



Q1 2018 Results

May 11th, 2018

www.larespana.com

May 2018



VidaNova Parc, Sagunto

Agenda

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towards
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Successful & strong key facts delivered in Q1 2018

€1,536 Mn **GAV¹** **+10% vs Q1 2017**

€33.2 Mn **Net Profit**
pre-divestment fee

€19.6 Mn **Rental Income** **+9% vs Q1 2017**

€112.5 Mn **2018 Divestments** **+24% Sale Price vs Acquisition**

33% **Net LTV** **2.21% Cost of Debt**



€10.47 **EPRA NAV per share²**

€968.8 Mn **EPRA NAV**

5.6% **EPRA "topped-up" NIY**

5.4% **EPRA Net Initial Yield**

93.0% **Occupancy Rate**

€73.3 Mn **EPRA Annualised Net Rent**

13.9% **ROE**

8.1% **ROA**

1.1 **Solvency ratio**

1. Total GAV = asset valuation as of 31st December 2017 + capex invested in 2018 + developments & Eloy Gonzalo valuation as of 31st March 2018.

2. Discounting dividend effect: €9.98

01

Q1 2018 Highlights



Vistahermosa Retail Park, Alicante

Solid business performance & successful start of asset rotation process

01 Solid Q1 2018 Results and Balance Sheet

€19.6 Mn Revenues	+9% vs Q1 2017
€968.8 Mn EPRA NAV	€10.47 p.s.¹
33% Net LTV; €589.4 Mn Gross Debt	2.21% cost of debt

02 Impressive Performance of the Business

Retail NOI LfL improvement	+5.0% LfL
Exceptional Leasing Activity	+59% YoY ²
Retailer Sales outperforming the market	3.9% vs 1.9% ³

03 Value Drivers: Asset Rotation & Developments

Asset Rotation unlocking value	€112.5 Mn in disposals
New opportunities add value	€75.6 Mn in acquisitions
Palmas Altas & VidaNova on track to deliver in time with high presales figures	c.63% & 98% of GLA signed & committed

1. Discounting dividend effect: €9.98

2. Number of operations.

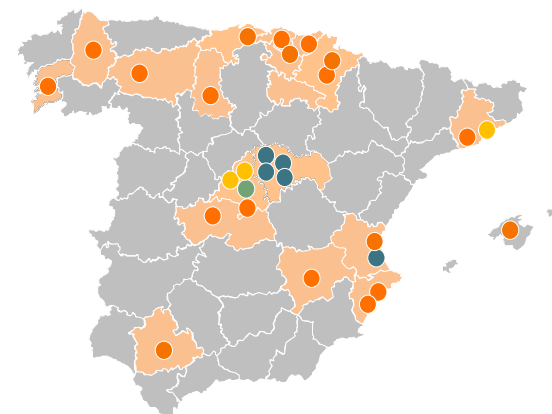
3. 3.9% Lar España Retail sales vs. 1.9% INE Spanish Retail Index.growth

Portfolio at a glance

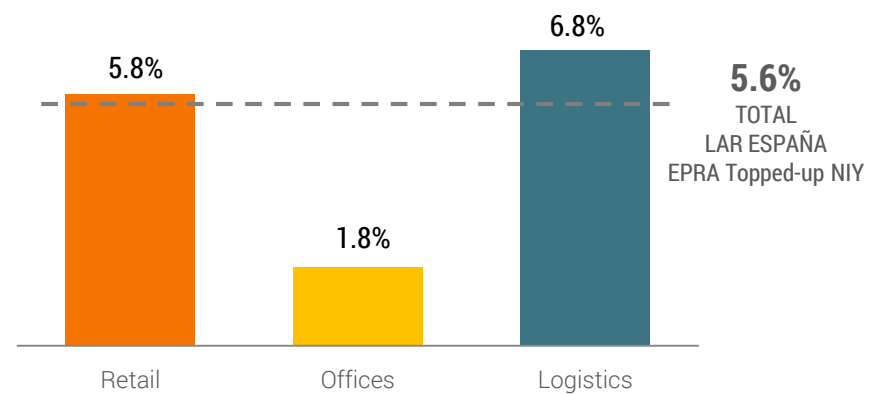
GAV¹ €1.54 Bn



EPRA Annualized Net Rent €73.3 Mn



EPRA Topped-up NIY



1. Total GAV = asset valuation as of 31st December 2017 + capex invested in 2018 + developments & Eloy Gonzalo valuation as of 31st March 2018.

02

Q1 2018 Financial Results & Business Performance



As Termas Shopping Centre, Lugo

Strong valuation performance in our developments & refurbishments

<2 MONTHS LEFT
FOR VIDANOVA'S OPENING

<12 MONTHS LEFT
FOR PALMAS ALTAS' OPENING

<3 MONTHS LEFT
FOR THE START
OF LAGASCA 99 DELIVERY

Given the level of progress on the developments and the refurbishment of Eloy Gonzalo, we have asked for a specific valuation on them. From now on and until the completion of the developments we will report this quarterly.

