

COMISIÓN NACIONAL DEL MERCADO DE VALORES

Calle Edison, nº 4
28006 Madrid

Madrid, 23 de enero de 2017

QUABIT INMOBILIARIA, S.A. (“**Quabit**” o la “**Sociedad**”), en cumplimiento de lo dispuesto en el artículo 228 del texto refundido de la Ley del Mercado de Valores aprobado por el Real Decreto Legislativo 4/2015, de 23 de octubre, pone en su conocimiento el siguiente:

HECHO RELEVANTE

La Sociedad adjunta a la presente comunicación una versión en inglés de la presentación relativa a la actualización del Plan de Negocio para los ejercicios comprendidos entre 2017 y 2021. La versión en castellano de dicha presentación ya fue publicada el pasado 19 de enero de 2017, mediante el envío del correspondiente hecho relevante con número de registro 247.282.

Asimismo, según lo indicado en el citado hecho relevante en relación con la intención de Quabit de captar fondos de hasta 40 millones de euros a través de una próxima operación de ampliación de capital, se informa de que se ha designado a Renta 4 Banco, S.A. y Arcano Valores, A.V. S.A. para actuar como entidades colocadoras en el marco de dicho proceso.

El Secretario del Consejo de Administración
Miguel Ángel Melero Bowen



BUSINESS PLAN 2017-2021

JANUARY 2017

This document contains information, statements and declarations that include projections or forward-looking statements of Quabit Inmobiliaria S.A. (the “Company”). The above-mentioned projections or forward-looking statements (i) may include statements regarding plans, objectives and current expectations, including statements relating to trends that may affect the Company’s situation, its business, results, margins, etc, (ii) may also include assumptions about future business or background conditions and (iii) do not constitute a guarantee that they will materialise in future results, and are also subject to various circumstances, such as risks, uncertainties, changes and other factors beyond the Company’s control or which may be difficult to forecast. Amongst such risks and uncertainties are those risk factors and circumstances notified by the Company to the Spanish Securities and Exchange Commission (Comisión Nacional del Mercado de Valores). Except as required by law, the Company undertakes no obligation to publicly report revision, compliance or otherwise with the contents of this document. This document does not constitute an offer or invitation to acquire or transfer shares or other Company securities in accordance with the provisions of the Royal Legislative Decree 4/2015 of 23 October, in which the revised text of the Stock Market Act was approved. This document is the property of the Company.

1. Strategic positioning

- **QUABIT** is a Spanish real estate group with over 20 years' experience and has been listed on the Stock Exchange since 2006. The company's core business is creating value through the full management of the entire real estate cycle through two main business channels: land management and real estate development.
- **The company's scope is national, aiming to once again become one of the real estate market leaders** in Spain and reposition itself as a clear benchmark of the sector's consolidation.

2. Strong balance sheet

- **HEALTHY FINANCIAL STRUCTURE AND EQUITY SITUATION**
- **OFF-BALANCE-SHEET VALUE DRIVERS:** outstanding tax credits and partial debt write-offs.
- **DEBT AMORTISATION SCHEDULE:** 5.5% the next 2 years; 31.5% the following 3; and 63% in 2022.

3. Investment plan

- **ESTIMATED INVESTMENT OF €455 MILLION IN URBAN LAND** located mainly in Madrid, its metropolitan area and *the Corredor del Henares* zone, as well as other strategic areas with high demand potential - Catalonia, the autonomous community of Valencia, Andalusia (especially the Costa del Sol) and other province capitals with development potential such as Zaragoza, La Coruña or Santander.
- **GUARANTEED FUNDING: Avenue Capital Group Agreement:** A credit line of up to €60 million for land purchase + bank financing = up to €130 million.
In addition, **developing and selling its own assets** has been included in the Business Plan generating a cash flow of €145 million, equivalent to more than 50% of the total operating cash flow during the 2017-2021 period.
- **RAISING FUNDS:** up to €40 million through capital increase in the near future.

4. Value creation and shareholder remuneration

- **The DIVIDEND PAYMENT, both shares and cash, is deemed to be €68 million.** In 2016 new shares were distributed: 1 new share for every 20 old shares (through a bonus issue) representing a milestone since the interim dividend of 2006.
- **OBJECTIVES:**
 1. **Return on investment of more than 5% in dividends.**
 2. **Triple the book value of the company.**

0.2 Recovery of the real estate sector is strengthening

The recovery of the real estate sector is strengthening and on the rise due to the good performance of the residential market, which has left the recession behind and is reaching its cruising speed. **2016 has been a year of consolidation and 2017 aims at being the year when the return of the sector to healthy and sustainable levels is confirmed, with neither bubble nor recessionary prices**, as shown by the main sector indicators.

