HISPANIA
ACTIVOS INMOBILIARIOS

Q1 2016 Results & Rights Issue

11 May 2016

HISPANIA
ACTIVOS INMOBILIARIOS

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The Company was incorporated for an indefinite duration as per its by-laws. However, and according to the prospectus published in connection with the admission of the shares in the capital of the Company on the Spanish Stock Exchanges, the Company reminds its shareholders that the initially proposed Value Return Proposal implies the liquidation of all its asset portfolio within the six (6) years following admission to listing, without the need to submit such initial Value Return Proposal to the shareholders for approval, unless the Company's Board proposes otherwise.

PROPOSED AGENDA

1. HIGHLIGHTS
2. FINANCIAL RESULTS
3. OPERATIONAL PERFORMANCE
4. PROPOSED CAPITAL INCREASE
5. OUTLOOK 2016

HIGHLIGHTS

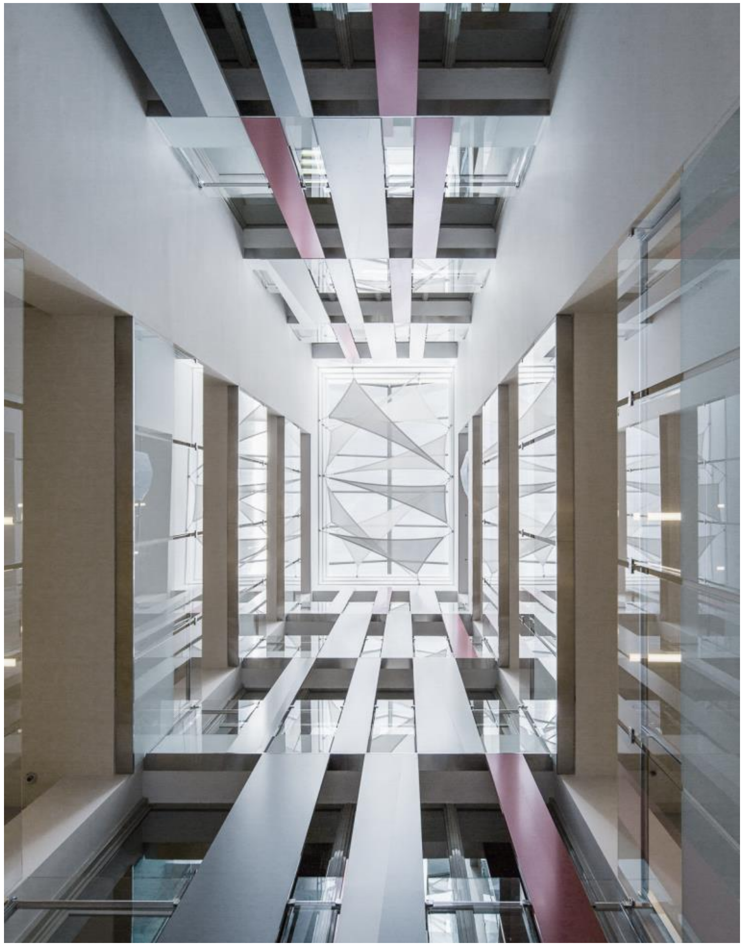
Q1 RESULTS SHOW THE START OF A TRANSFORMATIONAL YEAR FOR HISPANIA

1. **CHANGE IN SCALE OF RESULTS** due to enlarged perimeter (BAY) and asset stabilization

2. **OPERATIONAL EXCELLENCE PROVEN** across capex deployment, advance in occupancy and rental increases

3. **FIRST DISTRIBUTION** intended at €40 million and full conversion into **SOCIMI** already approved

4. **SIGNIFICANT FURTHER UPSIDE AHEAD** due to major developments and large repositioning projects yet to be implemented and a very strong and attractive investment pipeline



Avenida de Bruselas office building

Q1 2016 RESULTS AT A GLANCE

KEY FINANCIAL & OPERATIONAL DATA

Rental NOI €24 million[1] *+6.4x growth vs. Q1 2015*	**Recurring EBITDA €20 million** *+12.3x growth vs. Q1 2015*	**Recurring FFO[2] €15 million** *+18.6x growth vs. Q1 2015*
EPRA net reversion yield on cost 8.6%[3]	**EPRA net reversion yield on GAV 7.7%[3]**	**EPRA net passing yield on GAV[1] 6.2%[3]**
BAY portfolio outperformance *+32% in revenues vs. Q1 2015* *+33% room booking revenues[4]*	**Strong lfl office performance** *+15 p.p. occupancy vs. Q1 2015* *+7.9% rental vs. Q1 2015*	**Rental increases in residential** *+8.4% lfl vs. Q1 2015*
Consolidated GAV €1,463 million	**EPRA NAV €973 million**	**EPRA NAV per share 11.80 €/share**

Source: Hispania
Notes:
1 Excluding Guadalmina and Holiday Inn which are currently being internally managed and Las Agujas land plot which is a development project
2 Defined as recurring EBITDA minus financial result
3 Please see appendix for further detail on the calculation methodology
4 Data as of May 6, 2016 for the accumulated period from May 2016 to July 2016 vs. the period extended from May 2015 to July 2015

FINANCIAL RESULTS

RESULTS PROVE THE QUALITY OF OUR ASSETS AND THE SUCCESS OF OUR ASSET MANAGEMENT INITIATIVES…

+19%

Gross rental income growth like-for-like portfolio vs. Q1 2015

+32%

Rental NOI growth like-for-like portfolio vs. Q1 2015

+8 p.p.

Rental NOI margin increase like-for-like portfolio vs. Q1 2015

(€m)	Q1 2016	Q1 2015	Growth
Gross rental income	27.1	5.2	+5.2x
NOI (only rental)	**24.3**	**3.8**	**+6.4x**
Hotels	*20.0*	*1.2*	*+16.7x*
Offices	*3.3*	*2.1*	*+1.6x*
Residential	*0.9*	*0.5*	*+1.8x*
Recurring EBITDA	**19.7**[1]	**1.6**[2]	**+12.3x**
as % of total gross revenues	*66%*	*27%*	-
EBIT	18.9	1.5	+12.7x
Financial results	(4.8)	(0.8)	+6.1x
Net income	**14.2**	**0.6**	**+22.9x**
Parent net income	**11.2**	**0.6**	**+18.5x**
EPS (€/share)	*0.14*	*0.01*	-
Recurring FFO[3]	**14.9**	**0.8**	**+18.6x**

Source: Hispania
Notes:
1 Excluding €0.4 million of one-off expenses
2 Excluding €0.1 million of one-off expenses
3 Defined as recurring EBITDA minus financial results

