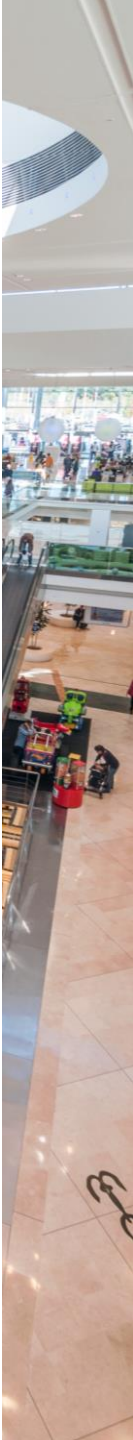




1H 2015 Financial Results

31st August, 2015

www.larespana.com



Lar España's presenting team

MIGUEL PEREDA



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

JON ARMENTIA



Corporate Manager of Lar España

JORGE PEREZ DE LEZA



Head of European Operations of Grupo Lar

JOSE MANUEL LLOVET



Head of Retail Operations of Grupo Lar

Financial Highlights



Financial Highlights

Speeding up business performance and portfolio growth

Strong business performance during 1H 2015

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

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

Accelerating Portfolio Growth since 1H2015

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

Total investments of **€852.6m** as of August 31st in a value added portfolio, with c.€90m of committed capex
c.50% of portfolio growth since 30th of June with c.€282m committed

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

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

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

Positive financial performance, but still expecting ramp-up phase

Consolidated Income Statement

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

(*) All figures expressed in Thousands of EUR

Lar España was listed on 5th march 2014

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

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

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

Consolidated Balance Sheet

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

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

(*) All figures expressed in Thousands of EUR

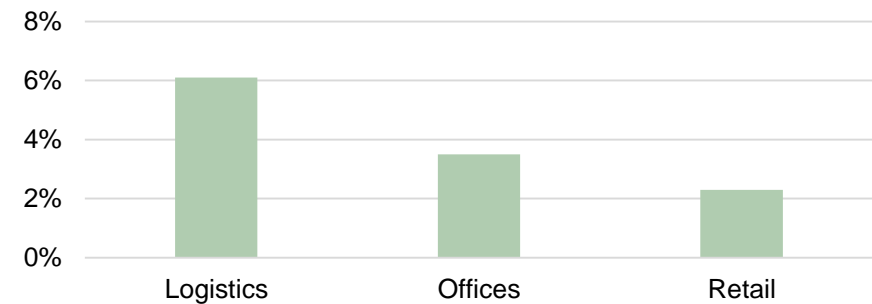
Financial Indicators as of June 30th, 2015

+ 6% of NAV growth since the end of 2014

GAV EPRA valuation growth:

3% in the 1H ⁽¹⁾

Relative growth figures by segment



Financial Indicators	30/06/2015	31/12/2014	%Chg
EPRA Earnings (€'000)	6,776	2,516	
EPRA Earnings per share (€) ⁽²⁾	0.17	0.07	
EPRA NAV (€'000)	413,413	389,862	6.0%
EPRA NAV per share (€) ⁽²⁾	10.33	9.87	4.7%
EPRA NNAV (€'000)	412,900	389,493	6.0%
EPRA NNAV per share (€) ⁽²⁾	10.31	9.86	4.6%
LTV	34.30% ⁽³⁾	16.60%	

