

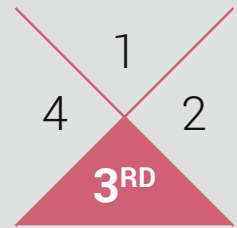


HISPANIA

Activos Inmobiliarios

2017

THIRD
QUARTER
RESULTS



QUARTER

Dunas Don Gregory



1 FIRST HALF 2017 FINANCIAL STATEMENTS  P3

| | |
|--|-----|
| A Consolidated Income Statement | P4 |
| B Consolidated Balance Sheet | P7 |
| C Consolidated Cash Flow | P12 |
| D Events Subsequent to the Close of the Period | P14 |

2 EPRA INFORMATION  P15

3 BUSINESS ACTIVITY IN THE PERIOD  P21

| | |
|-----------------|-----|
| H Hotels | P22 |
| O Offices | P30 |
| R Residential | P33 |

4 APPENDICES  P37

| | |
|--|-----|
| A Summary of the Hotel portfolio | P38 |
| B Summary of the Office portfolio | P42 |
| C Summary of the Residential portfolio | P46 |
| D Stock Market Performance | P50 |
| E Shareholder Structure | P51 |
| F Glossary | P52 |

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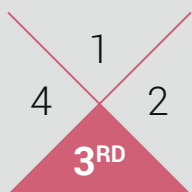
THIRD QUARTER 2017 FINANCIAL STATEMENTS

1



HISPANIA
Activos Inmobiliarios

2017
THIRD
QUARTER
RESULTS



QUARTER

Dunas Don Gregory



A | CONSOLIDATED INCOME STATEMENT

GROSS
ANNUALISED RENT

ANNUALISED
NOI

139.0

MILLION EURO*

126.7

MILLION EURO*

*Excluding hotels under management, and assets currently under repositioning (see terms in Glossary)

Net turnover

At the end of the quarter, the net turnover of the Group amounted to 119 million euro (100 million euro at the end of the third quarter of 2016). This amount reflects the income obtained from asset's revenue, net of bonuses and discounts together with the income obtained by the direct management of the Holiday Inn Bernabéu, Maza Hotel and Iberostar Galeón hotel in the 9 month period ended on 30TH September and the Guadalmina SPA & Golf Resort Hotel and two of the three hotels in the San Miguel portfolio until 31ST March.

The hotel segment performed well during the first nine months of the year, mainly supported by the hotels located in the Canary Islands, with a 10.2% increase in ADR and 10.6% increase of the total RevPar, compared with the data from the January-September of 2016.

Profit and Loss Account

| ('000€) | SEP. 2017 | SEP. 2016 |
|--|----------------|----------------|
| Hotels with Fixed and Variable Rent | 78,920 | 55,912 |
| Hotels with Fixed Rent | 8,002 | 7,050 |
| Hotels under Management | 11,973 | 18,702 |
| Total Hotels | 98,895 | 81,664 |
| Total Offices | 16,062 | 13,775 |
| Total Residential | 4,104 | 4,652 |
| TOTAL REVENUE | 119,061 | 100,091 |
| Hotels with Fixed and Variable Rent | 73,095 | 52,847 |
| Hotels with Fixed Rent | 7,504 | 6,625 |
| Hotels under Management | 1,210 | 3,989 |
| Total Hotels | 81,809 | 63,461 |
| Total Offices | 12,975 | 10,936 |
| Total Residential | 2,212 | 3,109 |
| TOTAL NOI | 96,996 | 77,506 |
| Management Company Fees | (14,471) | (10,577) |
| Non-Manageable S.G. & A. | (1,679) | (1,536) |
| Recurring S.G. & A. | (1,589) | (1,419) |
| Recurring EBITDA | 79,257 | 63,974 |
| Non-Recurring S.G. & A. | (1,704) | (1,638) |
| EBITDA | 77,553 | 62,336 |
| Financial Result | (12,884) | (15,808) |
| EBTDA | 64,669 | 46,528 |
| Amortizacion and Depreciation | (799) | (989) |
| Other results | (4) | (52) |
| Asset Revaluation | 204,828 | 112,421 |
| Incentive Fees Provision | (56,000) | - |
| Negative goodwill | 120 | - |
| Proceeds from disposals of assets | 1,479 | 491 |
| EBT | 214,293 | 158,399 |
| Taxes | (8,082) | (1,919) |
| PROFIT AFTER TAX | 206,211 | 156,480 |
| Non-controlling interests | (27,060) | (19,740) |
| PROFIT ATTRIBUTABLE TO THE PARENT | 179,151 | 136,740 |
| Earnings per Share | 1.64 | 1.46 |
| Average # of shares for the period | 108,978,559 | 93,682,570 |



A | CONSOLIDATED INCOME STATEMENT

Rent revenues per asset class

('000€)

| | Hotels | Offices | Residential | TOTAL |
|--|---------------|---------------|--------------|----------------|
| 3Q 2016 Rent Revenues | 81,664 | 13,775 | 4,652 | 100,091 |
| EPRA Like for Like ¹ | 6,926 | 748 | (138) | 7,536 |
| Completed or in progress developments ² | - | 1,539 | - | 1,539 |
| New 3Q 2016 acquisitions ³ | 2,577 | - | (52) | 2,525 |
| New post 3Q 2016 acquisitions ⁴ | 15,052 | - | - | 15,052 |
| Disposals | - | - | (358) | (358) |
| Changes in the contractual structure ⁵ | (7,324) | - | - | (7,324) |
| 3Q 2017 Rent Revenues | 98,895 | 16,062 | 4,104 | 119,061 |
| Total Variance (%) | 21% | 17% | (12%) | 19% |
| Like-for-Like Variance (%) | 10% | 6% | (4%) | 9% |

Rent revenues per location

('000€)

| | Madrid | Barcelona | Andalusia | Canary I. | Balearic I. | Zaragoza | TOTAL |
|--|---------------|--------------|---------------|---------------|---------------|------------|----------------|
| 3Q 2016 Rent Revenues | 18,915 | 6,544 | 10,878 | 46,971 | 16,404 | 379 | 100,091 |
| EPRA Like for Like ¹ | 2,511 | (915) | 502 | 4,735 | 693 | 10 | 7,536 |
| Completed or in progress developments ² | 1,539 | - | - | - | - | - | 1,539 |
| New 3Q 2016 acquisitions ³ | (52) | - | - | 1,943 | 635 | - | 2,525 |
| New post 3Q 2016 acquisitions ⁴ | - | - | 935 | 11,203 | 2,914 | - | 15,052 |
| Disposals | (221) | (137) | - | - | - | - | (358) |
| Changes in the contractual structure ⁵ | - | - | (4,817) | - | (2,507) | - | (7,324) |
| 3Q 2017 Rent Revenues | 22,691 | 5,492 | 7,498 | 64,852 | 18,139 | 389 | 119,061 |
| Total Variance (%) | 20% | (16%) | (31%) | 38% | 11% | 3% | 19% |
| Like-for-Like Variance (%) | 14% | (14%) | 10% | 10% | 7% | 3% | 9% |

1. Including assets held in the portfolio for the periods 3Q 2016 and 3Q 2017, excluding assets under repositioning, according to EPRA
2. Rental income from assets under repositioning which have been in the portfolio for the periods 3Q 2017 and 3Q 2016
3. Rental variation compared to 3Q 2016 from assets acquired during 3Q 2016 which were not in the portfolio for the 9 months of that period
4. Income of the period coming from assets acquired after 3Q 2016
5. Including the management contract change in Guadalmina Golf Hotel and Iberostar Galeón (hotel under management in 2016 until 30 March 2017, and lease contract since 31 March 2017).



A | CONSOLIDATED INCOME STATEMENT

ATTRIBUTABLE
ADJUSTED
RECURRING FFO

53.2

MILLION EURO

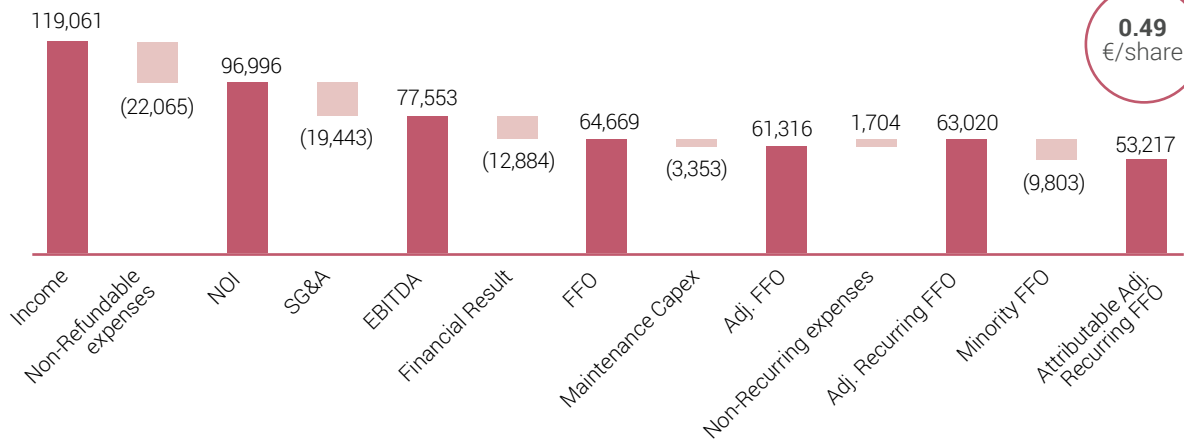
Office assets closed the third quarter with an 86% occupancy, and an average rent of 13.90 €/sqm/month. During the period, occupancy increased in the Príncipe de Vergara Building, Avenida de Bruselas Building, Glories Avenida Diagonal Building, ON Building and Málaga Plaza Building.

Investments in residential property assets have continued in order to renovate the homes to “premium” and be sold on the retail market. During the first nine months of the year, a total of 46 homes were sold: 19 in Isla del Cielo building and 27 in Sanchinarro.

The Adjusted Recurring Funds From Operation ratio for the first nine months of 2017 showed an increase of 40% compared to the figure recorded in the same period of 2016.

Recurring Funds From Operation

(‘000€)





**B | CONSOLIDATED
BALANCE SHEET**

Assets

('000€)

| | SEP 2017 | DEC 2016 |
|-------------------------------------|------------------|------------------|
| Investment property | 2,334,188 | 2,001,628 |
| Non-Current financial assets | 34,409 | 32,701 |
| Deposited guarantees | 12,046 | 10,324 |
| Deferred tax assets | 11,731 | 11,731 |
| NON-CURRENT ASSETS | 2,392,374 | 2,056,384 |
| Trade and other receivables | 40,386 | 40,634 |
| Credits with Public Administrations | 11,288 | 11,998 |
| Currents financial assets | 7,748 | 5,319 |
| Other current financial assets | 3,747 | 1,333 |
| Cash and cash equivalents | 142,692 | 266,612 |
| CURRENT ASSETS | 205,861 | 325,896 |
| TOTAL ASSETS | 2,598,235 | 2,382,280 |

Liabilities

('000€)

| | SEP 2017 | DEC 2016 |
|---|------------------|------------------|
| Share capital | 109,170 | 109,170 |
| Share premium and other reserves | 1,318,838 | 1,039,367 |
| Treasury shares | (2,378) | (2,177) |
| Revaluation | 8,484 | 6,303 |
| Profit for the period | 179,151 | 308,572 |
| Interim dividend | - | (17,000) |
| Non-controlling interests | 143,203 | 116,337 |
| EQUITY | 1,756,468 | 1,560,572 |
| Non-current bank borrowings | 573,509 | 595,066 |
| Derivatives | 16,001 | 23,254 |
| Other non-current financial liabilities | 26,947 | 29,919 |
| Other non-current liabilities | 56,000 | - |
| Guarantees | 14,343 | 12,821 |
| Deferred tax liabilities | 81,257 | 73,959 |
| NON-CURRENT LIABILITIES | 768,057 | 735,019 |
| Current bank borrowings | 24,497 | 24,221 |
| Derivatives | 7,324 | 7,452 |
| Other current financial liabilities | 20,901 | 17,686 |
| Trade and other payables | 19,135 | 21,264 |
| Debts with Public Administrations | 1,853 | 16,066 |
| CURRENT LIABILITIES | 73,710 | 86,689 |
| TOTAL LIABILITIES AND EQUITY | 2,598,235 | 2,382,280 |



B | CONSOLIDATED BALANCE SHEET

GAV

2,347

MILLION EURO

**Investment
Property**

The value of property assets at 30 September 2017 according to the independent valuator CBRE at 30 June 2017 plus the CAPEX of the period and minus the divestments carried out during the third quarter amounted to 2,347 million euro.

