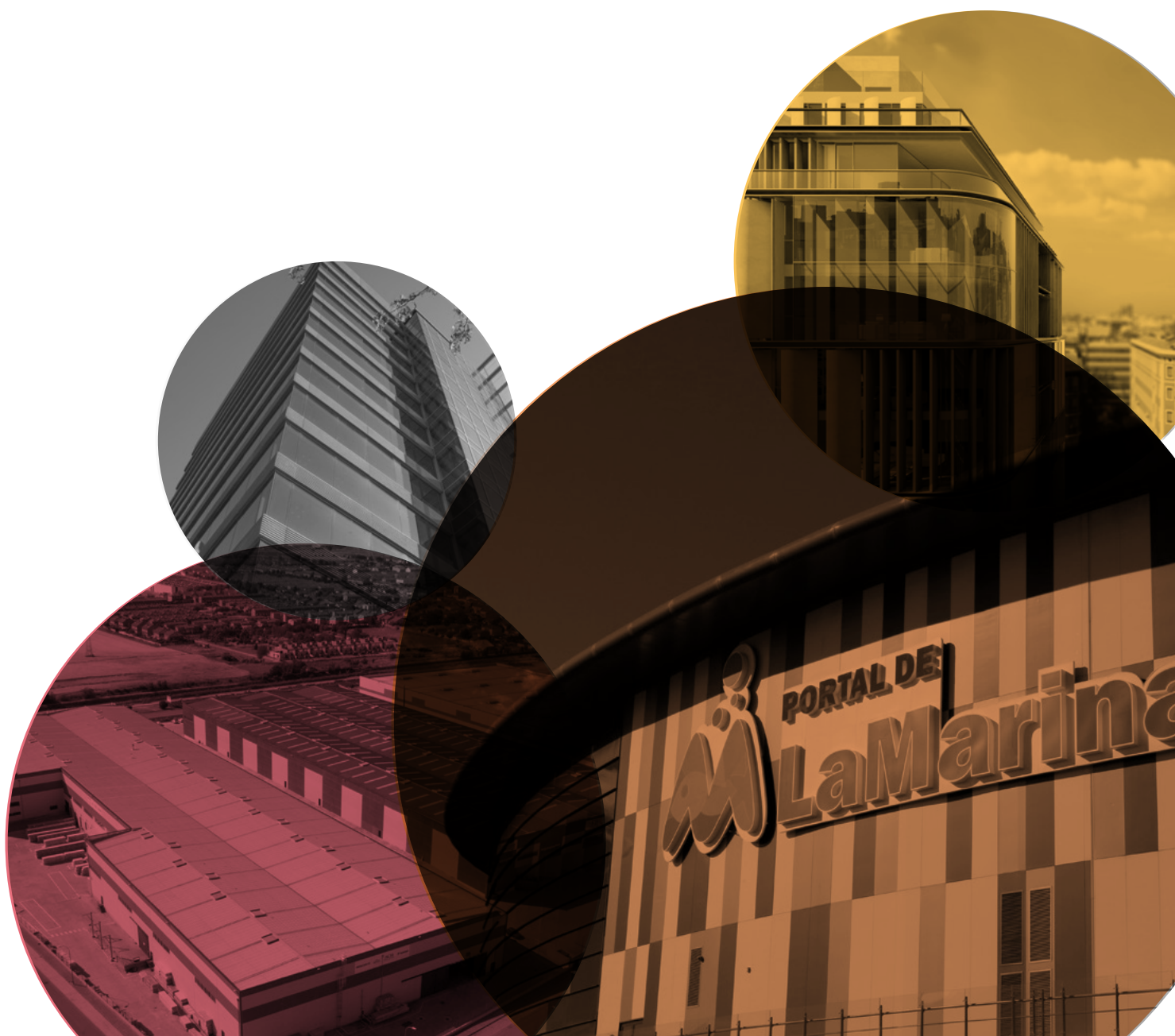




Q1 2018 FIRST QUARTER RESULTS



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Anec Blau Shopping Centre (Barcelona)



1.1 Highlights Q1 2018

Portfolio Information

GAV
1,536
Million €
+10% vs Q1 2017

Assets
30
2 acquisitions in 2018

GLA
915,830
sqm
+19% vs Q1 2017

WAULT
3.0
Years

Annualised Net Rent
73.3
Million €

EPRA topped-up NIY
5.6%

Occupancy Rate ⁽¹⁾
93.0%

2018 Divestments
112.5
Million €

2018 New Investments
75.6
Million €

GAV by asset class (%)



EPRA topped-up NIY by asset class (%)



5.6%
Total Lar España

(1) Ratio calculated under EPRA recommendations

Occupancy Rate by asset class (%) ⁽¹⁾



93.0%
Total Lar España

Financial Information

EPRA NAV

968.8

Million €

(10.47 €/share) ⁽¹⁾

Rental Income

19.6

Million €

+9% vs Q1 2017

Net LTV

33%

EBIT

18.9

Million €

+56% vs Q1 2017

Average Cost
of Debt**2.21%**

Net Profit

15.3

Million €

+45% vs Q1 2017

Financial Debt

589.4

Million €

ROE

13.86%

Rental Income by asset class (%)



Retail Performance

Q1 2018 Footfall

13.6

Million of visits



Q1 2018 Sales

147.3 ⁽³⁾

Million €

**+1.7%**

vs. Q1 2017

+0.1%Average Spanish Footfall ⁽²⁾**+3.9%**

vs. Q1 2017

+1.9%Spain Retail Sales ⁽⁴⁾

(1) EPRA NAV per share adjusted by dividend effect: 9.98 €/share

(2) Shopper Track Index

(3) Declared Sales

(4) National Statistics Institute (INE)

1.2 Main Events

The regulatory notices published and submitted to the Spanish Stock Market Commission (CNMV) during the first quarter of 2018 are listed below in chronological order:

1 Liquidity contracts and specialists

04.01.2018 According to the provisions of section 2 of the Fourth rule of Circular 1/2017, of 26 April, by the Comisión Nacional del Mercado de Valores on liquidity contracts for the purposes of their acceptance as a market practice, the Company hereby reports the **transactions executed by JB Capital Markets**, Sociedad de Valores, S.A.U. (the "Financial Intermediary"), in the context of the Liquidity Contract (the "Liquidity Contract" or the "Contract") from **1 October 2017 to 31 December 2017**, as well as the total amount of shares sold and purchased, and the overall amount of cash used for these transactions.

2 Egeo office building divestment

17.01.2018 On 16 January 2018, **the Company has transferred to Inmobiliaria Colonial Socimi, S.A. all the shares (*participaciones sociales*) in its wholly owned subsidiary LE OFFICES EGEO, S.A.U.**, sole owner and proprietor of the office building Egeo, located in Madrid, Avenida Partenón 4-6.

The aforementioned sale has been formalized in public deed on the referred date, **for a total initial price of 79,279,870 euro**, which may be adjusted upwards in the terms and pursuant to the mechanisms that are typical in this kind of transactions.

3 Egeo office building divestment additional information

17.01.2018 As a supplement to the Material Fact published on this date with register number 260739, it is hereby announced that the initial price agreed with Inmobiliaria Colonial Socimi, S.A. for the transfer of all the shares (*participaciones sociales*) of LE OFFICES EGEO, S.A.U. (79,279,870 euro) represents (i) **a capital gain of 22.2% on the acquisition price** paid by the Company for the office building Egeo in December 2014, and (ii) **an increase of 4.2% over the last valuation of the asset.**

4 Valuation reports as at 31 December 2017

25.01.2018 Lar España has received the valuation reports for its property portfolio as of 31 December 2017, carried out by JLL Valoraciones, S.A and Cushman & Wakefield Sucursal en España.

The **total market value of the company's portfolio** as detailed in the above-mentioned reports is **EUR 1,537.6 million.**

The acquisition price – transaction costs not included - of the assets subject to the valuation was EUR 1,196.3 million. The properties were valued according to the Royal Institution of Chartered Surveyors (RICS) valuation standards, based on net market value as at 31 December 2017.

Egeo Office Building (Madrid)



5 Rivas Futura retail park acquisition

06.02.2018 Lar España has acquired from a Credit Suisse investment fund all the shares (participaciones sociales) of the Spanish company owner of a gross leasable area (GLA) of approximately 36,724 square metres in the **retail park Rivas Futura (Rivas-Vaciamadrid)**. The total price of the transaction is approximately **EUR 61.6 million**, which may be adjusted in the terms and pursuant to the mechanisms that are typical in this kind of transactions.

6 Novation of the investment manager agreement with the Manager

19.02.2018 On this date the Company has entered into an agreement with its investment manager, Grupo Lar Inversiones Inmobiliarias, S.A. (the "Investment Manager"), **in order to novate the investment manager agreement** executed by both parties on 12 February 2014 (the "IMA").

Pursuant to the referred novation, the IMA (which originally expired on 12 February 2019) will be effective for **4 years as from 1 January 2018**. Additionally, certain provisions of the IMA have been amended in order to update its content in line with the expertise achieved and the growth experienced in Spain by the SOCIMI's market since the initial subscription of the IMA. The most relevant amendments are as follows:

- **Investment strategy:** With effects as of 1 January 2018, **the real estate investments** of the Company must be distributed among **retail properties, logistic properties on a selective basis and other properties** that could represent a maximum of 10% of the total GAV of the assets forming part of the Company's real estate portfolio (in all cases, across Spain).

No acquisitions consisting of properties comprised predominantly of offices or residential units shall be pursued by the Company. The Company shall focus on **assets with potential for value creation** or which constitute **active asset management opportunities**, including development projects.

- **Investment Manager's exclusivity and Board representation:** The **Investment Manager will preserve its exclusivity obligations towards Lar España**, adapted in line with the new investment strategy defined in the IMA.

The **Investment Manager will be entitled to appoint one non-executive member of the Board of Directors of Lar España** (currently, Mr. Miguel Pereda), regardless of the number of directors seating in the Board from time to time.

- **Management fees:** The **Investment Manager's fee structure** (base fee and performance fee) **has been amended in order to improve the cost structure of the Company and further align the interests of the Investment Manager and the Company's shareholders**.

Starting in the 2018 fiscal year, the base fee to be drawn by the Investment Manager will be calculated by reference to an annual amount equivalent to the higher of (i) **€2 million**, or (ii) the sum of (a) **1.00% of the portion of the EPRA NAV** (excluding net cash) as of the prior December 31 **which is up to and including €1,000 million**, and (b) **0.75% of the portion of the EPRA NAV** (excluding net cash) as of the prior December 31 **which is in excess of €1,000 million**.

Likewise, starting in the 2018 fiscal year the **performance fee** to be drawn by the Investment Manager **will be linked to both the EPRA NAV and the market capitalisation of the Company**, and subject to an overall cap equivalent to 3% of the EPRA NAV of the Company as of 31 December of the preceding year. Further information on the calculation and payment of the performance fee is included in the presentation annexed to this communication.

- **Termination:** The novated IMA **allows the Company to terminate the agreement at its sole discretion at any time prior to its expiration bearing a termination fee** that may range between 1.50% and 2.00% of the last reported EPRA NAV of the Company (adjusted for acquisitions and disposals of real estate properties up to the date of the termination notification), depending on the circumstances and the prior notice given.

7

Commercial gallery acquisition in Parque Abadía

20.02.2018 Today, the Company has acquired a **commercial gallery in Parque Abadía (Toledo)** with a gross leasable area (GLA) of approximately 6,138 sqm. This strategic acquisition, which is added to the one already communicated through material fact of 27 March 2017 (with registry number 250038), that informed of the acquisition of, among others, a gross leasable area (GLA) of approximately 37,114 sqm, fully occupied, in the same retail park, allows the Company to operate a total GLA of approximately 43,252 sqm of the Parque Abadía real estate complex. The acquisition has been carried out for a **total amount of approximately €14 million**, subject to the subsequent customary price adjustments in this kind of transactions.

8

Nuevo Alisal retail warehouse and Villaverde commercial warehouse divestment

12.03.2018 Today, the Company has transferred to Pierre plus Scpi two retail warehouses with a total gross leasable area (GLA) of approximately 7,649 sqm in the **Nuevo Alisal retail park** in Santander, and a **commercial warehouse** with a GLA of 4,391 sqm in Villaverde, Madrid. The aforementioned sales have been formalized in public deeds dated today, for a total **price of 33.2 million euros**. The sale price agreed for the transfer of the mentioned properties (33.2 million euros) represents (i) a **capital gain of 27% on the acquisition price** paid by the Company for said properties in December 2014 (Nuevo Alisal) and July of that same year (Villaverde), and (ii) **an increase of 8.2% over the last valuation of these assets** made at the end of 2017.

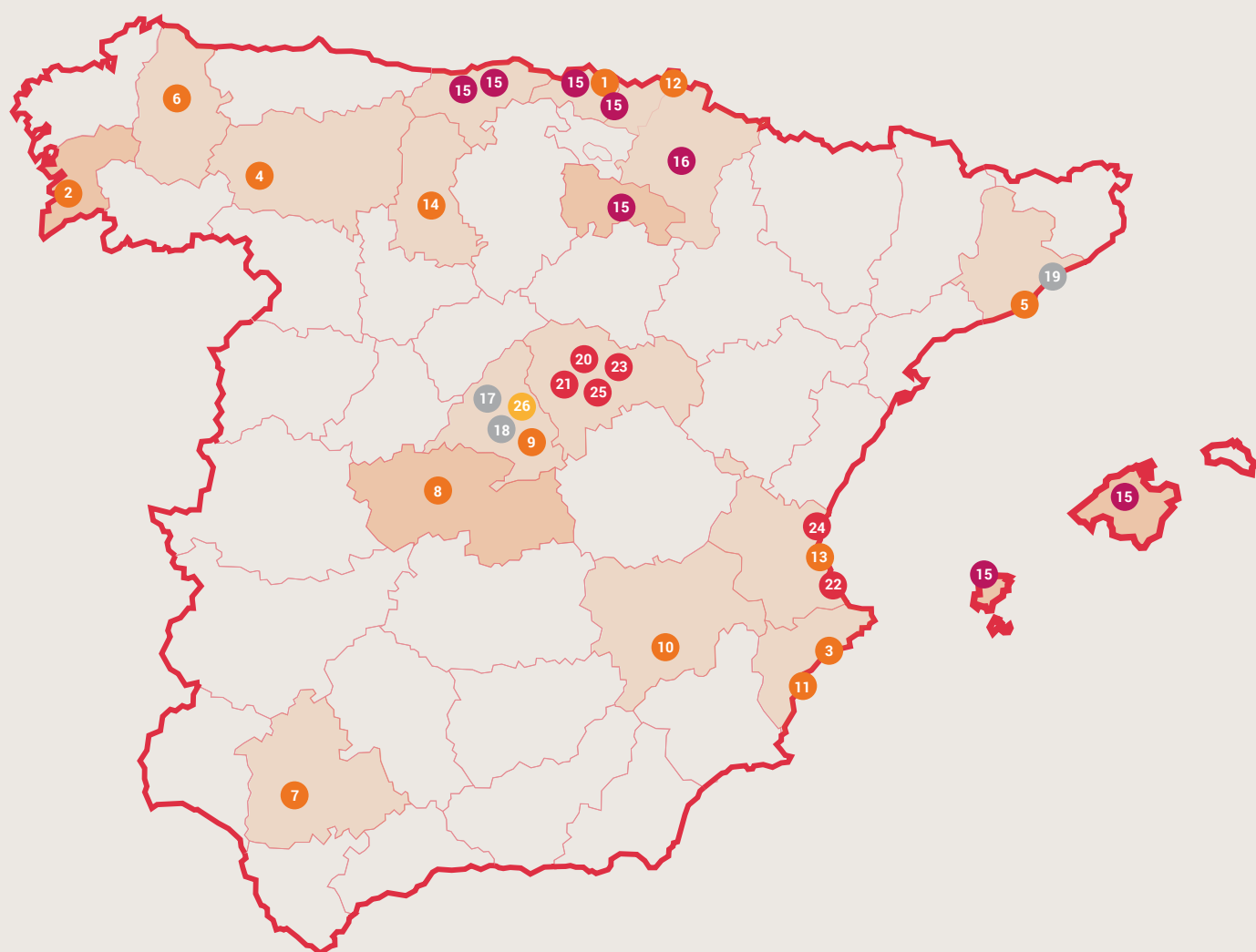
Nuevo Alisal Retail Warehouse (Santander)



Lagasca99 Residential (Madrid)