EPRA Indicator	30/06/2015
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%

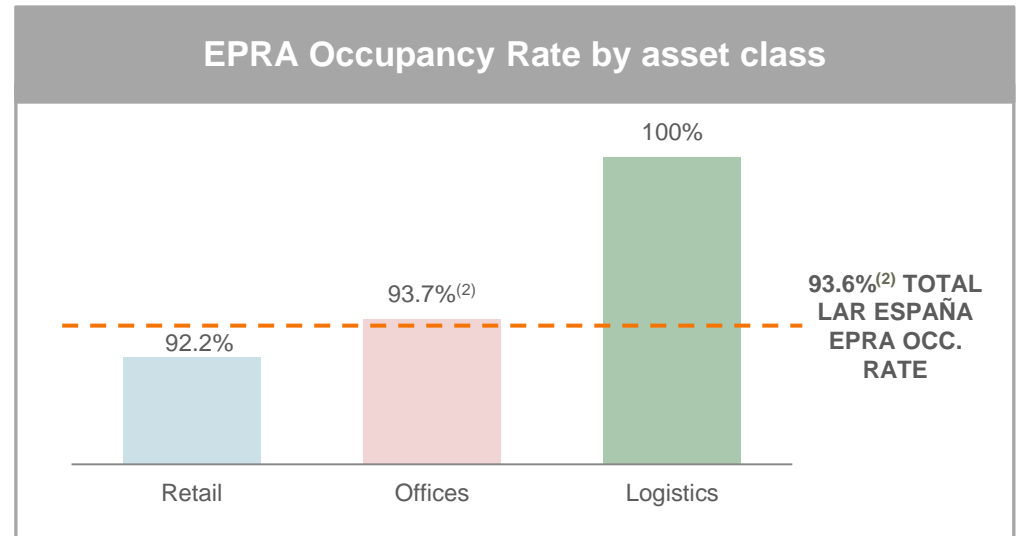
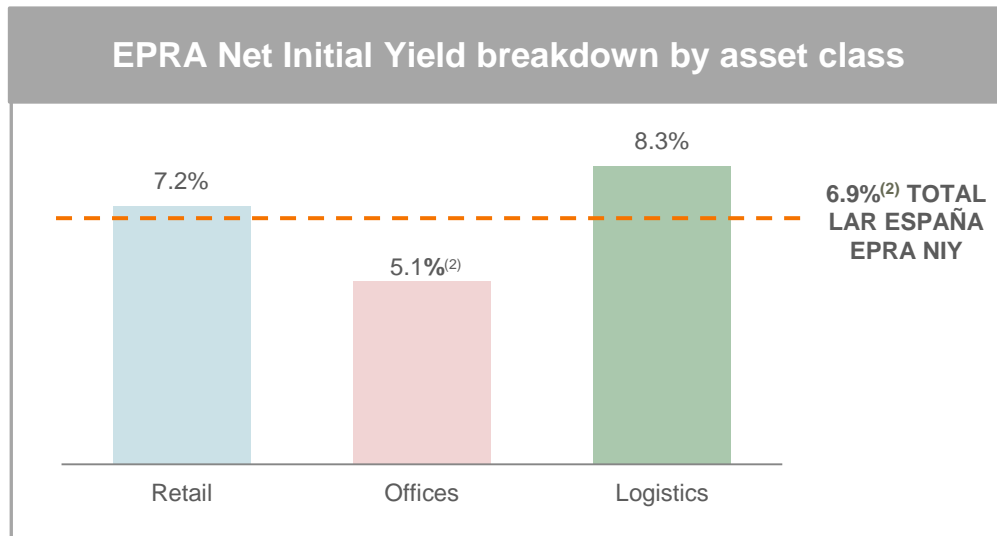
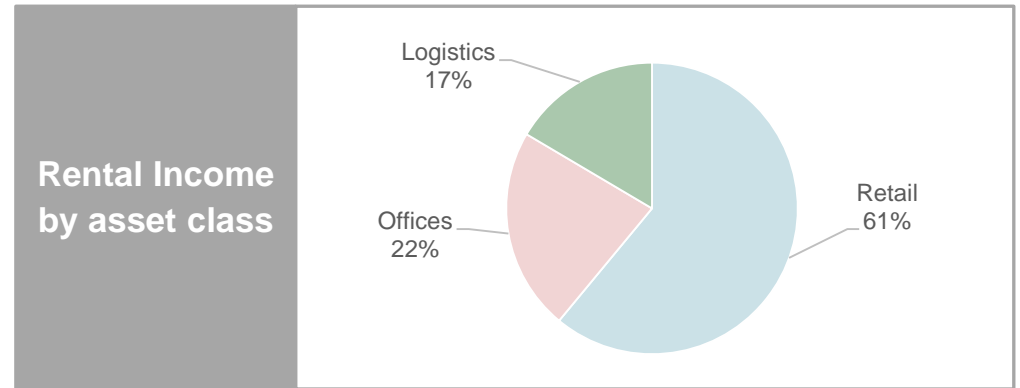
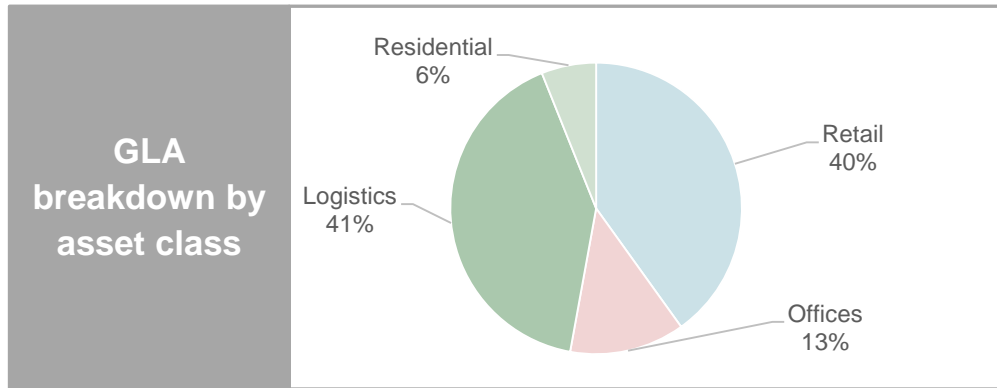
(1) Valuation growth from 31st December 2014 to 30th June 2015 for 2014 assets. From acquisition date to 30th June 2015 for assets acquired during the period

