

Quabit[↑]
Inmobiliaria

BUSINESS PLAN 2015-2020

OCTOBER 2015

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0.1 TAKEOFF OF THE REAL-ESTATE SECTOR

Residential market prices are activated

- 2T 2015, the price of housing has grown by 5.1% compared with a year ago, bringing the rate exactly on the level before the crisis (Data Association of Registrars of the Property)

Growing sales transactions

- 1S 2015, purchases increased by 7.9% compared to a year ago. In June they increased by 19.4% (data Official Association of Notaries).

Forecast increase in building permits

- The growth of visas confirms the need for new housing. In the first four months of 2015 permits grew by 30% over the same period in 2014. (Data Ministry of Development).

Gradual reduction of the housing stock

- Irregularly distributed. This asymmetry is activating prices and construction in the provinces with less stock.

Funding is changing

- In the first half of the year, signing of home mortgages accumulated an increase of 21.1% over the same period in 2014 (Data INE).

Spain, investment destination

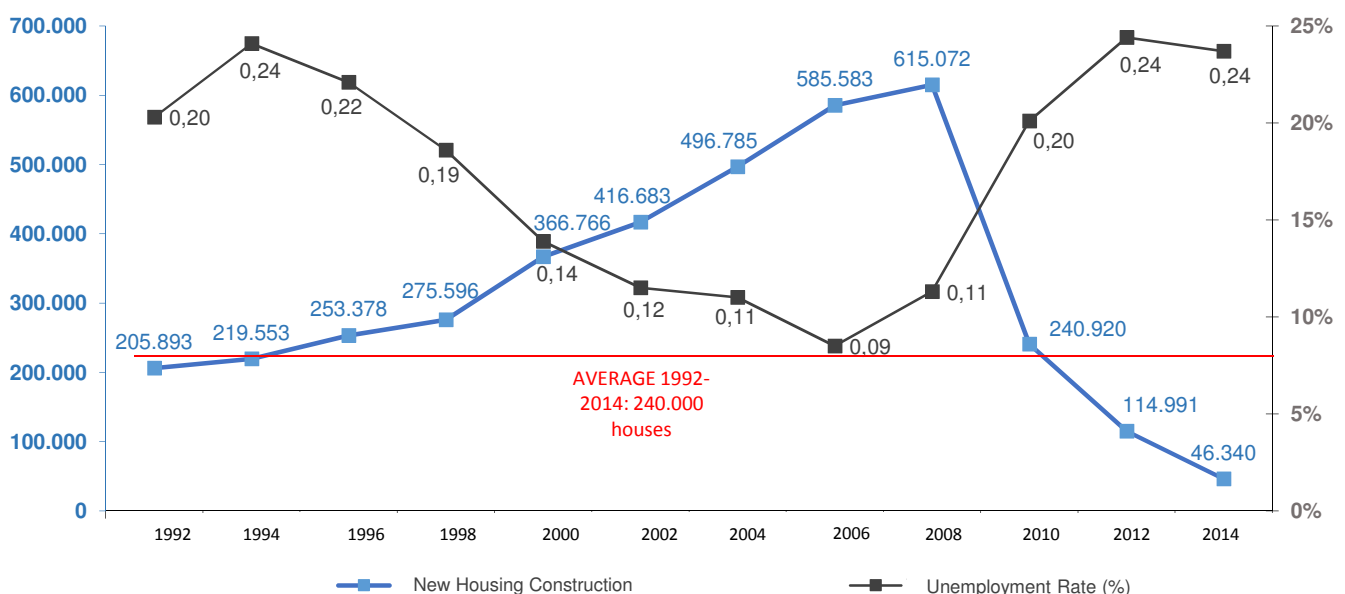
- The foreign investment grew in 2014 by 9,8 % thanks to the economic recovery, the depreciation of the Euro and the low energetic costs (Data CBRE).
- Real estate investment registered in the first half of 2015 increased by 51% over the same period last year (Data CBRE).