DEVELOPMENTS

11.2%

Revaluation
since 31 Dec 2017

96.8%

Revaluation
since Acquisition

VidaNova Parc

+20.2%
SINCE
31 DEC 2017

+156.8%
SINCE
ACQUISITION



Palmas Altas

+15.2%
SINCE
31 DEC 2017

+103.5%
SINCE
ACQUISITION



Lagasca 99

+5.7%
SINCE
31 DEC 2017

+75.7%
SINCE
ACQUISITION



OFFICES

9.9%

Revaluation
since 31 Dec 2017

82.7%

Revaluation
since Acquisition

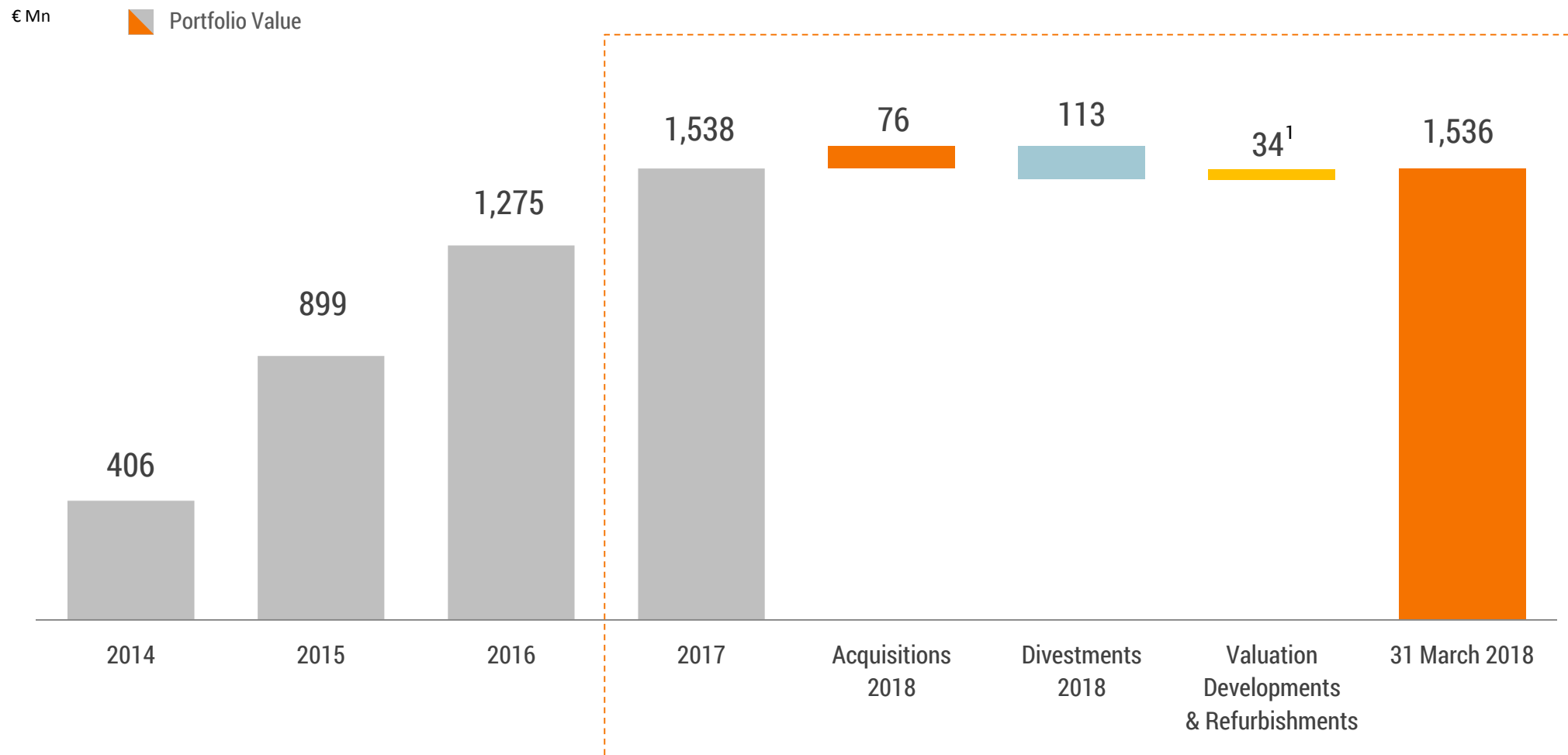
Eloy Gonzalo (Refurbishment)

+32.1%
SINCE
31 DEC 2017

+174.9%
SINCE
ACQUISITION



Strong valuation performance in our developments



1. Includes development's and refurbishment's revaluation and differences between divestments and last valuation of sold assets

Consolidated Income Statement (€ Millions)