(2) Calculated excluding treasury shares

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

1H 2015 Portfolio Breakdown and EPRA KPI's

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

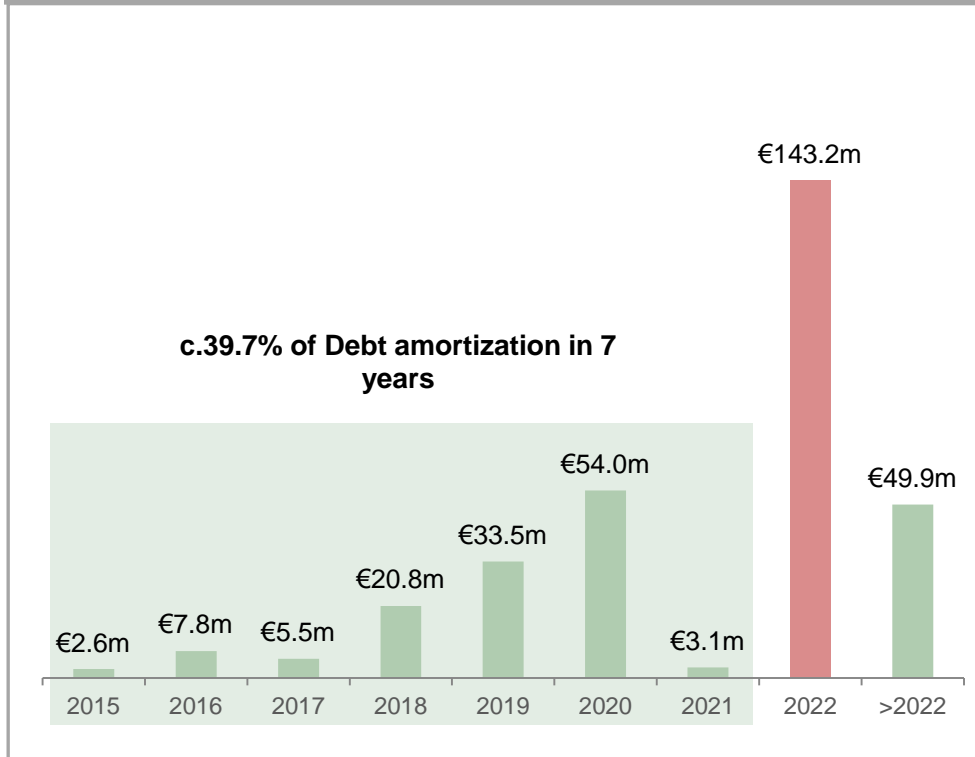


⁽²⁾ Marcelo Spinola's EPRA NIY is not calculated due to the lack of representativeness. During Q4 2014, the office was prepared and evicted to refurbish the property. The refurbishment was started during Q2 2015 and is expected to be finished during Q2 2016. To calculate the NIY for the total portfolio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