1.3 Portfolio at 31 March 2018



GAV
1.5
BILLION EUROS



Shopping Centres

- 1 Megapark + Megapark Leisure Area (Vizcaya)
- 2 Gran Vía (Vigo)
- 3 Portal de la Marina + Hypermarket (Alicante)
- 4 El Rosal (León)
- 5 Anec Blau (Barcelona)
- 6 As Termas + Petrol Station (Lugo)
- 7 Palmas Altas (Sevilla)
- 8 Parque Abadía and Commercial Gallery (Toledo)
- 9 Rivas Futura (Madrid)
- 10 Albacenter + Hypermarket and retail units (Albacete)
- 11 Vistahermosa (Alicante)
- 12 Txingudi (Guipúzcoa)
- 13 VidaNova Parc (Valencia)
- 14 Las Huertas (Palencia)



Retail Warehouses

- 15 Supermarkets Portfolio (22 units)
(Cantabria, País Vasco, La Rioja, Navarra and Baleares)
- 16 Parque Galaria (Navarra)



Offices

- 17 Marcelo Spínola (Madrid)
- 18 Eloy Gonzalo (Madrid)
- 19 Joan Miró (Barcelona)



Logistics

- 20 Alovera II (Guadalajara)
- 21 Alovera I (Guadalajara)
- 22 Almussafes (Valencia)
- 23 Alovera IV (C5-C6) (Guadalajara)
- 24 Cheste (Valencia)
- 25 Alovera III (C2) (Guadalajara)



Residential

- 26 Lagasca99 (Madrid)

MEGAPARK, BILBAO



Location	Bilbao
GLA	83,380 sqm
Purchase Date	19 October 2015/27 October 2017
Acquisition Price	EUR 178.7 m
Market Value (31 December 2017)*	EUR 214.0 m
WAULT	3.8 years
EPRA Net Initial Yield	5,3%
EPRA Vacancy Rate	7,8%

GRAN VÍA, VIGO



Location	Vigo
GLA	41,426 sqm
Purchase Date	15 September 2016
Acquisition Price	EUR 141.0 m
Market Value (31 December 2017)*	EUR 163.0 m
WAULT	2.5 years
EPRA Net Initial Yield	5,8%
EPRA Vacancy Rate	1,5%

PORTAL DE LA MARINA AND
HYPERMARKET, ALICANTE

Location	Ondara (Alicante)
GLA	40,158 sqm
Purchase Date	30 October 2014/30 March 2016/9 June 2015
Acquisition Price	EUR 89.2 m
Market Value (31 December 2017)*	EUR 119.8 m
WAULT	3.3 years
EPRA Net Initial Yield	5.9%
EPRA Vacancy Rate	5.3%

EL ROSAL, LEÓN



Location	Ponferrada (León)
GLA	51,022 sqm
Purchase Date	7 July 2015
Acquisition Price	EUR 87.5 m
Market Value (31 December 2017)*	EUR 109.0 m
WAULT	2.7 years
EPRA Net Initial Yield	5.6%
EPRA Vacancy Rate	8.7%

* The valuations have been made by external independent valuers : JLL or C&W.

ANEC BLAU, BARCELONA

Location	Barcelona
GLA	28,617 sqm
Purchase Date	31 July 2014
Acquisition Price	EUR 80.0 m
Market Value (31 December 2017)*	EUR 95.4 m
WAULT	2.7 years
EPRA Net Initial Yield	4.6%
EPRA Vacancy Rate	11.0%

AS TERMAS AND PETROL STATION, LUGO

Location	Lugo
GLA	35,127 sqm
Purchase Date	15 April 2015/28 July 2015
Acquisition Price	EUR 68.8 m
Market Value (31 December 2017)*	EUR 84.2 m
WAULT	1.8 years
EPRA Net Initial Yield	5.7%
EPRA Vacancy Rate	5.2%

PALMAS ALTAS, SEVILLA

Location	Sevilla
Retail and family leisure place	100,000 sqm
Purchase Date	1 March 2016
Acquisition Price	EUR 40.5 m
Market Value (31 March 2018)*	EUR 82.4 m
WAULT	N/A
EPRA Net Initial Yield	N/A
EPRA Vacancy Rate	N/A

PARQUE ABADÍA AND COMMERCIAL GALLERY, TOLEDO

Location	Toledo
GLA	43,154 sqm
Purchase Date	27 March 2017/20 February 2018
Acquisition Price	EUR 77.1 m
Market Value (31 December 2017)*	N/A
WAULT	2.3 years
EPRA Net Initial Yield	6.1%
EPRA Vacancy Rate	1.6%

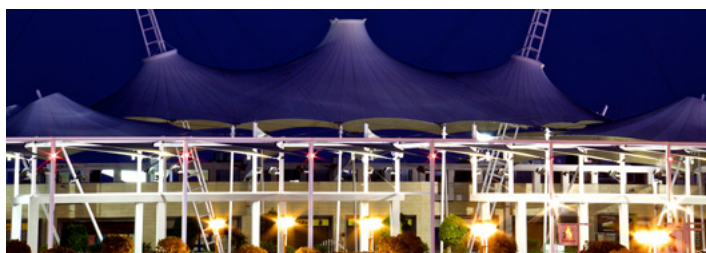
* The valuations have been made by external independent valuers : JLL or C&W.

RIVAS FUTURA, MADRID

Location	Madrid
GLA	36,726 sqm
Purchase Date	6 February 2018
Acquisition Price	EUR 61.6 m
Market Value (31 December 2017)*	N/A
WAULT	2.3 years
EPRA Net Initial Yield	5.8%
EPRA Vacancy Rate	2.3%

**ALBACENTER, HYPER
AND R.U., ALBACETE**

Location	Albacete
GLA	27,890 sqm
Purchase Date	30 July 2014/19 December 2014
Acquisition Price	EUR 39.9 m
Market Value (31 December 2017)*	EUR 56.3 m
WAULT	2.4 years
EPRA Net Initial Yield	5.8%
EPRA Vacancy Rate	8.5%

**VISTAHERMOSA,
ALICANTE**

Location	Alicante
GLA	33,550 sqm
Purchase Date	16 June 2016
Acquisition Price	EUR 42.5 m
Market Value (31 December 2017)*	EUR 50.4 m
WAULT	5.4 years
EPRA Net Initial Yield	5.8%
EPRA Vacancy Rate	6.1%

TXINGUDI, GUIPÚZCOA

Location	Irún (Guipúzcoa)
GLA	10,712 sqm
Purchase Date	24 March 2014
Acquisition Price	EUR 27.7 m
Market Value (31 December 2017)*	EUR 39.0 m
WAULT	2.7 years
EPRA Net Initial Yield	6.1%
EPRA Vacancy Rate	6.3%

* The valuations have been made by external independent valuers : JLL or C&W.

VIDANOVA PARC, VALENCIA ⁽²⁾

Location	Sagunto (Valencia)
GLA	44,252 sqm
Purchase Date	3 August 2015
Acquisition Price	EUR 14.0 m
Market Value (31 March 2018)*	EUR 29.8 m
WAULT	N/A
EPRA Net Initial Yield	N/A
EPRA Vacancy Rate	N/A

(2) Development of the project subjected on planning and commercialization fulfillment.

LAS HUERTAS, PALENCIA

Location	Palencia
GLA	6,267 sqm
Purchase Date	24 March 2014
Acquisition Price	EUR 11.7 m
Market Value (31 December 2017)*	EUR 12.6 m
WAULT	2.1 years
EPRA Net Initial Yield	6.6%
EPRA Vacancy Rate	10.5%

**SUPERMARKETS PORTFOLIO
(22 UNITS)**

Location	Cantabria, País Vasco, La Rioja, Navarra y Baleares
GLA	28,822 sqm
Purchase Date	27 March 2017
Acquisition Price	EUR 47.6 m
Market Value (31 December 2017)*	EUR 52.5 m
WAULT	12.5 years
EPRA Net Initial Yield	7.1%
EPRA Vacancy Rate	0.0%



Location	Pamplona
GLA	4,108 sqm
Purchase Date	23 July 2015
Acquisition Price	EUR 8.4 m
Market Value (31 December 2017)*	EUR 10.7 m
WAULT	3.7 years
EPRA Net Initial Yield	6.3%
EPRA Vacancy Rate	0.0%

* The valuations have been made by external independent valuers : JLL or C&W.

MARCELO SPÍNOLA, MADRID**BREEAM® ES**

Location	Madrid
GLA	8,875 sqm
Purchase Date	31 July 2014
Acquisition Price	EUR 19.0 m
Market Value (31 December 2017)*	EUR 37.5 m
WAULT	1.8 years
EPRA Net Initial Yield	-0.1% **
EPRA Vacancy Rate	75.8% **

ELOY GONZALO, MADRID**BREEAM® ES**

Location	Madrid
GLA	6,330 sqm
Purchase Date	23 December 2014
Acquisition Price	EUR 12.7 m
Market Value (31 March 2018)*	EUR 35.0 m
WAULT	10.4 years
EPRA Net Initial Yield	0.9%
EPRA Vacancy Rate	0.0%

JOAN MIRÓ, BARCELONA

Location	Barcelona
GLA	8,611 sqm
Purchase Date	11 June 2015
Acquisition Price	EUR 19.7 m
Market Value (31 December 2017)*	EUR 21.5 m
WAULT	0.6 years
EPRA Net Initial Yield	0.8%
EPRA Vacancy Rate	9.4%

ALOVERA II, GUADALAJARA

Location	Guadalajara
GLA	83,952 sqm
Purchase Date	13 October 2014
Acquisition Price	EUR 32.1 m
Market Value (31 December 2017)*	EUR 43.7 m
WAULT	2.0 years
EPRA Net Initial Yield	6.7%
EPRA Vacancy Rate	0.0%

* The valuations have been made by external independent valuers : JLL or C&W.

** Recently refurbished and in commercialization.

ALOVERA I, GUADALAJARA

Location	Guadalajara
GLA	35,196 sqm
Purchase Date	7 August 2014
Acquisition Price	EUR 12.7 m
Market Value (31 December 2017)*	EUR 18.8 m
WAULT	1.2 years
EPRA Net Initial Yield	6.6%
EPRA Vacancy Rate	0.0%

ALMUSSAFES, VALENCIA

Location	Valencia
GLA	19,211 sqm
Purchase Date	26 May 2015
Acquisition Price	EUR 8.4 m
Market Value (31 December 2017)*	EUR 10.3 m
WAULT	1.7 years
EPRA Net Initial Yield	6.7%
EPRA Vacancy Rate	0.0%

ALOVERA IV (C5-C6), GUADALAJARA

Location	Guadalajara
GLA	14,891 sqm
Purchase Date	26 May 2015
Acquisition Price	EUR 7.2 m
Market Value (31 December 2017)*	EUR 9.6 m
WAULT	1.0 years
EPRA Net Initial Yield	7.4%
EPRA Vacancy Rate	0.0%

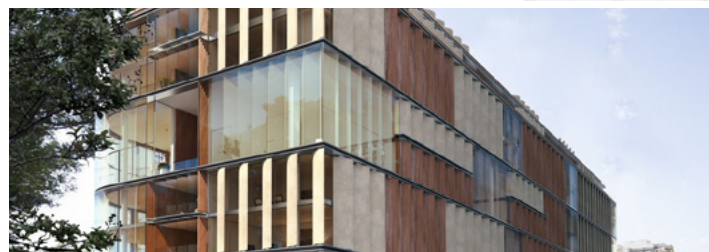
CHESTE, VALENCIA

Location	Valencia
GLA	112,813 sqm
Purchase Date	12 May 2017
Acquisition Price	EUR 2.2 m
Market Value (31 March 2018)*	EUR 5.2 m
WAULT	N/A
EPRA Net Initial Yield	N/A
EPRA Vacancy Rate	N/A

* The valuations have been made by external independent valuers : JLL or C&W.

ALOVERA III (C2), GUADALAJARA

Location	Guadalajara
GLA	8,591 sqm
Purchase Date	26 May 2015
Acquisition Price	EUR 3.0 m
Market Value (31 December 2017)*	EUR 4.3 m
WAULT	1.8 years
EPRA Net Initial Yield	7.4%
EPRA Vacancy Rate	0.0%

LAGASCA99, MADRID

Location	Madrid
GLA	26,203 sqm
Purchase Date	30 January 2015
Acquisition Price	EUR 50.1 m ⁽³⁾
Market Value (31 March 2018)*	EUR 88.0 m ⁽³⁾
WAULT	N/A
EPRA Net Initial Yield	N/A
EPRA Vacancy Rate	N/A

(3) Corresponds to the 50% of the Joint Venture with PIMCO.

* The valuations have been made by external independent valuers : JLL or C&W.

Lagasca99 Residential (Madrid)





1.4 Key Indicators

In the first quarter of 2018 Lar España generated revenues of **19,641 thousand Euros** and a net profit of **15,296 thousand Euros**.

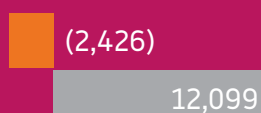
Revenues

(Thousands of Euros)



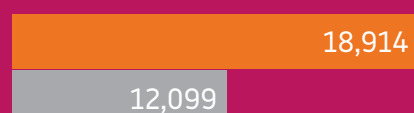
EBITDA (*)

(Thousands of Euros)



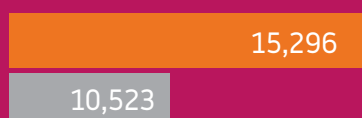
EBIT

(Thousands of Euros)



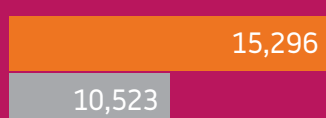
EBT

(Thousands of Euros)



Net profit

(Thousands of Euros)



● Q1 2018 ● Q1 2017

19,641

Thousands of
Euros
Revenues
+9% vs Q1
2017

15,296

Thousands of
Euros
Net Profit
+45% vs Q1
2017

(*) Recurring EBITDA as of 31 March 2018 amounts to 12,600 thousands of euros, 9% higher than that registered in the same period of the previous year

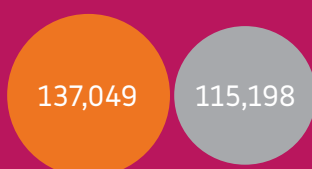
Other Financial Indicators

The Group presents the following financial indicators:

13.86%
ROE

Working capital

(Thousands of Euros)



Liquidity ratio

(%)



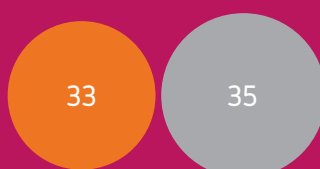
Solvency ratio

(%)



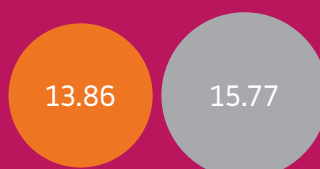
Net LTV

(%)



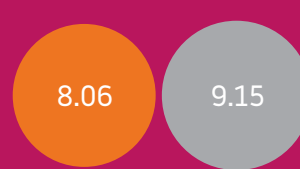
ROE

(%)



ROA

(%)



● 31/03/2018 ● 31/12/2017

At 31 March 2018, and 31 December 2017, the Group presented ratios related to liquidity (working capital and liquidity ratio) with very high values, showing that the Group has sufficient liquidity and a high safety margin to meet its payments.

At 31 March 2018, the **ROE ("Return on Equity")**, which measures the Group's profitability as a percentage of its shareholders equity, amounted to **13.86%** (15.77% at 31 December 2017) whilst the **ROA ("Return on Assets")**, which measures the efficiency of the Group's total assets regardless of the sources of financing used, i.e. the ability of a company's assets to generate income, was **8.06%** (9.15% at 31 December 2017).

1.5 Business Performance

a. Income Distribution

Rental Income

Rental income reached **19,641 thousand Euros** in the first quarter of 2018 (versus 17,974 thousand Euros in the same period of the year before). The increase in rental income between the first quarter of 2018 and the same period of the year before mainly corresponds to the Group's acquiring and launching new real estate investments du-

ring said period (Rivas Futura shopping centre and Parque Abadía commercial gallery).

The relative weigh of rental income by line of business at 31 March 2018 is as follows:

Rental Income by asset class (%). First quarter of 2018.