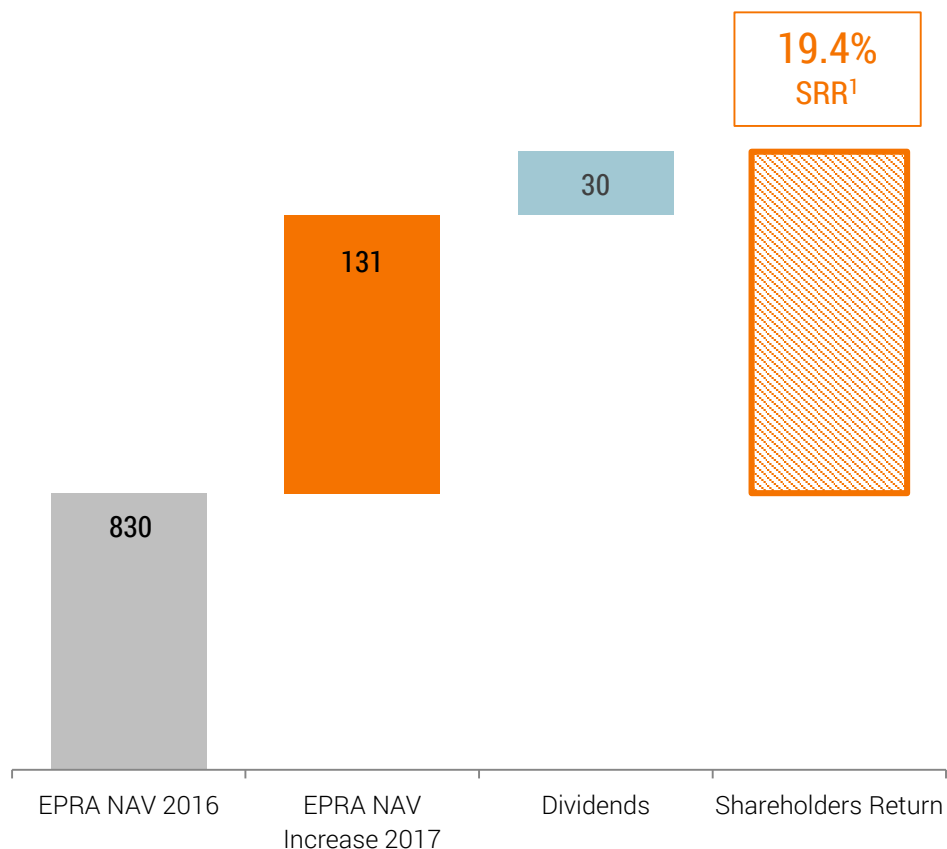
	Q1 2018			Chg (%) Rec. Q1-18/Q1-17	Q1 2017		
	Recurring	Non-Recurring	Total ²		Recurring	Non-Recurring	Total ²
Rental Income	19.6	-	19.6		18.0	-	18.0
Other Income	0.4	-	0.4		0.6	-	0.6
Property Operating Expenses	(4.5)	-	(4.5)		(4.1)	-	(4.1)
Base Fee	(2.2)	-	(2.2)		(2.3)	-	(2.3)
Gain/(Loss) on Disposal of Investment Properties	-	3.3	3.3		-	-	-
Amortisation Expenses	(0.04)	-	(0.04)		-	-	-
Property Operating Results	13.3	3.3	16.6	+9%	12.2	-	9.1
Corporate Expenses	(0.8)	(0.4)	(1.2)		(0.7)	(0.4)	(1.1)
Other Results	-	-	-		0.0	0.9	0.9
EBITDA¹	12.4	3.0	15.4	+8%	11.6	0.5	12.1
Changes in the Fair Value	-	21.4	21.4		-	-	-
EBIT¹	12.4	24.4	36.8		11.6	0.5	12.1
Financial Result	(3.4)	-	(3.4)		(1.3)	-	(1.3)
Share in Profit/ (Loss) for the Period of Equity-Accounted Companies	(0.2)	-	(0.2)		(0.3)	-	(0.3)
EBT¹	8.8	24.4	33.2		10.0	0.5	10.5
Profit for the Period (Pre Divestment Fee)	8.8	24.4	33.2		10.0	0.5	10.5
FFO (EBITDA – Financial Result) ¹	9.0	3.0	12.0		10.3	0.5	10.8
% FFO Annualized Yield /NAV	3.8%	1.2%	5.0%		4.9%	0.2%	5.1%
Divestment Fee	-	(17.9)	(17.9)		-	-	-
Profit for the Period (Post Divestment Fee)	8.8	6.5	15.3	+45%	10.0	0.5	10.5