GAV Evolution 30/09/17

('000€)

| | HOTELS | OFFICES | RESIDENTIAL | TOTAL |
|---|------------------|----------------|----------------|------------------|
| GAV at the beginning of the period | 1,257,050 | 521,390 | 229,550 | 2,007,990 |
| Additions in the scope ¹ | 76,792 | 6 | - | 76,797 |
| Disposals in the scope | - | (268) | (16,466) | (16,734) |
| Capex implemented | 38,252 | 17,785 | 9,380 | 65,417 |
| Revaluation | 143,996 | 52,997 | 16,822 | 213,815 |
| Impact on income statement | 135,800 | 52,207 | 16,822 | 204,828 |
| Impact on equity ² | 2,180 | - | - | 2,180 |
| Lease straight-lining effect ³ | 6,016 | 790 | - | 6,806 |
| GAV at end of period | 1,516,090 | 591,909 | 239,285 | 2,347,285 |

(1) GAV of the assets incorporated in the year to the Group's perimeter, including transaction costs

(2) Excluding fiscal impact

(3) Included in "Total Revenues", in according with accounting standards



B | CONSOLIDATED BALANCE SHEET

GAV Evolution like-for-like 30/09/17

| ('000€) | HOTELS | OFFICES | RESIDENTIAL | TOTAL |
|--|------------------|----------------|----------------|------------------|
| GAV at the beginning of the period | 1,257,050 | 521,390 | 229,550 | 2,007,990 |
| Partial additions in the scope ¹ | 92 | 6 | - | 97 |
| Disposals in the scope | - | (268) | (16,466) | (16,734) |
| Capex implemented | 37,760 | 17,785 | 9,380 | 64,925 |
| Revaluation | 142,717 | 52,997 | 16,822 | 212,536 |
| Impact on income statement | 134,626 | 52,207 | 16,822 | 203,655 |
| Impact on equity ² | 2,180 | - | - | 2,180 |
| Lease straight-lining effect ³ | 5,911 | 790 | - | 6,701 |
| GAV at end of period Like for Like ² | 1,437,619 | 591,909 | 239,285 | 2,268,814 |

(1) Including transaction costs

(2) Excluding fiscal impact

(3) Included in "Total Revenues", in according with accounting standards

CAPEX breakdown per asset class

| ('000€) | HOTELS | OFFICES | RESIDENTIAL | TOTAL |
|--------------------------------------|---------------|---------------|--------------|---------------|
| Acquisitions | 492 | - | - | 492 |
| Developments | 233 | 4,762 | - | 4,994 |
| Like for Like Portfolio ¹ | 37,528 | 13,023 | 9,380 | 59,931 |
| TOTAL CAPEX | 38,252 | 17,785 | 9,380 | 65,417 |

(1) Assets owned by the Group at the beginning of the year, excluding developments



B | CONSOLIDATED BALANCE SHEET

EPRA
NAV

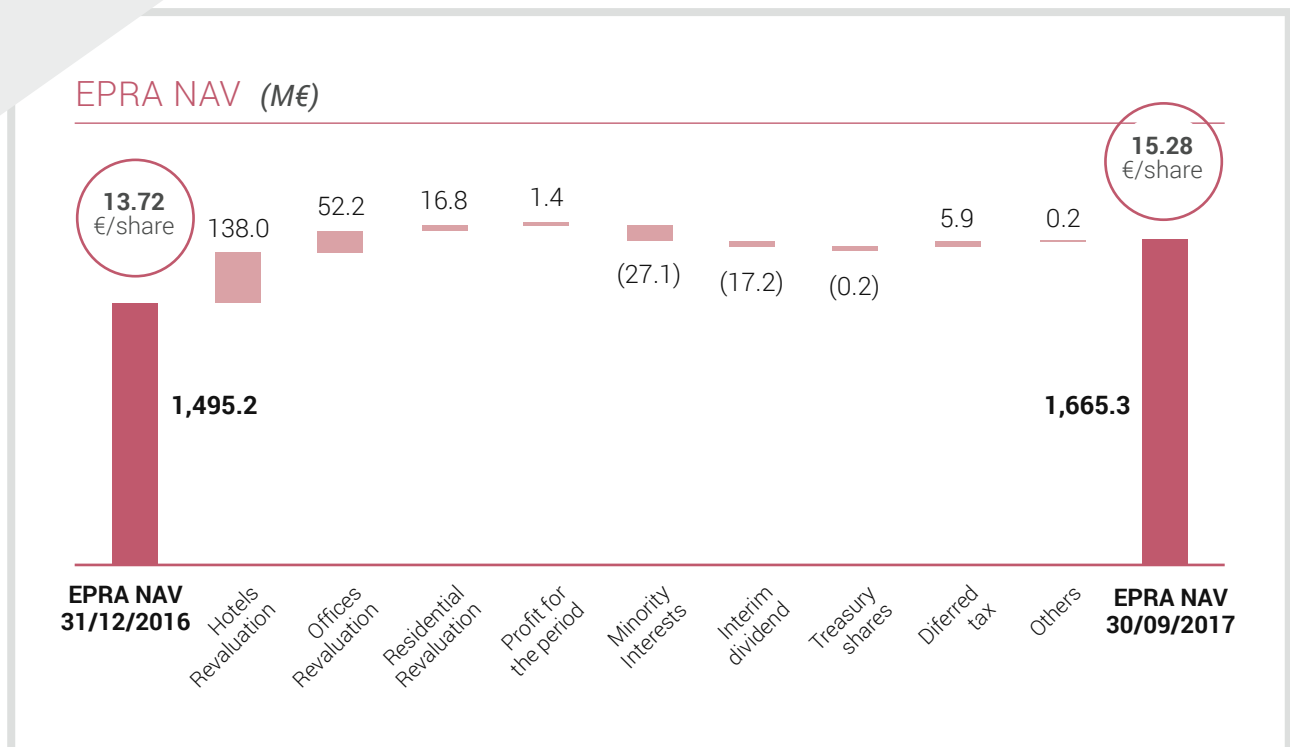


Net Equity

At 30 September 2017 the share capital was represented by 109,169,542 shares with a par value of 1 euro each, fully subscribed and paid-up.

At 30 September 2017, the Parent Company owned 199,407 treasury shares amounting to 2,378 thousand euro.

The NAV according to EPRA recommendations amounted to 1,665.3 million euro equivalent to 15.28 €/share, which meant an increase of 11% since the beginning of the year and 25% compared to the third quarter of 2016.





B | CONSOLIDATED BALANCE SHEET

FINANCIAL
DEBT



Debt

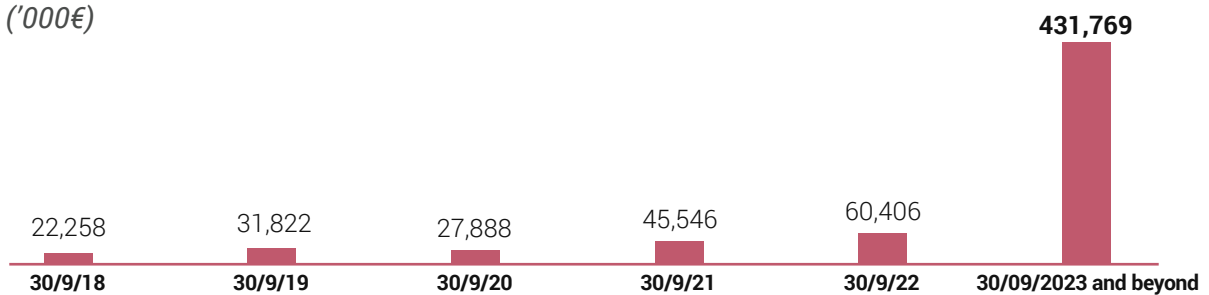
Hispania recorded a total financial debt of 619.7 million euro at the end of the period, with an average cost of 2.6% with the interest rate risk of the group financing covered by contracting certain swaps covering 100% of the outstanding nominal value during the period of validity of the same, with a maturity between 5 and 10 years. At 30 September 2017, the total percentage of debt covered amounted to 96%.

The bank debt is mainly composed of financing with final maturities over 10 years. However, given the amortisation schedule to be implemented during the life of each of these loans, the weighted average duration of the group's total debt stands around 6.5 years.

During the period, Hispania has maintained stable its bank debt, except for the amortization obligations which amount to a total of 25 million euros. At the end of the period, Hispania has a gross loan to value of 27% and net of 20%.

Financial Debt Amortization Calendar

('000€)





C | CONSOLIDATED
CASH FLOW

CASH AND CASH
EQUIVALENTS

142.7

MILLION EURO

Cash Flow Statement

| ('000€) | SEP-17 | SEP-16 |
|--|------------------|------------------|
| EBITDA | 77,553 | 62,336 |
| Net interest payments | (14,427) | (11,929) |
| Net working capital variation | (12,723) | (5,101) |
| Net Public Administrations variation | (14,490) | (56) |
| Other assets and liabilities variation | 49 | (7,536) |
| Operating Cash Flow | 35,961 | 37,714 |
| Property investment acquisitions | (139,054) | (131,761) |
| Financial Asset acquisitions | - | (60,640) |
| Proceeds from disposals of assets | 18,810 | 1,878 |
| Proceeds from disposals of financial assets | 3,920 | - |
| Total Investment Cash Flow | (116,324) | (190,523) |
| Proceeds from issuance of equity instruments | - | 222,131 |
| Other operations with non-controlling interests | (516) | - |
| Treasury shares | (136) | 17 |
| Dividends | (17,999) | (11,713) |
| Net variation in Banks Borrowings | (24,906) | 71,840 |
| Cash Flow after Financial activities | (43,557) | 282,275 |
| Cash and cash equivalents at the beginning of the period | 266,612 | 220,690 |
| Cash and cash equivalents at the end of the period | 142,692 | 350,156 |
| Total Cash Flow for the period | (123,920) | 129,466 |



C | CONSOLIDATED CASH FLOW

CAPEX FOR THE
PERIOD

65,4

MILLION EURO

During the third quarter of the year, Hispania Group reduced its cash position by 124 million euro.

The cash flow from operating activities resulted in a cash inflow of 36 million euro. The difference between the EBITDA generated and the cash flow from operating activities is mainly due to the liquidation of the payment commitments of the companies owning the Dunas portfolio (€15.2M) and the liquidation of the outstanding debt obligations of Leading Hospitality (€5.1M).

The cash flow from investment activities resulted in a net cash outflow of the Group amounting to 116 million euro. This cash outflow is mainly due to the acquisition of NH Málaga Hotel (€22.6M), Fergus Tobago Hotel (€20.2M), Selomar Hotel (€15.6M) and the Las Mirandas and La Mareta plots, in addition to the investment in CAPEX repositioning improving the Group's assets, as well as the sale of 46 homes of the Isla del Cielo and Sanchinarro residential complexes.

The cash flow of the financing activities resulted in a net outflow of 44 million euro, where the main disbursements corresponding to the payment of dividends amounted to 18 million euro and debt repayment amounted to 25 million euro.

D | EVENTS SUBSEQUENT TO THE CLOSE OF THE PERIOD

Sale of the Maza Hotel

On 9TH October 2017 the Maza Hotel was sold for a total value of 2.4 million euro, after exercising the right of purchase agreed at the acquisition of the company Leading Hospitality.

The acquisition of Leading Hospitality included the majority of the Holiday Inn Hotel in Madrid and the Maza Hotel in Zaragoza.

The sale of this hotel generated capital gains of 30% above the GAV, and 33% above the initial investment made in the asset.

This hotel was not a strategic asset for Hispania given its small size (54 keys) and location.

Other corporate actions

BAY, under the terms of the shareholders agreement between Barceló Group and Hispania, has acquired the total shares of Eco Resort San Blas, S.L. This company owns the Sandos San Blas Hotel, 5* category with 331 keys located in the south of Tenerife.

BAY has acquired the shares of Eco resort for a total of 26.6 million euro fully paid with own funds and intragroup loans.

The Eco resort acquisition price has been calculated taking into account the appraised value of Sandos San Blas Hotel made by CBRE as of 30th of June 2017 and the company's net debt.

EPRA
INFORMATION **2**



HISPANIA
Activos Inmobiliarios

2017
THIRD
QUARTER
RESULTS



Dunas Don Gregory

Indicators *

('000€)

| | 30/09/17 | 30/09/17 (€/share) | Hotels | Offices | Residential | 2016 |
|---|-----------|-----------------------|--------|---------|-------------|-----------|
| EPRA Earnings | (6,753) | (0.06) | | | | 35,893 |
| EPRA Adjusted Earnings | 49,247 | 0.45 | | | | 35,893 |
| EPRA NAV | 1,665,294 | 15.28 | | | | 1,495,189 |
| EPRA NNNAV | 1,601,861 | 14.70 | | | | 1,431,497 |
| EPRA Net Initial Yield (NIY) | 6.5% | | 7.6% | 3.6% | n.a. | 6.5% |
| EPRA "Topped-up" NIY | 6.7% | | 7.6% | 4.0% | n.a. | 6.6% |
| Net Reversion Yield on GAV | 7.1% | | 7.9% | 5.0% | n.a. | 7.1% |
| EPRA Vacancy Rate | 13.8% | | n.a. | 13.8% | n.a. | 16.9% |
| EPRA Cost Ratio (including direct vacancy costs) | 29.5% | | | | | 29.5% |
| EPRA Cost Ratio (excluding direct vacancy costs) | 28.9% | | | | | 28.2% |

(* See Glossary for terminology description.

EPRA EARNINGS - Reconciliation *

| ('000€) | 30/09/17 | 30/09/16 |
|--|----------------|----------------|
| Earnings per IFRS income statement | 179,151 | 136,740 |
| Change in value of investment properties | (204,828) | (112,421) |
| Profits or losses on disposal of investment properties | (1,479) | (491) |
| Goodwill impairment | (120) | 107 |
| Change in value of investment properties in associates | - | - |
| Changes in fair value of financial instruments, debt and associated close-out cost | 623 | 361 |
| Acquisition costs on share deals | 400 | 773 |
| Deferred tax in respect of EPRA adjustments | 2,164 | - |
| Non-controlling interests in respect of the above | 17,337 | 10,824 |
| EPRA Earnings | (6,753) | 35,893 |
| Incentive Fees Provision | 56,000 | - |
| EPRA Adjusted Earnings | 49,247 | 35,893 |
| Weighted average number of shares (excluding treasury shares) | 108,978,559 | 93,682,570 |
| EPRA EARNINGS PER SHARE (EUROS) | (0.06) | 0.38 |
| EPRA ADJUSTED EARNINGS PER SHARE (EUROS) | 0.45 | 0.38 |

EPRA NAV - Reconciliation *

| ('000€) | 30/09/17 | 31/12/16 |
|---|------------------|------------------|
| Net Asset Value per the Financial Statements | 1,613,265 | 1,444,236 |
| Change in fair value of non current assets | - | - |
| Fair value of financial instruments | 8,463 | 14,686 |
| Deferred tax | 43,566 | 36,267 |
| Fair value of financial instruments in associates | - | - |
| Deferred tax in associates | - | - |
| EPRA NAV | 1,665,294 | 1,495,189 |
| Number of shares (excluding treasury shares) | 108,970,135 | 108,981,421 |
| EPRA NAV PER SHARE (EUROS) | 15.28 | 13.72 |

(* See Glossary for terminology description.

EPRA NNAV - Reconciliation *

| ('000€) | 30/09/17 | 31/12/16 |
|---|------------------|------------------|
| EPRA NAV | 1,665,294 | 1,495,189 |
| Fair value of financial instruments | (8,463) | (14,686) |
| Formalised debt expenses | (11,404) | (12,739) |
| Deferred tax | (43,566) | (36,267) |
| Fair value of financial instruments in associates | - | - |
| Deferred tax in associates | - | - |
| EPRA NNAV | 1,601,861 | 1,431,497 |
| Number of shares (excluding treasury shares) | 108,970,135 | 108,981,421 |
| EPRA NNAV PER SHARE (EUROS) | 14.70 | 13.14 |

EPRA Vacancy Rate - Reconciliation *

| ('000€) | | | | 30/09/17 | 31/12/16 |
|--------------------------|-------------|--------------|-------------|--------------|--------------|
| | Hotels | Offices | Residential | Total | Total |
| Vacant Space ERV | n.a. | 3,085 | n.a. | 3,085 | 3,636 |
| Total ERV | n.a. | 22,413 | n.a. | 22,413 | 21,506 |
| EPRA Vacancy Rate | n.a. | 13.8% | n.a. | 13.8% | 16.9% |

(* See Glossary for terminology description.

