



9M 2017 Results

www.larespana.com

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15th November, 2017

Txingudi Shopping Centre, Guipuzcoa



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9M 2017
Financial
Results &
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03

Corporate
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towards
Growth and
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Successful & Strong Key Facts delivered in 9M 2017

1,429 Mn GAV¹ +19% vs Q3 2016

79.7 Mn EBT_{pre-performance fee} +70% vs 9M 2016

57.2 Mn Rental Income +36% vs 9M 2016

32.5 Mn Divestment +13% over last appraisal

37% Net LTV² 2.19% Cost of Debt



€9.51 EPRA NAV per share

880.2 EPRA NAV (€ Mn)

5.9% EPRA "topped-up" NIY

5.7% EPRA Net Initial Yield

94.7% Occupancy Rate

72.1 Mn EPRA Annualised Net Rent

14.04% ROE³

8.23% ROA³

1.1 Solvency ratio

1. Total GAV = Asset valuation as of 30th June 2017 + capex Q3 2017 – Arturo Soria divestment

2. Net LTV as of 30th September 2017.

3. Indicator calculated using figures from the last 12 months.





1 9M 2017 Highlights

Solid business performance & successful start of asset rotation process

01 Solid 9M 2017 Results and Balance Sheet

€79.7 Mn EBT (Net Profit)	+70% vs 9M 2016
€57.2 Mn Revenues	+36% vs 9M 2016
€26.4 Mn Adjusted EPRA Earnings	+38% vs 9M 2016
€880.2 Mn EPRA NAV	€9.51 p.s.
37% Net LTV; 577.3 Mn Gross Debt	2.19% cost of debt

02 Healthy Performance of the business

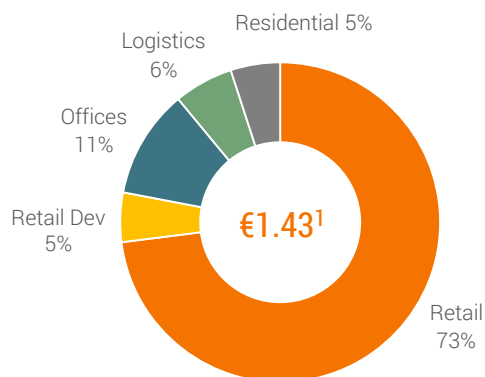
Retail NOI LfL improvement	+4% LfL
Retailer Sales outperforming the market	2.7% vs 2.1%
Footfall outperforming the market	1.9% vs 1.8%
Portfolio's high occupancy rate (sqm)	95.4%
	+0.7pp in 3 months

03 Value drivers in action: asset rotation & retail developments & Lagasca99

Asset Rotation already unlocking value	Exit @ 4.5% yield
Palmas Altas & Vidanova already under construction on track to deliver in time with high presale figures	+56% & 88% of GLA signed & committed
Lagasca99 progresses above expectations	70% already sold

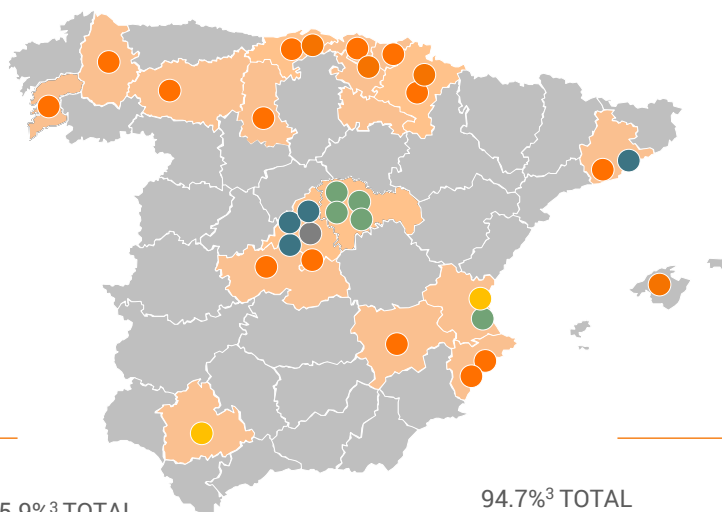
Portfolio at a glance

GAV (€Bn)

