



HALF-YEARLY
REPORT
H1 2015



Portal de la Marina
Shopping Centre
(Alicante)

CONTENTS

1. EXECUTIVE SUMMARY	5
1.1. Main Events	8
1.2. Portfolio at 30 June 2015	10
1.3. Key Indicators	14
Economic & Financial Figures	14
Other Financial Figures	14
1.4. Business Performance	16
2. CONSOLIDATED FINANCIAL STATEMENTS	18
2.1. Consolidated Statement of Comprehensive Income	20
2.2. Consolidated Statement of Financial Position	22
2.3. Consolidated Statement of Cash Flows	27
3. EPRA INFORMATION	28
4. SHARE PRICE PERFORMANCE	38
5. EVENTS AFTER THE REPORTING PERIOD	39
6. GLOSSARY	41



as termas



As Termas
Shopping Centre
(Lugo)

1

EXECUTIVE SUMMARY

1.1. Main Events

1.2. Portfolio at 30 June 2015

1.3. Key Indicators

Economic & Financial Figures

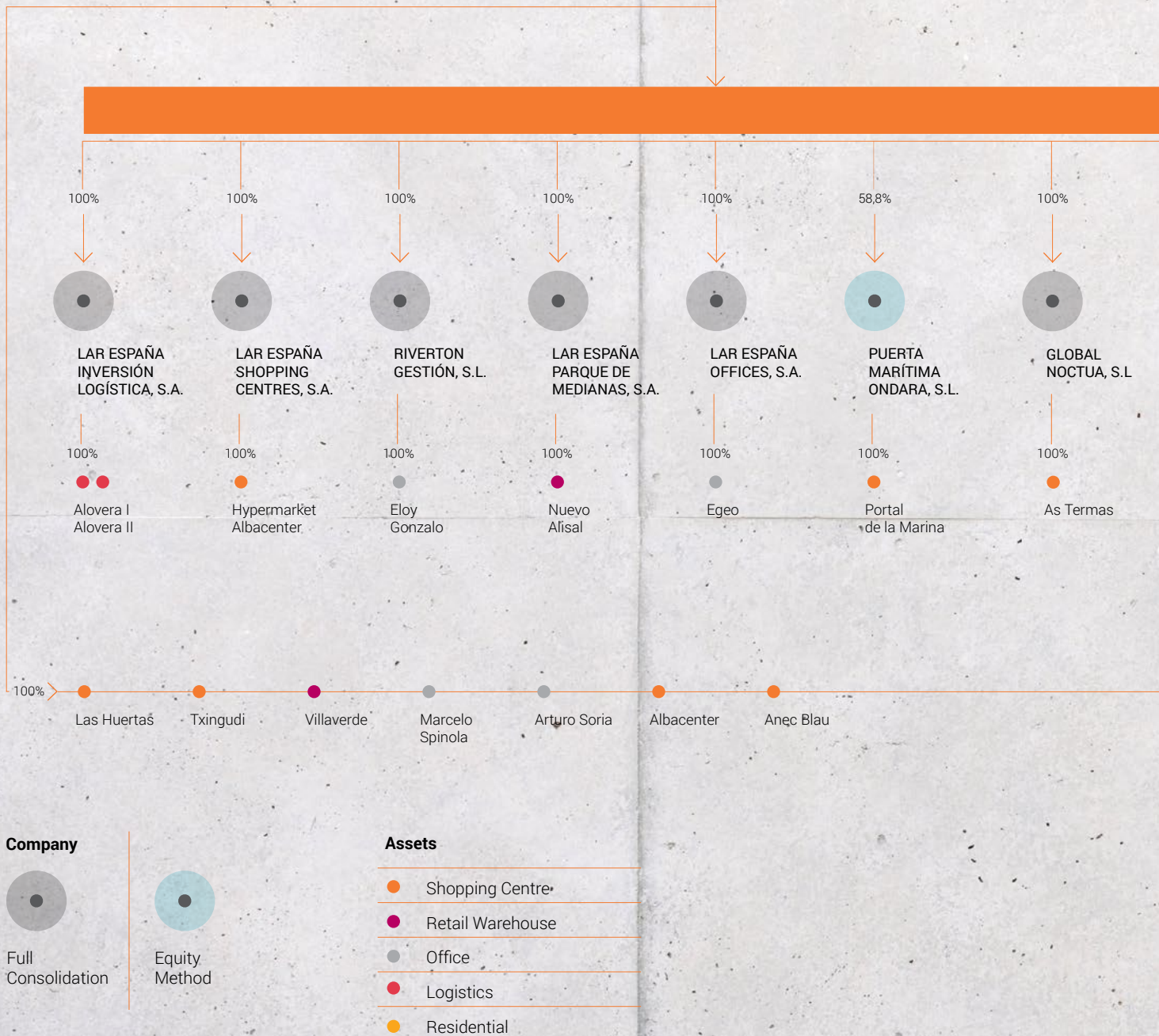
Other Financial Figures

1.4. Business Performance

At 30 June 2015, the consolidated financial statements of the consolidated Lar España Group (hereinafter 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.

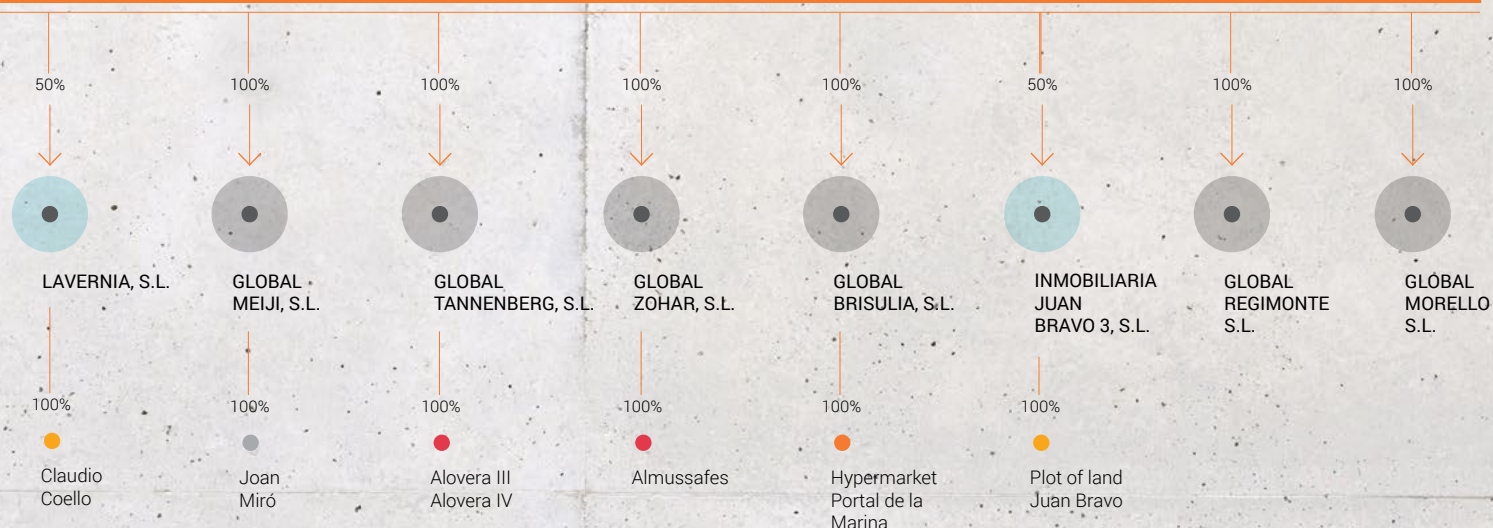
The scope of the Group's consolidation is as follows:

LAR ESPAÑA REAL ESTATE SOCIMI, S.A.