…AND WE STILL HAVE SIGNIFICANT UPSIDE TO COME JUST FROM EXISTING PORTFOLIO

SOURCES OF ALPHA GROWTH

MAJOR DEVELOPMENT PROJECTS

HOLIDAY INN	9.0% NRY	€147 million *Total investment*[1]
GUADALMINA	10.6% NRY	
LAS AGUJAS	10.9% NRY	

€15M

Additional expected reversionary NOI

ASSET MANAGEMENT

REPOSITIONING PROGRAM

HOTELS	*OFFICES*	*RESI*
€60 million	€44 million	€6 million

ASSET STABILIZATION

1. Vacancy reduction
2. Lease contract restructuring
3. Cost efficiencies

€18M

Of additional expected NOI from asset management initiatives [2,3]

Source: Hispania

Notes:

1 *Including acquisition costs, transaction costs and expected full capex program*

2 *Excluding Guadalmina and Holiday Inn hotels as they are currently being internally operated and Las Agujas land plot as it is a development project*

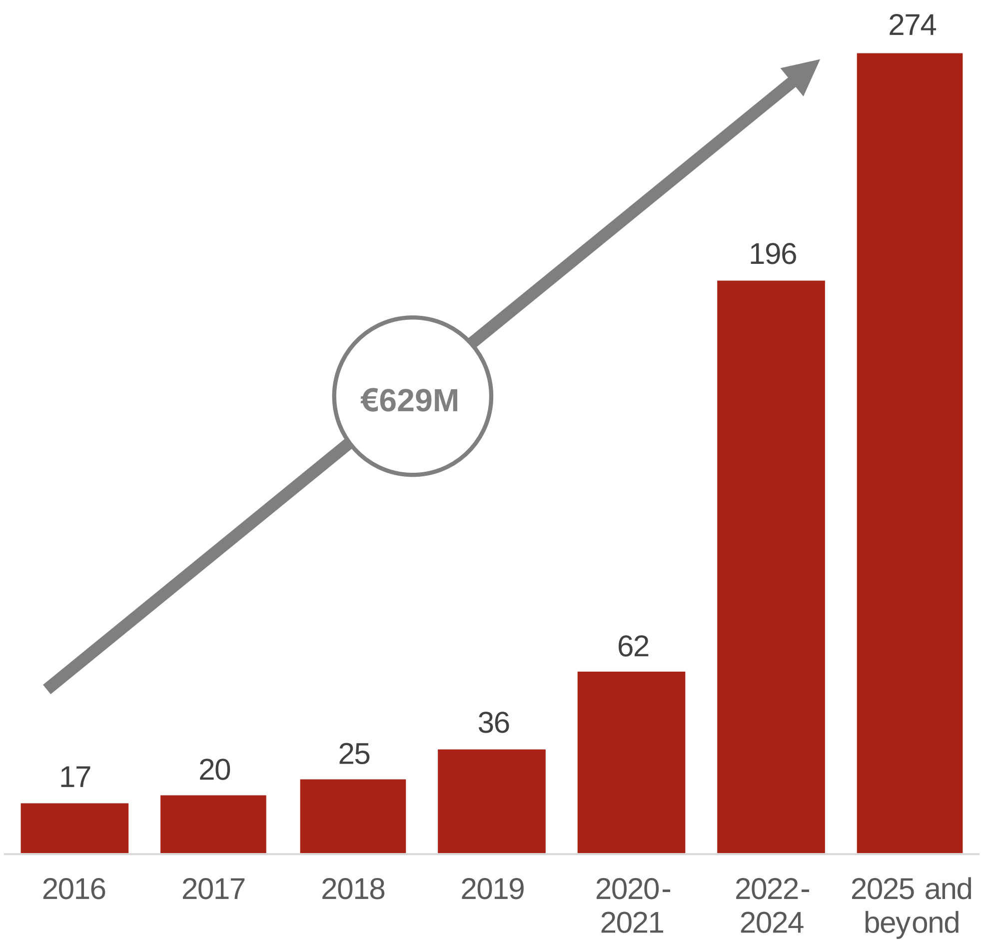
3 *Calculated on the basis of EPRA net reversionary yield on cost minus EPRA net passing yield on cost as of 31 March 2016*

WE CONTINUE TO HAVE SOUND BALANCE SHEET WITH EFFICIENT FINANCING

Key terms of the financing as of 31 March 2016

Gross LTV	43%
Net LTV	27%
All-in cost	2.7%
Fixed interest	99%
WALT	7.6 years
2020 onwards maturity	84%

Debt maturity schedule as of 31 March 2016 (€m)



