



Q1 2017 Results

www.larespana.com

May 2017

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Gran Vía de Vigo Shopping Centre

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Agenda

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Q1 2017
Highlights

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Q1 2017
Financial
Results &
Business
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03

Closing
Remarks



1 Q1 2017 Highlights



Successful & Strong Key Facts delivered in Q1 2017

€1.4 Bn GAV¹ +47% vs Q1 2016

€10.5Mn EBT (Net Profit) +20.3% vs Q1 2016

€18.0Mn Rental Income +39% vs Q1 2016

€30Mn Dividend² 2016 €0.33 dividend² per share

38% Net LTV³ 2.2% Cost of Debt



€9.27 EPRA NAV per share

€838.1 EPRA NAV (€ '000s)

5.9% EPRA "topped-up" NIY

5.7% EPRA Net Initial Yield

93.8% Occupancy Rate

€72.1Mn EPRA Annualised Net Rent⁴

12.5% ROE⁵

7.3% ROA⁵

1.0 Solvency ratio

1. Total GAV = Asset valuation as of 31st December 2016 + new acquisitions in Q1 2017 + capex invested in Q1 2017

2. To be approved in the AGM

3. Net LTV as of 31 March 2017

4. Includes only operating assets generating rents at the end of December 2016

5. Indicator calculated using figures from the last 12 months

Solid Company performance in Q1 2017

01 Solid Q1 2017 Results and Balance Sheet

€18.0 Mn Revenues	+39% vs Q1 2016
€10.5 Mn EBT (Net Profit)	+20% vs Q1 2016
€8.8 Mn EPRA Earnings	+50% vs Q1 2016
€838.1 Mn EPRA NAV	+44% vs Q1 2016
38% net LTV; €531 Mn Net Debt (€556 Mn Gross Debt)	2.2% cost of debt

02 Lar España Value Add performance

Epra Ann.Net Rent vs previous Quarter	€72.1Mn; +2.1% LfL
Re-leasing potential in Office portfolio – ERV	€8 Mn
Excellent logistic platform w/ outstanding performance – EPRA. Ann. Net Rent	€5.6Mn; +7% LfL

03 Asset Growth & Return enhancement

Two excellent group of assets acquired for €111Mn in the quarter	@ 6.7% yield on cost
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2

Q1 Financial Results



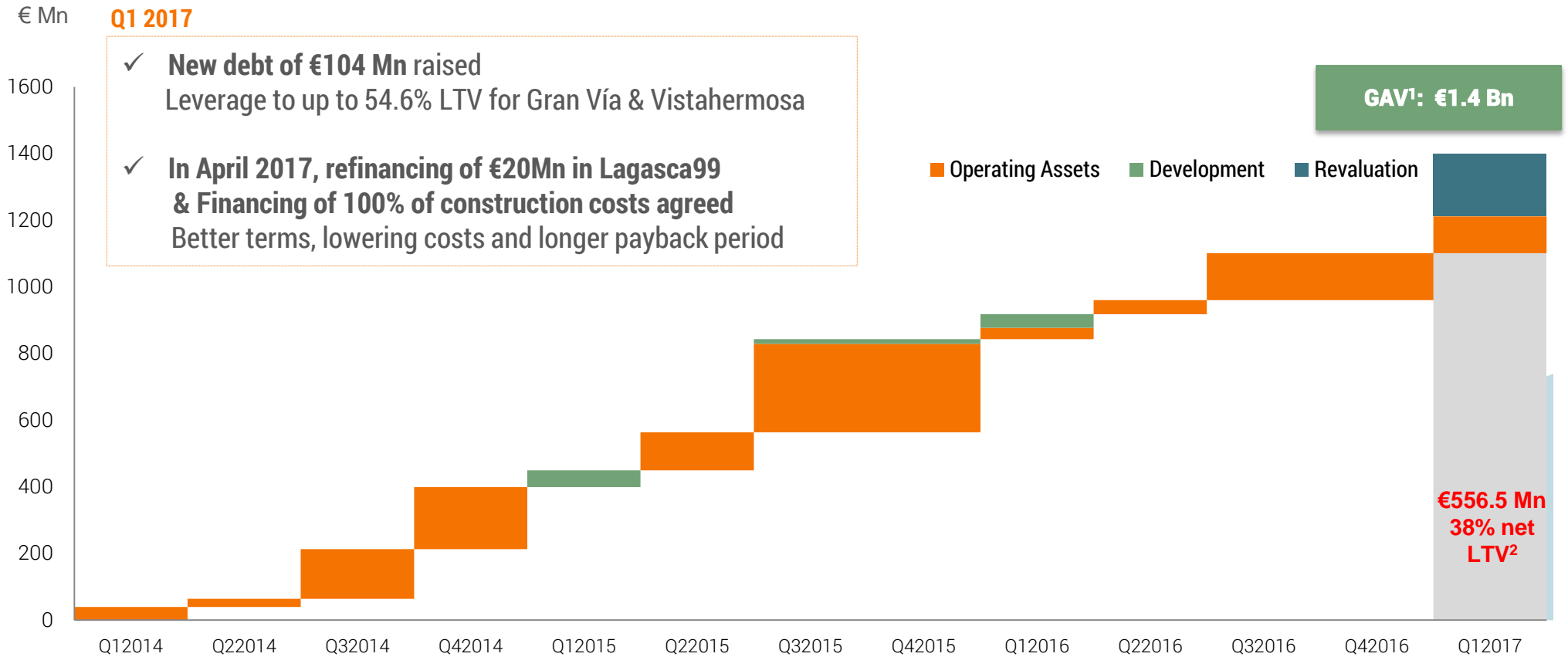
Consolidated Income Statement (€ Millions)

