

**FIRST
QUARTER
RESULTS**



Contents

1

2

3

EXECUTIVE SUMMARY

p. 4

1.1
Highlights
Q1 2017
p. 6

1.2
Main Events
p. 8

1.3
Portfolio at
31 March 2017
p. 10

1.4
Key Indicators
p. 20

1.5
Business Performance
p. 22

CONSOLIDATED FINANCIAL STATEMENTS

p. 32

2.1
Company Chart
31.03.2017
p. 34

2.2
Consolidated Statement of
Comprehensive Income
p. 36

2.3
Consolidated Statement of
Financial Position
p. 38

2.4
Consolidated Statement of
Cash Flows
p. 44

EPRA INFORMATION

p. 47

4

**SHARE PRICE
PERFORMANCE**
p. 56

5

**EVENTS AFTER THE
REPORTING PERIOD**
p. 60

6

GLOSSARY
p. 64

1



EXECUTIVE SUMMARY

1.1

Highlights
Q1 2017
p. 6

1.2

Main Events
p. 8

1.3

Portfolio at
31 March 2017
p. 10

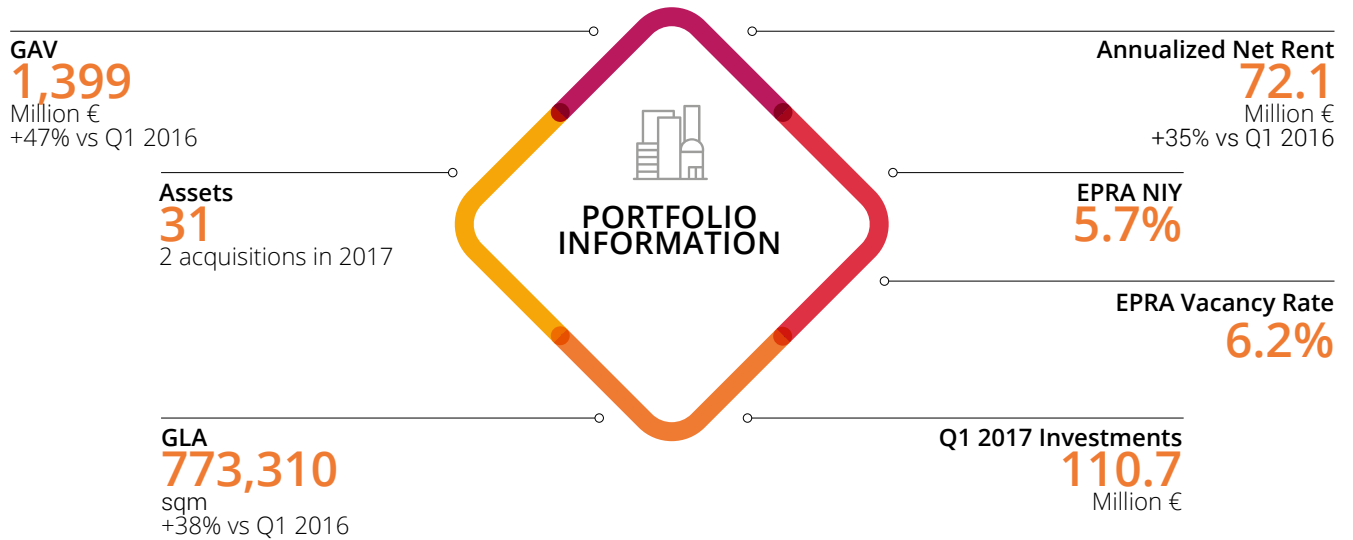
1.4

Key Indicators
p. 20

1.5

Business Performance
p. 22

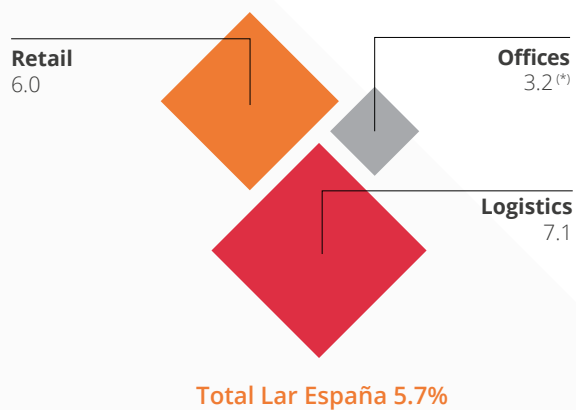
1.1 Highlights Q1 2017



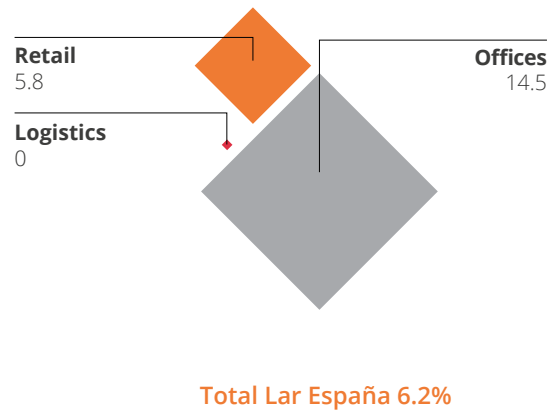
GAV by asset class (%)



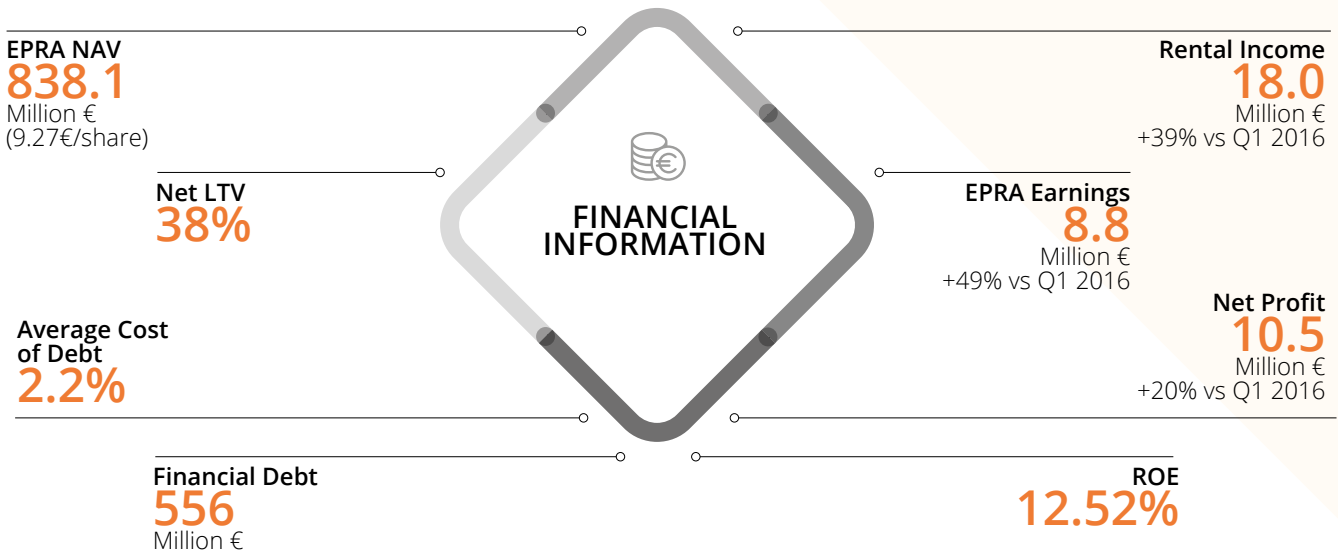
EPRA Net Initial Yield by asset class (%)



EPRA Vacancy Rate by asset class (%)



(*) For further information see section 3 "EPRA information".



Rental Income by asset class (%)



1.2 Main Events

1

Liquidity contracts and specialists

04.01.2017 According to the provisions of section 2 of the Fourth rule of Circular 3/2007, of 19 December, by the Comisión Nacional del Mercado de Valores on Liquidity Contracts for the purposes of their acceptance as a market practice, the Company hereby reports the **transactions executed by JB Capital Markets**, Sociedad de Valores, S.A.U. (the “Financial Intermediary”), in the context of the Liquidity Contract (the “Liquidity Contract”) from 1 **October 2016 to 31 December 2016**, the total amount of shares sold and purchased, and the overall amount of cash used for these transactions.

square metres and (ii) **the retail complex “Parque Vistahermosa”** located in Alicante, with a total gross leasable area (GLA) of approximately 33,550 square metres; it is now reported that the Company has entered into a bank financing agreements with ING Bank NV sucursal en España and BBVA, associated respectively to the above referred assets, for a total amount of **EUR 103.9 million**, a 5 years duration and a “bullet” amortization structure.

3

2

Parque Vistahermosa and Gran Vía financing

15.03.2017 In connection with the material facts of last 16 September and 17 June 2016 (with Registry numbers 242769 and 239851 respectively), where it was reported that the Company had acquired (i) 100% of the share capital of the company GRAN VÍA CENTRUM HOLDINGS, S.A.U., owner of **the shopping centre “Gran Vía de Vigo”**, with a gross leasable area (GLA) of around 41,386

Parque Abadía and a portfolio of 22 retail units acquisitions

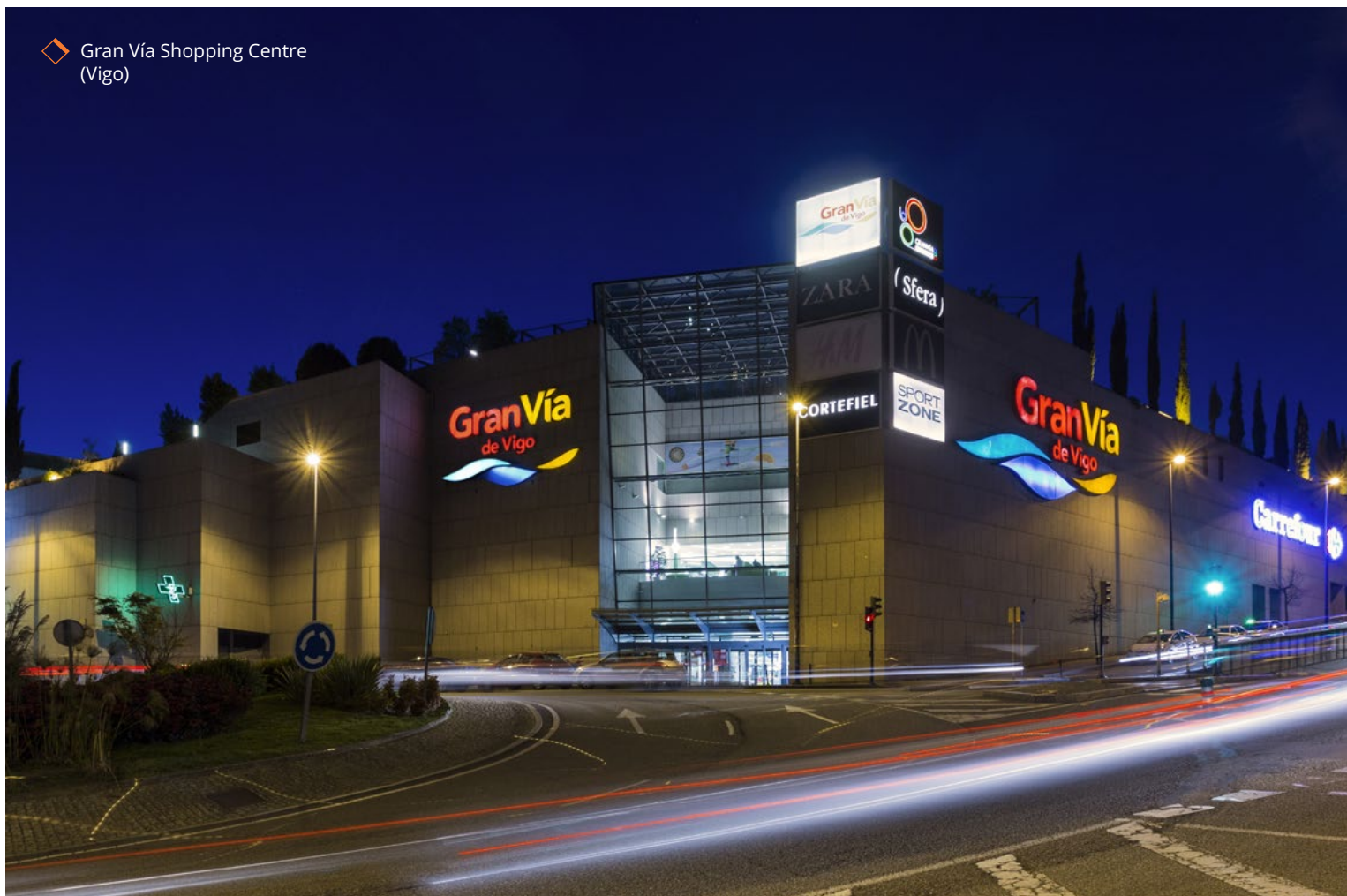
27.03.2017 On 27 March 2017, the Company has acquired from Rockspring NPS European Property Holding, B.V. (i) in Toledo, **Parque Abadía retail complex**, a gross leasable area (GLA) of around 37,114 square metres, fully occupied; and (ii) in different parts of Spain, a **portfolio of 22 retail units** with a total gross leasable area (GLA) of approximately 28,822 square metres, totally occupied. The acquisition has been carried out for a total amount of approximately **€110.7 million**, subject to the subsequent customary price adjustments in this kind of transactions, and has been fully paid with the funds of the Company.

