



Real Estate

Corporate Presentation

www.larespana.com

Septiembre 2017

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01

Company Description

The Company: Lar España

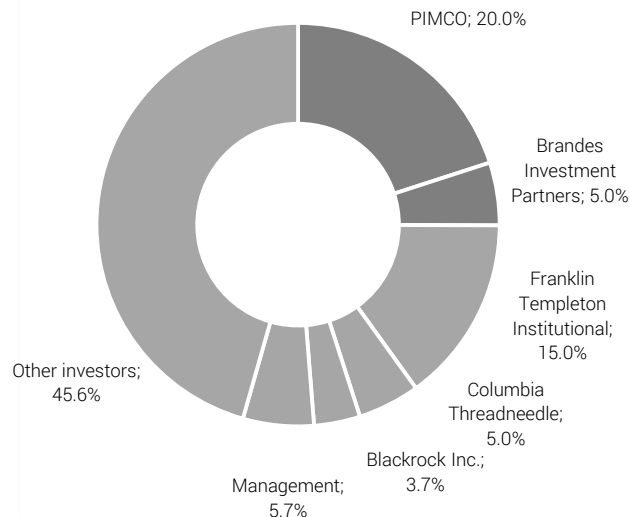
The Manager: Grupo Lar

As Termas Shopping Centre, Lugo

Snapshot

- ✓ First IPO of a Spanish REIT listed on the Spanish Stock Exchange
- ✓ Focused on creating both sustainable income and strong capital returns for shareholders
- ✓ Lar España is 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



Source: CNMV

Board of Directors & Critical Activities

Independent and experienced Board: 5 independent directors (5 out of 7)

José Luis del Valle

Chairman and
Independent Director

Roger Cooke

Independent
Director

Pedro Luis Uriarte

Independent
Director

Alec Emmott

Independent
Director

Isabel Aguilera

Independent
director

Laurent Luccioni

PIMCO

Miguel Pereda

Grupo Lar

Juan Gomez-Acebo

Secretary
Non Member

Susana Guerrero

Vice-secretary
Non Member

Critical Activities internalized

Sergio Criado

CFO

Jon Armentia

Corporate
Manager

Susana Guerrero

Legal
Manager

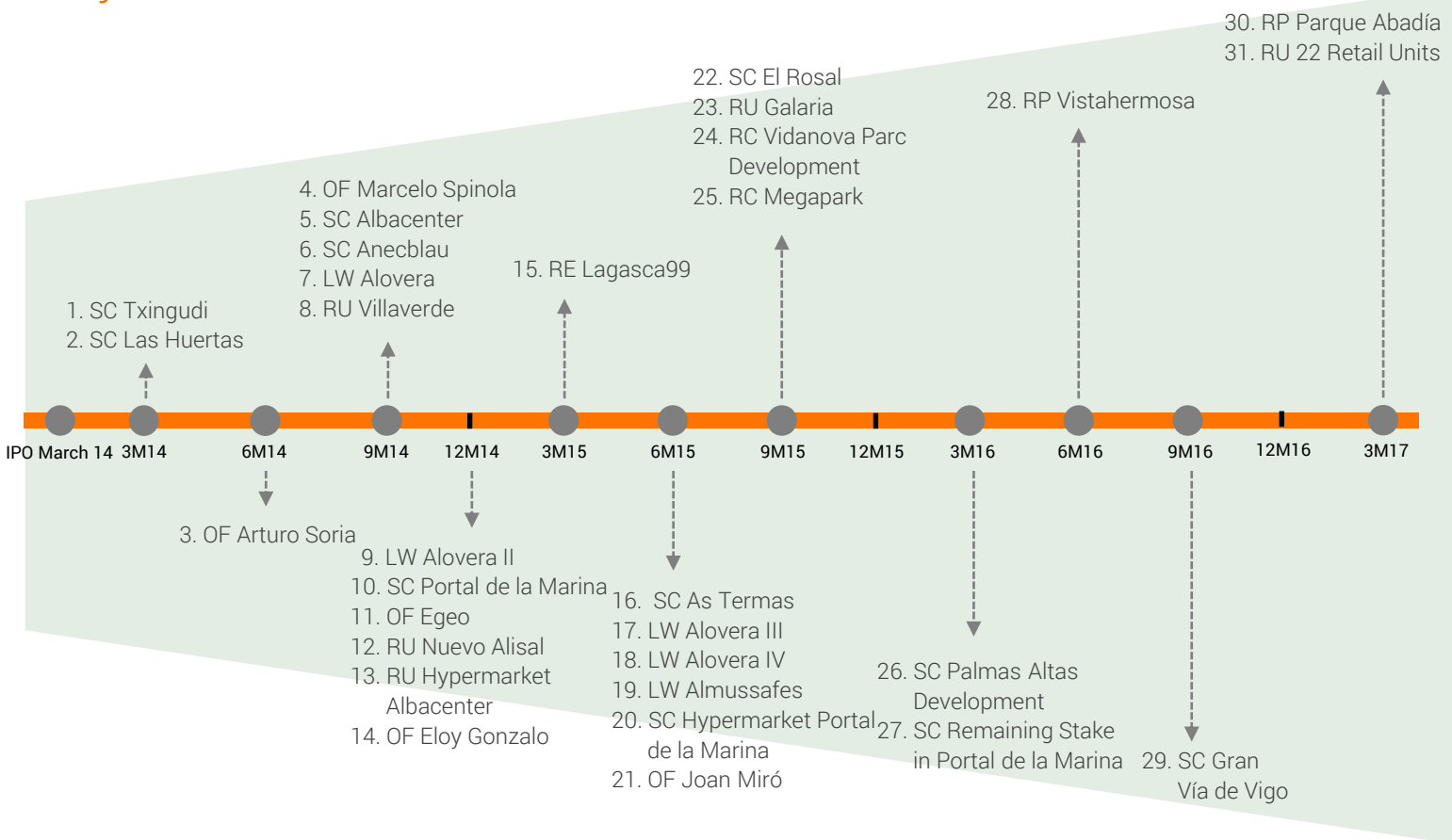
Hernán San Pedro

Head of Investor
Relations

José Díaz Morales

Interim
Internal Audit

Major milestones since 2014



€1.45 Bn of assets in 31 acquisitions since IPO

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

77%
GAV



Offices

Offices in consolidated locations of Madrid and Barcelona with good connections / public transport

Recurrent activity with selective rotation

12%
GAV



Logistics

Focus on logistic properties on a selective basis with low rents, low capital values and high yields

6%
GAV



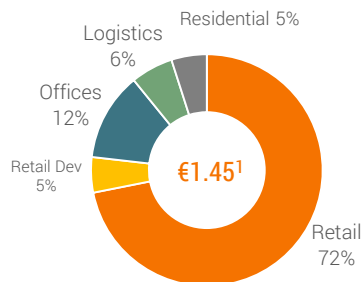
Residential

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

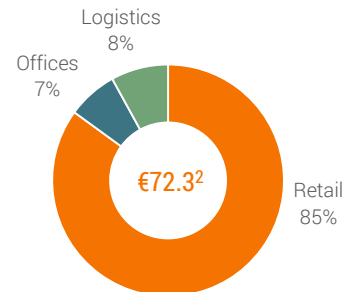
5%
GAV

Portfolio at a glance

GAV (€Bn)



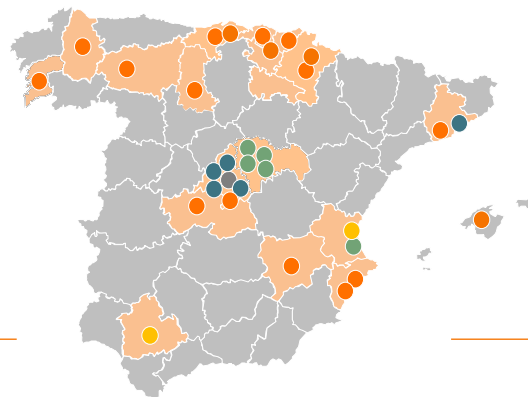
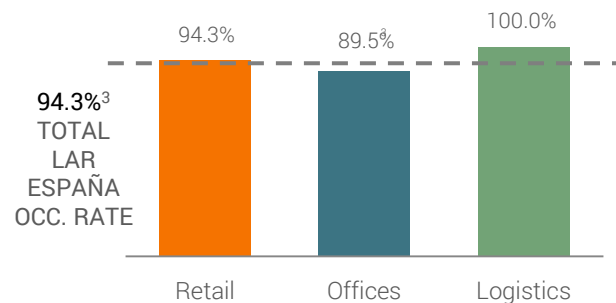
EPRA Annualized Net Rent (€Mn)



EPRA Topped-up NIY



Occupancy Rate



1. Total GAV = Asset valuation as of 30th June 2017.

2. EPRA annualized rent as of 30th June 2017.

3. To calculate the Topped-up NIY for the total portfolio we have excluded the data from Marcelo Spínola and Eloy Gonzalo due to the lack of representativeness.

Strengths



Unique exposure to real estate retail assets and the Spanish consumer recovery



Resilient prime dominant shopping centers in attractive catchment areas



Recurrent cash flow generation from a 6.6% Net Initial Yield on cost



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 offices investments**

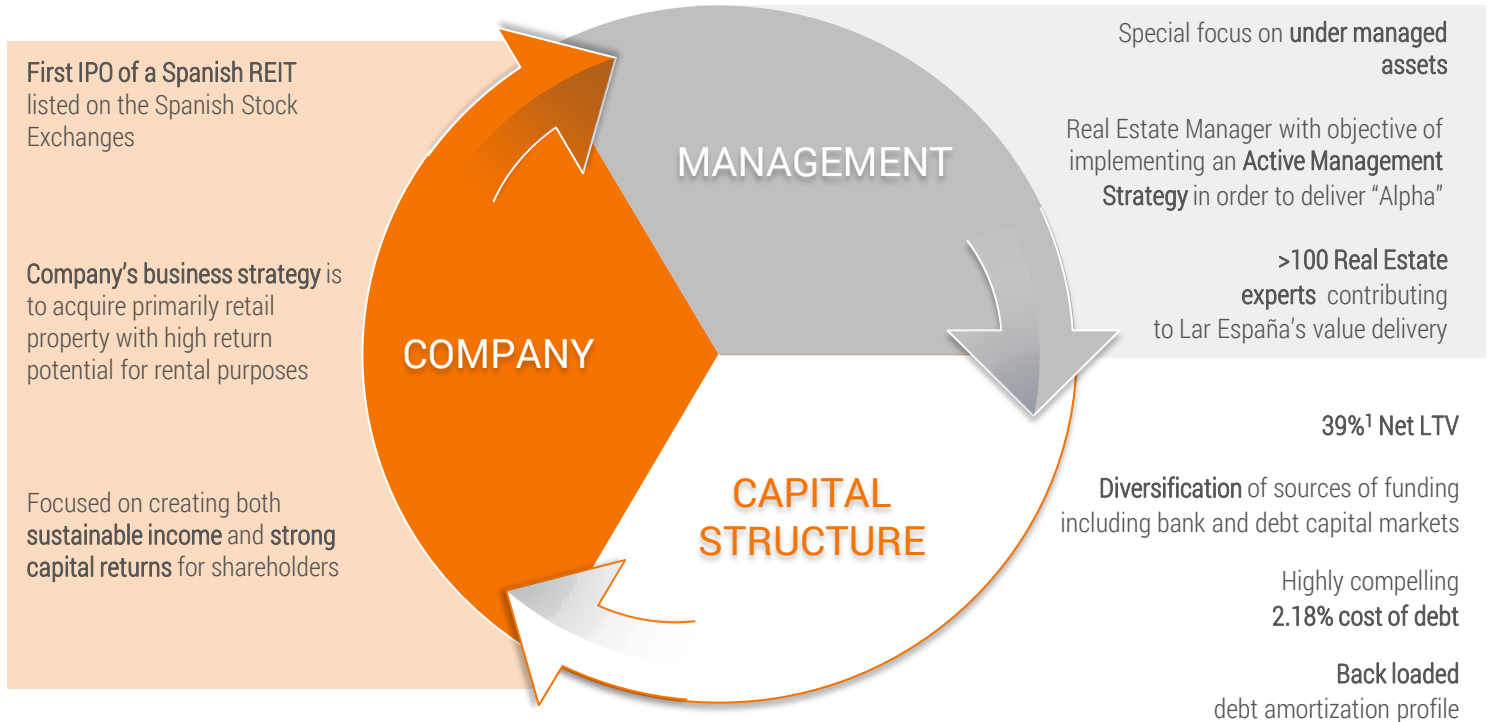


Proven recurrent access to **off-market transactions**



Top management team with strong track record and delivering results

Lar España Strategy



1. Net LTV calculated as at June 2017

Retail Assets

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:

