Snapshot

- First IPO of a Spanish REIT listed on the Spanish Stock Exchanges
- Focused on creating both sustainable income and strong capital returns for shareholders
- Lar España is externally managed by Grupo Lar, private Real Estate Asset Manager, Investor and Developer with a 40 year track record of international experience
- Lar España is a leader in retail, due to the size of the portfolio and the quality of the assets as well as the capacity and quality of its management
- A clear investment opportunity in a unique shopping experience platform

Shareholder Structure

- PIMCO 20.03%
- Brandes Investment Partners 3.0%
- Franklin Templeton Institutional 15.1%
- Bestinver Gestion 4.2%
- Columbia Threadneedle 5.2%
- Blackrock Inc. 3.1%
- Management 3.5%
- Other investors 46.1%
Governance Structure

Independent and experienced Board:
4 independent directors (4 out of 5)

José Luis del Valle
Chairman and Independent Director

Roger Cooke
Independent Director

Pedro Luis Uriarte
Independent Director

Alec Emmott
Independent Director

Miguel Pereda
Grupo Lar

Juan Gomez-Acebo
Secretary Non Member

Critical Activities internalized

Sergio Criado
CFO

Jon Armentia
Corporate Manager

Susana Guerrero
Legal Manager

Hernán San Pedro
Head of Investor Relations

José Díaz Morales
Internal Audit

Grupo Lar
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
- 75% GAV

**Offices**
- Offices in consolidated locations of Madrid and Barcelona with good connections / public transport
- Recurrent activity with selective rotation
- 14% 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 prime niche markets without zoning risk, limited supply and clear demand
- 5% GAV
Portfolio distribution

Location by asset class

- **15 RETAIL**
  - 75% GAV
- **5 OFFICES**
  - 14% GAV
- **5 LOGISTICS**
  - 6% GAV
- **1 RESIDENTIAL**
  - 5% GAV
Company’s business strategy is to acquire primarily retail property with high return potential for rental purposes.

First IPO of a Spanish REIT listed on the Spanish Stock Exchanges.

Focused on creating both sustainable income and strong capital returns for shareholders.

Special focus on under managed assets.

Diversification of sources of funding including bank and debt capital markets.

Highly compelling 2.24% cost of debt.

Back loaded debt amortization profile.

>100 Real Estate experts contributing to Lar España’s value delivery.
Retail Assets

1. Focus on shopping centres and retail parks

Key assets in their catchment areas
- Prime assets in their area of influence
- Close to 500,000 sqm GLA

Locations
Locations selected based on:
- Level of competition
- Current GDP per capita and future growth outlook
- Impact of tourism as an additional factor in some assets

Unique platform
A unique platform, which provides an attractive position with retailers and the opportunity to consolidate existing economies of scale

Strength of the portfolio
Strength based on:
- Size of the portfolio (top-3)
- Average size of the centres (2nd in Spain)
- Quality and attractiveness of assets
Non-Retail Assets

2. Opportunistic approach to other assets

Core locations
- Luxury residential for sale
- Offices in Madrid and Barcelona
- Logistics in main markets as a good complement to retail

Focus on value added assets
Management as a key element to make acquisitions and generate differential value, taking advantage of Grupo Lar’s platform in Spain

3. All assets

Development
Using experience and capacity of development as a differentiating element to achieve better returns with moderate risk

Asset Rotation
Rotation of assets held for at least three years based on value generation and returns
Main Figures

GAV (€ Mn)

- Residential: 5%
- Offices: 14%
- Logistics: 6%
- Developments: 10%

Total GAV = Valuation of assets as of 30th June + acquisition price Gran Vía de Vigo + invested Capex (€10 Mn)

EPRA Annualized Net Rent (€ Mn)

- Retail: 75%
- Rental Properties: 90%
- Logistics: 6%
- Residential: 5%

EPRA Net Initial Yield: 5.8% & EPRA Topped-up NIY

- Retail: 6.2% (6.3%)
- Offices: 2.9%² (4.4%)
- Logistics: 7.0% (7.2%)

EPRA Occupancy Rate: 92.8%

- Retail: 92.6%
- Offices: 88.5%²
- Logistics: 100.0%

1. Total GAV = Valuation of assets as of 30th June + acquisition price Gran Vía de Vigo + invested Capex (€10 Mn)
2. Marcelo Spinola’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 Spinola
Valuation

Valuation Bridge Since Acquisition

€ Mn

1. Market Value determined by JLL and C&W as of 30 June 2016

2. € m 1.201 included Gran Via de Vigo.
9M 2016 Highlights

- **GAV** \(¥1,201\) Mn \(+71\%\) vs Q3 2015

- **Rental Income** \(¥42.2\) Mn \(+80\%\) vs Q3 2015

- **Net LTV** \(35\%\) 2.24% Cost of Debt

- **Tenants Sales Growth** outperforming the market 9M 2016 \(+9.2\%\)

- **Footfall** outperforming the market 9M 2016 \(+6.5\%\)

- **ROE** \(10\%\)
- **ROA** \(6\%\)

- **EPRA NAV per share** \(¥8.4\)
- **EPRA NAV (€ ‘000s)** \(¥757.9\)