Parque Abadía Retail Complex (Toledo)



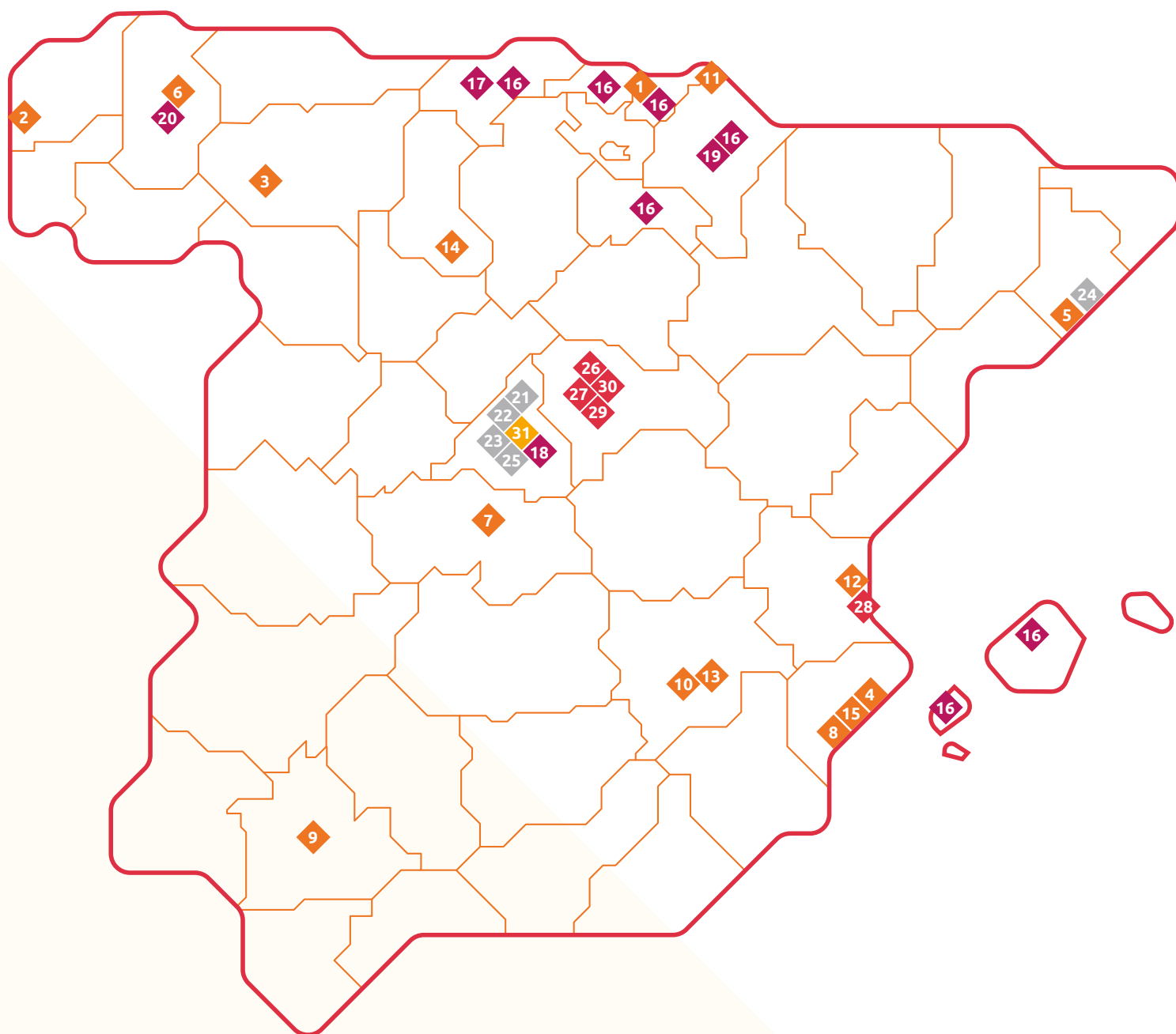


Vistahermosa Shopping Centre
(Alicante)



Gran Vía Shopping Centre
(Vigo)

1.3 Portfolio at 31 March 2017



GAV = 1.4
billion euros

**SHOPPING CENTRES**

- 1 Megapark (Bilbao)
- 2 Gran Vía (Vigo)
- 3 El Rosal (León)
- 4 Portal de la Marina (Alicante)
- 5 Anec Blau (Barcelona)
- 6 As Termas (Lugo)
- 7 Parque Abadía (Toledo)
- 8 Visthermosa (Alicante)
- 9 Palmas Altas (Sevilla)
- 10 Albacenter (Albacete)
- 11 Txingudi (Guipúzcoa)
- 12 Vidanova Parc (Valencia)
- 13 Albacenter Hypermarket and retail units (Albacete)
- 14 Las Huertas (Palencia)
- 15 Portal de la Marina Hypermarket (Alicante)

**RETAIL WAREHOUSES**

- 16 Supermarket portfolio (22 units)
(Cantabria, País Vasco, La Rioja, Navarra and Baleares)
- 17 Nuevo Alisal (Santander)
- 18 Villaverde (Madrid)
- 19 Parque Galaria (Navarra)
- 20 As Termas Petrol Station (Lugo)

**OFFICES**

- 21 Egeo (Madrid)
- 22 Marcelo Spínola (Madrid)
- 23 Arturo Soria (Madrid)
- 24 Joan Miró (Barcelona)
- 25 Eloy Gonzalo (Madrid)

**LOGISTICS**

- 26 Alovera II (Guadalajara)
- 27 Alovera I (Guadalajara)
- 28 Almussafes (Valencia)
- 29 Alovera IV (C5-C6) (Guadalajara)
- 30 Alovera III (C2) (Guadalajara)

**RESIDENTIAL**

- 31 Lagasca 99 (Madrid)

1 MEGAPARK, BILBAO



Location	Bilbao
GLA	63,576 sqm
Purchase Date	19 October 2015
Acquisition Price	EUR 170.0 m
Market Value (31 December 2016)*	EUR 190.0 m
WAULT	2.5 years
EPRA Net Initial Yield	5.2%
EPRA Vacancy Rate	5.8%

2 GRAN VÍA, VIGO



Location	Vigo
GLA	41,436 sqm
Purchase Date	15 September 2016
Acquisition Price	EUR 141.0 m
Market Value (31 December 2016)*	EUR 144.5 m
WAULT	3.0 years
EPRA Net Initial Yield	6.1%
EPRA Vacancy Rate	4.4%

3 EL ROSAL, LEÓN



Location	Ponferrada (León)
GLA	51,022 sqm
Purchase Date	7 July 2015
Acquisition Price	EUR 87.5 m
Market Value (31 December 2016)*	EUR 99.8 m
WAULT	2.7 years
EPRA Net Initial Yield	5.9%
EPRA Vacancy Rate	11.4%

4 PORTAL DE LA MARINA, ALICANTE



Location	Ondara (Alicante)
GLA	30,234 sqm
Purchase Date	30 October 2014/ 30 March 2016
Acquisition Price	EUR 82.2 m ⁽¹⁾
Market Value (31 December 2016)*	EUR 98.5 m
WAULT	1.7 years
EPRA Net Initial Yield	6.4%
EPRA Vacancy Rate	6.2%

(1) Weighted average price of both acquisitions.

5 ANEC BLAU, BARCELONA



Location	Barcelona
GLA	28,591 sqm
Purchase Date	31 July 2014
Acquisition Price	EUR 80.0 m
Market Value (31 December 2016)*	EUR 93.3 m
WAULT	2.8 years
EPRA Net Initial Yield	5.3%
EPRA Vacancy Rate	6.8%

6 AS TERMAS, LUGO



Location	Lugo
GLA	33,127 sqm
Purchase Date	15 April 2015
Acquisition Price	EUR 67.0 m
Market Value (31 December 2016)*	EUR 78.1 m
WAULT	1.7 years
EPRA Net Initial Yield	6.5%
EPRA Vacancy Rate	5.3%

7 PARQUE ABADÍA, TOLEDO



Location	Toledo
GLA	37,114 sqm
Purchase Date	27 March 2017
Acquisition Price	EUR 63.1 m
Market Value (31 December 2016)*	N/A
WAULT	3.3 years
EPRA Net Initial Yield	6.2%
EPRA Vacancy Rate	0.0%

8 VISTAHERMOSA, ALICANTE



Location	Alicante
GLA	33,550 sqm
Purchase Date	16 June 2016
Acquisition Price	EUR 42.5 m
Market Value (31 December 2016)*	EUR 45.6 m
WAULT	6.2 years
EPRA Net Initial Yield	5.9%
EPRA Vacancy Rate	3.4%

*The valuations have been made at 31 December 2016 by external independent valuers: JLL or C&W

9 PALMAS ALTAS, SEVILLA



Location	Sevilla
Retail and family leisure place	100,000 sqm
Purchase Date	1 March 2016
Acquisition Price	EUR 40.5 m
Market Value (31 December 2016)*	EUR 46.0 m ⁽²⁾
WAULT	N/A
EPRA Net Initial Yield	N/A
EPRA Vacancy Rate	N/A

(2) Includes a potential extra building rights.

11 TXINGUDI, GUIPÚZCOA



Location	Irún (Guipúzcoa)
GLA	10,679 sqm
Purchase Date	24 March 2014
Acquisition Price	EUR 27.7 m
Market Value (31 December 2016)*	EUR 35.5 m
WAULT	2.7 years
EPRA Net Initial Yield	6.2%
EPRA Vacancy Rate	4.2%

10 ALBACENTER, ALBACETE



Location	Albacete
GLA	15,428 sqm
Purchase Date	30 July 2014
Acquisition Price	EUR 28.4 m
Market Value (31 December 2016)*	EUR 35.5 m
WAULT	2.7 years
EPRA Net Initial Yield	6.1%
EPRA Vacancy Rate	15.7%

12 VIDANOVA PARC, VALENCIA ⁽³⁾



Location	Sagunto (Valencia)
GLA	44,252 sqm
Purchase Date	3 August 2015
Acquisition Price	EUR 14.0 m
Market Value (31 December 2016)*	EUR 17.3 m
WAULT	N/A
EPRA Net Initial Yield	N/A
EPRA Vacancy Rate	N/A

(3) Development of the project subjected on planning and commercialization fulfillment.

13 ALBACENTER HYPERMARKET AND RETAIL UNITS, ALBACETE



Location	Albacete
GLA	12,462 sqm
Purchase Date	19 December 2014
Acquisition Price	EUR 11.5 m
Market Value (31 December 2016)*	EUR 14.3 m
WAULT	0.8 years
EPRA Net Initial Yield	6.6%
EPRA Vacancy Rate	0.0%

14 LAS HUERTAS, PALENCIA



Location	Palencia
GLA	6,267 sqm
Purchase Date	24 March 2014
Acquisition Price	EUR 11.7 m
Market Value (31 December 2016)*	EUR 13.3 m
WAULT	2.3 years
EPRA Net Initial Yield	5.7%
EPRA Vacancy Rate	20.5%

15 PORTAL DE LA MARINA HYPERMARKET, ALICANTE



Location	Ondara (Alicante)
GLA	9,924 sqm
Purchase Date	9 June 2015
Acquisition Price	EUR 7.0 m
Market Value (31 December 2016)*	EUR 8.6 m
WAULT	13.1 years
EPRA Net Initial Yield	6.0%
EPRA Vacancy Rate	0.0%

*The valuations have been made at 31 December 2016 by external independent valuers: JLL or C&W

16 SUPERMARKET PORTFOLIO (22 UNITS)



Location	Cantabria, País Vasco, La Rioja, Navarra and Baleares
GLA	28,822 sqm
Purchase Date	27 March 2017
Acquisition Price	EUR 47.6 m
Market Value (31 December 2016)*	N/A
WAULT	14.0 years
EPRA Net Initial Yield	7.3%
EPRA Vacancy Rate	0.0%

17 NUEVO ALISAL, SANTANDER



Location	Santander
GLA	7,649 sqm
Purchase Date	17 December 2014
Acquisition Price	EUR 17.0 m
Market Value (31 December 2016)*	EUR 18.3 m
WAULT	5.6 years
EPRA Net Initial Yield	6.4%
EPRA Vacancy Rate	0.0%

18 VILLAVERDE, MADRID



Location	Madrid
GLA	4,391 sqm
Purchase Date	29 July 2014
Acquisition Price	EUR 9.1 m
Market Value (31 December 2016)*	EUR 10.8 m
WAULT	2.8 years
EPRA Net Initial Yield	6.2%
EPRA Vacancy Rate	0.0%

19 PARQUE GALARIA, NAVARRA



Location	Pamplona
GLA	4,108 sqm
Purchase Date	23 July 2015
Acquisition Price	EUR 8.4 m
Market Value (31 December 2016)*	EUR 10.4 m
WAULT	4.7 years
EPRA Net Initial Yield	6.4%
EPRA Vacancy Rate	0.0%

