



Real Estate

Investor Day

www.larespana.com

October 2016

Disclaimer

This document has been prepared by Lar España Real Estate SOCIMI, S.A. (the "Company") for information purposes only and it is not a regulated information or information which has been subject to prior registration or control by the Spanish Securities Market Commission. This document neither is a prospectus nor implies a bid or recommendation for investment. This document includes summarised audited and non-audited information. The financial and operational information, as well as the data on the acquisitions which have been carried out, included in the presentation, correspond to the internal recordings and accounting of the Company. Such information may in the future be subject to audit, limited review or any other control by an auditor or an independent third party. Therefore, this information may be modified or amended in the future.

The information contained herein has been obtained from sources that the Company considers reliable, but the Company does not represent or warrant that the information is complete or accurate, in particular with respect to data provided by third parties (including certain information relating to the Company's properties such as their catchment areas and performance indicators for periods preceding the time of acquisition by the Company). Neither the Company nor its legal advisors and representatives assure the completeness, impartiality or accuracy of the information or opinions included herein. In addition, they do not assume responsibilities of any kind, whether for misconduct or negligence, with regard to any damages or losses that may derive from the use of this document or its contents. The information contained in this document has not been subject to independent verification. This document includes forward-looking representations or statements on purposes, expectations or forecasts of the Company or its management up to the date of release of this document. Said forward-looking representations and statements or forecasts are mere value judgments of the Company and do not imply undertakings of future performance. Additionally, they are subject to risks, uncertainties and other factors, which were unknown or not taken into account by the time this document was produced and released and which may cause such actual results, performance or achievements, to be materially different from those expressed or implied by these forward-looking statements. Moreover, these forward-looking statements are based on numerous assumptions (which are not stated in the presentation) regarding the Company's present and future business strategies and the environment in which the Company expects to operate in the future. There are many factors, most of them out of the Company's control which may cause the Company's actual operations and results to substantially differ from those forward-looking statements.

The financial information contained herein may include items which are not defined under the International Financial Reporting Standards as adopted by the European Union (IFRS-EU) and which are considered to be "alternative performance measures". Other companies may calculate such financial information differently or may use such measures for different purposes than we do, limiting the usefulness of such measures as comparative measures. Such financial information must be considered only in addition to, and not as a substitute for or superior to, financial information prepared in accordance with IFRS-EU.

Under no circumstances the Company undertakes to update or release the review of the information included herein or provide additional information. Neither the Company nor any of its legal advisors or representatives assume any kind of responsibility for any possible deviations that may suffer the forward-looking estimates, forecasts or projections used herein.

This information does not constitute or form part of any offer to sell or issue, or invitation to purchase or subscribe for, or any solicitation of any offer to purchase or subscribe for, any securities of the company, nor shall the fact of its distribution form the basis of, or be relied on in connection with, any contract or investment decision. This presentation should not be considered as a recommendation by the company, Grupo Lar Inversiones Inmobiliarias, S.A. or any other person that any person should subscribe for or purchase any securities of the company. Prospective purchasers of securities of the company are required to make their own independent investigation and appraisal.

The securities of the Company have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the "U.S. Securities Act") or the laws of any state or other jurisdictions of the United States. Such securities may not be offered or sold in the United States except on a limited basis, if at all, to Qualified Institutional Buyers (as defined in Rule 144A under the US Securities Act) in reliance on an exemption from, or transaction not subject to, the registration requirements of the U.S. Securities Act. The securities of the Company have not been and will not be registered under the applicable securities laws of any state or jurisdiction of Australia, Canada, Japan or Switzerland, and subject to certain exceptions, may not be offered or sold within Australia, Canada, Japan or Switzerland or to or for the benefit of any national, resident or citizen of Australia, Canada, Japan or Switzerland.

The information contained herein does not purpose to be comprehensive or to contain all the information that a prospective purchaser of securities of the Company may desire or require in deciding whether or not to purchase such securities.