	Q1 2017			Recurrent 1Q17/1Q16	Q1 2016		
	Recurring	Non-Recurring	Total		Recurring	Non-Recurring ¹	Total
Rental Income	18.0	-	18.0		13.0	-	13,0
Other income	0.6	-	0.6		0,3	7,0	7,3
Property Operating Expenses	(4.1)	-	(4.1)		(2.7)	-	(2.7)
Base Fee	(2.3)	-	(2.3)		(1.5)	-	(1.5)
Property Operating Results	12.2	-	12.2	+34.1%	9.1	7,0	16,0
Corporate Expenses	(0.7)	(0.4)	(1.1)		(0.7)	(0.3)	(1.0)
Other results	-	0.9	0.9		-	-	-
EBITDA	11.6	0.5	12.1	+39.8%	8.3	6.7	15.0
Changes in the Fair Value	-	-	-		-	-	-
EBIT	11.6	0.5	12.1	+39.8%	8.3	6.7	15.0
Financial Result	(1.3)	-	(1.3)		(1.5)	(4.1)	(5.6)
Share in profit (loss) for the period of equity-accounted companies	(0.3)	-	(0.3)		0.6	-	0.6
EBT	10.0	0.5	10.5		6.2	2.6	8.8
Income Tax	-	-	-		-	-	-
Profit for the Period	10.0	0.5	10.5	+61.3%	6.2	2.6	8.8
FFO (EBITDA – Financial Result)	10.3	0.5	10.8		6.8	2.6	9.4
% FFO Annualized Yield /NAV	4.9%	0.2%	5.1%		4.7%	1.8%	6.5%

1. Q1 2016 Non-Recurring P&L mainly affected by remaining stake acquisition in Portal de la Marina

Creating value through wise debt management

Portfolio and Debt evolution since IPO

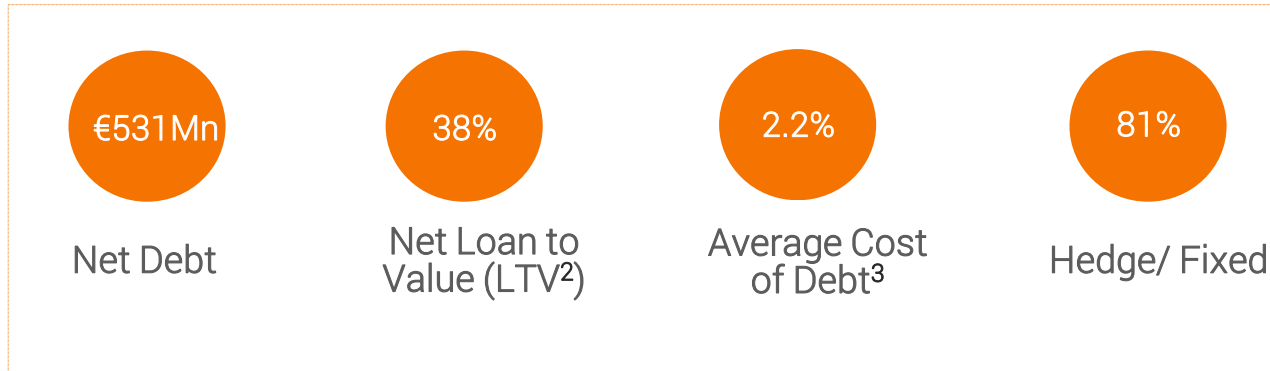


1. Total GAV = Valuation of assets as of 31st December + Valuation of Parque Abadía and 22 retail units acquired in Q1 2017 + net capex in Q12017