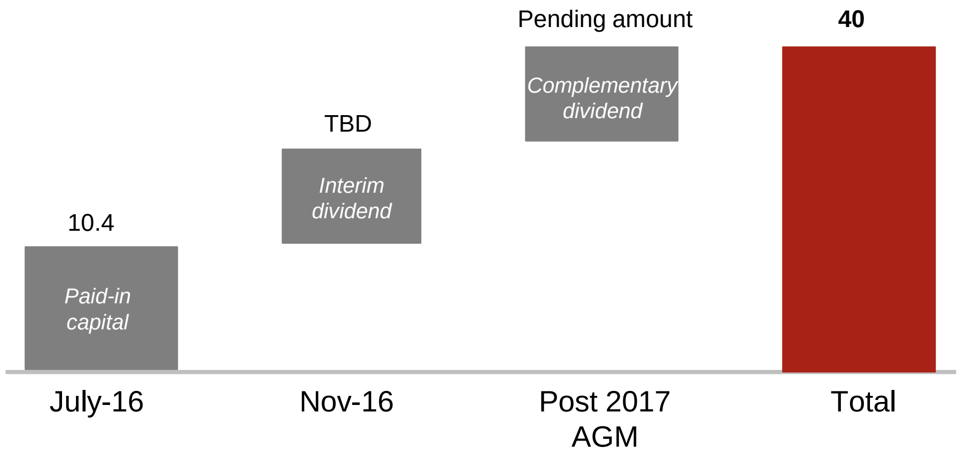
Source: Hispania

SOCIMI STATUS APPROVED AND FIRST DISTRIBUTION OF €40M ANNOUNCED

SHAREHOLDERS DISTRIBUTION

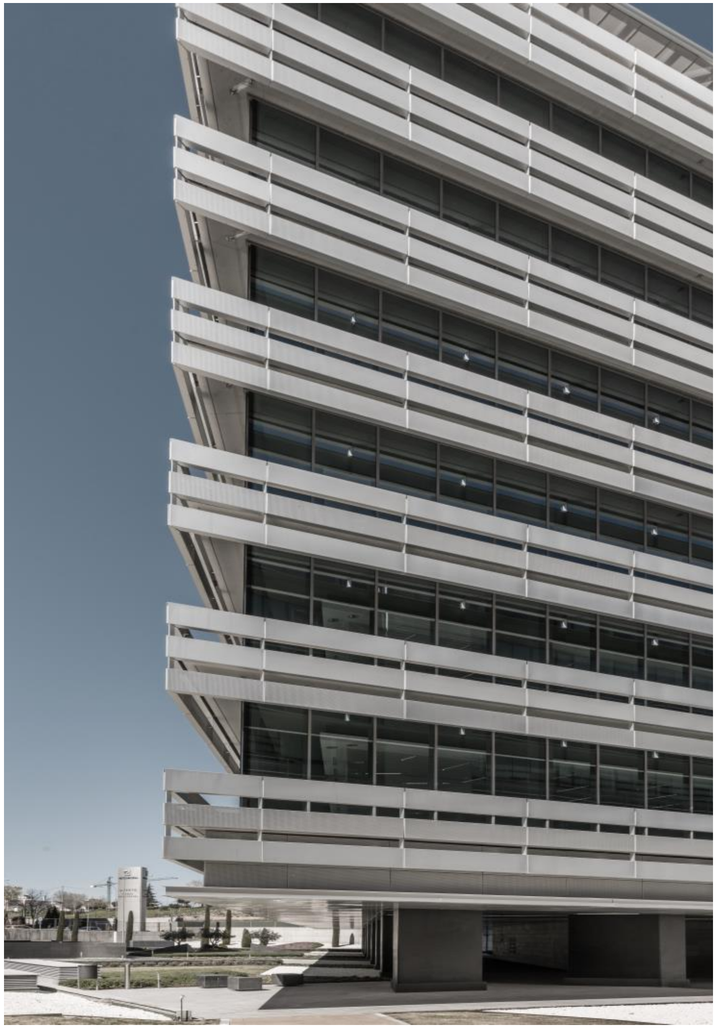
- First dividend announced since Company's inception in 2014
- Total distribution guidance: €40 million

(figures expressed in €m)



DIVIDEND POLICY

- Sustainable dividend levels with payment in two instalments reflecting our view on the outlook for sustainable **recurring cash earnings**
  - Interim dividend in Q4; and
  - Complementary dividend post the annual AGM



Cristalia 4B office building

Source: Hispania

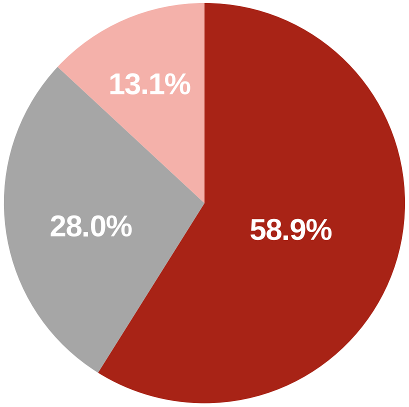
OPERATIONAL PERFORMANCE

A PORTFOLIO OF HIGH QUALITY AND HIGH YIELDING ASSETS AND WITH UNIQUE EXPOSURE TO HOTELS

1. **UNIQUE EXPOSURE TO SPANISH HOTELS** with strong focus on key resort areas and major tourist destinations

2. **CORE DIVERSIFIED PORTFOLIO OF OFFICES IN BUSINESS DISTRICTS** of Madrid and Barcelona, acquired at attractive entry prices

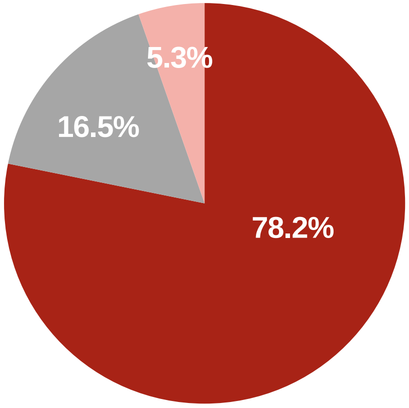
3. **OPPORTUNISTIC RESIDENTIAL PORTFOLIO** in well-consolidated areas of Madrid and Barcelona acquired at a discount, where supply is limited and value appreciation is already happening



€1,463M GAV

+2.9x

growth vs. Q1 2015[1]



€27M

Gross rental income in Q1 2016

+5.2x

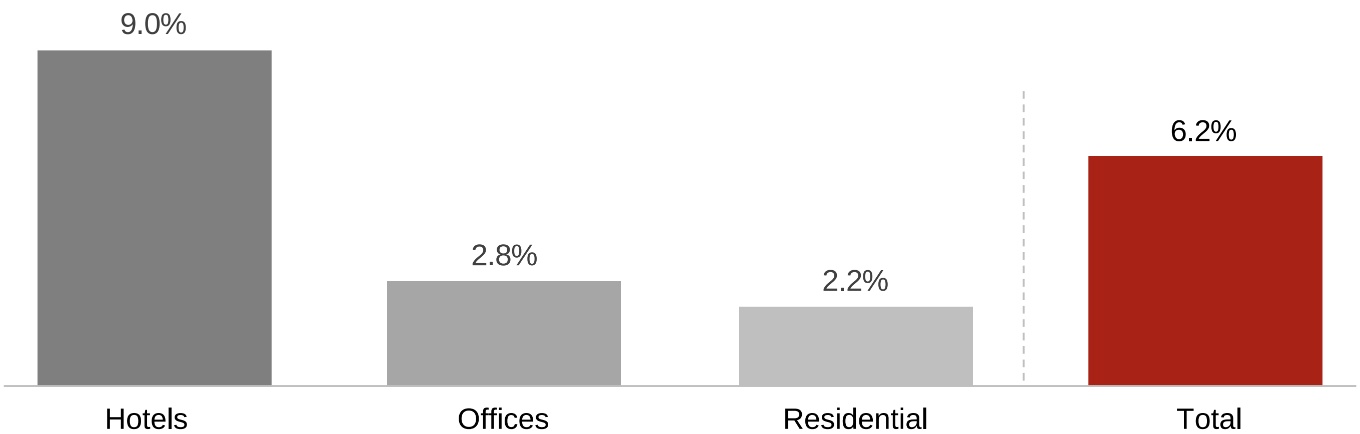
growth vs. Q1 2015

Hotels | Offices | Residential

Source: Hispania as of 31 March 2016
Note:
1 Excluding BAY transaction whose MoU acquisition was announced in February 2015