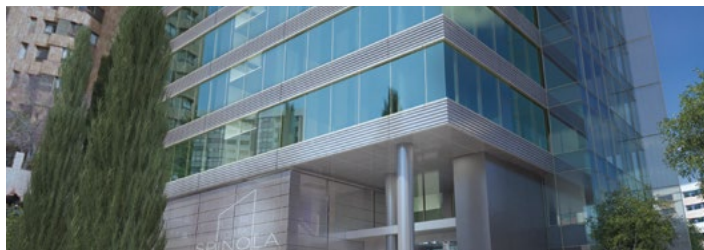
*The valuations have been made at 31 December 2016 by external independent valuers: JLL or C&W

20 AS TERMAS PETROL STATION, LUGO

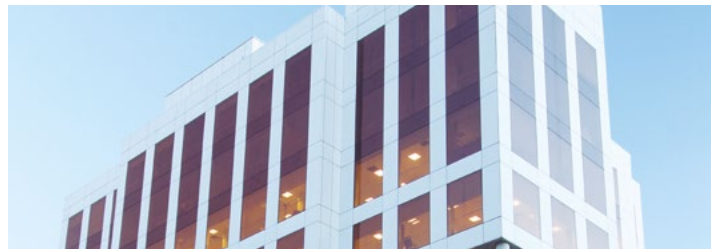
Location	Lugo
GLA	2,000 sqm
Purchase Date	28 July 2015
Acquisition Price	EUR 1.8 m
Market Value (31 December 2016)*	EUR 1.9 m
WAULT	14.2 years
EPRA Net Initial Yield	5.8%
EPRA Vacancy Rate	0.0%

21 EGEO, MADRID

Location	Madrid
GLA	18,254 sqm
Purchase Date	16 December 2014
Acquisition Price	EUR 64.9 m
Market Value (31 December 2016)*	EUR 73.9 m
WAULT	4.2 years
EPRA Net Initial Yield	2.3%
EPRA Vacancy Rate	11.0%

22 MARCELO SPINOLA, MADRID

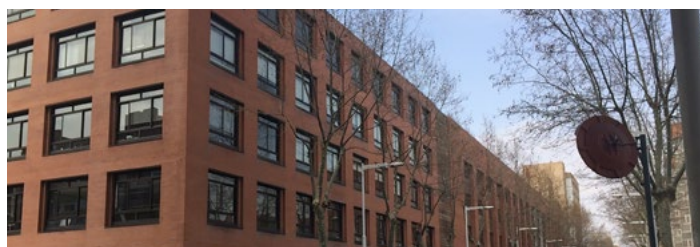
Location	Madrid
GLA	8,875 sqm
Purchase Date	31 July 2014
Acquisition Price	EUR 19.0 m
Market Value (31 December 2016)*	EUR 33.5 m
WAULT	N/A
EPRA Net Initial Yield	N/A **
EPRA Vacancy Rate	N/A **

23 ARTURO SORIA, MADRID

Location	Madrid
GLA	8,663 sqm
Purchase Date	29 July 2014
Acquisition Price	EUR 24.2 m
Market Value (31 December 2016)*	EUR 27.2 m
WAULT	2.2 years
EPRA Net Initial Yield	5.2%
EPRA Vacancy Rate	21.2%

* The valuations have been made at 31 December 2016 by external independent valuers: JLL or C&W

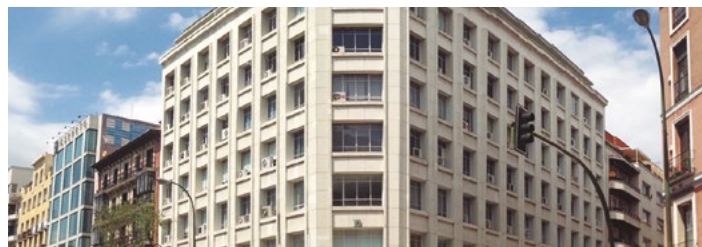
** For further information see section 3 EPRA INFORMATION

24 JOAN MIRÓ, BARCELONA

Location	Barcelona
GLA	8,611 sqm
Purchase Date	11 June 2015
Acquisition Price	EUR 19.7 m
Market Value (31 December 2016)*	EUR 21.4 m
WAULT	1.2 years
EPRA Net Initial Yield	4.6%
EPRA Vacancy Rate	2.6%

25 ELOY GONZALO, MADRID

BREEAM® ES



Location	Madrid
GLA	6,231 sqm
Purchase Date	23 December 2014
Acquisition Price	EUR 12.7 m
Market Value (31 December 2016)*	EUR 15.0 m
WAULT	1.9 years
EPRA Net Initial Yield	1.6%
EPRA Vacancy Rate	26.9%

26 ALOVERA II, GUADALAJARA

Location	Guadalajara
GLA	83,952 sqm
Purchase Date	13 Octubre 2014
Acquisition Price	EUR 32.1 m
Market Value (31 December 2016)*	EUR 37.5 m
WAULT	0.5 years
EPRA Net Initial Yield	7.1%
EPRA Vacancy Rate	0.0%

27 ALOVERA I, GUADALAJARA

Location	Guadalajara
GLA	35,196 sqm
Purchase Date	7 August 2014
Acquisition Price	EUR 12.7 m
Market Value (31 December 2016)*	EUR 17.4 m
WAULT	1.6 years
EPRA Net Initial Yield	6.3%
EPRA Vacancy Rate	0.0%

* The valuations have been made at 31 December 2016 by external independent valuers: JLL or C&W

** For further information see point 3 EPRA INFORMATION

28 ALMUSSAFES, VALENCIA

Location	Valencia
GLA	19,211 sqm
Purchase Date	26 May 2015
Acquisition Price	EUR 8.4 m
Market Value (31 December 2016)*	EUR 9.5 m
WAULT	2.7 years
EPRA Net Initial Yield	7.3%
EPRA Vacancy Rate	0.0%

29 ALOVERA IV (C5-C6), GUADALAJARA

Location	Guadalajara
GLA	14,891 sqm
Purchase Date	26 May 2015
Acquisition Price	EUR 7.2 m
Market Value (31 December 2016)*	EUR 8.5 m
WAULT	2.0 years
EPRA Net Initial Yield	8.5%
EPRA Vacancy Rate	0.0%

30 ALOVERA III (C2), GUADALAJARA

Location	Guadalajara
GLA	8,591 sqm
Purchase Date	26 May 2015
Acquisition Price	EUR 3.0 m
Market Value (31 December 2016)*	EUR 3.6 m
WAULT	0.8 years
EPRA Net Initial Yield	7.2%
EPRA Vacancy Rate	0.0%

31 LAGASCA 99, MADRID

Location	Madrid
GLA	26,203 sqm
Purchase Date	30 January 2015
Acquisition Price	EUR 50.1 m ⁽⁴⁾
Market Value (31 December 2016)*	EUR 65.8 m
WAULT	N/A
EPRA Net Initial Yield	N/A
EPRA Vacancy Rate	N/A

(4) Corresponds to the 50% of the JV with PIMCO

1.4 Key Indicators

Economic & Financial Figures

In the first quarter of 2017 the Group generated **revenues of 17,974 thousand Euros and a net profit of 10,523 thousand Euros.**

(Thousands of Euros)	Q1 2017	Q1 2016
Revenues	17,974	12,985
EBITDA	12,099	15,017
EBIT	12,099	15,017
PBT	10,523	8,748
Net profit	10,523	8,748

The Group is immersed in the analysis and evaluation of investment opportunities in line with its policies.

Other Financial Indicators

The Group presents the following financial indicators:

	31/03/2017	31/12/2016
Working capital (Thousands of Euros)	60,938	65,512
Liquidity ratio	2.9	2.8
Solvency ratio	1.0	1.1
Net LTV	38%	33%
ROE	12.52%	13.40%
ROA	7.33%	7.74%

At 31 March 2017 and 31 December 2016, the Group presented ratios related to liquidity (working capital and liquidity ratio) with very high values, showing that the Group has sufficient liquidity and a high safety margin to meet its payments.



At 31 March 2017, the **ROE ("Return on Equity")**, which measures the Group's profitability as a percentage of its shareholders equity, amounted to **12.52%** (13.40% at 31 December 2016) whilst the **ROA ("Return on Assets")**, which measures the efficiency of the Group's total assets regardless of the sources of financing used, i.e. the ability of a company's assets to generate income, was **7.33%** (7.74% at 31 December 2016).



◆ Marcelo Spinola Office Building (Madrid)

1.5 Business Performance

Income Distribution

Rental income reached **17,974 thousand Euros** in the first quarter of 2017 (versus 12,985 thousand Euros in the same period of the year before). The increase in rental income between the first quarter of 2017 and the same period of the year before mainly corresponds to the Group's acquiring and launch-

ing new real estate investments during said period (mainly by Vistahermosa, Gran Vía de Vigo, Parque Abadía and the supermarkets portfolio).

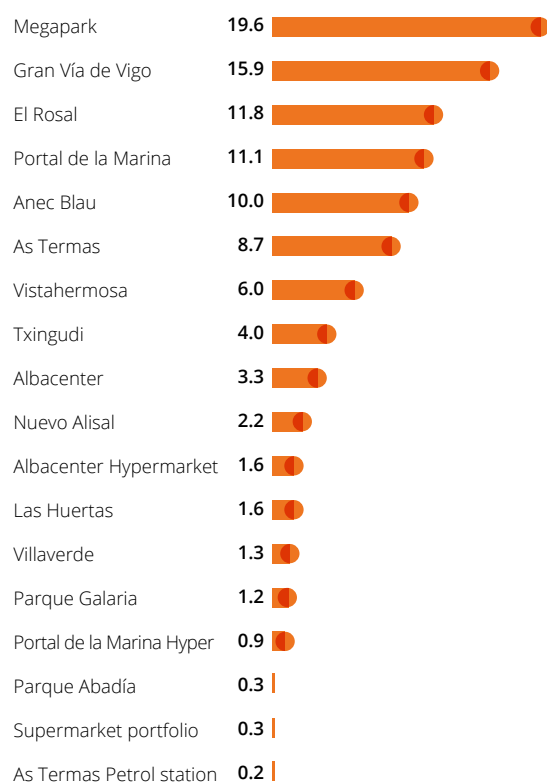
The relative weigh of rental income by line of business at 31 March 2017 is as follows:

Rental Income by asset class. Q1 2017 (%)

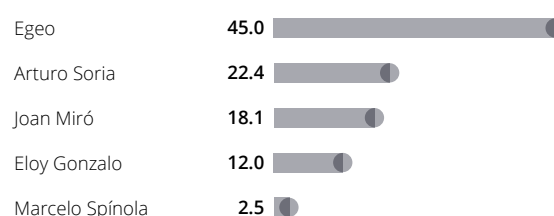


The breakdown of the **income per asset** for these three lines of business in the first quarter of 2017 is as follows:

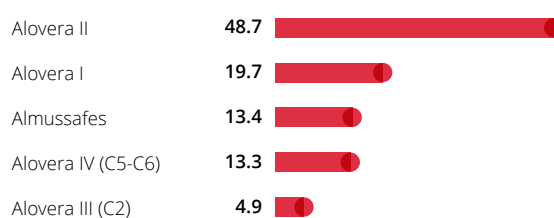
Income by Shopping Centre (%)



Income by Office Building (%)

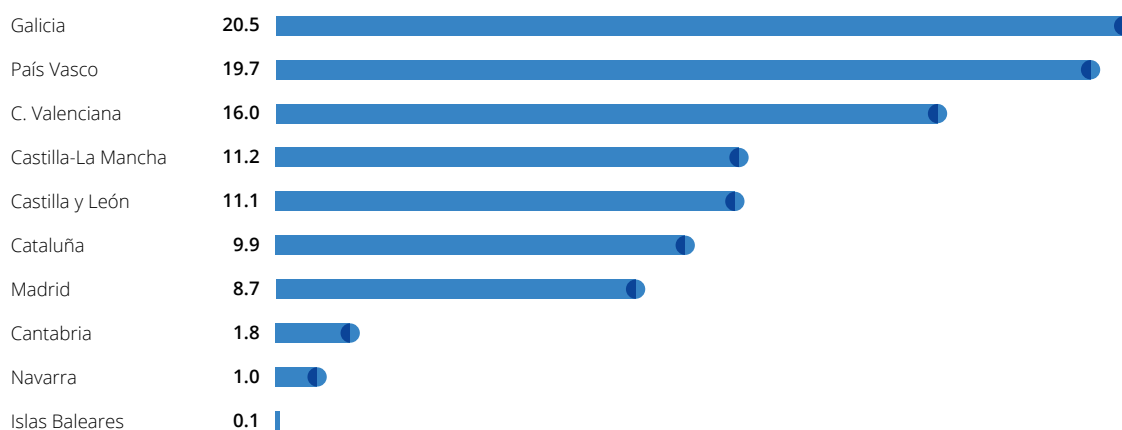


Income by Logistics Warehouse (%)



This graph details the breakdown of **income per region** for Q1 2017:

Rental income by region (%)



