Lar España’s presenting team

MIGUEL PEREDA
Co-CEO of Grupo Lar and Board Member of Lar España

JON ARMENTIA
Corporate Manager of Lar España

JORGE PEREZ DE LEZA
Head of European Operations of Grupo Lar

JOSE MANUEL LLOVET
Head of Retail Operations of Grupo Lar
Financial Highlights

Speeding up business performance and portfolio growth

Strong business performance during 1H 2015

Positive business performance: **1H 2015 EBITDA of €8.3m; EBIT of €20.8m; Net Profit of €19.3m**

+6% EPRA NAV growth in the **1H2015**, on the back of strong business evolution of the portfolio

Accelerating Portfolio Growth since 1H2015

Recent **Capital increase** enables to target €1,000m of investments in the short term

Total investments of **€852.6m** as of August 31\(^{st}\) in a value added portfolio, with c.€90m of committed capex

**c.50% of portfolio growth** since 30\(^{th}\) of June with c.€282m committed

**c.€52m\(^1\)** of expected annualized **Net Rents** from current portfolio

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\(^1\) Future rent contribution of Sagunto Retail development has not been included.
Positive financial performance, but still expecting ramp-up phase

### Consolidated Income Statement

<table>
<thead>
<tr>
<th></th>
<th>1H 2015</th>
<th>1H 2014 (1)(2)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenues</td>
<td>14,116(3)</td>
<td>933</td>
</tr>
<tr>
<td>Other income</td>
<td>400</td>
<td>14</td>
</tr>
<tr>
<td>Change in fair value of investment properties</td>
<td>12,470</td>
<td>-</td>
</tr>
<tr>
<td>Personnel costs</td>
<td>-160</td>
<td>-2</td>
</tr>
<tr>
<td>Other expenses</td>
<td>-6,055</td>
<td>-2,221</td>
</tr>
<tr>
<td><strong>Results from operations</strong></td>
<td><strong>20,771</strong></td>
<td><strong>-1,276</strong></td>
</tr>
<tr>
<td>Financial Income</td>
<td>615</td>
<td>1,251</td>
</tr>
<tr>
<td>Financial Expenses</td>
<td>-2,330</td>
<td>-</td>
</tr>
<tr>
<td>Impairment and results of disposals fin. instruments</td>
<td>-257</td>
<td>-</td>
</tr>
<tr>
<td>Share in profit (loss) of equity-accounted companies</td>
<td>547</td>
<td>-</td>
</tr>
<tr>
<td><strong>Profit/loss before Tax</strong></td>
<td><strong>19,346</strong></td>
<td><strong>-25</strong></td>
</tr>
<tr>
<td>Income Tax</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Profit/loss for the period</strong></td>
<td><strong>19,346</strong></td>
<td><strong>-25</strong></td>
</tr>
</tbody>
</table>

