



Q3 2015 Financial Results

13th November, 2015

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Lar España's presenting team

MIGUEL PEREDA



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

SERGIO CRIADO



CFO of Lar España

JON ARMENTIA



Corporate Manager of Lar España

JORGE PEREZ DE LEZA



Head of European Operations of Grupo Lar

JOSE MANUEL LLOVET



Head of Retail Operations of Grupo Lar

Financial Highlights

Accelerating business performance and portfolio growth

Strong asset contribution

Solid signs of **asset value generation** and confirmation of consumption improvement
+2% Growth in **Footfall**; **+6%** in average **sales per customer**; **+7%** in total sales, vs. market (+4%)

Rental Income of **€23.5m** in 9M 2015 vs. **€14.1m** in 1H 2015
€223m Investment (ex-Megapark) added to the portfolio throughout the year

Accelerating Portfolio Growth since 1H2015

Excellent accretive deals since last capital increase **strengthens portfolio's rent generation:**
€393m in assets year to date

On track to finish the year with more than **1 Billion Euros** of investments
Very attractive pipeline of more than **€800m**

Agenda

1 Financial Results Q3 2015

2 Excellent accretive deals since July's capital increase

3 On track to meet targets / Attractive pipeline ahead

Consolidated P&L (IFRS) and Consolidated Balance Sheet (IFRS)

Positive financial performance, but still expecting ramp-up phase

Consolidated Income Statement (Thousands of Euros)

	9M 2015	9M 2014
Revenues	23,507 ⁽¹⁾	3,822
Other income ⁽²⁾	3,131	355
Change in fair value of investment properties	11,943	-42
Personnel costs	-243	-36
Other expenses ⁽³⁾	-9,243	-4,623
Results from operations	29,095	-524
Financial Income	1,701	1,998
Financial Expenses	-4,391	-
Impairment and results of disposals fin. instruments	-250	-
Share in profit (loss) of equity-accounted companies	181	-
Profit/loss before Tax	26,336	1,474
Income Tax	-	-
Profit/loss for the period	26,336	1,474

(1) Revenues from Portal de la Marina amounts to €3,748m . This amount is included in the line "Share in profit (loss) of equity accounted companies" because this shopping center is accounted for using the equity method.

(2) **Other Income:** Mainly made up of the difference between the cost of the business combination and the value of the identifiable assets **acquired** and the liabilities taken on corresponding to the acquisition of the company El Rosal Retail, S.L.U.

(3) **Other Expenses:** Mainly related to:
 • Management fees for management services provided to the Company by Grupo Lar Inversiones Inmobiliarias ("Grupo Lar") (2,907 thousand Euros).
 • Professional services (accounting and legal advisory services, audit and property valuations) amounting to 2,564 thousand Euros.

Consolidated Balance Sheet (Thousands of Euros)

Assets	Sep 30, 2015	Dec 31, 2014
Investment properties	594,937	357,994
Equity-accounted investees	30,278	18,087
Other non-current assets	32,507	3,841
Total Non-Current Assets	657,722	379,922
Cash & cash equivalents	146,987	20,252
Other current assets	54,659	36,981
Total Current Assets	201,646	57,233
Total Assets	859,368	437,155

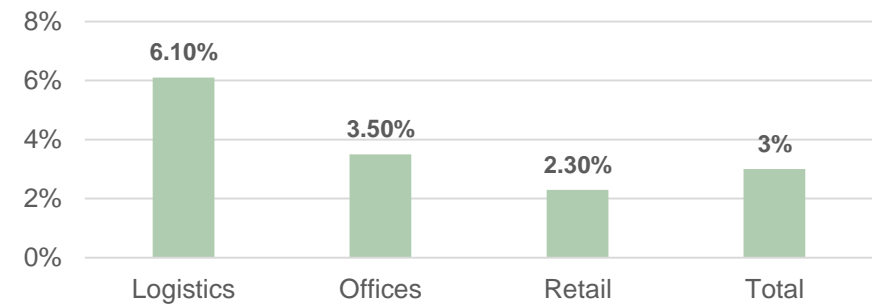
Liabilities and Equity	Sep 30, 2015	Dec 31, 2014
Total Equity	547,723	389,493
Fin. Liabilities from issue bonds	138,166	-
Loans and borrowings	143,429	37,666
Other non-current liabilities	10,180	5,143
Total Non-Current Liabilities	291,775	42,809
Fin. Liabilities from issue bonds	2,480	-
Loans and borrowings	5,517	156
Other current liabilities	11,873	4,697
Total Current Liabilities	19,870	4,853
Total Equity and Liabilities	859,368	437,155

Financial Indicators as of September 30th, 2015

+ 10% of EPRA Annualized rent compared to Q2 2015

EPRA Annualized Net Rent of c.€40m as of 30th of September, +10% more than Q2

GAV¹ Relative growth figures by segment up to June 2015



Financial Indicators	30/09/2015	31/12/2014	%Chg
EPRA Earnings (€'000)	12,062	2,516	299.9%
EPRA Earnings per share (€) ⁽²⁾	0.20	0.07	185.7%
EPRA NAV (€'000)	549,313	389,862	41%
EPRA NAV per share (€) ⁽²⁾	9.18	9.87	-7%
EPRA NNAV (€'000)	547,722	389,493	41%
EPRA NNAV per share (€) ⁽²⁾	9.15	9.86	-7%
LTV	31% ⁽³⁾	16.60%	