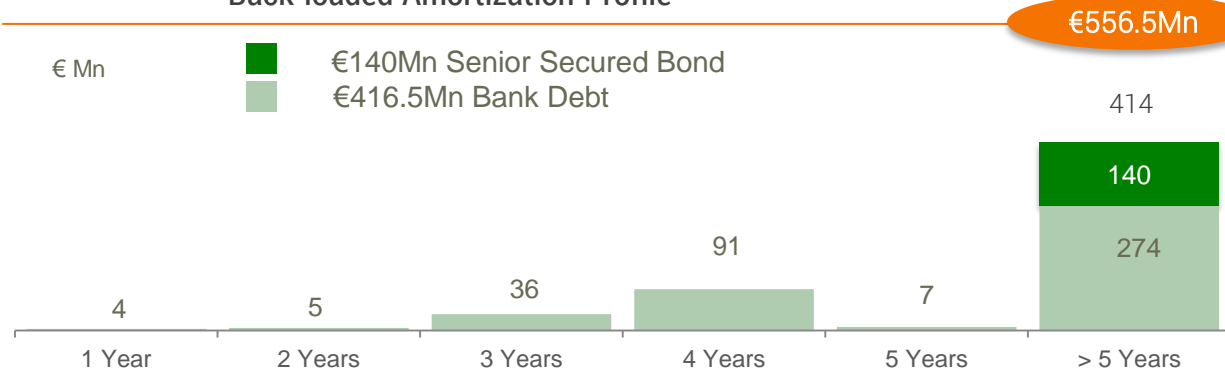
2. Net LTV calculated as at March 2017

Lar España's Debt Profile

Key Figures of the financing ¹



Back-loaded Amortization Profile

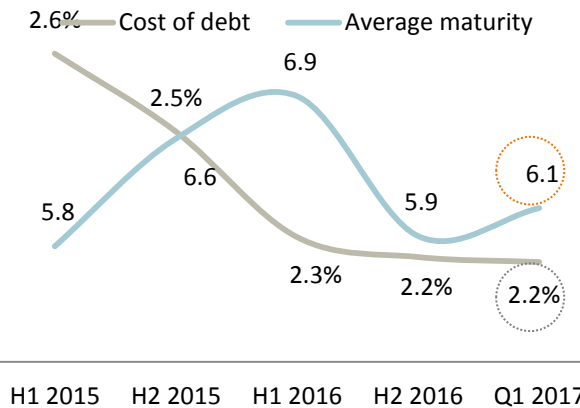


1. All figures according to Last Reported Results on Q1 2017

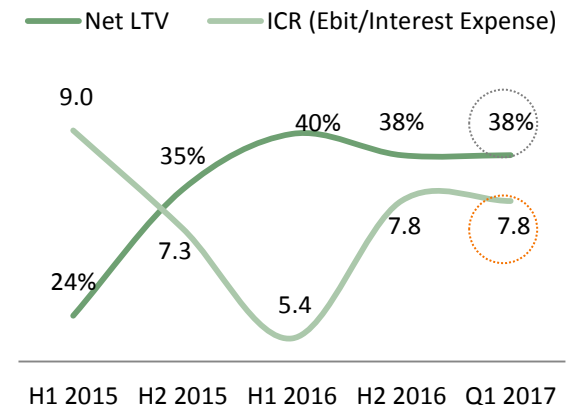
2. Net LTV as of December 2016; Net LTV= Total Loans & Borrowings & Notes net of Cash