- #1 Controlling Stake
- #2 Investment Volumes
- #2 GLA Acquired

Non-Retail Assets

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



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

01 Company Description



The Company: Lar España

The Manager: Grupo Lar

Ànecblau Shopping Center, Barcelona

Grupo Lar Snapshot

Family owned Company with more than 40-year of track record

+270 employees in 7 Countries

Long history of Real Estate of Residential, Shopping Centres and Office development

Gentalia, one of the foremost Shopping Centre Operators in Spain

A Real Estate Reference in Spain

1

Stable Ownership & Governance

2

Strong Management Team

3

Geographical Diversification

4

Product Diversification

5

Reliable manager and Partner of third party funds

6

Strong Balance Sheet

Experience in all asset classes

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



Retail



39 shopping centres invested, developed or managed

Historic Investment Volume:

€1,509 Mn

GLA 972,626 sqm



Offices



9 office buildings developed and managed

>140,000 sqm

Madrid & BCN



Logistics



10 Industrial Parks developed since 2003

Specializing in the concept of Industrial Park



Residential



10,000 residential units sold in the last 10 years

15,000 Units managed

Successful international experience

Retail co-investments – Joint Ventures with Tier 1 Investors

Whitehall



MSREF



GREENOAK



THE BAUPOST GROUP®



Commitment and exclusivity



Grupo Lar now owns a 5.7% stake in Lar España, subject to a lock-up period

Contract Summary

- 1** Grupo Lar is contracted to exclusively provide Management services to LRE. Initial five-year contract
- 2** The Manager is committed to exclusivity for commercial property investment opportunities in Spain
In the Residential sector in Spain, Lar España has the right to co-invest with the Manager
- 3** Real Estate related activities and expertise provided by the Manager. Critical activities reside in Lar España

02

Portfolio



Vistahermosa Retal Park, Alicante

Portfolio distribution

Location by asset class



**16 RETAIL ASSETS +
22 RETAIL UNITS**

77% GAV



5 OFFICES

12% GAV



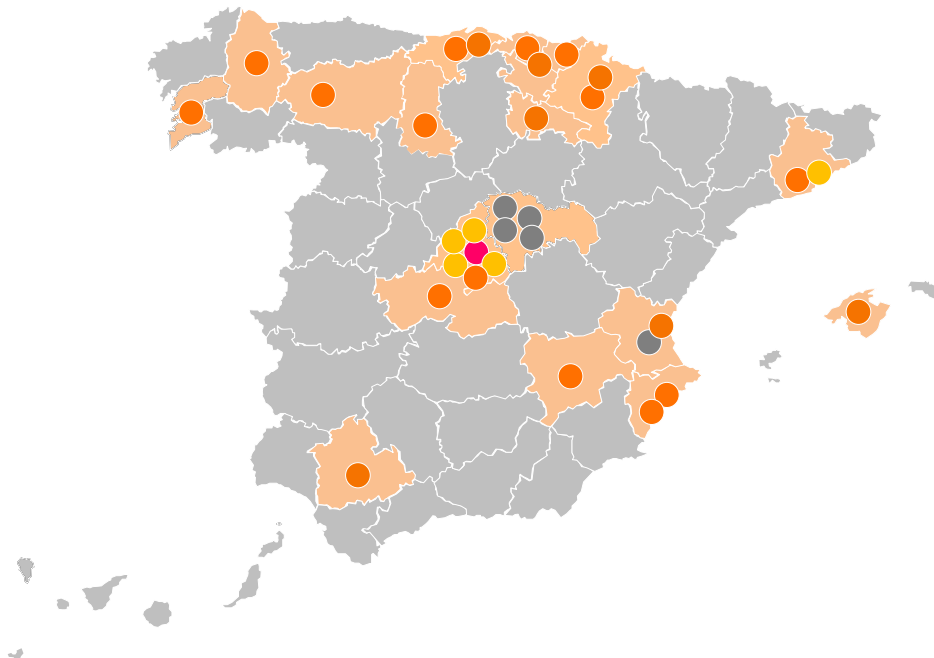
5 LOGISTICS

6% GAV











1 RESIDENTIAL

5% GAV



Retail portfolio largest assets: 59% GAV

	Megapark	Gran Vía Vigo	Palmas Altas	P. Marina	El Rosal	Aneclubau	As Termas	P. Abadía
								
Dominant in its catchment area	✓ ✓ ✓	✓ ✓ ✓	✓ ✓ ✓	✓ ✓ ✓	✓ ✓ ✓	✓ ✓	✓ ✓ ✓	✓ ✓ ✓
% of High Quality Tenants ¹	98%	100%	n.a.	95%	89%	98%	99%	99%
Value Added Potential	<ul style="list-style-type: none"> Occupancy Tenant mix 	<ul style="list-style-type: none"> Tenant mix Extension 	<ul style="list-style-type: none"> Development 	<ul style="list-style-type: none"> Extension Reposition 	<ul style="list-style-type: none"> Tenant mix Reposition 	<ul style="list-style-type: none"> Reposition 	<ul style="list-style-type: none"> Occupancy Extension 	<ul style="list-style-type: none"> Occupancy Tenant mix
EPRA NIY	5.2%	5.9%	8.0% ¹	6.4%	5.9%	5.4%	6.4%	6.0%
Location	Bilbao	Vigo	Seville	Alicante Coast	Ponferrada	Great BCN	Lugo	Toledo
Ownership	100% RP+FOC	100%	100%	100%	100%	100%	100% SC	100% RP
Asset Type	Retail Complex	Shopping Centre	Shopping Centre	Shopping Centre	Shopping Centre	Shopping Centre	Shopping Centre	Retail Park
GLA ²	63,576 sqm	41,462 sqm	100,000 sqm	40,158 sqm	51,022 sqm	28,598 sqm	35,127 sqm	37,114 sqm
GAV ³	€192 Mn	€153 Mn	€52 Mn	€114.3 Mn	€100.4 Mn	€94.9 Mn	€80.8 Mn	€63.7 Mn
Occupancy Rate ⁴	92.7%	95.8%	N.A.	96.6%	89.7%	93.4%	95.0%	100%
Footfall	10 Mn	7.2 Mn	N.A.	3.8 Mn	5.5 Mn	5.5 Mn	3.8 Mn	6.0 Mn
Catchment Area ⁵	3 Mn	482,100	1.5 Mn	216,000	200,000	1 Mn	250,000	300,000

1. Yield on Cost for Palmas Altas is based on an estimation by the company
2. GLA of international retailers, franchises and retailers with multiple points of presence in Spain, as % of total GLA, excluding vacancies
3. As of 2017 Q2.
4. Based on EPRA standards
5. Catchment area may differ between assets depending on the amount of inhabitant living within a driving distance

Retail portfolio mid assets: 18% GAV

	Vistahermosa	Albacenter	Txingudi	Vidanova Parc	Las Huertas	Other Retail Units ⁶
						
Dominant in its catchment area	✓ ✓ ✓	✓ ✓ ✓	✓ ✓ ✓	✓ ✓ ✓	✓ ✓ ✓	✓ ✓ ✓
% of High Quality Tenants¹	100%	85%	80%	90%	70%	100%
Value Added Potential	<ul style="list-style-type: none"> Occupancy Reposition 	<ul style="list-style-type: none"> Occupancy Transformation 	<ul style="list-style-type: none"> Retenancing Renovation 	<ul style="list-style-type: none"> Dominant Development 	<ul style="list-style-type: none"> Renovation Occupancy 	<ul style="list-style-type: none"> Security
EPRA NIY	5.8%	5.3%	6.1%	9.2% ¹	6.2%	7.6%
Location	Alicante City	Albacenter	Guipúzcoa	Sagunto	Palencia	-
Ownership	100%	100%	100%	100%	100%	100%
Asset Type	Retail Park	Shopping Centre	Shopping Centre	Retail Complex	Shopping Centre	Retail Units
GLA²	33,550 sqm	27,890 sqm	10,679 sqm	44,252 sqm	6,267 sqm	44.970 sqm
GAV³	€47.5 Mn	€52.1 Mn	€38.5 Mn	€19.6 Mn	€12.6 Mn	€50.1 Mn
Occupancy Rate⁴	91.8%	89.2%	97.3%	N.A.	86.2%	100%
Footfall	4.4 Mn	4 Mn	4 Mn	N.A.	5.5 Mn	N.A.
Catchment Area⁵	466,000	402,837	91,351	243,000	200,000	N.A.

1. Yield on Cost for Vidanova Parc is based on an estimation by the company

2. GLA of international retailers, franchises and retailers with multiple points of presence in Spain, as % of total GLA, excluding vacancies

3. As of 2017 Q2

4. Based on EPRA standards

5. Catchment area may differ between assets depending on the amount of inhabitant living within a driving distance

6. Other retail units include: Nuevo Alisal, Villaverde, Galaria and 22 retail units portfolio

Non Retail Assets Portfolio: LRE 23% GAV

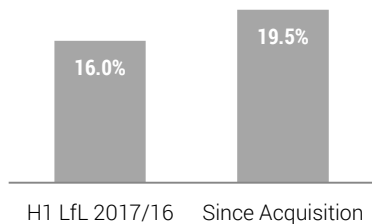
	Non-Retail Assets		
	Offices	Logistics	Residential
Number of Assets	5	5	1
GLA (sqm)	50,634	161,841	9,453
Occupancy rate ² (%)	85.5% ¹	100%	n.a.
GAV (€ Mn)	178.6	85.7	71.5
GAV (€/sqm)	3,530	530	6,961
Passing Rent (€ Mn)	4.6	5.6	n.a.
EPRA NIY (%)	3.6% ¹	6.7%	n.a.
EPRA Topped-up NIY (%)	4.1% ¹	7.2%	n.a.