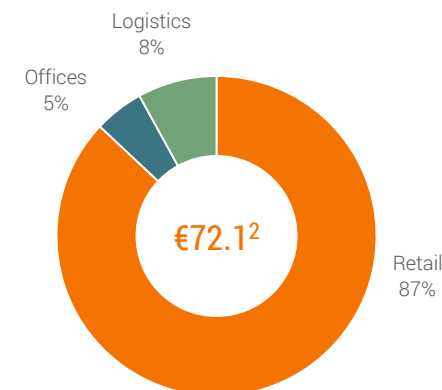


GLA 882,852

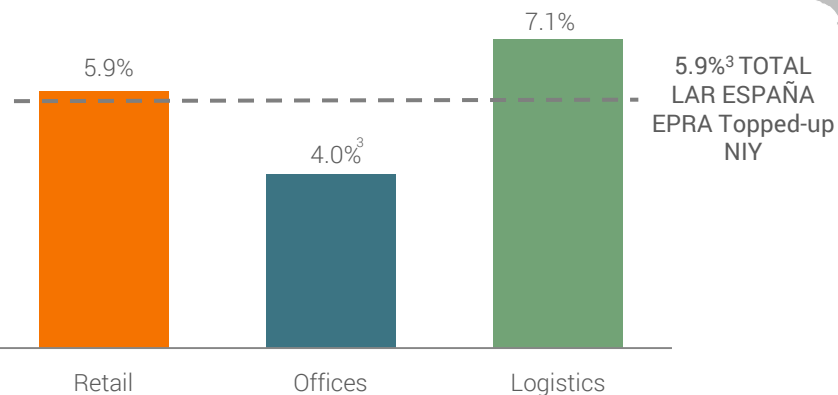
+25% increase vs Q3 2016



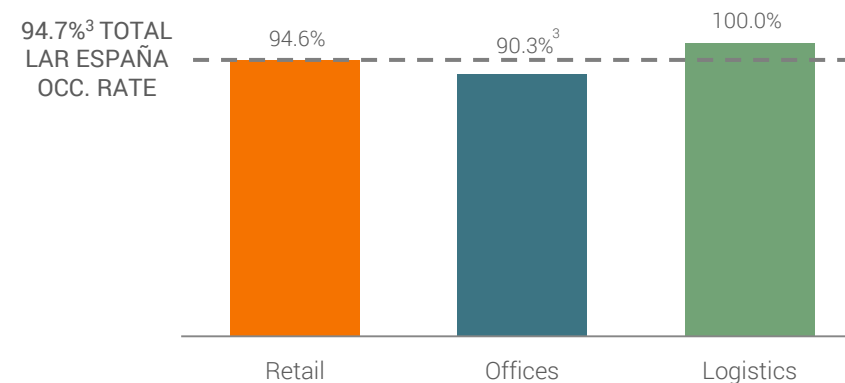
EPRA Annualized Net Rent (€Mn)



EPRA Topped-up NIY



Occupancy Rate



1. Total GAV = Asset valuation as of 30th June 2017 + capex Q3 2017 – Arturo Soria divestment.

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

3. To calculate the Topped-up NIY and Occupancy Rate for the total portfolio we have excluded the data from Marcelo Spinola and Eloy Gonzalo. Both assets are involved in commercialization and refurbishment phase.

