



2014 Full Year Financial Results

March, 2015

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Summary



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Lar España listed on 5th march 2014

1. Consolidated P&L (IFRS)

Consolidated Income Statement

	2014
Revenues	8,606
Other income	217
Personnel costs	-108
Other expenses	-7,231
Changes in fair value of investment property	442
Results from operating activities	1,926
Financial Income	2,391
Financial Expenses	-519
Share in profit (loss) for the period of equity-accounted companies	-342
Profit before tax before continuing operations	3,456
Profit from continuing operations	3,456
Income Tax	-
Profit for the year	3,456
Basic earnings per share (€)	0.09
Diluted earnings per share (€)	0.09

(*) All figures expressed in Thousands of EUR

- **Revenues:** Includes the rents generated / accrued from March 2014 to December 2014 at 13 assets in our portfolio (everything except Portal de la Marina).
- **Other Expenses:** €7.2m mainly for:
 - ✓ Advisory services regarding asset acquisitions (commercial, technical, and legal due diligence) rendered by companies not related to LRE (€2.6m).
 - ✓ Management fees for services rendered to LRE by Grupo Lar Inversiones Inmobiliarias (€2.08).
 - ✓ Other expenses, which are accounting and legal advisory services, insurance premiums and property management fees (€2.5m).
- **Financial Income:** this figure reflects interest earned on the Group's current accounts and deposits in financial institutions.

2. Consolidated Balance Sheet: Assets (IFRS)

Consolidated Balance Sheet

ASSETS	December 31 2014
Investment properties	357,994
Equity-accounted investees	18,087
Non-current financial assets	3,841
Total Non-Current Assets	379,922
Inventories	2,843
Trade and other receivables	1,970
Other current financial assets	32,032
Other current assets	136
Cash & cash equivalents	20,252
Total Current Assets	57,233
Total Assets	437,155

(*) All figures expressed in Thousands of EUR

• Non-Current Assets:

- ✓ **Investment properties:** are classified under non-current assets at a fair value of €357.9m. They comprise five shopping centres, two retail warehouses, four office buildings and two logistics warehouses.
- ✓ **Equity-accounted investees:** This item reflects investments in the Group companies that are accounted for using the equity method, (Lavernia Investments S.L. and Puerta Marítima Ondara S.L. which includes the Shopping Centre Portal de la Marina).

• Current Assets:

- ✓ **Inventories:** stand at €2.8m and reflect parking spaces linked to the residential development of Juan Bravo.
- ✓ **Cash & Cash Equivalents / Other current financial assets:** These two items primarily reflect LRE's cash reserves at 31 December 2014.

3. Consolidated Balance Sheet: Equity and Liabilities (IFRS)

Consolidated Balance Sheet

LIABILITIES AND EQUITY	December 31 2014
Share capital	80,060
Share premium	320,000
Other reserves	-9,185
Retained earnings	3,456
Treasury shares	-4,838
Total Equity	389,493
Loans and borrowings	37,666
Other non-current liabilities	5,143
Total Non-Current Liabilities	42,809
Loans and borrowings	156
Trade and other payables	4,679
Other current liabilities	18
Total Current Liabilities	4,853
Total Equity and Liabilities	437,155

(* All figures expressed in Thousands of EUR

• Share Capital

- ✓ **Other Reserves:** This item primarily includes costs related to the IPO (€9.5m).
- ✓ **Treasury Shares:** The number of treasury shares held at December 31, 2014 is 531,367 (1.3% of total share capital), with an average purchase price of €9.1 per share. These purchases were carried out based on the framework of a discretionary treasury share management agreement with the aim of providing stock liquidity.

• Non-Current and Current Liabilities

- ✓ **Loans and Borrowings:** The company acquired the Egeo office building and Nuevo Alisal retail warehouse and assumed part of the price in the form of debt:
 - ✓ Egeo: A mortgage loan of €30m. The maturity of the loan is December 15, 2019. The mortgage cost is 3-month EURIBOR, plus a 2% spread.
 - ✓ Nuevo Alisal: €7.8m. The loan will mature in June 2025 and the interest rate is 3-month EURIBOR, plus a 2.9% spread.