1. Excluded Marcelo Spinola and Eloy Gonzalo due to the lack of representativeness.

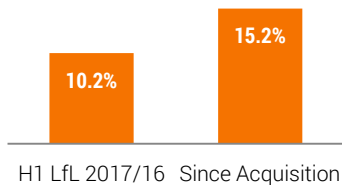
2. Based on EPRA standards

Strong valuation performance in all asset classes

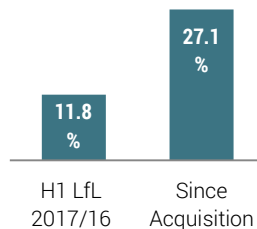
Total Portfolio



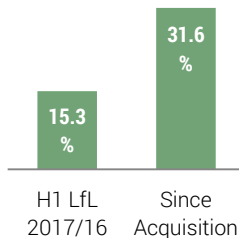
Retail



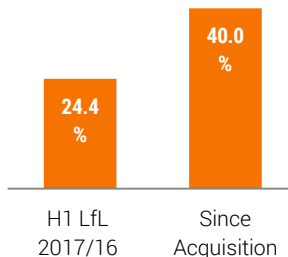
Offices



Logistics



Developments

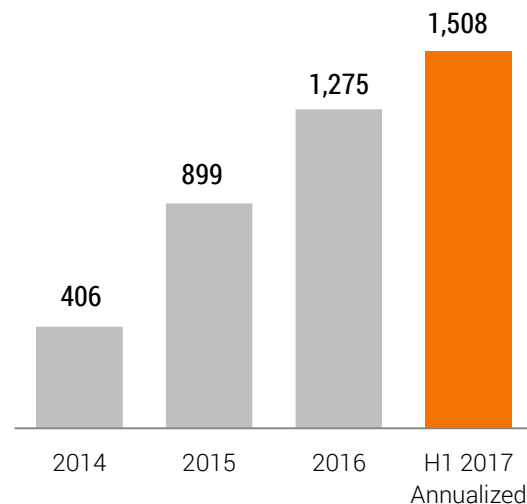


Portfolio Value evolution

€ Mn

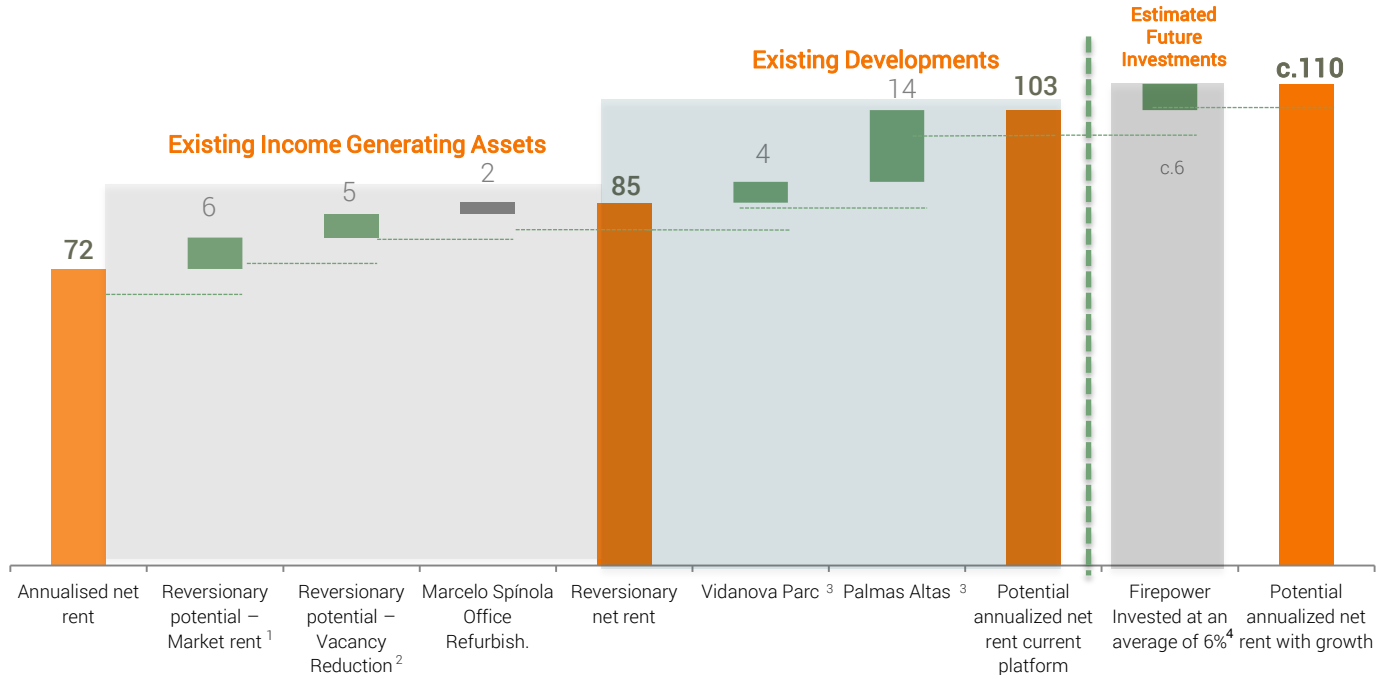
Portfolio Value

Valuation growth
CAGR¹: 9.7%



1. Compounded Annual Growth Rate

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



1. Illustrative potential additional rent in H1 2017 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 2016. Difference applied only to the current EPRA occupancy rate, considering the occupancy rate of the Company's properties as of 30 June 2017.

2. Illustrative potential additional rent in H1 2017 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 (Vidanova Parc 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 net initial yield of assets acquired @ 6%

03

Retail Strategy



Gran Vía de Vigo Shopping Centre

Well defined investment strategy



Asset Type

Shopping centres and retail parks



Asset Quality and Location

Prime dominant assets in their catchment areas
Large properties for their catchment (30,000 – 100,000 sqm)
 Located in **high density population** areas



Segment

Value added: Creating shopping experience destinations



Ownership

Ownership of 100% of each asset

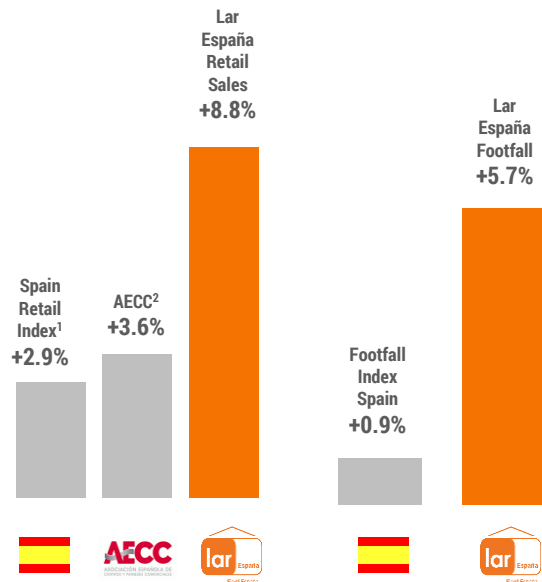
Target Return

Target levered¹ >12%

1. This is a target only and not a profit forecast. There can be no assurance that this target can be or will be met

Outperforming the market

Lar España is outperforming the market³



Top 5 tenants represent >30% retail rents

	% RETAIL RENTS	Nº UNITS
INDITEX	9%	52
MediaMarkt	7%	5
Carrefour	7%	2
El Corte Inglés	4%	4
C&A	4%	6

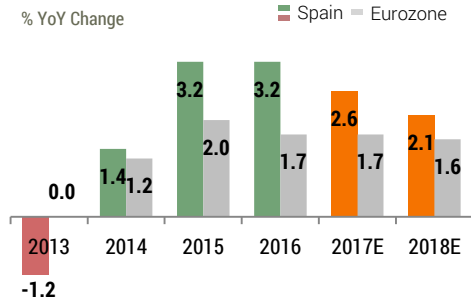
¹ INE. Spanish Retail Index.

² AECC – Spanish Shopping Centres Association (Asociación Española de Centros y Parques Comerciales)

³ All Data as at FY 2016

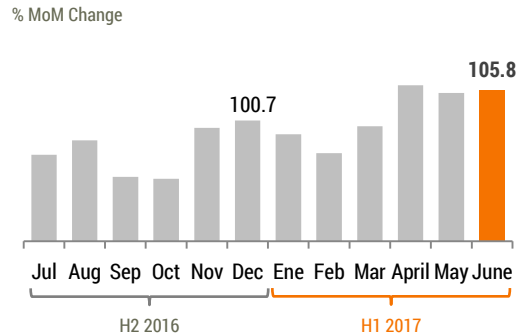
Good prospects of the Spanish Economy

Positive Outlook in GDP Growth



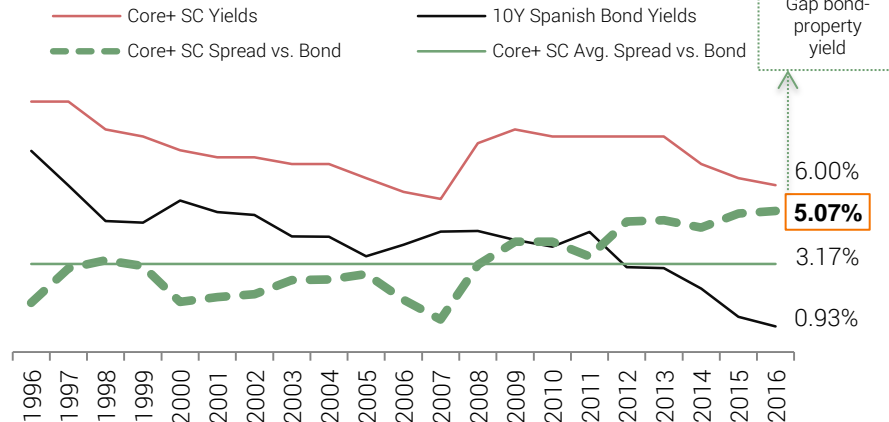
Source: IMF

Consumer Confidence Index 2016



Source: CIS

- ✓ Spanish economy has been surprising on the upside during the last years
- ✓ It is expected to continue outperforming the Eurozone
- ✓ Confidence of consumers keeps growing in line with income and stable earnings driven by strong employment creation
- ✓ No obvious correlation between bond and property yields
- ✓ Future Investment supported by largest Gap in recent history



The value of a retail platform

501,505 sqm, 850 shops, c.53 Mn visitors, 16 cities

Top 10 players own 159 shopping centres which represent c.25% of the total Spanish market

Retail Leaders in Spain **#1 Controlling Stake**

#2 Investment Volumes

#2 GLA Acquired

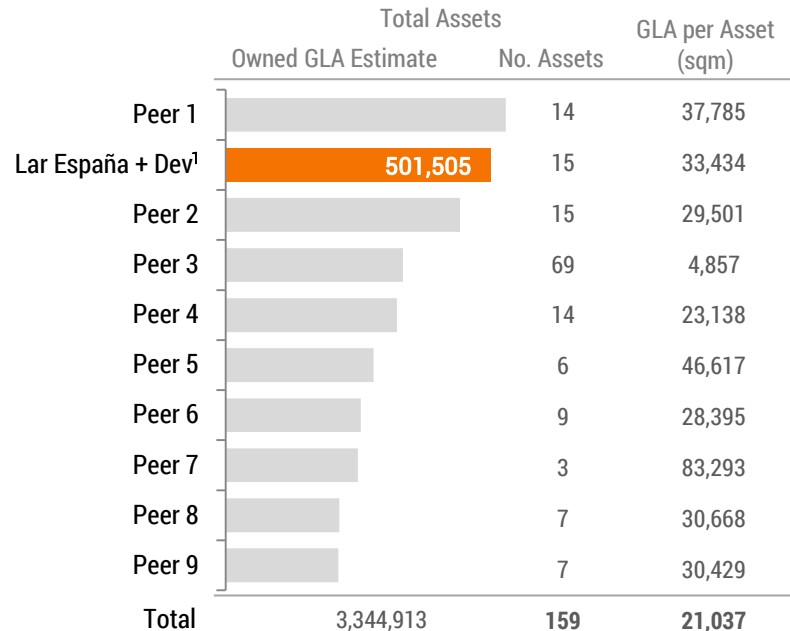
Portfolio **Size** gives us benefits in: **Synergies** in procurement of services

Global **Negotiations** with tenants

Present in most regions of the Spanish territory

Millions of physical and digital customer contacts

Attraction for the development of new commercial formulas



Source: AECC 2014, CBRE 2016 & Grupo Lar as of March 2017 (all reported figures are estimates)

¹ Lar España Includes development projects (Palmas Altas and Vidanova Parc)

Retail Approach

Lar España targets to exploit **revenue synergies** of its growing retail portfolio

Tenants showing great interest in both **our operating and under development assets**