2

9M Financial Results



Alovera IV, Guadalajara

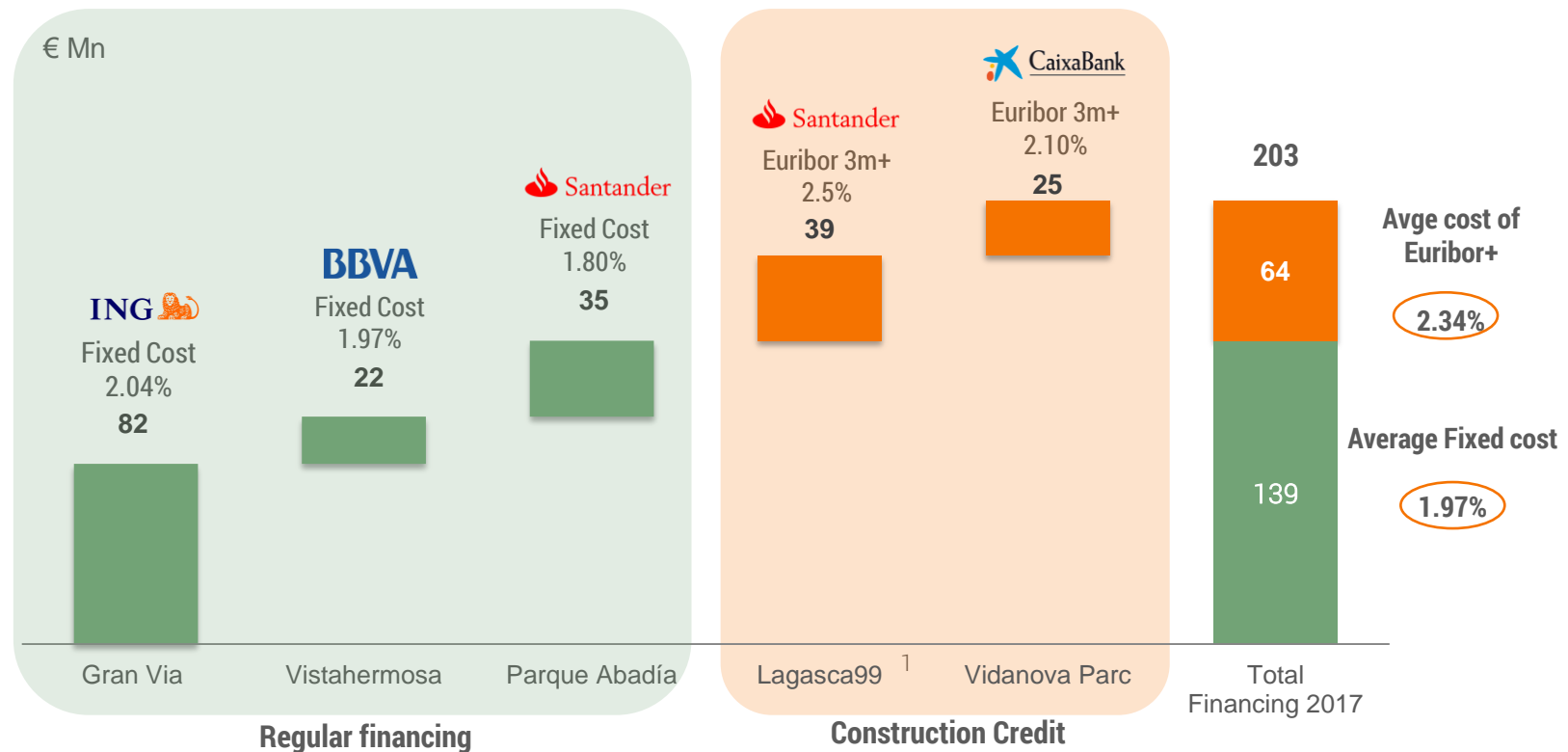
Consolidated Income Statement (Millions of €)

	9M 2017			Recurrent 9M17/9M16	9M 2016		
	Recurring	Non-Recurring	Total ¹		Recurring	Non-Recurring	Total ¹
Rental Income	57.2	-	57.2	+35.5%	42.2	-	42.2
Other income	1.6	-	1.6		1.3	-	1.3
Property Operating Expenses	(9.6)	-	(9.6)		(7.4)	-	(7.4)
Base Fee	(6.8)	-	(6.8)		(4.8)	-	(4.8)
Gain/(losses) on disposal of investment properties	-	2.8	2.8		-	-	-
Property Operating Results	42.5	2.8	45.4	+44.4%	31.4	-	31.4
Corporate Expenses	(2.5)	(1.6)	(4.2)		(2.7)	(0.7)	(3.5)
Other Results	-	0.7	0.7		-	2.8	2.8
EBITDA (pre performance fee)	40.0	1.9	41.9	+36.1%	28.7	2.1	30.8
Changes in the Fair Value	46.9	-	46.9		29.1	-	29.1
EBIT (pre performance fee)	86.9	1.9	88.8	+48.4%	57.8	2.1	59.8
Financial Result	(7.9)	-	(7.9)		(5.7)	(4.1)	(9.9)
Share in profit (loss) for the period of equity-acc.companies	(1.1)	-	(1.1)		(3.0)	-	(3.0)
Impairment and gains/(losses) on disposal of fin instruments	-	-	-		-	0.03	0.03
EBT (pre performance fee)	77.9	1.9	79.7		49.0	(2.0)	47.0
Income Tax	-	-	-		-	-	-
Profit for the Period (pre performance fee)	77.9	1.9	79.7	+69.6%	49.0	(2.0)	47.0
FFO (EBITDA – Financial Result)	32.1	1.9	33.9		23.0	(2.1)	20.9
% FFO Annualized Yield /NAV	3.64%	-	3.86%		4.04%	-	4.04%
Performance fee (estimated provision)	(7.6)	-	(7.6)		(0.4)	-	(0.4)
Profit for the Period (post performance fee)	70.3	1.9	72.2	+55.0%	48.6	(2.0)	46.6

1. May not foot due to rounding

5 new financings year to date allows for releasing of resources to fund new and existing projects

€139 Mn of operating assets financing @ avge fixed rate < 2% and €64 Mn of development credit² @ Euribor 3m + 2.34%



1. Corresponding to the 50% of the JV owned by Lar España

2. Credit down down according to progress of construction works

Debt structure and cost aimed at delivering value on the business plan

Key Figures of the financing

37%

Net Loan to Value (LTV)