EPRA Indicator	30/09/2015	31/12/2014
EPRA Net Initial Yield (NIY)	6.3%	7.0%
EPRA "topped-up" NIY	6.6%	7.1%
EPRA Vacancy Rate	7.22%	7.27%
EPRA Cost Ratio	41.3%	91.3%
EPRA Cost Ratio (excluding costs of direct vacancy)	37.7%	86.0%

(1) Last asset appraisal on 30th of June 2015: For assets acquired during 2014, valuation growth from 31th December 2014 to 30th June 2015. For assets acquired during 2015, valuation growth from acquisition date to 30th June 2015.

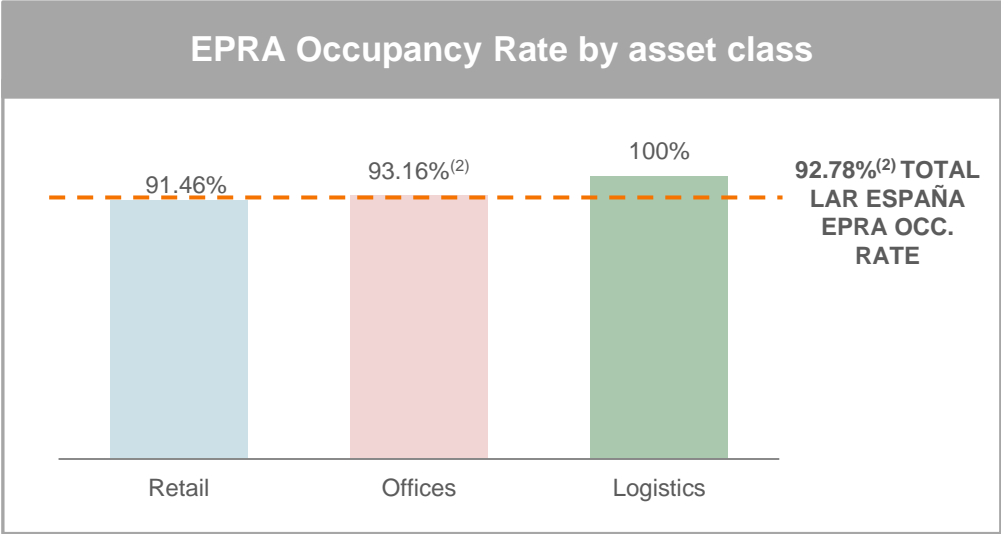
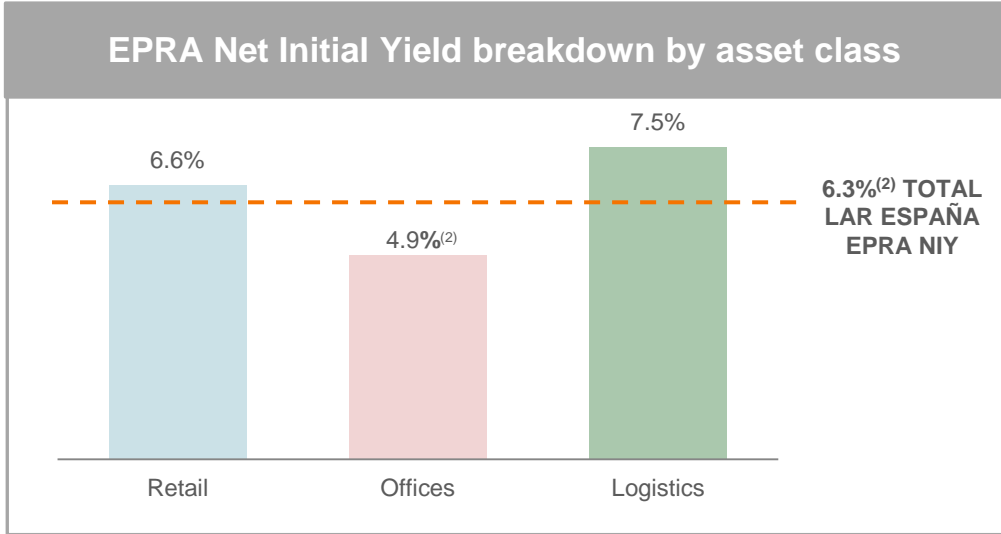
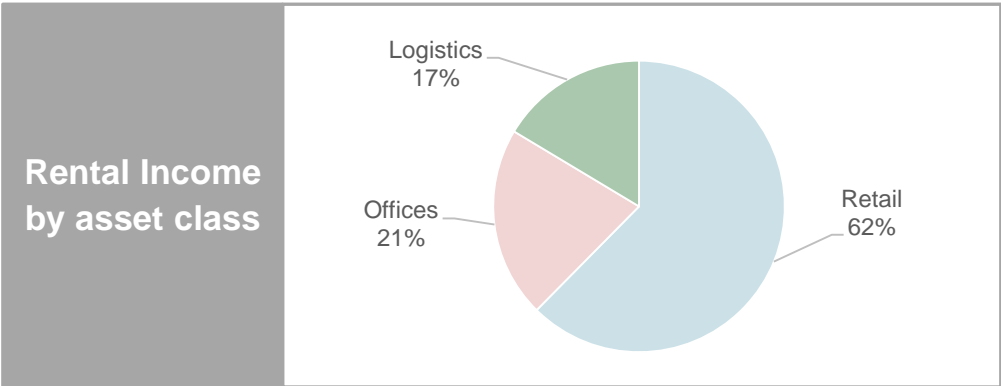
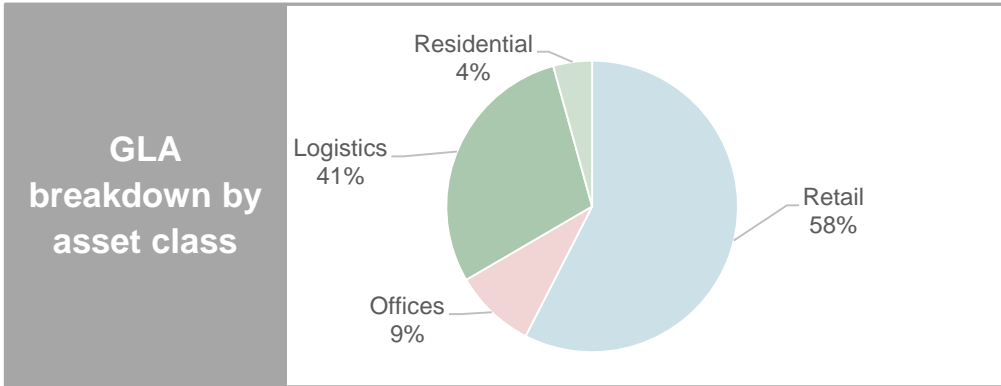
(2) Calculated excluding treasury shares