The breakdown of the **income per asset** for these three lines of business during the first quarter of 2018 is as follows:

Income by Shopping Centre (%)

Megapark + Megapark Leisure Area	18.3	
Gran Vía de Vigo	13.7	
Portal de la Marina + Hyper	10.4	
El Rosal	9.6	
Anec Blau	8.2	
As Termas + Petrol Station	7.8	
Parque Abadía + Commercial Gallery	6.9	
Supermarkets Portfolio	5.4	
Albacenter + Hyper	5.3	
Vistahermosa	4.8	
Txingudi	3.7	
Rivas Futura	1.8	
Las Huertas	1.4	
Parque Galaria	1.0	
Villaverde	0.9	
Nuevo Alisal	0.8	

Income by Logistics Warehouse (%)

Alovera II	54.9	
Alovera I	17.5	
Almussafes	13.8	
Alovera IV (C5-C6)	13.8	
Alovera III (C2) (*)	0.0	

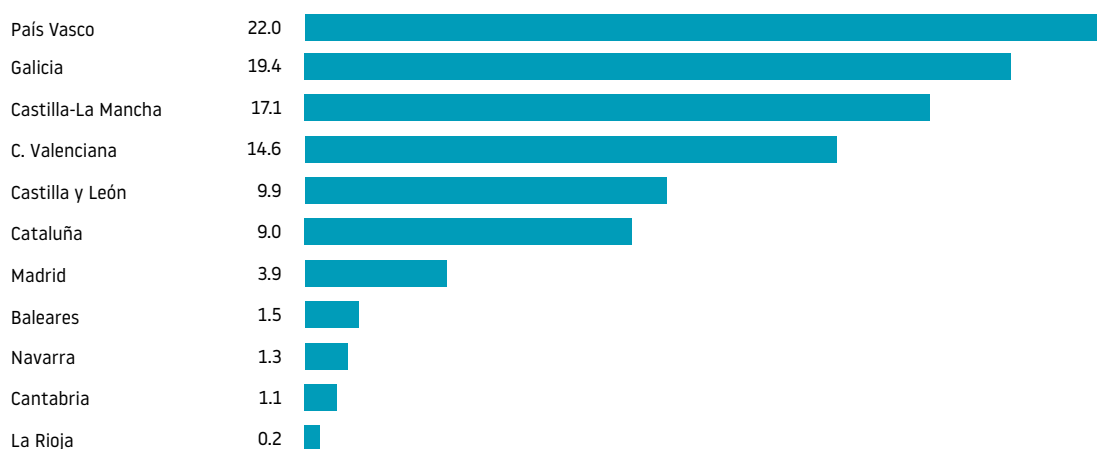
(*) The tenant of the logistics warehouse (Factor 5), has a rent free from 1 January 2018 to 31 March 2018.

Income by Office Building (%)








Joan Miró	53.2	
Egeo	21.7	
Eloy Gonzalo	17.4	
Marcelo Spínola	7.7	

This graph details the **breakdown of rental income per region** for Q1 2018:

Income per region (%)



Below are the **ten tenants that have generated the most revenue** during the first quarter of 2018 and their main characteristics:

Ranking	Trade Name	Asset	% of total rental income	% Acumulated	Lease end	Sector
1	Carrefour 	El Rosal, Gran Vía de Vigo, Hypermarket Portal de la Marina, Alovera II	9.46%	9.46%	2021-2060	Distribution / Hypermarket
2	INDITEX	Anec Blau, As Termas, Albacenter, El Rosal, Gran Vía de Vigo, Portal de la Marina	7.50%	16.96%	2025-2034	Retail Fashion
3	MediaMarkt 	Megapark, Vistahermosa, As Termas, Parque Abadía, Rivas Futura, Villaverde, Nuevo Alisal	5.40%	22.36%	2023-2036	Technology
4	EROSKI 	Supermarkets Portfolio, As Termas Petrol Station, Hypermarket Albacenter	4.46%	26.82%	2025-2051	Petrol Station / Distribution
5	DECATHLON 	Megapark, Parque Abadía	2.94%	29.76%	2036-2041	Distribution
6	Conforama	Megapark, Rivas Futura	2.70%	32.46%	2028-2035	Distribution
7	CORTEFIEL	Megapark, Anec Blau, As Termas, Albacenter, El Rosal, Gran Vía de Vigo, Las Huertas, Portal de la Marina, Txingudi, Vistahermosa	2.48%	34.94%	2019-2030	Retail Fashion
8	ToysRUs 	Megapark, As Termas, El Rosal, Rivas Futura	2.14%	37.08%	2018-2024	Distribution
9	C&A 	Megapark, As Termas, Gran Vía de Vigo, Portal de la Marina, Parque Abadía	2.08%	39.16%	2023-2029	Retail Fashion
10	El Corte Inglés 	Megapark, Parque Galaria, Gran Vía de Vigo, Rivas Futura	2.06%	41.22%	2020-2036	Distribution

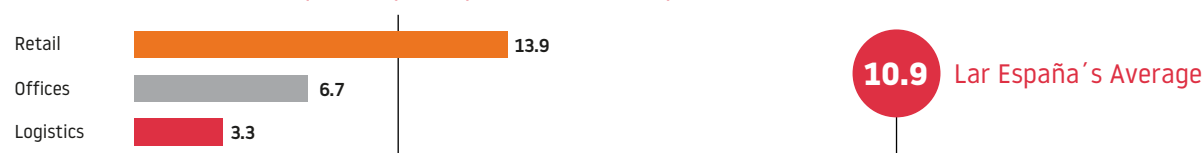
Gross annualised rents

The **annualised GRI** (*) of Lar España is detailed below, as well as the **annualised GRI per occupied sqm** at 31.03.2018:

Asset	Gross Annualised Rents (thousands of euros)	GLA occupied (sqm)	Gross Rent (€/sqm/month)
SHOPPING CENTRES	68,127	403,943	14.1
Megapark + Megapark Leisure Area	12,013	69,867	14.3
Gran Vía Vigo	10,099	40,502	20.8
Portal de la Marina + Hypermarket	7,820	38,936	16.7
El Rosal	7,143	47,589	12.5
Anec Blau	5,471	23,846	19.1
As Termas + Petrol Station	5,369	33,616	13.3
Parque Abadía + Commercial Gallery	5,135	42,798	10.0
Rivas Futura	4,055	35,488	9.5
Vistahermosa	3,616	30,352	9.9
Albacenter + Hypermarket	3,832	25,291	12.6
Txingudi	2,590	10,165	21.2
Las Huertas	986	5,492	15.0
RETAIL WAREHOUSES	4,492	32,930	11.4
Portfolio Supermarkets	3,793	28,822	11.0
Parque Galaria	699	4,108	14.2
TOTAL RETAIL	72,619	436,872	13.9
OFFICES	1,329	16,465	6.7
Marcelo Spínola	424	1,905	18.6
Joan Miró	486	8,230	4.9
Eloy Gonzalo	419	6,330	5.5
TOTAL OFFICES	1,329	16,465	6.7
LOGISTICS	6,403	161,841	3.3
Alovera II	3,188	83,952	3.2
Alovera I	1,344	35,196	3.2
Almussafes	770	19,211	3.3
Alovera IV (C5-C6)	766	14,891	4.3
Alovera III (C2)	335	8,591	3.2
TOTAL LOGISTICS	6,403	161,841	3.3
TOTAL LAR ESPAÑA	80,351	615,179	10.9

(*) The annualised GRI is calculated using the EPRA NIY of each asset.
Annualised GRI = annualised passing rental income from real estate investments + effect of rent-free periods and temporary rental discounts.
See section 3 "EPRA Information".

Gross Annualised rent / sqm occupied by asset class (€/sqm/month)

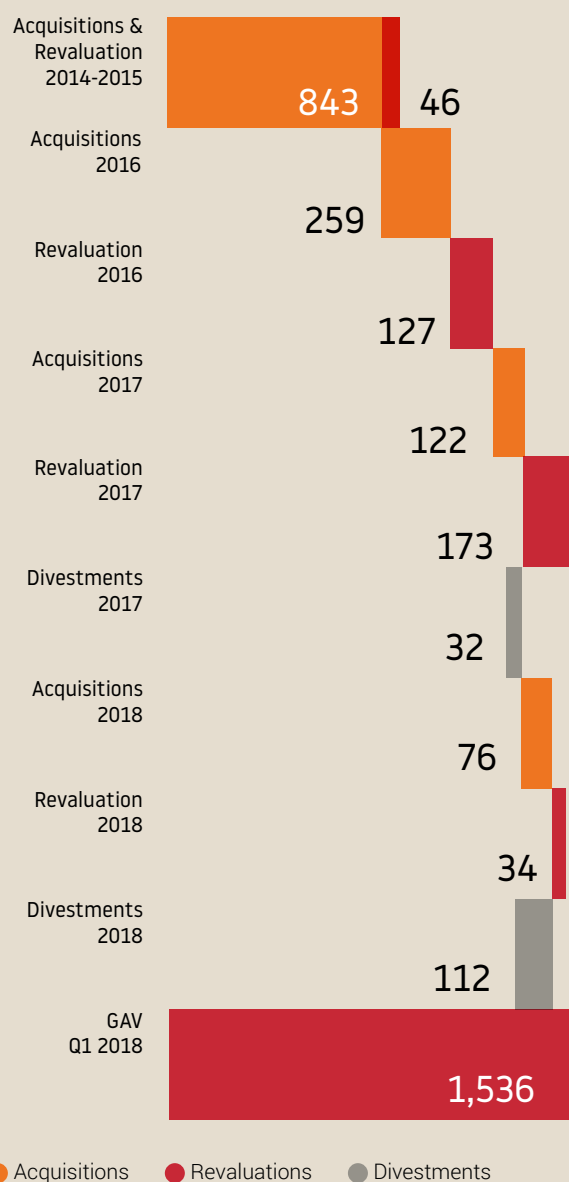


Gran Vía de Vigo Shopping Centre (Vigo)



b. GAV reconciliation 31.03.18 (Millions of euros)

As at 31 of March of 2018, the total value of Lar España's portfolio totals **EUR 1,536 million**.



c. Capex

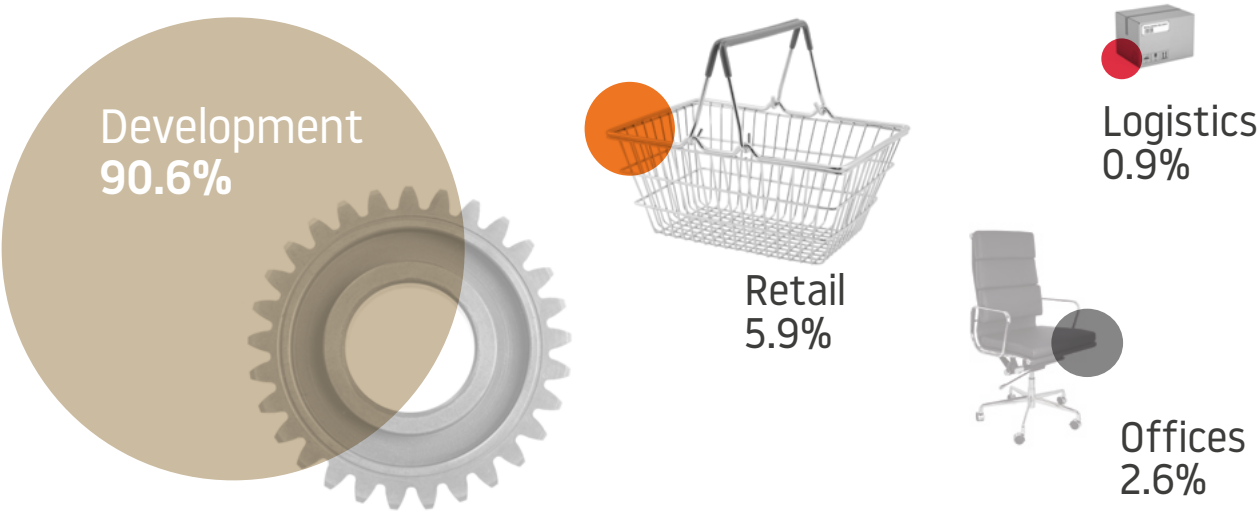
The company has continued to refurbish and improve the assets in its portfolio in order to generate more value, investing more than **22,300 thousands of euros** during the first quarter of 2018.

The breakdown of investment by asset class is as follows:

CAPEX investment (thousands of euros)



Development works in VidaNova Parc (Valencia)

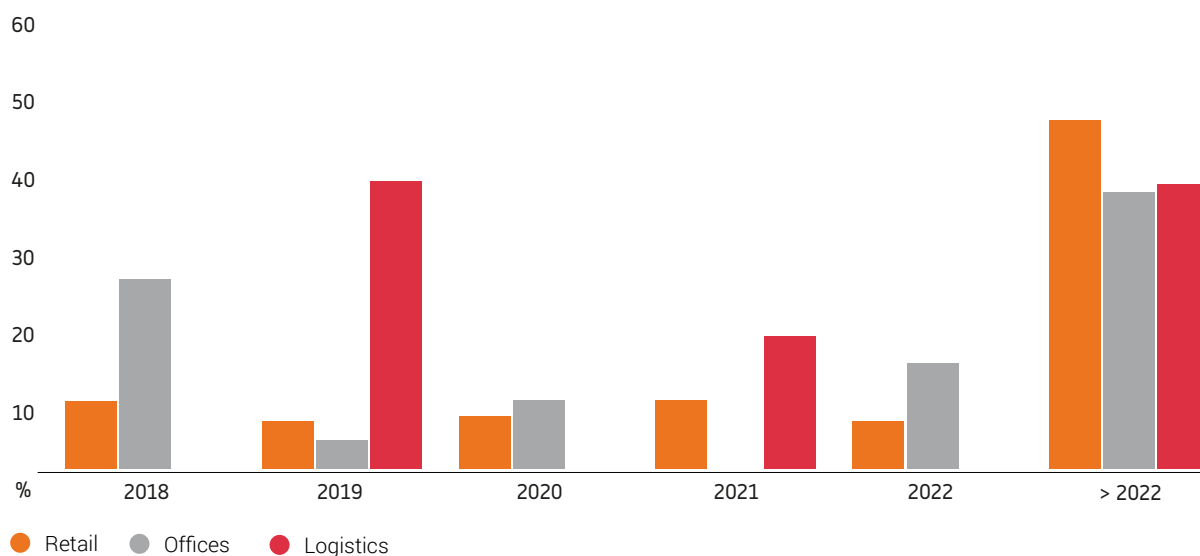


d. Lease Expiry and WAULT

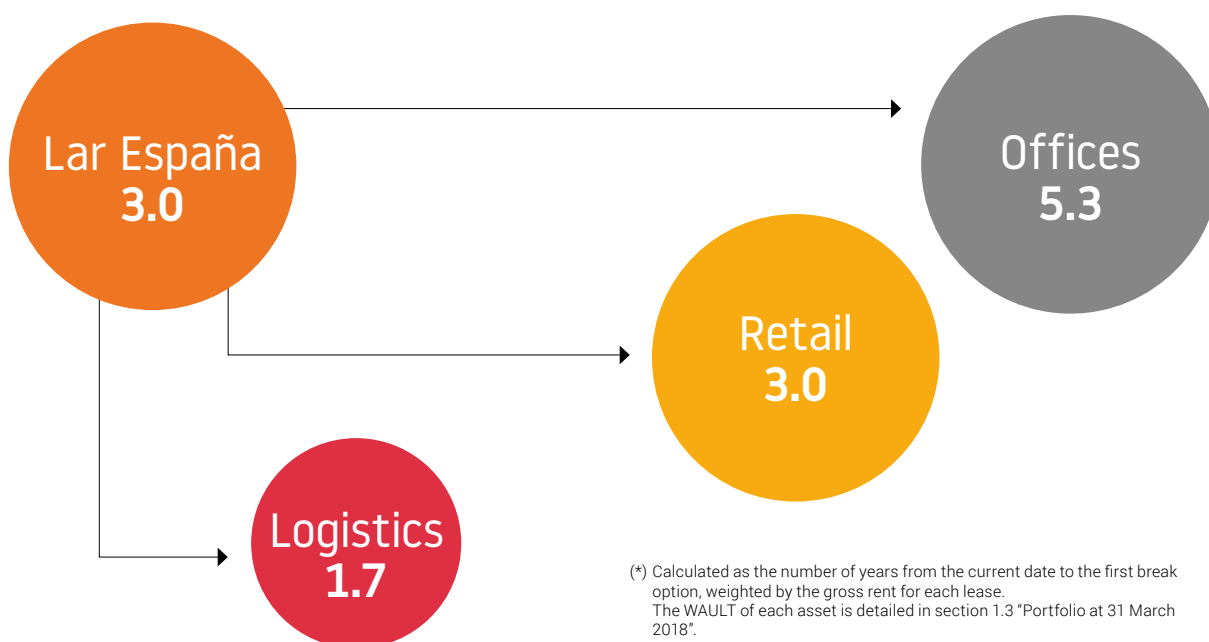
We continue to actively manage our portfolio, allowing us to achieve a **solid and diversified tenant base**.