- **EPRA “topped-up” NIY** \(6.1\%\)
- **EPRA Net Initial Yield** \(5.8\%\)

- **EPRA Earnings** \(¥18.8\) Mn \(+56\%\) vs 9M 2015
- **EPRA Annualised Net Rent** \(34.6\%\)

- **EPRA Cost Ratio** \(92.8\%\)

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1. Total GAV = Valuation of assets as of 30th June + Gran Via 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
LAR España has a clear objective

Consolidate among the top 3 retail operators in Spain: Target to selectively increasing GLA to generate revenue synergies

Spain Total Retail GLA by Size

- **15.5 M sqm**
  - Other: 15%
  - Retail Park: 12%
  - Large & Medium: 47%
  - Small: 10%
  - Very Large: 15%

Fit LRE Size and Value Added Strategy

- **9.2 M sqm**
  - Value Added Opportunity: 4.5-6.0 M sqm
  - Regional Prime
  - Opportunistic

Owned GLA Estimate

<table>
<thead>
<tr>
<th></th>
<th>% Ownership</th>
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<tbody>
<tr>
<td>Peer 1</td>
<td></td>
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<tr>
<td>Peer 2</td>
<td></td>
</tr>
<tr>
<td>Lar España + Developments¹</td>
<td><strong>470,000</strong></td>
</tr>
<tr>
<td>Peer 3</td>
<td></td>
</tr>
<tr>
<td>Peer 4</td>
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<td>Peer 8</td>
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<tr>
<td>Peer 9</td>
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</tbody>
</table>

¹ Lar España includes development projects (Palmas Altas and Vidanova Parc)
Retail Operating Performance

16% Rotation rate
Since Acquisition
Average holding period 16.3 months

+4.9% NOI
Since Acquisition
Average holding period 16.3 months

92.6% EPRA Occupancy
+1p.p. vs FY 2015

+9.2% Sales
vs +2.7% Retail Sales index1 9M 2016

+2,051 Sqm leasing activity
9M 2016

+4% Improvement in revenues of common areas
Since Acquisition

52 Mn
Annualized visitors

+6.5% Footfall
9M 2016 vs 1.3% Avg. Footfall Index Spain

1. Source: INE
1. Illustrative potential additional annualised rent calculated as the difference between the market net rent estimated in H1 2016 by the Company's appraisals 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 annualised rent calculated, assuming the full occupancy of the Company's properties, as the application of the market net rent estimated by the Company’s appraisers in H1 2016 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%
### Key targets & assumptions 2017-2020

<table>
<thead>
<tr>
<th>Return Targets</th>
<th>Expected 2016 End</th>
<th>Expected Average Growth per annum</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Annual Return</td>
<td>&gt;12%</td>
<td>▲ &gt;12%</td>
</tr>
<tr>
<td>NAV</td>
<td>c. €780 Mn</td>
<td>▲ c. 9-10%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Business Plan Assumptions</th>
<th>Expected 2016 End</th>
<th>Expected Average Growth per annum</th>
</tr>
</thead>
<tbody>
<tr>
<td>Annualized GRI</td>
<td>c. €70 Mn</td>
<td>▲ c. 14%</td>
</tr>
<tr>
<td>Annualized NOI</td>
<td>c. €63 Mn</td>
<td>▲ c. 15%</td>
</tr>
<tr>
<td>Non Recoverable/ GRI Expenses</td>
<td>10%</td>
<td>▼ c. -10% (till 7% target)</td>
</tr>
<tr>
<td>Occupancy</td>
<td>93%</td>
<td>▲ c. 1% (till 97% target)</td>
</tr>
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1. In accordance with EPRA BPR
Dividends

Dividend policy objectives

- Predictable and sustainable dividend and distribution schedule
- Competitive in the International Real Estate market
- Attractive vs Spanish equity market
- As a result of a solid cash flow generation

1. Dividend Yield

2016
More than 4%\(^1\) over NAV (> 5% on current Market Cap)

2017 - Onwards
C. 5% over NAV

2. Extraordinary dividends

Lagasca 99 delivery
Other divestments, according to the Business Plan execution and conditions

1. 4% Dividend yield over Average of 2016 quarterly NAV
Closing Remarks

- Unique exposure to real estate retail assets and the Spanish consumer recovery
- Resilient prime dominant shopping centres in attractive catchment areas
- Recurrent cash flow generation from a 5.8% Net Initial Yield
- Upside potential from acquisitions done at attractive capital values with potential for revaluation
- Upside from our value added approach including repositioning and selectively development to create unique shopping experience destinations
- A complementary opportunistic approach on logistics and office investments
- Proven recurrent access to off-market transactions
- Top management team with strong track record and delivering results
- Digital 360° project aimed at linking and enhancing off line and on line retail platform
Going forward

1. **RIGHT TIMING**
   - Cycle
   - Opportunity

2. **RIGHT RESOURCES**
   - Operational
   - Financial
   - Know-How

3. **RIGHT PLATFORM**
   - Size
   - Synergies
   - Developments
   - Rotation potential

**RESULTS**

- Operation
- Revaluation
- Dividends
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