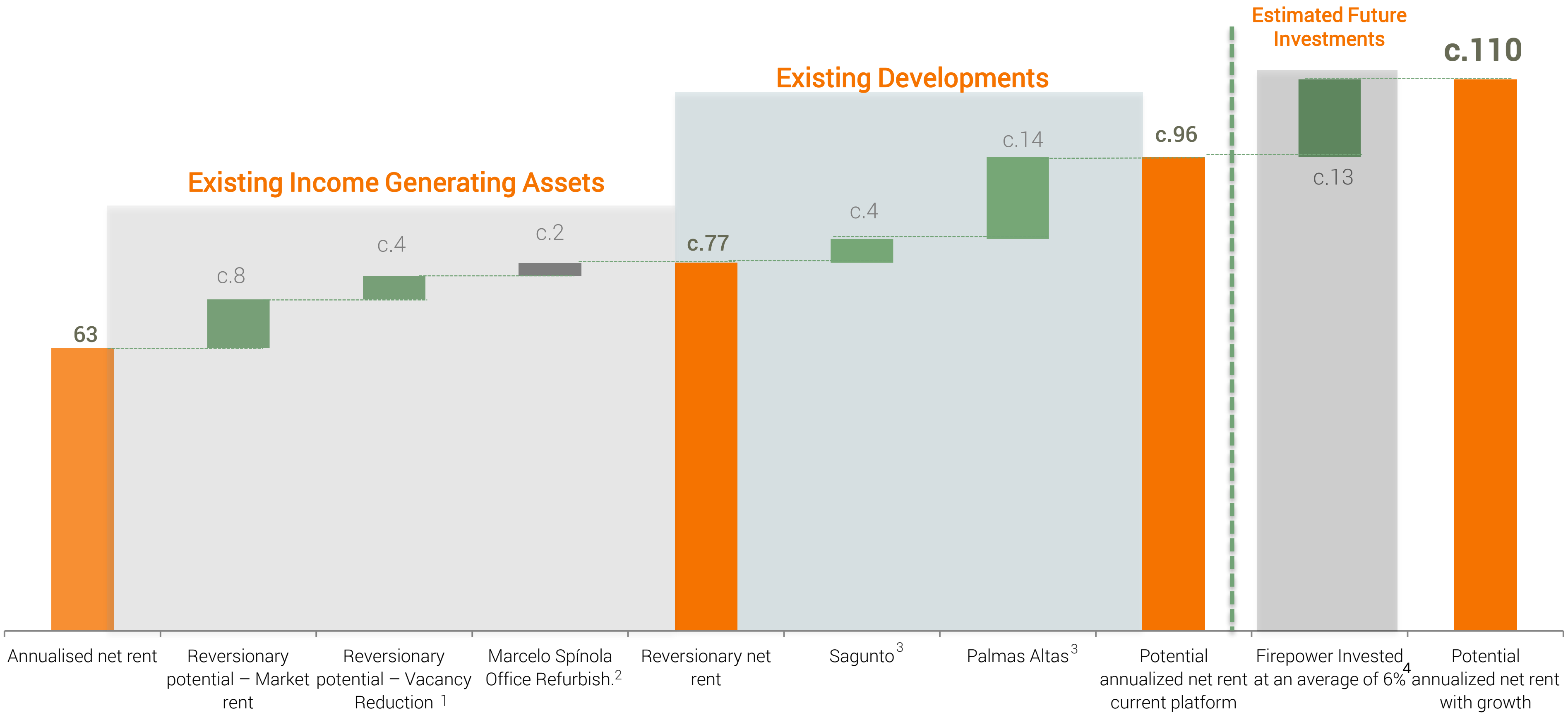


1. Marcelo Spínola Occupancy rate is not calculated due to the lack of representativeness .

4 Growth Drivers

Vidanova Retail Park, Sagunto

Significant potential upside in rents from reversion potential and developments project – *For illustrative purposes* –



1. Illustrative potential additional rent in 9M 2016 calculated as the difference between the market net rent estimated by the Company's appraisal done by Cushman & JLL, as part of their valuation exercise and the annualized net rent obtained by the Company in H1 2016. Difference applied only to the current occupancy rate, considering the occupancy rate of the Company's properties as of 30 June 2016
2. Illustrative potential additional rent in H1 2016 calculated, assuming the full occupancy of the Company's properties, as the application of the market net rent estimated by the Company's appraisers as part of their valuation exercise with respect to the vacant spaces in each of the Company's properties. Full occupancy has been estimated at 97% for Shopping Centres given structural vacancy and 100% for the remaining portfolio
3. Potential rent that may be derived from certain of the Company's assets under development (Sagunto and Palmas Altas) based on the announced yield at the moment of their respective acquisition (9.2% and 8.0% respectively) as applied to the acquisition price and building capex for each asset
4. Estimated Rental Income assuming an average yield of assets acquired @ 6%

5 Closing Remarks

Egeo Office Building, Madrid

Closing Remarks

- **EPRA earnings** of €18.8 Mn, **+56% YoY**, and **EPRA Cost Ratio** improving 3.1 pp vs. 9M 2015

- Attractive portfolio of **€1,201 Mn**, out of which **€1,076.2 Mn** are rental assets that generate **€62.7 Mn** underpinned by the acquisition of the prime Shopping Centre, Gran Vía de Vigo.

- **Extensive Active Management actions from acquisition** already showing outstanding results outperforming the market Quarter-over-Quarter

- **Large Potential of property revaluation / 82% of off-market deals**

- **Digital 360º project aimed at linking and enhancing off line and on line retail platform**

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