A PORTFOLIO BUILT VIA DISCLIPLINED AND ACCRETIVE ACQUISITIONS

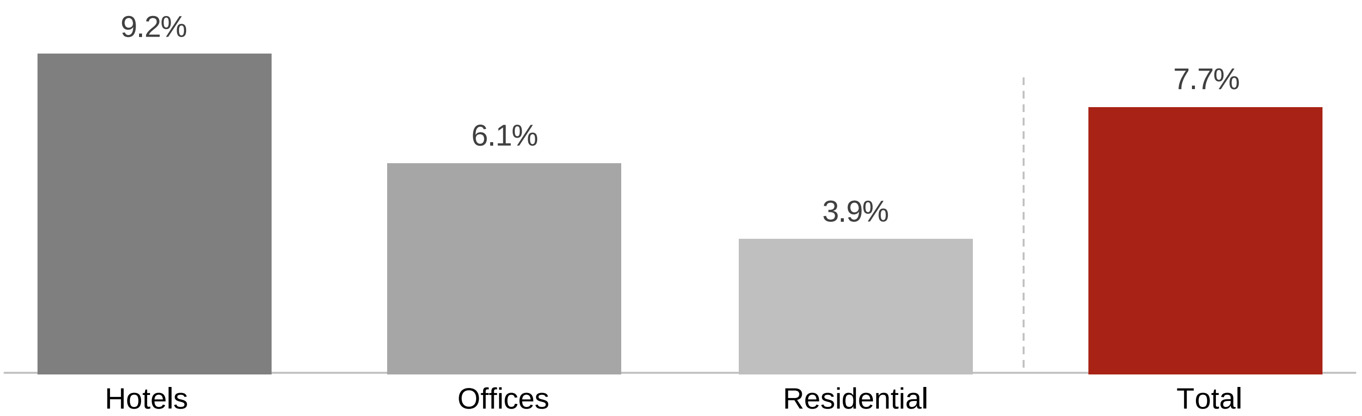
EPRA net passing yield on GAV by asset class – Q1 2016[1,2]



7.0%

EPRA net passing yield on cost Q1 2016[1,2]

EPRA net reversion yield on GAV by asset class – Q1 2016[1]



8.6%

EPRA net reversion yield on cost Q1 2016[1]

Source: Hispania

Notes:

1 Please see appendix for further detail on the calculation methodology

2 Excluding Guadalmina and Holiday Inn which are currently being internally managed and Las Agujas land plot which is a development project

MARKET MOMENTUM FOR OUR HOTEL PORTFOLIO IS VERY FAVORABLE …

1. Recovery confirmed in 2016

- #3 in international arrivals (+4.6% CAGR since 2009) and #2 in tourism spending (+6.0% CAGR since 2009)
- RevPar and occupancy recovery: +11.7% and 9.0%, respectively in Spain in Q1 2016 vs. Q1 2015

2. Acceptable growth of European consumption

- c.3% and c.2% growth in 2015 in Spain and Europe, respectively vs. 1% increase in 2014 in both regions

3. Instability in competing destinations expected to continue

- Unrest in competing 12-month destinations such as Tunisia (c.3 million tourists) and Egypt (c.12 million tourists)
- Terrorist attacks in Turkey (c.40 million tourists) reducing summer 2016 bookings by 40%-70%
  - Spain will benefit from the situation, as the largest market in the Mediterranean region

4. No new significant capacity expected

- Unlikely to replicate beachfront line locations due to environmental concerns
- Moratorium in place in various key locations (i.e. Canary Islands only accepts 5* star category hotels)

5. Global tourism growth continues to outperform global GDP by c.200 bps per annum

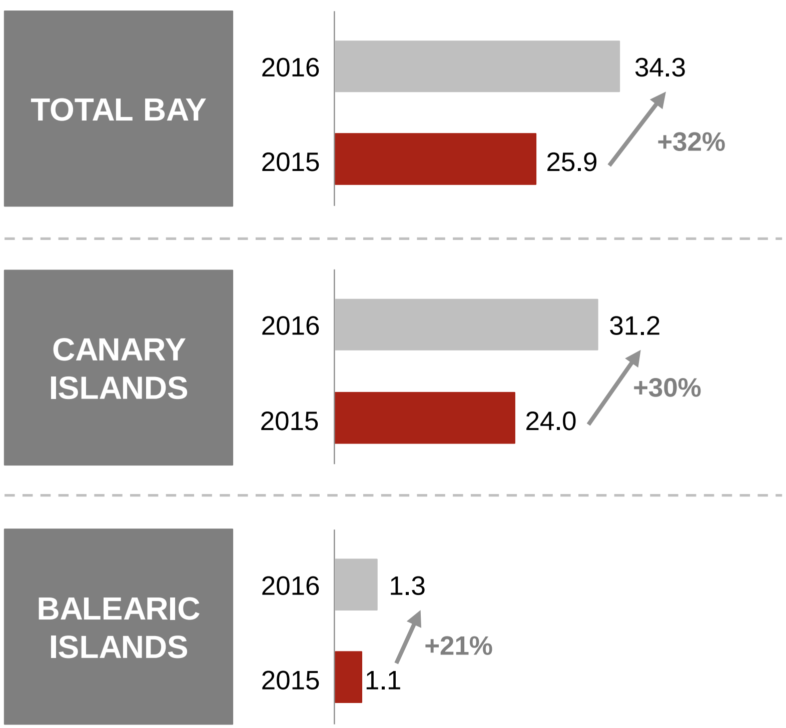
2016 performance expected to be excellent

Source: Frontur, Egatur, INE, WTTC, OECD, Ministry of Culture and Tourism from Turkey and press notes

… AND HISPANIA IS FULLY BENEFITTING FROM IT

BAY's hotels revenues Q1 2016 vs. Q1 2015

Underlying hotels revenues (€m)[1]



BAY's room booking revenues (2016 vs. 2015)[2]