This document discloses neither the risks nor other material issues regarding an investment in the securities of the Company. The information included in this presentation is subject to, and should be read together with, all publicly available information. Any person acquiring securities of the Company shall do so on their own risk and judgment over the merits and suitability of the securities of the Company, after having received professional advice or of any other kind that may be needed or appropriate but not only on the grounds of this presentation. By delivering this presentation, the Company is not providing any advisory, purchase or sale recommendation, or any other instrument of negotiation over the securities or financial instruments of the Company. This document does not constitute an offer, bid or invitation to acquire or subscribe securities, in accordance with the provisions of article 35 of the consolidated text of the Spanish Securities Market Act approved by the Royal Legislative Decree 4/2015, of 23 October, and/or the Royal Decree 1310/2005, of 4 November and their implementing regulations. Furthermore, this document does not imply any purchase or sale bid or offer for the exchange of securities or a request for the vote or authorization in any other jurisdiction. The delivery of this document within other jurisdictions may be forbidden.

Recipients of this document or those persons receiving a copy thereof shall be responsible for being aware of, and complying with, such restrictions.

By accepting this document you are accepting the foregoing restrictions and warnings.

All the foregoing shall be taking into account by those persons or entities which have to take decisions or issue opinions relating to the securities issued by the Company. All such persons or entities are invited to consult all public documents and information of the Company registered within the Spanish Securities Market Commission.

Neither the Company nor any of its advisors or representatives assumes any kind of responsibility for any damages or losses derived from any use of this document or its contents.



Retail Strategy

A value creation story



Real Estate

Investor Day

Jose Manuel Llovet
Grupo Lar Head of Retail

www.larespana.com

October 2016

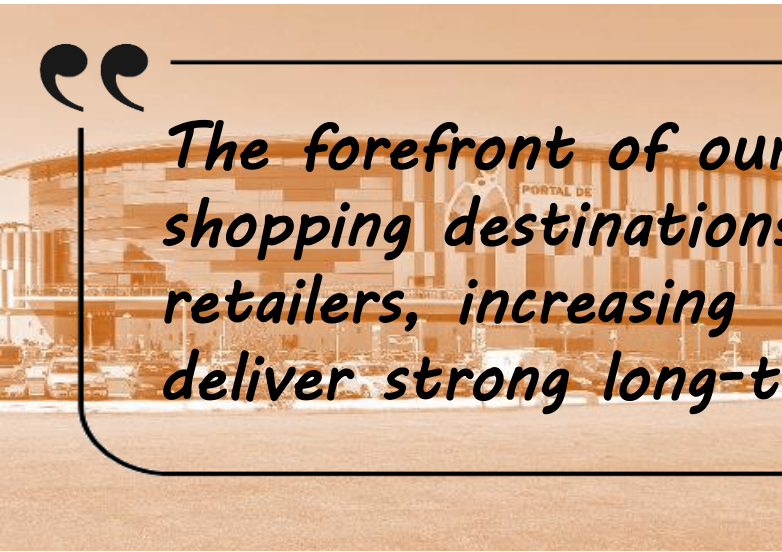
LEADING SHOPPING CENTRES IN STRONG CATCHMENT AREAS



LEADING SHOPPING CENTRES IN STRONG CATCHMENT AREAS



The forefront of our strategy is to create shopping destinations for consumers and retailers, increasing shareholders value and deliver strong long-term returns



Did you know that...



Vistahermosa Retail Park, Alicante

Alcampo

Year-on-year Consumption
Rates have been positive for
the last 29 months...

Notes:

1. Year-on-year consumption variation compared to the same period in previous year, starting to count only positive variations from November 2013 till July 2016.

Previously we had 72 months in negative?

Notes:

1. *Year-on-year consumption variation compared to the same period in previous year, starting to count only negative variations from March 2008 till October 2013.*
2. **3 months in 2010 had a minimum increase.*

Consumption Index at July
2016 is still 12% below 2007's
level
(room for growth)?

Notes:

Comparing accumulated consumption figures Jan-Jul 2007 and Jan-Jul 2016.

Market yields of our target SC in the peak were 5.25% and now are 6% whilst Offices and High-Street are already the same?

**Lar España is the first
MOST ACTIVE BUYER
(second including corporate deals)
in Retail since Jan 2014?**

**Lar España has the biggest
Portfolio of Dominant Value
Add Centres in Spain?**

Lar España capital value per m²
of €2,244 is 15% below its Replacement Cost
and 22% below other Socimis SC's,
having better quality and more balanced portfolio?