3. Excluding any impact from negative interest rate

Long Term debt maturity and competitive cost of debt

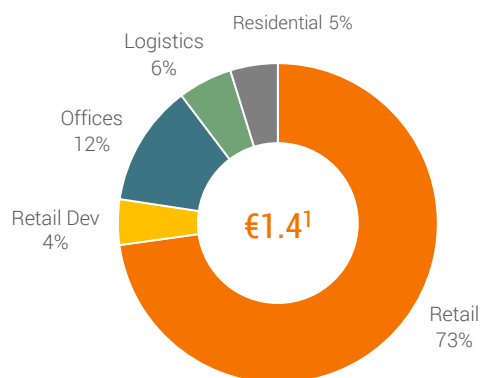


Stronger Financial solvency while optimizing Balance Sheet Structure

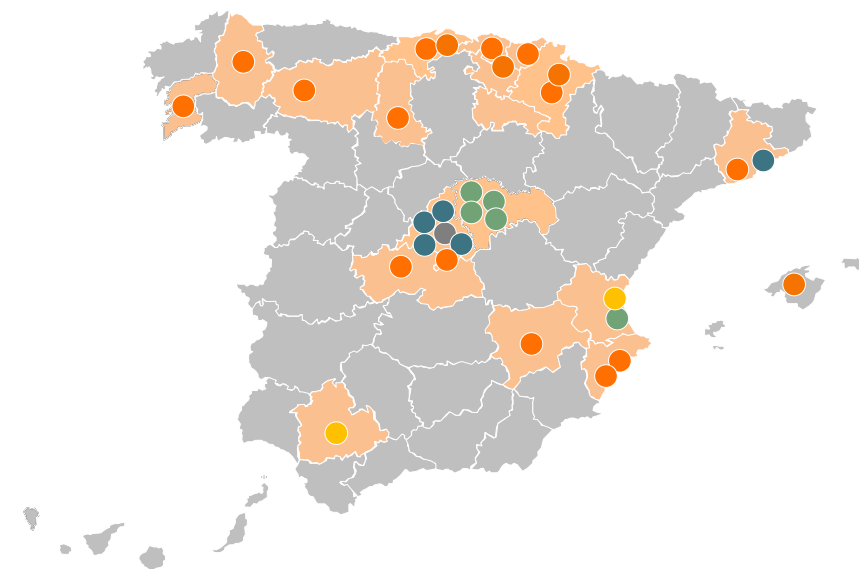
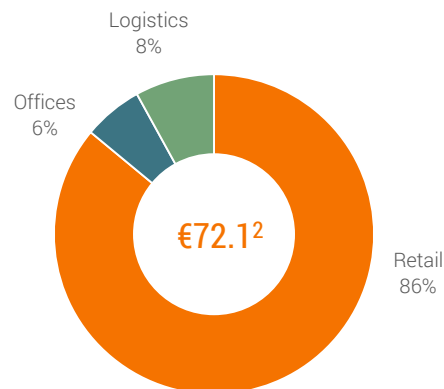


Portfolio at a glance

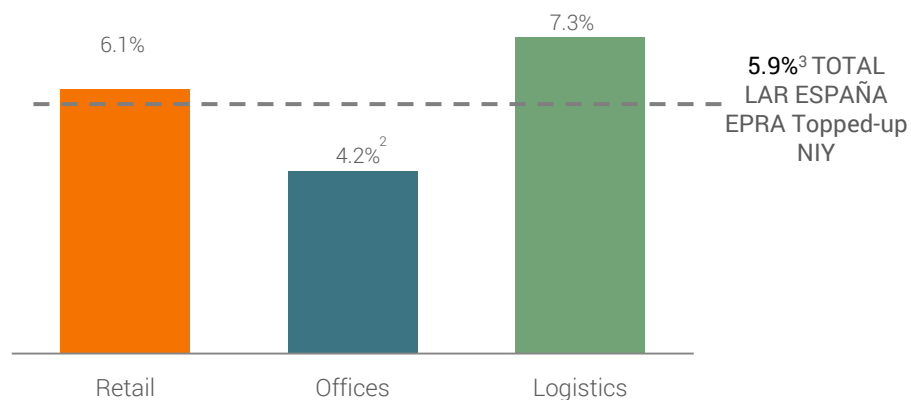
GAV (€Bn)