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 2014.

The financial statements presented at 30 June 2014 correspond to the Company, Lar España Real Estate, SOCIMI, S.A. (hereinafter the "Company" or "Lar España") and are based on Spain's Generally Accepted Accounting Practices.



1.1. Main Events

- On 30 January 2015 Lar España completed the acquisition, through two joint ventures shared 50% with the Luxembourg-based company LVS II LUX XIII S.a.r.l., whose investment adviser is Pacific Investment Management Company LLC ("PIMCO") or its subsidiaries, of the following real estate assets located in one of the prime areas of the city of Madrid:
 - A plot of land located at Calle Juan Bravo, 3 which will be used for a residential development with a total area of 26,203 sqm, of which 19,453 sqm are buildable.
 - A Residential building located at Calle Claudio Coello, 108, with a total built area of 5,318 sqm, of which 4,479sqm are above ground and 839sqm are below ground, which is already occupied and rented out.
- On 12 February 2015, Lar España announced that, on this date, Morgan Stanley & Co. International plc, by virtue of the mandate granted by the Company, successfully completed a process of book building aimed exclusively at qualified investors for the placement of ordinary (senior) guaranteed bonds (the "Bonds") issued by the Company to investors for a total of 140,000,000 Euros, with maturity on 21 February 2022. In accordance with the bond agreement adopted by the company's board of directors, the bonds will be issued at par with a face value of 100,000 Euros and an annual coupon rate of 2.90%.

The acquisition was carried out for a maximum total amount (still pending adjustments) of 120 million Euros which have been paid up by the shareholders and the joint ventures through a combination of shareholder's equity and bank financing.



Juan Bravo
Residential Development
(Madrid)





As Termas
Shopping Centre
(Lugo)



- On 15 April 2015 the Company, through its subsidiary Global Noctua, S.L.U., acquired As Termas Shopping Centre in Lugo (Galicia), with a gross leasable area (GLA) of approximately 33,151 sqm, from Lugo Retail Gallery, S.A.

The acquisition was carried out for a total amount of 67 million Euros, fully paid up with the Company's shareholder's equity.

- The Company acquired a portfolio of three logistics warehouses from UBS REAL ESTATE GmbH's branch in Spain on 26 May 2015 through two 100% owned subsidiaries. Two of the warehouses are located in Alovera (Guadalajara) and have a total gross leasable area (GLA) of approximately 23,482 sqm. The third warehouse is located in Al-mussafes (Valencia) and has a gross leasable area (GLA) of approximately 19,211 sqm.

The acquisition was carried out for a total amount of 18.5 million Euros, fully paid up with the Company's shareholder's equity.

- On 04 June 2015, FTSE announced the results of its quarterly review of the "FTSE EPRA/NAREIT Global Real Estate Index" series including the shares of Lar España.

- On 9 June 2015, the Company acquired the hypermarket located in Portal de la Marina Shopping Centre from Altadena Invest, SL through its 100% subsidiary Global Brisulia, S.L.U. This hypermarket has a total gross leasable area (GLA) of 9,924 sqm.

The acquisition was carried out for a total amount of 7 million Euros, fully paid up with the Company's shareholder's equity.

- On 11 June 2015, the Company acquired an office building and a ground floor retail unit, located at Joan Miró 21 in Barcelona, with a gross leasable area (GLA) of approximately 8,610 sqm, from MUTUA PELAYO DE SEGUROS Y REASEGUROS A PRIMA FIJA through its 100% subsidiary Global Meiji, SLU.

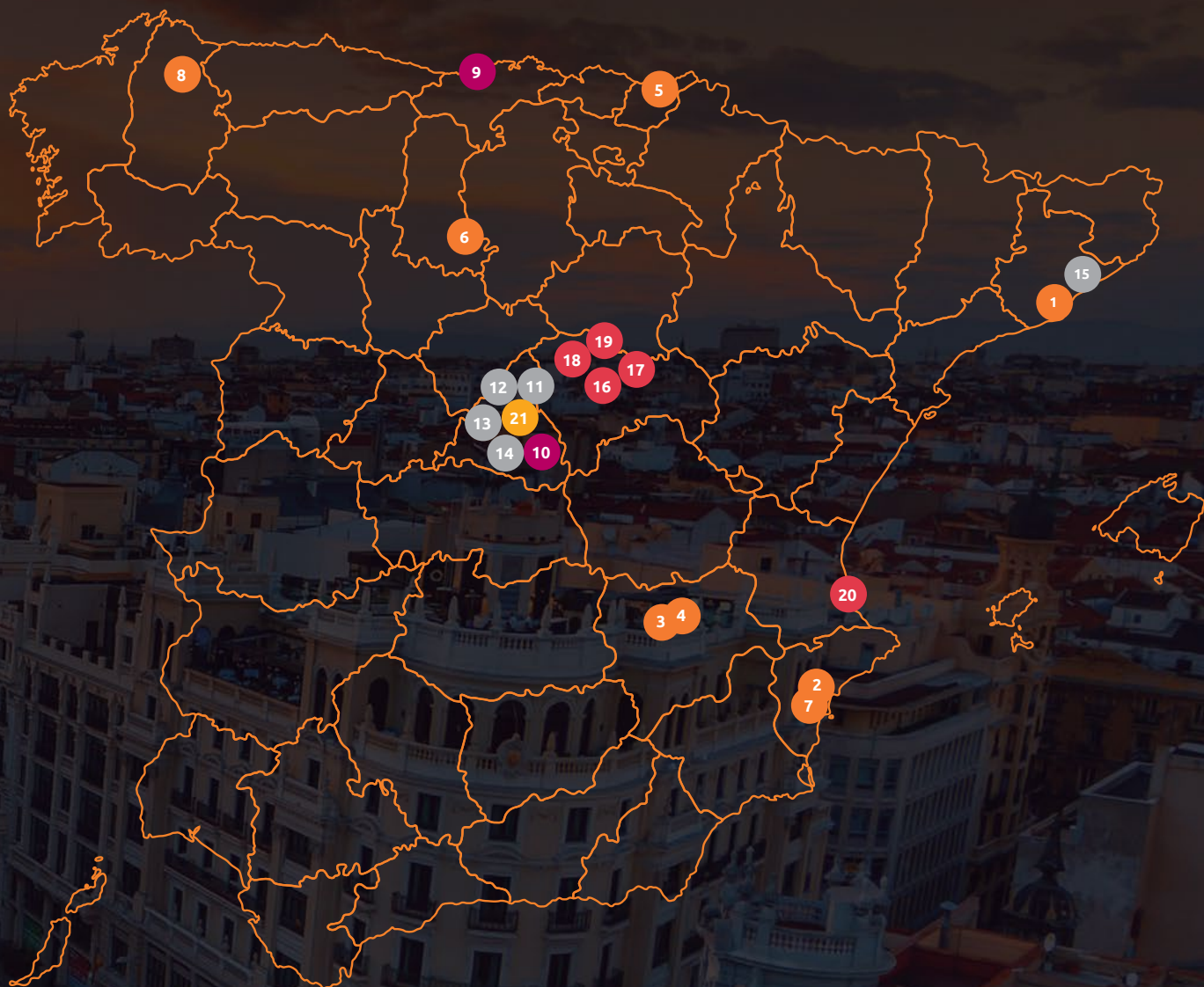
The acquisition was carried out for a total amount of 19.7 million Euros, fully paid up with the Company's shareholder's equity.