(3) LTV = Total Loans & Borrowings & Notes (Net of Cash) / Total GAV



Q3 2015 Portfolio Breakdown and EPRA KPI's

Lar España's portfolio at a glance (Q3'15)



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

Retail Active management in place to enhance shopping experience

Top anchored tenant mix with a balanced offer of attractive retailers, leisure activity and food & drink

960 mall operators and 81 pop-up stores



28.2 million visits

+10% sales increase YTD
vs.
4% Spanish retail sales

Intense letting activity to refresh customer experience

Letting Activity: 2.3m of new rent and +6% over total GLA

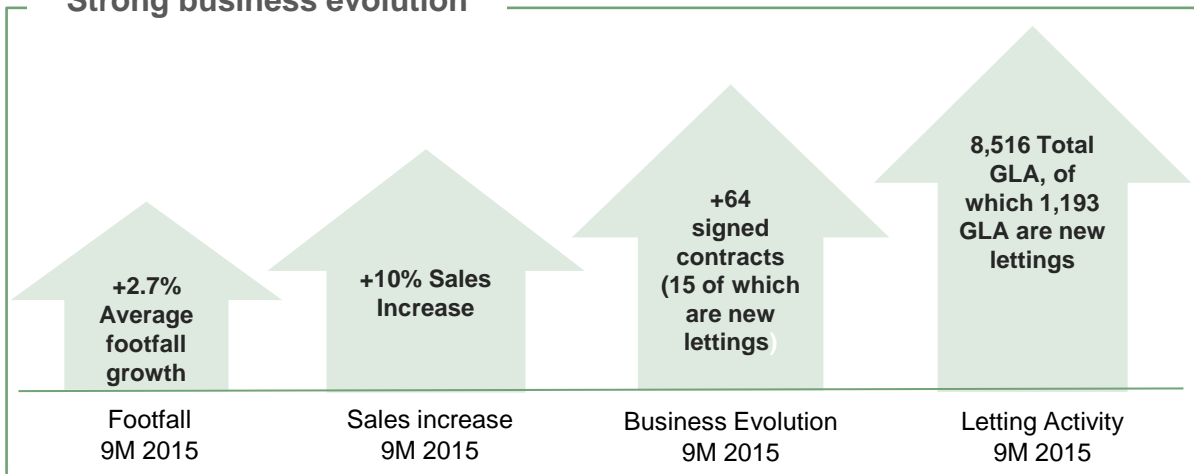
c. €38m¹ of expected Retail Annualized Net Rent per year

¹Future rent contribution of Sagunto Retail development has not been included

Retail

Strong performance grounded on intense letting activity and boosting shopping experience

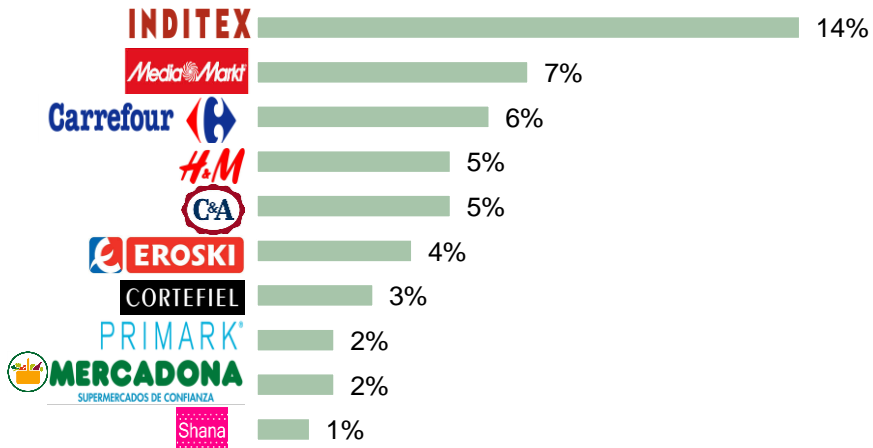
Strong business evolution



Diversified retail portfolio



Top 10 tenants represent 48% of retail sales



Offices and Logistics

Positive Results achieved by active property management



1

- Egeo (Office)
- Arturo Soria (Office)
- Marcelo Spinola (Office)
- Eloy Gonzalo (Office)
- Joan Miró (Office)