(1) All figures expressed in Thousands of EUR

### Consolidated Balance Sheet

<table>
<thead>
<tr>
<th></th>
<th>Jun 30, 2015</th>
<th>Dec 31, 2014</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Assets</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Investment properties</td>
<td>485,916</td>
<td>357,994</td>
</tr>
<tr>
<td>Equity-accounted investees</td>
<td>20,740</td>
<td>18,087</td>
</tr>
<tr>
<td>Other non-current assets</td>
<td>30,285</td>
<td>3,841</td>
</tr>
<tr>
<td><strong>Total Non-Current Assets</strong></td>
<td><strong>536,942</strong></td>
<td><strong>379,922</strong></td>
</tr>
<tr>
<td>Cash &amp; cash equivalents</td>
<td>86,434</td>
<td>20,252</td>
</tr>
<tr>
<td>Other current assets</td>
<td>43,688</td>
<td>36,981</td>
</tr>
<tr>
<td><strong>Total Current Assets</strong></td>
<td><strong>130,122</strong></td>
<td><strong>57,233</strong></td>
</tr>
<tr>
<td><strong>Total Assets</strong></td>
<td><strong>667,064</strong></td>
<td><strong>437,155</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>Jun 30, 2015</th>
<th>Dec 31, 2014</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Liabilities and Equity</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total Equity</td>
<td>412,900</td>
<td>389,493</td>
</tr>
<tr>
<td>Bonds and other marketable securities</td>
<td>138,433</td>
<td>-</td>
</tr>
<tr>
<td>Loans and borrowings</td>
<td>94,579</td>
<td>37,666</td>
</tr>
<tr>
<td>Other non-current liabilities</td>
<td>7,978</td>
<td>5,143</td>
</tr>
<tr>
<td><strong>Total Non-Current Liabilities</strong></td>
<td><strong>240,990</strong></td>
<td><strong>42,809</strong></td>
</tr>
<tr>
<td>Loans and borrowings</td>
<td>5,306</td>
<td>156</td>
</tr>
<tr>
<td>Other current liabilities</td>
<td>7,868</td>
<td>4,697</td>
</tr>
<tr>
<td><strong>Total Current Liabilities</strong></td>
<td><strong>13,174</strong></td>
<td><strong>4,853</strong></td>
</tr>
<tr>
<td><strong>Total Equity and Liabilities</strong></td>
<td><strong>667,064</strong></td>
<td><strong>437,155</strong></td>
</tr>
</tbody>
</table>

(*) All figures expressed in Thousands of EUR

Lar España was listed on 5th March 2014

(1) Non-comparable data since the Company was incorporated in 2014 and held no control over any society, not forming a Group.

(2) Data presented in accordance with the generally accepted accounting principles in Spain (PCGA).

(3) Revenues from Portal de la Marina amounts to €1.9m. This amount is included in the line "Share in profit (loss) of equity accounted companies" because this shopping center is accounted for using the equity method.

Lar España Real Estate SOCIMI, S.A. (LRE) – August, 2015
Financial Indicators as of June 30th, 2015

+ 6% of NAV growth since the end of 2014

### GAV EPRA valuation growth:

3% in the 1H \(^{(1)}\)

<table>
<thead>
<tr>
<th>Financial Indicators</th>
<th>30/06/2015</th>
<th>31/12/2014</th>
<th>%Chg</th>
</tr>
</thead>
<tbody>
<tr>
<td>EPRA Earnings (€’000)</td>
<td>6,776</td>
<td>2,516</td>
<td></td>
</tr>
<tr>
<td>EPRA Earnings per share (€) (^{(2)})</td>
<td>0.17</td>
<td>0.07</td>
<td></td>
</tr>
<tr>
<td>EPRA NAV (€’000)</td>
<td>413,413</td>
<td>389,862</td>
<td>6.0%</td>
</tr>
<tr>
<td>EPRA NAV per share (€) (^{(2)})</td>
<td>10.33</td>
<td>9.87</td>
<td>4.7%</td>
</tr>
<tr>
<td>EPRA NNAV (€’000)</td>
<td>412,900</td>
<td>389,493</td>
<td>6.0%</td>
</tr>
<tr>
<td>EPRA NNAV per share (€) (^{(2)})</td>
<td>10.31</td>
<td>9.86</td>
<td>4.6%</td>
</tr>
<tr>
<td>LTV</td>
<td>34.30% (^{(3)})</td>
<td>16.60%</td>
<td></td>
</tr>
</tbody>
</table>

### EPRA Indicator

<table>
<thead>
<tr>
<th>EPRA Indicator</th>
<th>30/06/2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>EPRA Net Initial Yield (NIY)</td>
<td>6.9%</td>
</tr>
<tr>
<td>EPRA “topped-up” NIY</td>
<td>7.0%</td>
</tr>
<tr>
<td>EPRA Vacancy Rate</td>
<td>6.4%</td>
</tr>
<tr>
<td>EPRA Cost Ratio</td>
<td>41.7%</td>
</tr>
<tr>
<td>EPRA Cost Ratio (excluding costs of direct vacancy)</td>
<td>39.5%</td>
</tr>
</tbody>
</table>