Debt overview

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

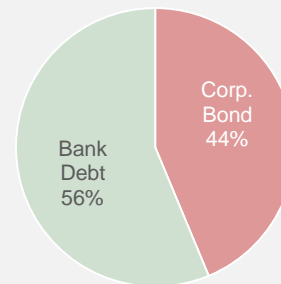
Back-loaded amortization of the debt



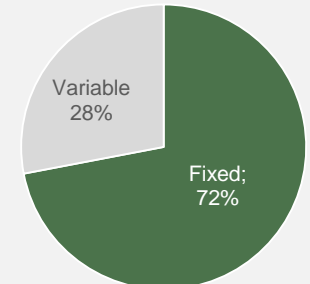
Prudent Financial Management: 72% exposure to fixed debt and diversified sources

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

Diversification of sources



Exposure to variable / fixed rates



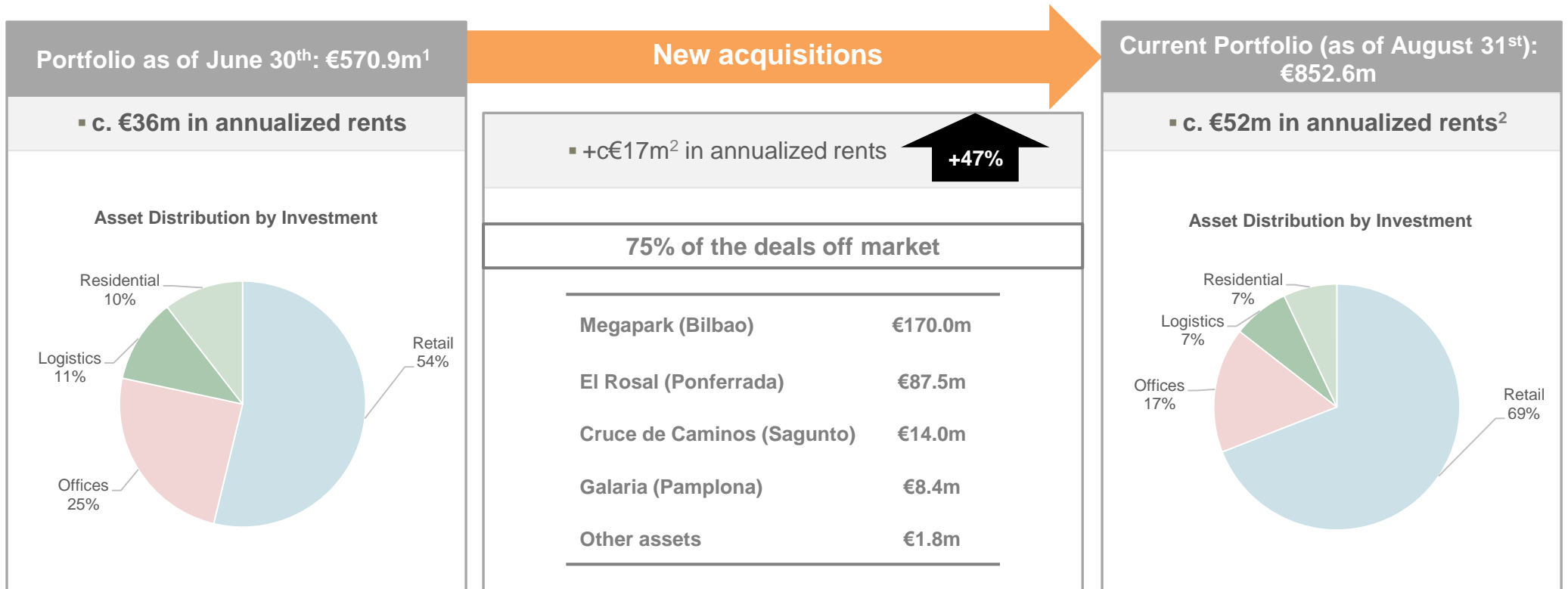
Capital Increase