2

- Alovera I
- Alovera II
- Alovera III
- Alovera IV
- Almussafes

Office

Logistics

✓ Active Management Strategy in Office Properties and Logistics Warehouses

● **Offices:**
 ✓ ~ €8m of annualised Net Rental Income

EGEO BUILDING

- Optimization of the asset: Possible transformation of part of the ground floor in a commercial area.

ARTURO SORIA 36 BUILDING

- Improvements works of the 2nd and 8th floor in the office areas nearly concluded.

ELOY GONZALO BUILDING

- Managing current occupancy to renovate the asset in a gradual way.

MARCELO ESPÍNOLA BUILDING

- Full remodeling in progress.

● **Logistics Warehouses:**
 ✓ ~€6m of annualised Net Rental Income

ALOVERA II

- The Carrefour contract has been extended to Sept. 2017, as the tenant has not exercised the option to rescind the contract.

¹ Undergoing total refurbishment. Initial Occupancy to be 65% for calculation purposes. The development of Marcelo Spinola has already started

Residential

Juan Bravo project progresses on schedule and confirms high interest of potential buyers

Done

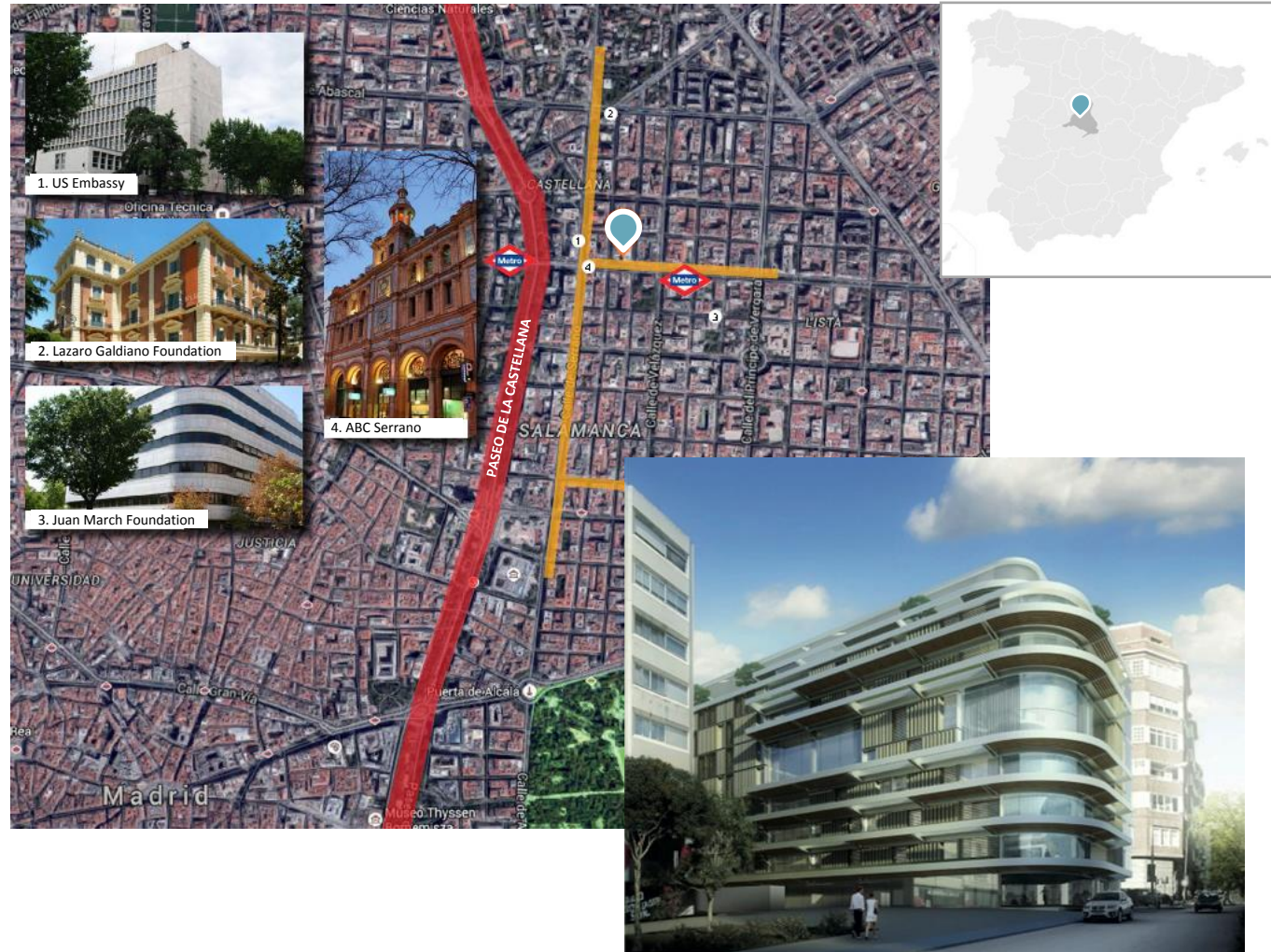
- Demand Test, Waiting List, selective off market reservations
- Fine tuned preliminary design with potential customers' feedback
- VIP sales office in place, marketing plan launched