EPRA Net Initial Yield (NIY)
& Topped-up Net Initial Yield - Reconciliation *

| ('000€) | | | | 30/09/17 | 31/12/16 |
|---|------------------|----------------|-------------|------------------|------------------|
| | Hotels | Offices | Residential | Total | Total |
| Investment property – wholly owned | 1,516,090 | 591,909 | 239,285 | 2,347,285 | 2,007,990 |
| Investment property – share of JVs/Funds | - | - | - | - | - |
| Portfolio under refurbishment | (135,657) | (90,875) | (239,285) | (465,817) | (441,750) |
| Completed property portfolio | 1,380,433 | 501,035 | - | 1,881,467 | 1,566,240 |
| Allowance for estimated purchasers' costs | 38,792 | 17,923 | n,a | 56,715 | 48,915 |
| Gross up completed property portfolio valuation (A) | 1,419,225 | 518,957 | n,a | 1,938,182 | 1,615,155 |
| Annualised cash passing rental income | 117,689 | 21,267 | n,a | 138,956 | 112,311 |
| Property outgoings | (9,812) | (2,414) | n,a | (12,226) | (8,050) |
| Annualised net rents (B) | 107,877 | 18,853 | n,a | 126,730 | 104,261 |
| Notional rent expiration of rent free periods or other lease incentives | 236 | 2,001 | n,a | 2,238 | 2,868 |
| Topped-up net annualised rent (C) | 108,114 | 20,855 | n,a | 128,968 | 107,129 |
| EPRA Net Initial Yield (NIY) - (B/A) | 7.6% | 3.6% | n,a | 6.5% | 6.5% |
| "Topped-up" EPRA Net Initial Yield (NIY) - (C/A) | 7.6% | 4.0% | n,a | 6.7% | 6.6% |

(* See Glossary for terminology description.

EPRA Cost Ratios - Reconciliation *

| ('000€) | 30/09/17 | 30/09/16 |
|---|----------------|---------------|
| S.G.& A. & Management Company Fees | 19,443 | 15,170 |
| Net operating expenses | 12,196 | 8,843 |
| Management fees income less actual/estimated profit element | - | - |
| Other operating income/recharges intended to cover overhead expenses less any related profits | - | - |
| Share of Joint Ventures expenses | - | - |
| Exclude (if part of the above): | | |
| Investment Property depreciation | - | - |
| Ground rent costs | - | - |
| Service charge costs recovered through rents but not separately invoiced | (32) | (15) |
| EPRA Costs (including direct vacancy costs) (A) | 31,606 | 23,998 |
| Direct vacancy costs | (689) | (1,042) |
| EPRA Costs (excluding direct vacancy costs) (B) | 30,918 | 22,955 |
| Gross Rental Income less ground rent costs - per IFRS | 107,088 | 81,389 |
| Service fee and service charge costs components of Gross Rental Income (if relevant) | - | - |
| Service charge costs recovered through rents but not separately invoiced | (32) | (15) |
| Gross Rental Income (C) | 107,056 | 81,373 |
| EPRA COST RATIO (INCLUDING DIRECT VACANCY COSTS) (A/C) | 29.5% | 29.5% |
| EPRA COST RATIO (EXCLUDING DIRECT VACANCY COSTS) (B/C) | 28.9% | 28.2% |

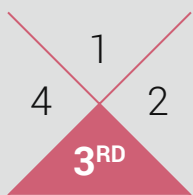
(*) See Glossary for terminology description.

BUSINESS
ACTIVITY IN THE
PERIOD **3**



HISPANIA
Activos Inmobiliarios

2017
THIRD
QUARTER
RESULTS



QUARTER

Dunas Don Gregory

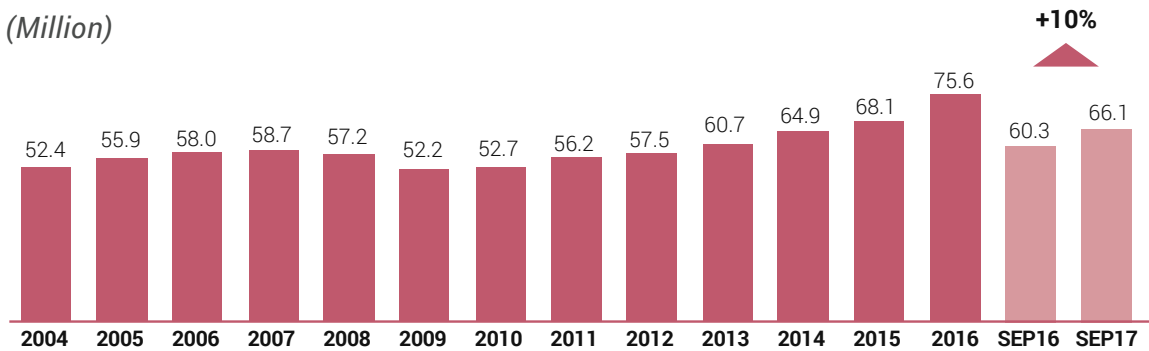


HOTELS

Arrival of foreign tourists in Spain

Source: INE

(Million)



During the first nine months of the year the number of tourists in Spain grew by 10%

Development of the Tourism Industry

The Travel & Tourism Competitiveness Index 2017 ranked Spain first again, and the country was categorized as the most competitive country in the world in 2016, with a score of 5.4 points out of 6. This index analyses a series of factors, most notably the offering of cultural and natural tourism, infrastructure, regularity of flights and connectivity, as well as the support for tourism by the country's government.

According to the Exceltur report from October 2017, the tourism GDP closed the third quarter with an increase of 4.2% YoY and an improvement in the results of the Spanish tourism companies of 63.9% with respect to the third quarter of 2016, continuing the good performance of the sector recorded in recent years.

The job creation rates within the sector increased by 4.6% in September 2017 compared to September 2016, and the tourism sector was positioned as the main engine of the Spanish economy and as the sector with the greatest



H | HOTELS

TOURISTIC GDP GROWTH

4.2%

capacity to create employment, above other key sectors such as construction, industry and commerce.

According to a study by BNP Paribas, during the first three quarters of 2017, the total volume invested in the Spanish real estate sector reached a figure of 8,100 million euro, 8% greater than the figure of the past year. The figure reached during the third quarter was 2,000 million euro, of which 30% was in the hotel sector.

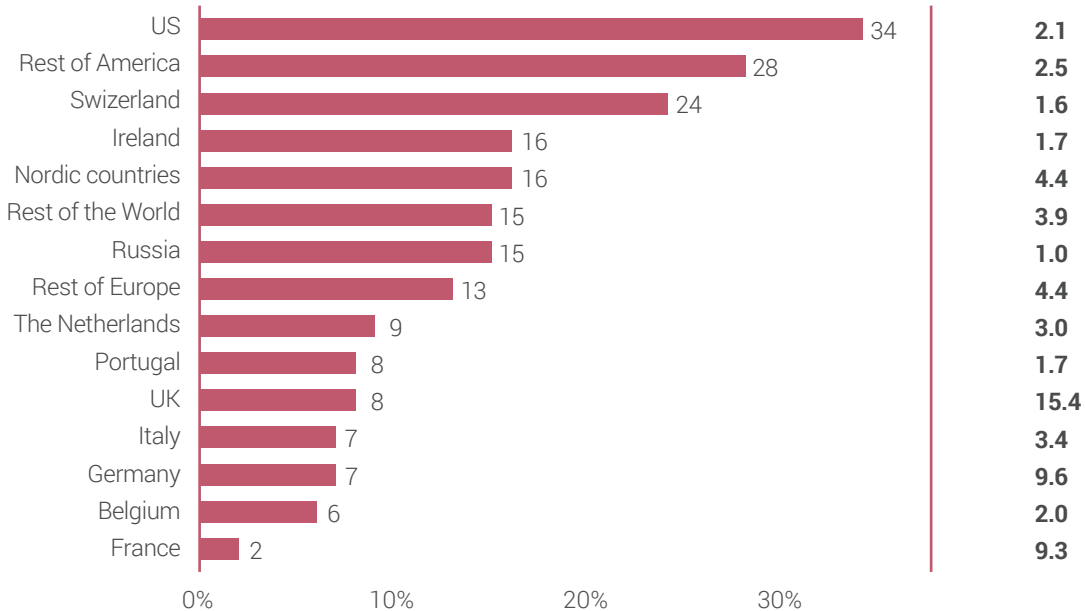
According to data recorded by the national statistics institute (INE), foreign tourists who came to Spain between January and September of 2017 increased 10% compared

Source: INE

Increase in number of international tourists in Spain by tourism-sending country. JAN-SEP 17 vs 16

(Percentage)

TOTAL MILLIONS





Source: INE

ADR, occupancy and RevPar

(Percentage)

| | ADR | | | Occupancy | | | RevPar | | |
|-------------|---------|---------|--------|-----------|---------|---------|---------|---------|--------|
| | 3Q 2017 | 3Q 2016 | Growth | 3Q 2017 | 3Q 2016 | Growth | 3Q 2017 | 3Q 2016 | Growth |
| Spain | 86.6 | 81.1 | 7% | 67.5% | 65.8% | 2p.p. | 59.2 | 53.9 | 10% |
| Madrid | 87.0 | 79.3 | 10% | 72.1% | 68.3% | 4p.p. | 63.5 | 54.5 | 17% |
| Canary I. | 95.0 | 88.2 | 8% | 85.5% | 85.8% | 0p.p. | 81.6 | 76.1 | 7% |
| Balearic I. | 89.5 | 82.7 | 8% | 75.1% | 75.9% | (1p.p.) | 69.5 | 64.6 | 8% |

to the same period in 2016, reaching a total of 66 million tourists. Among the 66 million tourists who came to Spain in that period, 87% did so for leisure and holiday. Regarding the trip organization, a 71% purchased their ticket without a tourist package.

During the first nine months of the year, a significant increase of tourists coming from America was recorded, thus increasing the diversity of tourist nationalities in Spain. It is worth pointing out that despite the referendum in the United Kingdom, tourists from the country recorded a growth of 7.8% with respect to the same period in 2016, as well as an increase of 10% in total spending during the January-September period, compared to the previous year.

During this period, a certain recovery of the competing destinations in the Mediterranean (Turkey and Egypt) has been recorded, mainly due to the recovery of tourism coming from Asian countries and Eastern Europe, especially from Russia (15% of the total recovery) as a result of the relaxation of restrictions imposed on Russian tourists visiting Turkey in 2016. Central European countries (the main origins of tourists to Spain) continued to record fewer numbers of tourists during the first eight months of

the year, such as Germany (-8%) and the United Kingdom (-7%) (Turkish Statistical Institute).

In the summer period from June to September, the Balearic Islands led the 2017 tourism results with an average ADR of €110.10, thanks to a growth of 7.4% with respect to the values of 2016 summer.

According to the latest data reported by the INE for the months of January to September 2017, the RevPar grew by 7% in hotels in the Canary Islands and by 8% in the Balearic Islands. This increased profitability in vacation hotels, especially on the coast, is mainly the result of an increase in the prices, which have recorded an average growth in Spain of 10%, compared to the same period in 2016.



Business Performance

The Hispania hotel sector has had a very steady performance due to the growth of the vacation sector, specifically in hotels in the Canary Islands that have obtained solid results at the end of the third quarter, recording increases in ADR, RevPar and Occupancy of 10.2%, 10.6% and 0.4p.p., respectively, compared to the same period of 2016.

Hotel's segment income at 30/09/2017

| ('000€) | Fixed Rent | Variable Rent | Total Rent |
|--------------------------------------|---------------|---------------|---------------|
| Hotels with Fixed and Variable Rent | 36,653 | 42,267 | 78,920 |
| Hotels with Fixed Rent | 8,002 | - | 8,002 |
| Hotels under Management ¹ | - | 11,973 | 11,973 |
| Total Hotels | 44,655 | 54,240 | 98,895 |

Hotel portfolio ratios by geographical location²

| | Keys | Occupancy | | Total ADR ³ | | Total RevPar ⁴ | | |
|--|---------------|--------------|--------------|------------------------|--------------|---------------------------|--------------|--------------|
| | | 30/09/2017 | 30/09/2016 | 30/09/2017 | 30/09/2016 | 30/09/2017 | 30/09/2016 | % |
| Hotels with Fixed and Variable Rent | 8,791 | 87.9% | 87.9% | 138.8 | 126.5 | 122.0 | 111.2 | 9.7% |
| Canaries | 5,551 | 89.2% | 88.8% | 137.5 | 124.6 | 122.6 | 110.6 | 10.9% |
| Balearic | 2,492 | 88.1% | 89.1% | 137.5 | 126.0 | 121.1 | 112.3 | 7.8% |
| Andalusia | 748 | 77.4% | 77.5% | 153.7 | 142.6 | 118.9 | 110.6 | 7.5% |
| Hotels with Fixed Rent | 1,099 | 86.1% | 85.3% | 163.2 | 150.7 | 140.5 | 128.5 | 9.4% |
| Madrid | 161 | 69.9% | 65.0% | 83.5 | 81.8 | 58.3 | 53.2 | 9.7% |
| Barcelona | 70 | 85.5% | 85.0% | 149.2 | 135.9 | 127.5 | 115.5 | 10.4% |
| Canaries | 630 | 90.4% | 90.8% | 190.6 | 174.8 | 172.4 | 158.7 | 8.6% |
| Andalusia | 238 | 85.7% | 84.4% | 148.8 | 137.8 | 127.5 | 116.4 | 9.6% |
| Hotels under Management | 495 | 76.8% | 72.6% | 121.5 | 112.7 | 93.3 | 81.8 | 14.0% |
| Madrid | 313 | 66.9% | 59.7% | 114.0 | 107.2 | 76.2 | 64.1 | 19.0% |
| Balearic | 182 | 93.8% | 94.8% | 134.5 | 122.0 | 126.1 | 115.7 | 9.0% |
| TOTAL | 10,385 | 87.2% | 86.9% | 140.6 | 128.4 | 122.6 | 111.6 | 9.8% |

1. Gross income.

2. Accumulated data as of 30 of September. Excluding Portinatx, Maza, Selomar and Dunas Don Gregory hotels.

3. Average Daily Rate, including rate of the accommodation, Food & Beverage and other components.

4. Total Revenue per Available Room including F&B and other income of the hotels.



BAY, Atlantis, Dunas & GAT Initial Business Plan¹

| | 3Q 2017 Real² | 3Q 2016 Real² | % 3Q 2017 vs 2016 | Business Plan FY 2016 |
|------------------------------|-------------------------------------|-------------------------------------|------------------------------|----------------------------------|
| Hotel's Total Revenue | 261,994 | 240,617 | 9% | 275,107 |
| BAY ³ | 187,788 | 168,670 | 11% | 187,731 |
| Atlantis | 30,847 | 27,750 | 11% | 37,533 |
| Dunas | 30,534 | 32,345 | (6%) | 35,977 |
| GAT | 12,825 | 11,852 | 8% | 13,866 |
| Hotel's EBITDAR | 97,891 | 84,440 | 16% | 87,759 |
| BAY ³ | 72,467 | 61,814 | 17% | 62,106 |
| Atlantis | 11,241 | 9,828 | 14% | 14,302 |
| Dunas | 10,301 | 9,500 | 8% | 7,102 |
| GAT | 3,883 | 3,298 | 18% | 4,250 |
| Owner's Fixed Rent | 31,997 | 24,547 | n/a | 43,626 |
| BAY ³ | 22,497 | 19,765 | 14% | 30,693 |
| Atlantis | 5,489 | 4,782 | 15% | 7,434 |
| Dunas | 3,111 | n/a | n/a | 4,149 |
| GAT | 900 | n/a | n/a | 1,350 |
| Owner's Variable Rent | 41,807 | 26,651 | n/a | 34,722 |
| BAY ³ | 28,737 | 22,031 | 30% | 24,624 |
| Atlantis | 4,685 | 4,620 | 1% | 5,323 |
| Dunas | 7,011 | n/a | n/a | 2,598 |
| GAT | 1,374 | n/a | n/a | 2,177 |
| Total Owner's Rent | 73,804 | 51,198 | n/a | 78,348 |

At the end of the third quarter of 2017, the results of the variable rent hotels have recorded an increase of 9% in revenues compared to the same period of the previous year, and 16% in the EBITDAR, a measurement that is used to calculate the rent of hotels under Hispania's fixed and variable contracts.