EPRA



1.2. Portfolio at 30 June 2015



● **Shopping Centres**

- 1 Anec Blau (Barcelona)
- 2 Portal de la Marina (Alicante)
- 3 Albacenter (Albacete)
- 4 Hypermarket Albacenter y Locales Comerciales (Albacete)
- 5 Txingudi (Guipúzcoa)
- 6 Las Huertas (Palencia)
- 7 Hypermarket Portal de la Marina (Alicante)
- 8 As Termas (Lugo)

● **Retail Warehouses**

- 9 Nuevo Alisal (Santander)
- 10 Villaverde (Madrid)

● **Offices**

- 11 Egeo (Madrid)
- 12 Arturo Soria (Madrid)
- 13 Marcelo Spinola (Madrid)
- 14 Eloy Gonzalo (Madrid)
- 15 Joan Miró (Barcelona)

● **Logistics**

- 16 Alovera I (Guadalajara)
- 17 Alovera II (Guadalajara)
- 18 Alovera III (Guadalajara)
- 19 Alovera IV (Guadalajara)
- 20 Almussafes (Valencia)

● **Residential**

- 21 Juan Bravo / Claudio Coello (Madrid)

1 ANEC BLAU, BARCELONA



Location	Barcelona
GLA	28,863 sqm
Purchase Date	31 July 2014
Acquisition Price	EUR 80.0 m
Market Value (30 June 2015)*	EUR 82.7 m

2 PORTAL DE LA MARINA, ALICANTE



Location	Alicante
GLA	17,638 ⁽¹⁾ sqm
Purchase Date	30 October 2014
Acquisition Price	EUR 47.6 m
Market Value (30 June 2015)*	EUR 48.3 m

(1) Lar España has acquired 58.78% of Puerta Marítima Ondara, S.L. Total GLA: 30,007 sqm.

3 ALBACENTER, ALBACETE



Location	Albacete
GLA	15,488 sqm
Purchase Date	30 July 2014
Acquisition Price	EUR 28.4 m
Market Value (30 June 2015)*	EUR 31.0 m

4 HYPERMARKET ALBACENTER, ALBACETE



Location	Albacete
GLA	12,486 sqm
Purchase Date	19 December 2014
Acquisition Price	EUR 11.5 m
Market Value (30 June 2015)*	EUR 12.2 m

5 TXINGUDI, GUIPÚZCOA



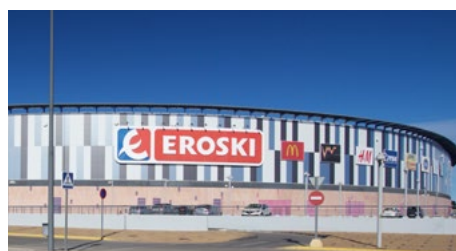
Location	Guipúzcoa
GLA	9,920 sqm
Purchase Date	24 March 2014
Acquisition Price	EUR 27.7 m
Market Value (30 June 2015)*	EUR 28.8 m

6 LAS HUERTAS, PALENCIA



Location	Palencia
GLA	6,108 sqm
Purchase Date	24 March 2014
Acquisition Price	EUR 11.7 m
Market Value (30 June 2015)*	EUR 12.3 m

7 HYPERMARKET PORTAL DE LA MARINA, ALICANTE



Location	Alicante
GLA	9,924 sqm
Purchase Date	9 June 2015
Acquisition Price	EUR 7.0 m
Market Value (30 June 2015)*	EUR 7.5 m

8 AS TERMAS, LUGO



Location	Lugo
GLA	33,151 sqm
Purchase Date	15 April 2015
Acquisition Price	EUR 67.0 m
Market Value (30 June 2015)*	EUR 68.5 m

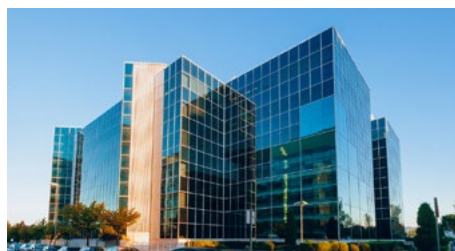
* The valuations have been made at 30 June 2015 by external independent valuers: JLL or C&W

9 NUEVO ALISAL, SANTANDER

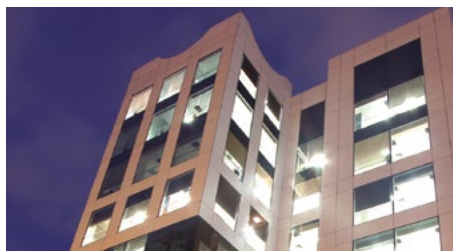
Location	Santander
GLA	7,648 sqm
Purchase Date	17 December 2014
Acquisition Price	EUR 17.0 m
Market Value (30 June 2015)*	EUR 17.1 m

10 VILLAVERDE, MADRID

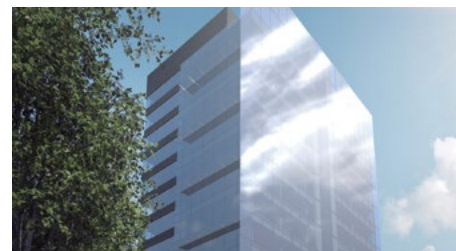
Location	Madrid
GLA	4,391 sqm
Purchase Date	29 July 2014
Acquisition Price	EUR 9.1 m
Market Value (30 June 2015)*	EUR 9.7 m

11 EGEO, MADRID

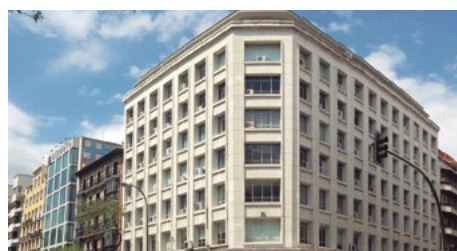
Location	Madrid
GLA	18,254 sqm
Purchase Date	16 December 2014
Acquisition Price	EUR 64.9 m
Market Value (30 June 2015)*	EUR 69.2 m

12 ARTURO SORIA, MADRID

Location	Madrid
GLA	8,663 sqm
Purchase Date	29 July 2014
Acquisition Price	EUR 24.2 m
Market Value (30 June 2015)*	EUR 25.3 m