2.19%

Avg. Cost of Debt

-41 b.p since H1 2015

5.3x

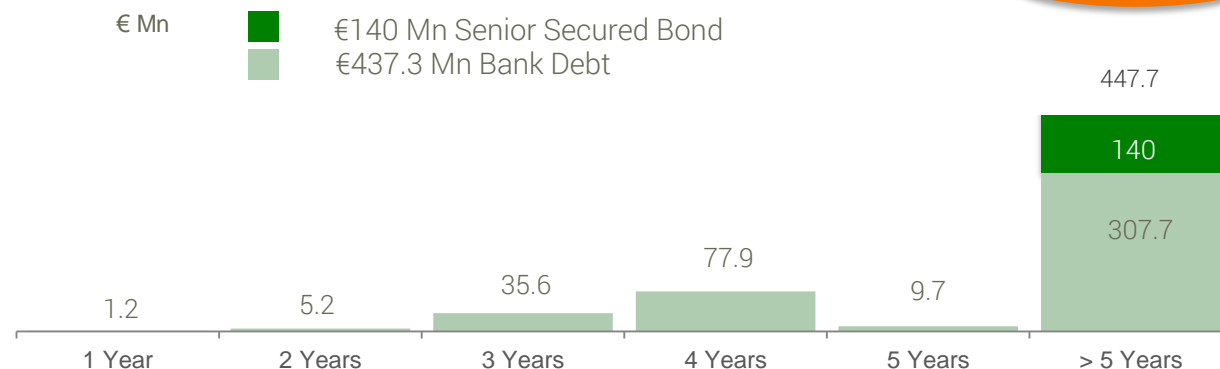
Interest Cover Ratio¹(ICR)

6.3Y

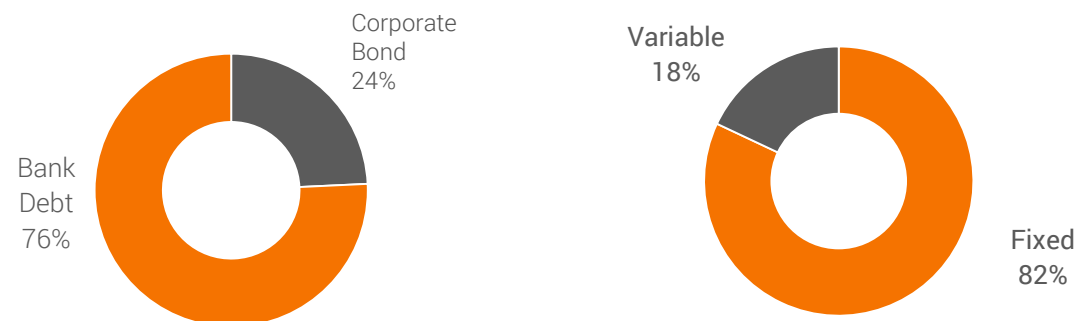
Debt duration

Back-loaded Amortization Profile

€577.3 Mn



Diversification of sources



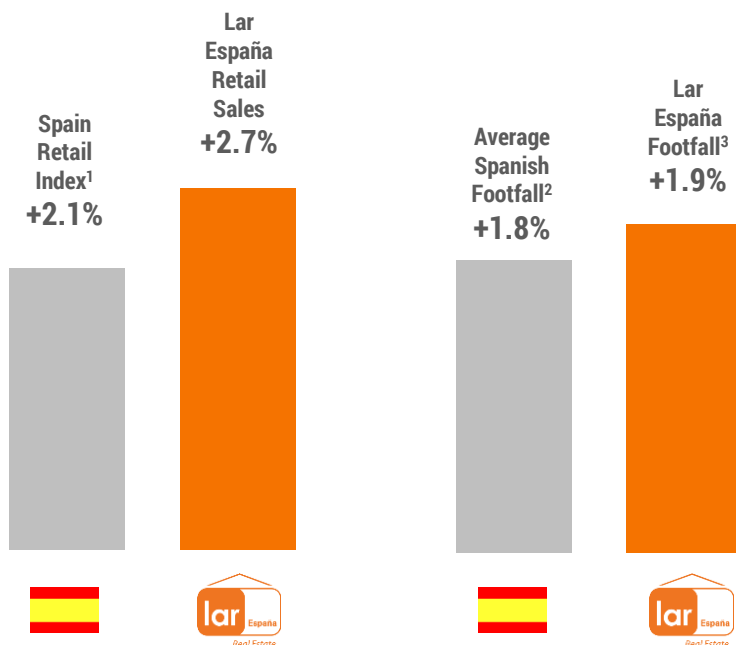
1. EBITDA (pre-revaluation) / Interest expenses as at H1 2017