It is worth to mention that during the period, Dunas Don Gregory hotel and Dunas Mirador hotel have been

refurbished. This refurbishment has implied the close of the hotels during a period of time which has resulted in a decrease in their revenues against the previous year.

In the Atlantis portfolio, Suites Atlantis hotel has also been renovated, with negative effects on its results during that period of time, in comparison to the previous year.

1. Initial Business Plan contemplated in the original lease agreement.

2. It does not include the income of the shopping centres or income from the Straight-lining of the contracts.

3. Excludes Melia Jardines del Teide as it's a fixed rental contract.



Hotel rent revenue per location

| ('000€) | Madrid | Barcelona | Andalusia | Canaries | Balearic I. | Zaragoza | Total |
|--|--------------|-------------|---------------|---------------|---------------|------------|---------------|
| 3Q 2016 Rent Revenues | 6,349 | 981 | 10,580 | 46,971 | 16,404 | 379 | 81,664 |
| EPRA Like for Like ¹ | 1,064 | (11) | 434 | 4,735 | 693 | 10 | 6,926 |
| Completed or in progress developments ² | - | - | - | - | - | - | - |
| New 3Q 2016 acquisitions ³ | - | - | - | 1,943 | 635 | - | 2,577 |
| New post 3Q 2016 acquisitions ⁴ | - | - | 935 | 11,203 | 2,914 | - | 15,052 |
| Disposals | - | - | - | - | - | - | - |
| Changes in the contractual structure ⁵ | - | - | (4,818) | - | (2,507) | - | (7,324) |
| 3Q 2017 Rent Revenues | 7,413 | 971 | 7,131 | 64,853 | 18,139 | 389 | 98,895 |
| Total Variance (%) | 17% | (1%) | (33%) | 38% | 11% | 3% | 21% |
| Like-for-Like Variance (%) | 17% | (1%) | 9% | 10% | 7% | 3% | 10% |

Repositioning Projects

Hispania has invested 38 million euro on the repositioning plans for the hotels during de period.

In the Atlantis Suites hotel in Fuerteventura, the renovation of the rooms and common restaurant areas was completed, and renovations will begin in November on the common exterior areas, pools and lobby, which will be completed in the next six months. It is estimated that the total cost to renovate the hotel will reach 12 million euro, with which Hispania expects to obtain a significant growth in the ADR of the hotel once the second phase of the renovation is finished.

In the Barceló Portinatx, after renovated and opened during the first half-year, the second phase is pending in which a

leisure area will be expanded with a restaurant with views of the sea and a fitness area. Construction for these will begin once the pertinent licences requested are obtained.

Regarding the three San Miguel cave hotels, during the first half of 2017, licences for the project were requested. The project includes the renovation of the Cartago and Galeón hotels, and the demolition and reconstruction of the Club San Miguel hotel. These renovations will include reconverting the Cartago and Galeón hotels into a 4* rating, and the Club San Miguel hotel into a 5* rating. Additionally, a Wellness Centre will be built between the Cartago and Galeón hotels, in addition to a restaurant area next to the beach. During the third quarter, the pilot rooms were finished.

1. Including assets held in the portfolio for the periods 3Q 2016 and 3Q 2017, excluding assets under repositioning, according to EPRA

2. Rental income from assets under repositioning which have been in the portfolio for the periods 3Q 2017 and 3Q 2016

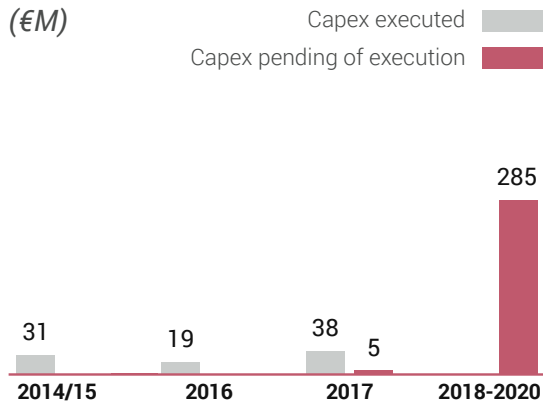
3. Rental variation compared to 3Q 2016 from assets acquired during 3Q 2016 which were not in the portfolio for the 9 months of that period

4. Income of the period coming from assets acquired after 3Q 2016

5. Including the management contract change in Guadalmina Golf Hotel and Iberostar Galeón (hotel under management in 2016 until 30 March 2017, and lease contract since 31 March 2017).

H | HOTELS

Capex Plan



In the Dunas Hotels & Resort portfolio, construction on the Dunas Don Gregory hotel was completed in August after renovating all of the rooms, and expanding the restaurant and pool area, reaching an approximate cost of 11.5 million euro. Furthermore, the Dunas Mirador Hotel was inaugurated last July 1st.

It is also worth mentioning that the expansion works of the NH Málaga hotel are ongoing, and are expected to finish in early 2019.

As regards the Holiday Inn Bernabéu hotel, the drafting of the basic project was completed last quarter and the licences regarding works on the hotel rooms have been granted, pending resolution of the license relating to all the works in the common areas of the hotel.

In addition, licences have been requested to renovate the Fergus Tobago hotel. A complete renovation estimated in 14 million euro will be carried out to convert the hotel into a 5*, which will include upgrades to the facilities, common areas and rooms. The pilot rooms are expected to be ready for the last quarter of the year.

The repositioning and renovation project has started at the Ponent Playa hotel. In this quarter, the licence was requested and an estimated 13 million euro will be invested.

Finally, regarding Las Agujas project, the expansion of the Bahía Real 5* Gran Lujo Hotel will include 120 new rooms right next to the beach. Urban planning is being carried out before the basic project, whose estimated investment is 32 million euro. In addition, the Bahía Real Hotel is being renovated.

The pending CAPEX renovation plan for the hotel portfolio amounts to 290 million for 2017-20.

Main renovation projects (pending capex)

| Project | (€M) |
|---------------|------|
| San Miguel | 50 |
| Holiday Inn | 34 |
| Las Agujas | 32 |
| Selomar | 19 |
| Guadalmina | 18 |
| NH Málaga | 18 |
| Fergus Tobago | 14 |
| Portinatx | 4 |

The upward trend in number of tourists is expected to continue in 2017

Outlook for the Sector

According to the Exceltur report of September 2017, the upward trend is expected to continue in 2017 reacting again a record. Except for the potential impact resulting from the institutional conflict in Catalonia, the international tourist demand in Spain will continue to increase in the last quarter of 2017 within a context of strengthening European economies and greater flight connectivity.

The growth of the tourism GDP is expected to be 4.1% at 2017 year-end, compared to the 3.1% growth of the Spanish GDP, according to data from the Bank of Spain. The growth estimate has increased 0.6 p.p. with respect to the initial expectations made in April thanks to the increased growth of foreign demand. In addition, this growth of 1 point above the Spanish economy would represent the eighth consecutive year in which the tourism GDP surpasses Spanish economic growth.

According to the Exceltur report, the impact of the 17th of August terrorist attacks has been low in the short term. Barcelona tourism recorded a quick and generalised recover during the following weeks after the attacks.

The dynamism of national demand will be maintained in the final months of 2017 in a favourable macroeconomic context.

According to estimates from the Ministry of Energy, Tourism and the Digital Agenda, at the present rate, Spain will receive more than 83 million tourists by the end of this year, which would represent an increase of 10% compared to last year's figure.



0

OFFICES

Development of the Office Market

According to the JLL report on the office market in the third quarter, the general dynamism is also reflected in the office occupancy market, especially in Madrid and Barcelona. The accumulated contracting volume in both cities has grown 20% in the first nine months of the year. Specifically, a total of 347,096 sqm were occupied in the capital during the year (94,116 sqm in this quarter), while in Barcelona, the contracting levels increased to 264,621 sqm (51,514 sqm in this quarter).

The availability rate of offices in Madrid and Barcelona has continued to decrease, closing the third quarter at 10.85% in Madrid, and 7.70% in Barcelona, according to data provided in the JLL report.

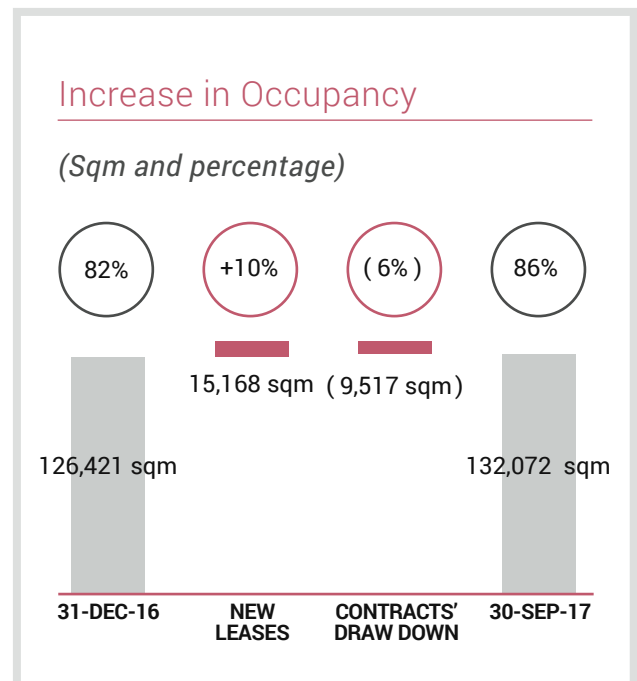
Office rents in Madrid have continued their upward trend started in 2013, reaching in the central business district 30.75€/sqm/month at the end of the third quarter. As for Barcelona CBD, rents have reached 23€/sqm/month.

According to the JLL report, the investment volume of offices in Madrid and Barcelona during the first nine months of the year reached 1,776 million euro—15% greater than the same period of the previous year. Of that volume, 59% of the investment corresponds to Madrid, and 41% to Barcelona. For its part, the yields have remained stable at 3.75% in Madrid and 4% in Barcelona.

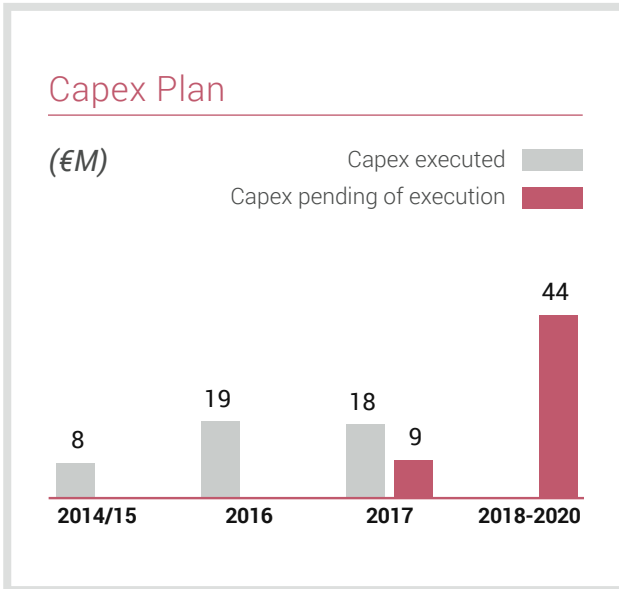
Business Performance

Hispania has continued its intense commercialization effort, increasing occupancy up to 86%, with a gross lease of more than 15,000 sqm during the January-September period. With the latest rents, Hispania has nearly half of its buildings 100% rented. In addition, there are another 9 buildings with an occupancy greater than 70% of its surface area, and there are only 4 buildings with a lower occupancy.

During the third quarter of 2017, occupancy has increased in the Príncipe de Vergara, Avenida de Bruselas, Glories Avenida Diagonal, ON and Málaga Plaza buildings.



0 | OFFICES



Main renovation projects (pending capex)

(€M)

| | |
|------------------|----|
| Helios | 51 |
| Aurelio Menéndez | 2 |

Hispania continues to carry out the construction of the Aurelio Menéndez building, and the interior renovation of the office floors and building façade has been completed. It is meeting the expected deadlines in order to complete the renovation during the fourth quarter of 2017.

Regarding the Helios project, the demolition works have been completed, and the estimated deadlines corresponding to the execution of the new construction have been met, which is expected to be finished in the fourth quarter of 2018

During this third quarter, renovations of the Foster Wheeler building were also continued, where a progressive refurbishment of the floors is being carried out in accordance with the agreement signed with the tenant, which includes the progressive displacement of small work groups in order to not interfere in the operation of the company. In addition, the air conditioning of the building will be improved and a renovation of the finishes of the offices will be carried out. This work is expected to be completed in the fourth quarter of 2017.