Leases with our main tenants have been renewed and extended, thereby achieving sizeable minimum guaranteed rent levels.

Lar España's portfolio lease expiry scheduled by year (%)



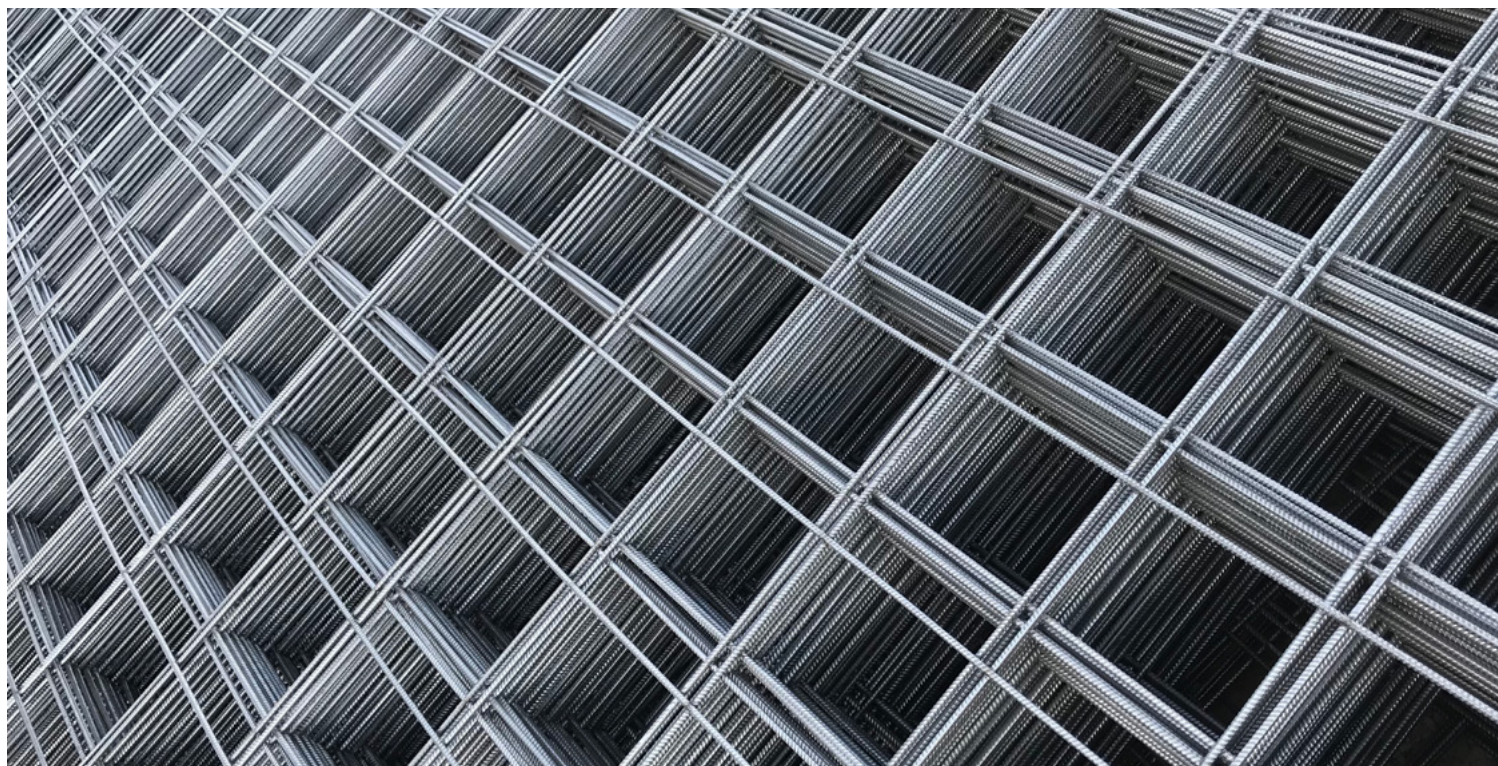
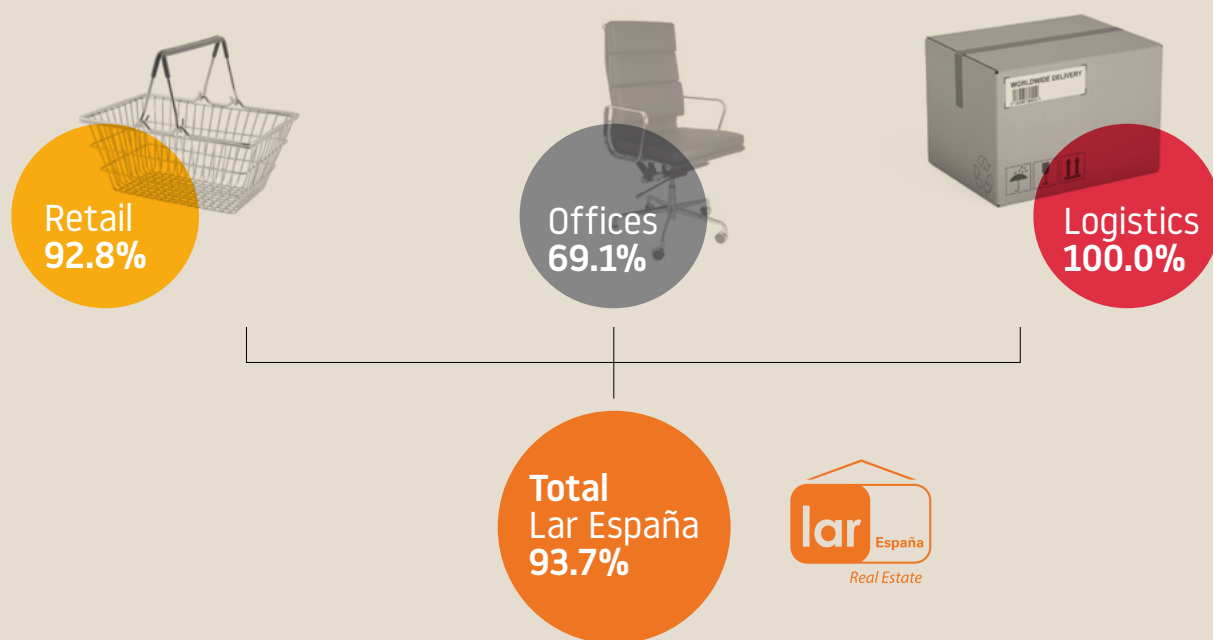
Thus, the **WAULT** (*) (weighted average unexpired lease term) at 31 of March 2018 of Lar España's portfolio is **3.0 years**. Below you will find the detail by asset class:



e. Occupancy (sqm)

The gross leasable area (GLA) of Lar España's income producing assets at 31 March 2018 stood at **656,615 sqm**, whilst the occupancy rate stood at **93.7%**.

The occupancy rate by asset class at 31 March 2018 is shown below:





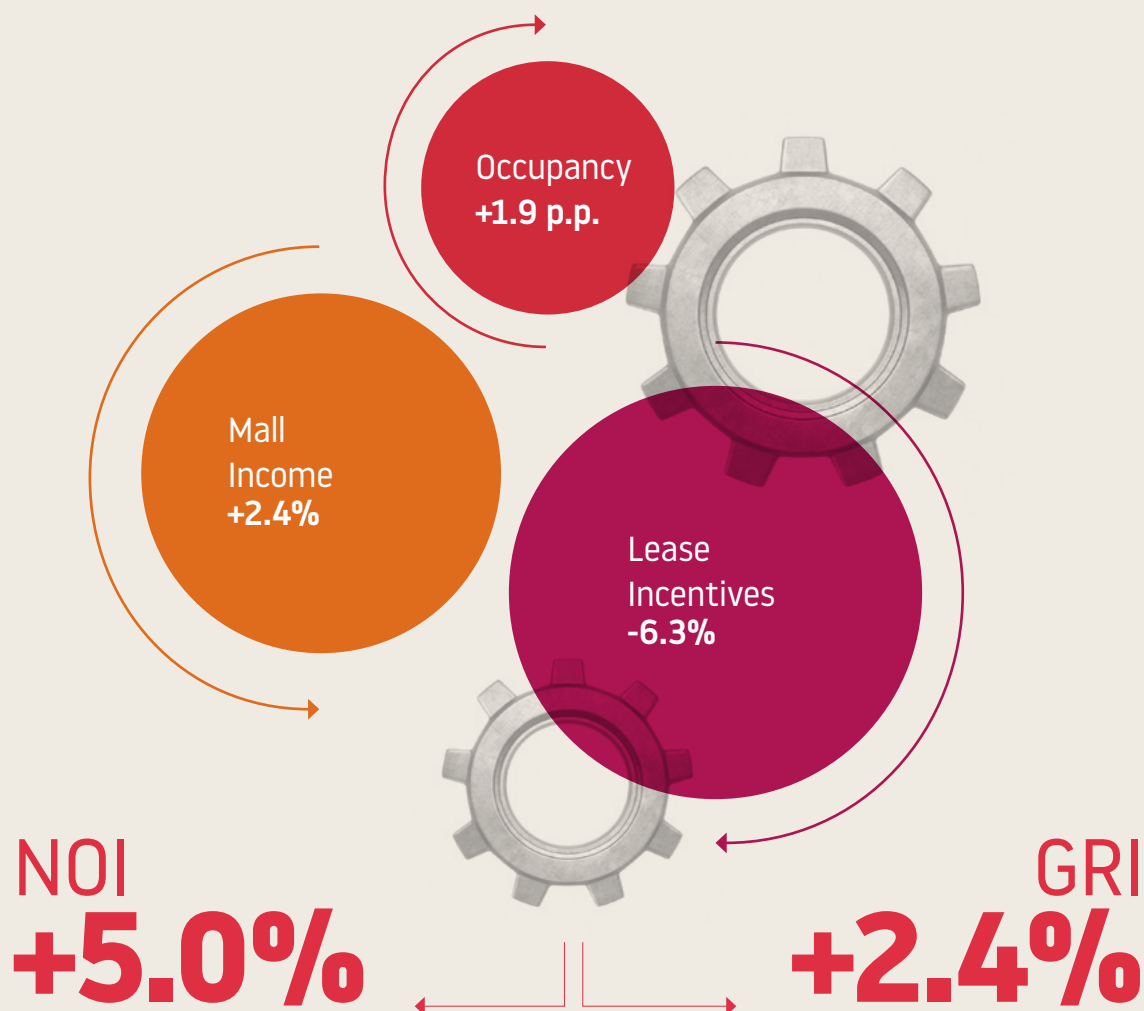
f. Main Milestones

Lar España continued to implement its strategy to actively manage its portfolio. The performance of the key indicators in the first quarter of 2018 is detailed below.



Retail

LfL key indicators evolution



Major operative milestones

During the first three months of 2018 Lar España continued to actively manage its retail portfolio. It closed **35 transactions** including renewals, relocations, relettings and new lettings, resulting in an annualised tenant rotation rate of 5% for the portfolio.

5,831 sqm

Rotated

+9.30%

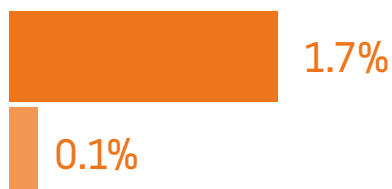
Rent uplift

5%

Annualised tenant rotation rate

Q1 2018 Footfall

High footfall indicator in our shopping centres: **13.6 Million of visits**.



+1.7%
vs Q1 2017

+0.1%

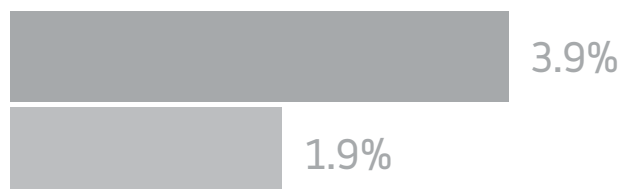
Average Spanish Footfall (1)

(1) Shopper Track Index



Q1 2018 Sales

Good sales performance in the shopping centres: **147.3 Million of euros**.



+3.9%
vs Q1 2017

+1.9%

Spain Retail Sales (3)

(2) Declared Sales
(3) National Statistics Institute (INE)



Megapark Shopping Centre (Bilbao)

Some of the **main operations** during the first quarter of 2018 are detailed below:

c. €820,000 annual negotiated rent

16 operations

Main operations:

- Renewal of Benetton (340 sqm)
- Relocation of Jack & Jones (163 sqm)



2,133 sqm

c. €500,000 annual negotiated rent

4 operations

Main operations:

- Renewal of C&A (1,666 sqm)
- Renewal of Adolfo Domínguez (113 sqm)



2,254 sqm

c. €168,000 annual negotiated rent

6 operations

Main operations:

- Renewal of Foster Hollywood (250 sqm)



677 sqm

c. €315,000 annual negotiated rent

9 operations

Main operations:

- Renewal of Imaginarium (104 sqm) at Anec Blau
- Relocation of Skechers (129 sqm) at Gran Vía de Vigo



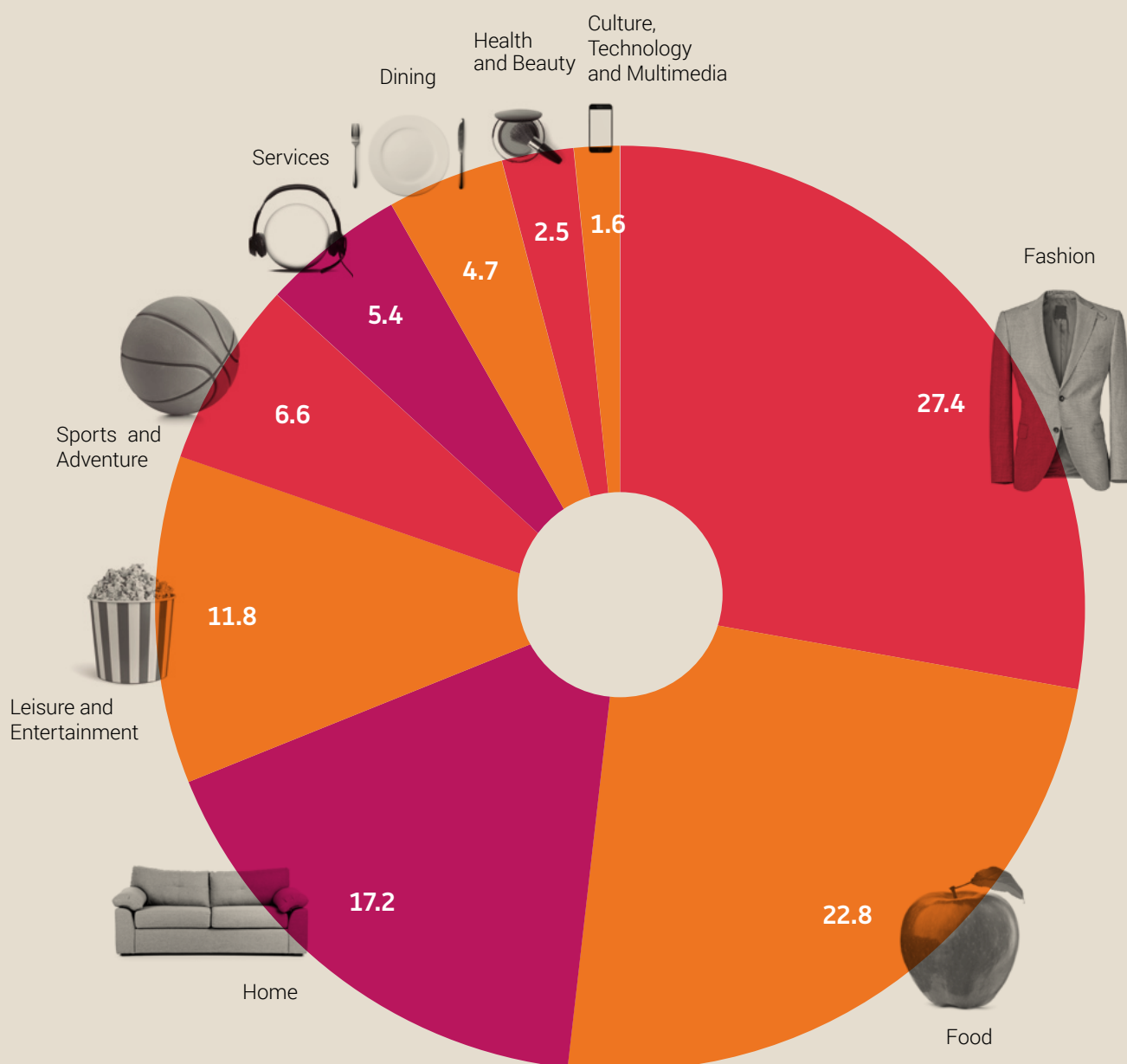
Rest of the portfolio

767 sqm

The healthy pre-let rate continues in **retail projects under development**. During Q1 2018, **five deals were signed** (4,799 sqm) at **VidaNova Parc** retail complex, taking the pre-let occupancy to 97%, whilst **17 lettings** (12,119 sqm) were signed at **Palmas Altas** shopping centre, meaning that 63% of GLA has now either been signed or has a binding document in place.