**Our top 10 Tenants represent
40% of total income and their
sales increased by +8% YTD?**

WAULT is 3...
in theory we can rotate all of
our tenants in 3 years?

**Turnover Rents are 4% of
Total Gross Income and
Specialty Leasing is 2.7%?**

Asset Selection

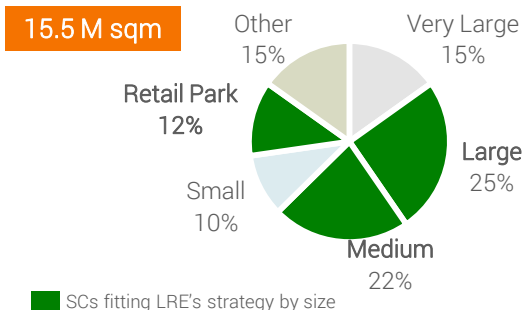


Megapark Retail Complex, Bilbao

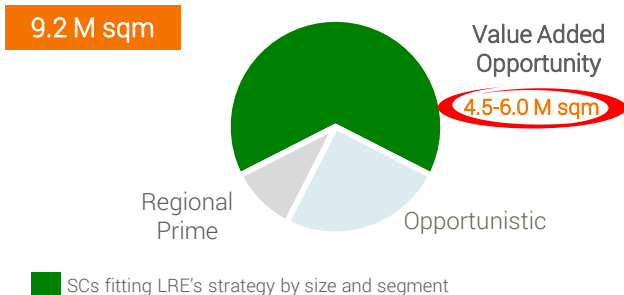
LAR España has a clear objective

Consolidate among the top 3 retail operators in Spain: Target to selectively increasing GLA to generate revenue synergies

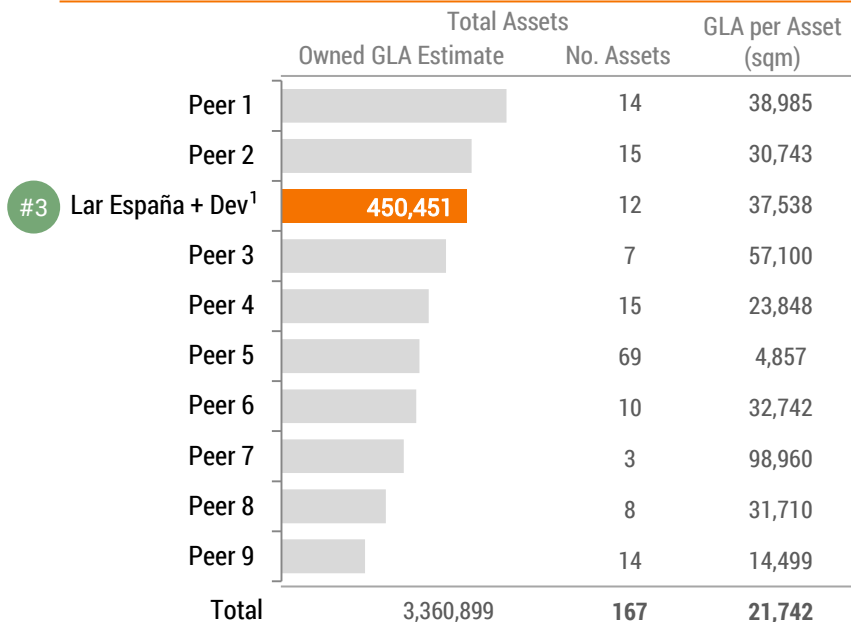
Spain Total Retail GLA by Size



Fit LRE Size and Value Added Strategy



Top 10 players own 167 shopping centres which represent c.25% of the total Spanish market



Source: AECC 2014, CBRE 2015 & Grupo Lar as of July 2016 (all reported figures are estimates)

Notes:

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

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, with



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

Vision



Portfolio Selection

Operational Execution

Strong Financial
Foundation

Vision



- Invest in higher-growth assets
- Dominant in its area
- Resilient centres. Recovery capture
- Develop higher-return assets (2-digit IRRs)



- Upgrade retail quality
- Sales Increase / Occupancy increase
- Re-letting at higher market rents. Reversionary
- Strong Marketing and converting space to retail use



- Drive continued progress in NOI
- Tight expense control
- Bad Debt Management
- Retail Credit risk management

Our Portfolio



Portal de la Marina Shopping Centre, Alicante

Our Portfolio

Geographically diversified...