Action Plan

- Detailed project design in Q1-16
- Start underground construction **Q4-15**
- Full commercial launch **Q1-16**
- Estimated **2015-2017: €11m-€14m**
- **Delivery of first houses from Q4 2017**

Update

- Conclusion of the preliminary design of the project and currently working in the amendment to adapt the existing license.
- Contact with potential clients: Great interest and acceptance in the project. Client feedback incorporated in the design



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Financial Highlights

Excellent Accretive deals since last capital increase strengthens portfolio's rent generation

€852.6m invested, in a value added portfolio, with c.€90m of committed capex

c.50% of portfolio growth since 30th of June with c.€282m invested in top retail assets

Megapark Bilbao Retail Complex highlights the manager access to off market deals

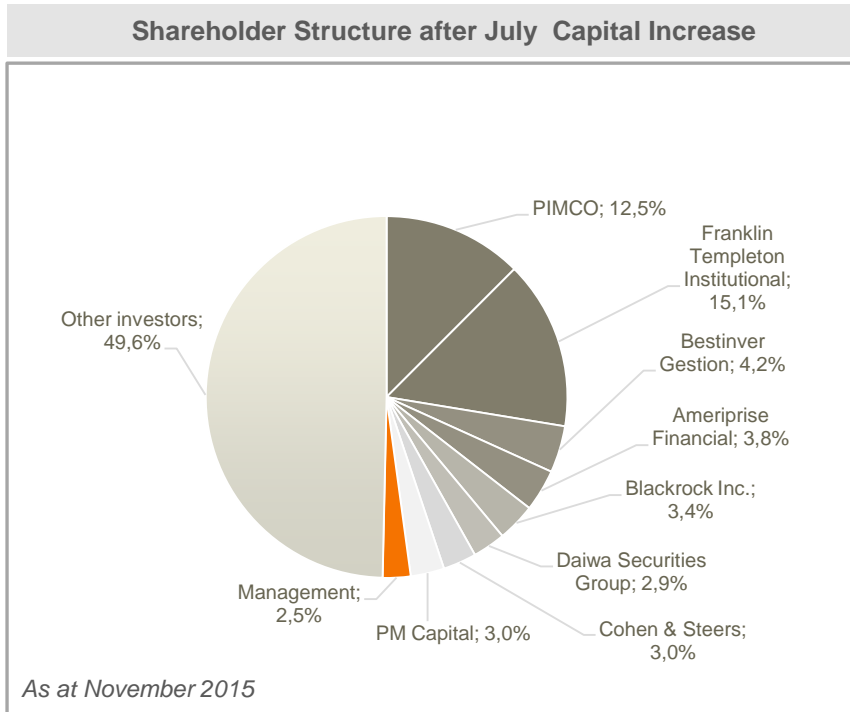
c.€52m¹ of expected annualized Net Rents from current portfolio

¹ Future rent contribution of Sagunto Retail development has not been included.

July 2015 Capital Increase

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

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



€282m in Assets acquired since July Capital Increase

▪ +c€17m² in annualized rents +47%

75% of the deals off market

Megapark (Bilbao)	€170.0m
El Rosal (Ponferrada)	€87.5m
Cruce de Caminos (Sagunto)	€14.0m
Galaria (Pamplona)	€8.4m
Other assets	€1.8m

¹ Acquisition Price

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

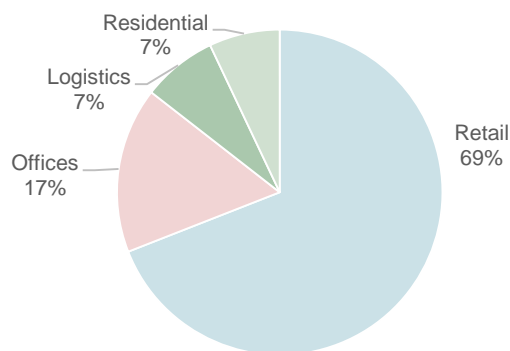
Portfolio overview as of 31th of October

Lar España consolidates a diversified and stable rental income portfolio

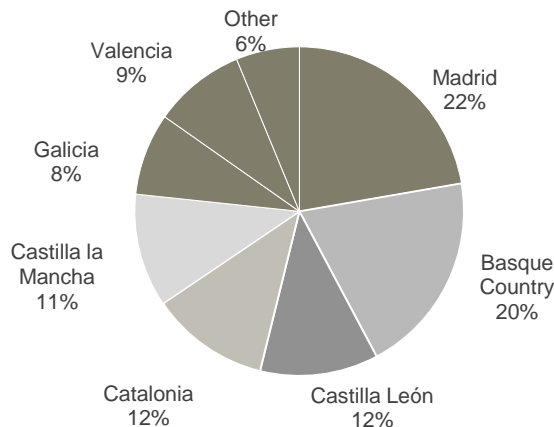
All figures stated at the acquisition date