Retail Tenant Mix (%)

The **tenant mix** of Lar España's retail portfolio at 31 March 2018 by space let is as follows:



Innovation and digitalisation

Lar España remains firmly committed to driving **value creation** and improving the **customer experience at its shopping centres** via **innovation and the development of new technology** - all within the framework of a **sustainable business model**. During Q1 2018, the company continued to implement various projects launched in previous quarters, initiatives which stand out for what they aim to achieve and their commitment to managing both the company's properties and its relationship with the main stakeholders.

Customer Journey

Following on from the project that was launched in 2017, Lar España has implemented a **research programme** which aims to establish a **positioning strategy** that will place its Anec Blau, As Termas and El Rosal shopping centres (as well as Albacenter once the refurbishment works are completed in June 2018) firmly ahead of the competition. The main aim of this project is to improve the experience of key customers at the shopping centres and enhance their satisfaction, by transforming the centres into shopping centre destinations where customers can enjoy unique value-add experiences.

To fully understand how and why the environment affects the **shopping centre visitor**, a study has been created to address the three following areas: city, shopping centre and people.

Wonderful

During Q1 2018, we held a second series of our **entrepreneur events, which** aim to **drive and promote innovation** via solutions that **benefit society**, primarily in the areas of shopping centre and in-store retail and the relationship between cities and their residents. In so doing, Lar España aims to demonstrate the importance of innovation as a key starting point for improving society, creating businesses, expanding existing businesses and promoting and supporting job creation.

In this second edition, there are four different categories:

- **Innovative Smart City Start-ups:** for start-ups aimed at any sector that improves relations with the public.
- **Innovative Start-ups in Commerce, Retail and Shopping centres:** for start-ups that improve the relationship of shopping centres or stores with consumers or the services that they can offer to them.
- **Innovative Retail Businesses:** any innovative retail business that is operational or yet to be officially founded.
- **Innovative Smart City, Commerce or Retail Business Ideas:** aimed at entrepreneurs, university students or people that have not created a business, but have an innovative idea in any of the Wonderful areas. They will all have the opportunity to present their business projects or Final Year Dissertations.



Offices

Cardenal Marcelo Spínola

- On 1 February 2018, the first floor of the property was let to **Hanson Hispania (Heidelberg Cement Hispania)**.
- The **building work to improve** the property's car park began in Q1 2018.
- Commercial interest remains high, with a total of **24 commercial visits** carried out during 2018.

Joan Miró

- Main tenant's lease term extended** to 31 August 2018 (Registradores de la Propiedad).

Eloy Gonzalo

- Entered into the third and final phase** of the refurbishment works, which are expected to be completed in May 2018.
- On 19 March 2018 a **lease agreement** for 4,364 sqm (70% of GLA) and an initial lease term of 15 years was signed with **WeWork**, the leading co-working space company.

Egeo

- On 16 January 2018 the property was sold to Inmobiliaria Colonial for a total of **€79.3 million (€4,344 per sqm)**.
- The sale price represented a **value uplift of 22.2%** on the acquisition price.



Logistics

Alovera II

- Construction works** carried out as per the agreement reached for the novation of the contract.

Alovera III

- Commencement of** Factor 5 warehouse forecourt upgrade.

Almussafes

- Roof renovation works** completed (50%).



Residential

Lagasca99

- Lagasca 99 building works** progressing on schedule.
- Strong interest** from national and international investors.
- Pre-sales** at 31 March 2018 stood at **80%**.



Development projects

Palmas Altas

Retail Development

Your retail and family space in Seville

Excellent location, 4 km from Seville's city centre	Estimated opening: H1 2019		
Acquisition price: €40,5 million	100,000 sqm of retail and family leisure space		
Market value (*): €82.4 million			
Purchase date: Q1 2016	In the process of gaining certification BREEAM® ES	Round to 63% of GLA signed or with binding contract with leading retailers 63%	Some of our main tenants:
Large catchment area: 1.5 MM people	Status: under construction and letting		       
Forecast annual revenue of c. €15 million.	Estimated construction cost to completion: 151.6 MM €		

(*) The valuations have been made at 31 March 2018 by external independent valuers: JLL or C&W.

VidaNova Parc

Retail Development



*A family retail and
leisure park bringing
the region alive*



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

Estimated opening:
Q3 2018

Acquisition price:
€14 million

44,252 sqm GLA

Market value (*):
€29.8 million

Purchase date:
Q3 2015

In the process of
gaining certification

BREEAM ES

Large catchment area:
250,000 people

Status: under
construction and
letting

Forecast annual
revenue of more than
€4 million

Estimated construction
cost to completion:
€33.9 million

More than **97% of GLA**
signed with leading
retailers

97%

Some of our
main tenants:



(*) The valuations have been made at 31 March 2018 by external independent valuers: JLL or C&W.

Lagasca99

LAGASCA99

Residential Development

*Unique,
outstanding,
exclusive*

<p>Urban plot of land under construction in the very heart of the Salamanca Neighbourhood, one of Madrid's most exclusive areas and set to become a landmark property in the luxury residential sector.</p>	<p>Construction works start date: Q1 2016</p>		
<p>Acquisition price: €50,1 M ^(**)</p>	<p>Estimated delivery date: 2018</p>		
<p>Market Value ^(*): €88.0 M ^(**)</p>	<p>In the process of gaining certification</p> <p>BREEAM ES</p>	<p>The property will include a full range of facilities: indoor and outdoor swimming pool, spa, gym and communal rooms</p> <p>Plot with 4 façades that will feature 42 apartments with an average floor area of 400-450 sqm</p>	
<p>Acquisition date: Q1 2015</p>	<p>Status: under construction and letting</p>		
<p>As at 31 March 2018 80% of apartments pre-sold</p> <p>80%</p>	<p>Estimated construction cost to completion: €45.0 million</p>	<p>Project carried out by the world renowned Rafael de la Hoz architectural studio</p>	

(*) The valuations have been made at 31 March 2018 by external independent valuers: JLL or C&W.

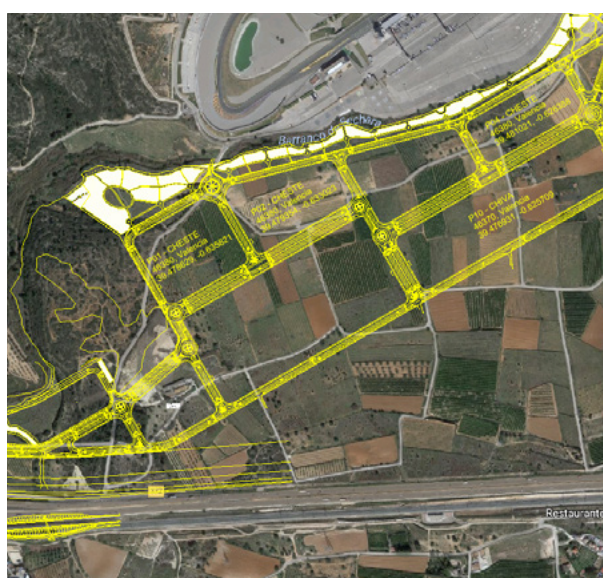
(**) Corresponds to the 50% of the Joint Venture with PIMCO.

Cheste



The logistics platform of reference in Valencia

Logistics Development



Prime and strategic location along the main logistics axis of Valencia, a key location for international trade within the Mediterranean Corridor

Urbanization works start date: **Q1 2018**

First logistics warehouses delivery date: **Q4 2019**

Total cost of land (land cost + urbanization):
€16.5 million (84.6 €/sqm)

Purchase date:
H1 2017

Status: in process of obtaining licenses and permissions and starting urbanization works

Acquisition price:
€2.2 M

Valencia: 3rd largest logistics city in Spain with vacancy rate at record lows (6.1%). Currently, there are no logistics warehouses bigger than 5,000 sqm in the area

GLA: **112,813 sqm**

Market value (*):
€5.2 M

Estimated construction cost to completion:
40,3 MM €

Excellent opportunity with a price lower than market

(*) The valuations have been made at 31 March 2018 by external independent valuers: JLL or C&W.

2

CONSOLIDATED FINANCIAL STATEMENTS

2.1

Company Chart
31.03.2018
p. 44

2.3

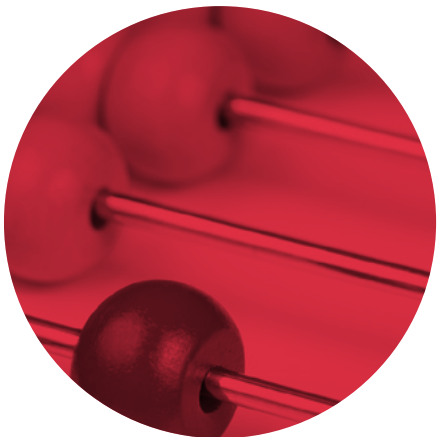
Consolidated Statement
of Financial Position
p. 50

2.2

Consolidated
Statement of
Comprehensive
Income
p. 46

2.4

Consolidated Statement
of Cash Flows
p. 57



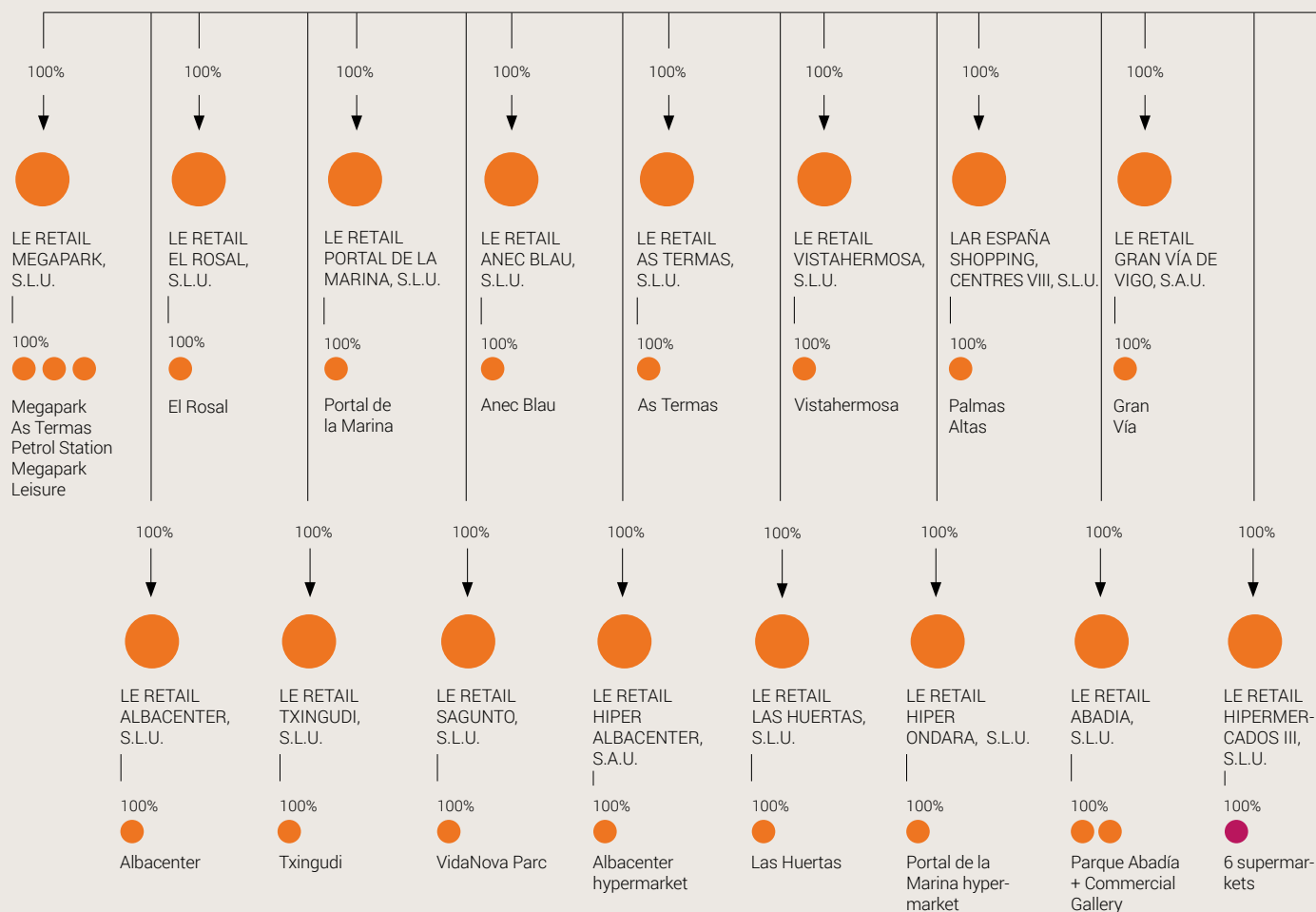
VidaNova Parc Shopping Centre (Valencia)



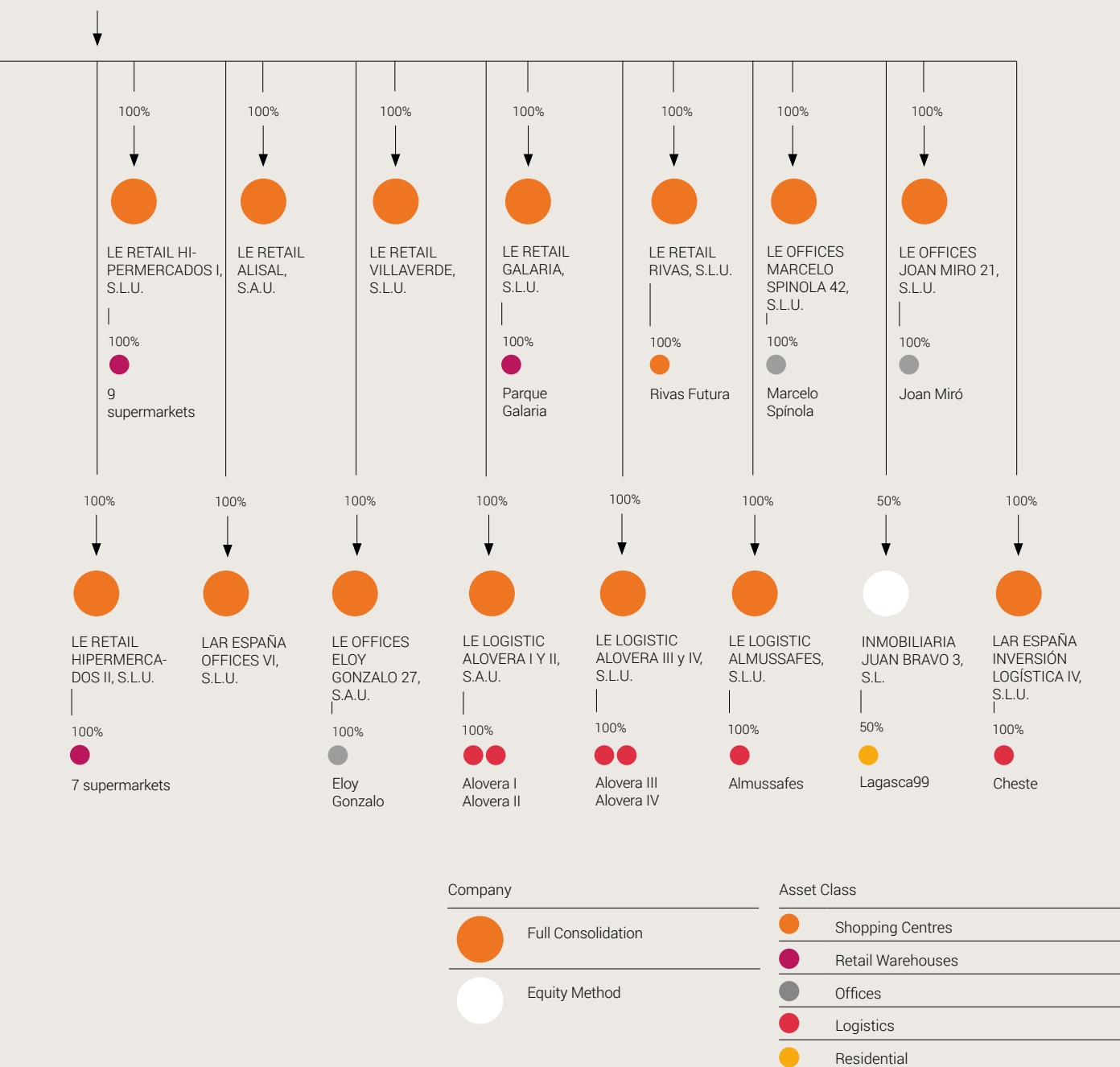
2.1 Company chart 31.03.2018

At 31 March 2018, the consolidated financial statements of the Group were presented in accordance with the accounting principles established in the International Financial Reporting Standards adopted by the European Parliament (EU-IFRS) up until this date.