Work also continued in the América building, where two works are being carried out. The first includes the renovation of urbanisation finishes, the fit-out of the offices and the waterproofing of the basements, while the second includes the redesign of the lobby, which will be completed in the fourth quarter.

The renovation of the common areas of the Glories-Gran Vía building in Barcelona was completed.

The pending CAPEX plan for the office portfolio amounts to 53 million euro for 2017-20.



0 | OFFICES

Office rent revenue per location

| ('000€) | Madrid | Barcelona | Andalusia | Total |
|--|---------------|--------------|------------|---------------|
| 3Q 2016 Rent Revenues | 9,765 | 3,712 | 298 | 13,775 |
| EPRA Like for Like ¹ | 1,218 | (537) | 68 | 748 |
| Completed or in progress developments ² | 1,539 | - | - | 2 |
| New 3Q 2016 acquisitions ³ | - | - | - | - |
| New post 3Q 2016 acquisitions ⁴ | - | - | - | - |
| Disposals | - | - | - | - |
| Changes in the contractual structure | - | - | - | - |
| 3Q 2017 Rent Revenues | 12,521 | 3,175 | 366 | 16,062 |
| Total Variance (%) | 28% | (14%) | 23% | 17% |
| Like-for-Like Variance (%) | 13% | (14%) | 23% | 6% |

Outlook for the Sector

According to the JLL report on the third quarter of 2017, development in Madrid is expected to generate more than 244,000 sqm of supply in the next two years, a figure very similar to the one expected in Barcelona.

Positive growths for rents are expected for the period 2017-2021, with an estimated YoY increase of 3.4% in Madrid and 4.1% in Barcelona, placing both cities in the Top 5 of increased rents in Europe.

As regards the construction projects, it is expected that before year-end, 30,000sqm and 48,000sqm will be turned over in Barcelona and Madrid, respectively.

The vacancy rate of offices in the Madrid and Barcelona markets is expected to continue decreasing during the rest of 2017, driven by improved economic activity and few new developments being put on the market.

1. Including assets held in the portfolio for the periods 3Q 2016 and 3Q 2017, excluding assets under repositioning, according to EPRA
2. Rental income from assets under repositioning which have been in the portfolio for the periods 3Q 2017 and 3Q 2016
3. Rental variation compared to 3Q 2016 from assets acquired during 3Q 2016 which were not in the portfolio for the 9 months of that period
4. Income of the period coming from assets acquired after 3Q 2016



RESIDENTIAL

During the third quarter of 2017, residential transactions have increased by 15%

Development of the Residential Market

The sale of homes in Spain recorded an annual variation of 15% during the third quarter according to the Gesvalt report, including an increase of 15% in Madrid and 18% in Barcelona.

According to the latest data reported by Idealista from the third quarter of 2017, the sale price of homes in Barcelona was 4,335€/sqm, reaching a YoY growth rate of 18.2%, while Madrid has recorded a YoY growth of 8.9%, recording an average price of 3,160€/sqm.

According to the report on rent prices published by Idealista, the average price in Spain is 9.4€/sqm/month, reaching a YoY rate of 24%, which is the highest rate detected up to the present date.

Barcelona has turned into the Spanish city with the highest rents, reaching an average rent of 18.3€/sqm/month (+5.4%) according to Idealista's third quarter report. Madrid, on the other hand, recorded an average rent of 15.3€/sqm/month (+10.7%) with a new quarterly growth of 4.6%.

R | RESIDENTIAL

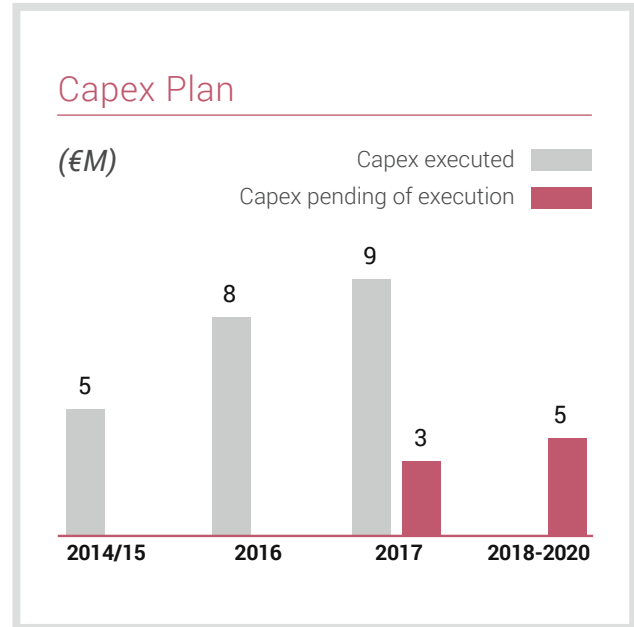
Business Performance

The residential portfolio at the end of the third quarter recorded an average rent of 11.1€/sqm, which represents a growth of 6.8% compared to the 2016 year-end.

At 30 September 2017, the Sanchinarro complex already had a total of 163 renovated homes since its acquisition, while in Isla del Cielo complex, the total number of renovated homes was 122.

The retail sales plan continued during the first nine months of 2017, which started at the end of 2016. Up to the end of the period, a total of 47 apartments were sold between Isla del Cielo and Sanchinarro, in addition to the 20 apartments that were sold in Majadahonda in early 2016, concluding the building protection period. Moreover, at the end of the third quarter, down payment contracts had been signed for an additional 19 apartments.

The pending CAPEX renovation plan for the hotel portfolio amounts to 7 million euro for 2017-19.





Residential rent revenue per location

| ('000€) | Madrid | Barcelona | Total |
|--|--------------|--------------|--------------|
| 3Q 2016 Rent Revenues | 2,801 | 1,850 | 4,652 |
| EPRA Like for Like ¹ | 229 | (367) | (138) |
| Completed or in progress developments ² | - | - | - |
| New 3Q 2016 acquisitions ³ | (52) | - | (52) |
| New post 3Q 2016 acquisitions ⁴ | - | - | - |
| Disposals | (221) | (137) | (358) |
| Changes in the contractual structure | - | - | - |
| 3Q 2017 Rent Revenues | 2,757 | 1,347 | 4,104 |
| Total Variance /% | (2%) | (27%) | (12%) |
| Like-for-Like Variance (%) | 11% | (21%) | (4%) |

Outlook for the sector

According to the CBRE report, average sale prices for 2017 are expected to grow between 4% and 6%, and to record an even greater growth in the areas with more demand, mainly in Madrid and Barcelona. The outlook and projections according to that report point to the continuing positive trend of the economy for 2017-2019.

Supported by the increased demand, the momentum of residential development that started in 2015 has been maintained. This trend is expected to continue throughout 2017, helped by the favourable market conditions of low interest rates, an improved economic outlook and private deleveraging. Despite recording a growth in new home

developments, this is still far from the potential demand, which is estimated to be greater than 150,000 annual units after 2018. Thus, there is room for growth for constructing new homes, given that the production rates for the next 2 or 3 years is not expected to cover the total demand, according to the CBRE.

On the other hand, the rental market has continued the upward trend, and in 2016 reached 21.8% of the housing spanish stock, still far from the European average of 33.6%. According to the CBRE report of June 2017, the average gross return at the beginning of 2017 was 4.3% annually, much higher than the historical average of 2.5-3%. The

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4. Income of the period coming from assets acquired after 3Q 2016

R | RESIDENTIAL

For 2017, the rental and sales markets are expected to continue growing

imbalance between supply and demand is having the effect of increasing rental prices, especially in large cities.

For 2017, the rental and sales markets are expected to continue growing, particularly after the presentation of the new State Housing Plan that will encourage home rentals. Among others, this plan includes:

- Aid for young people to purchase homes.
- Aid for young people to rent homes.
- Aid to foment renovations and improve energy efficiency.

APPENDICES 4



HISPANIA
Activos Inmobiliarios

2017
THIRD
QUARTER
RESULTS



Dunas Don Gregory



A | SUMMARY OF THE HOTEL PORTFOLIO

Hispania has a total of 39 hotels with more than 11,000 keys

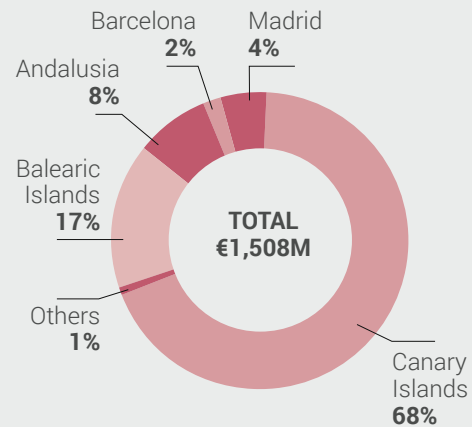
Hispania's hotel portfolio at the end of the third quarter of 2017 include a total of 11,059 hotel rooms distributed in 39 hotels, 2 shopping centres and three land plots.

Presently, Hispania directly manages two hotels: the Holiday Inn Hotel and the Hotel Galeon. This management is carried out through the company Gestión de Activos Turísticos, S.L. ("GAT") and will finish when an agreement is reached with the future operator of the respective hotels.

The rest of the hotels in the portfolio are subject to lease agreements with renowned operators that operate the different assets under long-term leases.

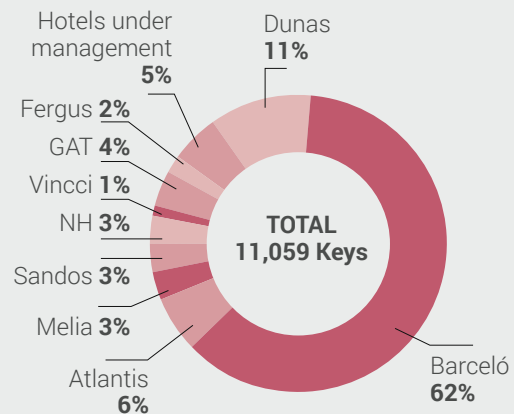
GAV Distribution per Location 30/09/17

(Percentage)



Keys distribution per operator 30/09/17

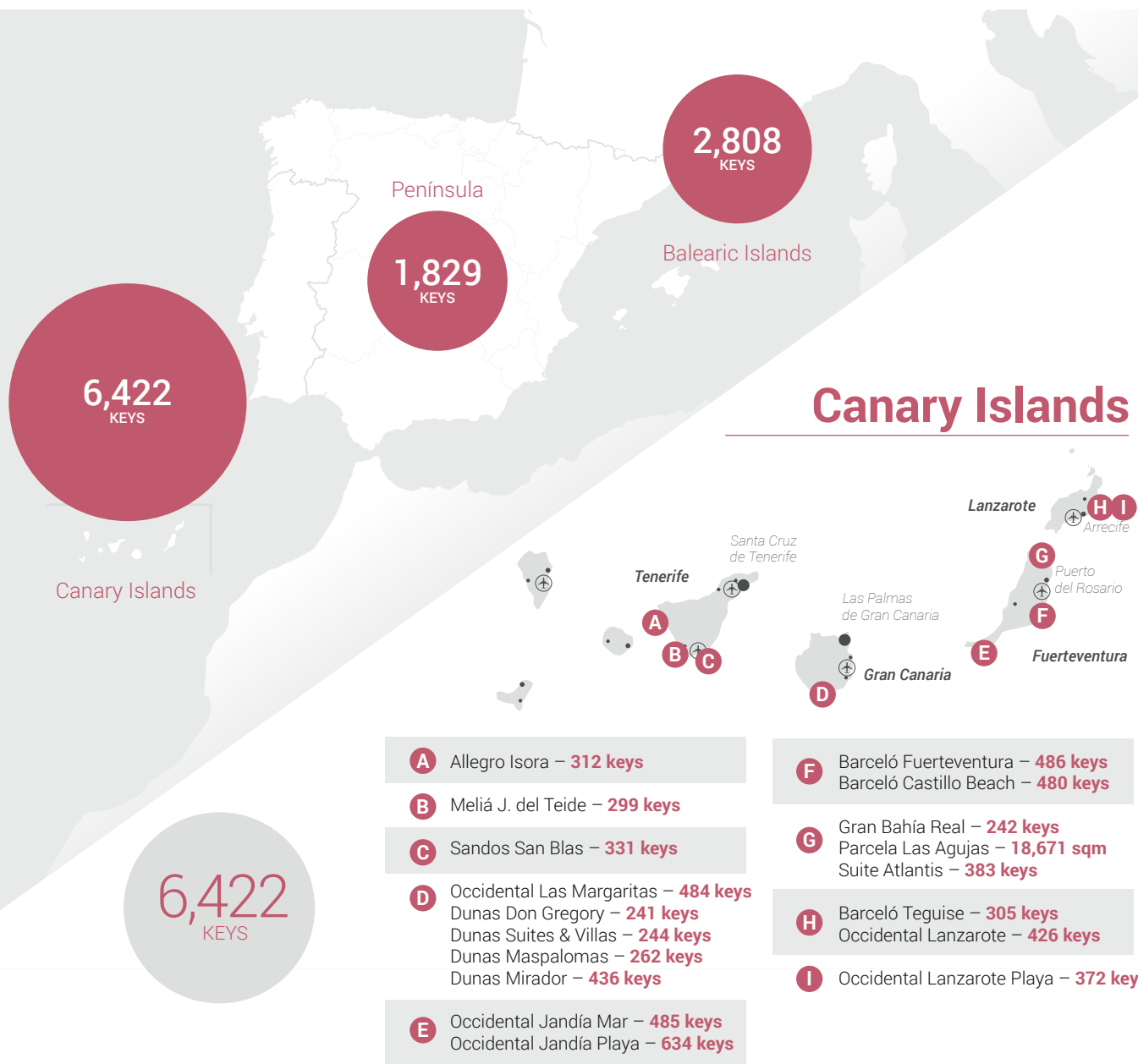
(Percentage)





A | SUMMARY OF THE HOTEL PORTFOLIO

Hotels portfolio location





A | SUMMARY OF THE HOTEL PORTFOLIO

Balearic Islands

A Occidental Ibiza – **346 keys**

B Occidental Cala Viñas – **330 keys**
Hotel Fergus Tobago – **275 keys**

C Occidental Playa de Palma – **275 keys**

D Barceló Ponent Playa – **432 keys**

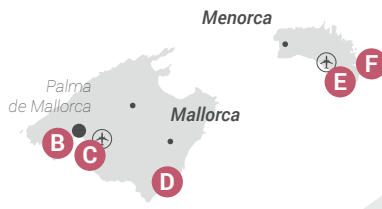
E Occidental Menorca – **374 keys**

F Barceló Hamilton – **158 keys**

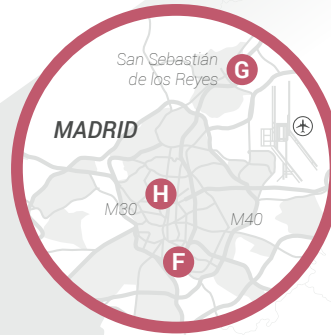
G Hotel Club Cartago – **196 keys**
Hotel Galeón – **182 keys**
Hotel Club San Miguel – **106 keys**

H Hotel Barceló Portinatx – **134 keys**

2,808
KEYS



Peninsula



A Occidental Isla Cristina – **341 keys**

B Guadalmina – **178 keys**

C NH Málaga – **133 keys**
Vincci Málaga – **105 keys**

D Barceló Cabo de Gata – **229 keys**

E Hesperia Ramblas – **70 keys**

F NH Pacífico – **62 keys**

G NH SS de los Reyes – **99 keys**

H Holiday Inn Bernabéu – **313 keys***

I Hotel Maza – **54 keys**

J Hotel Selomar – **245 keys**

1,829
KEYS

* Hispania doesn't own 100% of the hotel keys, but has a management contract to operate the full hotel.