Retail operating trends keep up with a very strong quarter

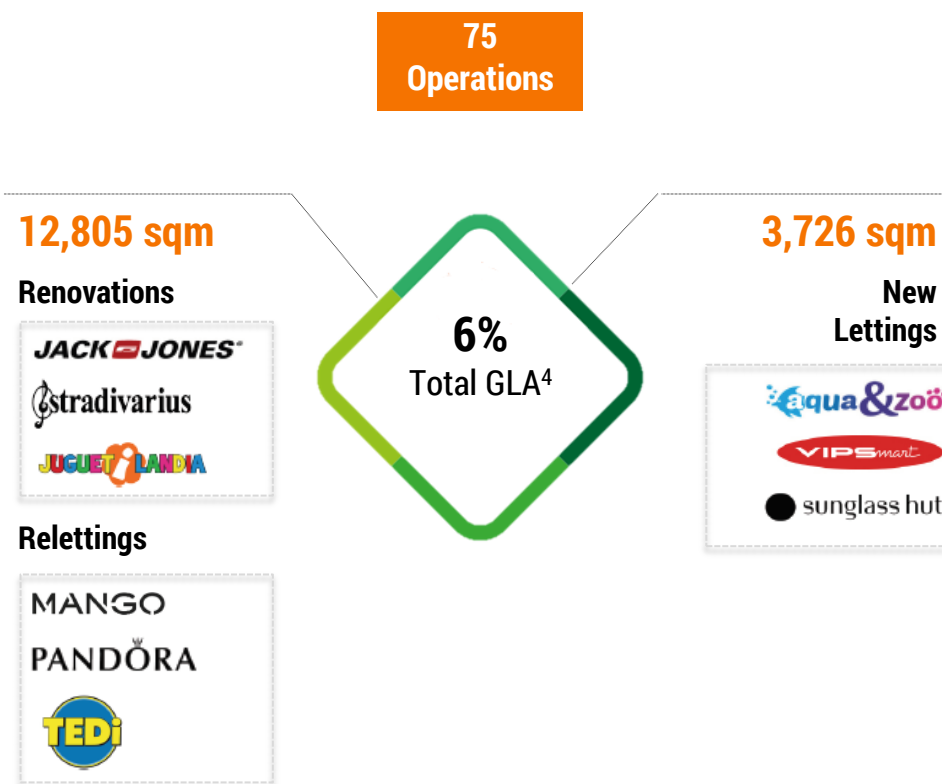
Lar España is outperforming the market

Sales 2017
€451.5 Mn

Visits 2017
41.9 Mn



Letting activity at the core of the strategy



1. INE. Spanish Retail Index. YTD till September 2017

2. Shopper Track Index.

3. 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 2017.