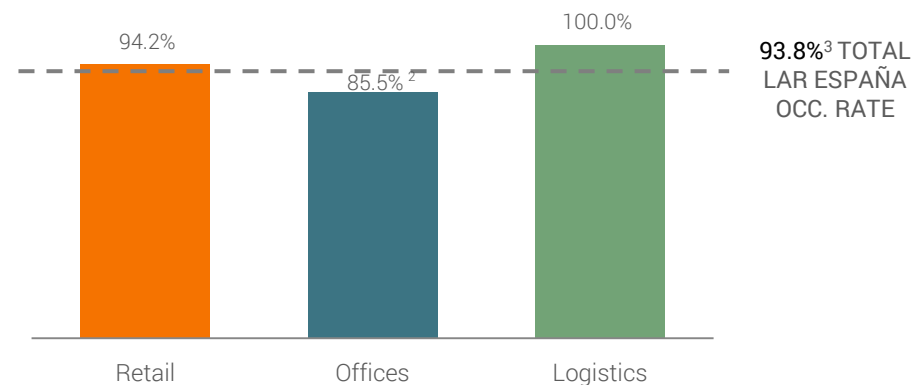
EPRA Annualized Net Rent (€Mn)



EPRA Topped-up NIY



Occupancy Rate



1. Total GAV = Asset valuation as of 31 December 2016 + new acquisitions in Q1 2017

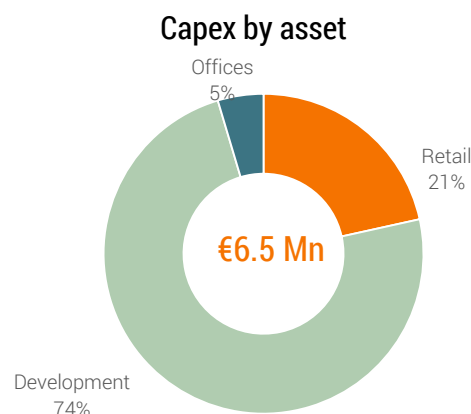
2. EPRA annualized rent as of 31 March 2017

3. Marcelo Spínola's EPRA Topped-Up NIY and Occupancy rate is not calculated due to the lack of representativeness. To calculate the Topped-up NIY for the total portfolio we have excluded the data from Marcelo Spínola.

Retail

Operating assets backed by development projects

Rent Generating Assets



2 Ongoing Developments



+12%
Rents growth from
renewals/ relocations

22
Operations in Q1 2017

13.3 Mn
Visits in Q1 2017

NOI +3.4% LfL YoY
Stable Sales in Q1 2017
10.9% Portfolio Effort rate

€18 Mn
Expected annual rental
income in developments

60% GLA signed
20% under negotiation
in **VidaNova**
Parc

MERCADONA
 YELMO
CINES
New tenants signed in
Palmas Altas: 7.173 sqm

1st construction phase
completed¹
in **VidaNova**
Parc

¹ Plot already urbanized and ready for construction

Retail

Rent increase per sqm in leasing activity:

↑12% LfL

FY 2016

New shops

ATTRACT NEW AND INNOVATIVE TENANTS



4 Reletting



10 New Lettings



Anchors

CREATE A WELL-BALANCED TENANT MIX

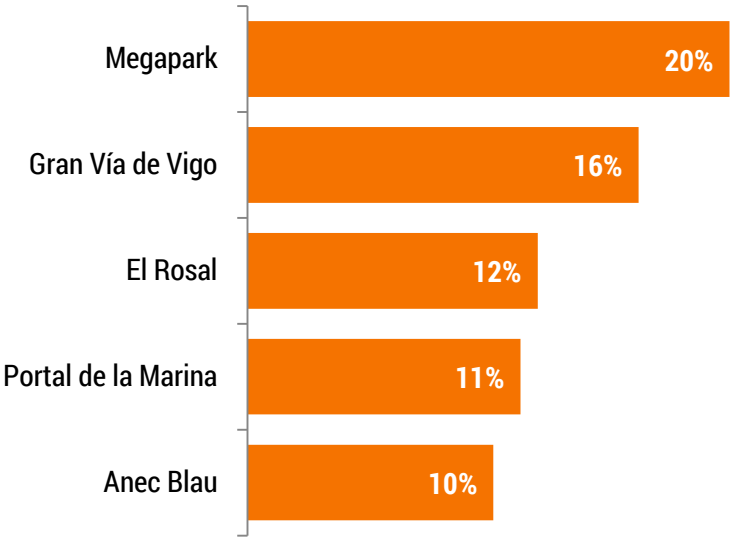


7 Renewals



1 Relocations

Top 5 rent generating core dominant shopping center



Sqm GLA rotated per year / 19% since acquisition

53,774 sqm
GLA Leased since
acquisition

Retail

New Acquisition: Parque Abadía



Prime retail park in Toledo with a 100% occupancy and Net Initial Yield of **6.0%**
With this acquisition Lar España becomes #1 player in retail parks in Spain