Below are the **ten tenants that have generated the most revenue** during the first quarter of 2017 and their main characteristics:

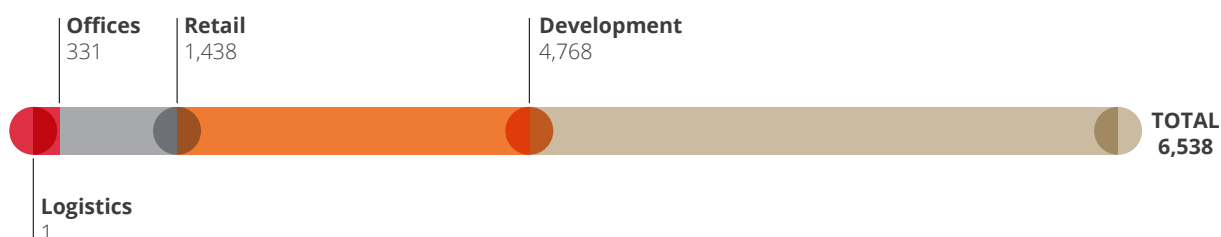
Ranking	Tenant	Project	% of total rental income	% accumulated	Lease end	Sector
1	Carrefour	Alovera II/El Rosal/Gran Vía de Vigo	9.18%	9.18%	2017-2042	Distribution/ Hypermarket
2	INDITEX	Anec Blau/Albacenter/El Rosal/As Termas/Las Huertas/Portal de la Marina/Gran Vía de Vigo	9.10%	18.28%	2017-2034	Retail Fashion
3	MediaMarkt	Megapark/As Termas/Villaverde/Nuevo Alisal/Vistahermosa	5.02%	23.30%	2023-2036	Technology
4	H&M	Anec Blau/Albacenter/El Rosal/As Termas/Portal de la Marina/Gran Vía de Vigo	2.65%	25.95%	2022-2040	Retail Fashion
5	C&A	Anec Blau/As Termas/Megapark/Portal de la Marina/Gran Vía de Vigo	2.51%	28.46%	2022-2026	Retail Fashion
6	DECATHLON	Megapark	2.51%	30.97%	2036	Distribution
7	CORTEFIEL	Anec Blau/Albacenter/El Rosal/As Termas/Portal de la Marina/Gran Vía de Vigo/Las Huertas/Txingudi/Vistahermosa	2.44%	33.41%	2017-2030	Retail Fashion
8	El Corte Inglés	Megapark/Parque Galaria/Gran Vía de Vigo	2.38%	35.79%	2027-2036	Distribution
9	Tech Data	Alovera I	1.81%	37.60%	2019	Distribution
10	Conforama	Megapark	1.80%	39.40%	2023	Distribution

Capex

The company has continued to refurbish and improve the assets in its portfolio in order to generate more value, investing more than **6,500 thousands of euros** during the first quarter of 2017.

The breakdown of investment by asset class is as follows:

CAPEX investment (thousands of euros)



Eloy Gonzalo office building works (Madrid)



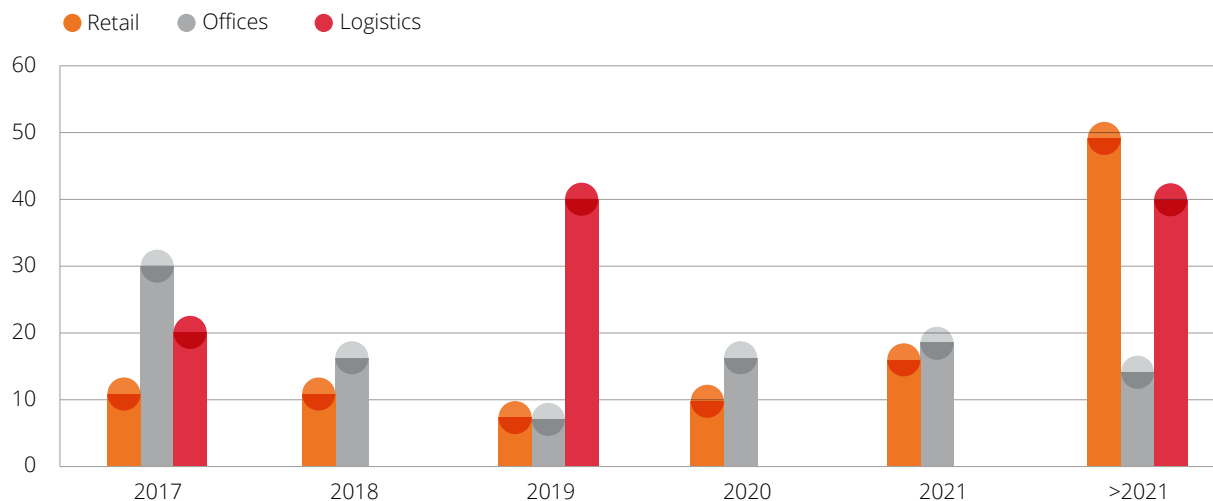
Lagasca 99 building works (Madrid)

Lease Expiry

We continue to actively manage our portfolio, allowing us to achieve a **solid and diversified tenant base**.

Leases with our main tenants have been renewed and extended, thereby achieving sizeable minimum guaranteed rent levels.

Lease expiry scheduled (%)



Main Events

Retail:



During first quarter 2017 Lar España continued to actively manage its retail portfolio. It closed **22 transactions** including renewals, relocations and

new lettings, resulting in an annualised tenant rotation rate of 4% for the portfolio.

• Tenant Rotation Rate



FOOTFALL

- High footfall indicator in our shopping centres: **13.3 million of visitors**



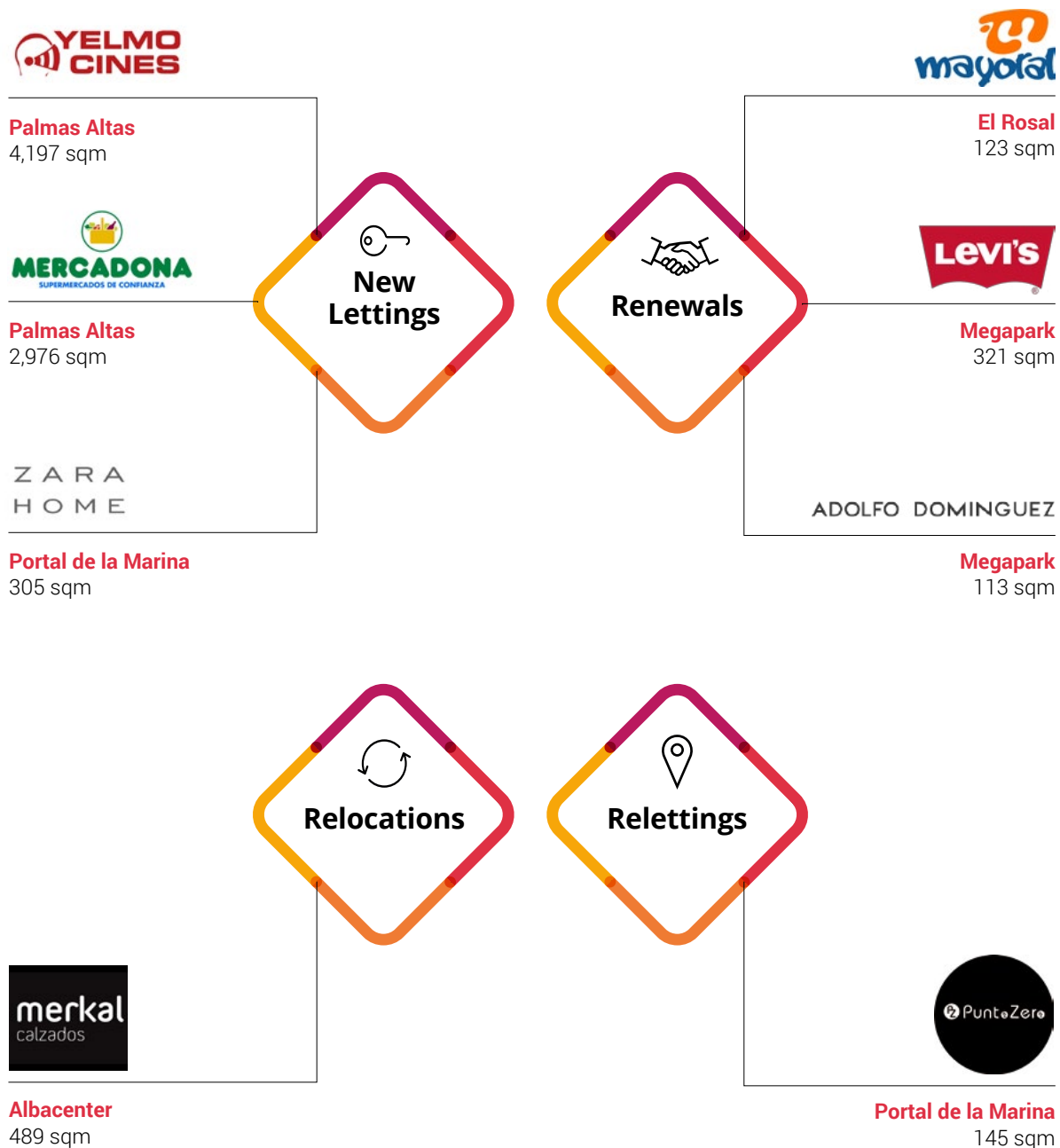
SALES

- Good sales performance in the shopping centres: **135.8 million €**



(1) Indicator calculated on renewals and relocations only

Some of the **main deals** from Q1 2017 are detailed below:





During the first quarter of 2017, Lar España has a project called **Wonderful** with which it is looking to stimulate shopping centre innovation by tapping the entrepreneurial spirit.

Project Wonderful is a cycle of events conducted simultaneously across Lar España's shopping centres with the aim of fostering and promoting the most enterprising and **innovative ideas for solutions**

that create tangible benefits for shopping centres and society as a whole.

These projects are classified into two categories:

- Innovation in Shopping Centres and Retail
- Innovation in the city in which the shopping centre is located



**Offices:**

- Hiring of suppliers and **start of works at Eloy Gonzalo 27**
- **Increase in interest** in the Cardenal Marcelo Spínola 42 building
- **Increase in occupancy** at Arturo Soria 336
- **Accessibility audit** at Cardenal Marcelo Spínola 42

**Logistics:**

- **Maintain 100% of occupancy**
- Hiring of suppliers for **full roof maintenance**
- **Improvement plan** in the warehouses

**Residential:**

- **Works** continue on schedule at **Lagasca 99** (60% constructed, 7th floor)
- Extensive interest from national and international **investors**
- Pre-sales at 31 March 2017 stand at **48.9%**

Development projects

PALMAS ALTAS

Your retail and family space in Seville



- ✓ Excellent location, 4 km from Seville's city centre
- ✓ Acquisition price: €40.5 million ⁽¹⁾
- ✓ Market value (*): €46.0 million
- ✓ Purchase date: Q1 2016
- ✓ Estimated opening: H1 2019
- ✓ 100,000 sqm of retail and family leisure space
- ✓ Round to 40% of GLA signed with leading retailers
- ✓ In the process of gaining **BREEAM ES** certification
- ✓ Large catchment area: 1.5 million people
- ✓ Some of our main tenants: **MERCADONA** **YELMO CINES**
- ✓ Forecast annual revenue of €14 million

(1) Includes a potential extra building rights.

VIDANOVA PARC

A family retail and leisure park bringing the region alive



- ✓ Urban retail and leisure park located in an important tourist area, Sagunto (Valencia)
- ✓ Acquisition price: €14 million
- ✓ Market value (*): €17.3 million
- ✓ Purchase date: Q3 2015
- ✓ Estimated opening: H1 2018
- ✓ 44,252 sqm GLA
- ✓ More than 60% of GLA signed with leading retailers
- ✓ Catchment area of 250,000 people
- ✓ Some of our main tenants:



- ✓ Forecast annual revenue of €4 million

(*) The valuations have been made at 31 December 2016 by external independent valuers: JLL or C&W.

LAGASCA 99

Unique, Outstanding, Exclusive



- ✓ Urban plot of land under construction in the very heart of the Salamanca Neighbourhood, one of Madrid's most exclusive areas and set to become a landmark property in the luxury residential sector
- ✓ Plot with 4 façades that will feature 42 apartments with an average floor area of 400-450 sqm
- ✓ Project carried out by the world renowned Rafael de la Hoz architectural studio
- ✓ The property will include a full range of facilities: indoor and outdoor swimming pool, spa, gym and communal rooms
- ✓ In the process of gaining **BREEAM ES** certification
- ✓ Acquisition price: €50.1 M (**)
- ✓ Market value (*): €65.8 M (**)
- ✓ Acquisition date: Q1 2015
- ✓ Construction works start date: Q1 2016
- ✓ Estimated delivery date: 2018
- ✓ Comprises more than 26,000 sqm (B/G & A/G)
- ✓ As at Q1 2017 48.9% of apartments pre-sold

(*) The valuations have been made at 31 December 2016 by external independent valuers: JLL or C&W.