4. Tenants annualized rotation rate.

Retail operating trends keep up with a very strong quarter

All figures refer to 9m period

+1.2p.p

LfL Occupancy
rate growth

+4%

LfL NOI
growth

+4%

Rental growth
from renewal &
relettings

+19.6%

Mall Income
growth

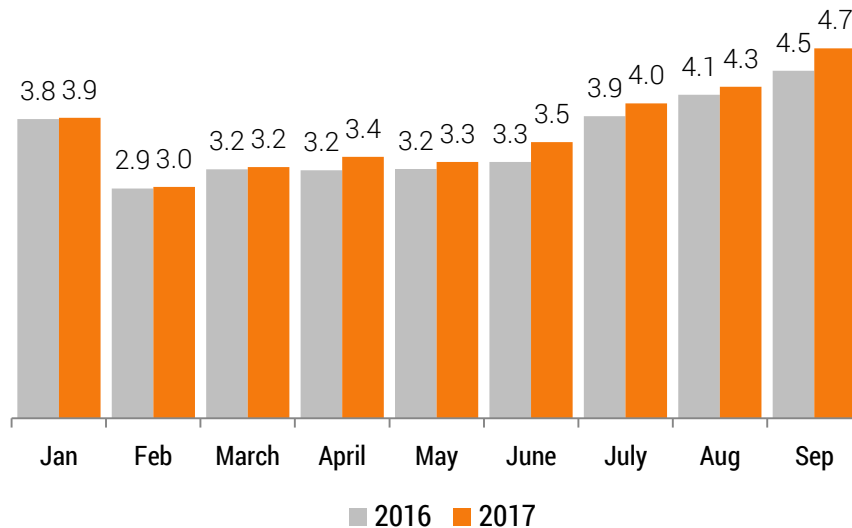
+21.7%

Top 10 retailer's
comparable
sales growth

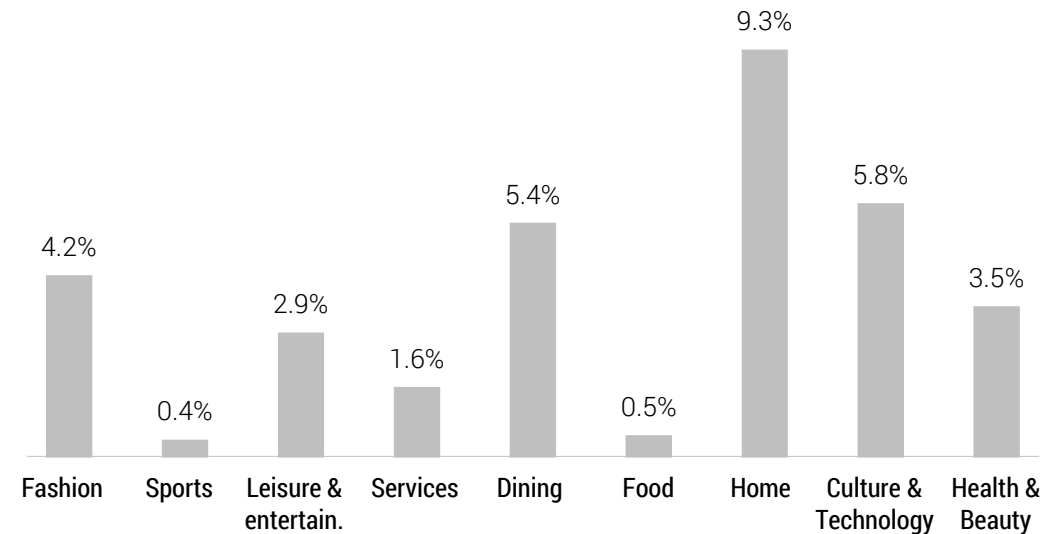
Positive evolution of footfall through all the year

%
Growth

0.4% 0.6% 0.9% 5.5% 2.8% 7.8% 4.2% 2.0% 6.4%



Large sales growth in all activities



Adding value to Office assets & enhancing stability of logistics

Offices



+27.1%
Revaluation
since Acq

BREEAM
CODE FOR A SUSTAINABLE BUILT ENVIRONMENT
BRE GLOBAL

- Leasing activity
 - New 1,572 sqm leasing to Giorgio Armani in Egeo
 - Marcelo Spinola currently in multi tenant leasing process
- Eloy Gonzalo ongoing full renovation and advanced leasing negotiations

Logistics



+31.6%
Revaluation
since Acq

- 100% occupancy maintained in all our logistics assets
- Contract renewals:
 - Factor 5 contract renewal in Alovera III
 - Carrefour's lease contract renewal in Alovera II

3

Corporate activity towards growth and value creation



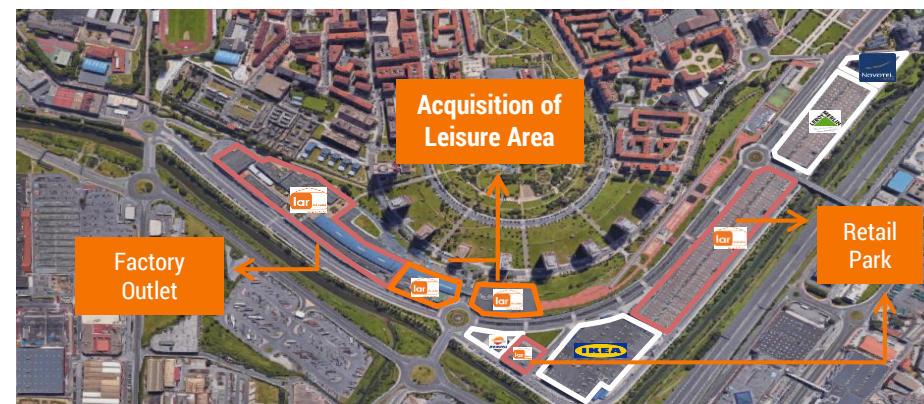
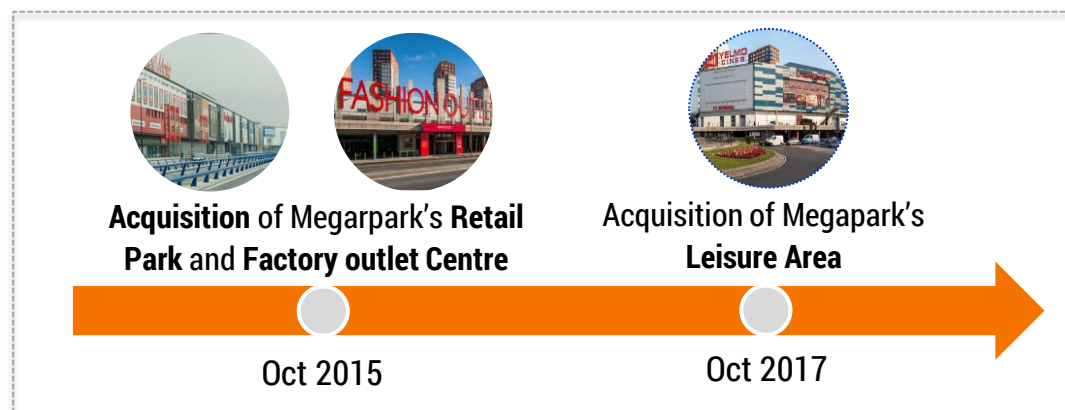
Palmas Altas Retail Development, Seville