...and in the wealthiest regions

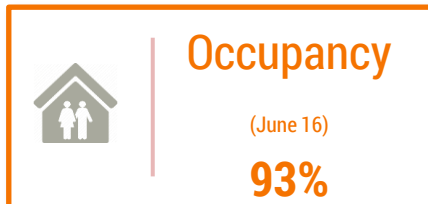
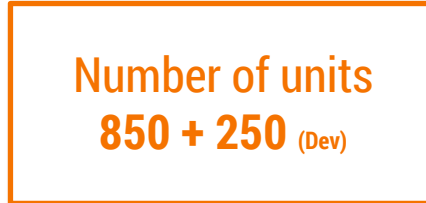
Direct catchment area of 6 Mn inh.

15% of Total Spanish Population

Interest in areas with Low Density, Above avg in GDP and impact of Tourism



Portfolio Key Metrics



Notes:

1. GLA, NMV, Number of units and Footfall include upcoming acquisition deal.
2. TDC – Total Development Cost including Acquisition Costs

Portfolio of high quality assets & growth

LAR España largest assets represent
90% of its retail GAV

| | Megapark | Palmas Altas | P. Marina | El Rosal | Aneclubau | As Termas | Gran Vía Vigo | Vistahermosa |
|--|---|---|---|--|--|--|---|---|
| Dominant in its catchment area | ✓✓✓ | ✓✓✓ | ✓✓✓ | ✓✓✓ | ✓✓ | ✓✓✓ | ✓✓✓ | ✓✓✓ |
| % of High Quality Tenants¹ | 98% | n.a. | 95% | 89% | 98% | 99% | 100% | 100% |
| Value Add Potential | <ul style="list-style-type: none"> Occupancy Tenant mix | <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"> Tenant mix Extension | <ul style="list-style-type: none"> Occupancy Reposition |
| Initial Yield on Cost | 6.3% | 8.0% ⁴ | 6.6% | 6.3% | 6.1% | 6.2% | 6.2% | 5.7% |
| Location | Bilbao | Seville | Alicante Coast | Ponferrada | Great BCN | Lugo | Vigo | Alicante City |
| Ownership | 100% RP+FOC | 100% | 100% | 100% | 100% | 100% SC ⁶ | 100% | 100% |
| Asset Type | Retail Complex | Shopping Centre | Shopping Centre | Shopping Centre | Shopping Centre | Shopping Centre | Shopping Centre | Retail Park |
| GLA³ | 128,000 sqm ² | 60,000 sqm | 40,083 sqm | 51,022 sqm | 28,651 sqm | 35,165 sqm | 41,384 sqm | 33,550 sqm |
| GAV³ | €178 Mn | €36 Mn | €99 Mn | €93 Mn | €87 Mn | €72 Mn | €141 Mn | €43 Mn |
| Initial Occupancy | 96.2% | N.A. | 93.0% | 92.6% | 93.3% | 94.0% | 96.0% | 84.5% |
| Footfall | 10 Mn | N.A. | 3.8 Mn | 5.5 Mn | 5.5 Mn | 3.8 Mn | 7.2 Mn | 4.4 Mn |
| Catchment Area⁵ | 3 Mn | 1.5 Mn | 216,000 | 200,000 | 1 Mn | 250,000 | 482,100 | 466,000 |

Notes:

- GLA of international retailers, franchises and retailers with multiple points of presence in Spain, as % of total GLA, excluding vacancies
- GLA of 100% of asset of which LRE owns 63,666 sqm
- As of 2016 Q2, Cushman & Wakefield and JLL. Gran Vía de Vigo acquisition price.