(**) Corresponds to the 50% of the Joint Venture with PIMCO

2



CONSOLIDATED FINANCIAL STATEMENTS

2.1

Company Chart
31.03.2017
p. 34

2.2

Consolidated Statement of
Comprehensive Income
p. 36

2.3

Consolidated Statement of
Financial Position
p. 38

2.4

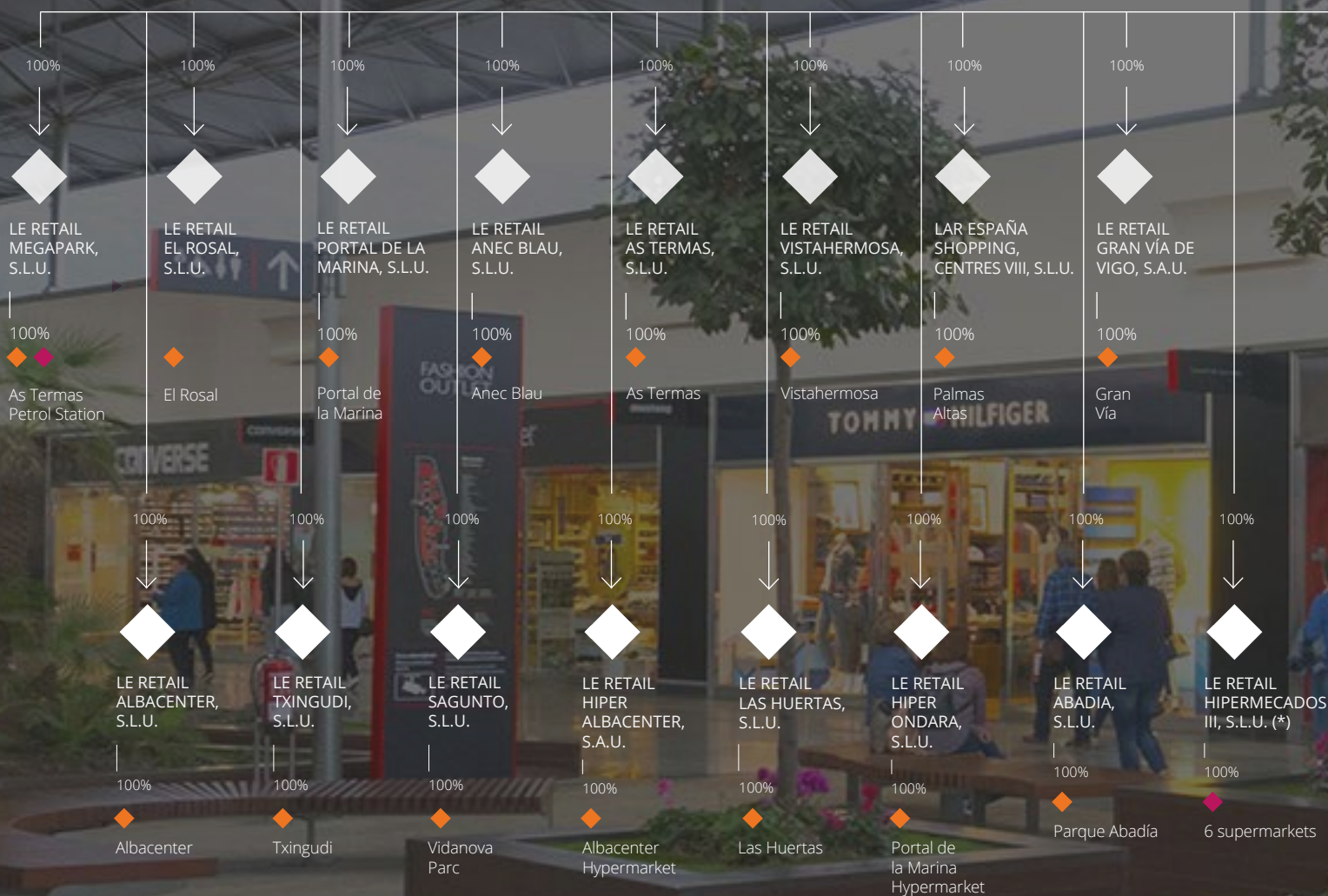
Consolidated Statement of
Cash Flows
p. 44



2.1 Company Chart 31.03.2017

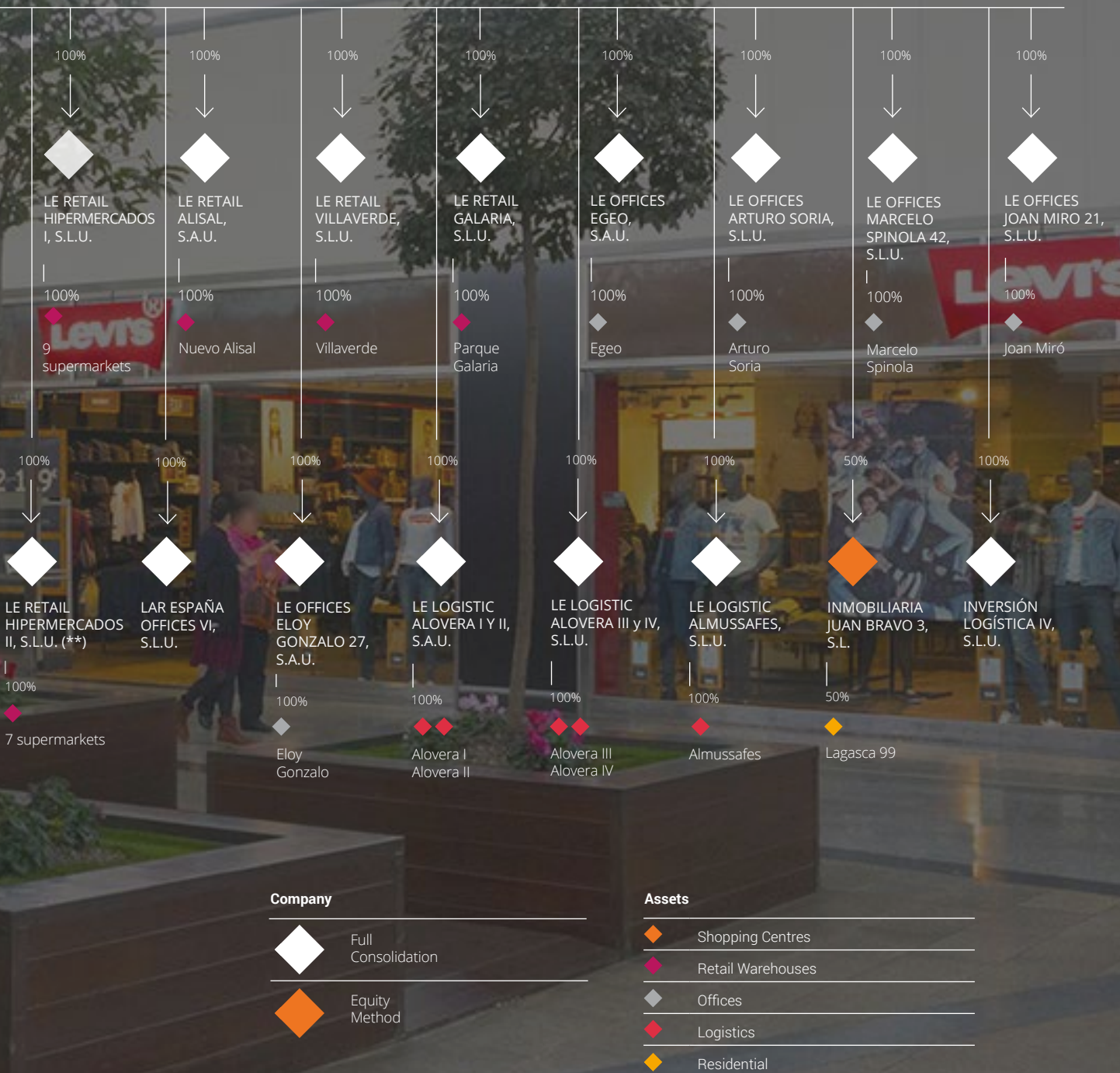
At 31 March 2017, the consolidated financial statements of the Group were presented in accordance with the accounting principles established in the International Financial Reporting Standards adopted by the European Parliament (EU-IFRS) up until this date.

The **scope of the Group's consolidation** is as follows:



(*) Previously named NPS EUROPEAN PROPERTY (RETAIL) III, S.L.U.

For comparative purposes, the balances of the Consolidated Comprehensive Income Statement are shown together with those for the same period the year before, whilst for the Consolidated Statement of Financial Position they are shown together with those corresponding to 31 December 2016.



2.2 Consolidated Statement of Comprehensive Income

(Thousands of Euros)	Q1 2017	Q1 2016
Revenues	17,974	12,985
Other income	600	319
Personnel expenses	(116)	(75)
Other expenses	(7,306)	(5,190)
Other results	947	6,978
RESULTS FROM OPERATIONS	12,099	15,017
Financial income	2,063	974
Financial expenses	(3,316)	(6,607)
Share in profit (loss) for the period of equity-accounted companies	(323)	(636)
PROFIT/(LOSS) BEFORE TAX FROM CONTINUING OPERATIONS	10,523	8,748
Income tax	-	-
PROFIT FOR THE PERIOD	10,523	8,748

Data unaudited at 31 March 2017.

Result from operating activities

At 31 March 2017, the Group presented a positive **result for its operations amounting to 12,099 thousand Euros** (revenue of 15,017 thousand Euros at 31 March 2016).

Revenues

Revenue for the first quarter of 2017 amounted to **17,974 thousand Euros** (revenue of 12,985 thousand Euros during the first quarter of 2016), 92% of which was rental income from shopping centres and offices (90% for the first quarter of 2016).

Other expenses

At 31 March 2017, the Group incurred **other expenses** amounting to **7,306 thousand Euros**, mainly related to:

- Recurrent services that are directly linked to the everyday management of the assets (supplies, IBI -property tax-, etc.) in the amount of 4,063 thousand Euros.
- *Management fees* (fixed fees) for management services provided to the Company by Grupo Lar Inversiones Inmobiliarias ("Grupo Lar") (2,284 thousand Euros).

Other results

At 31 March 2017, other profits include the revenue for the amount of 947 thousand Euros derived from the buyout of 100% of the subsidiaries LE Retail Hipermercados I, S.L.U. (previously named NPS European Porperty (Retail) I, S.L.U.), LE Retail Hipermercados II, S.L.U. (previously named NPS European Property (Retail) II, S.L.U.), and LE Retail Hipermercados III, S.L.U. (previously named NPS European Property (Retail) III, S.L.U.). This amount is derived from the **difference between the amount paid and the fair value of the assets acquired and liabilities assumed**. These acquisitions took place on 27 March 2017 (see notice of material fact 3), whose calculations made in the business combinations are provisional and are subject to adjustments up to one year following the date of the acquisition.

At 31 March 2016, other profits included the revenue for the amount of 6,978 thousand Euros derived from the acquisition of 100% of the subsidiary LE Retail Portal de la Marina, S.L. (previously called Puerta Marítima Ondara, S.L.).

Net Financial Result

The **financial result** was a negative balance of 1,253 thousand Euros at 31 March 2017 (negative balance of 5,633 thousand Euros at 31 March 2016).

Financial income amounting to 2,063 thousand Euros in the first quarter of 2017 mainly comprises the interest accrued on credits granted to equity-accounted companies, while **financial expenses** amounting to 3,316 thousand Euros mainly comprises the interest accrued on loans taken out by the Group with financial institutions

and the bonds issued by the Group in February 2015.

At 31 March 2016, due to the control gained over the subsidiary company LE Retail Portal de la Marina, S.L., and consequently the valuation at fair value of the 58.78% shareholding that the Group held, a negative adjustment amounting to 4,105 thousand Euros was recognised, which is the difference between said fair value and the current carrying amount.

Consolidated Statement of Comprehensive Income by business line

The income and expenses recorded by the Group at 31 March 2017 broken down by business line are as follows:

(Thousands of Euros)	Shopping Centres	Offices	Logistics	Residential	LRE(*)	Total
Revenues	14,881	1,673	1,420	-	-	17,974
Other income	590	10	-	-	-	600
Personnel expenses	-	-	-	-	(116)	(116)
Other expenses	(3,120)	(701)	(242)	-	(3,243)	(7,306)
Other results	947	-	-	-	-	947
RESULTS FROM OPERATIONS	13,298	982	1,178	-	(3,359)	12,099
Net finance income/cost	(859)	(189)	-	858	(1,063)	(1,253)
Share in profit (loss) for the period of equity-accounted companies	-	-	-	-	(323)	(323)
PROFIT BEFORE TAX FROM CONTINUING OPERATIONS	12,439	793	1,178	858	(4,745)	10,523

(*) The amounts included in LRE column are corporate expenses
Data unaudited at 31 March 2017.

At 31 March 2017 shopping centres presented an operating profit of 13,298 thousand Euros; offices an operating profit of 982 thousand Euros; and the logistics warehouses an operating profit of 1,178

thousand Euros. The "LRE" column includes, inter alia, management of 2,284 thousand Euros.