A | SUMMARY OF THE HOTEL PORTFOLIO

Main parameters 30/09/2017 ¹

| | Acquisition date | Construction date | Last refurbishment date | Category (*) | Keys (number) | Number of Hotels | Operator | Contract Type | Contract Length (years) | GAV (€Mn) | GAV (€/Key) |
|---|------------------|-------------------|-------------------------|--------------|---------------|------------------|------------|---|-------------------------|----------------|----------------|
| Gran Hotel Bahía Real Fuerteventura | Jun-15 | 2003 | 2003 | 5* Deluxe | 242 | 1 | Atlantis | Fixed Rent (50% BP GOP) + Variable Rent (Up to 89% GOP) | 5.3 - 20.3 | 91.6 | 378,439 |
| Hotel Guadalmina ² Marbella | Apr-14 | 1962 | 1999 | 4* | 178 | 1 | GAT | Fixed Rent (450.000 €) + Variable Rent (Up to 79% GOP) | 5.3 - 5.3 | 32.3 | 181,544 |
| Suite Hotel Atlantis Fuerteventura Resort Fuerteventura | Jun-15 | 1987 | 2016 | 4* | 383 | 1 | Atlantis | Fixed Rent (50% BP GOP) + Variable Rent (Up to 89% GOP) | 5.3 - 20.3 | 69.1 | 180,350 |
| BAY (Renta Variable) | Oct-15 a Jul-16 | 1961 - 2013 | 2008 - 2016 | 3*/4* | 6,603 | 18 | Barceló | Fixed Rent (50% BP EBITDAR) + Variable Rent (Up to 89% EBITDAR) | 13.3 - 43.3 | 829.9 | 125,679 |
| Portfolio Dunas Gran Canaria | Dec-16 | 1974 - 1998 | 2004 - 2011 | 3-4* | 1,183 | 4 | Dunas | Fixed Rent (50% BP EBITDAR) + Variable Rent (Up to 95% Adjusted EBITDAR) | 9.3 - 39.3 | 145.3 | 122,784 |
| Hotel Cartago ² Ibiza | Jun-16 | 1968 | 2012 | 3* | 196 | 1 | GAT | Fixed Rent (100.000 €) + Variable Rent (Up to 92% GOP) | 0.1 - 3.3 | 17.2 | 87,537 |
| Hotel Club San Miguel ² Ibiza | Jun-16 | 1960 | 1989 | 3* | 106 | 1 | GAT | | 0.1 - 3.3 | 8.4 | 79,186 |
| Hotel Tobago Mallorca | Jun-17 | 1972 | 2006 | 3* | 275 | 1 | Fergus | Fixed Rent (514.284 € in 2017) + Variable Rent (Up to 85% GOP) | 6.3 - 14.3 | 21.4 | 77,659 |
| Terreno anexo al Gran Hotel Bahía Real Fuerteventura | Feb-16 | n/a | n.a. | n/a | n/a | - | n/a | n/a | n/a | 12.5 | n/a |
| Hotel Selomar Benidorm | Jun-17 | n/a | n/a | n/a | 245 | 1 | Barceló | n/a | n/a | 16.4 | n/a |
| Terrenos La Miranda y La Marena Fuerteventura y Lanzarote | Jun-17 | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a | 13.3 | n/a |
| TOTAL HOTELES RENTA VARIABLE | | | | | 9,411 | 29 | | | 11.4 - 38.3 | 1,257.1 | 133,581 |
| Hotel Hesperia Ramblas Barcelona | Oct-14 | 2009 | n.a. | 3* | 70 | 1 | Hesperia | Fixed Rent with small variable component according to performance (with rental increase up to 2019) | 8.4 - 8.4 | 22.9 | 326,873 |
| Hotel Meliá Jardines del Teide Tenerife | Sep-14 | 2001 | 2015 | 5* | 299 | 1 | Meliá | Fixed Rent (with rental increase up to 2017) | 7.3 - 12.3 | 58.8 | 196,520 |
| Hotel NH Malaga Malaga | Feb-17 | 1999 | n.a. | 4* | 133 | 1 | NH Hoteles | Fixed Rent | 19.4 - 39.4 | 24.5 | 184,211 |
| Hotel Sandos San Blas Tenerife | Dec-15 | 2008 | n.a. | 5* | 331 | 1 | Sandos | Fixed Rent | 3.0 - 3.0 | 53.9 | 162,840 |
| Hotel Vincci Malaga Malaga | Jan-15 | 2006 | n.a. | 4* | 105 | 1 | Vincci | Fixed Rent with small variable component according to performance | 3.3 - 3.3 | 12.9 | 122,857 |
| Hotel NH Madrud Sur Madrid | Jul-14 | 2004 | n.a. | 3* | 62 | 1 | NH Hoteles | Fixed Rent with small variable component according to performance | 1.6 - 6.6 | 7.5 | 120,968 |
| Hotel NH SS de los Reyes Madrid | Jul-14 | 2003 | n.a. | 3* | 99 | 1 | NH Hoteles | Fixed Rent with small variable component according to performance | 1.6 - 6.6 | 9.1 | 92,366 |
| TOTAL HOTELES RENTA FIJA | | | | | 1,099 | 7 | | | 6.3 - 10.9 | 189.6 | 172,507 |
| Hotel Holiday Inn Bernabeu Madrid | Oct-15 | 1984 | n.a. | 4* | 313 | 1 | GAT | n/a | n/a | 47.5 | 151,794 |
| Hotel Galeón Ibiza | Jun-16 | 1968 | 2015 | 3* | 182 | 1 | Iberostar | n/a | n/a | 20.0 | 110,100 |
| Hotel Maza Zaragoza | Oct-15 | 1936 | n.a. | 2* | 54 | 1 | GAT | n/a | n/a | 1.8 | 33,868 |
| TOTAL HOTELES EN GESTIÓN | | | | | 549 | 3 | | | n/a | 69.4 | 126,373 |
| TOTAL PORTFOLIO | | | | | 11,059 | 39 | | | 10.9 - 35.3 | 1,516.1 | 137,091 |

(1) See terms in Glossary. (2) On 30/03/17 Hispania signed an agreement with GAT to operate the hotels through a fixed and variable lease contract. From Q2 2017 the rent of these hotels fall into F&V rent

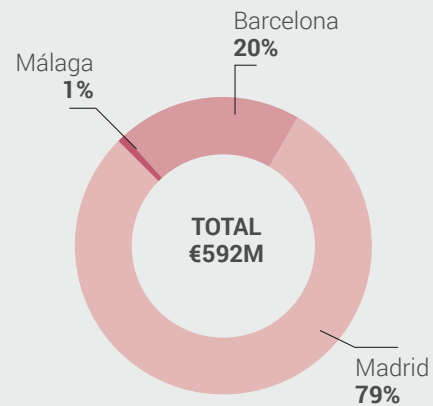
B | SUMMARY OF THE OFFICE PORTFOLIO

The offices portfolio has 186,745sqm of gross leasable area (GLA) distributed among the 25 assets managed by the Group. As of 30 September 2017, the portfolio had an occupancy of 86%, and a average rent of €13.9/sqm.

In terms of GAV, the book value of said assets, considering CBRE's valuations as of 30 june 2017 and capex implemented during the third quarter, totalled a value of 592 million euro.

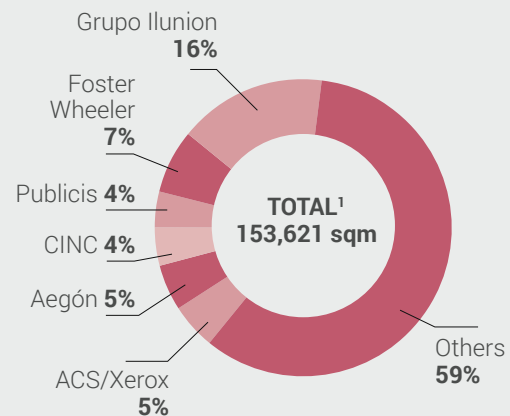
GAV Distribution per Location 30/09/17

(Percentage)



Main Tenants (sqm) at 30/09/17

(Percentage)



(1) No incluye la SBA de Helios



B | SUMMARY OF THE OFFICE PORTFOLIO

Offices portfolio location

116,852
sqm

New business district

Barcelona

39,506
sqm

Madrid

26,100
sqm

Business district

Málaga

4,288
sqm

Madrid
Business district



26,100
sqm

- A** Ppe. Vergara 108 - **6,724 sqm**
- B** Aurelio Menéndez - **4,815 sqm**
- C** C. Azcárraga 3 - **5,138 sqm**
- D** Pechuán - **3,579 sqm**

- E** C. Azcárraga 5 - **3,547 sqm**
- F** Orense - **1,535 sqm**
- G** Avda. Burgos - **762 sqm**

Prime CBD



B | SUMMARY OF THE OFFICE PORTFOLIO

Madrid

New business district

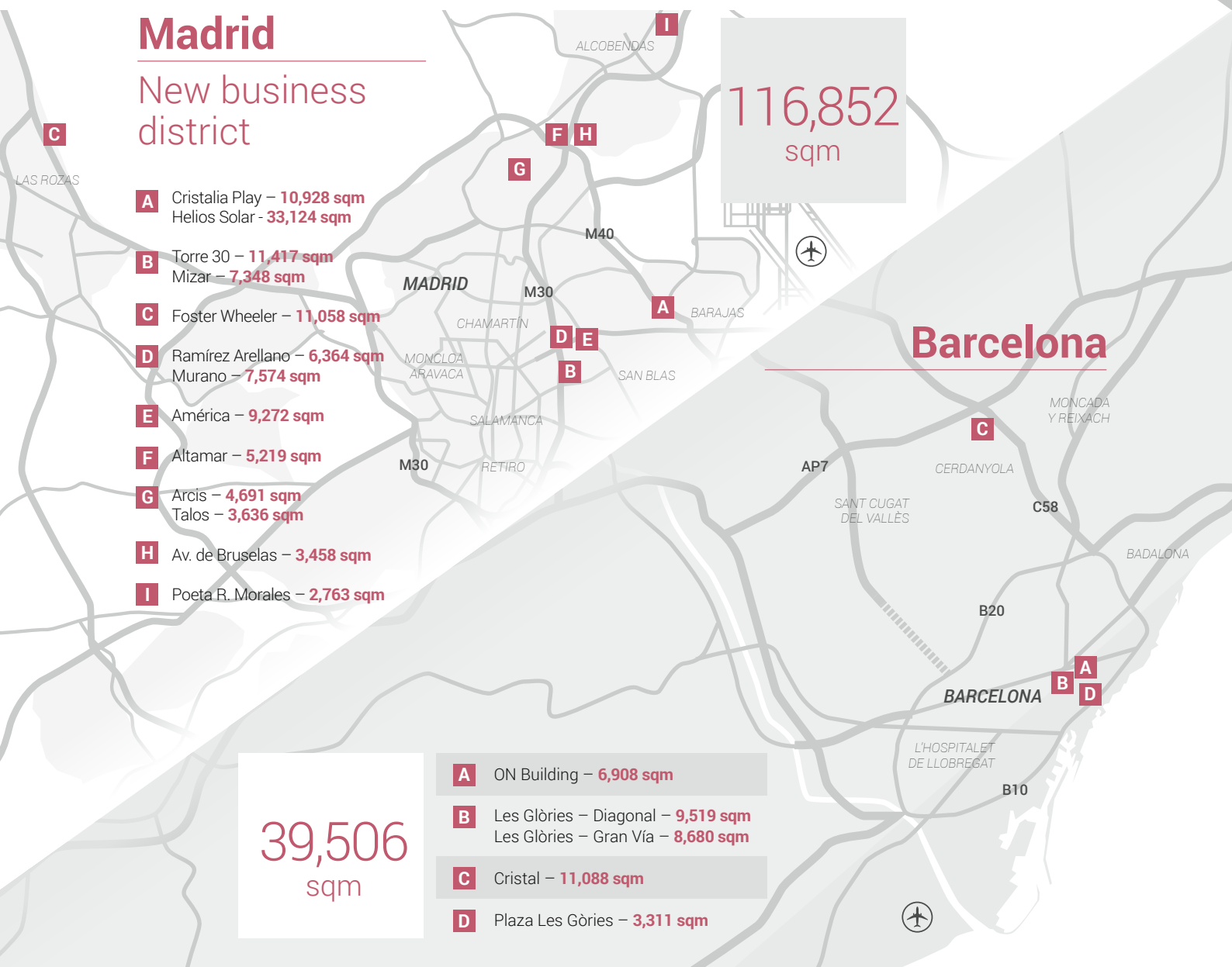
116,852
sqm

- A** Cristalia Play – **10,928 sqm**
Helios Solar – **33,124 sqm**
- B** Torre 30 – **11,417 sqm**
Mizar – **7,348 sqm**
- C** Foster Wheeler – **11,058 sqm**
- D** Ramírez Arellano – **6,364 sqm**
Murano – **7,574 sqm**
- E** América – **9,272 sqm**
- F** Altamar – **5,219 sqm**
- G** Arcis – **4,691 sqm**
Talos – **3,636 sqm**
- H** Av. de Bruselas – **3,458 sqm**
- I** Poeta B. Morales – **2,763 sqm**

39,506
sqm

- A** ON Building – **6,908 sqm**
- B** Les Glòries – Diagonal – **9,519 sqm**
Les Glòries – Gran Vía – **8,680 sqm**
- C** Cristal – **11,088 sqm**
- D** Plaza Les Gòries – **3,311 sqm**