\(^{(1)}\) Valuation growth from 31th December 2014 to 30th June 2015 for 2014 assets. From acquisition date to 30th June 2015 for assets acquired during the period

\(^{(2)}\) Calculated excluding treasury shares

\(^{(3)}\) LTV = Total Loans & Borrowings & Notes (Net of Cash) / Total GAV
1H 2015 Portfolio Breakdown and EPRA KPI’s

Lar España’s portfolio at a glance (1H’15)

(2) Marcelo Spinola’s EPRA NIY is not calculated due to the lack of representativeness. During Q4 2014, the office was prepared and evicted to refurbish the property. The refurbishment was started during Q2 2015 and is expected to be finished during Q2 2016. To calculate the NIY for the total portfolio we have excluded the data from Marcelo Spinola.
Debt overview

Flexible Balance Sheet structure provides stability to our strategy – Cost of Bank Debt Euribor + 1.86%, while >70% of the debt is fixed

Back-loaded amortization of the debt

<table>
<thead>
<tr>
<th>Year</th>
<th>Payment</th>
</tr>
</thead>
<tbody>
<tr>
<td>2015</td>
<td>€2.6m</td>
</tr>
<tr>
<td>2016</td>
<td>€7.8m</td>
</tr>
<tr>
<td>2017</td>
<td>€5.5m</td>
</tr>
<tr>
<td>2018</td>
<td>€20.8m</td>
</tr>
<tr>
<td>2019</td>
<td>€33.5m</td>
</tr>
<tr>
<td>2020</td>
<td>€54.0m</td>
</tr>
<tr>
<td>2021</td>
<td>€3.1m</td>
</tr>
<tr>
<td>2022</td>
<td>€143.2m</td>
</tr>
<tr>
<td>&gt;2022</td>
<td>⬕</td>
</tr>
</tbody>
</table>

c.39.7% of Debt amortization in 7 years

Prudent Financial Management: 72% exposure to fixed debt and diversified sources

- €320.2m of Financial Debt (31st of August)

Diversification of sources:
- Bank Debt: 56%
- Corp. Bond: 44%

Exposure to variable / fixed rates:
- Variable: 28%
- Fixed: 72%
Capital Increase
July 2015 Capital Increase

€135m Capital increase enabling for accretive deals after mid 2015

The capital increase transaction was met with **strong support from existing and new investors**. Initial take-up of the rights offering was 99.48% and the New Ordinary Shares were 9.2X oversubscribed.

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**Portfolio as of June 30**: €570.9m

- c. €36m in annualized rents

**Asset Distribution by Investment**

- Retail 54%
- Offices 25%
- Logistics 11%
- Residential 10%

**New acquisitions**

- +c€17m in annualized rents (+47%)

**Current Portfolio (as of August 31)**: €852.6m

- c. €52m in annualized rents

**Asset Distribution by Investment**

- Retail 69%
- Offices 17%
- Logistics 7%
- Residential 7%

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1. Acquisition Price
2. Future contribution of Sagunto Retail development has not been included.

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1H 2015 Financial Results - Lar España Real Estate

1H 2015 Financial Results - Lar España Real Estate
Lar España has accelerated its portfolio construction by signing off-market deals, pushing total portfolio+committed capex to c.€1000m.
Lar España consolidates a diversified and stable rent generating portfolio