- Yield on Cost for Palmas Altas is based on an estimation by the company
- Catchment area may differ between assets depending on the amount of inhabitant living within a driving distance
- Excludes the Hypermarket

Ongoing Development Projects



Asset Strategic Positioning

- Best possible location in **Seville** → urban site
- Catchment area: **1.5 Mn people**
- Low commercial offer in the area
- Sustainable, modern, family oriented

Rents and Leasing status

- Anchoring Phase: 25% of GLA pre-leased by Dec´16
- **€13 Mn** of annual rental income
- Expected **opening** – Q1 2019

Main figures

- Land acquisition cost of €37.1 Mn ⁽¹⁾
- Total investment volume of aprox. €141 Mn
- NIY on Cost: >8%



Asset Strategic Positioning

- Best possible location in **Sagunto** → urban site
- Touristic destination: **triple population** in Summer
- **Balanced tenants mix, modern, family oriented**

Rents and Leasing status

- Leases signed with anchors: Leroy Merlin and Urban Planet
- 60% of GLA signed and pre-signed
- **€4 Mn** of annual rental income
- Expected **opening** – H1 2018

Main figures

- Land acquisition cost of €13.5 Mn ⁽¹⁾
- Total investment volume of aprox. €40 Mn
- NIY on Cost: >8%

(1) Purchase costs included.

The value of a retail platform

350,000 sqm, 850 shops, 50,000,000 visitors, 13 cities

Retail Leaders in Spain

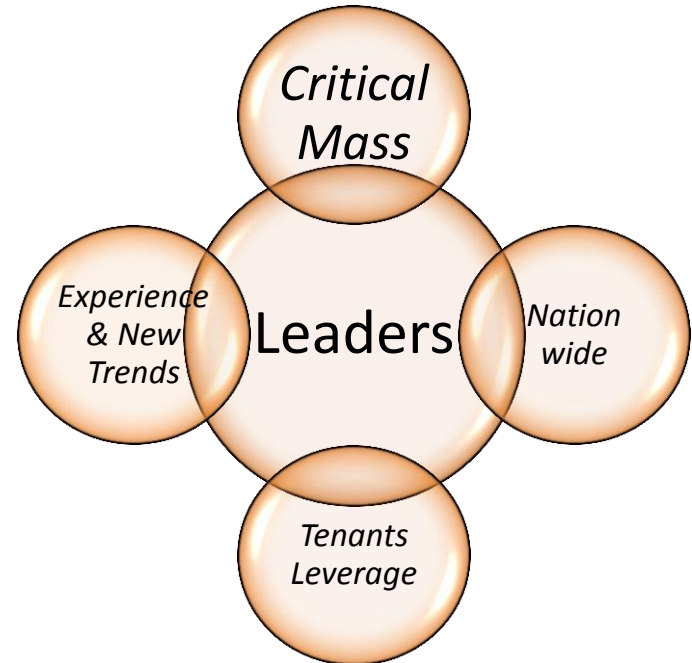
Portfolio **Size** gives us benefits in: **Synergies** in procurement of services

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



Value Creation

Ahorrare fau

Ahorrare fau est!

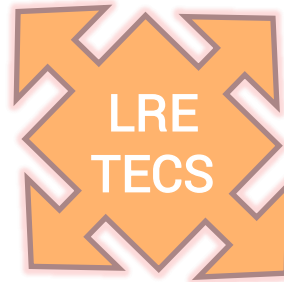
As Termas Shopping Centre, Lugo



Value Creation. Our 4 Pillars

- ✓ Best Retailers
- ✓ City meeting point
- ✓ New Decoration
- ✓ Strong and disruptive Marketing

- ✓ Transform prime under-managed SC
- ✓ Shopping experience, Image enhancement, services improvement
- ✓ Investment partnership with anchors
- ✓ Capex of €41 Mn the next 3 years



- ✓ Beacons & Cameras for flow understanding
- ✓ Web & App for services and client's preferences
- ✓ Own Market Place for Online Shopping for our retailers

- ✓ Sustainable Developments and Refurbishments
 - ✓ Energy Efficiency
 - ✓ Breeam* certificate
 - ✓ Accesibility DIGA* certificate

**Breeam and DIGA are international certifications.*

1. Experience vs Convenience

INDITEX

8% TOTAL RENTS

Media Markt

7% TOTAL RENTS

DECATHLON

4% TOTAL RENTS

Top 10 Retailers generate 40% of the rents

El Corte Inglés

4% TOTAL RENTS

C&A

3% TOTAL RENTS

Carrefour

3% TOTAL RENTS

Best Retailers per activity.