Asset Class	Units	Price	Gross Lettable Area	W.A.U.L.T as at Sep. 2015	Avg. Rent/sqm	Avg. Initial Occupancy	Weighted Avg. EPRA Net Initial Yield	Annual Net Rent Generation
Retail	12	€588.7m	320,049 sqm	2.4	13.82€	92.5%	6.57%	c.€38m ⁽³⁾
Offices	5	€140.5m	50,342 sqm	2.1	13.7€	95.6%	5.6%	c.€8m
Logistics	5	€63.4m	161,840 sqm	2.6	3.4€	100%	9.6%	c.€6m
Residential	1	€60m	23,932 sqm	n/a	n/a	n/a	n/a	n/a
Total	23	€852.6m	556,163 sqm	2.2⁽²⁾	13.0€	94.9%	6.6%⁽¹⁾	c.€52m⁽³⁾

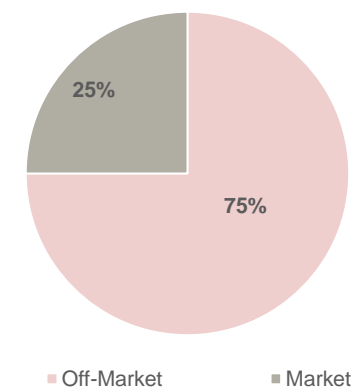
Asset Distribution by Investment



Balanced Investment Geographical distribution



Mostly off-market acquisitions



¹ 6.6% is the EPRA NIY on cost at the time of acquisition.

² Marcelo Espínola is not included in the calculation as it is under refurbishment.

³ Future rent contribution of Sagunto Retail development has not been included

Acquisition of Megapark, Bilbao

The acquisition of **MegaParx[®]** for €170m makes Lar España's portfolio one of the most attractive real estate platforms in Spain

Unique asset by location, size and tenant line up, located in one of the wealthiest regions in Europe

The largest retail area in the Basque country, with one of the strongest catchment areas in Europe

Game-changing, Off Market Deal, representing over 20% of Lar España's Current Net Rental Income



New opening of Mercadona in Megapark in October:

- ✓ **First Mercadona in Vizcaya**
- ✓ **Doubling footfall in Factory Outlet Centre during the first weeks of operation, exceeding expectations**

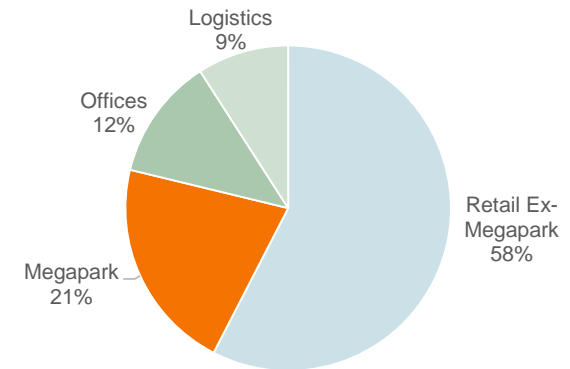
Acquisition of Megapark, Bilbao

Game-Changing Off Market Deal, representing over 20% of Lar España's Current Net Rental Income

Prime Regional Retail Park acquired @ above market prime yields

- Purchased @ **6.25% of Net Yield on Cost**,
- Underpinning the high recurrent cash-flow generation of the real estate portfolio.
- **Game-changing deal** as it represents 20% of all of Lar España's investments to date and generates more than **€10m in Net Operating Rents per year**.

Passing Rent Distribution



Retail Development Update

Project Cruce de Caminos: Retail Park and Gallery in Sagunto (Valencia)

Location and Profile

- Located in Sagunto 25 Km north of Valencia, in the east coast of Spain.
- Cruce de Caminos is divided into a Retail Park (60% GLA), a hypermarket (23% GLA), a Retail Gallery (17% GLA) and a petrol station. It has a car park with 2,598 parking spaces.
- Estimated **9.2% of Net Initial Yield and footfall of 4.5 million people.**
- **C. €5m of Net Rent Income** per year

Capex

- Estimated 2015-2016: c.€39m. Plot already acquired for €14m.
- Estimated Opening: Q4 2016-Q1 2017,

UPDATE:

- Works / Construction in Progress.
- Administrative Procedures approved.
- Commercialization Process in Progress.