The demand in the residential market has a lot to do with the evolution of economic growth and job creation.

The following graph shows the evolution of job creations and its impact on housing construction.

NEW HOUSING CONSTRUCTION/ UNEMPLOYMENT RATE%.

Source: Data INE and Ministry of Development



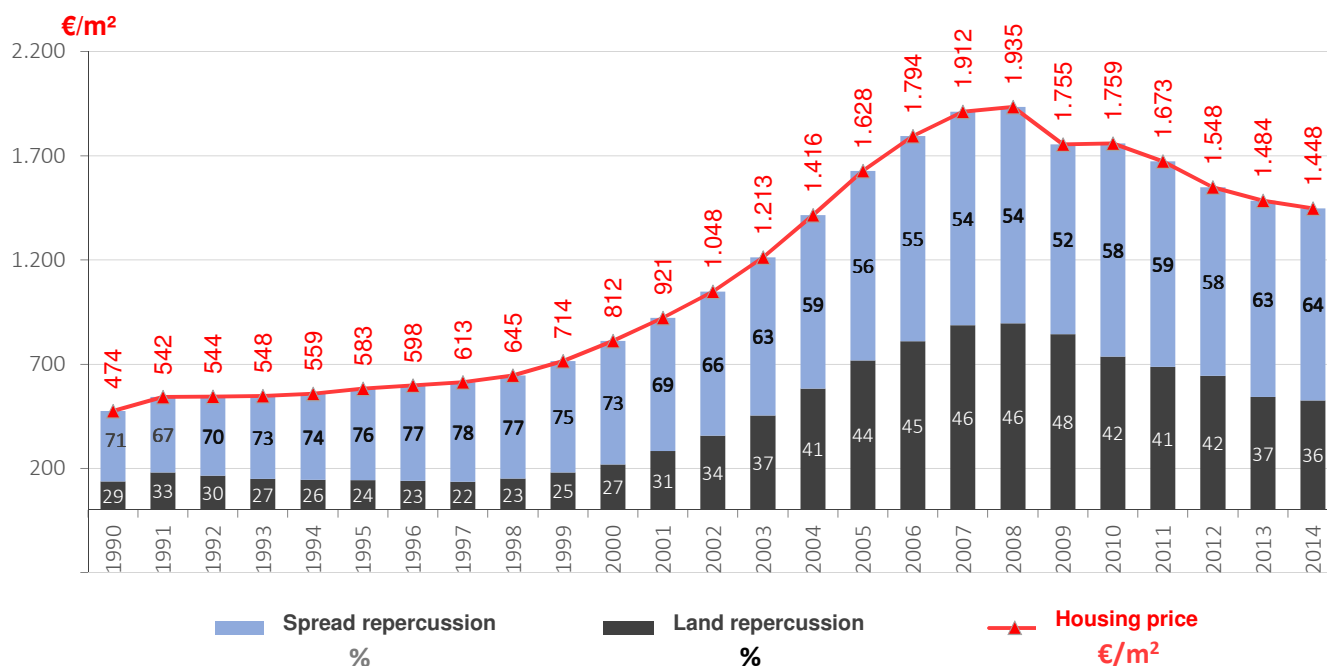
0.1 TAKEOFF OF THE REAL-ESTATE SECTOR

Upward trend of the land market

- Land is no longer the most toxic asset and is becoming one of the most appreciated by investors. In the first quarter of 2015 land prices have risen by 37.8% year-on-year in municipalities with more than 50,000 inhabitants. (Data Ministry of Development).
- For Quabit Inmobiliaria, this is a very noteworthy milestone for a company specialized in land management, and for which many of the assets are land.

EVOLUTION LAND/SPREAD REPERCUSSION(%). Total Spain.

Source: BBVA / Ministry of Public Works



Between 1997 (year when the penultimate crisis bottomed out) and 2007, the housing price increased by a factor of 3.12. The land's price rose from €136 to €886, increasing by a factor of 6.30. This means that land absorbed 60% of the whole increase. Land has always been the main beneficiary of the upward course of housing prices (land-related values refer to fully-urbanized land).