Leaders in sales, visits and customer service

LEROY MERLIN **AKI**

3% TOTAL RENTS

H&M

3% TOTAL RENTS

CORTEFIEL

3% TOTAL RENTS

1. Experience vs Convenience

Creating Dining Experience through Marketing Events



ANEC BLAU
400 K
followers



2. Repositioning Capex

Refurbishment Projects Timeline:



Las Huertas



Nov 2016



Albacenter



Megapark

June 2017



El Rosal

Q4 2017

June 2016

May 2017

Oct 2017

TBD



Txingudi



Vistahermosa



P. Marina



AnecBlau

3. Technology

Omnichannel presence to enhance Shopping and Social Experience



3. Technology

The screenshot displays the Lar España website interface. At the top, there is a navigation bar with the Lar España logo, a search bar, and a shopping cart icon labeled 'MI CESTA' with 2 articles for 36.50€. Below this is a main navigation bar with categories: Inicio, Novedades, Rebajas, Inspírate, Centros Comerciales, and Contáctanos.

A left-side menu is open, showing various product categories. The 'Deportes y Exterior' category is selected and expanded, listing sub-categories:

- Deportes**
 - Running
 - Ciclismo
 - Fútbol
 - Otros deportes
- Exteriores**
 - Acampada
 - Telescopios
 - Sombreros
 - Calzado
 - Bolsos de dormir
- Baño**
 - Baño Mujer
 - Baño Hombre
 - Baño Niños
 - Sombrillas
 - Toallas
 - Gorras y sombreros
 - Newerac portátiles

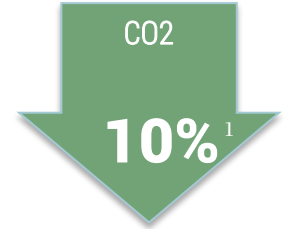
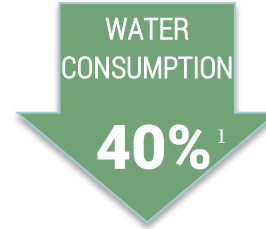
The main content area features a large promotional banner for 'REBAJAS' (Discounts) with a '30%' discount tag. The text reads: 'CONSIGUE UN DESCUENTO DEL 30% EN TODOS LOS DEPORTES Y EXTERIOR SOLO ESTE FIN DE SEMANA'. Below the banner, there are two call-to-action boxes: 'GARANTÍA TIENES 30 DÍAS DE...' and 'PAGO SEGURO EN TODAS TUS COMPRAS'.

At the bottom, there is a section for 'ELECTRÓNICA' with sub-sections for 'NOVEDADES', 'MÁS VENDIDOS', and 'MÁS VISTOS'. A product card for 'NUEVO ONIX SP' is visible, featuring a 'CAMERA WITH 18-50MM POWER ZOOM LENS'.

4. Sustainability

Committed to being a sustainable and socially responsible business

BREEAM Environmental Certifications



Accessibility Certifications



1. 2016-2017 Target

Results



Albacenter Shopping Centre, Albacete

Key Financials of Our Portfolio



Footfall

+8.6% vs. 1.5 Av. Footfall Index Spain H1 2016



Sales

+4.6% LfL
+12.5% vs. 3.1 Sales Index Spain H1 2016



GLA Leased

13,709 sqm 65 deals signed H1 2016
+19% Rent Uplift

14% Rotation since acquisition
1.4% Increase in occupancy



Discounts Reduction

-20% vs. Acquisition



Bad Debt Improvement

-55% vs. Acquisition



NOI Growth

+4% vs. Acquisition

Gross Market Value Increase

+11% vs. Purchase Price

Notes:

1. As of H1 2016



Investor Day

Follow us:

www.larespana.com



Lar España Real Estate SOCIMI



info@larespana.com



Investor Day App