Agenda

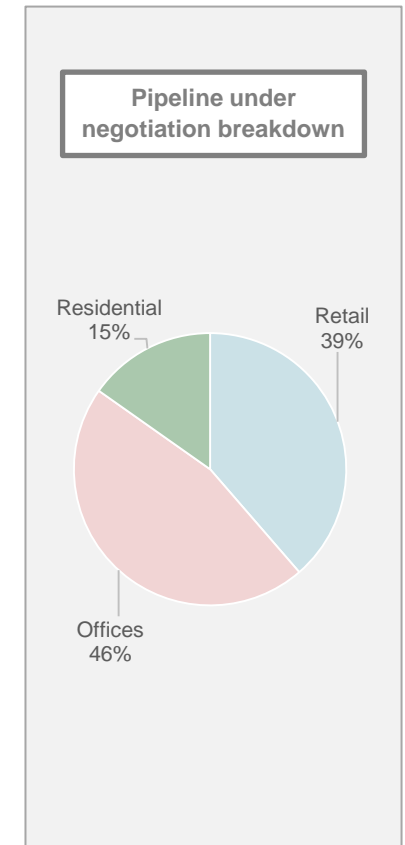
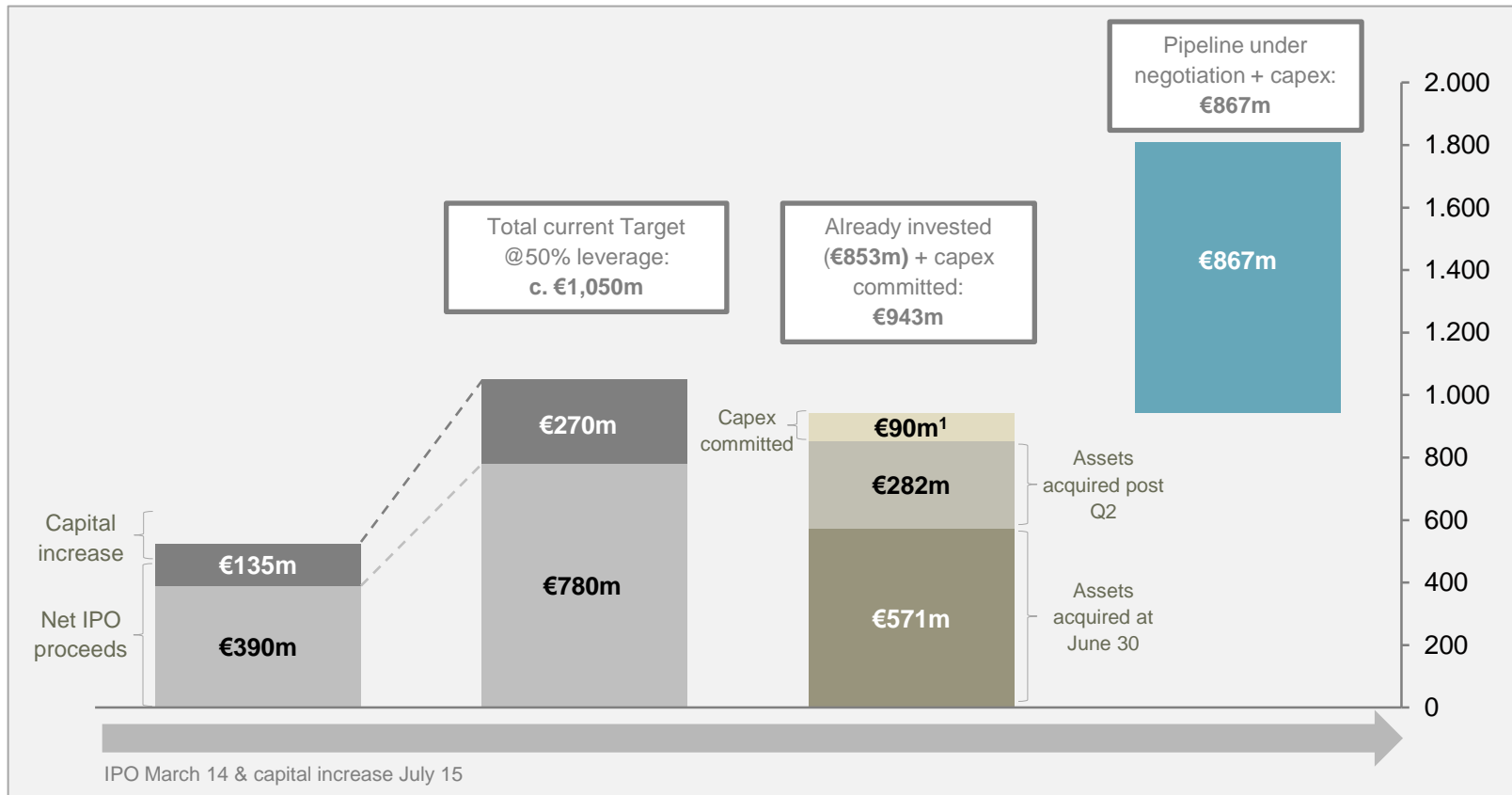
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Portfolio construction after share capital increase

Very attractive pipeline ahead: on track to end 2015 with more than 1 Billion of euros in assets invested