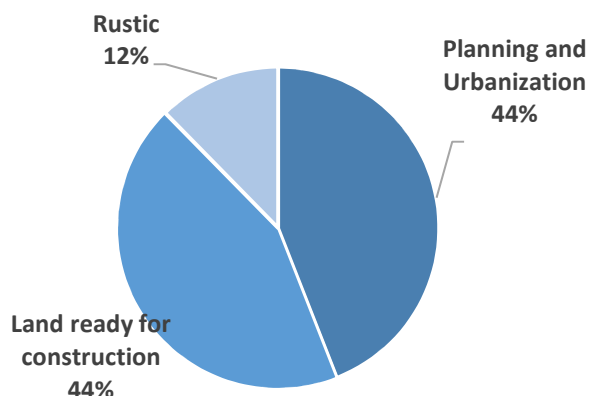
Quabit is positioned in the limited list of real estate companies that have resisted the last seven years of crisis

- Quabit is one of the few companies **focused on real estate development**.
- **High exposure to price increases** in the housing market.
- **Expert management team** in purchase and development of land, and in residential and non-residential development.
- **Debt reduction**. Following the merge in 2008 representing €1.500M in 2008; today only €335M.
- **Consolidated financial structure and healthy financial position**.
- **Highly liquid listed company**. Quabit quotes in the Stock exchanges of Madrid and Valencia. Until July 28, 2015 it has moved 1.8 times the share capital and 3.7 times the free float.
- **Good corporate governance**. Quality information and market transparency.
- **Capacity and experience of over 20 years** to grow and once again become one of the main references of the real estate sector in Spain.
- Opportunity to re-launch **new investments and projects**.

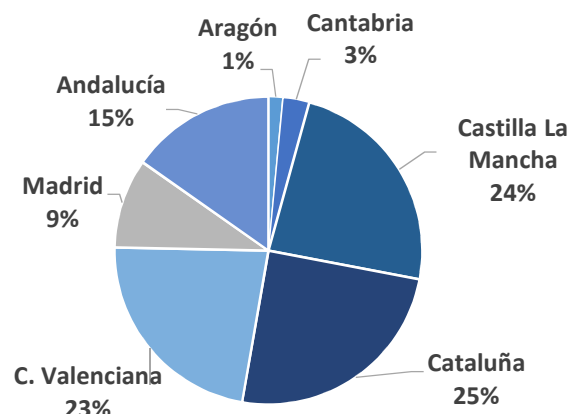
The company bases its business on creating value through integrated management of the entire real estate cycle

LAND MANAGEMENT	REAL ESTATE DEVELOPMENT	PROPERTY MANAGEMENT
<p>Acquisition of all kind of urban land for its transformation and sale.</p> <p>Throughout more than 20 years of experience, the company has developed MORE THAN 50 ACTION PROGRAMMES AND 40 MILLION BUILDABLE m2.</p>	<p>Design, development and trading of real estate projects (residential, industrial, commercial and logistics).</p> <p>ALTOGETHER, QUABIT INMOBILIARIA HAS BUILT AND SOLD MORE THAN 6,000 HOUSES.</p>	<p>Management of property assets, with experience in all real estate products (residential, offices, commercial, warehouses and hotels).</p> <p>Throughout its history, Quabit, HAS MANAGED MORE THAN 1.1 MILLION BUILDABLE m2 OF REAL PROPERTY.</p>

DETAIL OF THE LAND PORTFOLIO PER URBANIZATION ADVANCE DEGREE(€).
September 30, 2015



DETAIL OF LAND PORTFOLIO PER GEOGRAPHIC LOCATION (m² buildable).
September 30, 2015