To a large extent, the good performance of the real estate market lies in the positive development shown by the determining factors of residential demand, such as: **employment growth, increased credit supply and low interest rates, the positive mood in foreign demand and, more recently, the prospect of appreciation in housing prices.**

In this sense, the sales drive and the activation of demand in more and more areas continues to favour the **gradual appreciation of housing prices and also the incipient proliferation of new residential building projects.**

The trend in residential prices shows a positive development.

- 3T2016. The average price of private housing increased by 1.6% to 1,499.7 euros/m², six consecutive quarters having now had a price rise (Source: Ministry of Public Works & Transport). 2016 will end with an average annual growth of 2.5%. An increase which is forecast to be 3.5% in 2017 (Source: BBVA). Servihabitat increases this figure to 4.3%, Bankinter contemplates a range from 3% to 5%.
- The price of new housing is already increasing in all province capitals, but in Madrid and Barcelona it is speeding up and forecasts expect it to grow in 2017 by around 6% and 8% respectively (Source: Bankinter).

The growth of building certificates confirms the need for new housing

- Up to October 2016, 53,131 new building permits were granted, up 33.2% year on year, surpassing the total figure for 2015 (Source: Ministry of Public Works & Transport). The forecast for 2016 and 2017 indicates that the signing of building certificates will end up showing an annual growth of around 40% and 25% respectively. (Source: BBVA). Servihabitat's forecast for 2017 is 20% and Tinsa's from 15% to 20% (75,000-80,000).

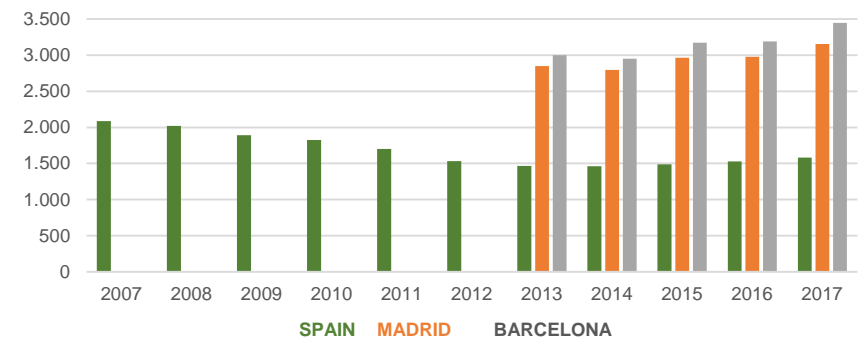
Residential demand is gaining strength

- After bottoming out in 2013, sales and purchase agreements have recovered substantially. From October 2015 to September 2016 444,276 homes were sold, 11.5% more than in the previous twelve months (Source: Ministry of Public Works & Transport). 2016 will finish with a similar growth to 2015, around 10%. In 2017 sales and purchases will grow at a slightly lower rate (6.5%), representing around 475,000 transactions (Source: BBVA). Servihabitat estimates that this year - and for the first time since 2008 - the number of transactions will exceed half a million (10%-12% more than in 2016).

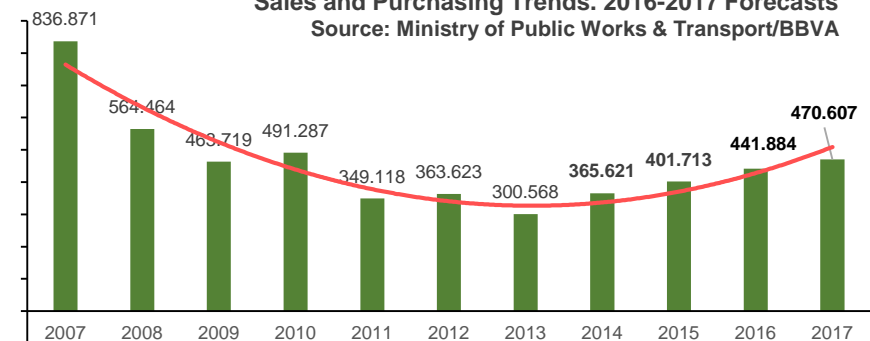
Need for new residential projects

- The *Sociedad de Tasación* (independent real estate valuation company in Spain) estimates that Madrid only has a 9-month supply of new housing and Barcelona a 14-month supply. The current provision on offer is 2,158 flats in the capital and 1,072 in Barcelona which may lead to new price rises in 2017.

Price trends. 2016-2017 Forecasts
Source: Ministry of Public Works & Transport / BBVA / Bankinter



Sales and Purchasing Trends. 2016-2017 Forecasts
Source: Ministry of Public Works & Transport/BBVA



2015. Key year for Quabit

DEBT REFINANCING. Important agreement with the principal creditor: SAREB

- o Debt payment deferred until 2022.
- o Early payment of €35.6 million -> release of assets with great development potential -> 1,000 homes.
- o New repayment schedule: 5.5% in the next 2 years; 31.5% the following 3; and 63% in 2022.