All figures stated at the acquisition date

<table>
<thead>
<tr>
<th></th>
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<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Retail⁴</td>
<td>12</td>
<td>€588.7m</td>
<td>320,049 sqm</td>
<td>2.6</td>
<td>13.82€</td>
<td>92.5%</td>
<td>6.57%</td>
<td>c.€38m</td>
</tr>
<tr>
<td>Offices</td>
<td>5</td>
<td>€140.5m</td>
<td>50,342 sqm</td>
<td>2.0</td>
<td>13.7€</td>
<td>95.6%</td>
<td>5.6%</td>
<td>c.€8m</td>
</tr>
<tr>
<td>Logistics</td>
<td>5</td>
<td>€63.4m</td>
<td>161,840 sqm</td>
<td>2.7</td>
<td>3.4€</td>
<td>100%</td>
<td>9.6%</td>
<td>c.€6m</td>
</tr>
<tr>
<td>Residential</td>
<td>1</td>
<td>€60m</td>
<td>23,932 sqm</td>
<td>n/a</td>
<td>n/a</td>
<td>n/a</td>
<td>n/a</td>
<td>n/a</td>
</tr>
<tr>
<td>Total</td>
<td>23</td>
<td>€852.6m</td>
<td>556,163 sqm</td>
<td>2.52(3)</td>
<td>13.0€</td>
<td>94.9%</td>
<td>6.6%(2)</td>
<td>c.€52m</td>
</tr>
</tbody>
</table>

1 7.2% is the Gross Initial Yield of rent generating assets. Thus, €60m investment for a residential development is not included in its calculation.
2 6.6% is the NIY on cost of rent generating assets. Thus, €60m investment for a residential development is not included in its calculation.
3 Not included in the calculation Marcelo Spinola – under refurbishment.
4 Retail includes the acquisition of Megapark (Barakaldo), which will be concluded in October 2015. The calculation of WAULT, Avg. Rent/Sqm and Avg. Gross Initial Yield do not include the acquisition of Megapark.
Overview of recent acquisitions
New Acquisition

€170m - Megapark Retail Complex & Factory Outlet in Bilbao

Location and profile

• The property is located in Barakaldo, which is considered part of the metropolitan area of Bilbao, in the autonomous community of the Basque Country in the North West of Spain.

• Good highway transport links: The Megapark complex is situated at the A8 motorway, 10 driving minutes away from the city center.

• The complex has a total of 63,907sqm of which 44,512 sqm are attributed to 14 commercial warehouses and 19,395 sqm to 59 retail stores.

• Solid and top-tier tenants in both the Retail complex and the Factory Outlet Centre: Media Markt, Decathlon, Oportunidades El Corte Inglés, Mercadona, Nike, among others.

Investment Rationale

• The property is part of one of the largest and most successful retail schemes in the Basque country. The retail Park and Factory Outlet is complemented by a leisure area.

• The Factory Outlet Centre is the first and only fashion outlet in the north of Spain.

• Megapark is located in a strong regional location with a catchment area of over 2 million people with above average spending power.

• The Basque country has the 2nd highest GDP per capita in Spain.

Property characteristics

• Property Type: Retail Complex & Factory Outlet

• GLA: 63,907 sqm

• Initial occupancy: 92.4%: RP:100% + FOC: 75% incl. Mercadona

• Net Initial Yield on Cost: 6.25%

• Acquisition price: EUR 170^2 m

• Monthly Rent (€/sqm): €15.6sqm/mth: RP:€16.9sqm + FOC:€12sqm

Source: Company information

1 Lar España has reached an agreement to acquire a 100% ownership of this asset and already made a down-payment of €10m. The acquisition is expected to close (subject to the satisfaction of certain contractual conditions) in October 2015

2 Approximate purchase price (Lar España has deposited a down payment of €10m on July 20, 2015)
New Acquisition

€170m - Megapark Retail Complex & Factory Outlet in Bilbao

Retail Complex:
44,512 sqm

Factory Outlet Centre
19,210 sqm
New Acquisition

€87.5m - El Rosal Shopping Centre in Ponferrada

**Location and profile**

- Shopping Centre located **in Ponferrada** (North-West Spain).
- 136 Retail units and 2,436 parking spaces.
- Opened in 2007 and its main anchors are the **Carrefour hypermarket**, a large fashion gallery (including Zara, H&M and C&A), a **Worten electronics store** and a **7 screen multiplex cinema**. The SC is distributed on 3 floors.
- The shopping centre is situated in Ponferrada, a provincial city in the north of Spain, with 156,000 inhabitants of catchment area.