13 MARCELO SPINOLA, MADRID

Location	Madrid
GLA	8,584 sqm
Purchase Date	31 July 2014
Acquisition Price	EUR 19.0 m
Market Value (30 June 2015)*	EUR 20.0 m

14 ELOY GONZALO, MADRID

Location	Madrid
GLA	6,231 sqm
Purchase Date	23 December 2014
Acquisition Price	EUR 12.7 m
Market Value (30 June 2015)*	EUR 13.0 m

15 JOAN MIRÓ, BARCELONA

Location	Barcelona
GLA	8,610 sqm
Purchase Date	11 June 2015
Acquisition Price	EUR 19.7 m
Market Value (30 June 2015)*	EUR 20.1 m

* The valuations have been made at 30 June 2015 by external independent valuers: JLL or C&W

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

16 ALOVERA I, GUADALAJARA



Location	Guadalajara
GLA	35,196 sqm
Purchase Date	7 August 2014
Acquisition Price	EUR 12.7 m
Market Value (30 June 2015)*	EUR 14.0 m

17 ALOVERA II, GUADALAJARA



Location	Guadalajara
GLA	83,951 sqm
Purchase Date	13 October 2014
Acquisition Price	EUR 32.1 m
Market Value (30 June 2015)*	EUR 35.3 m

18 ALOVERA III, GUADALAJARA



Location	Guadalajara
GLA	8,591 sqm
Purchase Date	26 May 2015
Acquisition Price	EUR 3.0 m
Market Value (30 June 2015)*	EUR 3.3 m

19 ALOVERA IV, GUADALAJARA



Location	Guadalajara
GLA	14,891 sqm
Purchase Date	26 May 2015
Acquisition Price	EUR 7.2 m
Market Value (30 June 2015)*	EUR 7.5 m

20 ALMUSSAFES, VALENCIA



Location	Valencia
GLA	19,211 sqm
Purchase Date	26 May 2015
Acquisition Price	EUR 8.4 m
Market Value (30 June 2015)*	EUR 8.5 m

21 JUAN BRAVO Y CLAUDIO COELLO, MADRID



Location	Madrid
GLA	31,521 ⁽¹⁾ sqm
Purchase Date	30 January 2015
Acquisition Price	EUR 60 ^(**) m
Market Value (30 June 2015)*	EUR 61.3 m

- (1) 26,203 sqm for development in Juan Bravo 3 and 5,318 sqm corresponds to the Claudio Coello building.
(2) Corresponds to the 50% of the JV with PIMCO.

* The valuations have been made at 30 June 2015 by external independent valuers: JLL or C&W

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

1.3. Key Indicators

Economic & Financial Figures

During the first half of 2015, the Group generated an EBITDA of 8,301 thousand Euros and a net profit for the business year of 19,346 thousand Euros.

(Thousands of Euros)	H1 2015	H1 2014 ^{(1) (2)}
Revenues	14,116	933
EBITDA	8,301	(1,132)
EBIT	20,771	(1,276)
PBT/(LBT)	19,346	(25)
Net profit	19,346	(25)

(1) Figures are not comparable as the Company was incorporated in 2014 and had no control over any entity, thus did not form a Group.

(2) Figures presented in accordance with generally accepted accounting principles in Spain (Spanish GAAP).

The Group is immersed in the analysis and evaluation of investment opportunities in line with its policies (see point 5 - Events after the reporting period).

Other Financial Indicators

The Group presents the following financial indicators:

	30/06/2015	31/12/2014
Working capital (Thousands of Euros)	116,948	52,380
Liquidity ratio	9.9	11.8
Solvency ratio	1.2	1.1
Return on Equity (ROE)	8.95%	0.89%
Return on Assets (ROA)	5.63%	0.79%

At 30 June 2015, the Group presented ratios related to liquidity (working capital, liquidity ratio and solvency ratio) with very high values, showing that the Group has sufficient liquidity and a high safety margin to meet its payments.

At 30 June 2015, the ROE ("Return on Equity"), which measures the Group's profitability as a percentage of its shareholders equity, amounted to 8.95% (0.89% at 31 December 2014) 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 5.63% (as opposed to 0.79% at 31 December 2014).



Arturo Soria
Office Building
(Madrid)

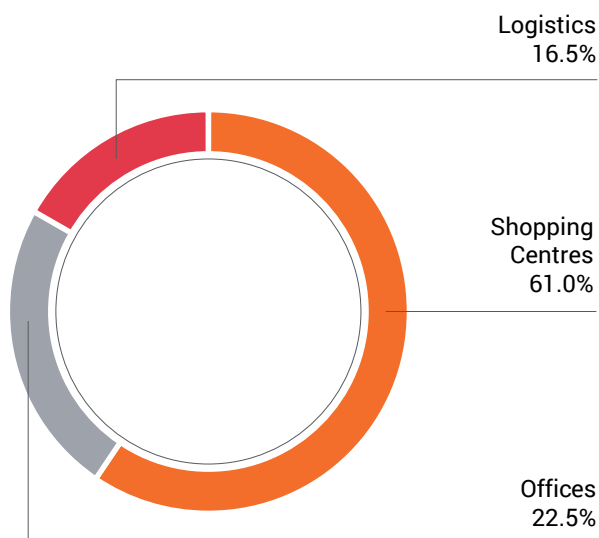
1.4. Business Performance

Income Distribution

Rental income reached 14,116 thousand Euros in the first half of 2015 (versus 933 thousand Euros in the same period of the year before). The relative weight of rental income by line of business at 30 June 2015 is as follows:

H1 2015

% RENTAL INCOME BY BUSINESS UNIT



The breakdown of the income per asset for these three lines of business in the first half of 2015 is as follows:

PERCENTAGE INCOME BY SHOPPING CENTRE

Txingudi

13.6%

Las Huertas

5.8%

Albacenter

15.9%

Anec Blau

34.1%

Villaverde

4.5%

Hypermarket Albacenter

6.5%

Nuevo Alisal

7.5%

Hypermarket Portal de la Marina

0.4%

As Termas

11.7%

PERCENTAGE INCOME BY OFFICE BUILDING

Arturo Soria

21.6%

Marcelo Spinola

3.3%

Egeo

58.7%

Eloy Gonzalo

14.3%

Joan Miró

2.1%

PERCENTAGE INCOME BY LOGISTICS WAREHOUSE

Alovera I

19.7%

Alovera II

72.9%

Alovera III

1.2%

Alovera IV

3.0%

Almussafes

3.2%

Below are the ten tenants that have generated the most revenue during the first half of 2015 and their main characteristics:

Ranking	Trade name	Project	% of total rental income	% Accumulated	Expiry date	Sector
1	Centros Comerciales Carrefour, S.A.	Alovera II	12.05%	12.05%	2017	Distribution
2	Ingeniería y Economía del Transporte, S.A.	Egeo	9.68%	21.73%	2021	Transport
3	Media Markt	Villaverde	5.22%	30.21%	2022	Technology
4	Tech Data	Alovera I	3.26%	24.99%	2019	Technology
5	Toys R Us Iberia, S.A.	Nuevo Alisal	2.10%	32.31%	2033	Distribution
6	Cecosa Hipermercados, S.L.	Hypermarket Albacenter	1.78%	34.09%	2024	Distribution
7	Segurcaixa Adeslas, S.A.	Arturo Soria	1.69%	35.78%	2020	Insurance
8	C&A	Txingudi/Anec Blau	1.59%	37.37%	2020	Retail fashion
9	Primark Tiendas, S.L.U.	Hypermarket Albacenter	1.51%	38.88%	2027	Retail fashion
10	Mercadona	Anec Blau	1.47%	40.35%	2020	Distribution



Egeo
Office Building
(Madrid)

2

CONSOLIDATED FINANCIAL STATEMENTS

- 2.1. Consolidated Statement of Comprehensive Income
- 2.2. Consolidated Statement of Financial Position
- 2.3. Consolidated Statement of Cash Flows

2.1. Consolidated Statement of Comprehensive Income

(Thousands of Euros)	H1 2015	H1 2014 ^{(1) (2)}
Revenues	14,116	933
Other income	400	14
Personnel expenses	(160)	(2)
Other expenses	(6,055)	(2,221)
Changes in the fair value of investment properties	12,470	-
RESULTS FROM OPERATIONS	20,771	(1,276)
Financial income	615	1,251
Financial expenses	(2,330)	-
Impairment and results of disposals of financial instruments	(257)	-
Share in profit for the period of equity-accounted companies	547	-
PROFIT/(LOSS) BEFORE TAX FROM CONTINUING OPERATIONS	19,346	(25)
Income tax	-	-
PROFIT/(LOSS) FOR THE PERIOD	19,346	(25)

(1) Figures are not comparable as the Company was incorporated in 2014 and had no control over any entity, thus did not form a Group.

(2) Figures presented in accordance with generally accepted accounting principles in Spain (Spanish GAAP).

Results from operating activities

At 30 June 2015, the Group presented a positive result for its operations amounting to 20,771 thousand Euros (versus losses of 1,276 thousand Euros at 30 June 2014).

Revenues

Revenue for the first half of 2015 amounted to 14,116 thousand Euros, 83.5% of which was rental income from shopping centres and offices.

Other expenses

A 30 June 2015, the Group incurred other expenses amounting to 6,055 thousand Euros, mainly related to:

- Management fees for management services provided to the Company by Grupo Lar Inversiones Inmobiliarias ("Grupo Lar") (1,936 thousand Euros).
- Professional services (accounting and legal advisory services, audit and property valuations) amounting to 1,393 thousand Euros.

Net financial result

The financial result was a negative balance of 1,715 thousand Euros at 30 June 2015 (versus a positive result of 1,251 thousand Euros at 30 June 2014).

The financial income amounting to 615 thousand Euros in the first half of 2015 corresponds to the interest accrued on the current accounts and deposits held by the Group at financial institutions, whilst the financial expenses of 2,330 thousand Euros correspond, on the one hand, to interest accrued on loans taken out by the Group with financial institutions, as well as the interest accrued on the bonds issued by the Group in February 2015 (see point 1.1. Main Events).

Consolidated Statement of Comprehensive Income by business unit

The income and expenses recorded by the Group at 30 June 2015 broken down by business unit are as follows:

(Thousands of Euros)	Shopping Centres	Offices	Logistics	Residential	LRE*	Total
Revenues	8,617	3,167	2,332	-	-	14,116
Other income	333	47	20	-	-	400
Personnel expenses	-	-	-	-	(160)	(160)
Other expenses	(1,377)	(933)	(336)	(22)	(3,387)	(6,055)
Changes in the fair value of investment properties	4,574	4,336	3,560	-	-	12,470
RESULTS FROM OPERATIONS	12,147	6,617	5,576	(22)	(3,547)	20,771
Net finance income/cost	(108)	(307)	-	(339)	(961)	(1,715)
Impairment and results of disposals of financial instruments	-	-	-	(257)	-	(257)
Share in profit for the period of equity-accounted companies	1,525	-	-	(978)	-	547
PROFIT/(LOSS) FOR THE PERIOD	13,564	6,310	5,576	(1,596)	(4,508)	19,346

(*) The amounts included in LRE column are corporate expenses.

At 30 June 2015 shopping centres presented an operating profit of 12,147 thousand Euros; offices an operating profit of 6,617 thousand Euros; and the logistics warehouses an operating profit of 5,576 thousand Euros. The "LRE" column includes management fees amounting to 1,936 thousands Euros.

2.2. Consolidated Statement of Financial Position

(Thousands of Euros)	30/06/2015	31/12/2014
Intangible assets	1	-
Investment properties	485,916	357,994
Financial assets with associates	24,743	-
Equity-accounted investees	20,740	18,087
Non-current financial assets	5,542	3,841
NON-CURRENT ASSETS	536,942	379,922
Inventories	2,843	2,843
Trade and other receivables	2,257	1,970
Financial assets with associates	31,217	-
Other current financial assets	6,860	32,032
Other current assets	511	136
Cash and cash equivalents	86,434	20,252
CURRENT ASSETS	130,122	57,233
TOTAL ASSETS	667,064	437,155

(Thousands of Euros)	30/06/2015	31/12/2014
Capital	80,060	80,060
Share premium	320,000	320,000
Other reserves	(6,257)	(9,185)
Treasury shares	-	(4,838)
Retained earnings	19,346	3,456
Valuation adjustments	(249)	-
EQUITY	412,900	389,493
Financial liabilities from issue of bonds and other marketable securities	138,433	-
Loans and borrowings	94,579	37,666
Other non-current liabilities	7,978	5,143
NON-CURRENT LIABILITIES	240,990	42,809
Financial liabilities from issue of bonds and other marketable securities	1,123	-
Loans and borrowings	5,306	156
Trade and other payables	5,770	4,679
Other financial liabilities	975	18
CURRENT LIABILITIES	13,174	4,853
TOTAL EQUITY AND LIABILITIES	667,064	437,155

Non-current assets**Investment properties**

At 30 June 2015 investment properties are classified under non-current assets at a fair value of 485,916 thousand Euros (357,994 thousand Euros at 31 December 2014). The Group's investment properties consist of seven shopping centres, two retail warehouses, five office buildings and five logistics warehouses. Of particular significance is the investment in shopping centres and offices amounting to 417,386 thousand Euros (311,923 thousand Euro at 31 December 2014), the rental income from which accounted for 83.5% of the Group's total revenues in the first half of 2015 (86% of the Group's revenues at 31 December 2014).