0.3 BUSINESS PLAN KEY FIGURES

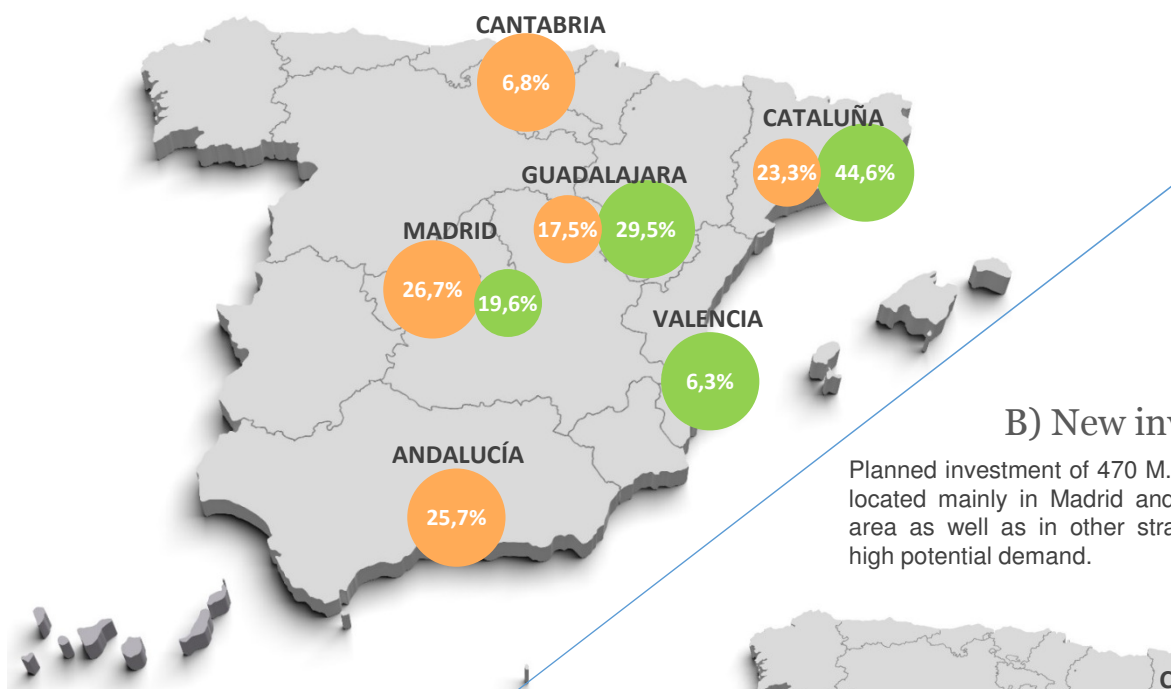
Period	2015-2020	2015-2018	2019-2020
PLANNED REVENUES	1.030 mill. €	30%-40%	60%-70%
Sale of land (in portfolio)	76 mill. €	90%-100%	0%-10%
Delivery of Houses	954 mill. €	20%-30%	70%-80%

Period	2015-2020	2015-2018	2019-2020
PLANNED HOUSING SALE	3.704 homes	50%-60%	40%-50%
Of portfolio assets	864 homes	40%-50%	50%-60%
New investments	2.840 homes	50%-60%	40%-50%

Period	2015-2020	2015-2018	2019-2020
PLANNED DELIVERY OF HOMES	3.037 homes	30%-40%	60%-70%
Of portfolio assets	727 homes	10%-20%	80%-90%
New investments	2.310 homes	30%-40%	60%-70%

A) Asset portfolio

	2015-2020	2015-2018	2019-2020
TOTAL PROMOTION	727 houses	10%-20%	80%-90%
TOTAL LAND SALE	144.139 m ² build.	90%-100%	0%-10%



B) New investments

Planned investment of 470 M. € in urban lands located mainly in Madrid and its metropolitan area as well as in other strategic areas with high potential demand.



0.4 MAIN ASSUMPTIONS and MILESTONES

FUNDRAISING.