€63.1 Mn
Acquisition Price

54,100 sqm (inc. gallery)
GLA

100%
Occupancy

37,114 sqm (69%)
Vendor's GLA

6.0%
Net Initial Yield

24
No. Tenants

Excellent Tenant Line-up



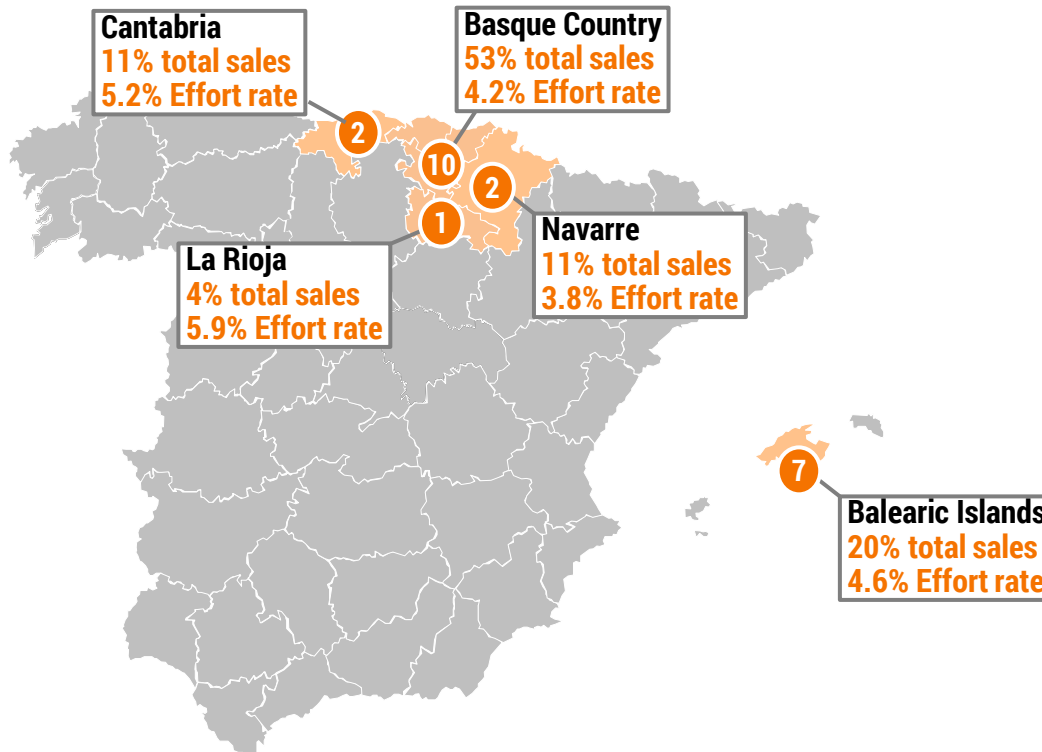
Other strong brands present in the Park



Retail

New Acquisition: 22 Retail Units

100% occupied by Eroski supermarkets, in the north of Spain and Balearic Islands



<5% Effort Rate
in more than 80% supermarkets

Selling > 3,000 €/sqm
in more than 70% supermarkets

€47.6 Mn
Acquisition Price

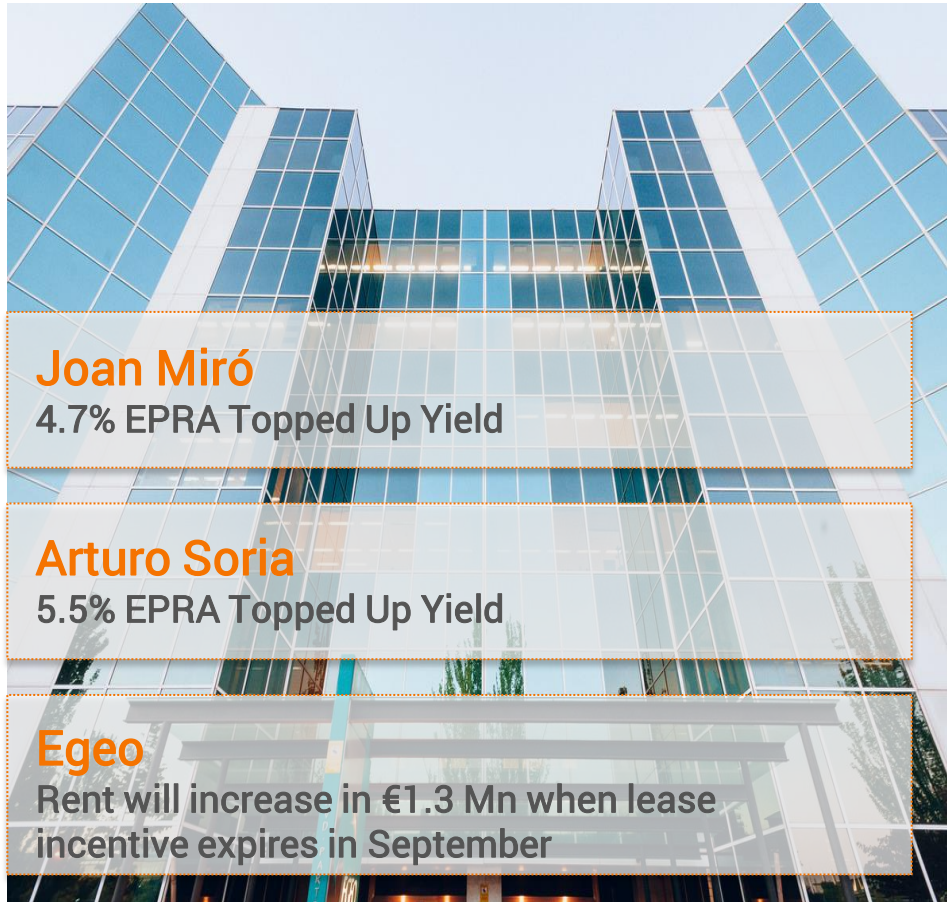
7.61%
Net Initial Yield

100%
Occupancy

28,822 sqm
GLA

Non-retail assets - Offices

Stabilised Assets



Non-Stabilised assets



Non-retail assets - Logistics



161,841
Logistics GLA

€1.4 Mn
GRI Q1 2017



€5.9 Mn **+7%**
Annualized GRI YoY