2.3 Consolidated Statement of Financial Position

(Thousands of euros)	31/03/2017	31/12/2016
Intangible assets	2	2
Investment properties	1,313,723	1,191,089
Financial assets with associates	3,284	2,270
Equity-accounted investees	7,321	7,645
Non-current financial assets	12,691	11,205
NON-CURRENT ASSETS	1,337,021	1,212,211
Trade and other receivables	18,080	18,067
Financial assets with associates	45,288	45,288
Other current financial assets	3,483	5,393
Other current assets	762	617
Cash and cash equivalents	25,271	31,591
CURRENT ASSETS	92,884	100,956
TOTAL ASSETS	1,429,905	1,313,167

(Thousands of euros)	31/03/2017	31/12/2016
Share Capital	181,081	181,081
Share premium	498,914	498,914
Other reserves	134,325	42,898
Retained earnings	10,523	91,430
Treasury shares	(906)	(823)
Valuation adjustments	(2,299)	(1,365)
EQUITY	821,638	812,135
Financial liabilities from issue of bonds and other marketable securities	138,574	138,506
Loans and borrowings	403,212	301,738
Deferred tax liabilities	14,604	8,536
Derivatives	2,163	1,560
Other non-current liabilities	16,522	15,248
NON-CURRENT LIABILITIES	575,075	465,588
Financial liabilities from issue of bonds and other marketable securities	423	3,482
Loans and borrowings	7,950	7,877
Derivatives	1,246	1,384
Other financial liabilities	194	193
Trade and other payables	23,379	22,508
CURRENT LIABILITIES	33,192	35,444
TOTAL EQUITY AND LIABILITIES	1,429,905	1,313,167

Data unaudited at 31 March 2017.

Non-current assets

Investment properties

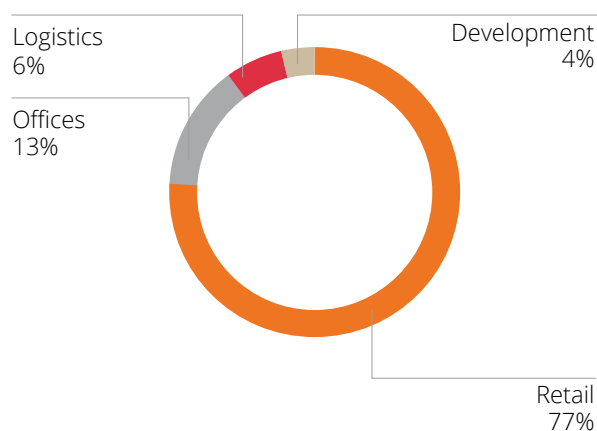
At 31 March 2017, **investment properties** are classified under non-current assets, at a fair value of **1,313,723 thousand Euros** (1,191,089 thousand Euros at 31 December 2016). The Group's investment properties consist of thirteen shopping centres, twenty-two retail units, four retail warehouses, three plots of land, five office buildings and five logistical warehouses. Of particular significance is the investment in **shopping centres and offices** amounting to 1,188,323 thousand Euros (1,069,312 thousand Euros at 31 December 2016), with revenue from leases representing 92% of the Group's total revenues in the first quarter of 2017 (91% of the Group's revenues at 31 December 2016).

NET INVESTMENT

(Thousands of Euros)	31/03/2017	31/12/2016
Shopping Centres	1,017,120	898,302
Offices	171,203	171,010
Logistics	76,475	76,475
Others (*)	48,925	45,302
Investment properties	1,313,723	1,191,089

(*) The amount included under "Others" mainly corresponds to the fair value of the plots of land acquired in relation to Vidanova Parc (Valencia) and Palmas Altas (Seville) projects.

Net investment by asset class (%)



The **GLA**, the **fair value** and the **initial yield** per asset is as follows:

Assets	Total Gross Leasable Area (GLA) (sqm)	Fair Value (thousands of euros)	Net Initial Yield (NIY) (*)
Megapark	63,576	190,040	5.40%-6.35%
Gran Vía	41,436	144,500	
El Rosal	51,022	99,840	
Portal de la Marina	30,234	98,500	
Anec Blau	28,591	93,250	
As Termas	33,127	78,100	
Parque Abadía	37,114	67,652	
Supermarkets portfolio	28,822	49,810	
Vistahermosa	33,550	45,830	
Albacenter	15,428	35,464	
Txingudi	10,679	36,516	
Nuevo Alisal	7,649	18,334	
Las Huertas	6,267	13,300	
Albacenter Hypermarket	12,462	14,313	
Villaverde	4,391	10,771	
Parque Galaria	4,108	10,400	
Portal de la Marina Hypermarket	9,924	8,600	
As Termas Petrol Station	2,000	1,900	
TOTAL SHOPPING CENTRES AND RETAIL WAREHOUSES	420,380	1,017,120	
Egeo	18,254	73,930	4.33%-5.16% (**)
Marcelo Spinola	8,875	33,500	
Arturo Soria	8,663	27,160	
Joan Miró	8,611	21,469	
Eloy Gonzalo	6,231	15,144	
TOTAL OFFICES	50,634	171,203	
Alovera II	83,952	37,450	6.27%-8.35%
Alovera I	35,196	17,400	
Almussafes	19,211	9,500	
Alovera IV (C5-C6)	14,891	8,500	
Alovera III (C2)	8,591	3,625	
TOTAL LOGISTICS	161,841	76,475	
Vidanova Parc	44,252	7,337	N/A
Palmas Altas	(***)	39,388	
Others	N/A	2,200	
TOTAL OTHERS	44,252	48,925	
TOTAL GROUP	677,107	1,313,723	

(*) Yields provided in the valuations reports made by JLL and C&W at 31 December 2016.

(**) Net Initial Yield does not take into account Marcelo Spinola and Eloy Gonzalo due to their refurbishment.

(***) 100,000 sqm of retail and family leisure space.

Financial assets with associates

The amount recognised under this item at 31 March 2017 and 31 December 2016 reflects loans extended to Inmobiliaria Juan Bravo 3, S.L.

Equity-accounted investees

At 31 March 2017 and 31 December 2016, the amount reflects investments held by the Group that are accounted for using the equity method: Inmobiliaria Juan Bravo 3, S.L.

Non-current financial assets

At 31 March 2017 and 31 December 2016, the Group has recognised as non-current financial assets mainly security deposits received from tenants, which the Group has deposited with the corresponding public bodies.

Current assets

Trade and other receivables

As of 31 March 2017, this heading principally reflects other public administration credits in the amount of 12,025 thousand Euros. (7,819 thousand Euros mainly corresponds to Palmas Altas acquisition).

Financial assets with associates

At 31 March 2017 and 31 December 2016, the amount of this item mainly reflects the loan and current accounts with the associate Inmobiliaria Juan Bravo 3, S.L.

Almussafes Logistic Warehouse (Valencia)



Net Equity

At 31 March 2017, **the Company's share capital consisted of 90,540,562 registered shares** represented by book entries with a par value of 2 Euros each, fully subscribed and paid up, giving their holders equal rights.

- The Company was incorporated with a capital of 60 thousand Euros, which corresponded to 30,000 shares with a par value of 2 Euros.
- On 5 February 2014, it was decided to increase the share capital by 80 million Euros by issuing and putting into circulation 40 million common shares in the Company with a par value of 2 Euros each and an issue premium of 8 Euros each, to be subscribed and paid up in cash and to be offered in a subscription offer.
- In order to make the value of the subscribed shares equal to 10 Euros, the shareholders made a contribution of 240 thousand Euros, corresponding to 30,000 shares at a price of 8 Euros.
- On 6 August, the process of increasing Lar España's capital by 39,935,512 Euros was completed through the issuance and distribution of 19,967,756 new shares with a subscription price of 6.76 Euros each (with a nominal value of 2 Euros plus an issue premium of 4.76 Euros per share).
- On 12 April 2016 it was agreed that 4,499 thousand Euros should be distributed as dividend for the fiscal year, at 0.075 gross Euros per share; and that 7,520 thousand Euros should be distributed, at 0.125 gross Euros per share, charged to the share premium.
- On 29 April 2016 a capital increase was implemented for a total nominal value of 1,258,654 Euros through the issuance of 629,327 new shares with a par value of 2 Euros per share, with the sole purpose that the Performance Fee due to Grupo Lar for the services provided as

exclusive manager of the Company is invested in ordinary shares in the Company. This capital increase was fully subscribed and paid by Grupo Lar. The new shares have been issued with a premium of 6.4189 Euros per share, amounting to a total premium of 4,039,590.37 Euros, pursuant to the authorisation granted to the Board of Directors by the Extraordinary General Shareholders' Meeting held on 18 December 2015 at second call. (See notice of material fact of 29 April 2016).

- On 3 August the process of share capital increase for Lar España was concluded. This increased the share capital by EUR 59,826,958 through the issue and entry into circulation of 29,913,479 new shares at a subscription price of EUR 4.92 per share (with a nominal value of EUR 2 each and a premium of EUR 2.92 per share).

The Company has recognised share issue costs of 18,342 thousand Euros as a reduction in reserves under equity.

During the first quarter of 2017, the Company has carried out its own share sale and purchase transactions, as described below:

	Number of shares	Thousands of Euros
31 December 2016	117,998	823
Additions	964,007	6,827
Disposals	(955,274)	(6,744)
31 March 2017	126,731	906

The positive balance arising from the sale of own shares in the first quarter of 2017 amounted to 20 thousand Euros, recorded under "Other reserves".

Financial liabilities

Loans & Borrowings

The characteristics of the Loans & Borrowings at 31 March 2017 are as follows:

Type	Project	Entity	Interest rate ^(*)	Maturity date	Nominal amount (Thousands of Euros)	Current (Thousands of Euros)	Non-Current (Thousands of Euros)
Mortgage loan	Egeo	WestImmo	Eur 3M + 2%	15/12/2019	30,000	-	30,000
Mortgage loan	Nuevo Alisal	bankinter.	Eur 3M + 2.90%	16/06/2025	7,822	165	7,313
Mortgage loan	Lagasca99	Santander	Eur 3M + 2.83%	30/01/2018	25,000	2,573	17,376
Mortgage loan	As Termas	ING DIRECT People in progress	Eur 3M + 1.80%	25/06/2020	37,345	-	36,679
Mortgage loan	El Rosal	CaixaBank	Eur 3M + 1.75%	07/07/2030	50,000	288	48,806
Mortgage loan	Villaverde	bankinter.	1.75% until el 30/09/2018 (later on Eur 12 months + 1.75%)	13/10/2020	4,550	4	4,485
Mortgage loan	Arturo Soria	bankinter.	1.80% until el 30/09/2018 (later on Eur 12 months + 1.80%)	09/11/2020	13,000	31	12,809
Mortgage loan	Parque Galaria	CaixaBank	1.75% until el 14/03/2016 (later on EURIBOR 3M + 1.75%)	14/12/2029	4,200	3	4,109
Mortgage loan	Joan Miró	BBVA	Eur 3M + 1.75%	23/12/2020	9,800	5	9,606
Mortgage loan	Megapark	Santander NATIXIS CREDIT AGRICOLE	Eur 3M + 1.70%	24/02/2023	97,000	215	95,498
Mortgage loan	Portal de la Marina	CaixaBank BBVA Sabadell	Eur 3M + 0.88%	17/05/2020	66,000	4,679	34,019
Mortgage loan	Vistahermosa	ING DIRECT People in progress	Eur 3M + 1.85%	02/03/2022	21,550	32	20,998
Mortgage loan	Gran Vía Vigo	ING DIRECT People in progress	Eur 3M + 1.75%	14/03/2022	82,400	(45)	81,514
LOANS AND BORROWINGS						7,950	403,212

(*) The 73% of the principal is covered by derivatives.

Financial liabilities from the issue of bonds and other securities.

Corresponds to the bonds issued by the Group amounting to 140,000 thousand Euros in 2015.

(Thousands of Euros)		31/03/2017
GAV		1,398,635
Gross debt		556,497
Cash		25,271
Net debt		531,226
Net LTV*		38%

* Result of Net Debt/GAV

Deferred tax liabilities

At 31 March 2017, this heading covers the deferred tax liability derived from the business combinations carried out during the first quarter of the year 2017 (see notice of material fact 3), as well as the acquisition of the subsidiary LE Retail Gran Vía de Vigo, S.A.U. during the year 2016. These amounts correspond to the tax effect derived from the difference between the fair value and the fiscal value of the acquired real estate investments.

Other non-current liabilities

Correspond to security deposits received by way of guarantee from the tenants of the company's shopping centres, offices and logistics warehouses.