DEBT SETTLEMENT

- o Land assets swaps for debt in lieu of payment (according to the 2014 refinancing agreement with financial institutions) + early payment to Sareb of €35.6 million = debt reduction of €90 million.

CAPITAL INCREASE

- o Successful increase - oversubscribed to the maximum: 45 million euros.

2016. Quabit continues to move forward

INTENSE DEVELOPMENT ACTIVITY

- o Implementation of investment plan: acquisition of land in Boadilla del Monte (Madrid) and in Guadalajara.
- o Commercial launch of five new developments: 304 homes. Currently sales of more than 50% (155 homes).
- o Secured bank financing for developing new offers.
- o Finishing and delivering the Residencial Parque de los Tilos development in Zaragoza (56 homes).
- o Start of works on Quabit Aguas Vivas (116 homes) and during the first quarter of 2017 the remaining new developments.
- o Almost all of the residential stock sold.

ATTRACTING INTERNATIONAL FINANCING FUNDS: AVENUE CAPITAL GROUP AGREEMENT

- o A credit facility of up to €60 million for land purchase, maturing in 4 years.
- o Drawdowns of funds during 2017: acquisition of urban land for residential use in Madrid and other areas of high demand to develop 1,700 homes.
- o The drawdowns will finance 70% of the land acquisitions. The remaining 30% will be financed by Quabit.
- o 16% interest rate per annum on the amount drawn.
- o Possibility of leveraging the land through bank financing which considerably improves the financial cost.
- o Possibility of early repayments and reusing the funds to make new investments which could raise the actual amount of the credit facility to €85 million.

o The financing facility signed with Avenue Capital Group and the possibility of reusing funds, plus the land loan bank financing means that Quabit may have up to €130 million of financing available to acquire land.

- o Avenue Capital Group financing only applies to land acquisition costs. This funding is reduced by 60-70% by a land loan (bank financing). The remainder of the costs of each development are financed through a developer loan (also bank financing). This financing scheme involves reducing the gross margin of the development by between 2-2.5 points, but it is important to note that this is not significant compared to the purchasing power which the agreement brings to develop new projects.

DISTRIBUTION OF DIVIDENDS

- o Distribution of new shares: 1 new share for every 20 old shares, through a scrip dividend (*ampliación de capital liberada*).

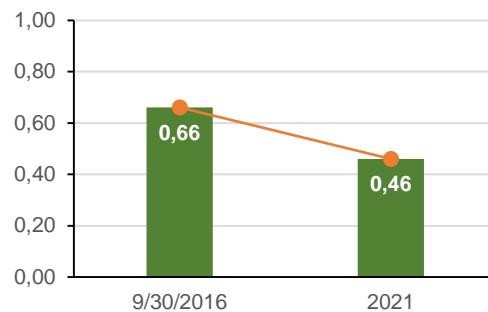
New residential developments 2016

DEVELOPMENT	No. HOMES	SALES	FORECAST START OF WORK	REVENUE Thousand million euros
Quabit Las Lomas. MADRID. Boadilla del Monte	12	7	MARCH 2017	14,217
Quabit Sant Feliu. CATALONIA. Barcelona	63	27	MARCH 2017	18,018
Quabit Casares Golf. COSTA DEL SOL. Malaga	89	10	APRIL 2017	23,044
Quabit Las Cañas. GUADALAJARA	24	18	FEBRUARY 2017	6,287
Quabit Aguas Vivas GUADALAJARA	116	93	WORK STARTED Sept 2016	15,802
TOTAL	304	155	2016 - 2017	77,368

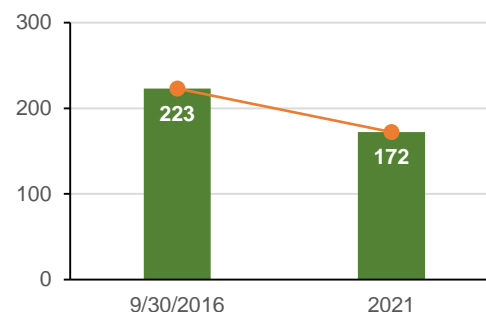
- Quabit is one of the few companies **focused on real estate development**.
- **Direct exposure** to the real estate market recovery.
- **Expert management team** with regard to land acquisition and development and both residential and non-residential development.
- **Good corporate governance**. Quality information and market transparency.
- **Consolidated financial structure and healthy equity situation**.
- **Off-balance-sheet drivers**: outstanding tax credits and partial debt write-offs.
- **Listed company with high liquidity**. Quabit is listed on the Madrid and Valencia Stock Exchanges. Until 31 December 2016 **106,328,823 securities were traded with a cash value of 209,129,791 euros**. This traded volume means that in 2016 **2.07 times the capital and 3.42 times the free float was transferred**.
- **More than 20 years' experience and ability** to continue growing and once again becoming one of the main reference points of the real estate sector in Spain.
- Ability to return to developing **new investments and projects**.