NET INVESTMENT

(Thousands of Euros)	30/06/2015	31/12/2014
Shopping Centres	269,766	189,053
Offices	147,620	122,870
Logistics	68,530	46,071
Investment properties	485,916	357,994

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

SHOPPING CENTRES

	Txingudi	Las Huertas	Albacenter	Anec Blau	Villaverde	
Total gross leasable area (GLA) (sqm)	9,920	6,108	15,488	28,863	4,391	
Fair value (Thousands of Euros)	28,750	12,300	31,046	82,720	9,717	
Net initial yield	5.95% - 7.47%					

	Hypermarket Albacenter	Nuevo Alisal	Hypermarket Portal de la Marina	As Termas	Total Shopping Centres
Total gross leasable area (GLA) (sqm)	12,486	7,648	9,924	33,151	127,979
Fair value (Thousands of Euros)	12,165	17,069	7,500	68,499	269,766
Net initial yield	5.95% - 7.47%				

OFFICES

	Arturo Soria	Marcelo Spinola	Egeo	Eloy Gonzalo	Joan Miró	Total Offices
Total gross leasable area (GLA) (sqm)	8,663	8,584	18,254	6,231	8,610	50,342
Fair value (Thousands of Euros)	25,320	20,000	69,180	13,000	20,120	147,620
Net initial yield	⁽¹⁾ 4.7% - 6.0%					

(1) Net Initial Yield does not take into account Marcelo Spinola due to it currently being under refurbishment

LOGISTICS

	Alovera I	Alovera II	Alovera III	Alovera IV	Almussafes	Total Logistics
Total gross leasable area (GLA) (sqm)	35,196	83,951	8,591	14,891	19,211	161,840
Fair value (Thousands of Euros)	14,000	35,280	3,250	7,500	8,500	68,530
Net initial yield	7.85% - 9.62%					

Current assets**Financial assets with associates**

The amount recognised under this item at 30 June 2015 reflects loans extended to associates Lavernia investments, S.L. and Inmobiliaria Juan Bravo 3, S.L. of 9,743 thousand Euros and 15,000 thousand Euros, respectively.

Equity-accounted investees

At 30 June 2015, the amount reflects investments held by the Group that are accounted for using the equity method: Puerta Marítima Ondara, S.L., Lavernia investments, S.L. and Inmobiliaria Juan Bravo 3, S.L. (Puerta Marítima Ondara, S.L. and Lavernia investments, S.L. at 31 December 2014).

Non-current financial assets

At 30 June 2015 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.

Inventories

The balance of inventories amounted to 2,843 thousand Euros and corresponds to the parking spaces purchased by the Group with the sole purpose of selling them.

Financial assets with associates

At 30 June 2015 the amount of this item mainly reflects the loan and current accounts with the associate Inmobiliaria Juan Bravo 3, S.L.

Other current financial assets

Other current financial assets primarily comprise current deposits in financial institutions.

Financial liabilities**Loans & Borrowings**

The characteristics of the Loans & Borrowings 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	Egeo	MEAG Munich Ergo Kapitalanlagegesellschaft mbH (MEAG)	3-month Euribor + 2%	15/12/2019	30,000	155	30,000
Mortgage loan	Nuevo Alisal	Bankinter	3-month Euribor + 2.90%	16/06/2025	7,822	78	7,665
Mortgage loan	Juan Bravo	Banco Santander	3-month Euribor + 2.83%	30/01/2018	25,000	5,061	19,849
Mortgage loan	As Termas	ING BANK N.V.	3-month Euribor + 1.80%	25/06/2020	37,345	12	37,065

Financial liabilities from the issue of bonds and other securities

Corresponds to the bonds issued by the Group amounting to 140,000 thousand Euros (see point 1.1. of Main Events).

Other non-current liabilities

These correspond to the deposits received as guarantees from the tenants of shopping centres, offices and logistics warehouses.

Equity

At 30 June 2015, the Company's share capital consisted of 40,030,000 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 was incorporated with a capital of 60 thousand Euros, which corresponded to 30,000 shares with a par value of 2 Euros.
- On 5 February 2014, it was decided to increase the share capital by 80 million Euros by issuing and putting into circulation 40 million common shares in the Company with a par value of 2 Euros each and an issue premium of 8 Euros each, to be subscribed and paid up in cash and to be offered in a subscription offer.
- In order to make the value of the subscribed shares equal to 10 Euros, the shareholders made a contribution of 240 thousand Euros, corresponding to 30,000 shares at a price of 8 Euros.

The Company has recognised share issue costs of 9,421 thousand Euros as a reduction in reserves under equity.

During the first half of 2015, the Company has carried out its own share sale and purchase transactions, as described below:

	Number of shares	Thousands of Euros
31 December 2014	531,367	4,838
Additions	293,217	2,902
Disposals	(824,584)	(7,740)
30 June 2015	-	-

The 803 thousand Euros gain made from the sale of treasury shares during the first semester of 2015 has been recognised under "Other reserves"

2.3. Consolidated Statement of Cash Flows

	30/06/2015	30/06/2014
A) CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES	8,369	1,012
1. Profit/(loss) for the period before tax	19,346	(25)
2. Adjustments for:	(11,081)	(1,107)
Amortisation and depreciation (+)	-	144
Impairment (+/-)	221	-
Finance income (-)	(615)	(1,251)
Finance cost (+)	2,330	-
Share in profit for the year of equity-accounted companies	(547)	-
Changes in Fair value of financial instruments (+/-)	(12,470)	-
3. Changes in operating assets and liabilities	447	1,218
Trade and other receivables (+/-)	(251)	(943)
Other current assets (+/-)	(375)	-
Trade and other payables (+/-)	1,073	1,265
Other current liabilities (+/-)	-	896
4. Other cash flows used in operating activities	(343)	926
Interest paid (-)	(624)	-
Interest received (+)	281	926
B) CASH FLOWS USED IN INVESTING ACTIVITIES	(149,971)	(40,306)
1. Payments for investments (-)	(175,143)	(40,306)
Acquisition of entities	(57,989)	-
Intangible assets	(1)	-
Investment property	(115,452)	(39,754)
Other financial assets	(1,701)	(552)
2. Proceeds from divestments (+)	25,172	-
Other financial assets	25,172	-
C) CASH FLOWS FROM FINANCING ACTIVITIES	207,784	399,212
1. Proceeds from and payments for equity instruments	5,641	399,212
Issue of equity instruments (+)	-	399,212
Acquisition/disposal of equity instruments (- /+)	5,641	-
2. Proceeds from and payments for financial liability instruments	203,474	-
a) Issue of:	203,552	-
Bonds and other marketable securities (+)	138,005	-
Loans and borrowings (+)	61,986	-
Other financial liabilities (+)	3,561	-
b) Redemption and repayment of:	(78)	-
Loans and borrowings (-)	(78)	-
3. Payments for dividends and remuneration on other equity instruments	(1,331)	-
Dividends (-)	(1,331)	-
D) EFFECT OF EXCHANGE RATE FLUCTUATIONS	-	-
E) NET INCREASE IN CASH AND CASH EQUIVALENTS (A+B+C+D)	66,182	359,918
F) CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	20,252	-
G) CASH AND CASH EQUIVALENTS AT END OF PERIOD (E+F)	86,434	359,918



 Portal de la Marina
Shopping Centre
(Alicante)



3

EPRA INFORMATION

In December 2014, the Reporting & Accounting Committee of EPRA (European Public Real Estate Association¹) updated a Best Practices Recommendations² 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 annual report.