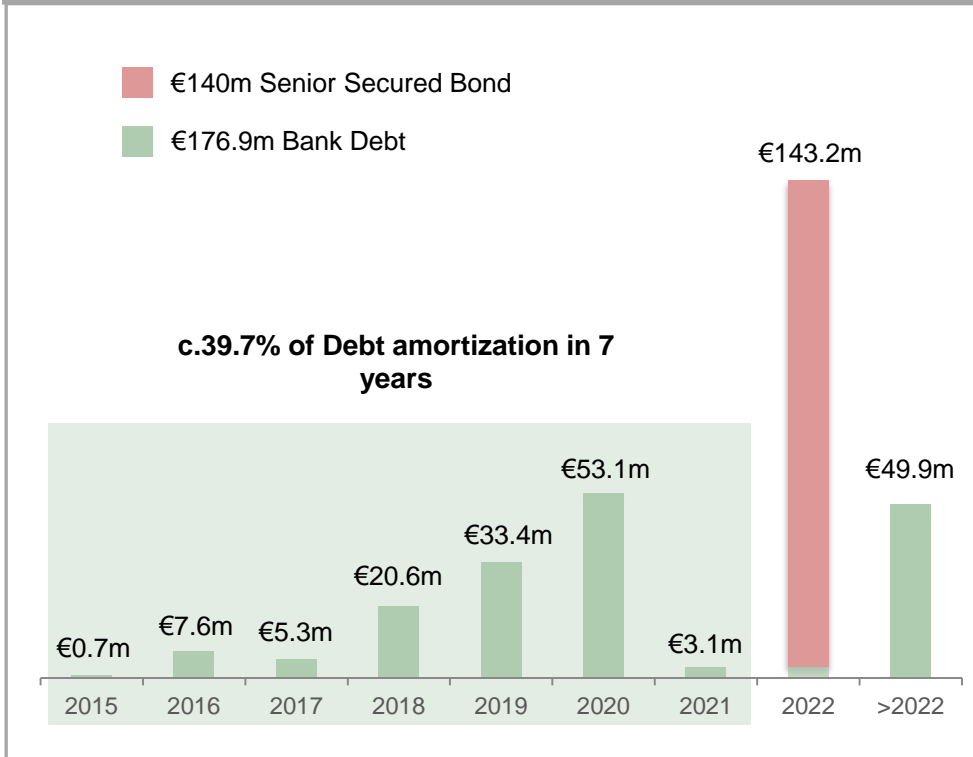


¹ Includes c.€60m of development costs associated to Juan Bravo and Sagunto

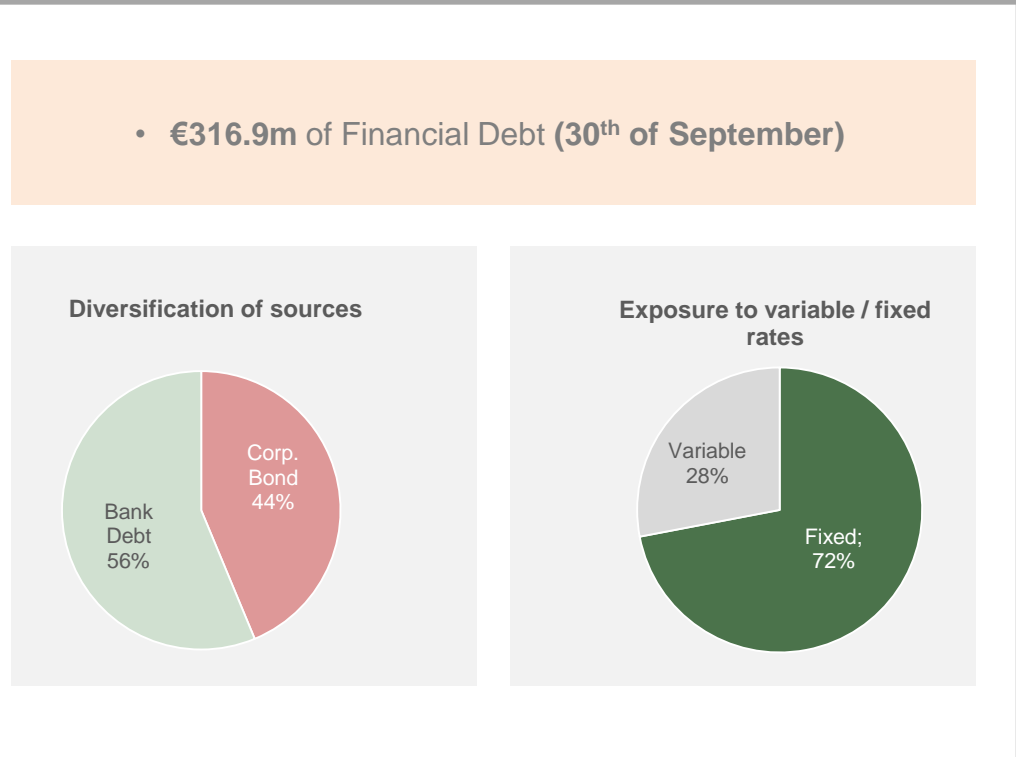
Debt overview

Flexible Balance Sheet structure provides stability to our strategy – Cost of Bank Debt Euribor + 1.87%, while >70% of the debt is fixed

Back-loaded amortization of the debt



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



Conclusions

Accelerating business performance and portfolio growth

Strong performance of the assets

Solid signs of **asset value generation** thanks to **active management strategy** in place and confirmation of consumption improvement

Consolidating rent generation thanks to the **contribution of the new assets**

Accelerating Portfolio Growth since 1H2015

Excellent accretive deals since last capital increase **strengthens portfolio's rent generation**

On track to finish the year at around **1 Billion Euros** in assets invested and **analysing new opportunities** to **increase the return to our shareholders**

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