1. It is foreseen to raise 70 MILLION EUROS IN THE CAPITAL between 2015 and 2016.
2. Raising between 2015 and 2016, 69 MILLION EUROS from international funds. The funding of the first tranche is well advanced and is expected to be signed in the coming weeks.
3. Funding for urban development will be obtained from the bank promoter loan, which would AMOUNT TO 75 % OF THE PRICE OF SALE OF THE HOUSES, therefore financing the construction phase.

INVESTMENT.

4. Between 2015 and 2020 PURCHASES OF LAND for development valued in 470 MILLION EUROS, is expected to be carried out delivering 60%-70% of the housings developed in this new land in the period 2018-2020.

STABILIZED BALANCE.

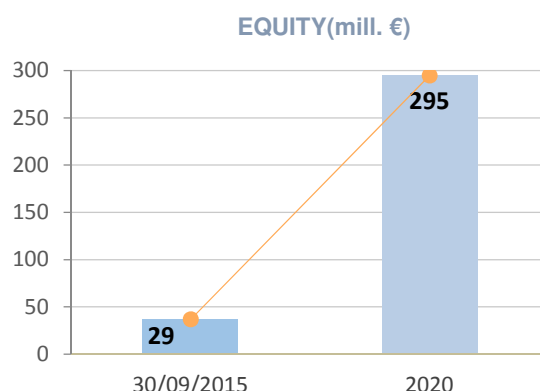
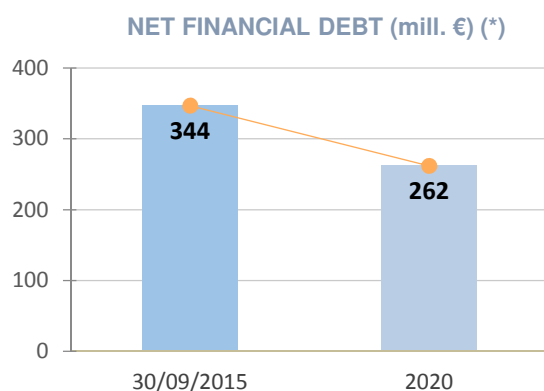
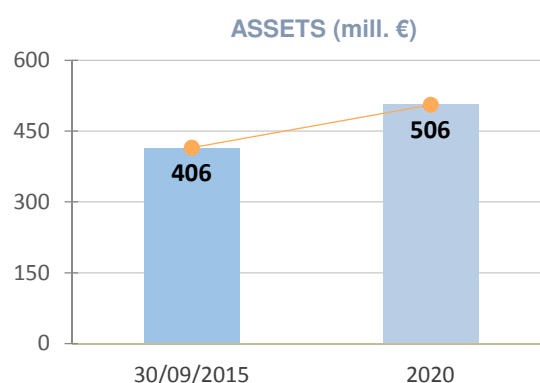
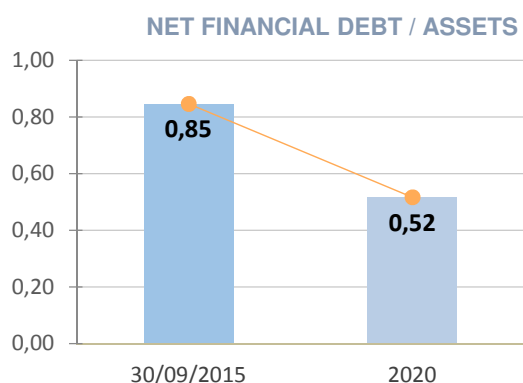
5. Result of the restructuring agreement reached with financial entities, a debt discount for the period of 2015-2020 of EUR 84 million is estimated. Additional EUR 37 million would be deducted along 2021-2022.
6. The Business Plan over the period 2015-2020 envisages cancellation of 63 million euros of debt through payments of assets (land, real estate and financial investments) with a carrying value of 71 million euros.
7. Based on marketing agreements with financial institutions, the business plan includes REDUCTION OF STOCK IN 271 homes valued at 40 million euros to cancel a debt of EUR 42 million.
8. ACTIVATION OF TAX CREDIT COMPANY worth 149 million euros in 2015-2020 is expected. Of that tax credit 36 million euros will be used until 2020. The tax credit pending to be activated in 2020 totals the amount of 39 million euros..