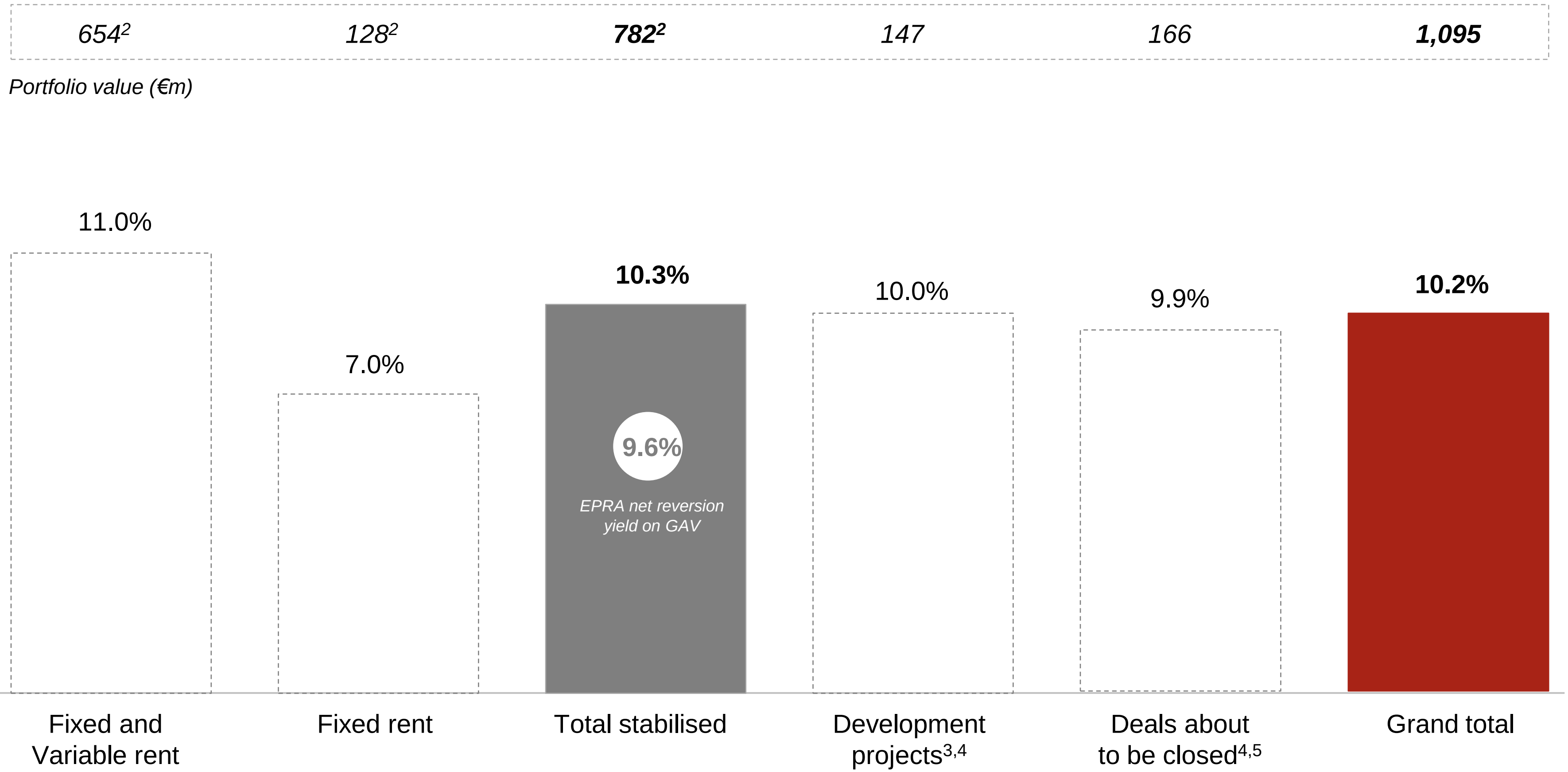
	May	June	July
TOTAL BAY	**+33%**	**+35%**	**+32%**
CANARY ISLANDS	+28%	+38%	+42%
BALEARIC ISLANDS	+42%	+31%	+21%

Strong outperformance of BAY hotel portfolio which is expected to continue

Source: Hispania
Notes:
1 Excluding revenues generated by the two small shopping centres
2 Data as of May 6, 2016

HIGH RETURN TARGETS GIVEN STRONG MARKET MOMENTUM AND UPSIDE FROM REPOSITIONING, DEVELOPMENT & IMMINENT ACQUISITIONS

Target EPRA net reversionary yield on cost (%)[1]



Source: Hispania as of 31 March 2016
Notes:
1 *Please see appendix for further detail on the calculation methodology*
2 *GAV as of 31 March 2016*
3 *Including Guadalmina, Holiday Inn Bernabéu and Las Agujas land plot*
4 *Including acquisition costs, transaction costs and expected full capex program*
5 *Including Dunas transaction and two imminent hotel deals*

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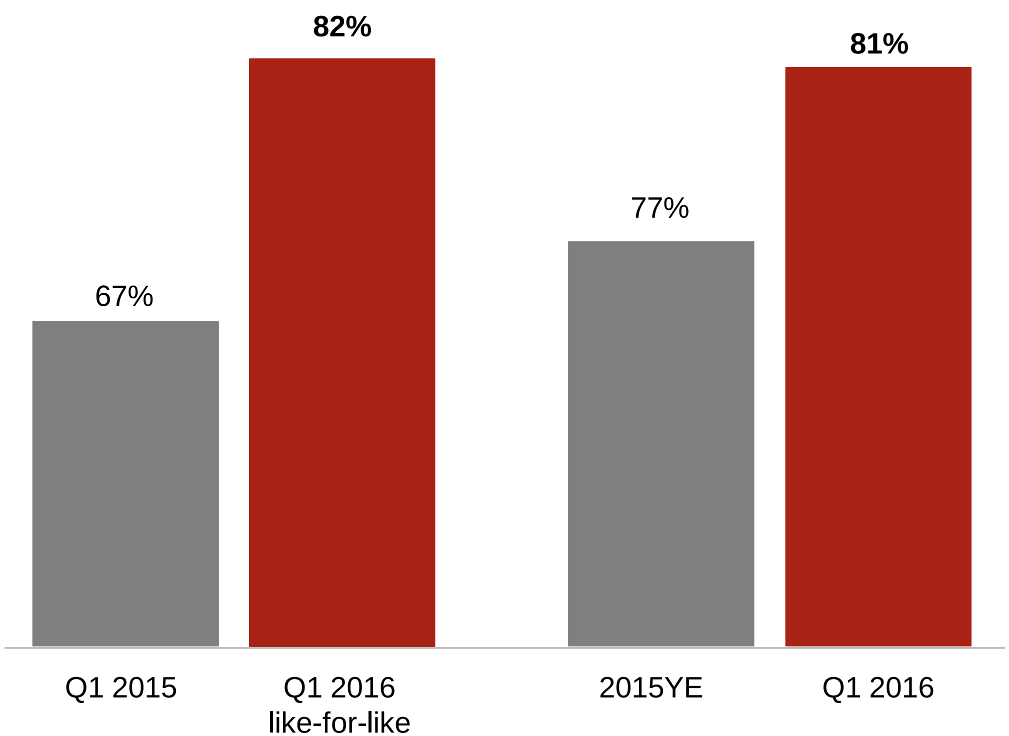
OFFICES – PROGRESS ON LETTING BETTER THAN ANTICIPATED

SUCCESSFUL LETTING MANAGEMENT STRATEGY…

+15 p.p.
Like-for-like occupancy growth vs. Q1 2015

+7.9%
Like-for-like monthly rent growth vs. Q1 2015

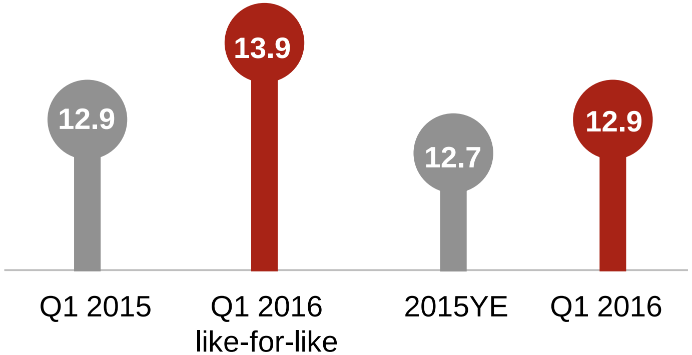
Occupancy ratio (%)