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

- (1) Not-for-profit association founded in 1999 registered in Belgium which aims to make the financial statements of public real estate companies clearer, more transparent and comparable across Europe.
- (2) "Best Practices Recommendations – BPR" available at www.epra.com



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

EPRA Indicator	30/06/2015 (Thousands of Euros) / %	30/06/2015 (Euro per share)
EPRA Earnings	6,776	0.17
EPRA NAV	413,413	10.33
EPRA NNNNAV	412,900	10.31
EPRA Net Initial Yield (NIY)	6.9%	-
EPRA "topped-up" NIY	7.0%	-
EPRA Vacancy Rate	6.4%	-
EPRA Cost Ratio	41.7%	-
EPRA Cost Ratio (excluding costs of direct vacancy)	39.5%	-

EPRA EARNINGS

(Thousands of Euros)

30/06/2015

31/12/2014

Earnings per IFRS income statement	19,346	3,456
Change in value of investment properties	(12,470)	(442)
Negative goodwill	-	(87)
Change in value of investment properties in associates	5	(353)
Change in fair value of financial instruments in associates	(105)	(58)
EPRA Earnings	6,776	2,516
Weighted average number of shares (excluding treasury shares)	39,646,939	38,276,618
EPRA EARNINGS PER SHARE (EUROS)	0.17	0.07

EPRA NAV

(Thousands of Euros)

30/06/2015 31/12/2014

Net Asset Value per the Financial Statements	412,900	389,493
Fair value of financial instruments	249	-
Deferred tax	-	-
Fair value of financial instruments in associates	352	527
Deferred tax in associates	(88)	(158)
EPRA NAV	413,413	389,862
Number of Shares (excluding treasury shares)	40,030,000	39,498,633
EPRA NAV PER SHARE (EUROS)	10.33	9.87

EPRA NNNAV

(Thousands of Euros)

30/06/2015 31/12/2014

EPRA NAV	413,413	389,862
Fair value of financial instruments	(249)	-
Deferred tax	-	-
Fair value of financial instruments in associates	(352)	(527)
Deferred tax in associates	88	158
EPRA NNNAV	412,900	389,493
Number of Shares (excluding treasury shares)	40,030,000	39,498,633
EPRA NNNAV PER SHARE (EUROS)	10.31	9.86

EPRA NIY and “Topped up”

RETAIL											
Shopping Centres									Retail Warehouses	TOTAL RETAIL	
	Albacerter	Hypermarket Albacerter	Anec Blau	Las Huertas	Txingudi	As Termas	Hypermarket Portal de la Marina	Portal de la Marina (1)	Villaverde	Nuevo Alisal	
Completed property portfolio	31,046	12,165	82,720	12,300	28,750	68,500	7,500	48,288	9,717	17,069	318,055
Allowance for estimated purchasers' costs	776	304	2,070	308	719	1,713	188	1,207	243	427	7,954
Gross up completed property portfolio valuation (A)	31,822	12,469	84,790	12,608	29,469	70,213	7,688	49,495	9,960	17,496	326,009
Annualised cash passing rental income	2,997	902	6,426	1,243	2,649	4,957	528	3,990	780	1,234	25,706
Property outgoings	(427)	(27)	(689)	(129)	(172)	(409)	(16)	(252)	(52)	(75)	(2,248)
Annualised net rents (B)	2,570	875	5,737	1,114	2,477	4,548	512	3,738	728	1,159	23,458
Notional rent expiration of rent free periods or other lease incentives	7	76	80	16	12	149	-	147	-	50	537
Topped-up net annualised rent (C)	2,577	951	5,817	1,130	2,489	4,696	512	3,885	728	1,209	23,994
EPRA NET INITIAL YIELD (B/A)	8.1%	7.0%	6.8%	8.8%	8.4%	6.5%	6.7%	7.6%	7.3%	6.6%	7.2%
EPRA TOPPED-UP NET INITIAL YIELD (C/A)	8.1%	7.6%	6.9%	9.0%	8.4%	6.7%	6.7%	7.9%	7.3%	6.9%	7.4%

(1) The share in PMO through LRE reaches 58.78%.

(2) Data related to the Marcelo Spinola Investment asset has not been included in either the Total Portfolio or the Office EPRA Vacancy ratio due to its lack of representativeness. During the fourth quarter of 2014, the asset had been preparing and evicting for a refurbishment that began in the Q2 2015 and is expected to finish in Q2 2016. This explains the % EPRA Vacancy obtained for Marcelo Spinola.

OFFICES						LOGISTICS						TOTAL
					TOTAL OFFICES						TOTAL LOGISTICS	
Arturo Soria	Egeo	Eloy Gonzalo	Joan Miró	Marcelo Spinola (2)		Alovera I	Alovera II	Alovera III	Alovera IV	Almussafes		
25,320	69,180	13,000	20,120	20,000	147,620	14,000	35,280	3,250	7,500	8,500	68,530	534,205
801	2,006	325	624	580	4,336	280	1,125	65	150	170	1,790	14,080
26,121	71,186	13,325	20,744	20,580	151,956	14,280	36,405	3,315	7,650	8,670	70,320	548,285
1,392	3,491	997	1,241	(2)	7,121	915	3,401	268	746	749	6,079	30,906
(81)	-	(271)	(18)	(2)	(369)	(56)	(130)	-	(11)	(28)	(225)	(2,842)
1,311	3,491	726	1,223	(2)	6,751	859	3,272	268	735	721	5,855	36,064
-	-	-	-	(2)	-	-	-	-	-	-	-	537
1,311	3,491	726	1,223	(2)	6,751	859	3,272	268	735	721	5,855	36,600
5.0%	4.9%	5.5%	5.9%	(2)	5.1%	6.0%	9.0%	8.1%	9.6%	8.3%	8.3%	(2) 6.6%
5.0%	4.9%	5.5%	5.9%	(2)	5.1%	6.0%	9.0%	8.1%	9.6%	8.3%	8.3%	(2) 6.7%

EPRA VACANCY RATE

Asset Class	ERV Vacancy (Thousands of Euros)	ERV (Thousands of Euros)	EPRA VACANCY RATE %
Retail	1,971	25,127	7.84%
Shopping Centre	1,971	23,131	8.5%
- Albacenter	342	2,771	12.33%
- Hypermarket Albacenter	-	865	0.00%
- As Termas	516	5,368	9.61%
- Anec Blau	304	5,807	5.23%
- Las Huertas	206	1,301	15.81%
- Portal de la Marina	386	3,967	9.72%
- Txingudi	218	2,517	8.68%
- Hypermarket Portal de la Marina	-	536	0.00%
Retail Warehouse	-	1,996	0.00%
- Villaverde	-	738	0.00%
- Nuevo Alisal	-	1,259	0.00%
Office	470	7,411	6.34%⁽¹⁾
- Arturo Soria	278	1,299	21.42%
- Egeo	141	3,771	3.75%
- Eloy Gonzalo	50	1,152	4.38%
- Joan Miró	-	1,188	0.00%
- Marcelo Spinola	1,776	1,928	92.11% ⁽¹⁾
Logistics	-	5,710	0.00%
- Alovera I	-	1,267	0.00%
- Alovera II	-	2,770	0.00%
- Alovera III	-	283	0.00%
- Alovera IV	-	583	0.00%
- Almussafes	-	807	0.00%
TOTAL ERV⁽¹⁾	2,441	38,249	6.38%

- (1) Data related to the Marcelo Spinola Investment asset has not been included in either the Total Portfolio or the Office EPRA Vacancy ratio due to its lack of representativeness. During the fourth quarter of 2014, the asset had been preparing and evicting for a refurbishment that began in the Q2 2015 and is expected to finish in Q2 2016. This explains the % EPRA Vacancy obtained for Marcelo Spinola.