1. Pre divestment fee
2. May not foot due to rounding

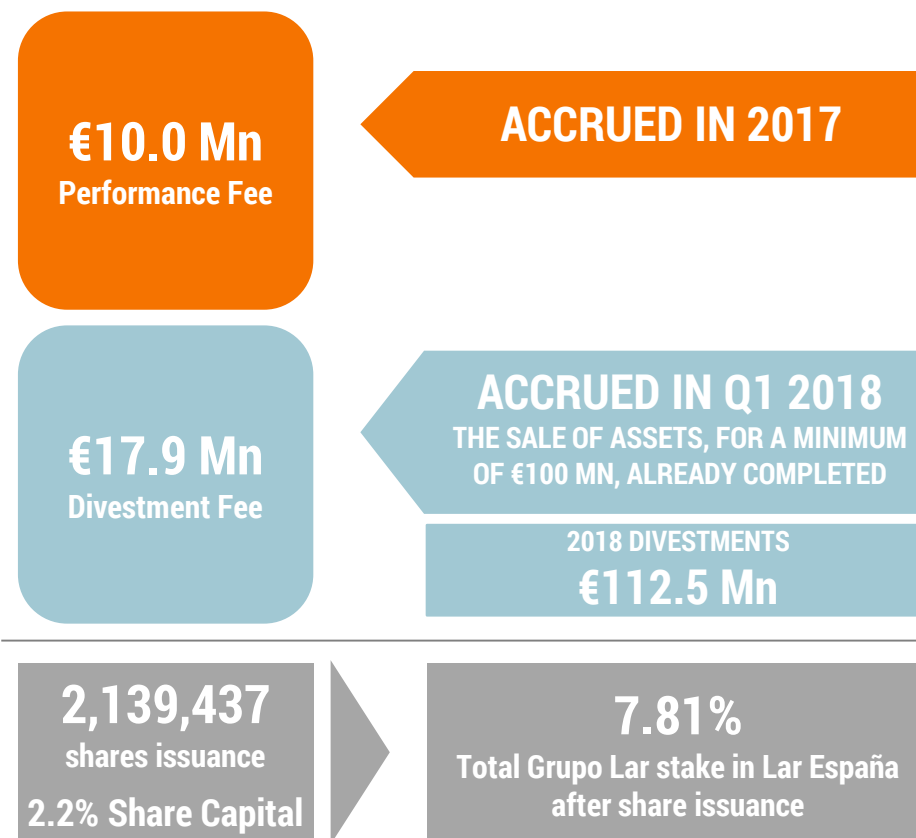


Performance fee invested in Lar España shares @ NAV ps

Shareholders return rate calculation



Remuneration on shareholders return rate



1. Shareholders return rate = Shareholder return / EPRA NAV 2016

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

Key Figures of the financing

33%

Net Loan to Value (LTV)

2.2%

Avg. Cost of Debt
-41 b.p since H1 2015

3.2x

Interest Cover Ratio¹(ICR)