Outstanding Off-market deal-sourcing network

Benefits of staying away from Madrid and Barcelona

1. **Dominance ensures long term value and resilience to any future downturns**
 - i. **Lower competition:** dominant assets often have no other competitor in the catchment area
 - ii. **Barriers to entry:** capital values prevent newer and larger developments
 - iii. **Greater impact of active management:** Creation of unique shopping experience destinations through repositioning especially impactful in those markets
2. **Our operational track record** shows the attractiveness of this approach

Retail 10-Top tenants

INDITEX

9% RETAIL RENTS

MediaMarkt

7% RETAIL RENTS

Carrefour

7% RETAIL RENTS

El Corte Inglés

4% RETAIL RENTS

C&A

4% RETAIL RENTS

DECATHLON

3% RETAIL RENTS

CORTEFIEL

3% RETAIL RENTS

GRUPO adeo

3% RETAIL RENTS

H&M

2% RETAIL RENTS

TOYS R US

2% RETAIL RENTS

Lar España Digital Transformation

Market trends forecasted that individuals will shop increasingly by a combination of online and offline, versus a significant reduction of only online or only offline shopping



Customers

- New buying channel
- Better Brand experience
- Access to personalized promotions and new services
- Click & Collect Service and multiple delivery options



Retailers

- Better Customer Service and better CRO (Conversion Rate Optimization)
- Additional sales, cross-selling and opportunities through click & collect
- Improves stocks and operations control
- Access to more products and infinite aisle

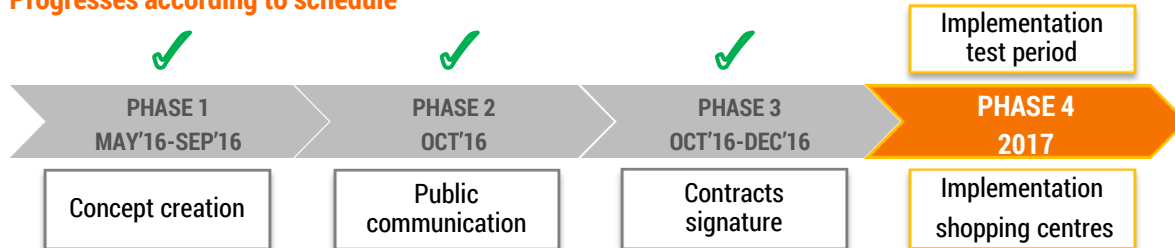


Lar España

- Differentiation among its competitors
- Modern and updated perception. Digital transformation
- New income from the new channel
- Adds value to Lar España's properties

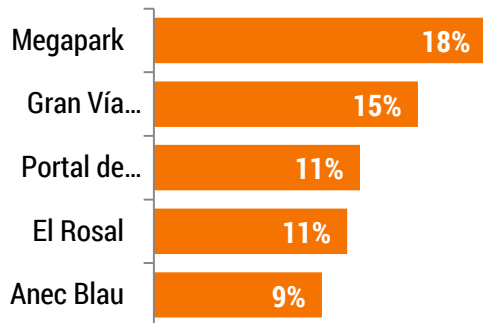


Progresses according to schedule

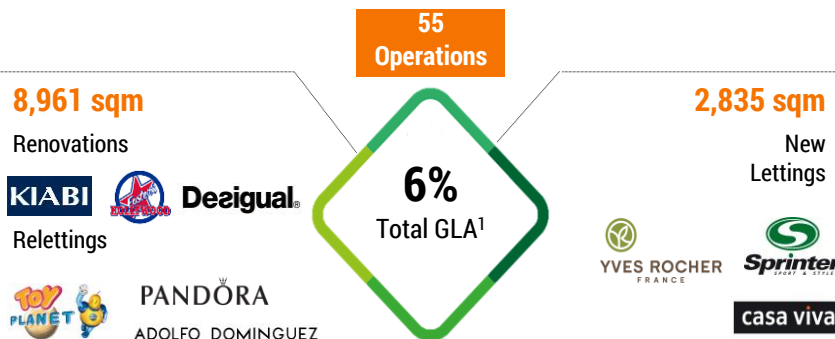


Retail Operating Trends

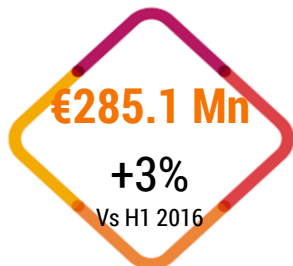
Top 5 rent generating core dominant shopping center



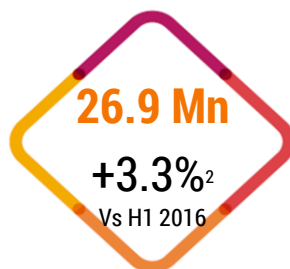
Letting Strategy at the core of the strategy



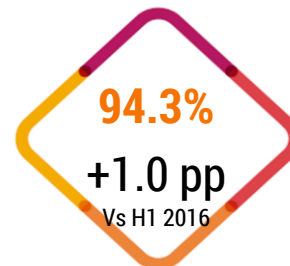
Sales



Footfall



Occupancy



1. Tenants annualized rotation rate.
2. Txingudi and Megapark have been excluded from the footfall calculation for a fairer comparability. Megapark is undergoing a large tenant transition and Txingudi has undergone a refurbishment during 5 months in 2017.



On track in the delivery of our developments

After phase 1 & 2, Construction phase to start on August 2017



11,300
New sqm
leased

Construction licenses approved to start works in Palmas Altas



worten



c.85%

GLA signed & committed¹

+2

Operations signed
in H1 2017

+41%

GLA signed and committed¹

+5

Operations signed
in H1 2017



1. As of t July 2017..



04

Non-Retail Strategy

Egeo Office Building, Madrid

Logistics Overview



Strategy

Focus on logistic properties on a selective basis with low rents, low capital values and high yields

Location

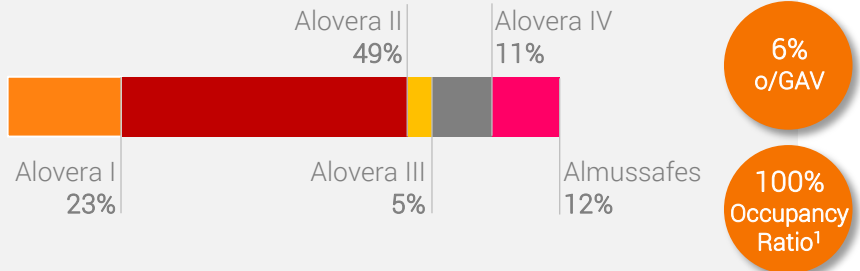
Valencia



Guadalajara



GAV Breakdown of Logistics assets



5-Top tenants by revenue generation - High quality tenant base



63.3% LOGISTICS RENTS



17.1% LOGISTICS RENTS



8.1% LOGISTICS RENTS



8.1% LOGISTICS RENTS



2.9% LOGISTICS RENTS

An opportunity to enhance Lar España's presence in Logistics

Carrefour



Tech Data

SAINT-GOBAIN



H1 2017 Results - Lar España Real Estate

161,841

Logistics GLA

5

Operating Assets

€2.6 Mn

GRI H1 2017



€6.1 Mn

Epra Annualized
Topped up rent

+11%

YoY LfL

9.23%

Initial yield on Cost

7.2%

EPRA Topped-up Net Initial Yield



Cheste, Valencia - Prime and strategic location

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



Offices Overview



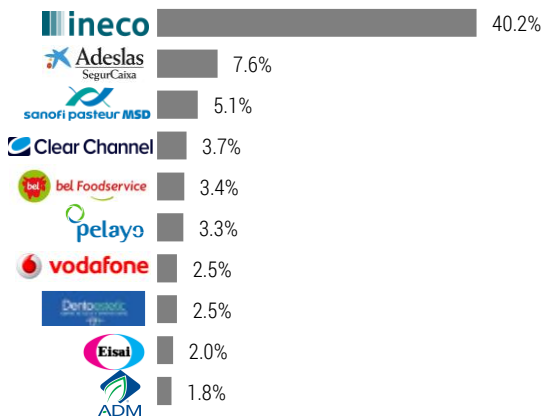
Strategy

Consolidated locations in Madrid and Barcelona

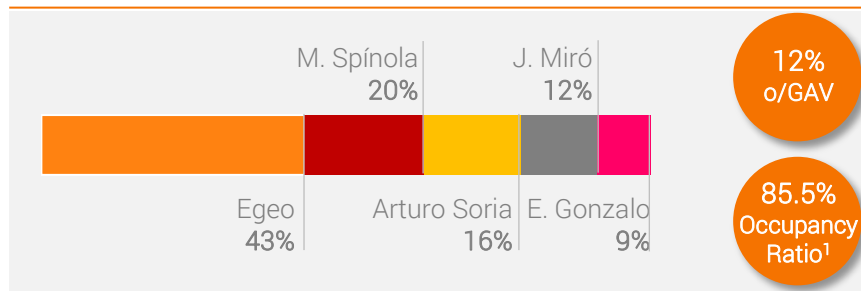
Good Connections/ Public Transports

Recurrent activity with selective rotation

10 Top-tenants by revenue generation



GAV Breakdown of Office assets

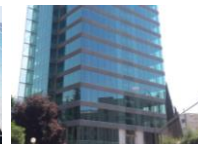


Location

Barcelona



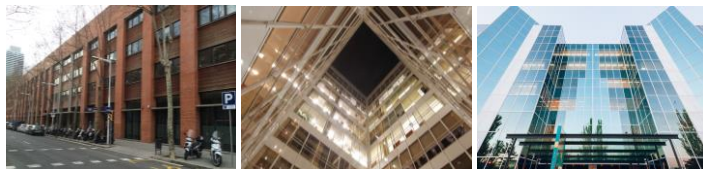
Madrid



1. Based on EPRA standards. Marcelo Spínola's Occupancy rate is not included in total occupancy rate due to its lack of representativeness.

Non-retail assets - Offices

Stabilised Assets



Joan Miró

4.0% EPRA
Topped Up Yield

Arturo Soria

4.9% EPRA
Topped Up Yield

Egeo

3.8% EPRA
Topped Up Yield

Non-Stabilised assets



Marcelo Spínola

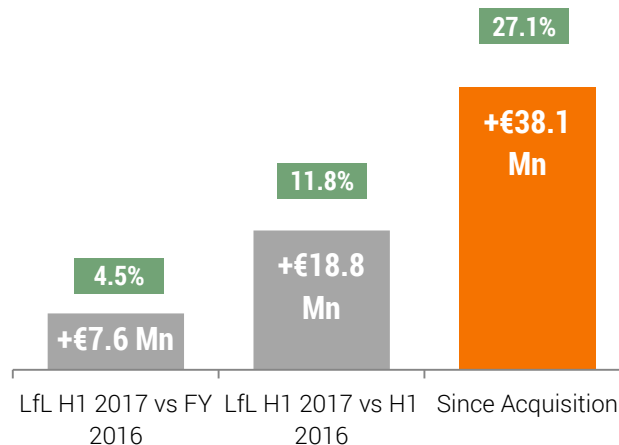
Increase in commercial activity:
In advanced negotiations with a potential major tenant.
BREEAM® Certification
"Very Good Level"

Eloy Gonzalo

Development of the first phase of refurbishment works
BREEAM® Certification
"Very Good Level"

+27% offices revaluation since acquisition

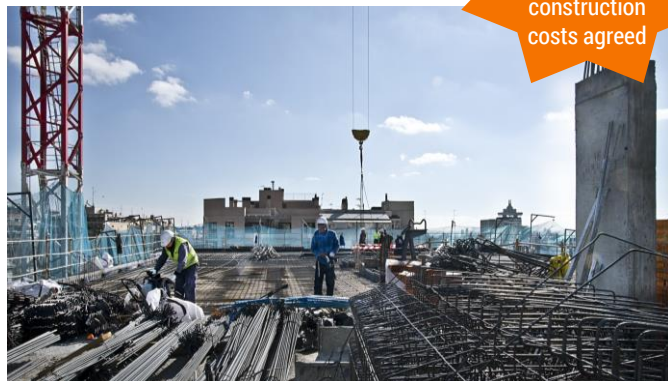
- ✓ Offices assets reaching 3 years in the portfolio
- ✓ Asset rotation will be a source of value for Lar España