4. Financial Indicators as of December 31 2014



FINANCIAL INDICATORS	December 31 2014
Working Capital	52,380
Liquidity Ratio	11.8
Solvency Ratio	1.1
EPRA NAV	389,962
EPRA NAV per share (€)	€9.87
Leverage **	16.6%

(* All figures expressed in Thousands of Euros

(**) Bank Debt: (Egeo + Nuevo Alisal + Ondara)/ Total Purchase Price



5. Proposed Profit Distribution (Spanish GAAP)



Proposed Profit Distribution	2014
Net Profit (Individual P&L)	1,664
Dividends	1,331
Legal Reserve (10%)	166
Voluntary Reserve	167
Dividend per Share	€0.033

(*) All figures expressed in thousands of Euros

- Proposed Profit Distribution is calculated based on LRE individual P&L.
- Dividends: Proposed Profit distribution of the 80% of the rent according to the SOCIMI regime.
- This proposal has been approved by LRE's Board of Directors.
- Pending approval at the General Shareholders Meeting.



6. Asset Valuation as of December 31 2014



	Purchase Price	*Net Market Value/ Fair Value	Dif. Net Market Value/ Purchase Price	% Net Market Value/ Purchase Price**
Shopping Centres	€206.9m	€210.7m	€3.8m	+1.8%
Offices	€120.8m	€122.9m	€2.1m	+1.7%
Logistics	€44.8m	€46.1m	€1.3m	+2.9%
Retail Warehouses	€26.1m	€26.3m	€0.2m	+0.8%
Total	€398.7m	€406.0m	€7.3m	+1.8%

Figures expressed in millions of Euros

(*) Net Market Value / Fair Value = The price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Significant revaluation of assets taking into account the Average Holding Period weighted by capital invested of 3.7 months. Investments took place since March 2014 and December 2014.