SHAREHOLDER REMUNERATION.

9. The payment of dividends is considered, in both shares and cash, amounting to 59 million euros.

0.5 MAIN ASSUMPTIONS and MILESTONES

	2015-2020	2015-2018	2019-2020
INVESTMENTS IN LAND	470 mill. €	60%-70%	30%-40%
REVENUES	1.030 mill. €	30%-40%	60%-70%
HOUSES SOLD	3.037 houses	30%-40%	60%-70%
PROPERTIES FOR SALE	3.704 houses	50%-60%	40%-50%.
NET OPERATING INCOME	204 mill. €	30%-40%	60%-70%
PROFIT AFTER TAX	221 mill. €	30%-40%	60%-70%
OPERATING CASH FLOW	249 mill. €	15%-25%	75%-85%
DIVIDEND DISTRIBUTION	59 mill. €	50%-60%	40%-50%
COMPANY CASH FLOW	51 mill. €	55%-65%	35%-45%
RETURN ON EQUITY (ROE): As of 2020 above 25%			



(*) Includes financial tax debt

o.6 BUSINESS PLAN IN DETAIL. SCENARIOS OF BALANCE

In the following table there are 4 projection balance sheets.

- The first is related to the closing of the 3rd. Quarter 2015.
- The second column shows the effects it would have on the starting balance: activation of the existing tax credit not reflected in balance amounting to 188 million euros as well as the agreements signed with the lenders regarding the cancellation of the existing debt on the one hand, linked to the discount agreed payment thereof (amounting to 93.7 million euros), as well as cancellations agreed by dation of assets.
- The third column is the projection of the balance provided according to the 2020 business plan.
- In the fourth one the effects are gathered, on the above mentioned balance sheet, of: the activation of the fiscal hanging credit of activating to the above mentioned date and the debt discount that will be registered in the following years"

ASSET	(IN THOUSANDS €)			
	30/09/2015	30/09/2015 Adjusted	31/12/2020	31/12/2020 Adjusted
NON-CURRENT ASSETS:				
Fixed assets	35.694	17.644	16.887	16.887
Financial investments	8.744	6.294	6.376	6.376
Other non current assets	23.434	23.434	23.434	23.434
Assets for deferred taxes	10.656	198.587	124.521	163.538
Active non current total	78.528	245.959	171.219	210.236
CURRENT ASSETS:				
Stock	309.251	234.421	428.847	428.847
Other current assets	60.109	51.979	51.178	51.178
Cash and other liquid equivalent assets	2.210	2.210	55.811	55.811
Active current total	371.570	288.610	535.836	535.836
TOTAL ASSETS	450.098	534.569	707.055	746.072

LIABILITIES AND EQUITY	(IN THOUSANDS €)			
	30/09/2015	30/09/2015 Adjusted	31/12/2020	31/12/2020 Adjusted
STOKHOLDERS EQUITY:	29.345	293.850	295.312	371.398
NON CURRENT LIABILITIES:				
Other non current liabilities	6.023	5.642	6.135	6.135
Debts with credit institutions	25.723	11.326	11.326	11.326
Provisions for risks and expenses	33.030	20.080	21.762	21.762
Passive non current total	64.776	37.048	39.223	39.223
CURRENT LIABILITIES:				
Debts with credit institutions	309.184	151.673	301.163	264.094
Other current liabilities	45.267	50.472	33.226	33.226
Clients' pre-payments	1.526	1.526	38.130	38.130
Passive current total	355.977	203.671	372.520	335.451
TOTAL LIABILITIES AND EQUITY	450.098	534.569	707.055	746.072

Quabit

Inmobiliaria

c/ Capitán Haya, 1 – pl. 16

Madrid 28020. Spain

Tel. +34 91 436 48 98

Web: www.grupoquabit.com

Las News de Quabit: www.quabit.es