Barcelona





B | SUMMARY OF THE OFFICE PORTFOLIO

Main parameters 30/09/2017 ¹

| | Acquisition date | Construction date | Last refurbishment date | Gross Leasable Area (sqm) | Monthly Rent (€/sqm) | Total Occupancy (%) | EPRA Vaccancy (%) | Main Tenants | WALT (years) | GAV (€ Mn) | GAV (€ / sqm) |
|------------------------------------|------------------|-------------------|-------------------------|---------------------------|----------------------|---------------------|-------------------|---|------------------|--------------|---------------|
| Aurelio Menéndez Building | Oct-15 | 1991 | On going | 4,815 | n.a. | 100% | n.a. | Uría Menéndez | 7.7 - 17.7 | 36.1 | 7,494 |
| Príncipe de Vergara Building | Mar-15 | 1990 | 2017 | 6,724 | 18.2 | 92% | 8% | Babel Sistemas de Información. EAE Business School. Premier Tax Free. Eltiempo.es. Ambilamp | 2.4 - 4.4 | 41.1 | 6,109 |
| Pechuán Building | Jul-14 | 1995 | 2012 | 3,579 | 20.9 | 100% | 0% | Grupo Ilunion | 11.8 - 11.8 | 17.9 | 5,001 |
| Torre 30 Building | Jul-14 | 1968 | 2016 | 11,417 | 16.5 | 100% | 0% | Grupo Ilunion | 11.8 - 11.8 | 49.6 | 4,347 |
| Orense Building (single floor) | Jul-14 | 1980 | 2015 | 1,535 | 20.0 | 100% | 0% | Joca | 4.3 - 6.3 | 6.3 | 4,104 |
| Ramírez de Arellano Building | Jul-14 | 2008 | n.a. | 6,364 | 13.5 | 100% | 0% | Publicis | 0.7 - 0.7 | 23.9 | 3,752 |
| Mizar Building | Jul-14 | 2002 | 2015 | 7,348 | 16.8 | 100% | 0% | Grupo Ilunion. Eysa. Paramount | 10.2 - 10.2 | 27.0 | 3,676 |
| Cristalia Play Building | Jun-15 | 2011 | n.a. | 10,928 | 14.2 | 67% | 33% | Aegon | 4.1 - 9.1 | 40.0 | 3,660 |
| Comandante Azcárraga 3 Building | Jul-14 | 2009 | 2015 | 5,138 | 14.5 | 84% | 16% | NCR. Erhardt. Alpama. Grupo Lobe | 3.1 - 7.3 | 18.6 | 3,626 |
| Murano Building | Jul-14 | 1997 | 2015 | 7,574 | 13.5 | 100% | 0% | La Liga. Veolia. Manifiesto | 3.3 - 7.4 | 26.0 | 3,433 |
| Altamar Building | Dec-15 | 2000 | 2017 | 5,219 | 12.0 | 89% | 11% | TNT. Banco Santander. Banca March | 2.1 - 2.9 | 16.8 | 3,209 |
| Avenida Bruselas Building | Jul-14 | 2000 | 2016 | 3,458 | 11.9 | 97% | 3% | Bosch. Flir. IDL. Portucel. Regus | 1.8 - 4.5 | 10.6 | 3,077 |
| Av. Burgos Building (single floor) | Jul-14 | 1990 | 2015 | 762 | 12.0 | 100% | 0% | MobileOne2One | 3.2 - 7.2 | 2.2 | 2,887 |
| Comandante Azcárraga 5 Building | Jul-14 | 1980 | 2011 | 3,547 | 11.9 | 100% | 0% | Grupo Ilunion | 11.8 - 11.8 | 10.0 | 2,821 |
| Foster Wheeler Building | Jun-15 | 1991 | On going | 11,058 | 13.9 | 100% | 0% | Foster Wheeler | 3.3 - 3.3 | 30.8 | 2,785 |
| América Building | Dec-15 | 1994 | On going | 9,272 | 11.3 | 73% | 27% | La Razón. Planeta | 2.2 - 2.2 | 25.6 | 2,758 |
| Arcis Building | Jul-14 | 2008 | 2010 | 4,691 | 11.8 | 25% | 75% | Quantal Technologies. Tarlogic | 2.3 - 2.6 | 12.4 | 2,636 |
| Talos Building | Jul-14 | 2010 | n.a. | 3,636 | 11.0 | 100% | 0% | Escuela Reggio | 0.7 - 1.7 | 9.6 | 2,635 |
| Rafael Morales Building | Jul-14 | 2003 | 2016 | 2,763 | 9.3 | 53% | 47% | Centro Genética Avanzada. Riso Ibérica. DEB | 1.2 - 2.6 | 5.4 | 1,943 |
| Helios Development | Oct-16 | Under development | n.a. | 33,124 | n.a. | n.a. | n.a. | n.a. | n.a. | 54.8 | 1,654 |
| TOTAL MADRID | | | | 142,951 | 14.8 | 88% | 11% | | 5.2 - 6.9 | 464.6 | 3,250 |
| Les Glòries-Avd. Diagonal Building | Jun-14 | 1995 | 2017 | 9,519 | 13.4 | 51% | 49% | Bagursa. Vass. Bobst. Adaptive | 2.0 - 3.5 | 36.9 | 3,876 |
| Plaza Les Glòries Building | Oct-15 | 1995 | 2016 | 3,311 | 13.2 | 100% | 0% | Gore-Tex | 7.8 - 7.8 | 12.8 | 3,866 |
| Les Glòries- Gran Vía Building | Jun-14 | 1995 | 2017 | 8,680 | 12.0 | 93% | 7% | Atento. Televida. Deretil | 1.4 - 3.2 | 33.1 | 3,813 |
| On Building | Jul-14 | 2006 | 2017 | 6,908 | 13.9 | 96% | 4% | CINC. Compo. CHR Hansen. Sidel | 1.5 - 6.6 | 24.0 | 3,475 |
| Cristal Building | Dec-15 | 1994 | On going | 11,088 | 7.1 | 78% | 22% | ACS/Xerox | 1.0 - 4.3 | 12.5 | 1,129 |
| TOTAL BARCELONA | | | | 39,506 | 11.4 | 80% | 21% | | 2.1 - 4.8 | 119.3 | 3,020 |
| Malaga Plaza Building | Jul-14 | 1993 | 2016 | 4,288 | 12.7 | 86% | 14% | Sequel. Deloitte. Integrated. Janssen | 1.5 - 1.9 | 8.0 | 1,869 |
| TOTAL PORTFOLIO | | | | 186,745 | 13.9 | 86% | 14% | - | 4.3 - 6.3 | 591.9 | 3,170 |

(1) See terms in Glossary

C | SUMMARY OF THE RESIDENTIAL PORTFOLIO

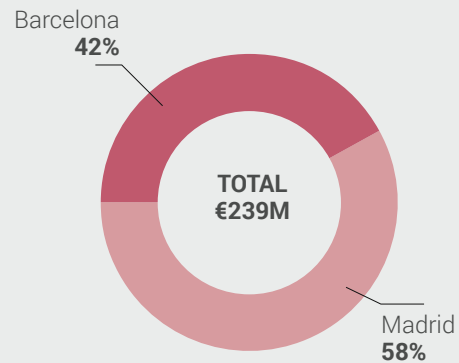
Hispania continues to execute its retail sale plan

Hispania manages a residential portfolio consisting of a total of 5 assets, one located in Barcelona and another four in the Community of Madrid. In total, the company's portfolio of residential assets totalled 707 residential units at year end (180 in Barcelona and 527 in Madrid).

In terms of GAV, the book value of said assets, (according to CBRE's valuations as of 30 June 2017, implemented capex during third quarter and excluding third quarter divestments) had a total value of 239 million euro.

GAV Distribution per Location 30/09/17

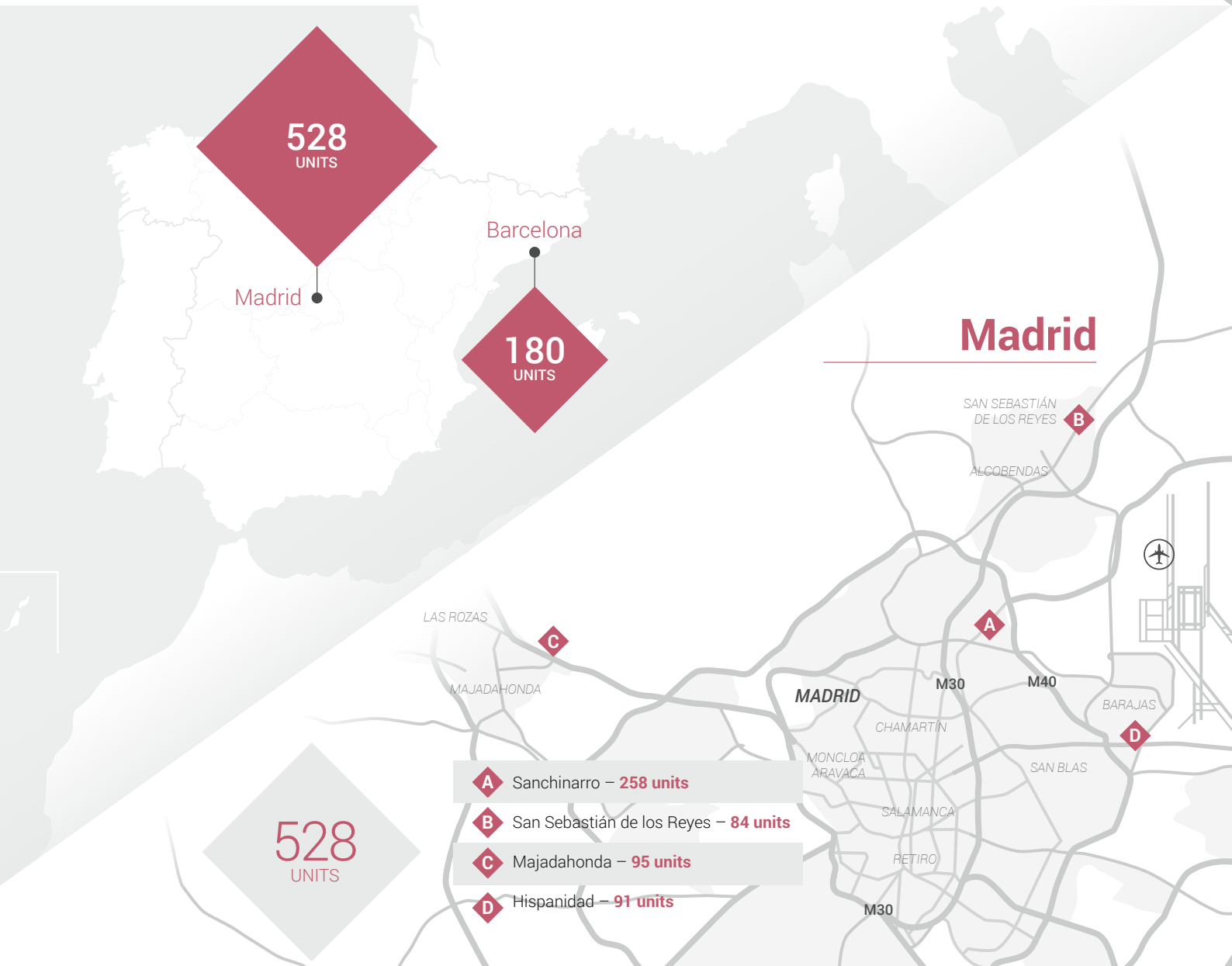
(Percentage)





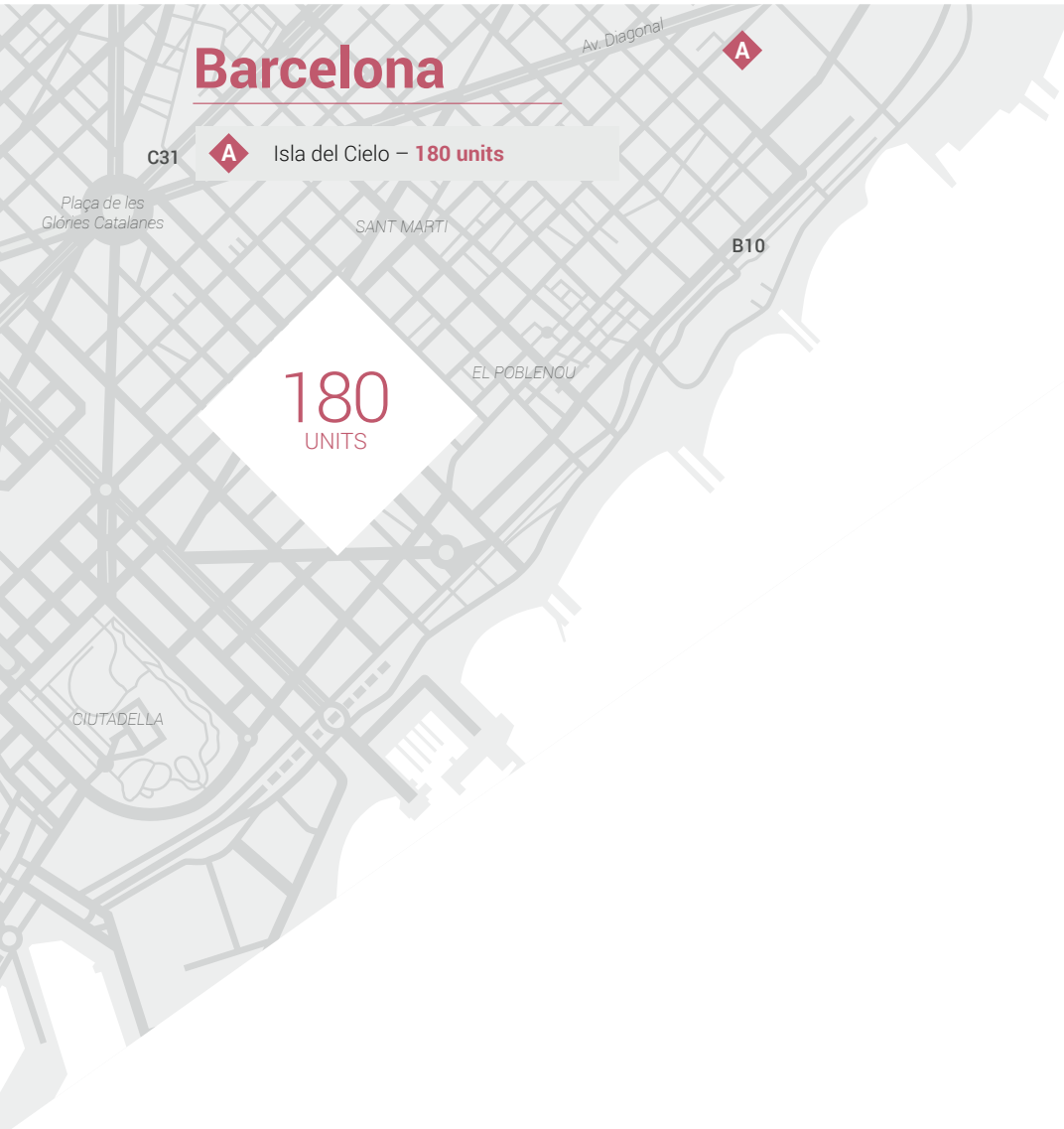
C | SUMMARY OF THE RESIDENTIAL PORTFOLIO