7. Other topics to discuss

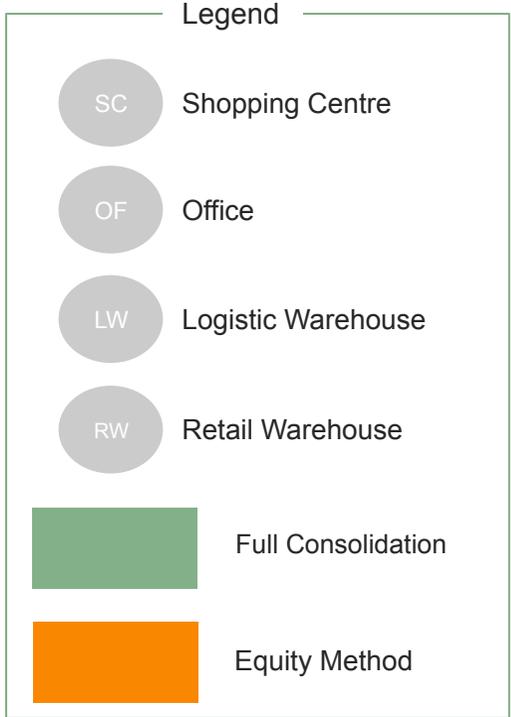
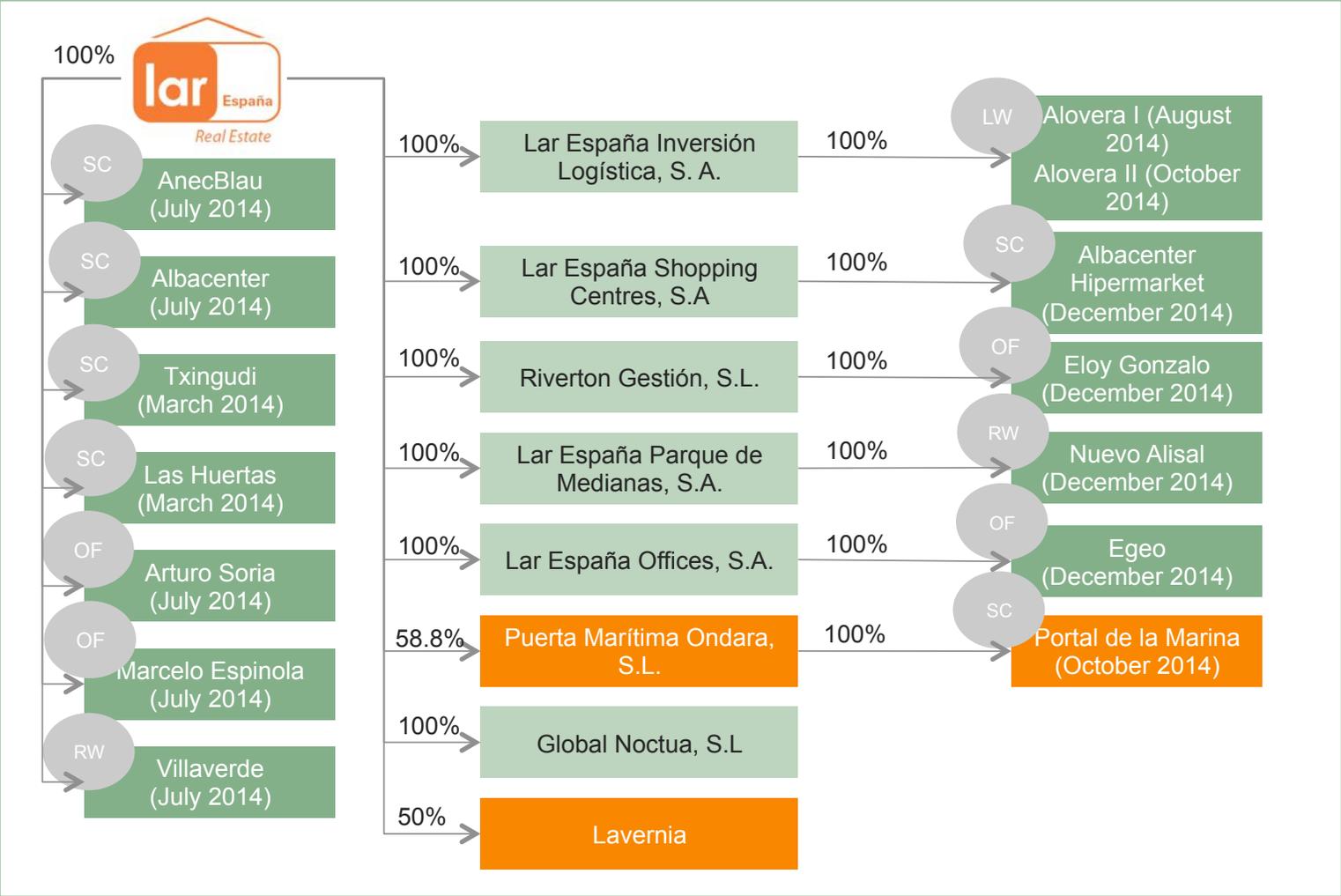


Highlights

<p>1 Latest deals</p>	<ul style="list-style-type: none"> • December: 4 Office and Retail investments for €106m • January 2015: 1 Residential investment for €60m.
<p>2 Investment Evolution</p>	<ul style="list-style-type: none"> • Total Invested to date: €458.7m in a diversified asset portfolio in accordance with the IPO Prospectus. • Pipeline: €180m in assets under exclusivity.
<p>3 Asset Management Evolution</p>	<ul style="list-style-type: none"> • SC: First signs of Active Management: +3.3% in LFL Sales / +2% in Tenant Sales / 16Mn Visitors; Footfall +4% / +40 signed contracts / 5,673 sqm let (70% with No-discount). • Logistics: Re-letting of 13,838 sqm + agreement to complete 100% occupancy at Alovera I.
<p>4 Current Debt, Bond Issue</p>	<ul style="list-style-type: none"> • Current 50% LTV: Easy amortization schedule + favourable cost financing. • €140m Bond / first issued for a SOCIMI / Bullet Structure and flexible to adapt to business Plan. • Firepower: C.€165m of firepower to acquire current pipeline.
<p>5 Dividend</p>	<ul style="list-style-type: none"> • 2014 Results: €0.033 per share will be proposed in the next AGM. • 2015 Results: Growing stabilisation of results and dividends. • 2016 onwards: Run rate with potential upside in non-recurring activities.



Annexes - Company Structure as of December 31 2014



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