Non-retail assets – Lagasca 99



Financing of
100% of
construction
costs agreed



Q2 2018

Estimated delivery date



Construction works on schedule

100% structure completed

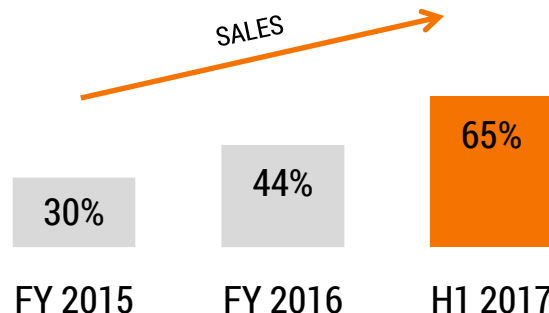
Façade and rest of the building on progress on schedule



In process

High interest from national and international investors

Price c.11,000 €/sqm



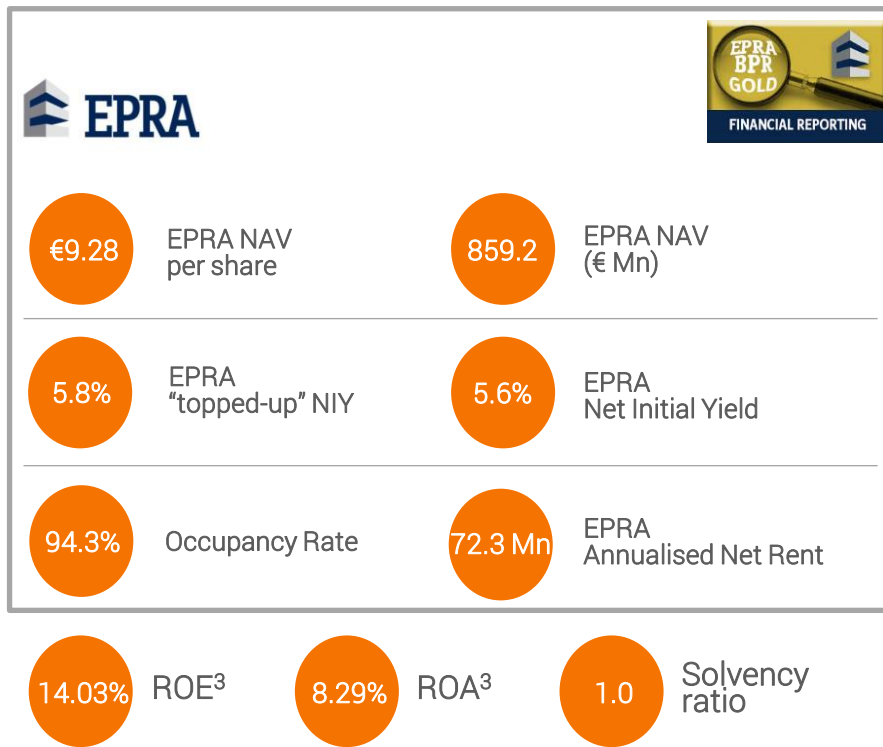
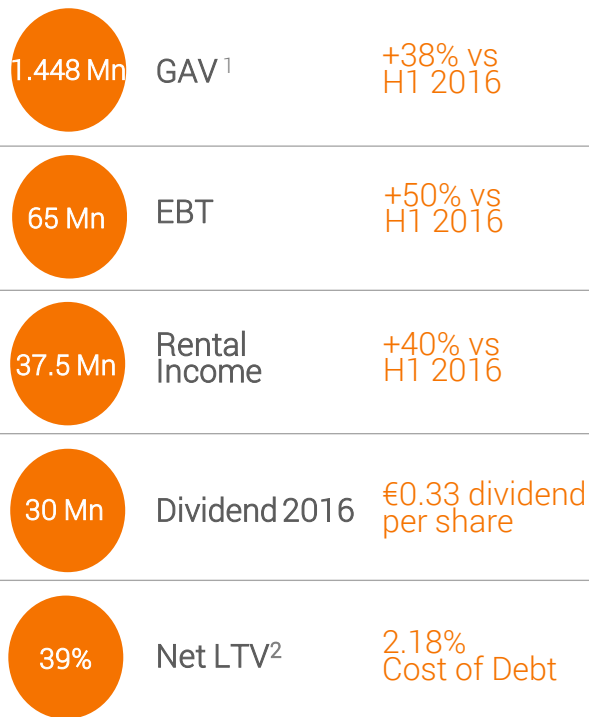
05

Financial Results – Q1 2017



Lagasca 99 Residential Development, Madrid

Successful & Strong Key Facts delivered in H1 2017



1. Total GAV = Asset valuation as of 30th June 2017.
 2. Net LTV as of 30th June 2017.
 3. Indicator calculated using figures from the last 12 months.

Consolidated Income Statement (Thousands of €)

	H1 2017			Recurrent 1H17/1H16	H1 2016		
	Recurring	Non-Recurring	Total		Recurring	Non-Recurring ¹	Total
Rental Income	37,547	-	37,547	+40.0%	26,872	-	26,872
Other income	1,002	-	1,002		794	-	7,772
Property Operating Expenses	(6,303)	-	(6,303)		(4,966)	-	(4,966)
Base Fee	(4,482)	-	(4,482)		(3,113)	-	(3,113)
Property Operating Results	27,763	-	27,763	+41.5%	19,586	-	19,586
Corporate Expenses	(1,451)	(1,154)	(2,605)		(1,733)	(586)	(2,318)
Other Results	-	653	653		-	6,978	-
EBITDA (pre performance fee)	26,313	(501)	25,812	+47.3%	17,853	6,392	24,246
Changes in the Fair Value	46,903	-	46,903		29,066	-	29,066
EBIT (pre performance fee)	73,216	(501)	72,715	+56.1%	46,919	6,392	53,312
Financial Result	(4,456)	-	(4,456)		(3,694)	(4,104)	(7,798)
Share in profit (loss) for the period of equity-acc.companies	(712)	-	(712)		(1,773)	-	(1,773)
Impairment and gains/(losses) on disposal of fin instruments	-	-	-		-	29	29
EBT (pre performance fee)	68,048	(501)	67,547		41,452	2,318	43,770
Income Tax	-	-	-	+64.2%	-	-	-
Profit for the Period (pre performance fee)	68,049	(501)	67,547		41,452	2,318	43,770
FFO (EBITDA – Financial Result)	21,857	(501)	21,356		14,159	2,288	16,448
% FFO Annualized Yield /NAV	5.09%	-	4.97%		4.64%	-	5.39%
Performance fee	(2,550)	-	(2,550)		(443)	-	(443)
% Performance fee/profit for the period	3.89%	-	3.92%	+59.7%	1.07%	-	1.01%
Profit for the Period (post performance fee)	65,498	(501)	64,997		41,009	2,318	43,327

1. H1 2016 Non-Recurring P&L mainly affected by remaining stake acquisition in Portal de la Marina

Solid Company performance in H1 2017

01 Solid H1 2017 Results and Balance Sheet

37.5 Mn Revenues	+40% vs H1 2016
65.0 Mn EBT (Net Profit)	+50% vs H1 2016
17.0 Mn EPRA Earnings	+49% vs H1 2016
859.2 Mn EPRA NAV	€9.28 p.s.¹
39% net LTV; 590.7 Mn Gross Debt	2.18% cost of debt

02 Lar España Value Add performance

Retail NOI lfl improvement	+4.7% Lfl
Epra Ann.Net Rent vs H1 Semester	72.3 Mn; +34%
Office enhanced valuation confirms next asset rotation to unlock value	+27.1% since acq.

03 Asset Growth & Return enhancement

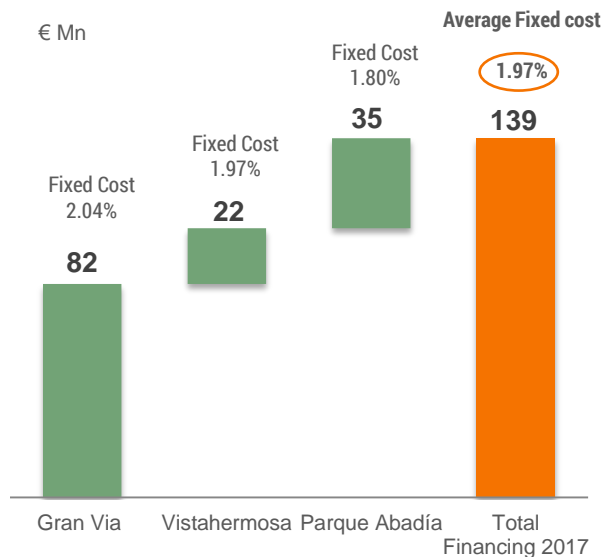
Two excellent group of assets acquired for €112.9 Mn in the semester	@6.7% yield on cost
Palmas Altas construction works to start immediately following license granted	+41% of GLA signed & committed
Lagasca99 progresses above expectations	65% already sold

1. Take into account the dividend's shareholders remuneration amounting €30 Mn relating to 2016 financial year.

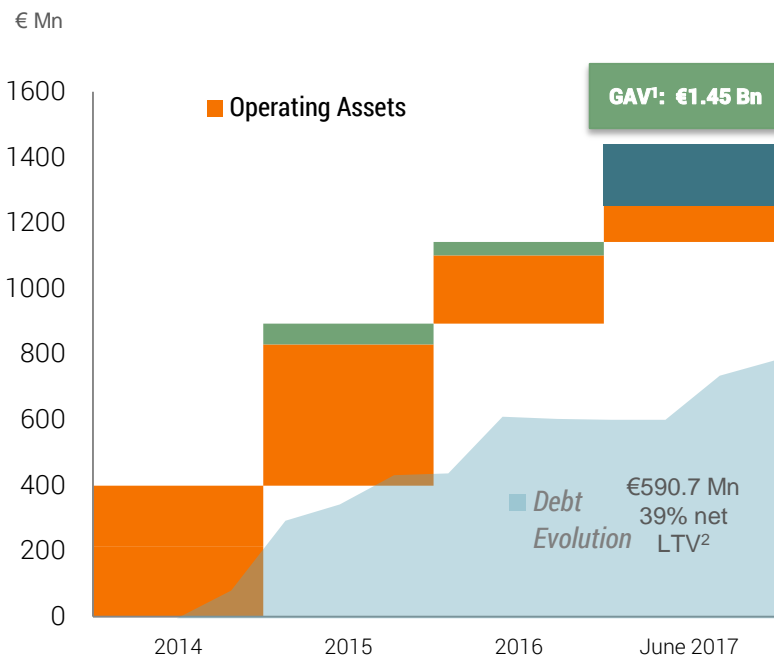
Creating value through wise debt management

€139 Mn of financing @ avge fixed rate < 2%

- ✓ Besides, In April 2017, refinancing of €20Mn in Lagasca99 & Financing of 100% of construction costs agreed
- ✓ Better terms, lowering costs and longer payback period



Disciplined and prudent financing targeted at creating value



1. Total GAV = Valuation of assets as of 30th June 2017

2. Net LTV calculated as at June 2017

Lar España's Debt Profile

Key Figures of the financing ¹

39%

Net Loan to Value (LTV)