**Investment rationale**

- **Dominant retail destination** with very few competitors in the region. The only hypermarket of the region is included in the Shopping Centre and represents 24% of income for 2014.
- **Complete retail offer** including a strong fashion gallery and the only cinema in the town located in a modern shopping complex.
- **Good visibility and easy access from Ponferrada** and peripheral villages. The arrival of future competing shopping centres is highly unlikely.
- **Good upside income** possibilities expected.

**Property characteristics**

- Property Type: Shopping Centre
- GLA: 51,142 sqm
- Initial occupancy: 91.6%
- Net Yield on Cost: 6.3%
- Acquisition price: EUR 87.5 m
- Monthly Rent (€/Sqm): 10.7€
New Development

€53m – Cruce de Caminos Retail Park and Gallery in Sagunto (Valencia)

- Located in Sagunto 25 Km north of Valencia, in the east coast of Spain.
- Cruce de Caminos is divided in a Retail Park (60% GLA), a hypermarket (23% GLA), a Retail Gallery (17% GLA) and a petrol station. It has a car park with 2,598 parking spaces.
- It has a catchment area of 243,000 inhabitants and benefits from a high impact of tourists during summer season.
- It is strategically located with no competition around, the nearest retail park “El Manar” is 19 km away.
- Strong Commercial Mix with dominant retailers, complemented by a hypermarket and a petrol station.

Investment Rationale

- Cruce de Caminos is an strategic asset due to its location, benefiting from a lack of commercial schemes around.
- Retail operators have shown high interest and the project has reached a good level of signed contracts for the Retail Park.

Property characteristics

- Property Type: Retail Units + Gallery
- GLA: 43,091 sqm (RP: 25,820sqm, Hyper: 10,066sqm, RG: 7,205sqm)
- Initial occupancy: N/A
- Net Yield on Cost: 9.20%
- Acquisition price: EUR 14 m (+ capex 39m)
New Acquisition

€8.4m - Galaria Retail Complex in Pamplona

Location and profile

- Located in Pamplona (Navarra) in the north of Spain.
- Galaria is the most consolidated retail area in Pamplona. The asset is composed by three units in the retail park with a current occupancy rate of 100%.
- The current tenants are: Aldi (1,250 sqm), Oportunidades El Corte Inglés (1,925 sqm) and Feuvert (933 sqm).
- Galaria Retail Complex benefits from an excellent road network.

Investment rationale

- Navarra has the 3rd highest GDP per capita in Spain, being Pamplona its biggest city and administrative capital. It has a very low commercial density.
- Acquisition of stable and adjusted risk-return assets, with established tenants, long duration contracts.
- Other retail warehouses nearby include Leroy Merlin, Media Markt and Kiabi. The area is further improved by La Morea Shopping Centre, anchored by Zara, C&A, H&M, Primark and a LeClerc Hypermarket.

Property characteristics

- Property Type: Retail Units
- GLA: 4.108 sqm
- Initial occupancy: 100%
- Net Yield on Cost: 7.83%
- Acquisition price: EUR 8.4 m
- Monthly Rent (€/Sqm): 13.8€

Source: Company information
Conclusion
Conclusions

Solid performance and NAV Evolution, while Real Estate Portfolio grows by c.50% with mostly off-market and value add deals

+6% NAV Growth in 1H2015 & 19.3 Net profit generated, on the back of a solid evolution of the Business

Strong support of the shareholders to the €135m capital increase enabling the Company to seize attractive opportunities

75% Off-Market Deals showing Lar España’s access to untapped opportunities

Initial Investment target surpassed / Already on track to new target of > €1Bn to be accomplished before year end

Excellent accretive deals in terms of cash flow generation for short & mid term / €282m since mid 2015
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