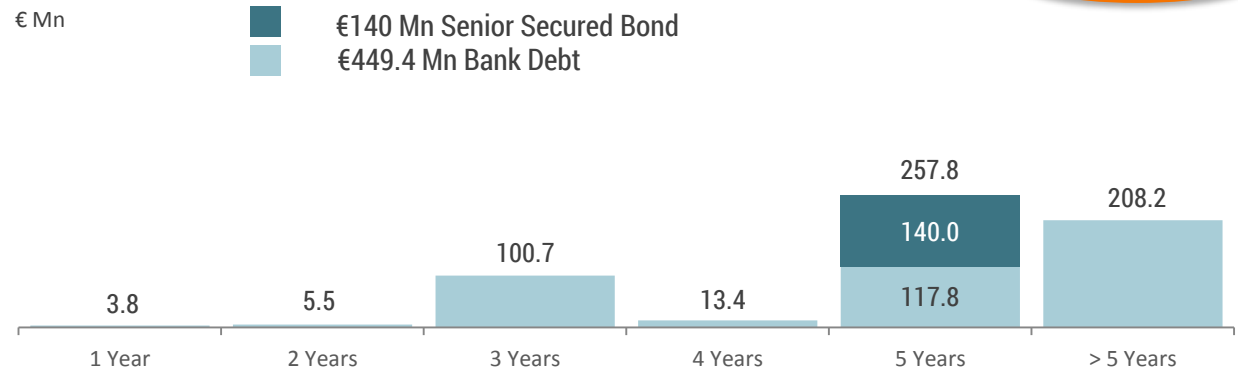
6.4Y

Debt duration

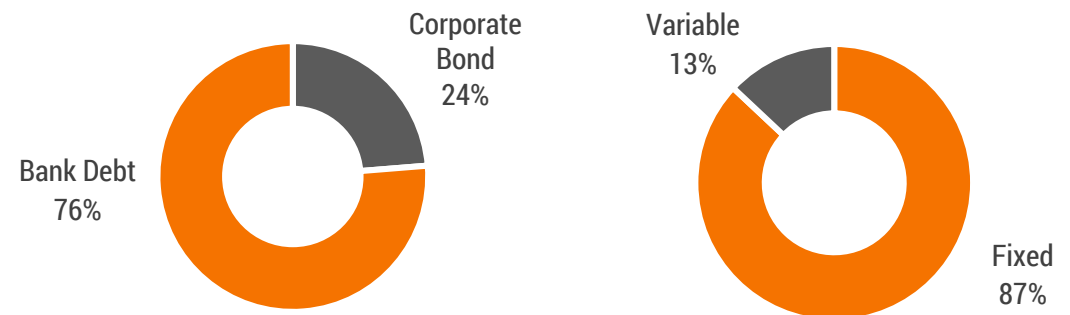
Back-loaded Amortization Profile

€589.4 Mn

€ Mn



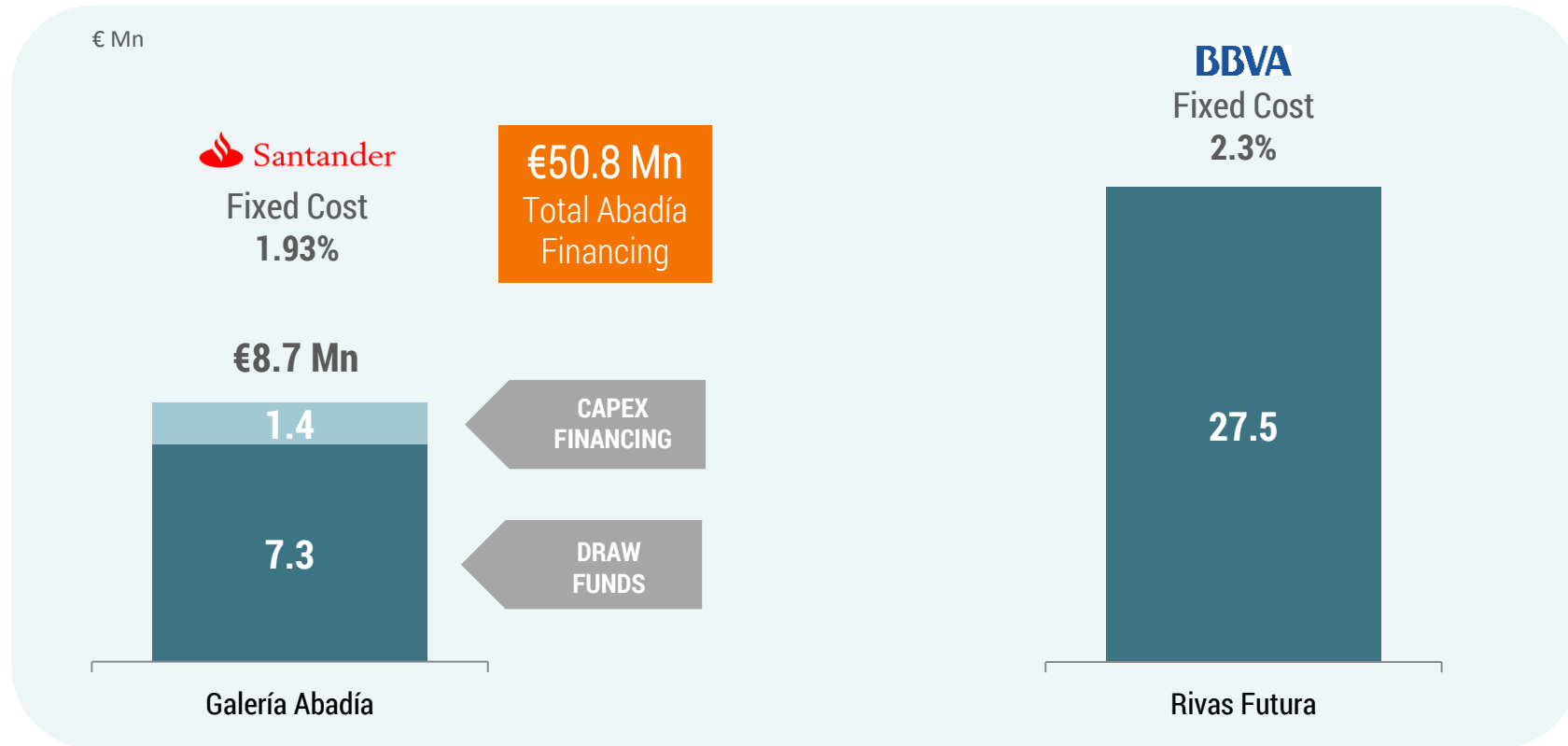
Diversification of sources



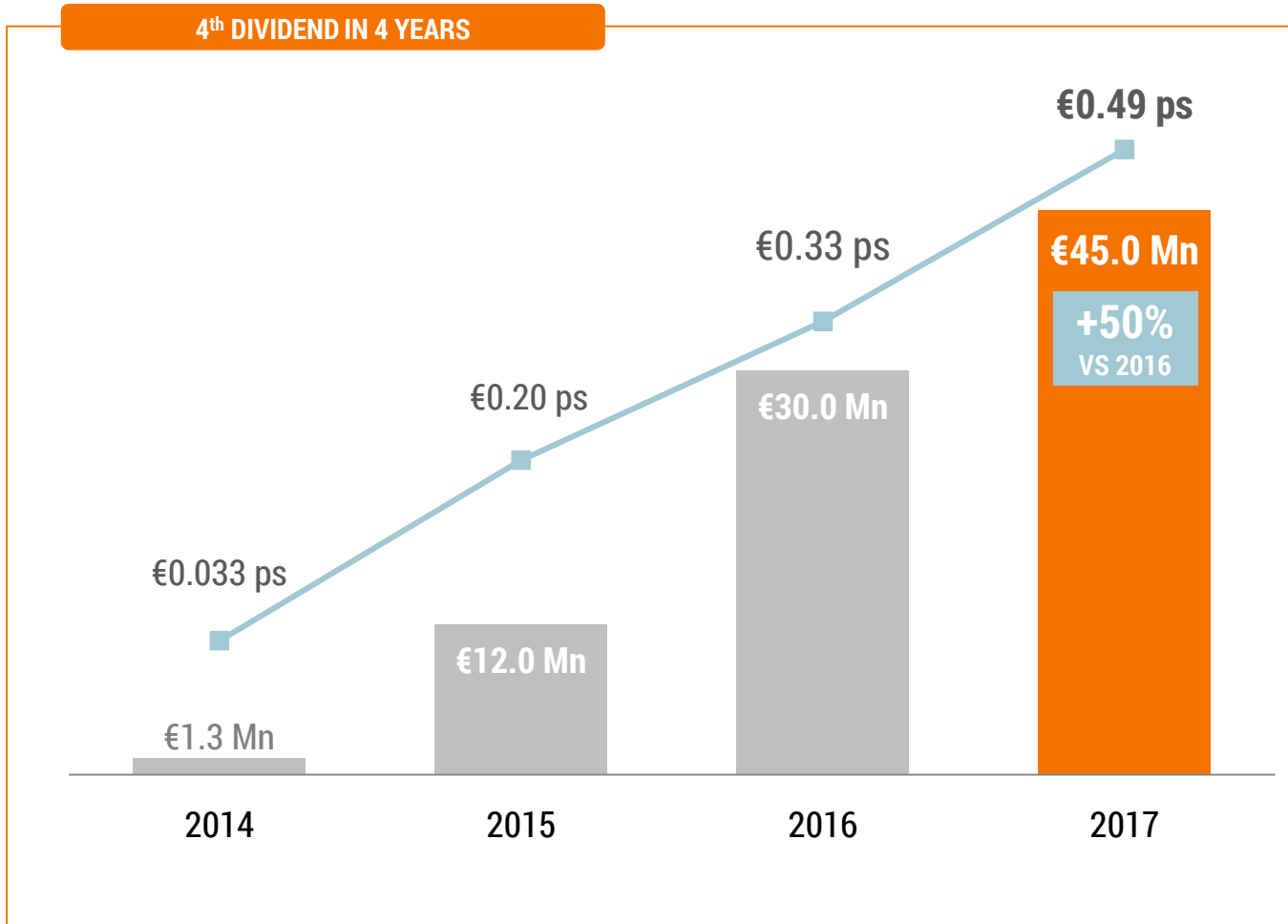
1. EBITDA (pre-revaluation) / Interest expenses as at Q1 2018

New financings reducing average cost of debt

2018 FINANCINGS