Residential portfolio location





C | SUMMARY OF THE RESIDENTIAL PORTFOLIO





C | SUMMARY OF THE RESIDENTIAL PORTFOLIO

Main parameters 30/09/2017 ¹

| | Acquisition Date | Construction date | Last refurbishment date | Gross Leasable Area (square meter) | Dwellings (#) | Average Gross Monthly Rent (€/sqm) | Occupancy (%) | GAV - Appraisals (€ Mn) | GAV (€ / sqm) |
|--|------------------|-------------------|-------------------------|------------------------------------|---------------|------------------------------------|---------------|-------------------------|--------------------------|
| Residential Units Hispanidad | Mar-16 | 2004 | On going | 6,296 | 91 | 13.2 | 45% | 20.6 | 3,268 |
| Residential Units Sanchinarro ² | Mar-15 | 2004 - 2005 | On going | 22,945 ² | 258 | 10.6 | 68% | 78.5 | 3,199 ³ |
| Residential Units Majadahonda | Jul-14 | 2005 | On going | 8,009 | 95 | 7.2 | 45% | 22.8 | 2,848 |
| Residential Units S.S.Reyes | Jul-14 | 2006 | On going | 8,375 | 84 | 8.2 | 49% | 15.7 | 1,875 |
| TOTAL MADRID | | | | 45,625 | 528 | 10.1 | 57% | 137.6 | 2,904³ |
| Residential Units Isla del Cielo Barcelona | May-14 | 2003 | On going | 20,545 | 180 | 14.7 | 45% | 101.7 | 4,950 |
| TOTAL PORTFOLIO | | | | 66,170 | 708 | 11.1 | 54% | 239.3 | 3,539³ |

(1) See terms in Glossary

(2) Additionally, the buildings have 1,083 sqm of commercial area

(3) €/sqm excluding the commercial area and parkings linked to the commercial area



D | STOCK MARKET PERFORMANCE

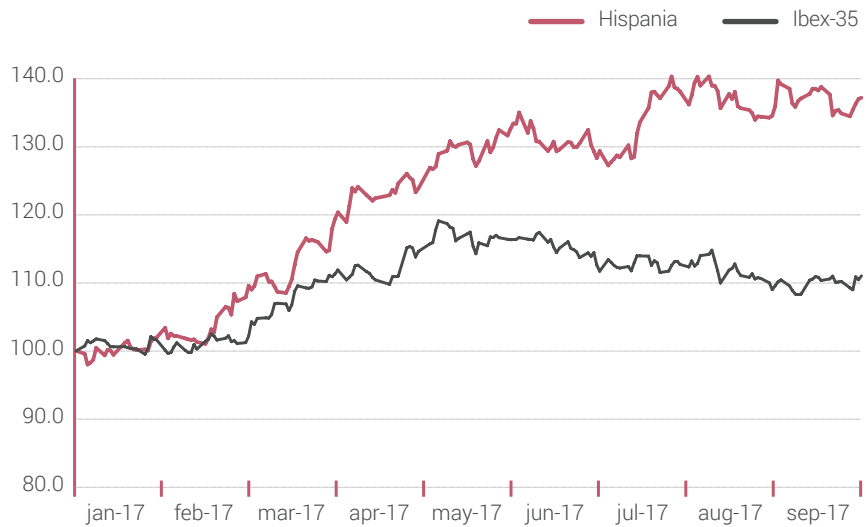
Share data

(€ and percentage)

30-SEP-17

| | |
|--------------------------------------|--------------|
| Price at the beginning of the period | 11.20 |
| Price at the end of the period | 15.25 |
| Maximum in the Period | 15.70 |
| Minimum in the Period | 10.97 |
| Average in the Period | 13.79 |

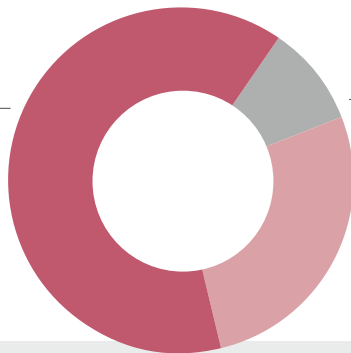
Share price for the period



Financial analysts' recommendations

(Percentage)

61%
BUY



9%

SELL

30%

NEUTRAL

As of 30 September Hispania had 23 analysts covering the stock

Consensus Target Price

15.50 €

30/09/2017

- Ahorro Corporación
- Alantra Equities
- Banco Sabadell
- Bankinter
- BBVA
- Beka Finance
- BAML
- Deutsche Bank
- Eva Dimensions
- Fidentis Equities
- Goldman Sachs
- Green Street Advisors
- Hartong Bank
- ING
- Intermoney
- IB Capital Markets
- Kemper & Co.
- Kepler Cheuvreux
- Link Securities
- Mirabaud Securities
- Santander GCB
- Societé Generale
- UBS

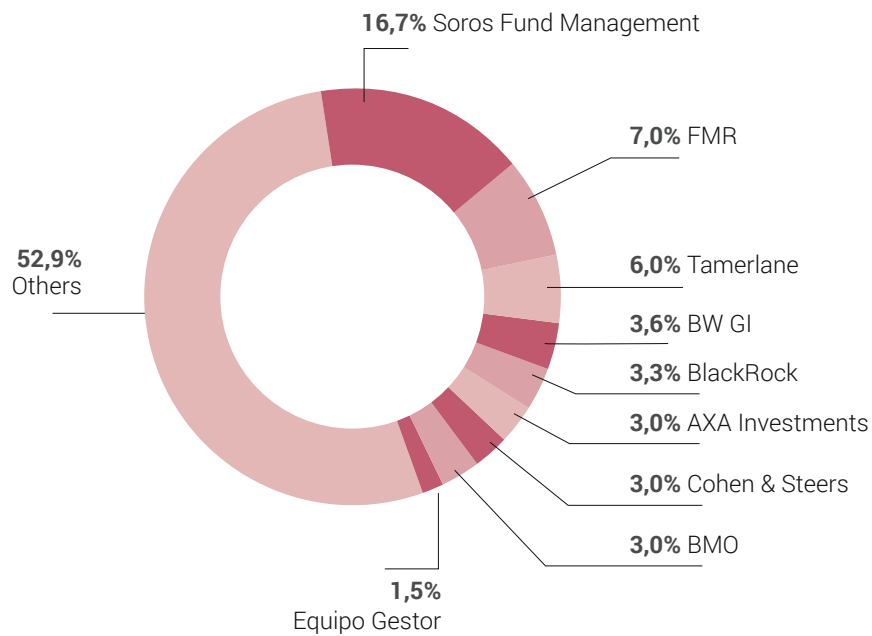


SHAREHOLDER STRUCTURE

The shareholding structure of Hispania Activos Inmobiliarios as of 30 September 2017, according to notices filed with the National Securities Market Commission by investors with shareholdings in the company, was as follows:

Hispania's shareholder structure

(Percentage)





F | GLOSSARY

Description of the main metrics

| Concept | Description |
|-------------------------------------|---|
| Aurelio Menendez Building | Building under full refurbishment. Tenant will occupy 100% of the leased space once works are completed. Works are expected to be completed in 3Q 2017. Previously known as Principe de Vergara Auditorio Building. Rent not disclosed due to confidentiality clauses in the rental contract. |
| Ebitda | Operating Earnings before any effect of the net revaluations, amortizations, provisions, interest and taxes. |
| Dunas Portfolio | Portfolio comprised of 4 hotels located in Gran Canaria, acquired in December 2016. |
| EPRA Earnings | IFRS profit after taxation attributable to shareholders of the Company excluding investment property revaluations, impairments and gains/losses on investing property disposals, and acquisition costs on share deals. |
| EPRA Adjusted Earnings | EPRA Earning excluding Incentive Fees. |
| EPRA Cost Ratio | Administrative & operating costs (including & excluding costs of direct vacancy), excluding Incentive Fee, divided by gross rental income. |
| EPRA NAV | Net Asset Value under IFRS, adjusted to exclude certain items, such as financial instruments revaluation and deferred taxation on property and derivative valuations, not expected to crystallise in a long-term investment property business model. |
| EPRA NNAV | EPRA NAV adjusted to include the fair values of (i) financial instruments, (ii) debt and (iii) deferred taxes. |
| EPRA Net Initial Yield (NIY) | Annualised rental income based on the cash rents passing at the balance sheet date, less non-recoverable property operating expenses, divided by the gross market value of the property, increased with (estimated) purchasers' costs. |
| EPRA "Topped-up" NIY | This measure incorporates an adjustment to the EPRA NIY in respect of the expiration of rent-free periods (or other unexpired lease incentives such as discounted rent periods and stepped rents). |
| EPRA Vacancy Rate | Estimated Market Rental Value (ERV) of vacant space divided by ERV of the whole portfolio. |
| GAT | Gestión de Activos Turísticos. Hotel operator operating the hotels under management, and the hotels Guadalmina, San Miguel and Cartago under a fixed and variable contract. |
| GAV | Gross Asset Value, CBRE appraisal as of 30/06/17. |
| GLA | Gross Leasable Area. In offices it includes 1.882 sqm of commercial area (728 sqm in Glories-Diagonal, 559sqm in P.Vergara 108 and 596sqm in P.V. Auditorio) and in Residential 1.083 sqm of commercial area. |
| Holiday Inn Bernabeu | Hispania does not own 100% of the hotel's rooms, but is currently negotiating the acquisition of the remaining rooms. |
| Hotels under Management | Hotels under management. Includes Holiday Inn Bernabeu, Guadalmina, Maza, and the three hotels of the San Miguel Cove (Hotel Cartago, Hotel Galeón, Hotel Club San Miguel). On 30/03/17 Hispania signed an agreement with GAT to operate the hotels Guadalmina, Cartago and Club San Miguel through a fixed and variable lease contract. From Q2 2017 the rent of these hotels will fall into F&V rent. |
| Hotels under refurbishment | Hotels under management, hotels Portinatx and Selomar and Las Agujas, La Mareta and Las Mirandas plot are considered "Hotels under refurbishment" for the purposes of EPRA Net Initial Yield (NIY) & Topped-up Net Initial Yield. |
| Hotels with Fixed Rent | Hotels with fixed rent. Includes NH SS Reyes, NH Madrid Sur, NH Malaga, Hesperia Ramblas, Vincci Malaga, Melia Jardines del Teide and Sandos San Blas. |



F | GLOSSARY

| Concept | Description |
|--|---|
| Hotels with Fixed and Variable Rent | Hotels with variable rent and fixed component. Includes 18 Barcelo hotels, 2 shopping malls, Tobago Hotel, 4 Dunas hotels, Gran Bahía Hotel, Suites Atlantis Hotel, Selomar Hotel, a plot next to the Bahía Real Hotel and La Mareta and Las Mirandas plots. Since 2Q 2017, Guadalmina Golf, Club San Miguel and Cartago hotels fall in F&V hotels. |
| Initial Base Case | Initial Base Case for Atlantis, Bay, Dunas, Fergus and GAT which is attached to the lease agreement and by which the fixed rent and the excess to the variable rent is calculated. |
| Offices with refurbishment completed | Includes the following buildings Arcis, Av Burgos 8, Av. Bruselas, C. Azcarraga, 3, C. Azcarraga, 5, Cristalia, Malaga, Mizar, Murano, Orense 81, Pechuán, Pl. les Glòries, Rafael Morales, Torre 30, On Building and Ramirez Arellano. |
| Offices partially refurbish | Includes the following buildings Altamar, P. Vergara 108, Aurelio Menendez, America, Cristal, Foster Wheeler, Av. Diagonal and Gran Vía. |
| Offices without the need of refurbishment | Includes Talos building. |
| Offices under development | Consisting exclusively of a plot of land located in Madrid, acquired in 4Q 2016. |
| Offices under refurbishment | Aurelio Menendez building and Helios plot are considered "Offices under refurbishment" for the purposes of EPRA Net Initial Yield (NIY) & Topped-up Net Initial Yield, y del EPRA Vacancy Rate ratios. |
| Residential Buildings under refurbishment | All residential buildings are excluded for the purposes of EPRA Net Initial Yield (NIY) & Topped-up Net Initial Yield ratios, due to the progressive refurbishment and divestment of the dwellings no yet reformed as of 30/06/17. |
| Total Investment | Investment including acquisition prices, transaction costs and implemented capital expenditure as of 30/06/17. |
| Torre 30 Building | Previously known as NCR Building. Tenant occupied 100% of the GLA in October 2016, when the full refurbishment works finished. |
| Number of Units | Units in residential are dwellings, and in hotels equals keys. Hispania does not own 100% of the Holiday Inn Hotel although it manages the full asset. |
| LTV Gross | Loan to value, financial debt/GAV. |
| LTV Net | Loan to value, net financial debt/GAV. |
| Monthly rent (€/sqm) | OFFICES: Rent of the office and commercial leased area without expenses as of 30/06/17. RESIDENTIAL: Total Rent of the leased area (including expenses) as of 30/06/17. |
| Occupancy Level | Occupancy as of 30/06/2017 of the office space (including commercial area), and in residential excluding commercial area (commercial area within residential is fully leased). |
| WALT - Periodo Medio de Arrendamiento | Weighted average lease term from 30/06/2017 until first break option and total contract length taking into account the leased area (in hotels including potential extensions and excluding the commercial premisses of Hesperia Ramblas). |

2017

THIRD
QUARTER
RESULTS

1
4 2
3RD
QUARTER



HISPANIA

Activos Inmobiliarios

Hispania Activos Inmobiliarios SOCIMI S.A. | C/ Serrano 30, 2º izquierda | 28001 Madrid

Production and coordination: *Deva*

Design: *Una Pareja como la Nuestra*

Photography: *Hispania library photos*