Megapark Leisure Area acquisition to capture further synergies

The acquisition of the Leisure Area **complements Megapark's previous acquisition** of the Retail Park and Fashion Outlet Centre

Megapark is the dominant shopping centre in the area, with **10.6 Mn visitors in 2016** and one of the strongest catchment areas in **Europe**

Excellent tenant line-up and upside potential through **active asset management**



Leisure Area Acquisition

GLA: **19,804 sqm**

Acquisition price: **EUR 8.7 M**

Net Initial Yield **9.2%**

No. Tenants: **33 units**

TOTAL

GLA: **83,526 sqm**

Acquisition price: **EUR 178.7 M**

Price per sqm: **€2,134 per sqm**

No. Tenants: **108 units**

Leisure Area Main Tenants



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La Tagliatella®
Dove Mangiare è un Piacere

Asset Rotation kicks off with the accretive sale of Arturo Soria

Location Madrid	GLA 8,663 sqm
Acquisition Price € 24.2 Mn	Acquisition Date 31 – July – 2014
Sale Price € 32.54 Mn	Capex €1.0 Mn
%over Acq Price 34.5%	%over Last Appraisal 13%

- **13% revaluation** over the last appraisal in June, through the implementation of active management in these 3 years and capex invested.
- **Fully occupied** vs an initial occupancy of c.80%.
- **Asset management** has been carried out around elevators renovation, lobby & common areas extension due to a new glass pavilion and indoor landscaping.



Vidanova Parc obtains a €24Mn development credit to accomplish its construction and start operations on H1 2018

Lar España has signed a **credit for construction for €24 Mn** for the development of the retail park that will be completed during the first half of 2018.

Vidanova Parc will have an area of **44,252 Sqm GLA**. The total PLOT area is 119,632 Sqm, which includes a car park with 2,322 parking spaces.

Vidanova Parc is a strategic asset due **to its location, benefiting from a lack of commercial centres around**. Placed in a strong catchment area and benefiting from tourism during the summer season.

Strong top tenant line-up already committed



worten

c.88%

GLA signed & committed

+5

Operations signed in 9M 2017



Palmas Altas has set its “first stone” with excellent prospects

- **Optimal mix** of family leisure and fashion
- **c.200** premises
- **14 Mn** visits/year
- **Excellent location** 4 km from Seville's centre
- **High footfall** in area: 1.5 million inhabitants

Strong top tenant line-up already committed



c.56%

GLA signed & committed

+11

Operations signed in 9M 2017

Mar 2016

Acquisition of a plot of land in Seville

Jun 2017

Works licenses granted

Aug 2017

Palmas Altas Works Initiation

Oct 2017

“1st Stone” Inauguration Event

Q2 2019

Palmas Altas Expected Opening



Lagasca99 to further capture value on the thriving residential market

Financing of 100%
of construction
costs agreed



Q2 2018

Estimated delivery date



Construction works on schedule

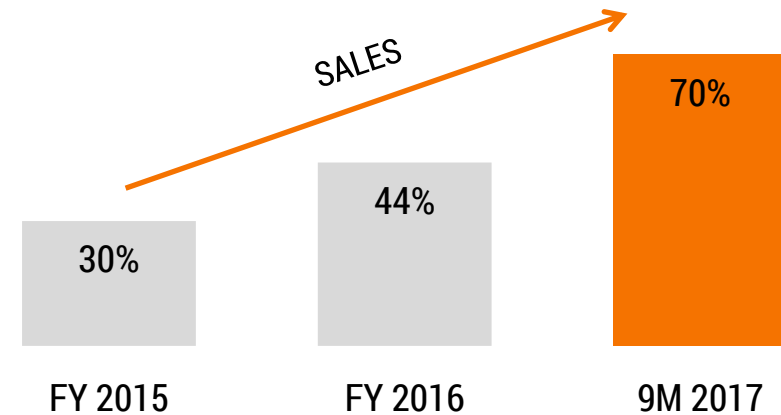
Façade and interior carpentry works
started