9.23%
Initial yield on Cost

7.3%
EPRA Topped-up Net Initial Yield

Logistics

New Acquisition: Logistic plot of land in Cheste

Prime and strategic location along the main logistics axis of Valencia, a key location for international trade within the Mediterranean Corridor

Excellent opportunity in an attractive logistic market

118,160 Sqm
GLA

€85 per Sqm
Land Cost +
urbanization

Valencia

3rd largest logistics city in Spain

5th busiest seaport in Europe

Largest seaport in Spain and the Mediterranean Sea

Valencia's logistic market

Vacancy rate at record lows (6.1%)

Scarcity of new products with large GLA
(>30,000 sqm) and new standards

Opportunistic price: 30% lower than market

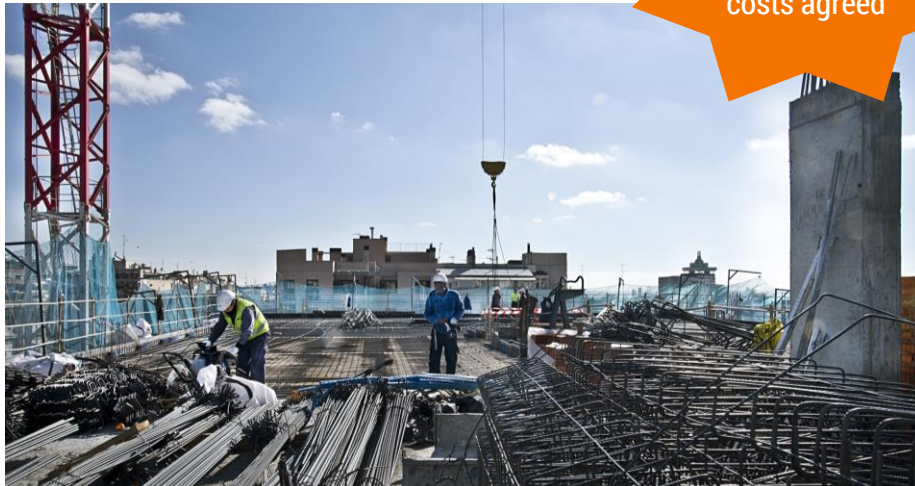
€2.3 Mn cost of land + urbanization costs