Key lease contract signed over Q1 2016

Cristalia 4B Building	▪ 3,636 sqm with Aegon, boosting occupancy to **33% from 0%** ▪ WALT of 5.6 years[1] and **6.0%[2]** EPRA net reversion yield **on GAV**
Murano Building	▪ 2,818 sqm with Veolia, boosting occupancy to **37% from 0%** ▪ WALT of 5.4 years[1] and **6.8%[2]** EPRA net reversion yield **on GAV**
New GLA occupied	▪ **8,706 sqm** of new leases signed during the Q1 2016

Monthly rent evolution per sqm (€/sqm)



Source: Hispania
Notes:
1 Referring to the break option date
2 Please see appendix for further details on the calculation methodology

OFFICES – PROGRESS ON LETTING BETTER THAN ANTICIPATED

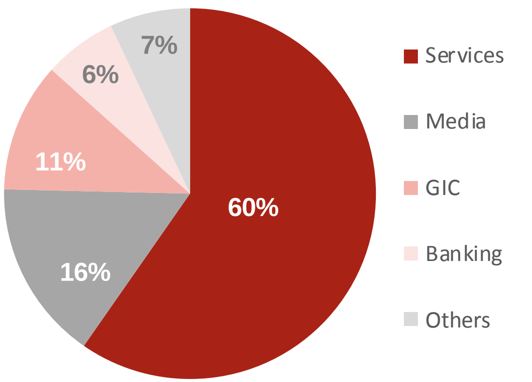
… ATTRACTING HIGH QUALITY TENANTS WHILE PRESERVING EXPOSURE TO FURTHER RENTAL INCREASE

Diversified and solvent tenant base – top 8 ranked by revenues

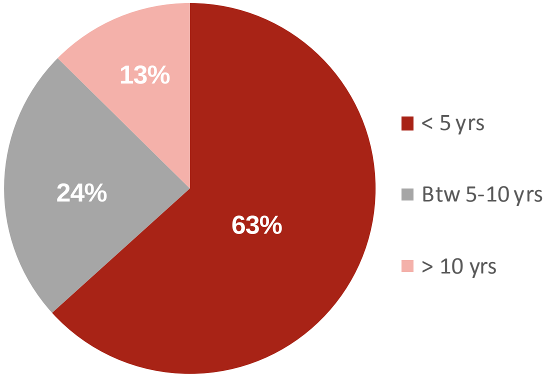
RK	Name	City	WALT[1]	% rent[2]
1	Ilunion	Madrid	13.3 yrs	23.6
2	Foster Wheeler	Madrid	1.8 yrs	8.5
3	Publicis	Madrid	2.2 yrs	6.3
4	CINC	Barcelona	2.8 yrs	4.6
5	Aegón	Madrid	4.2 yrs	4.0
6	Atos Origin	Barcelona	0.8 yrs	3.7
7	Xerox	Barcelona	2.4 yrs	3.7
8	NCR	Madrid	5.2 yrs	3.1
Subtotal top 8 tenants			**6.2 yrs**	**57.7**

Well-diversified and stable tenant base

Split by economic sector



Split by WALT[1]

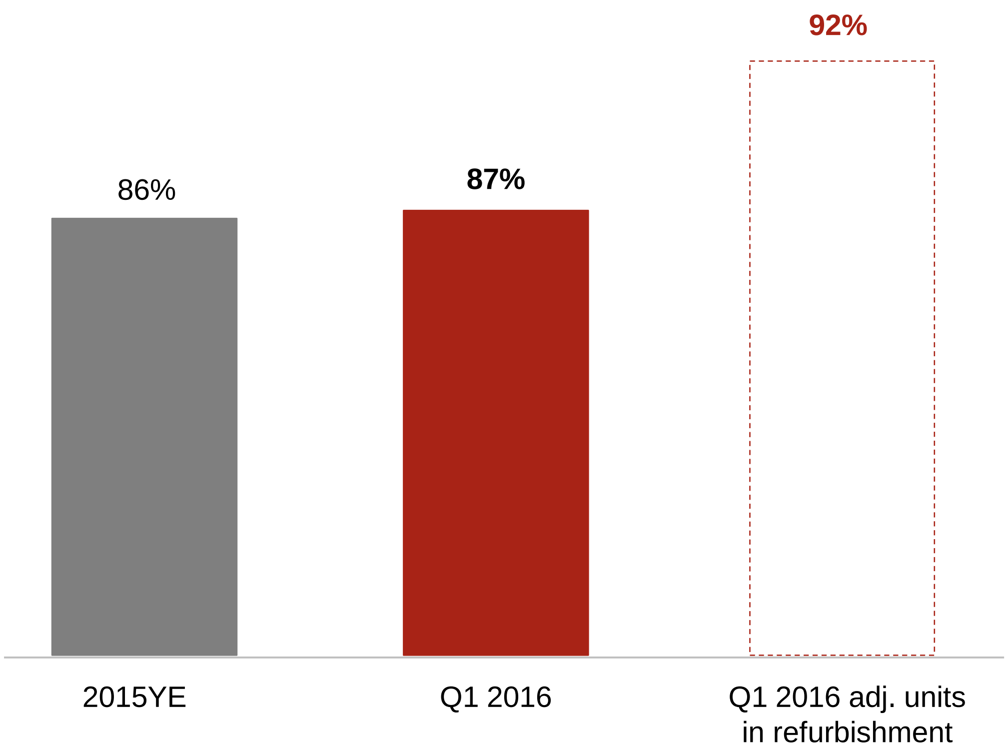


Source: Hispania
Notes:
1 Referring to the break option date
2 Contracted gross rents

OCCUPANCY AND RENTAL INCREASE DRIVEN BY SMART REPOSITONING AND BENEFITTING FROM VALUE APPRECIATION

+8.4%	**+2.0%**
Like-for-like monthly rent growth vs. Q1 2015	*Monthly rent growth during Q1 2016*

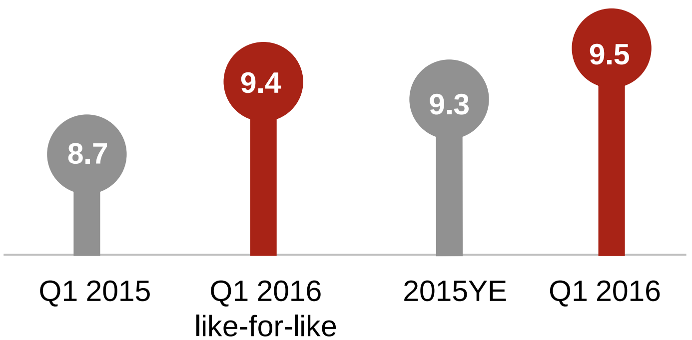
Occupancy ratio (%)