July 2015 Capital Increase

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

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

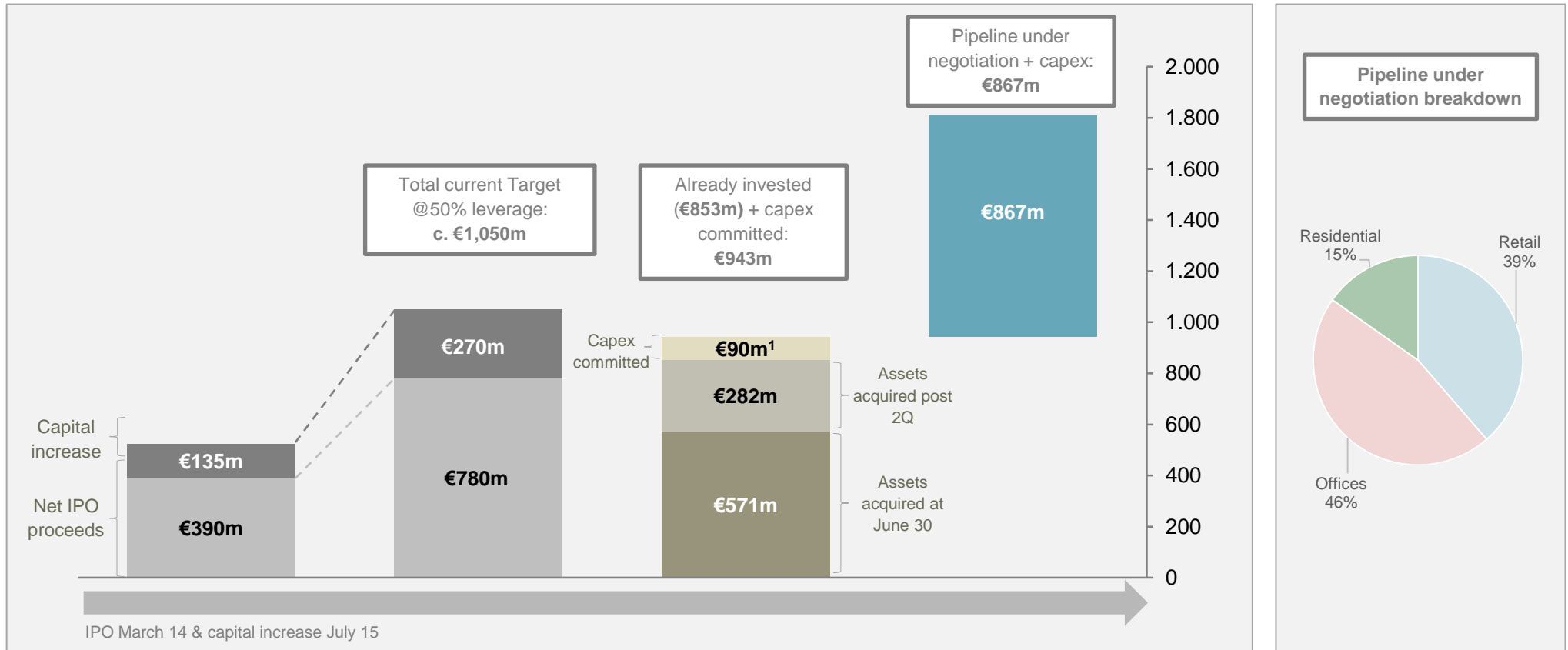


¹ Acquisition Price

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

Portfolio construction after capital increase

Lar España has accelerated its portfolio construction by signing off-market deals, pushing total portfolio+committed capex to c.€1000m