Non-retail assets – Lagasca 99



Financing of 100%
of construction
costs agreed



Q2 2018

Estimated delivery date



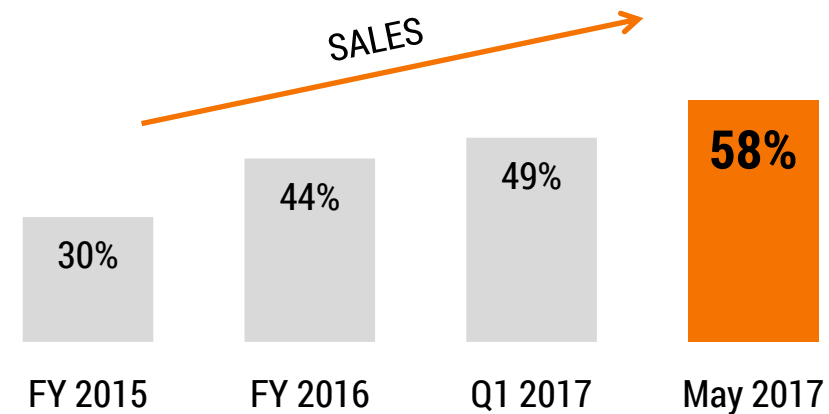
Construction works on schedule

100% structure completed
(8 floors, 10 levels)



In process

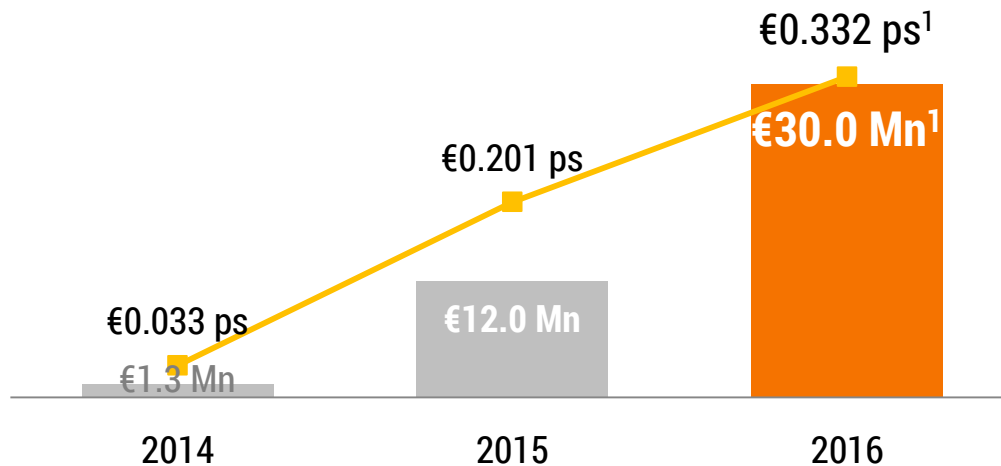
High interest from national and international investors
Price c.11,000 €/sqm



AGM

Dividend: €30 Mn¹

€0.332 ps¹ – May 31st, 2017



¹ Dividend to be approved in AGM on May 29th, 2017

**Two New
Directors**

PIMCO's representative

Head of the European Commercial Real Estate team

+

Independent Director

Currently in selection process

3

Closing Remarks



Lagasca 99 Residential Development, Madrid

Closing Remarks

Positive assets evolution during 1st Quarter of 2017

Active Management is stabilizing assets and starting to see reversionary potential in Retail and Office portfolio

Attractive portfolio of €1.4 Bn, out of which €1.23 Bn are rents generating assets that produce €72.1 Mn

€103.9 Mn of new debt from Gran Vía de Vigo & Vistahermosa

Acquisitions of two excellent assets in Q1 2017 for €110.7 Mn

Lar España has the option to increase its logistic portfolio with more than 100k sqm GLA in an outstanding location

Lar España reinforces its Board according to the highest Corporate Governance standards, maintaining 5 independents out of a total of 7