Key actions undertook

1. **Hispanidad** latest residential building acquisition for €16 million: 91 dwellings in a well-consolidated neighbourhood in Madrid city
2. **Isla del Cielo**: 4 new dwellings upgraded (23 in total) and rental levels for the refurbished units are, in average, **82%** higher than level at acquisition
3. **Sanchinarro**: 9 new dwellings upgraded (37 in total) and rental levels for the refurbished units are, in average, **38%** higher than levels at acquisition

Monthly rent evolution per sqm (€/sqm)



Source: Hispania

PROPOSED CAPITAL INCREASE

CAPITAL TO BE RAISED VIA A RIGHTS ISSUE

UBS Goldman Sachs Morgan Stanley

8.95 €/share

(subscription price)[1]

231 million

(gross proceeds raised)

24.4%

Discount to TERP

 # 25.8 million

(new shares issued, 31% of current issued capital)

5 new shares per 16 old shares

subscription ratio

Management team

to subscribe for rights[2]

Source: Hispania and Bloomberg as of 11 May 2016

Notes:

1 *Based on the closing price of the shares as of 11 May 2016 (12.735 €/share)*

2 *Including Azora Capital, Azora Altus, Azora Gestión S.G.I.I.C. and the members of the Management Team*

OUTLOOK 2016

OUR PORTFOLIO WILL BE BENEFITTING FROM A STRONG MARKET OUTLOOK IN 2016 ACCROSS OUR THREE ASSETS CLASSES…

Market perspectives

Hotels

- **Strong Q1 2016 momentum expected to continue**
  - Instability in competing destinations expects to remain
  - RevPar in Canary Islands, our largest exposure: +12.0% in Q1 2016 vs. Q1 2015
  - BAY Hotels, our largest portfolio: +32% in hotels' underlying revenues vs. March 2015
- 66% of tourist businesses expects an improvement in revenues for the Q2 2016 and Exceltur estimates a robust growth of the tourist GDP in 2016 up to 3.8%

Offices

- **Rental growth supported by limited new supply and GDP growth**
  - 2.7% and 2.4% GDP growth for 2016 and 2017, respectively according to the latest estimates from the Spanish Ministry of Economy and Competitiveness (April 2016)
  - More than one million square meters of net take-up expected in Madrid and Barcelona in 2016
  - Prime monthly rent per sqm expected to increase by 8% and 9% in Madrid and Barcelona, respectively

Residential

- **Rental growth and capital value appreciation** is happening both in Madrid and Barcelona
  - Madrid: 17.8% rental growth and 6.6% capital value appreciation in March 2016 vs. March 2015
  - Barcelona: 11.2% rental growth and 2.2% capital value appreciation in March 2016 vs. March 2015
- **Recovery in new mortgage granting** (20% in 2015 vs. 2014) **and affordability stabilization**
- **Sales transaction increase in Madrid and Barcelona:** 10% and 6%, respectively in 2015 vs. 2014

Source: Frontur, Eurostat, Exceltur, INE, Bank of Spain, Ministerio de Fomento, Ministry of Economy and Competitiveness, E&Y report 2015

… AND WE WILL CONTINUE PULLING HISPANIA'S VALUE LEVERS TO DELIVER OUTSIZED RETURNS FOR OUR SHAREHOLDERS

Endogenous growth drivers

Acquisitions

- **Continue taking advantage of our unique focus on Hotels**
  - New acquisitions to continue benefitting from the compelling risk-return still available
  - Continue leveraging on our ability to unlock complexity
- **Enhance & complement the value of our Office portfolio**
- **Overall disciplined approach on all acquisitions across asset classes**

Intense asset management

- **€194 million capex planned for the existing portfolio** (in consolidated terms)
  - Holiday Inn, Guadalmina and Las Agujas land plot are major development projects expected to yield very significant cash-flows and returns
  - Torre M-30 will be completed in the H2 2016 plus an additional 7 office properties to be upgraded with a budget of more than €2 million each
  - Common areas and individual dwellings upgrade progressing on most of our residential portfolio
- **Smart letting activity** will allow us to meet our 90% occupancy target for year-end

Strategic Focus

- **Hotels strategy**
  - Create a portfolio of at least 12,000 keys in tourist destinations with geographical diversification, top quality operators and assets of size, mainly in the *"all-in"* category which offer a unique experience
- **Office strategy**
  - Create a portfolio of high quality offices in consolidated business district areas in Madrid and Barcelona with sufficient consistency and size
- **Residential strategy**
  - Maximize rental yield and upgrade existing assets to consolidate the discount achieved, benefit from value appreciation (current and future) and be able to divest on a retail basis