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

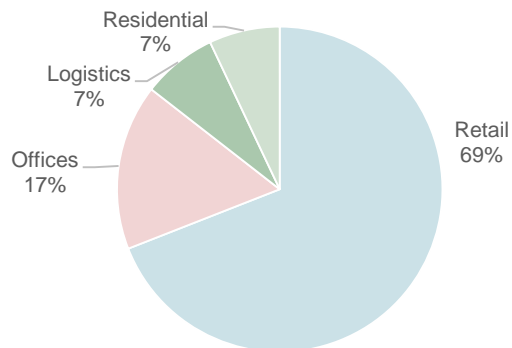
Portfolio overview as of August 31st

Lar España consolidates a diversified and stable rent generating portfolio

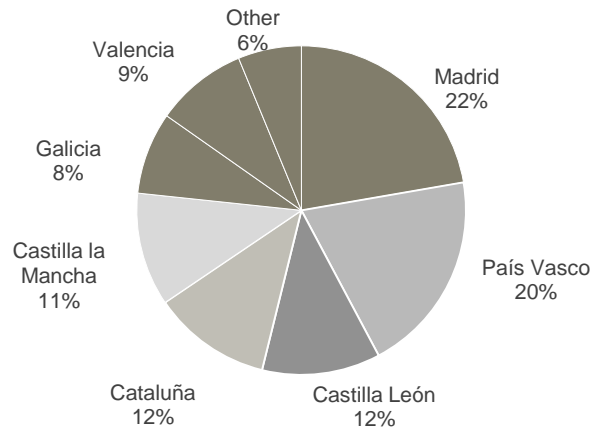
All figures stated at the acquisition date

Asset Class	Units	Price	Gross Lettable Area	W.A.U.L.T as of June 2015	Avg. Rent/sqm	Avg. Initial Occupancy	Weighted Avg. EPRA Net Initial Yield	Annual Net Rent Generation
Retail ⁴	12	€588.7m	320,049 sqm	2.6	13.82€	92.5%	6.57%	c.€38m
Offices	5	€140.5m	50,342 sqm	2.0	13.7€	95.6%	5.6%	c.€8m
Logistics	5	€63.4m	161,840 sqm	2.7	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	2.52⁽³⁾	13.0€	94.9%	6.6%⁽²⁾	c.€52m

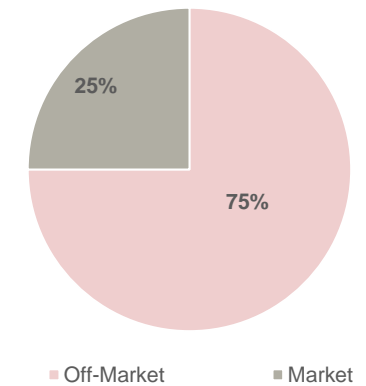
Asset Distribution by Investment



Balanced Investment Geographical distribution



Mostly off-market acquisitions



¹ 7.2% is the Gross Initial Yield of rent generating assets. Thus, €60m investment for a residential development is not included in its calculation.

² 6.6% is the NIY on cost of rent generating assets. Thus, €60m investment for a residential development is not included in its calculation.

³ Not included in the calculation Marcelo Spínola –under refurbishment-.

⁴ Retail includes the acquisition of Megapark (Barakaldo), which will be concluded in October 2015. The calculation of WAULT, Avg. Rent/Sqm and Avg. Gross Initial Yield do not include the acquisition of Megapark.

Overview of recent acquisitions



New Acquisition

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



Location and profile

- The property is located in **Barakaldo**, which is considered part of the **metropolitan area of Bilbao**, in the autonomous community of the Basque Country in the North West of Spain.
- Good **highway transport links**: The Megapark complex is situated at the A8 motorway, 10 driving minutes away from the city center.
- The complex has a total of 63,907sqm of which 44,512 sqm are attributed to **14 commercial warehouses** and 19,395 sqm to **59 retail stores**.
- **Solid and top-tier tenants** in both the **Retail complex** and the **Factory Outlet Centre**: Media Markt, Decathlon, Oportunidades El Corte Inglés, Mercadona, Nike, among others.

Investment Rationale

- **The property is part of one of the largest and most successful retail schemes in the Basque country.** The retail Park and Factory Outlet is complemented by a leisure area.
- The **Factory Outlet Centre** is the first and **only fashion outlet in the north of Spain.**
- Megapark is located in a strong regional location with a catchment area of over 2 million people with above average spending power.
- **The Basque country has the 2nd highest GDP per capita in Spain.**

Property characteristics

- Property Type: Retail Complex & Factory Outlet
- GLA: 63,907 sqm
- Initial occupancy: 92.4%: RP:100% + FOC: 75% incl. Mercadona
- Net Initial Yield on Cost: 6.25%
- Acquisition price: EUR 170² m
- Monthly Rent (€/sqm): €15.6sqm/mth: RP:€16.9sqm + FOC:€12sqm