		2017-2021		
LAND INVESTMENTS	€455 million		REVENUE. Land sale (from portfolio)	€75 million
REVENUE	€1,171 million		REVENUE. Property sales	€1,096 million
HOMES COMPLETED	4,090 homes		HOMES COMPLETED Asset portfolio	1,226 homes
			HOMES COMPLETED New investments	2,864 homes
PROPERTY SALES	4,339 homes		PROPERTY SALES Asset portfolio	1,365 homes
			PROPERTY SALES New investments	2,974 homes
OPERATING MARGIN	€190 million		OPERATING CASH FLOW Asset portfolio	€145
PROFIT AFTER TAX	€193 million		OPERATING CASH FLOW New investments	€144
OPERATING CASH FLOW	€289 million			
DIVIDEND DISTRIBUTION (shares + cash)	€68 million			
CASH FLOW	€70 million			
RETURN ON EQUITY (ROE): Above 25% from the year 2021				

NET FINANCIAL DEBT/ASSET RATIO

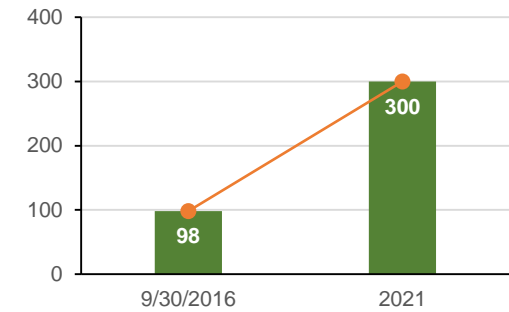


NET FINANCIAL DEBT (€million) (*)



(*) Including government debt

EQUITY (€million)



Quabit has **value drivers** in its balance sheet that are related to its **current debt settlement agreements and to the holding of tax credits** that are not included in its assets. An assessment of these drivers is then made on the balance sheet closed on 30 September 2016 and the an amount projected at close of the Plan's forecast.

30 September 2016

Positive equity of €223 million includes:

- The positive impact that registering the unrecorded tax credits would assume (€183 million).
- The negative impact that paying the debt with limited recourse through paying shares would assume (€16 million). The latter would be the maximum impact since other options are currently being considered to allow the development of assets.
- The positive impact of debt write-offs that are already agreed with financial institutions and which will be recorded in accordance with payment schedules (€60 million).

31 December 2021

The positive equity effect of €48 million includes the amount pending to be recognized, as of that date, of the debt write-offs (€28 million) and tax credit (€20 million).

	30/09/2016			31/12/2021		
	Interim Statement	Adjustments	Adjusted	Forecast	Adjustments	Adjusted
ASSETS						
NON-CURRENT ASSETS:						
Fixed assets and other non-current assets	62,963	(23,242)	39,721	13,803	-	13,803
Deferred tax assets:	14,379	183,000	197,379	134,380	19,640	154,020
Total non-current assets	77,342	159,758	237,100	148,183	19,640	167,823
CURRENT ASSETS:						
Stock	258,686	(29,982)	228,704	348,384	-	348,384
Others	17,025	-	17,025	86,239	-	86,239
Total current assets	275,711	(29,982)	245,729	434,623	-	434,623
TOTAL ASSETS	353,053	129,776	482,829	582,806	19,640	602,446
LIABILITIES AND NET EQUITY						
NET EQUITY:						
Total net equity attributable to Parent Company shareholders	97,592	227,260	324,852	299,848	47,706	347,554
Minority interests	298	-	298	298	-	298
Total net equity	97,890	227,260	325,150	300,146	47,706	347,852
NON-CURRENT LIABILITIES:						
Debts with credit institutions	21,636	(13,519)	8,117	-	-	-
Others	6,171	-	6,171	50,000	-	50,000
Total non-current liabilities	27,807	(13,519)	14,288	50,000	-	50,000
CURRENT LIABILITIES:						
Debts with credit institutions	196,346	(83,965)	112,381	185,263	(28,066)	157,197
Others	31,010	-	31,010	47,397	-	47,397
Total current liabilities	227,356	(83,965)	143,391	232,660	(28,066)	204,594
TOTAL LIABILITIES AND NET EQUITY	353,053	129,776	482,829	582,806	19,640	602,446



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