2.4 Consolidated Statement of Cash Flows

(Thousands of euros)	31/03/2017 (*)	31/03/2016 (*)
A) CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES	6,768	360
1. Profit/(loss) for the period before tax	10,523	8,748
2. Adjustments for:	676	(633)
Impairment (+/-)	47	79
Financial income (-)	(2,063)	(974)
Financial expenses (+)	3,316	6,607
Share in profit (loss) for the period of equity-accounted companies	323	636
Adjustments to the consideration given against profit and loss from business combinations	(947)	(6,981)
3. Changes in operating assets and liabilities	1,395	(3,773)
Trade and other receivables (+/-)	221	(6,934)
Other current assets and liabilities (+/-)	1,897	(108)
Trade and other payables (+/-)	(505)	2,934
Other non-current assets and liabilities (+/-)	(218)	335
4. Other cash flows used in operating activities	(5,826)	(3,982)
Interest paid (-)	(5,839)	(4,956)
Interest received (+)	13	974
B) CASH FLOWS USED IN INVESTING ACTIVITIES	(114,342)	(21,006)
1. Payments for investments (-)	(114,342)	(30,666)
Net cash outflow from acquisitions of businesses	(109,924)	(14,218)
Investment property	(4,418)	(15,382)
Other financial assets	-	(1,066)
2. Proceeds from divestments (+)	-	9,660
Associates	-	9,660
C) CASH FLOWS FROM FINANCING ACTIVITIES	101,254	83,112
1. Payments made and received for equity instruments	(63)	(4,073)
Acquisition/disposal of treasury shares (- /+)	(63)	(4,073)
2. Proceeds from and payments for financial liability instruments	101,317	87,185
a) Issue of:	102,500	89,576
Bank borrowings (+)	102,500	89,576
b) Redemption and repayment of:	(1,183)	(2,391)
Other financial liabilities (-)	-	(2,391)
Bank borrowings	(1,183)	-
E) NET INCREASE IN CASH AND CASH EQUIVALENTS (A+B+C)	(6,320)	62,466
F) CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	31,591	35,555
G) CASH AND CASH EQUIVALENTS AT END OF PERIOD (E+F)	25,271	98,021

Data unaudited at 31 March 2017

(*) Three months period.

Las Huertas



Las Huertas Shopping Centre (Palencia)



Lagasca99 Residential (Madrid)

3





EPRA INFORMATION



- **In November 2016**, the Reporting & Accounting Committee of EPRA (European Public Real Estate Association¹) updated a Best Practices Recommendations² document in order to improve the presentation, transparency, comparability and relevance of the published results of listed real estate companies in Europe.

Lar España fully supports and endorses the principle of standardising the reporting of performance indicators from the perspective of comparability and improving the quality of information provided to investors and other users of the annual report.

For this purpose, Key EPRA performance indicators are reported in a separate chapter at the end of our financial reporting.

- **In September 2015**, Lar España received the 'GOLD AWARD' from EPRA in recognition of the quality of the financial information provided, it became the first Spanish SOCIMI to receive this award.
- **In September 2016**, Lar España has been awarded with the most prestigious recognition from EPRA, the GOLD AWARD. Once again our effort in providing quality information within the Index standards framework has been recognized.

Lar España therefore became the first Spanish SOCIMI to receive this award, two years in a row, the most prestigious in the real estate sector. The companies awarded were selected from among 117 real estate companies (97 of which are European listed companies on the FTSE EPRA/NAREIT index).



- (1) Not-for-profit association founded in 1999 registered in Belgium which aims to make the financial statements of public real state companies clearer, more transparent and comparable across Europe.
- (2) "Best Practices Recommendations - BPR" available at www.epra.com.




Key performance indicators described in the Best Practices Recommendations developed by EPRA are shown as follows:

Indicator	31/03/2017 (Thousands of Euros) / %	31/03/2017 (Euro per share)
EPRA Earnings	8,777	0.10
EPRA NAV	838,128	9.27
EPRA NNNNAV	836,628	9.25
EPRA Net Initial Yield (NIY)	5.7%	-
EPRA "topped-up" NIY	5.9%	-
EPRA Vacancy Rate	6.2%	-
EPRA Cost Ratio	32.6%	-
EPRA Cost Ratio (excluding costs of direct vacancy)	28.5%	-

See terms definitions in Glossary, section 6.



 Egeo Office Building (Madrid)

EPRA EARNINGS

(Thousands of euros)	31/03/2017	31/03/2016
EARNINGS PER IFRS INCOME STATEMENT	10,523	8,748
Change in value of investment properties	-	-
Companies acquisitions effect	(947)	(2,876)
Change in fair value of financial instruments	(799)	-
EPRA EARNINGS	8,777	5,872
Weighted average number of shares (excluding treasury shares)	90,392,834	59,586,714
EPRA EARNINGS PER SHARE (EUROS)	0.10	0.10

**EPRA
Earnings**
vs. Q1 2016

+49%



EPRA NAV

(Thousands of euros)	31/03/2017	31/12/2016
NET ASSET VALUE PER THE FINANCIAL STATEMENTS	821,638	812,135
Revaluation of other non-current investments	14,990	14,990
Fair value of financial instruments	1,500	3,274
EPRA NAV	838,128	830,399
Number of Shares (excluding treasury shares)	90,413,831	90,245,429
EPRA NAV PER SHARE (EUROS)	9.27	9.20

EPRA NAV
per share

9.27
€/share

EPRA NNNAV

(Thousands of euros)	31/03/2017	31/12/2016
EPRA NAV	838,128	830,399
Fair value of financial instruments	(1,500)	(3,274)
EPRA NNNAV	836,628	827,125
Number of Shares (excluding treasury shares)	90,413,831	90,245,429
EPRA NNNAV PER SHARE (EUROS)	9.25	9.17

EPRA NIY and EPRA “Topped-up” NIY

Asset	Completed Property Portfolio	Allowance for estimated purchasers costs	Gross up completed property portfolio valuation (A)	Annualised cash passing rental income	
SHOPPING CENTRES	925,905	20,975	946,880	61,960	
Megapark	190,040	3,610	193,650	11,199	
Gran Vía Vigo	144,500	3,974	148,474	9,574	
El Rosal	99,840	2,496	102,336	7,141	
Portal de la Marina	98,500	2,463	100,963	7,123	
Anec Blau	93,250	2,330	95,580	5,959	
As Termas	78,100	2,148	80,248	5,614	
Parque Abadía	67,652	346	67,998	4,242	
Vistahermosa	45,830	1,140	46,970	3,438	
Albacenter	35,464	887	36,351	2,763	
Txingudi	36,516	675	37,191	2,462	
Albacenter Hypermarket	14,313	358	14,671	982	
Las Huertas	13,300	333	13,633	927	
Portal de la Marina Hypermarket	8,600	215	8,815	536	
RETAIL WAREHOUSES	91,215	1,366	92,581	6,573	
Supermarkets portfolio	49,810	445	50,255	3,708	
Villaverde	10,771	269	11,040	780	
Parque Galaria	10,400	146	10,546	691	
Nuevo Alisal	18,334	458	18,792	1,279	
As Termas Petrol Station	1,900	48	1,948	115	
TOTAL RETAIL	1,017,120	22,341	1,039,461	68,533	
OFFICES	137,703	2,739	140,442	5,114	
Egeo	73,930	1,481	75,411	1,944	
Marcelo Spínola ⁽¹⁾	33,500	972	34,472	⁽¹⁾	
Arturo Soria	27,160	573	27,733	1,566	
Joan Miró	21,469	454	21,923	1,109	
Eloy Gonzalo ⁽²⁾	15,144	231	15,375	495	
TOTAL OFFICES	137,703	2,739	140,442	5,114	
LOGISTICS	76,475	1,751	78,226	5,750	
Alovera II	37,450	976	38,426	2,764	
Alovera I	17,400	348	17,748	1,195	
Almussafes	9,500	184	9,684	761	
Alovera IV (C5-C6)	8,500	170	8,670	758	
Alovera III (C2)	3,625	73	3,698	272	
TOTAL LOGISTICS	76,475	1,751	78,226	5,750	
TOTAL LAR ESPAÑA	1,231,298	26,831	1,258,129	79,397	

(1) Marcelo Spínola's data have not been into account because the asset has been fully refurbished and in commercialization.

(2) Ratio distorted as the property is being refurbished.

Translation of information originally prepared in Spanish. In the event of a discrepancy, the Spanish-language version shall prevail.

Property outgoings	Annualised net rents (B)	Notional rent expiration of rent free periods or other lease incentives	Topped-up net annualised rent (C)	EPRA NET INITIAL YIELD (B/A)	EPRA TOPPED-UP NET INITIAL YIELD (C/A)
(6,292)	55,668	851	56,519	5.9%	6.0%
(1,162)	10,037	130	10,167	5.2%	5.2%
(555)	9,019	118	9,137	6.1%	6.2%
(1,067)	6,074	112	6,186	5.9%	6.0%
(641)	6,482	121	6,603	6.4%	6.5%
(863)	5,096	55	5,151	5.3%	5.4%
(426)	5,188	86	5,274	6.5%	6.6%
(49)	4,193	80	4,273	6.2%	6.3%
(651)	2,787	56	2,843	5.9%	6.1%
(550)	2,213	23	2,236	6.1%	6.2%
(158)	2,304	58	2,362	6.2%	6.3%
(10)	972	0	972	6.6%	6.6%
(155)	772	12	784	5.7%	5.7%
(5)	531	0	531	6.0%	6.0%
(227)	6,346	37	6,383	6.9%	6.9%
(37)	3,671	0	3,671	7.3%	7.3%
(98)	682	0	682	6.2%	6.2%
(12)	679	0	679	6.4%	6.4%
(79)	1,200	37	1,237	6.4%	6.6%
(1)	114	0	114	5.8%	5.8%
(6,519)	62,014	888	62,903	6.0%	6.1%
(645)	4,469	1,415	5,884	3.2%	4.2%
(202)	1,742	1,299	3,041	2.3%	4.0%
(1)	(1)	(1)	(1)	(1)	(1)
(112)	1,454	65	1,519	5.2%	5.5%
(90)	1,019	1	1,020	4.6%	4.7%
(241)	254	50	304	1.6% ⁽²⁾	2.0% ⁽²⁾
(645)	4,469	1,415	5,884	3.2%⁽¹⁾	4.2%⁽¹⁾
(171)	5,579	146	5,725	7.1%	7.3%
(22)	2,742	0	2,742	7.1%	7.1%
(69)	1,126	129	1,255	6.3%	7.1%
(50)	711	0	711	7.3%	7.3%
(25)	733	0	733	8.5%	8.5%
(5)	267	17	284	7.2%	7.7%
(171)	5,579	146	5,725	7.1%	7.3%
(7,335)	72,062	2,449	74,512	5.7%⁽¹⁾	5.9%⁽¹⁾

(1) Marcelo Spínola's data have not been into account because the asset has been fully refurbished and in commercialization.

(2) Ratio distorted as the property is being refurbished.

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EPRA VACANCY RATE

Asset	ERV (Thousands of euros)	ERV Vacancy (Thousands of euros)	EPRA VACANCY RATE %
Megapark	12,373	712	5.8%
Gran Vía	9,417	410	4.4%
El Rosal	7,436	847	11.4% ⁽¹⁾
Portal de la Marina	6,929	433	6.2%
Anec Blau	6,102	417	6.8%
As Termas	5,540	292	5.3%
Parque Abadía	4,242	0	0.0%
Vistahermosa	3,518	119	3.4% ⁽²⁾
Albacenter	3,043	477	15.7% ⁽³⁾
Txingudi	2,778	116	4.2%
Portal de la Marina Hypermarket	536	0	0.0%
Las Huertas	1,303	267	20.5% ⁽⁴⁾
Albacenter Hypermarket	884	0	0.0%
TOTAL SHOPPING CENTRES	64,101	4,090	6.4%
Supermarkets portfolio	3,708	0	0.0%
Villaverde	738	0	0.0%
Parque Galaria	664	0	0.0%
Nuevo Alisal	1,231	0	0.0%
As Termas Petrol Station	120	0	0.0%
TOTAL RETAIL WAREHOUSES	6,461	0	0.0%
TOTAL RETAIL	70,562	4,090	5.8%
Egeo	3,678	406	11.0%
Marcelo Spínola	N/A	N/A	N/A ⁽⁵⁾
Arturo Soria	1,628	346	21.2% ⁽⁶⁾
Joan Miró	1,307	34	2.6%
Eloy Gonzalo	1,403	377	26.8% ⁽⁷⁾
TOTAL OFFICES	8,016	1,163	14.5% ⁽⁵⁾
Alovera II	2,821	0	0.0%
Alovera I	1,330	0	0.0%
Almussafes	807	0	0.0%
Alovera IV (C5-C6)	581	0	0.0%
Alovera III (C2)	335	0	0.0%
TOTAL LOGISTICS	5,874	0	0.0%
TOTAL	84,452	5,253	6.2%

(1) On the date of publication of this report, with advanced negotiations to add new tenants, the ratio stands at 9.4%.

(2) The existence of a rental guarantee has been taken into account.

(3) On the date of publication of this report, and with addition of one new lease signed, the ratio stands at 11.0%.

(4) On the date of publication of this report, and with addition of one new lease signed, the ratio stands at 18.4%.

(5) The data corresponding to Marcelo Spínola has been excluded from the total income and by sector due to it not being of significance.

The property has been remodelled.

(6) On the date of publication of this report, with the signature and entry of a new tenant as at 1 April 2017, the ratio stands at 13.4%.

(7) Ratio distorted as the property is being refurbished.

Translation of information originally prepared in Spanish. In the event of a discrepancy, the Spanish-language version shall prevail.