EPRA COST RATIOS

(Thousands of Euros)

30/06/2015

31/12/2014

Administrative expenses	(160)	(108)
Operating expenses (including net service charges)	(6,055)	(7,231)
Administrative/operating expenses in associates	(400)	(875)
EPRA Cost (including direct vacancy costs) (A)	(6,615)	(8,214)
Direct vacancy costs	(347)	(474)
EPRA Cost (excluding direct vacancy costs) (B)	(6,267)	(7,740)
Gross Rental Income less ground rent costs – per IFRS	14,116	8,606
Gross Rental Income less ground rent costs in associates	1,742	393
Gross Rental Income (C)	15,858	8,999

EPRA COST RATIO (including direct vacancy costs) A/C
41.7%
91.3%
EPRA COST RATIO (excluding direct vacancy costs) B/C
39.5%
86.0%

4. SHARE PRICE PERFORMANCE

Details of shares (Eur)	H1 2015
Price at the beginning of the period	9.18
Price at the end of the period	9.90
Performance during the period	7.89%
Maximum price for the period	11.01
Minimum for the period	8.94
Average price for the period	9.55

The share price performance during the first half of 2015 can be seen in the following graph:

SHARE PRICE PERFORMANCE (EUROS)



ANALYST RECOMMENDATIONS

Broker	Recommendation	Analysis Date	Target Price (Euros) *
Santander	Buy	29/07/2015	10.75
Banco Sabadell	Buy	29/07/2015	10.69
Ahorro Corporación	Buy	22/07/2015	10.37
Fidentis Equities	Buy	20/07/2015	10.94
JP Morgan	Buy	01/06/2015	10.72

(*) The target market price of the shares after the share capital increase is as proposed by the above-mentioned institutions.

5. EVENTS AFTER THE REPORTING PERIOD

On 7 July 2015 the Company acquired 100% of the share capital of the company Rosal Retail, S.L.U., owner of the “El Rosal” Shopping Centre in Ponferrada (León) with a gross leasable area (GLA) of approximately 51,142 sqm from DHCRE II NETHERLANDS II BV.

The acquisition was carried out for a total sum of 87.5 million Euros, subject to the subsequent adjustments that are customary with this type of operation, paid with a combination of shareholder's equity and bank financing.

- Additionally, the Company reports the signing of two bank loans with CaixaBank and ING associated with the shopping centres El Rosal and As Termas, respectively, for a total sum of 87.34 million Euros.

- On 16 July, the National Securities Market Commission approved the prospectus corresponding to the Capital Increase to be carried out within the framework of the authorisation granted to the Board by the General Meeting of Shareholders of Lar España on 28 April 2015 to increase the capital by up to a maximum of 50% of its amount, with preferential subscription rights.

This prospectus, which contains the terms and conditions of the Capital Increase and the procedure established for the subscription of the New Shares, is available on Lar España's website (www.larespana.com) and will also be published on the CNMV's website (www.cnmv.es).

As indicated in the prospectus, the preferential subscription period for the capital increase is expected to start on 18 July, following the publication of the mandatory notice in the Official Gazette of the Business Registry (BORME) (scheduled for 17 July 2015).



El Rosal
Shopping Centre
(Ponferrada)

5. EVENTS AFTER THE REPORTING PERIOD

- On 20 July 2015 the Company reached an agreement with OCM Gaudí Master Holdco BV for the purchase of 100% of the share capital of Elisandra Spain VIII, S.L.U., the owner of a shopping centre that includes 14 single-tenant retail premises with a gross leasable area (GLA) of 44,512 sqm and a set of single-tenant retail premises that includes 59 premises, with a gross leasable area (GLA) of 19,395 sqm, both located within the real estate development Megapark Barakaldo (Vizcaya). Overall, the Project is expected to have an initial occupancy of 92% and an initial yield on cost of 6.25%.

It is expected that this transaction, which forms part of the market opportunities that are being exclusively analysed by the company, and which are detailed in the capital increase prospectus filed by the Spanish Securities Market Commission (CNMV) on 16 July 2015 in the section "Real Estate Portfolio – Pipeline under exclusivity", will be closed in October for a total amount of approximately 170 million Euros. The 10 million Euros paid by the Company on account on 20 July as a deposit will be discounted from the aforementioned total.
- On 23 July 2015, the Parent Company, through its subsidiary company Global Misner, S.L.U. entered into an agreement with Galaria Superficie Comercial Pamplona, S.L.U. for the purchase of two single-tenant retail premises at Parque Galaria (Pamplona), with a gross leasable area (GLA) of 4,108 sqm. The agreed amount of the purchase was 8.4 million euros.
- On 3 August 2015, the Company, through its wholly owned subsidiary Global Regimonte, S.L., entered into an agreement with ACTIVIDADES INTEGRADAS URBANÍSTICAS S.L. Urban Developer of the PAI for macrosector-IV and the adjoining PGOU's belonging to Sagunto for the acquisition of a 120,000 sqm plot in macrosector-IV- Sagunto (Valencian Community), on which the retail complex "Cruce de Caminos" is expected to be developed, with a 45,000 sqm gross leasable area (GLA). The complex will comprise a shopping centre of approximately 20,000 sqm (with a hypermarket and a retail arcade) and a retail park of 25,000 sqm with specialised "big-boxes". This project, which forms part of the pipeline under exclusivity referred to in the capital increase prospectus registered with the CNMV on 16 July 2015 under "Real Estate Portfolio - Pipeline under exclusivity", is expected to be completed between the end of 2016 and spring 2017, at a total cost of 53 million Euros, of which 14 million Euros relate to the purchase of the plot of land, and the remainder, to the development of the project.
- On 6 August 2015, the Company finalized its share capital increase for which 19,967,756 new ordinary shares were subscribed for a total issue price of Euros 2 each plus a share premium of Euros 4.76 per share, for a total issue price of Euros 6.76 per new share. As a result, the new ordinary shares subscribed amount to gross proceeds of Euros 134,982,030.56. The new ordinary shares were duly registered with the Commercial Registry of Madrid on 7 August 2015. The new ordinary shares started trading in the Spanish Stock Market on August 10 2015.



El Rosal
Shopping Centre
(Ponferrada)

6. GLOSSARY

Concept	Description
PBT/(LBT)	Profit/(Loss) 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, calculated by dividing profit for the year by average equity.
ROA	Return on assets, calculated by dividing profit for the year by total Company assets.
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 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 rent-free periods (or other unexpired lease incentives such as discounted rent periods and stepped rents).
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.



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