Consistent dividend growth per share



€45.0 Mn
2017 DIVIDEND

5.1%
DIVIDEND YIELD
ON NAV¹

Dividend approved by the AGM
and to be paid on
18th MAY

IBEX TOP DIVIDENDO

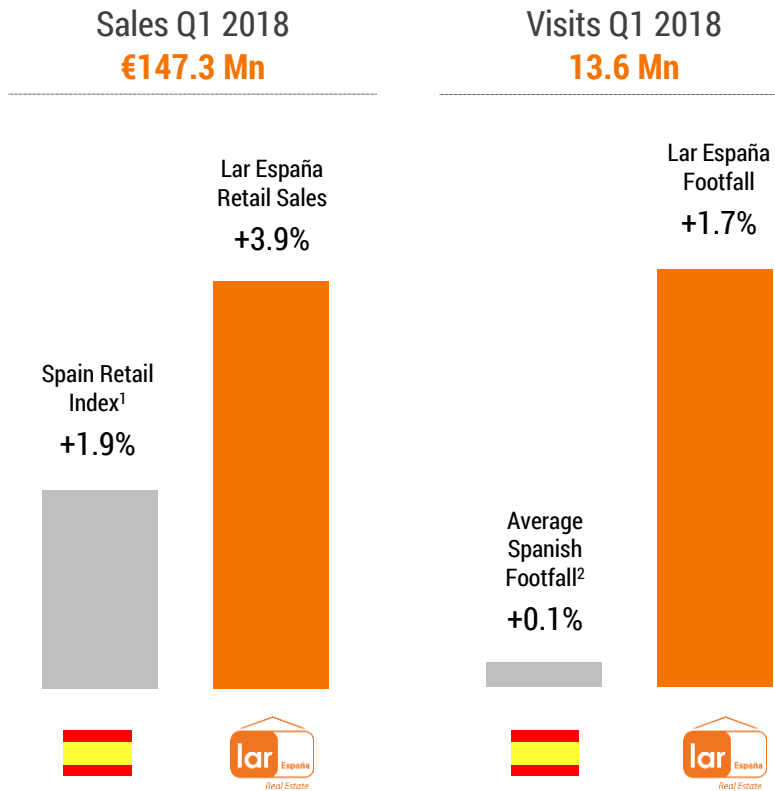
Member since 5th February 2018

LAGASCA 99
EXTRAORDINARY DIVIDEND
2018 RESULTS

1. 2017's average quarterly EPRA NAV

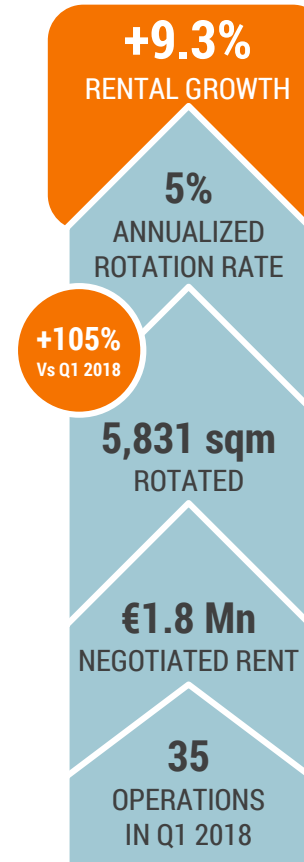
Sound retail letting activity keep pushing KPI's above market