EPRA COST RATIOS

(Thousands of euros)	31/03/2017	31/03/2016
Administrative expenses	(116)	(75)
Operating costs net of recoverable income ^(*) (**)	(4,721)	(5,409)
Administrative/operating expenses in associates	(311)	(248)
EPRA Cost (including direct vacancy costs) (A)	(5,148)	(5,733)
Direct vacancy costs	(653)	(524)
EPRA Cost (excluding direct vacancy costs) (B)	(4,495)	(5,209)
Gross Rental Income less ground rent costs – per IFRS	18,363	13,891
Net asset associated costs (net service charge)	(2,585)	-
Gross Rental Income (C)	15,778	13,891
EPRA COST RATIO (including direct vacancy costs) A/C ^(***)	32.6%	41.3%
EPRA COST RATIO (excluding direct vacancy costs) B/C ^(***)	28.5%	37.5%

(*) Maintenance costs totalling €275 are included.

(**) Management fees included.

(***) Discounting costs directly related to development projects in Q1 2017, the ratios would be 29.1% and 25.0% respectively.



4



SHARE PRICE PERFORMANCE

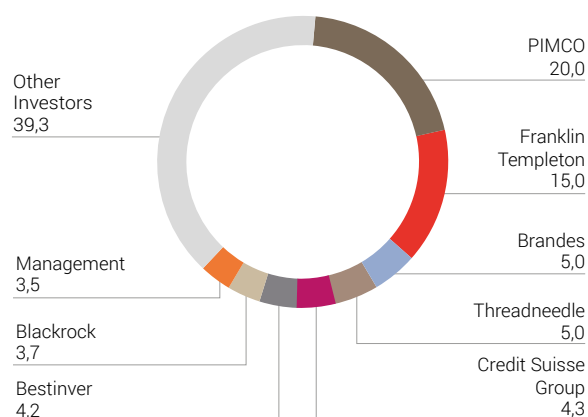


4. Share Price Performance

Details of shares (Eur)	Jan-Mar 2017
Price at the beginning of the period	7.05
Price at the end of the period	7.22
Performance during the period	2.47%
Maximum price for the period	7.35
Minimum price for the period	6.83
Average price for the period	7.08
ADTV (*)	183,470
Market Cap (Euros) 31/03/2017	653,702,858
Number of shares 31/03/2017	90,540,562

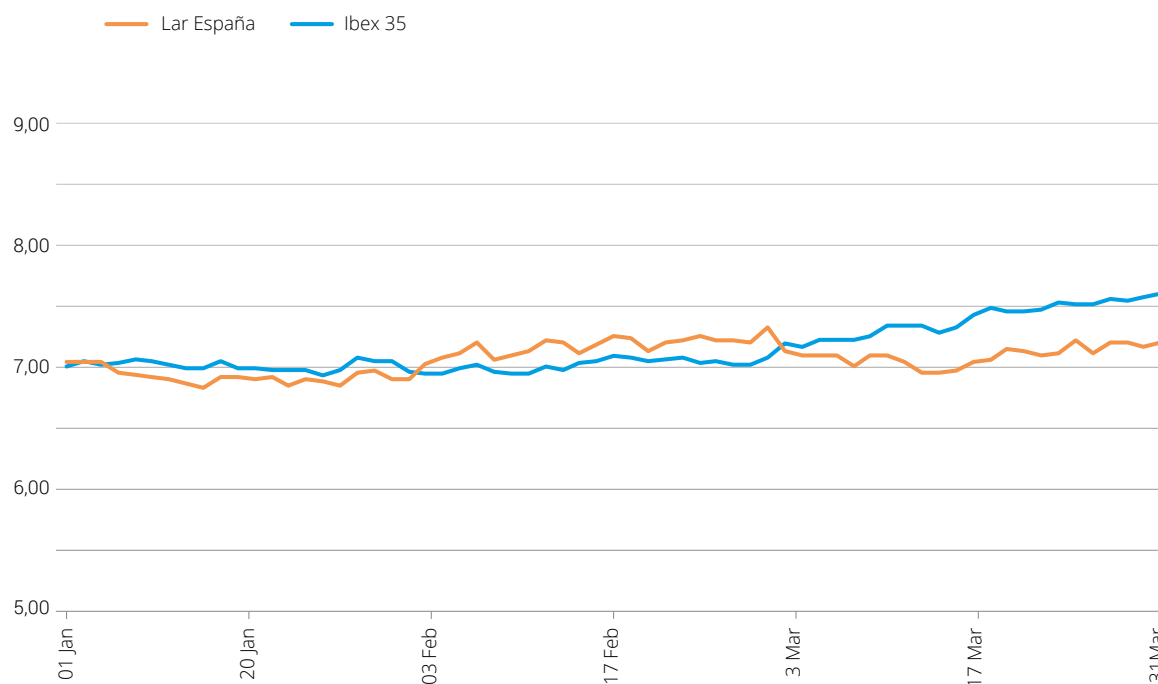
* Average Daily Trading Volumen in number of shares

Share distribution at 31 March 2017 (%)
















The **share price performance** during the first quarter of 2017 can be seen in the following graph:

Lar España share price performance vs Ibex 35 (January-March 2017)



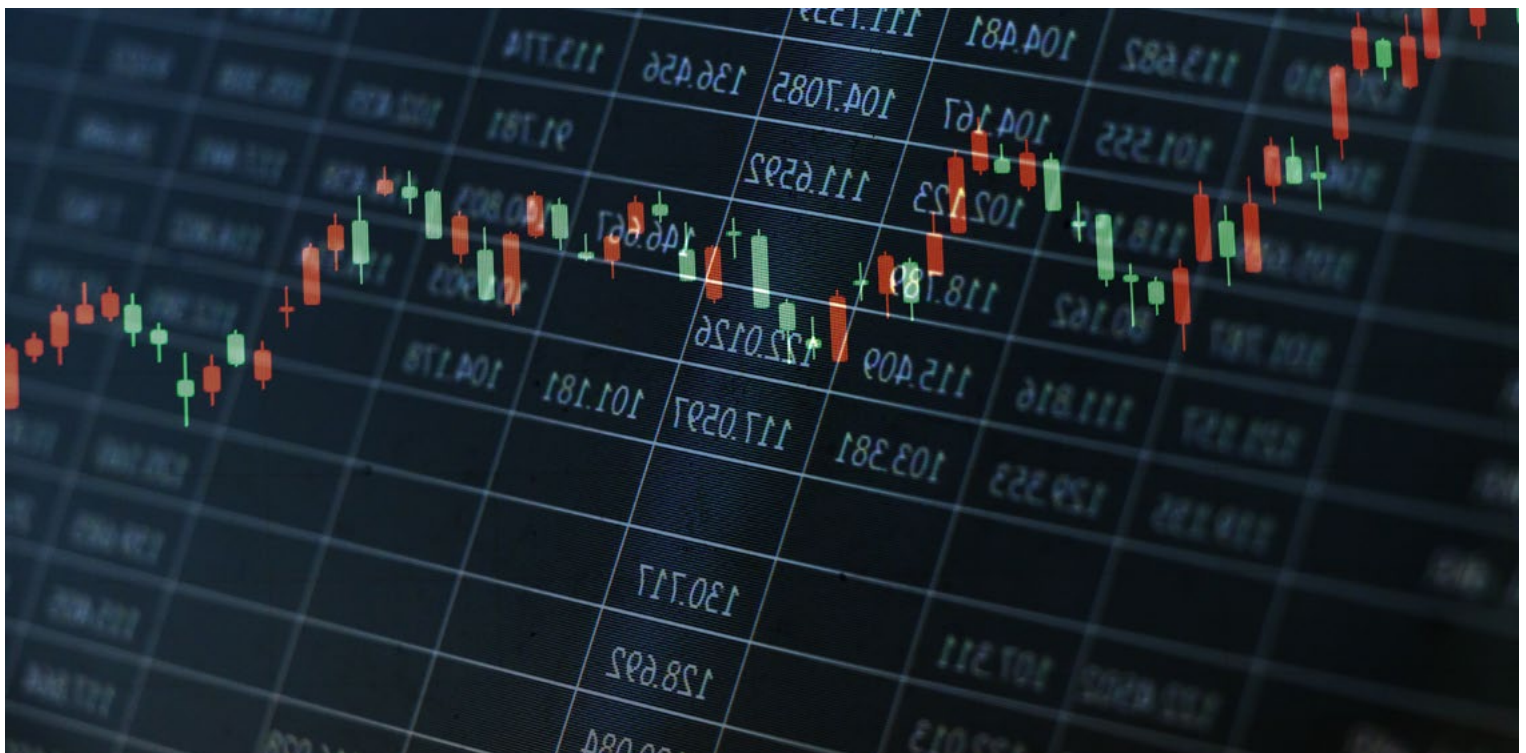
24%
Potencial
Return (*)

Analyst Recommendations

Broker	Recommendation	Analysis date	Target Price (Euros)
 Sabadell	Buy	26/07/2016	9.05
 intermoney valores sv	Buy	19/09/2016	9.00
 bankinter.	Buy	16/11/2016	10.60
 Ahorro Corporación	Buy	16/11/2016	9.00
 Santander	Buy	16/11/2016	9.10
 fidentiis	Buy	01/03/2017	10.90
 J.P.Morgan Asset Management	Neutral	01/03/2017	8.50
 KEMPEN & CO	Sell	01/03/2017	6.50
 JBCapitalMarkets	Neutral	01/03/2017	10.70
 MIRABAUD	Sell	01/03/2017	6.72
 HAITONG	Buy	01/03/2017	8.80
 bekafinance	Buy	08/03/2017	9.97
 Kepler Cheuvreux	Neutral	22/03/2017	7.80

Source: Bloomberg

(*) Taken into account the average target price and the price at the end of the period.



5



EVENTS AFTER THE REPORTING PERIOD



5. Events after the Reporting Period

1

Liquidity contracts and specialists

06.04.2017 According to the provisions of section 2 of the Fourth rule of Circular 3/2007, of 19 December, by the Comisión Nacional del Mercado de Valores on Liquidity Contracts for the purposes of their acceptance as a market practice, the Company hereby reports **the transactions executed by JB Capital Markets**, Sociedad de Valores, S.A.U. (the "Financial Intermediary"), in the context of the Liquidity Contract (the "Liquidity Contract") from 1 **January 2017 to 31 March 2017**, the total amount of shares sold and purchased, and the overall amount of cash used for these transactions.

2

Lagasca99 financing

28.04.2017 Lar España informs that, on 27 April 2017, it has reached an agreement to secure the **bank financing of the asset Lagasca99**. It is a loan in favor of its subsidiary Inmobiliaria Juan Bravo 3, S.L., for an amount of **EUR 78 million**, granted by Banco Santander, which will be used to finance the construction of the property; a part of it is also intended for potential buyers financing. Part of the transaction is also the amendment of the terms and conditions of an additional balance of EUR 40 million from previous financing associated with the purchase of the plot of land. This transaction betters both the cost and the amortization of the debt.





◇ Egeo Office Building (Madrid)

6. Glossary

PBT

Profit Before Tax.

EBIT

Earnings Before Interest and Tax.

EBITDA

Earnings Before Interest, Tax, Depreciation and Amortisation.

Net profit/(loss)

Profit/(Loss) for the period after tax.

ROE (Return on Equity)

Return on equity, calculated by dividing profit for the last 12 months by the company's average equity of the last four quarters.

ROA (Return on Assets)

Return on assets, calculated by dividing profit for the last 12 months by the company's average assets of the last four quarters.

Liquidity ratio

The Company's capacity to meet its obligations with liquid assets, calculated as the ratio between the Company's current assets and current liabilities.

Solvency ratio

The Company's financial capacity to meet its payments obligations with all the assets and resources available. It is calculated by dividing equity plus non-current liabilities by non-current assets.

EPRA

European Public Real Estate Association.

EPRA Earnings

Earnings from operational activities.

EPRA NAV

Net Asset Value adjusted to include properties and other investment interests at fair value and to exclude certain items not expected to crystallise in a long-term investment property business model.

EPRA NNNAV

EPRA NAV adjusted to include the fair values of (i) financial instruments, (ii) debt and (iii) deferred taxes.

EPRA Net Initial Yield (NIY)

Annualised rental income based on the cash rents passing at the balance sheet date, less non-recoverable property operating expenses, divided by the market value of the property, increased with (estimated) purchasers' costs.

EPRA "topped-up" NIY

This measure incorporates an adjustment to the EPRA NIY in respect of the expiration of rent-free periods (or other unexpired lease incentives such as discounted rent periods and stepped rents).

EPRA Vacancy Rate

Estimated Market Rental Value (ERV) of vacant space divided by ERV of the whole portfolio.

EPRA Cost Ratio

Administrative & operating costs (including direct vacancy costs) divided by gross rental income.

EPRA Cost Ratio (excluding direct vacancy costs)

Administrative & operating costs (including & excluding direct vacancy costs) divided by gross rental income.

WAULT

Weighted average unexpired lease term, calculated as the number of years of unexpired lease term, as from 30 september 2016, until the first break option, weighted by the gross rent of each individual lease contract.

Net LTV (Loan to Value)

Ratio that measures the total amount of outstanding principal, discounted available cash, against the value of the assets. Net LTV = Net debt / GAV.

GAV

Gross Asset Value.

GLA

Gross Leasable Area in sqm.



◇ Portal de la Marina Shopping Centre (Alicante)



◇ As Termas Shopping Centre (Lugo)



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