The **scope of the Group's consolidation** is as follows:



For comparative purposes, the balances of the Consolidated Comprehensive Income Statement are shown together with those for the same period the year before, whilst for the Consolidated Statement of Financial Position they are shown together with those corresponding to 31 December 2017.



2.2 Consolidated Statement of Comprehensive Income

(Thousands of euros)	Q1 2018			Q1 2017		
	Recurring	Non-recurring	Total	Recurring	Non-recurring	Total
Revenues	19,641	-	19,641	17,974	-	17,974
Other income	429	-	429	600	-	600
Personnel expenses	(135)	-	(135)	(116)	-	(116)
Amortisation expenses	(42)	-	(42)	-	-	-
Other expenses	(7,335)	(18,341)	(25,676)	(6,902)	(404)	(7,306)
Other results	-	-	-	-	947	947
Changes in the fair value of investment properties	-	21,382	21,382	-	-	-
Results of disposals of investments properties	-	3,315	3,315	-	-	-
RESULT FROM OPERATIONS	12,558	6,356	18,914	11,556	543	12,099
Financial income	430	-	430	2,063	-	2,063
Financial expenses	(3,854)	-	(3,854)	(3,316)	-	(3,316)
Share in profit (loss) for the period of equity-accounted companies	(194)	-	(194)	(323)	-	(323)
PROFIT/(LOSS) BEFORE TAX FROM CONTINUING OPERATIONS	8,940	6,356	15,296	9,980	543	10,523
Income tax	-	-	-	-	-	-
PROFIT FOR THE PERIOD	8,940	6,356	15,296	9,980	543	10,523

Data unaudited at 31 March 2018

Recurring result from operations
12,558 thousands of euros
+9% vs Q1 2017

Result from operating activities

At 31 March 2018, the Group presented a positive result for its operations amounting to 18,914 thousand Euros (positive results from operations of 12,099 thousand Euros at 31 March 2017).

Revenues

Revenue during the first quarter of 2018 amounted to **19,641 thousand Euros** (revenue of 17,974 thousand Euros during the first quarter of 2017), 90% of which was rental income from shopping centres (83% during the first quarter of 2017).

Other expenses

At 31 March 2018, the Group incurred **other expenses** amounting to **25,676 thousand Euros**, mainly related to:

- Recurrent services that are directly linked to the every-day management of the assets (supplies, IBI -property tax-, etc.) in the amount of 4,515 thousand Euros.
- Management fees (fixed and variable fee included) for management services provided to the Company by Grupo Lar Inversiones Inmobiliarias ("Grupo Lar") totals 20,105 thousand Euros. The fixed amount totals 2,207 thousand of euros, discounting Grupo Lar expenses incurred by Lar España as fees indirectly paid in subsidiary companies (127 thousand Euros) and other administrative expenses (44 thousand Euros). The variable amount, 17,898 thousand Euros, relates to the divestment fee that was accrued in Q1 2018 after exceeding €100 million in divestments.

Other results

At 31 March 2017, other profits included the revenue for the amount of 947 thousand Euros derived from the buyout of 100% of the subsidiaries LE Retail Hipermercados I, S.L.U. (previously named NPS European Porperty (Retail) I, S.L.U.), LE Retail Hipermercados II, S.L.U. (previously named NPS European Property (Retail) II, S.L.U.), and LE Retail Hipermercados III, S.L.U. (previously named NPS European Property (Retail) III, S.L.U.). This amount was derived from the **difference between the amount paid and the fair value of the assets acquired and liabilities assumed**. These acquisitions took place on 27 March 2017.

Change in the fair value of investment properties

On 31 March 2018, and as per the market notification, an extraordinary decision was made to carry out valuations of projects both under construction (Palmas Altas, Vida-Nova Parc, Cheste and Lagasca99) and being fully refurbished (Eloy Gonzalo), in order to update the progress being made in these assets.

Results of disposals of investment properties

On 31 March 2018, **this heading includes the gain of EUR 2,519 thousand** from the sale of the Villaverde and Nuevo Alisal retail warehouses, which were owned by the subsidiaries LE Retail Villaverde, S.L.U. and LE Retail Alisal, S.L.U, respectively, and **the gain of EUR 796 thousand** from the sale of the company LE Offices Egeo, S.A.U., owner of the Egeo office building (See significant event 2 and 8).

Amortisation expenses

At 31 March 2018, this entry includes the **amortisation of the right of use** of the surface area intended to be used as recreational and leisure facilities, located in the retail complex **Megapark Barakaldo** (Vizcaya) (See intangible assets).

Net Financial Result

The **financial result** was a negative balance of 3,424 thousand Euros at 31 March 2018 (negative balance of 1,253 thousand Euros at 31 March 2017).

Financial income amounting to 430 thousand Euros in the first quarter of 2018 mainly comprises the interest accrued on credits granted to equity-accounted companies, while **financial expenses** amounting to 3,854 thousand Euros mainly comprises the interest accrued on loans taken out by the Group with financial institutions and the bonds issued by the Group in February 2015.

Consolidated Statement of Comprehensive Income by business line

The income and expenses recorded by the Group at 31 March 2018 broken down by business line are as follows:

(Thousands of Euros)	Retail	Offices	Logistics	Residential	LRE*	Total
Revenues	17,677	570	1,394	-	-	19,641
Other income	429	-	-	-	-	429
Personnel expenses	-	-	-	-	(135)	(135)
Amortisation expenses	(42)	-	-	-	-	(42)
Other expenses	(20,210)	(2,662)	(1,748)	-	(1,056)	(25,676)
Other results	-	-	-	-	-	-
Changes in the fair value of investment properties	13,435	7,947	-	-	-	21,382
Results of disposals of investments properties	2,519	796	-	-	-	3,315
RESULTS FROM OPERATIONS	13,808	6,651	(354)	-	(1,197)	18,914
Net financial result	(2,398)	(248)	-	-	(778)	(3,424)
Share in profit (loss) for the period of equity-accounted companies	-	-	-	(194)	-	(194)
PROFIT/(LOSS) FOR THE PERIOD	11,410	6,403	(354)	(194)	(1,969)	15,296

(*) The amounts included in LRE column are corporate expenses not re-invoiced to the business lines.
Data unaudited at 31 March 2018

At 31 March 2018 retail assets presented an operating profit of 13,808 thousand Euros; offices an operating profit of 6,651 thousand Euros; and the logistics warehouses an operating loss of 354 thousand Euros.



As Termas Shopping Centre (Lugo)

2.3 Consolidated Statement of Financial Position

ASSETS

(Thousands of Euros)

	31/03/2018	31/12/2017
Intangible assets	8,670	8,673
Investment properties	1,339,311	1,306,350
Financial assets with associates	-	2,161
Equity-accounted investees	5,331	5,526
Non-current financial assets	11,838	11,928
NON-CURRENT ASSETS	1,365,150	1,334,638
Non-current assets held for sale	105,479	124,295
Trade and other receivables	21,163	14,413
Financial assets with associates	17,687	27,718
Other current financial assets	2,976	7,118
Other current assets	680	553
Cash and cash equivalents	63,775	45,617
CURRENT ASSETS	211,760	219,714
TOTAL ASSETS	1,576,910	1,554,352

EQUITY AND LIABILITIES

(Thousands of Euros)

	31/03/2018	31/12/2017
Share capital	185,248	185,248
Share premium	487,349	487,349
Other reserves	247,500	111,854
Retained earnings	15,296	135,606
Treasury shares	(515)	(175)
Valuation adjustments	(1,657)	(1,663)
EQUITY	933,221	918,219
Financial liabilities from issue of bonds and other marketable securities	138,858	138,787
Loans and borrowings	394,408	361,165
Deferred tax liabilities	16,958	14,613
Derivatives	1,833	831
Other non-current liabilities	16,921	16,221
NON-CURRENT LIABILITIES	568,978	531,617
Liabilities related to assets held for sale	8,102	47,618
Financial liabilities from issue of bonds and other marketable securities	423	3,482
Loans and borrowings	5,876	5,580
Liabilities with associates	-	7,505
Derivatives	362	1,267
Other financial liabilities	-	147
Trade and other payables	59,948	38,917
CURRENT LIABILITIES	74,711	104,516
TOTAL EQUITY AND LIABILITIES	1,576,910	1,554,352

Data unaudited at 31 March 2018

Translation of information originally prepared in Spanish. In the event of a discrepancy, the Spanish-language version shall prevail.

Non-current assets

Investment properties

At 31 March 2018, **investments properties** are classified under non-current assets, at a fair value of **1,339,311 thousand Euros** (1,306,350 thousand Euros at 31 December 2017), except for the logistics warehouses Alovera I, Alovera III (C2), Alovera III, Alovera IV (C5-C6) and Almusafes for a total amount of 86,879 thousand Euros, and the retail warehouse Parque Galaria amounting to 10,700 thousand Euros, which are classified under "Non-current assets held for sale" (see assets and liabilities held for sale).

The Group's investment properties, including the assets classified under "Non-current assets held for sale", consist of fourteen shopping centres, one retail warehouse, twenty-two retail units, three office buildings, and six logistical warehouses. Of particular significance is the investment in shopping centres amounting to 1,138,671

thousand Euros (1,091,596 thousand Euros at 31 December 2017), with revenue from leases representing 90% of the Group's total revenues during the first quarter of 2018.

During the first quarter of 2018, the Group purchased the shopping centre Rivas Futura and a commercial gallery of the retail complex Parque Abadía (see significant events 5 and 7), whose fair values at 31 March 2018 amount to 62,583 thousands Euros and 14,000 thousands Euros, respectively.

During the first quarter of 2018, the Group also sold the office building Egeo, and the retail warehouses Villaverde and Nuevo Alisal, whose fair values at the transaction dates amount to EUR 76,674, 11,343 and 19,313 thousand (see significant events 2 and 8).

NET INVESTMENT

(Thousands of Euros)

	31/03/2018	31/12/2017
Shopping Centres ^(*)	1,138,671	1,091,596
Offices	93,950	162,124
Logistics ^(**)	86,879	86,680
Development ^(***)	117,390	83,980
Investment properties	1,436,890	1,424,380

(*) This amount includes Parque Galaria for an amount of 10,700 thousand Euros, which has been reclassified to "Non-current assets held for sale".

(**) This amount has been reclassified to "Non-current assets held for sale".

(***) At 31 March 2018, the amount included mainly corresponds to the fair value of the plots of land acquired in relation to VidaNova (Valencia), Palmas Atlas (Sevilla) and Cheste (Valencia) projects.

Net investment by asset class (%)

79.2%
Shopping
Centres



8.2%
Development



6.5%
Offices



6.1%
Logistics



The **GLA**, the **fair value** and the **initial yield** per asset is as follows:

ASSET	Total Gross Leasable Area (GLA) (sqm)	Fair Value (thousands of euros)	Net Initial Yield (NIY) (*)
Megapark	63,575	203,090	5.05%-7.50%
Gran Vía	41,426	163,023	
Portal de la Marina + Hypermarket	40,158	119,941	
El Rosal	51,022	109,566	
Anec Blau	28,617	95,386	
As Termas + Petrol Station	35,127	84,225	
Parque Abadía + Commercial Gallery	43,154	79,040	
Rivas Futura	36,726	62,583	
Albacenter + Hypermarket	27,890	56,520	
Supermarkets Portfolio	28,822	52,533	
Vistahermosa	33,550	50,390	
Txingudi	10,712	39,039	
Las Huertas	6,267	12,635	
Parque Galaria	4,108	10,700	
TOTAL SHOPPING CENTRES AND RETAIL WAREHOUSES	451,154	1,138,671	
Marcelo Spínola	8,875	37,500	0.91%-4.22%
Joan Miró	8,611	21,450	
Eloy Gonzalo	6,330	35,000	
TOTAL OFFICES	23,816	93,950	
Alovera II	83,952	43,732	6.49%-7.63%
Alovera I	35,196	18,800	
Almussafes	19,211	10,447	
Alovera IV (C5-C6)	14,891	9,600	
Alovera III (C2)	8,591	4,300	
TOTAL LOGISTICS	161,840	86,879	N/A
VidaNova Parc	44,252	29,790	
Palmas Altas	(**)	82,400	
Cheste	118,160	5,200	
TOTAL DEVELOPMENTS	162,412	117,390	
TOTAL LAR ESPAÑA	799,222	1,436,890	

(*) Yields provided in the last valuations reports made by JLL and C&W.

(**) 100,000 sqm of retail and family leisure space.

Current assets

Intangible assets

At 31 March 2018 and 31 December 2017, intangible assets comprise the **right of use of the floor space where the Megapark Barakaldo leisure facilities are located**. Said leisure facilities are currently operated by group company LE Retail Megapark, S.L.U. and earn leasing income.

The right of use, which expires in year 2056, was acquired on 27 October 2017 for EUR 8,686 thousand and has accrued an amortisation of EUR 42 thousand during the first three months of 2018. Once the right of use expires, the assets contained on leased floor space will be delivered to the Barakaldo City Council.

Financial assets with associates

The amount recognised under this item at 31 December 2017 reflected loans extended to Inmobiliaria Juan Bravo 3, S.L.

Equity-accounted investees

At 31 March 2018 and 31 December 2017, the amount reflects investments held by the Group that are accounted for using the equity method: Inmobiliaria Juan Bravo 3, S.L.

Non-current financial assets

At 31 March 2018 and 31 December 2017, the Group has recognised as non-current financial assets mainly security deposits received from tenants, which the Group has deposited with the corresponding public bodies.

Assets and liabilities held for sale

At 31 December 2017, this heading included the assets and liabilities of the **companies LE Offices Egeo, S.A.U., LE Retail Villaverde, S.A.U., LE Retail Galaria, S.A.U. and LE Retail Alisal, S.A.U., which had been classified as held for sale. The investment properties that were owned by the companies LE Retail Villaverde, S.A.U. and LE Retail Alisal, S.A.U. were sold in the first quarter of 2018, as was the company LE Offices Egeo, S.A.U.** (See notice of material facts 2 and 8).

At 31 March 2018, this heading includes the assets and liabilities of the companies **LE Logistic Alovera I y II, S.A.U., LE Logistic Alovera III y VI, S.A.U., LE Logistic Almussafes, S.A.U. and LE Retail Galaria, S.A.U.**, which were classified as held for sale as per IFRS 5. (*)

At 31 March 2018 assets and liabilities held for sale are as follows:

Non current assets held for sale

(Thousands of euros)	31/03/2018
Investment properties	97,579
Non-current financial assets	1,054
Other current assets	41
Trade and other receivables	2,232
Cash and cash equivalents	4,573
Non current assets held for sale	105,479

Liabilities related to assets held for sale

(Thousands of euros)	31/03/2018
Loans and borrowings	4,118
Other non-current liabilities	1,198
Loans and borrowings - Current	3
Other current financial liabilities	1,725
Trade and other payables	1,058
Liabilities related to assets held for sale	8,102

(*) IFRS (International Financial Reporting Standards).

Trade and other receivables

As of 31 March 2018 and 31 December 2017, this heading principally reflects other public administration credits in the amount of 13,571 thousand Euros and 6,833 thousand Euros, respectively.

Financial assets with associates

At 31 March 2018 and 31 December 2017, the amount of this item mainly reflects the loan and current accounts with the associate Inmobiliaria Juan Bravo 3, S.L.