2.18%

Average Cost of Debt²*-42 b.p since H1 2015*

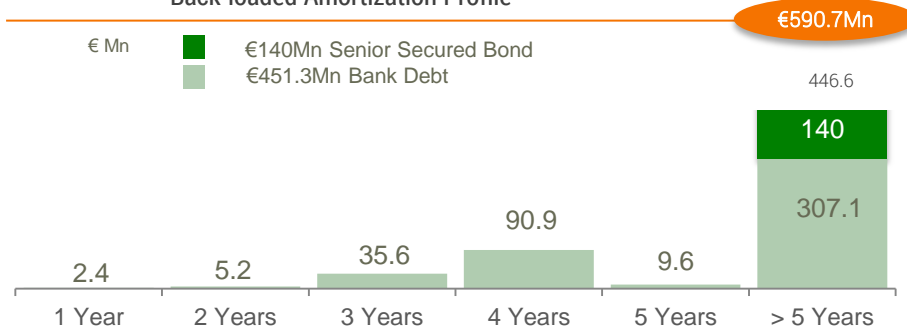
5.8x

Interest Cover Ratio³ (ICR)

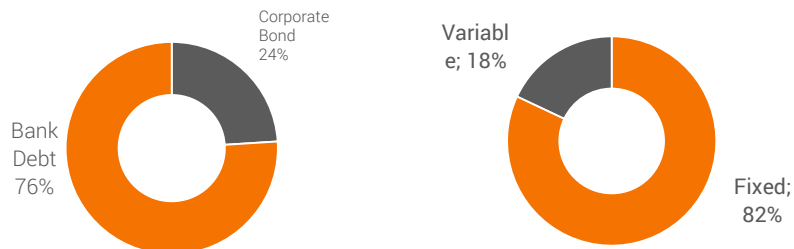
6.2 Y

Debt duration

Back-loaded Amortization Profile



Diversification of sources



1. All figures according to Last Reported Results on H1 2017
 2. Ebitda (excluding revaluation) / Financial result
 3. Ebitda (pre-revaluation) / Interest Expenses

06

ESG Results



ESG - Creating value



Environment

- **Positive effect on the community.**
Creating employment :
>17,500 direct jobs
- **Promoting responsible investment.**
Investing in sustainable assets:
+72% of the portfolio has or in process of obtaining **BREEAM® certification.**
- **Fighting and reducing the effect of Climate Change.**
-56% CO2 emissions across the portfolio (since Dec 2015).



Social Capital

People's talent forms the cornerstone of the economic model and the company's value

Partners

Supply chain

Clients

Employees



Assets (Portfolio)

Our properties have a positive effect on their urban surroundings

- **Sustainability strategy.**
As at April 2017, **69% of the portfolio has been audited.**
- **Sustainability certification.**
+72% of the portfolio has or in process of obtaining **BREEAM® certification** & **100%** of properties have **energy certification.**
- **Investing in innovation.**
Collaboration with Training and research centres.



Corporate Governance

Having a positive effect on the environment and society

Good Governance

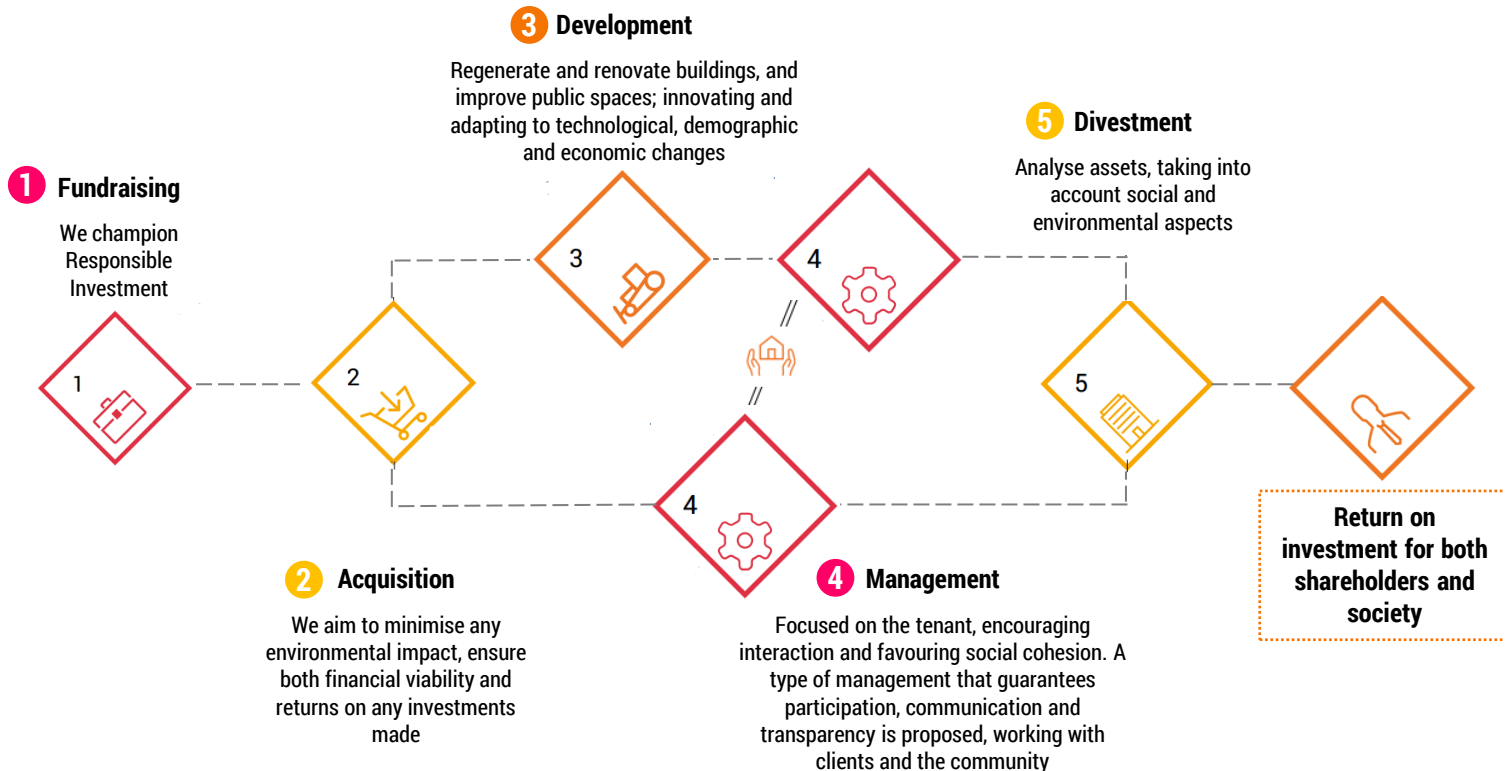
Ethics/Integrity

Transparency

Risk Management

ESG - Creating value

Responsible business model



ESG - Creating value

1 Responsible asset management & environmental performance

Promoting **sustainability certification measures**, encouraging the use of new technology to **improve our assets' environmental quality and management**

Currently preparing a **CSR Master Plan** to meet the most demanding sustainability standards

Lar España is improving the environmental performance of its shopping centres and offices and increasing the environmental awareness of its tenants. Implementing measures in its assets in:

Water

Electricity

Gas/Diesel

Additional environmental measures

Creating shared value

2 Accessibility

Working to achieve and maintain high accessibility standards that will allow everyone to be able to access its properties correctly and comfortably, taking into account existing problems.



87% retail assets & 80% offices audited

Lagasca 99: Excellent accessibility
Technical Building Code (TBC)

commitment to promoting social integration

3 Society-based initiatives

>1,100 social and environment awareness days held in our shopping centres

>65 NGOs and foundations

>16,000kg of food has been collected

>EUR300,000 invested in social initiatives and collaboration projects

>35,500kg of clothing has been donated



ESG - Creating value - Corporate Governance

Objectives of the Action Plan



Ensuring strong governance

- ✓ Business ethics
- ✓ Corporate social responsibility & regulatory compliance



Transparency in management

- ✓ Director activities
- ✓ Selection and Remuneration
- ✓ Training



Continuous monitoring

- ✓ Regulatory compliance
- ✓ Evaluating & improving board's performance
- ✓ Regular reporting

Governance Policy approved in 2016

- ✓ To help Lar España **maximise its competitiveness** applying best practises.
- ✓ Foster transparency and thereby **build the confidence** of Spanish and international shareholders and investors.
- ✓ **Improve internal control and corporate responsibility** and ensure due segregation of functions, duties and responsibilities, all from the standpoint of **maximum professionalism and rigour**.

Key Milestones in 2016

- ✓ Updating of the Articles of Association and Board Rules Business ethics, reflecting the **latest developments in corporate law and best recommendations** in the "Good Governance Code" of listed Companies.
- ✓ **Corporate Social Responsibility** Policy targeted to sustainable business development, the creation of shared value over the long term, accessibility for persons with reduced mobility & environmental protection.
- ✓ **Director Selection Policy**: defining the procedure for selection and appointing directors, based on analysis of their suitability.
- ✓ Evaluation of the Board of Directors, its members and its Committees.

ESG - Creating value - Corporate Governance



Risk Control & Management System

The integrated enterprise risk management (ERM) system has been designed to mitigate the risks to which the organisation is exposed by virtue of its business activities.

1

ERM system involves all Lar España's staff and supervising of third parties responsible for outsourced services

Risk management performed by specialist service providers

- ✓ Investment and asset management, performed primarily by Grupo Lar
- ✓ Preparation of the organisation's financial, accounting and tax information
- ✓ Half-yearly asset appraisals

2

Risk Map: the ERM system categorises risk into one of three levels for management purposes - high, medium and low -. The risk tolerance determination system is reviewed at least annually by the Audit and Control Committee

Response and monitoring plans

- ✓ Less critical risks. **Rationalisation and optimisation**
- ✓ Risks assessed to be of medium importance. **Assessment and surveillance**
- ✓ Risks deemed highly critical. **Exhaustive analysis**



Ethics and Compliance

To guarantee ethical conduct and enforce regulatory compliance, it has established control and supervision mechanisms

1

Code of Conduct and Whistle-blowing Channel

2

Crime prevention model

3

Anti-Money Laundering Manual

Closing Remarks



Parque Abadía Retail Park, Toledo

Closing Remarks

- ✓ Positive assets evolution during 2nd Quarter of 2017
- ✓ Active Management keeps supporting NOI increase in Retail assets
- ✓ Last Asset valuation appraisal yielded a LfL growth of 4.5%, up to €1.45 Bn
- ✓ New accretive acquisitions of €112.9 Mn in 1H 2017 pushes annualised net rent by 15%, up to €72.3 Mn
- ✓ Lar España has the option to increase its logistic portfolio with more than 100k sqm GLA in an outstanding location
- ✓ +30% of new long term debt in H1 2017, €139.4 Mn from three assets at a fixed cost c.1.9%; including financing of 100% of construction works of Lagasca 99
- ✓ Imminent start of construction of Palmas Altas following license granted by the city council
- ✓ Excellent progress in the development of Lagasca 99 and the Retail developments
- ✓ €0.33 p.s of dividend and yield¹ of 4.7% in 2017, paving the way for an increasing remuneration for the next years

Investment Opportunity

Value is our DNA

Appendix - Assets

Anec Blau Shopping Centre, Barcelona

RETAIL COMPLEX

Megapark, Bilbao

Location Bilbao	Acquisition Price EUR 170.0 Mn
GLA 63,576 Sqm	Market Value (June 2017) EUR 192.0 Mn
Purchase Date 19 October 2015	EPRA NIY 5.1%
WAULT 2.3 years	Occupancy Rate ¹ 92.7%



¹ Based in EPRA standards

SHOPPING CENTRE

Gran Vía de Vigo, Pontevedra

Location Vigo, Pontevedra	Acquisition Price EUR 141.0 Mn
GLA 41,436 Sqm	Market Value (June 2017) EUR 153 Mn
Purchase Date 15 September 2016	EPRA NIY 5.8%
WAULT 2.9	Occupancy Rate ¹ 95.8%