Source: Hispania

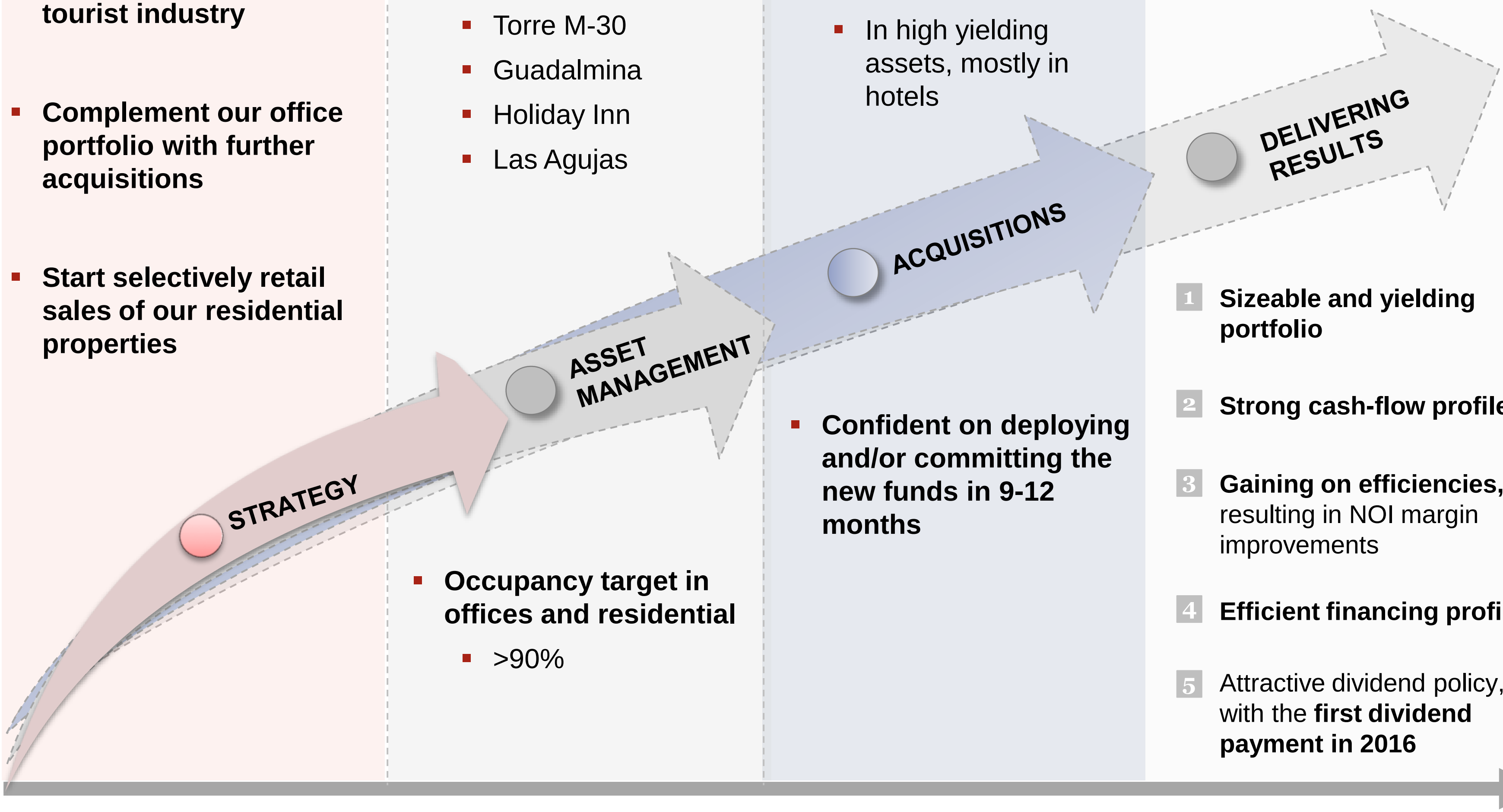
2016 WILL BE A KEY YEAR FOR HISPANIA

- **Consolidate our leadership in the Spanish tourist industry**
- **Complement our office portfolio with further acquisitions**
- **Start selectively retail sales of our residential properties**

- **Progress in major repositioning projects**
  - Torre M-30
  - Guadalmina
  - Holiday Inn
  - Las Agujas
- **Occupancy target in offices and residential**
  - >90%

- **New Proceeds Raised deployment**
  - In high yielding assets, mostly in hotels
- **Confident on deploying and/or committing the new funds in 9-12 months**

- **Top high yielding SOCIMI in the Spanish market**



1. **Sizeable and yielding portfolio**
2. **Strong cash-flow profile**
3. **Gaining on efficiencies,** resulting in NOI margin improvements
4. **Efficient financing profile**
5. Attractive dividend policy, with the **first dividend payment in 2016**

Source: Hispania

ANNEX

HISPANIA HAS COMMITTED AN ADDITIONAL €139 MILLION IN NEW INVESTMENTS

LAS AGUJAS LAND PLOT

(February 2016)

- Land plot adjacent to Gran Bahía Real Hotel with c.200 meter of beachfront in Corralejo (Fuerteventura), with a total surface of 14,450 sqm
- Expected construction costs of €26.5 million for up to 125 keys[1]
- Synergistic and value enhancing investment with share common areas and services
  - Capitalize on strong performance to invest at similar yields and with short payback period

€38 MILLION

DUNAS HOTELS LOAN

(March 2016)

- Acquired loans-to-own four hotels in the south of Gran Canaria with 1,183 keys
  - More than €9.5 million of expected capex to upgrade assets
  - Current shareholders will remain as operators through a fixed + variable lease agreement
  - Increases our presence in the most premium area of this island
- Very attractive entry point (€62.5k per key) with debt acquired below par

€85 MILLION

HISPANIDAD RESI BUILDING

(March 2016)

- Freehold 91 dwellings residential rental building located in a well-consolidated area of Madrid city
  - Occupancy rate of c.89% and 11.7 €/sqm monthly rent at the time of the acquisition
- Attractive entry point: at a14% estimated discount to market estimates
- Repositioning play to upgrade the building and increase rental and sale prices

€16 MILLION

Source: Hispania
Note:
1 As of the date of this presentation

EPRA YIELDS DEFINITION

- **EPRA net passing yield on cost:** refers to annual income from the net cash flows of non-recoverable operational costs derived from the rental of the Portfolio, with respect to the investment amount in the Portfolio. Net cash flows have been calculated by annualising the net income obtained in the first quarter of 2016, following methods recommended by EPRA (excluding non-recurrent first quarter costs and income). In the hotel segment, the assets under management and in development (Holiday Inn Bernabéu, Guadalmina, Hotel Maza and Las Agujas) are excluded.
- **EPRA net passing yield on GAV:** refers to annual income from the net cash flows of non-recoverable operational costs derived from the rental of the Portfolio, with respect to the market value of the Portfolio increased by estimated transaction costs. Net cash flows have been calculated by annualising the net income obtained in the first quarter of 2016, following methods recommended by EPRA (excluding non-recurrent first quarter costs and income). In the hotel segment, the assets under management and in development (Holiday Inn Bernabéu, Guadalmina, Hotel Maza and Las Agujas) are excluded.
- **EPRA reversion yield on cost:** refers to the estimated annual net cash flow income of non-recoverable operational costs derived from the rental of the Portfolio, using the market value of the net income of the Portfolio on the date of the calculation, in relation to the investment amount of the Portfolio. With regard to the office and residential portfolios, net income is estimated for each asset considering in nature and its location. The triple net contract hypothesis is used, meaning that it is assumed the operational costs will be reassigned to the tenants. With regard to the hotel portfolio, the Group considers that the EPRA net reversion yield on cost is equivalent to the EPRA net initial yield on cost for those hotels that are currently leased out to an operator which does not form part of the Group because there are not comparable market references for the hotel assets of the Group. EPRA net reversion yield on cost includes the best estimate of annual net cash flow income of the assets in development or currently managed internally by the Group, calculated over the gross estimated investment of such assets once the development is finalised and the planned repositioning work completed.
- **EPRA reversion yield on GAV:** refers to the estimated annual net cash flow income of non-recoverable operational costs derived from the rental of the Portfolio, using the market value of the net income of the Portfolio on the date of the calculation, in relation to the market value of the Portfolio increased by estimated transaction costs. With regard to the office and residential portfolios, net income is estimated for each asset considering in nature and its location. The triple net contract hypothesis is used, meaning that it is assumed the operational costs will be reassigned to the tenants. With regard to the hotel portfolio, the Group considers that the EPRA net reversion yield on GAV is equivalent to the EPRA net initial yield on GAV for those hotels that are currently leased out to an operator which does not form part of the Group because there are not comparable market references for the hotel assets of the Group. EPRA net reversion yield on GAV includes the best estimate of annual net cash flow income of the assets in development or currently managed internally by the Group, calculated over the gross estimated investment of such assets once the development is finalised and the planned repositioning work completed.