Net Equity

At 31 March 2018, the **Company's share capital** consisted of **92,624,097** registered shares represented by book entries with a par value of 2 Euros each, fully subscribed and paid up, giving their holders equal rights.

The Company has recognised share issue costs of 16,428 thousand Euros as a reduction in reserves under equity.

During the first quarter of 2018, the Company has carried out its own share sale and purchase transactions, as described below:

	Number of shares	Thousands of euros
31 December 2017	19,880	175
Additions	685,516	6,255
Disposals	(651,075)	(5,915)
31 March 2018	54,321	515













The positive balance arising from the sale of own shares in the first quarter of 2018 amounted to 40 thousand Euros, recorded under "Other reserves".



Financial liabilities

Loans & Borrowings

The characteristics of the Loans & Borrowings at 31 March 2018 are as follows:

Type	Project	Entity	Interest rate (*)	Maturity date	Nominal amount (Thousands of Euros)	Current (Thousands of Euros)	Non-Current (Thousands of Euros)
Mortgage Loan	As Termas	ING  BANK	Eur 3M + 1.80%	25/06/2020	37,345	-	36,835
Mortgage Loan	El Rosal	 CaixaBank	Eur 3M + 1.75%	07/07/2030	50,000	290	48,922
Mortgage Loan	Joan Miró	BBVA	Eur 3M + 1.75%	23/12/2020	9,800	5	9,656
Mortgage Loan	Megapark	 Santander  NATIXIS  CRÉDIT AGRICOLE	Eur 3M + 1.70%	24/02/2023	97,000	218	95,681
Mortgage Loan	Megapark Ocio	 Santander  NATIXIS  CRÉDIT AGRICOLE	Eur 3M + 1.70%	24/02/2023	4,675	-	4,453
Mortgage Loan	Portal de la Marina	 CaixaBank BBVA  Sabadell	Eur 3M + 0.88%	19/05/2020	49,266	5,108	29,046
Mortgage Loan	Vistahermosa	BBVA	Eur 3M + 1.85%	02/03/2022	21,550	32	21,105
Mortgage Loan	Parque Abadía + Commercial Gallery	 Santander	1.80% and 1.93%	23/05/2024	42,060	63	40,898
Mortgage Loan	Gran Vía Vigo	ING  BANK	Eur 3M + 1.75%	14/03/2022	82,400	3	80,409
Developer's Loan	VidaNova Parc	 CaixaBank	Eur 3M + 2.10%	14/09/2020	24,000	-	-
Mortgage Loan (**)	Parque Galaria	 CaixaBank	Eur 3M + 1.75%	14/12/2029	4,200	3	4,118
Mortgage Loan	Rivas Futura	BBVA	2.28%	30/06/2020	27,500	157	27,403
LOANS AND BORROWINGS					449,796	5,879	398,526

(*) The 67% of the principal is covered by derivatives.

(**) This mortgage loan has been reclassified to "Liabilities associated with non-current assets held for sale"

Financial liabilities from the issue of bonds and other securities

Corresponds to the bonds issued by the Group amounting to 140,000 thousand Euros in 2015.

Below you will find the net Loan To Value calculation as at 31 March 2018:

(Thousands of Euros)	31/03/2018
GAV	1,535,915
Full Consolidation Gross Debt	551,033
Equity Method Gross Debt	38,322
Total gross debt	589,355
Cash (Full Consolidation and equity method)	82,205
Total net debt	507,150
NET LTV*	33%

(*) Result of Total net debt/GAV

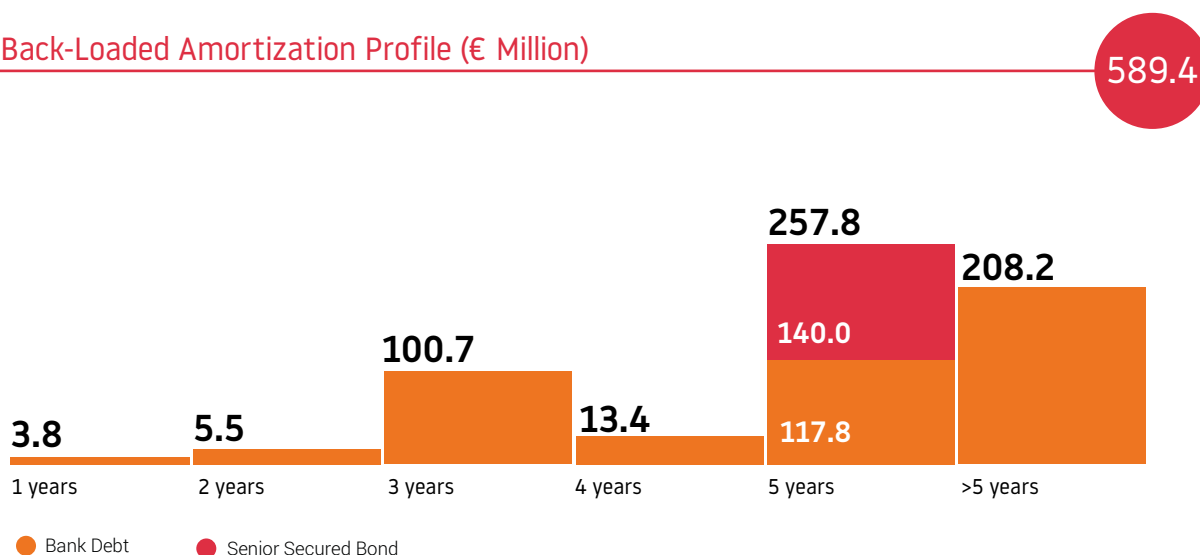
At 31 March 2018, Lar España's debt stood at EUR 589.4 million, with an **average cost of 2.21%**.

The **net LTV** ratio is **33%**, complying with the objective not to exceed 50%, whilst the **average debt maturity stood at 6.4 years**.

The main debt indicators and the amortisation schedule is detailed below:

€589.4 Million Financial Debt **33%** Net LTV **2.21%** Average cost of debt

Back-Loaded Amortization Profile (€ Million)



Deferred tax liabilities

At 31 March 2018, this entry included deferred tax liabilities deriving from the business combination carried out by the acquisition of the subsidiary LE Retail Rivas, S.L.U. (See notice of material fact 5) as well as the acquisitions of the subsidiaries LE Retail Abadía, S.A.U., LE Retail Hipermercados I, S.A.U., LE Retail Hipermercados II, S.A.U., LE Retail Hipermercados III, S.A.U. and LE Retail Gran Vía de Vigo, S.A.U. in 2017 and 2016. These amounts correspond to the tax effect derived from the difference between the fair value and the fiscal value of the acquired real estate investments.

Other non-current liabilities

Correspond to security deposits received by way of guarantee from the tenants of the company's shopping centers, offices and logistics warehouses.

Liabilities with associates

This heading principally reflected the credit facility signed with the associate Inmobiliaria Juan Bravo 3, S.L.. At 31 December 2017, the Company used 7,500 thousand Euros of this facility. This liability is completely amortised at 31 March 2018.

2.4 Consolidated Statement of Cash Flows

(Thousands of Euros)	31/03/2018	31/03/2017
A) CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES	(327)	6,768
1. Profit/(loss) for the period before tax	15,295	10,523
2. Adjustments for:	(21,037)	676
Amortisation of intangible assets (+)	42	-
Profit / (loss) from adjustments to fair value of investment properties	(21,382)	-
Results of disposal of investments properties	(3,315)	-
Impairment (+/-)	-	47
Financial income (-)	(430)	(2,063)
Financial expenses (+)	3,854	3,316
Share in profit (loss) for the period of equity-accounted companies	194	323
Adjustments to the consideration given against profit and loss from business combinations	-	(947)
3. Changes in operating assets and liabilities	10,797	1,395
Trade and other receivables (+/-)	(4,715)	221
Other current assets and liabilities (+/-)	4,064	1,897
Trade and other payables (+/-)	10,702	(505)
Other non-current assets and liabilities (+/-)	746	(218)
4. Other cash flows used in operating activities	(5,382)	(5,826)
Interest paid (-)	(5,384)	(5,839)
Interest received (+)	2	13
B) CASH FLOWS USED IN INVESTING ACTIVITIES	37,233	(114,342)
1. Payments for investments (-)	(55,368)	(114,342)
Intangible assets	(39)	-
Net cash outflow from acquisitions of businesses	(29,083)	(109,924)
Investment properties	(26,246)	(4,418)
2. Proceeds from divestments (+)	92,601	-
Group companies	46,897	-
Investment properties	33,175	-
Associates	12,529	-
C) CASH FLOWS FROM FINANCING ACTIVITIES	(17,301)	101,254
1. Payments made and received for equity instruments	(300)	(63)
Acquisition/disposal of treasury shares (- /+)	(300)	(63)
2. Proceeds from and payments for financial liability instruments	(17,001)	101,317
a) Issue of:	7,038	102,500
Bank borrowings (+)	7,038	102,500
b) Redemption and repayment of:	(24,039)	(1,183)
Other financial liabilities (+)	(3,519)	-
Bank borrowings (-)	(13,015)	(1,183)
Liabilities with associates (-)	(7,505)	-
D) CASH AND CASH EQUIVALENTS IN NON-CURRENT ASSETS HELD FOR SALE	(1,447)	-
E) NET INCREASE IN CASH AND CASH EQUIVALENTS (A+B+C+D)	18,158	(6,320)
F) CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	45,617	31,591
G) CASH AND CASH EQUIVALENTS AT END OF PERIOD (E+F)	63,775	25,271

Data unaudited at 31 March 2018

3

EPRA INFORMATION

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EPRA NAV and
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EPRA NIY and
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EPRA Cost Ratios
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Vistahermosa Shopping Centre (Alicante)



EPRA Awards

- In **November 2016**, the Reporting & Accounting Committee of EPRA (European Public Real Estate Association⁽¹⁾) updated a Best Practices Recommendations⁽²⁾ document in order to improve the presentation, transparency, comparability and relevance of the published results of listed real estate companies in Europe.

Lar España fully supports and endorses the principle of standardising the reporting of performance indicators from the perspective of comparability and improving the quality of information provided to investors and other users of the financial information.

For this purpose, Key EPRA performance indicators are reported in a separate chapter at the end of our financial reporting.

- In **September 2016**, Lar España has been awarded with the most prestigious recognition from EPRA, the Gold Award. Once again our effort in providing quality information within the Index standards framework has been recognized.

- In **September 2017**, Lar España has been awarded for the third year running the Gold Award from the European Public Real Estate Association (EPRA) in recognition of the quality of the financial information provided by the company. Lar España has also been awarded for the first time with the **EPRA Award for Sustainability (Silver)** for the improvement carried out related to the information about Corporate Social Responsibility. Also in this area, the company has been awarded with the **EPRA Most Improved Award of Sustainability**.



(1) Not-for-profit association founded in 1999 registered in Belgium which aims to make the financial statements of public real state companies clearer, more transparent and comparable across Europe.

(2) "Best Practices Recommendations - BPR" available at www.epra.com

- In **September 2015**, Lar España received the 'Gold Award' from EPRA in recognition of the quality of the financial information provided, it became the first Spanish SOCIMI to receive this award.

2015



2016



2017



Key performance indicators described in the Best Practices Recomendations developed by EPRA are shown as follows:

Indicator	31/03/2018 (Thousands of euros)	31/03/2018 (Euros per share)
EPRA Earnings	3,976 ^(*)	0.04 ^(*)
EPRA NAV	968,783	10.47
EPRA NNNAV	950,257	10.27
EPRA Net Initial Yield (NIY)	5.4%	-
EPRA "topped-up" NIY	5.6%	-
EPRA Vacancy Rate	7.0%	-
EPRA Cost Ratio	30.4% ^(**)	-
EPRA Cost Ratio (excluding costs of direct vacancy)	27.3% ^(**)	-

(*) Adjusted EPRA Earnings

(**) Excludes the variable performance/divestment fee

See terms definitions in Glossary, section 6



3.1 EPRA Earnings

(Thousands of euros)	31/03/2018	31/03/2017
EARNINGS PER IFRS INCOME STATEMENT	15,296	10,523
Change in value of investment properties	(21,382)	-
Companies acquisitions effect	-	(947)
Change in fair value of financial instruments	(89)	(799)
Companies divestments effect	(3,315)	-
Amortisation of intangible assets	42	-
EPRA EARNINGS	(9.448)	8,777
Weighted average number of shares (excluding treasury shares)	93,576,708	90,392,834
EPRA EARNINGS PER SHARE (EUROS)	(0.10)	0.10
Company specific adjustment ^(*)	13,424	-
ADJUSTED EPRA EARNINGS	3,976	8,777
ADJUSTED EPRA EARNINGS PER SHARE (EUROS)	0.04	0.10

(*) Corresponds to the part of the performance/divestment fee that the Manager would be obliged to reinvest in Lar España, thus avoiding any real cash outflow for the company.



3.2 EPRA NAV

(Thousands of euros)	31/03/2018	31/12/2017
NET ASSET VALUE PER THE FINANCIAL STATEMENTS	933,221	918,219
Change in fair value of non current assets	17,036	18,468
Fair value of financial instruments	1,568	189
Deferred tax liabilities	16,958	14,613
EPRA NAV	968,783	951,489
Number of shares (excluding treasury shares)	92,569,776	92,604,217
EPRA NAV PER SHARE (EUROS)	10.47	10.27
EPRA NAV PER SHARE ADJUSTED BY DIVIDEND (EUROS)	9.98 (*)	9.78 (*)

(*) Adjusted by the effect of the 2017 dividend (€ 0.49/share) approved by the General Shareholders' Meeting on April 19, 2018.

EPRA NNNAV

(Thousands of euros)	31/03/2018	31/12/2017
EPRA NAV	968,783	951,489
Fair value of financial instruments	(1,568)	(189)
Deferred tax liabilities	(16,958)	(14,613)
EPRA NNNAV	950,257	936,687
Number of shares (excluding treasury shares)	92,569,776	92,604,217
EPRA NNNAV PER SHARE (EUROS)	10.27	10.11

3.3

EPRA NIY and EPRA “topped-up” NIY (31/03/2018)

(Thousands of euros)

Asset	Completed Property Portfolio	Allowance for estimated purchasers costs	Gross up completed property portfolio valuation (A)	Annualised cash passing rental income
SHOPPING CENTRES	1,086,438	25,947	1,112,385	68,127
Megapark + Megapark Leisure area	214,090	4,066	218,156	12,013
Gran Vía Vigo	163,023	4,483	167,506	10,099
Portal de la Marina + hypermarket	119,941	2,875	122,816	7,820
El Rosal	109,566	2,726	112,292	7,143
Anec Blau	95,386	2,380	97,766	5,471
As Termas + petrol station	84,225	2,316	86,541	5,369
Parque Abadía + Commercial Gallery	79,040	2,005	81,045	5,135
Rivas Futura	62,583	1,404	63,987	4,055
Albacenter + hypermarket	56,520	1,408	57,928	3,832
Vistahermosa	50,390	1,260	51,650	3,616
Txingudi	39,039	741	39,780	2,590
Las Huertas	12,635	284	12,919	986
RETAIL WAREHOUSES	63,233	1,200	64,434	4,492
Supermarkets portfolio	52,533	1,051	53,584	3,793
Parque Galaria	10,700	150	10,850	699
TOTAL RETAIL	1,149,671	27,148	1,176,819	72,619
OFFICES	93,950	2,636	96,586	1,329
Marcelo Spínola	37,500	1,088	38,588	424
Eloy Gonzalo	35,000	1,015	36,015	419
Joan Miró	21,450	533	21,983	486
TOTAL OFFICES	93,950	2,636	96,586	1,329
LOGISTICS	86,879	2,716	89,595	6,403
Alovera II	43,732	1,091	44,823	3,188
Alovera I	18,800	733	19,533	1,344
Almussafes	10,447	350	10,797	770
Alovera IV (C5-C6)	9,600	374	9,974	766
Alovera III (C2)	4,300	168	4,468	335
TOTAL LOGISTICS	86,879	2,716	89,595	6,403
TOTAL LAR ESPAÑA	1,330,500	32,500	1,363,000	80,351

Property outgoings	Annualised net rents (B)	Notional rent expiration of rent free periods or other lease incentives	Topped-up net annualised (C)	EPRA NET INITIAL YIELD (B/A)	EPRA TOPPED-UP NET INITIAL YIELD (C/A)
(5,793)	62,335	1,832	64,167	5.6%	5.8%
(508)	11,505	156	11,661	5.3%	5.3%
(451)	9,649	85	9,734	5.8%	5.8%
(619)	7,200	154	7,354	5.9%	6.0%
(818)	6,324	592	6,916	5.6%	6.2%
(976)	4,495	48	4,544	4.6%	4.6%
(446)	4,922	184	5,106	5.7%	5.9%
(215)	4,920	283	5,203	6.1%	6.4%
(336)	3,719	229	3,948	5.8%	6.2%
(473)	3,358	22	3,380	5.8%	5.8%
(645)	2,971	34	3,005	5.8%	5.8%
(173)	2,416	13	2,429	6.1%	6.1%
(131)	854	33	887	6.6%	6.9%
(25)	4,467	0	4,467	6.9%	6.9%
(13)	3,780	0	3,780	7.1%	7.1%
(12)	687	0	687	6.3%	6.3%
(5,818)	66,801	1,832	68,634	5.7%	5.8%
(876)	454	1,256	1,710	0.5%	1.8%
(460)	(35)	33	(2)	-0.1% (*)	0.0% (*)
(98)	321	1,223	1,544	0.9%	4.3%
(318)	168	0	168	0.8%	0.8%
(876)	454	1,256	1,710	0.5%	1.8%
(311)	6,092	0	6,092	6.8%	6.8%
(184)	3,004	0	3,004	6.7%	6.7%
(54)	1,290	0	1,290	6.6%	6.6%
(42)	727	0	727	6.7%	6.7%
(24)	742	0	742	7.4%	7.4%
(6)	329	0	329	7.4%	7.4%
(311)	6,092	0	6,092	6.8%	6.8%
(7,004)	73,347	3,089	76,436	5.4%	5.6%

(*) The asset has been recently refurbished and in commercialization.