1. Based in EPRA standards

SHOPPING CENTRE

El Rosal, León

Location
Ponferrada, León

Acquisition Price
EUR 87.5 Mn

GLA
51,022 Sqm

Market Value (June 2017)
EUR 100.4 Mn

Purchase Date
7 July 2015

EPRA NIY
5.8%

WAULT
2.5 years

Occupancy Rate¹
89.7%



¹ Based in EPRA standards

SHOPPING CENTRE

Portal de la Marina, Alicante

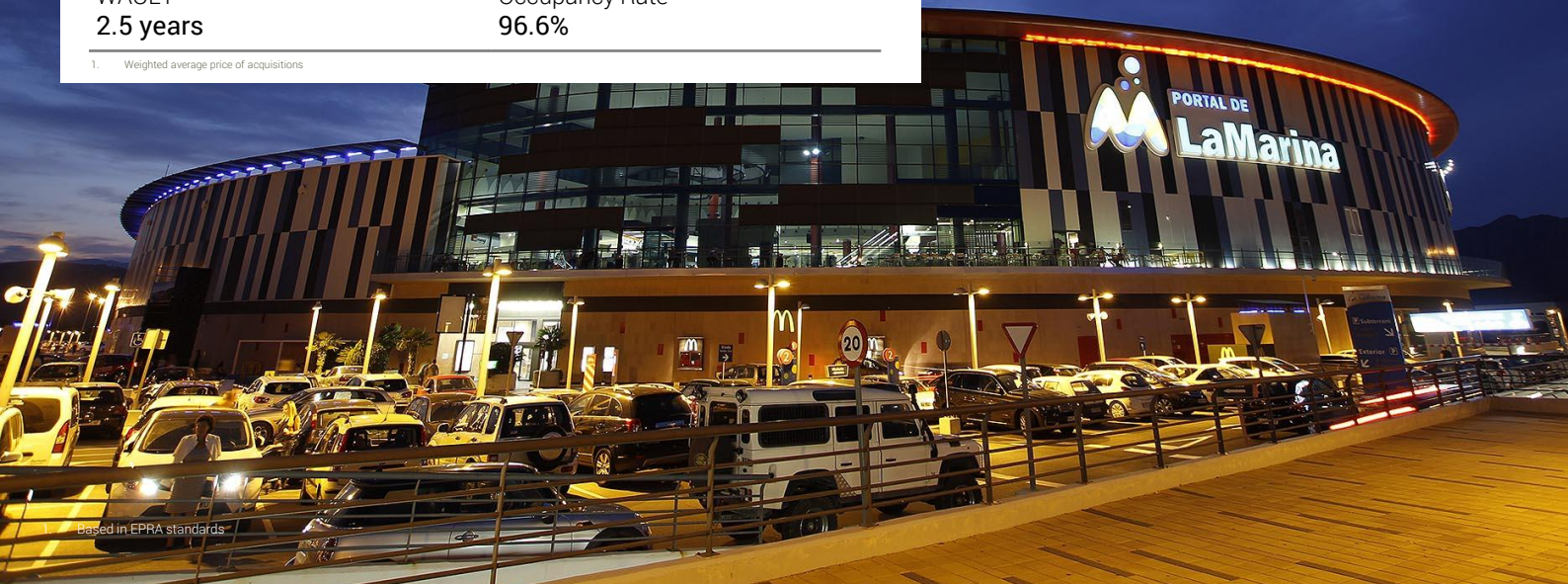
Location Ondara, Alicante	Acquisition Price EUR 89.2 Mn
-------------------------------------	-----------------------------------------

GLA 40,066 Sqm	Market Value (June 2017) EUR 114.3 Mn
--------------------------	-------------------------------------------------

Purchase Date 30 Oct '14/ 9 Jun '15/ 30 Mar '16	EPRA NIY 5.8%
-----------------------------------------------------------	-------------------------

WAULT 2.5 years	Occupancy Rate ¹ 96.6%
---------------------------	---------------------------------------------

1. Weighted average price of acquisitions



SHOPPING CENTRE

Anec Blau, Barcelona

Location Barcelona	Acquisition Price EUR 80.0 Mn
GLA 28,598 Sqm	Market Value (June 2017) EUR 95.0 Mn
Purchase Date 31 July 2014	EPRA NIY 5.1%
WAULT 2.7 years	Occupancy Rate ¹ 93.4%



¹ Based in EPRA standards

SHOPPING CENTRE

As Termas, Lugo

Location
Lugo

Acquisition Price
EUR 68.8 Mn

GLA
35,127 Sqm

Market Value (June 2017)
EUR 80.8 Mn

Purchase Date
15 Apr '15/ 28 Jul '15

EPRA NIY
6.4%

WAULT
1.9 years

Occupancy Rate¹
95.0%



1. Based in EPRA standards

RETAIL PARK

Parque Abadía, Toledo

Location Toledo	Acquisition Price EUR 63.1 Mn
GLA 37,114 Sqm	Market Value (June 2017) EUR 63.7 Mn
Purchase Date 27 March 2017	NIY 6.3%
WAULT 3.0	Occupancy Rate ¹ 100%



1. Based in EPRA standards

22 RETAIL UNITS

North of Spain + Balearic Islands

Location North of Spain + Balearic Is.	Acquisition Price EUR 47.6 Mn
GLA 28,822 Sqm	Market Value (June 2017) EUR 50.1 Mn
Purchase Date 27 March 2017	NIY 7.3%
WAULT 13.8	Occupancy Rate ¹ 100%

1. Based in EPRA standards

RETAIL PARK

Vistahermosa, Alicante

Location Alicante	Acquisition Price EUR 42.5 Mn
GLA 33,550 Sqm	Market Value (June 2017) EUR 47.5 Mn
Purchase Date 16 June 2016	EPRA NIY 5.8%
WAULT 6.0 years	Occupancy Rate ¹ 91.8%

Based in EPRA standards



SHOPPING CENTRE

Palmas Altas, Seville

Location Seville	Acquisition Price EUR 40.5 Mn
Retail and family leisure space 100,000 Sqm	Market Value (June 2017) EUR 42.0 Mn
Purchase Date 1 March 2016	Expected NIY > 8%
Expected Opening Date Q1 2019	Expected development costs EUR 109.0 Mn



SHOPPING CENTRE

Albacenter, Albacete

Location
Albacete

Acquisition Price
EUR 39.9 Mn

GLA
27,890 Sqm

Market Value (June 2017)
EUR 52.1 Mn

Purchase Date
30 Jul '14/ 19 Dec '14

EPRA NIY
5.6%

WAULT
2.2 years

Occupancy Rate¹
89.2%



1. Based in EPRA standards

SHOPPING CENTRE

Txingudi, Guipúzcoa

Location
Irún, Guipúzcoa

Acquisition Price
EUR 27.7 Mn

GLA
10,127 Sqm

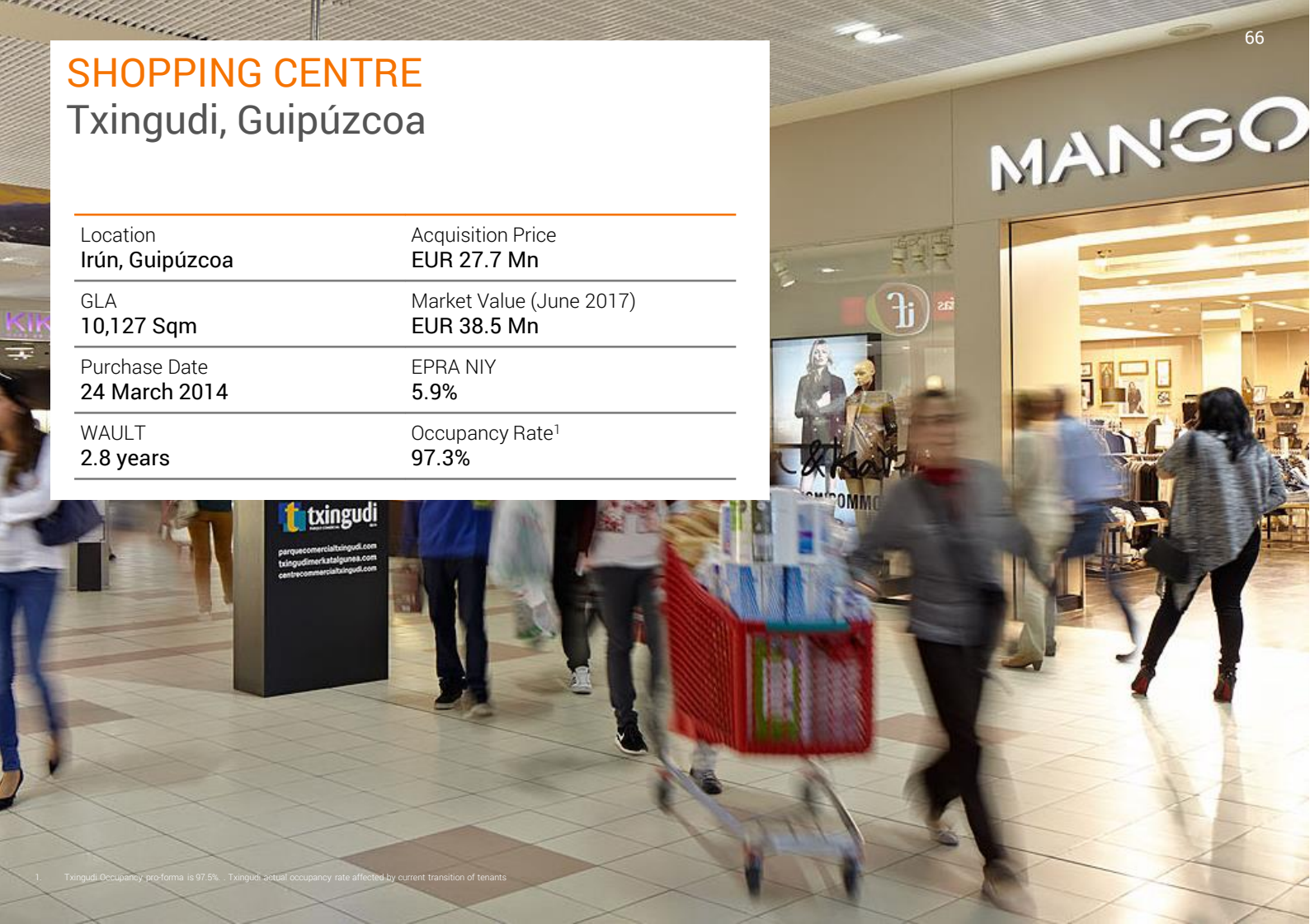
Market Value (June 2017)
EUR 38.5 Mn

Purchase Date
24 March 2014

EPRA NIY
5.9%

WAULT
2.8 years

Occupancy Rate¹
97.3%



txingudi
parquecomercialtxingudi.com
txingudimerikatalgunea.com
centrocomercialtxingudi.com

¹. Txingudi Occupancy pro-forma is 97.5%. Txingudi actual occupancy rate affected by current transition of tenants

RETAIL PARK

Vidanova Parc, Valencia

Location Sagunto, Valencia	Acquisition Price EUR 14.0 Mn
GLA 44.252 Sqm	Market Value (June 2017) EUR 19.6 Mn
Purchase Date 3 August 2014	Expected NIY > 9%
Expected Opening Date Q1 2018	Expected development costs EUR 26.0 Mn



SHOPPING CENTRE

Las Huertas, Palencia

Location Palencia	Acquisition Price EUR 11.7 Mn
GLA 6,267 Sqm	Market Value (June 2017) EUR 12.6 Mn
Purchase Date 24 March 2014	EPRA NIY 6.5%
WAULT 2.1 years	Occupancy Rate ¹ 86.2%