In process

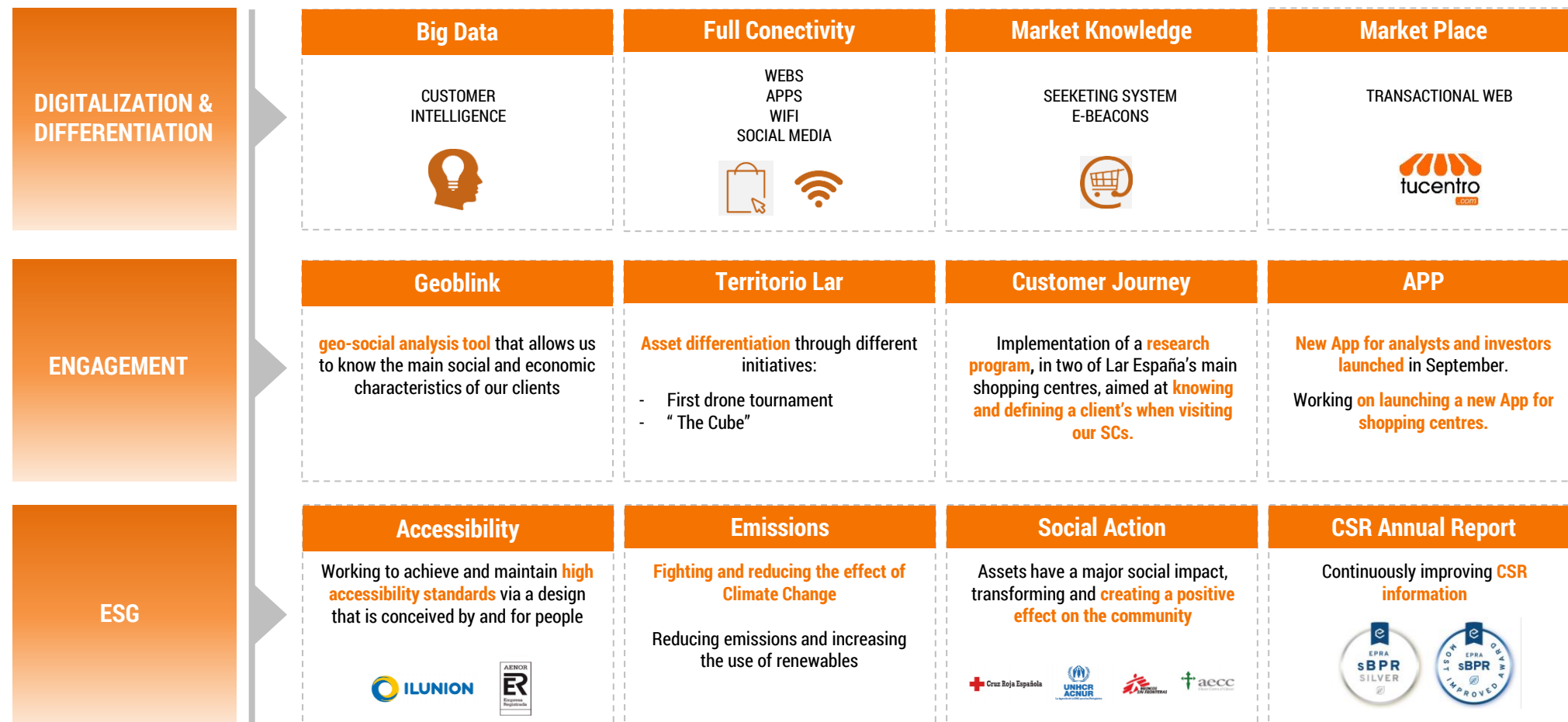
High interest from national and international investors

Price c.11,000 €/sqm



Innovation strategy – TES Project

Disruptive projects differentiating among our competitors



4 Closing Remarks



Closing Remarks

+38% of EPRA Earnings YoY shows the contribution of the new assets & the improvement in the existing portfolio
Active Management and current market environment supports **further retail NOI growth (+4%)** in the medium term

Solid underlying business trend reflected in both **tenant sales & footfall above market**

Retail Developments as key drivers of value creation raise their visibility with the financing of the construction of Vidanova Parc and the advanced progress on the GLA committed by retailers

3 financings of retail operating assets and 2 development assets during 2017
Corporate focus on realizing value on office assets through asset rotation confirmed with the sale of Arturo Soria

Lagasca99, from a promising project to a fruitful reality that is **overcoming the most optimistic expectations**

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