Lar España is outperforming the market



1. INE. Spanish Retail Index.
2. Shopper Track Index.

Letting activity at the core of the strategy



Retail operating trends keep up throughout the year

All figures refer to Q1 2018 period

Active Asset & Tenant
Management
+
Smart Capex in Operating
Assets

30%

Rotation Rate since
acquisition to improve
shopping experience

€1.3 Mn

Retail Invested Capex
Q1 2018

Vs Q1 2017

LfL Occupancy
Rate Growth
+1.9 p.p.

LfL NOI
Growth
+5.0%

€18.3 Mn
GRI
Growth
+2.4%

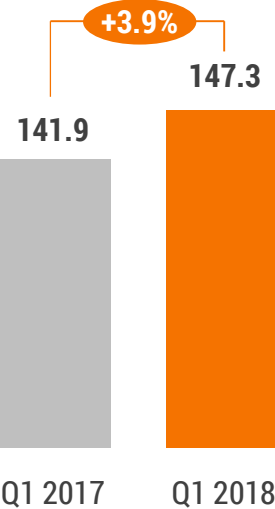
€0.4 Mn
LfL Mall Income
Growth
+2.4%

Incentives to
Tenants
-6.3%



Sales

€ Mn



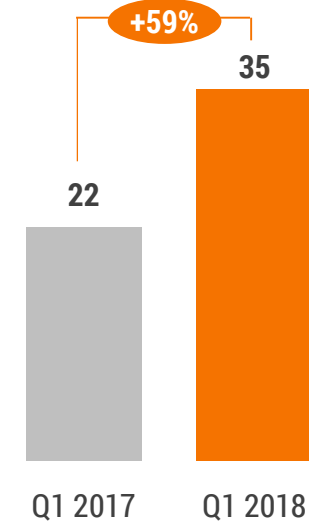
Visits

Mn



Operations

#



LfL data excludes Megapark Ocio, Abadía, Rivas and 22 retail units.



03

Corporate Activity towards Growth & Value Creation



Lagasca 99 Residential Development, Madrid

Asset rotation strategy of non-core assets through core assets

2018 ACQUISITIONS
€75.6 Mn

2018 DIVESTMENTS
€112.5 Mn

RIVAS FUTURA RETAIL PARK

LOCATION Madrid	GLA 36,726 sqm
ACQUISITION PRICE €61.6 Mn	No. UNITS 24
OCCUPANCY 97%	DATE OF OPENING May 2006



NET INITIAL
YIELD
c.6.0%

EGEO OFFICE BUILDING

LOCATION Madrid	GLA 18,254 sqm
ACQUISITION PRICE €64.9 Mn	ACQUISITION DATE 16 - December - 2014
SALE PRICE €79.3 Mn	SALE DATE 16 - January - 2018



SALE PRICE
+22.2%
Over acq. price

NUEVO ALISAL RETAIL PARK

LOCATION Santander	GLA 7,649 sqm
ACQUISITION PRICE €17.0 Mn	ACQUISITION DATE 17 - December - 2014
SALE PRICE €20.9 Mn	SALE DATE 12 - March - 2018



SALE PRICE
+23.5%
Over acq. price

ABADÍA COMMERCIAL GALLERY

Complementing Abadía's Retail Park previous acquisition, raising our ownership up to a 81% of the total retail area

LOCATION Toledo	GLA 6,138 sqm
ACQUISITION PRICE €14.0 Mn	No. UNITS 38



NET INITIAL
YIELD
c.7.3%

VILLVERDE RETAIL PARK

LOCATION Madrid	GLA 4,391 sqm
ACQUISITION PRICE €9.1 Mn	ACQUISITION DATE 29 - July - 2014
SALE PRICE €12.3 Mn	SALE DATE 12 - March - 2018