¹ Based in EPRA standards

RETAIL PARK

Nuevo Alisal, Santander

Location Santander	Acquisition Price EUR 17.0 Mn
GLA 7,649 Sqm	Market Value (June 2017) EUR 19.1 Mn
Purchase Date 17 December 2014	EPRA NIY 6.2%
WAULT 2.6 years	Occupancy Rate ¹ 100.0%



MediaMarkt

1. Based in EPRA standards

RETAIL PARK

Villaverde, Madrid

Location Madrid	Acquisition Price EUR 9.1 Mn
GLA 4,391 Sqm	Market Value (June 2017) EUR 11.2 Mn
Purchase Date 29 July 2014	EPRA NIY 5.9%
WAULT 5.3 years	Occupancy Rate ¹ 100.0%



RETAIL PARK

Galara, Pamplona

Location
Pamplona

Acquisition Price
EUR 8.4 Mn

GLA
4,108 Sqm

Market Value (June 2017)
EUR 10.6 Mn

Purchase Date
23 July 2015

EPRA NIY
6.3%

WAULT
4.4 years

Occupancy Rate¹
100.0%



OFFICES

Egeo, Madrid

Location Madrid	Acquisition Price EUR 64.9 Mn
GLA 18,254 Sqm	Market Value (June 2017) EUR 76.1 Mn
Purchase Date 16 December 2014	EPRA NIY 3%
WAULT 3.9 years	Occupancy Rate ¹ 89.0%

1. Based in EPRA standards

OFFICES

Marcelo Spínola, Madrid



Location
Madrid

Acquisition Price
EUR 19.0 Mn

GLA
8,875 Sqm

Market Value (June 2017)
EUR 33.5 Mn

Purchase Date
31 July 2014

Redevelopment Capex
EUR 9.6 Mn

Expected Yield
> 7.5%

Total cost per Sqm.
EUR 3,222/Sqm



OFFICES

Arturo Soria, Madrid

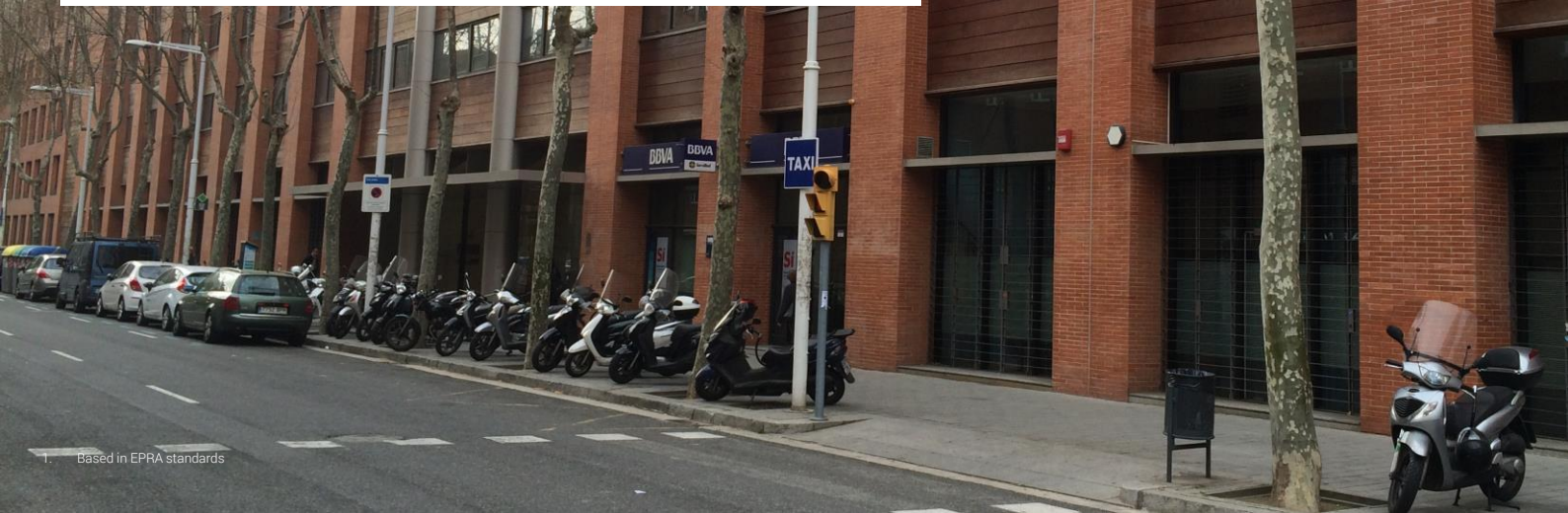
Location Madrid	Acquisition Price EUR 24.2 Mn
GLA 8,663 Sqm	Market Value (June 2017) EUR 28.9 Mn
Purchase Date 29 July 2014	EPRA NIY 4.9%
WAULT 1.9 years	Occupancy Rate ¹ 87.1%

1. Based in EPRA standards

OFFICES

Joan Miró, Barcelona

Location Barcelona	Acquisition Price EUR 19.7 Mn
GLA 8,611 Sqm	Market Value (June 2017) EUR 21.4 Mn
Purchase Date 11 June 2015	EPRA NIY 4.0%
WAULT 1.0 years	Occupancy Rate ¹ 94.1%



1. Based in EPRA standards

OFFICES

Eloy Gonzalo, Madrid

Location Madrid	Acquisition Price EUR 12.7 Mn
GLA 6,231 Sqm	Market Value (June 2017) EUR 18.8 Mn
Purchase Date 23 December 2014	EPRA NIY Under refurbishment
WAULT 1.9 years	Occupancy Rate ¹ Under refurbishment



LOGISTICS

Alovera II, Guadalajara

Location Guadalajara	Acquisition Price EUR 32.1 Mn
GLA 83,952 Sqm	Market Value (June 2017) EUR 41.5 Mn
Purchase Date 13 October 2014	EPRA NIY 6.6%
WAULT 0.2 years	Occupancy Rate ¹ 100.0%

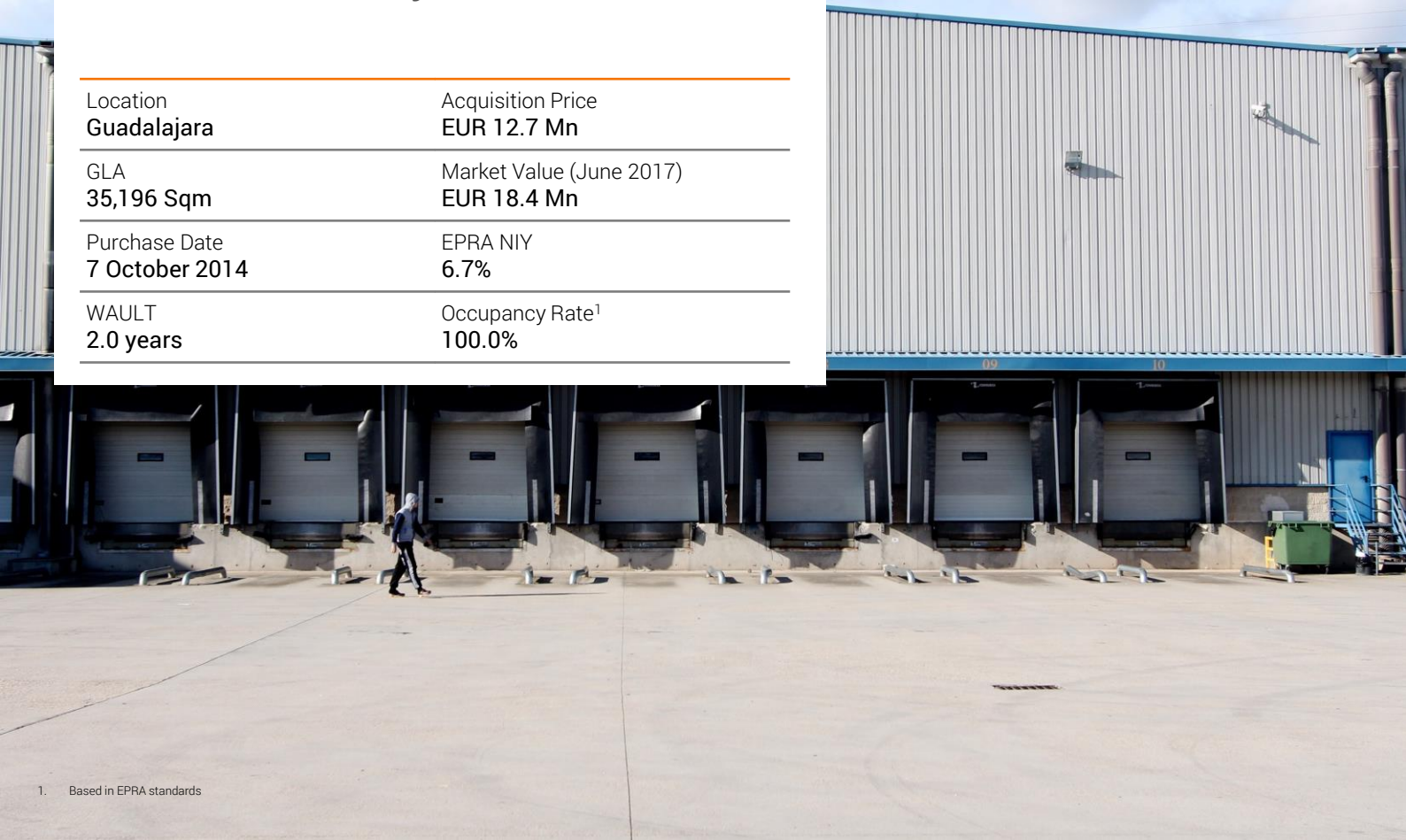


1. Based in EPRA standards

LOGISTICS

Alovera I, Guadalajara

Location Guadalajara	Acquisition Price EUR 12.7 Mn
GLA 35,196 Sqm	Market Value (June 2017) EUR 18.4 Mn
Purchase Date 7 October 2014	EPRA NIY 6.7%
WAULT 2.0 years	Occupancy Rate ¹ 100.0%



1. Based in EPRA standards

LOGISTICS

Almussafes, Valencia

Location Valencia	Acquisition Price EUR 8.4 Mn
GLA 19,211 Sqm	Market Value (June 2017) EUR 9.8 Mn
Purchase Date 26 May 2015	EPRA NIY 7.2%
WAULT 2.5 years	Occupancy Rate ¹ 100.0%

1. Based in EPRA standards



LOGISTICS

Alovera IV (C5-C6), Guadalajara

Location Guadalajara	Acquisition Price EUR 7.2 Mn
GLA 14,891 Sqm	Market Value (June 2017) EUR 9.5 Mn
Purchase Date 26 May 2015	EPRA NIY 7.6%
WAULT 1.7 years	Occupancy Rate ¹ 100.0%

1. Based in EPRA standards



LOGISTICS

Alovera III, Guadalajara

Location Guadalajara	Acquisition Price EUR 3.0 Mn
GLA 8,591 Sqm	Market Value (June 2017) EUR 4.1 Mn
Purchase Date 26 May 2015	EPRA NIY 5.2%
WAULT 0.8 years	Occupancy Rate ¹ 100.0%



1. Based in EPRA standards

LOGISTICS

Cheste, Valencia

Location
Valencia

Acquisition Price
EUR 2.3 Mn cost of land + urbanization costs

GLA
118,160 Sqm

Market Value (June 2017)
EUR 2.3 Mn

Purchase Date
1Q 2017



Access A3
Valencia

Access A3
Madrid

RESIDENTIAL

Lagasca 99, Madrid

LAGASCA99

Location
Madrid

Acquisition Price¹
EUR 50.1 Mn

GLA
26,203 Sqm

Market Value (June 2017)
EUR 71.5 Mn

Purchase Date
30 January 2015

Construction Period
2016 - 2018

1. Corresponds to the 50% of the JV with PIMCO



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