Source: Company information

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

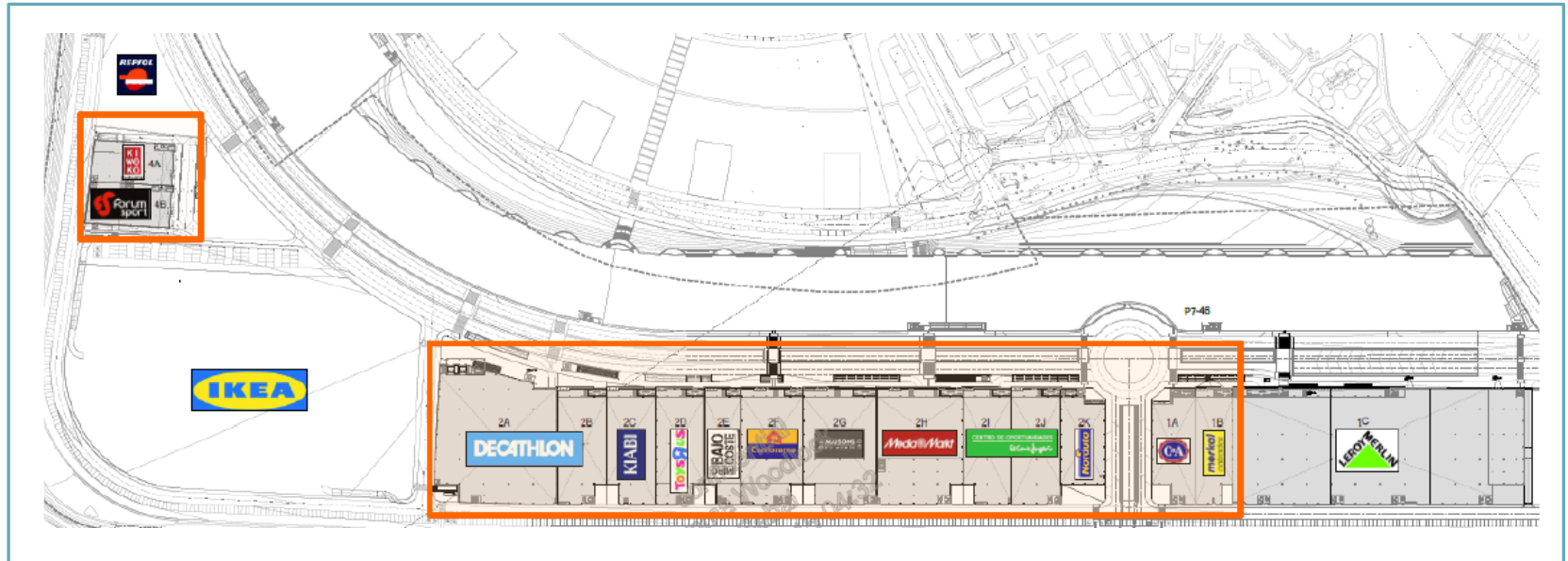
² Approximate purchase price (Lar España has deposited a down payment of €10m on July 20, 2015)

New Acquisition

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

Retail Complex:

44,512 sqm



Factory Outlet Centre

19,210 sqm



New Acquisition

€87.5m - El Rosal Shopping Centre in Ponferrada



Location and profile

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



Investment rationale

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

Property characteristics

- Property Type: Shopping Centre
- GLA: 51.142 sqm
- Initial occupancy: 91,6%
- Net Yield on Cost: 6.3%
- Acquisition price: EUR 87.5 m
- Monthly Rent (€/Sqm): 10.7€

Source: Company information

New Development

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



Source: Company information

Location and profile

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

Investment Rationale

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

Property characteristics

- Property Type: Retail Units + Gallery
- GLA: 43,091 sqm (RP: 25,820sqm, Hyper: 10,066sqm, RG: 7,205sqm)
- Initial occupancy: N/A
- Net Yield on Cost: 9.20%
- Acquisition price: EUR 14 m (+ capex 39m)
- Monthly Rent (€/Sqm): RP: €8.2 sqm/mth + Gallery: €18.8 sqm/mth

New Acquisition

€8.4m - Galaria Retail Complex in Pamplona



Location and profile

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

Investment rationale

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

Property characteristics

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



Source: Company information

Conclusion



Conclusions

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

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

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

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

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

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

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