5.6%
EPRA topped-up NIY

3.4 EPRA Vacancy Rate

Asset	ERV (Thousands of euros)	ERV Vacancy (Thousands of euros)	EPRA Vacancy Rate (%)
Megapark + Megapark Leisure area	14,363	1,127	7.8%
Gran Vía	9,761	143	1.5%
Portal de la Marina + hypermarket	7,753	408	5.3%
El Rosal	7,446	648	8.7%
Anec Blau	6,285	691	11.0% (*)
As Termas + petrol station	5,612	294	5.2%
Parque Abadía + Commercial Gallery	5,244	82	1.6%
Rivas Futura	4,528	106	2.3%
Vistahermosa	3,633	220	6.1%
Albacenter + hypermarket	3,909	333	8.5%
Txingudi	2,875	182	6.3%
Las Huertas	1,058	111	10.5%
TOTAL SHOPPING CENTRES	72,467	4,345	6.0%
Supermarkets portfolio	3,276	0	0.0%
Parque Galaria	664	0	0.0%
TOTAL RETAIL WAREHOUSES	3,940	0	0.0%
TOTAL RETAIL	76,407	4,345	5.7%
Marcelo Spínola	2,188	1,658	75.8% (**)
Eloy Gonzalo	1,477	0	0.0%
Joan Miró	1,436	135	9.4%
TOTAL OFFICES	5,101	1,793	35.1%
Alovera II	3,274	0	0.0%
Alovera I	1,330	0	0.0%
Almussafes	807	0	0.0%
Alovera IV (C5-C6)	643	0	0.0%
Alovera III (C2)	335	0	0.0%
TOTAL LOGISTICS	6,389	0	0.0%
TOTAL	87,897	6,138	7.0%

(*) The property is undergoing significant refurbishments meaning that some units are being vacated temporarily.

(**) The asset has been recently refurbished and in commercialization.

3.5 EPRA Cost Ratios

(Thousands of euros)	31/03/2018	31/03/2017
Administrative expenses	(135)	(116)
Operating costs net of recoverable income ^(*) ^(**)	(22,938)	(4,721)
Administrative/operating expenses in associates	(96)	(311)
EPRA Cost (including vacancy cost) (A)	(23,169)	(5,148)
Direct vacancy costs	(540)	(653)
EPRA Cost (excluding vacancy cost) (B)	(22,629)	(4,495)
Gross Rental Income less ground rent costs-per IFRS	20,052	18,363
Net associated costs (net service charge)	(2,739)	(2,585)
Gross Rental Income (C)	17,313	15,778
EPRA COST RATIO (including direct vacancy costs) A/C	133.8%	32.6%
EPRA COST RATIO (excluding direct vacancy costs) B/C	130.7%	28.5%
EPRA COST RATIO PRE PERFORMANCE/DIVESTMENT FEE (INCLUDING DIRECT VACANCY COSTS) (***)	30.4%	32.6%
EPRA COST RATIO PRE PERFORMANCE/DIVESTMENT FEE (EXCLUDING DIRECT VACANCY COSTS) (***)	27.3%	28.5%

(*) Maintenance costs totalling 358 thousands of euros are included.

(**) Management fees included (fixed and variable).

(***) Excluding costs directly related to development projects, as at 31 March 2018, the ratios would be 28.2% and 25.1% respectively.



4

SHARE PRICE PERFORMANCE

4.1

Share price
information and
performance
p.70

4.2

Analyst
Recommendations
p.71



Lagasca99 Residential (Madrid)



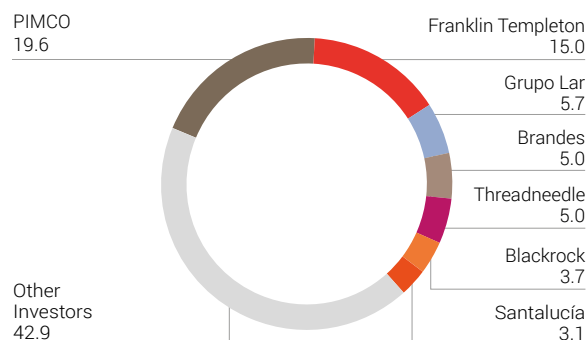
4.1 Share price information and performance

Detail of shares (Euros) Jan-March 2018

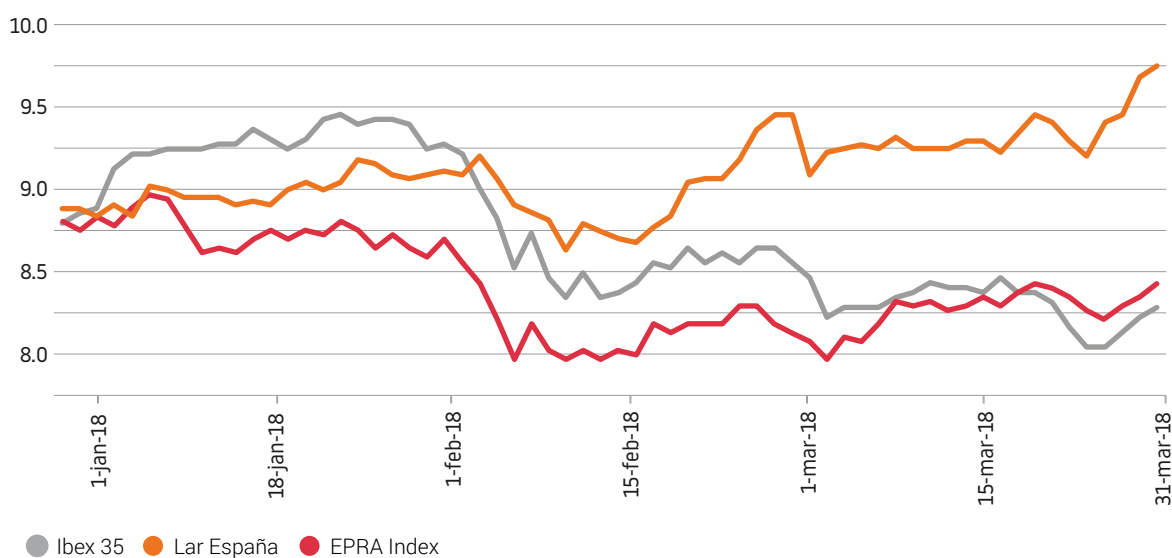
Price at the beginning of the period	8.89
Price at the end of the period	9.75
Performance during the period	9.7%
Maximum price for the period	9.75
Minimum price for the period	8.64
Average price for the period	9.10
ADTV (*)	213,100
Market Cap (Euros) 31/03/2018	903,084,946
Number of shares 31/03/2018	92,624,097

(*)Average Daily Trading Volumen in number of shares

Share distribution at 31 March 2018 (%)



Lar España share price performance vs Ibex 35 and EPRA Index (January-March 2018)



+9.7%
Lar España

-4.4%
IBEX 35

-3.8%
EPRA Index

4.2 Analyst Recommendations

As of the date of this report, Lar España has the coverage of 14 analysts, whose average target price is **€ 9.84**.

Broker	Recommendation	Analysis Date	Target Price (Euros)
 Ahorro Corporación	Buy	16/11/2016	9.00
 Santander	Buy	16/11/2016	9.10
 Kepler Cheuvreux	Hold	22/03/2017	Under Revision
 J.P.Morgan Asset Management	Hold	29/03/2017	9.50
 intermoney valores sv	Buy	17/05/2017	9.50
 bankinter	Buy	20/02/2018	10.25
 Sabadell	Buy	26/02/2018	Under Revision
 MIRABAUD	Hold	26/02/2018	10.30
 fidentiis	Buy	26/02/2018	10.80
 JBCapitalMarkets	Buy	26/02/2018	11.50
 ING	Hold	26/02/2018	8.50
 HAITONG	Buy	27/02/2018	9.70
 GVC Gaesco Beka	Buy	27/02/2018	9.97
 KEMPEN & CO	Hold	02/04/2018	9.90

Source: Bloomberg

64%
Buy

36%
Hold

0%
Sell

5

**EVENTS AFTER
THE REPORTING
PERIOD**



Eloy Gonzalo Office Building (Madrid)



Events after the reporting period

The **regulatory notices** published and submitted to the Spanish Stock Market Commission (CNMV) since 31 March 2018 to the date of this report are listed below in chronological order:

1 Liquidity contracts and specialists

06.04.2018 According to the provisions of section 2 of the Fourth rule of Circular 1/2017, of 26 April, by the Comisión Nacional del Mercado de Valores on liquidity contracts for the purposes of their acceptance as a market practice, the Company hereby reports the **transactions executed by JB Capital Markets**, Sociedad de Valores, S.A.U. (the "Financial Intermediary"), in the context of the Liquidity Contract (the "Liquidity Contract" or the "Contract") from **1 January 2018 to 31 March 2018**, as well as the total amount of shares sold and purchased, and the overall amount of cash used for these transactions.

2 Announcements and agreements of shareholders general meetings

19.04.2018 The ordinary shareholders' meeting of Lar España announced on 16 March 2018 on "El Economista" and the Company's corporate web page —copy of which was remitted to the CNMV by means of a relevant fact with registration number 262964— and which took place on second call today, **19 April 2018, has approved the resolutions submitted to its consideration and vote**, as stated in the attached voting results report.

3 Information on dividends

19.04.2018 The General Shareholders' Meeting of Lar España, validly held today, 19 April 2018, on second call, has approved, among other resolutions, to distribute:

- As dividend for the fiscal year, an amount of 17,286 thousand euros, at a ratio of 0.187 euros gross per share.
- With charge to share premium, an amount of 27,714 thousand euros, at a ratio of 0.299 euros gross per share.

The distribution will be carried out on 18 May 2018 via the depositaries participating entities in Sociedad de Gestión de los Sistemas de Registro, Compensación y Liquidación de Valores, S.A., Unipersonal (IBERCLEAR).

It is reiterated that, pursuant to article 47 of the Bylaws, the authorized persons appearing on the accounting records of Sociedad de Gestión de los Sistemas de Registro, Compensación y Liquidación de Valores, S.A., Unipersonal (Iberclear) at 23:59 hours on the day on which the Shareholders' Meeting approves the distribution, that is, today (record date) shall be entitled to receive the dividend.

2018 General Shareholders' Meeting



4

Share capital increase to reinvest the performance/divestment fee

07.05.2018 Lar España hereby informs that today, in compliance with the contractual agreements entered into with the Manager, Grupo Lar Inversiones Inmobiliarias, S.A. ("Grupo Lar"), the Board of Directors of the Company approved a **share capital increase** with the sole purpose of allowing the amount payable to Grupo Lar as **performance fee** for the financial year 2017, adjusted in accordance with the agreement reached by both parties in December 2017, as well as the amount payable in connection with the divestment of real estate assets for more than 100 million euro (**divestment fee**), also as agreed by both parties in December 2017, to be **invested in shares of the Company**.

This capital increase, will be carried out with the exclusion of pre-emptive rights by virtue of the authority granted to the Board of Directors by the ordinary General Shareholders' Meeting of the Company on 29 May 2017 and will be fully subscribed and paid for by Grupo Lar, for an effective total amount of **20,923,697.47 euro** (4,278,874 euro corresponding to nominal value and 16,644,823.47 euro to share premium), through **the issuance of 2,139,437 new ordinary shares** of Lar España, of the same class and series as the outstanding shares of the Company, for an **effective price of 9.78 euro** (2.00 euro corresponding to nominal value and 7.78 to share premium).

The referred price is equivalent to **the EPRA NAV per share of the Company as of 31 December 2017**, adjusted to the dividend payments and share premium distributions approved by the ordinary General Shareholders' Meeting on 19 April 2018, which was published on the Company's website on 4 May 2018. The new shares that will be subscribed by Grupo Lar will have a mandatory lock-up period of three years, in accordance with the provisions included in the Investment Management Agreement entered into between Grupo Lar and the Company.

The Company will grant the corresponding capital increase public deed after the auditor appointed by the Commercial Registry issues the mandatory report confirming that the issuance price complies with the applicable provisions of the Spanish Companies Act.



6

GLOSSARY



Alovera IV (C5-C6) Logistics Warehouse (Guadalajara)



Glossary

PBT

Profit Before Tax.

EBIT

Earnings Before Interest and Tax.

EBITDA

Earnings Before Interest, Tax, Depreciation and Amortisation.

Net profit/(loss)

Profit/(Loss) for the period after tax..

ROE (Return on Equity)

Return on equity, calculated by dividing profit for the last 12 months by the company's average equity of the last four quarters.

ROA (Return on Assets)

Return on assets, calculated by dividing profit for the last 12 months by the company's average assets of the last four quarters.

Liquidity ratio

The Company's capacity to meet its obligations with liquid assets, calculated as the ratio between the Company's current assets and current liabilities.

Solvency ratio

The Company's financial capacity to meet its payments obligations with all the assets and resources available. It is calculated by dividing equity plus non-current liabilities by non-current assets.

EPRA

European Public Real Estate Association.

EPRA Earnings

Earnings from operational activities.

EPRA NAV

Net Asset Value adjusted to include properties and other investment interests at fair value and to exclude certain items not expected to crystallise in a long-term investment property business model.

EPRA NNNAV

EPRA NAV adjusted to include the fair values of (i) financial instruments, (ii) debt and (iii) deferred taxes.

EPRA Net Initial Yield (NIY)

Annualised rental income based on the cash rents passing at the balance sheet date, less non recoverable property operating expenses, divided by the market value of the property, increased with (estimated) purchasers' costs.

EPRA "topped-up" NIY

This measure incorporates an adjustment to the EPRA NIY in respect of the expiration of rentfree periods (or other unexpired lease incentives such as discounted rent periods and stepped rents).

Like for like (LfL)

Comparison of one period, with that of the same period the year before, taking into consideration the same number of assets.

EPRA Vacancy Rate

Estimated Market Rental Value (ERV) of vacant space divided by ERV of the whole portfolio.

EPRA Cost Ratio

Administrative & operating costs (including direct vacancy costs) divided by gross rental income.

EPRA Cost Ratio (excluding direct vacancy costs)

Administrative & operating costs (including & excluding direct vacancy costs) divided by gross rental income.

WAULT

Weighted average unexpired lease term, calculated as the number of years of unexpired lease term, as from current date, until the first break option, weighted by the gross rent of each individual lease contract.

Net LTV (Loan to Value)

Ratio that measures the total amount of outstanding principal, discounted available cash, against the value of the assets. $\text{Net LTV} = \text{Net debt} / \text{GAV}$.

GAV

Gross Asset Value.

GLA

Gross Leasable Area in sqm.

IFRS

International Financial Reporting Standards.

GRI (Gross Rental Income)

Gross income for the period.

NOI (Net Operating Income)

Gross income discounting costs incurred during the period.



Lar España Real Estate SOCIMI, S.A.

C/ Rosario Pino 14-16 8th floor.

28020 Madrid, Spain

+34 91 436 04 37

www.larespana.com

info@larespana.com