SALE PRICE
+34.7%
Over acq. price

Remaining non-core assets will add value in the coming months

Offices



VALUATION¹
€94 Mn

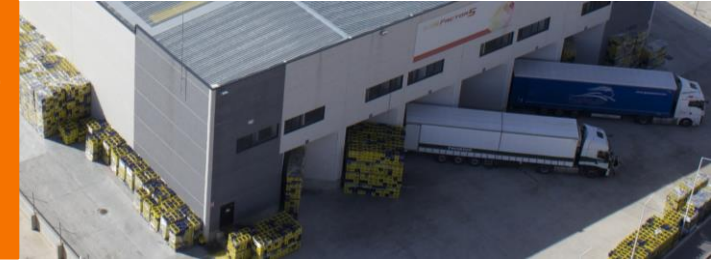


+17 p.p. occupancy
increase
in Marcelo Spínola

5.3
WAULT

Logistics

VALUATION²
€87 Mn



100%
Occupancy maintained in all
our logistics assets

1.7
WAULT

ELOY GONZALO REFURBISHMENT

Currently in the
3rd & last phase
of the refurbishment

June 2018
Expected
completion date

Advanced
negotiations for
**commercial
premises**

€35 Mn
Valuation
Q1 2018

New leasing signed
with WEWORK
for **70% GLA**

wework

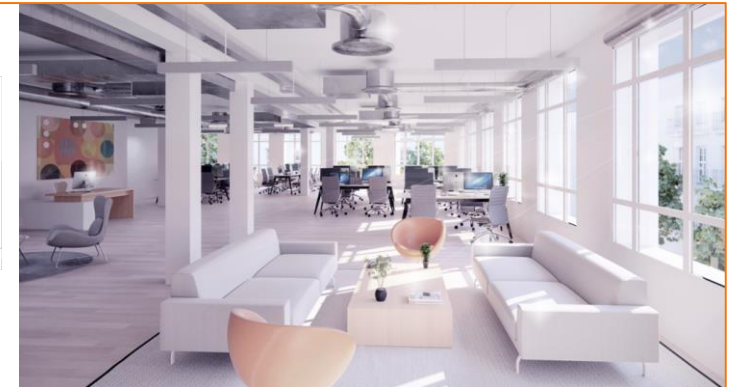
90%
Occupancy
Q1 2018



"Very good"



Universal
Accessibility



1. Asset valuation updated with Eloy Gonzalo refurbishment as of 31st March 2018

2. Asset valuation as of 31st December 2017

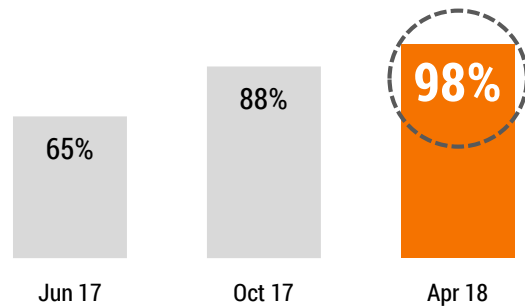
VidaNova Parc will be a reality in less than 2 months

VIDANOVA PARC, SAGUNTO (VALENCIA)

Urban retail and leisure park located in an important tourist area, Sagunto (Valencia)

ACQUISITION PRICE	€14 Mn
MARKET VALUE (MAR 18)	€29.8 Mn
ESTIMATED OPENING	Q3 2018
GLA	45,136 Sqm
Nº TENANTS	37
EXPECTED ANNUAL RENT	> €4.0 Mn

GLA signed & committed



OPENING SOON

59
DAYS

URBANIZATION
WORKS
91%

TOTAL RP
WORKS
55%



VidaNova Parc will be a reality in less than 2 months

ALL TENANTS SIGNED



Additional sources of value creation

PALMAS ALTAS, SEVILLE

Excellent location, 4 km from Seville's city centre

ACQUISITION PRICE	€40.5 Mn
MARKET VALUE (MAR 18)	€82.4 Mn
ESTIMATED OPENING	H1 2019
RETAIL AND FAMILY LEISURE AREA	100,000 Sqm
EXPECTED ANNUAL RENT	c. €15.0 Mn

c.63%

GLA signed & committed

8 Inditex
Brands signed



SPRING '19
Exp. Start of
Operations



LAGASCA 99 RESIDENTIAL DEVELOPMENT

Q2 2018

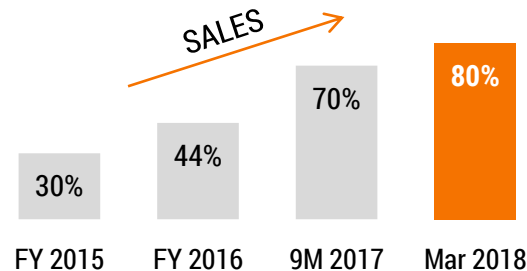
Estimated
Delivery Date

Extraordinary
dividend
announced

New record set
for a flat in
Madrid Golden
Mile

Financing of
100% of
construction
costs agreed

Price c.11,000 €/sqm



In process

VALUATION¹
€176 Mn



1. Valuation as of 31st March 2018 for 100% of the development. 50% owned by Lar España.

04

Closing Remarks



Gran Via de Vigo Shopping Centre

Closing Remarks

+45% of Profit for the period growth vs Q1 2017 shows the impressive performance of our portfolio
Rental Income growth of 9% vs. Q1 2017, up to €19.6 Mn

Active Management and supportive market environment produce **outstanding improvement of Retail KPI's:**
13.6 Mn visits & €147.3 Mn of sales in Q1 2018

Corporate **focus** on delivery of our **developments** and office & logistics **assets rotation to crystallize value:**
2 assets acquired in 2018 for €75.6Mn @ NIY 6.2%, while €112.5 Mn from divestments @ NIY 4.9%

2017 Results and Divestments support a **5.1% Dividend Yield over NAV**, or **€0.49 per share, +50% YoY**
Approved by the AGM

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