



2017

ANALYST DAY



Madrid |
December 1, 2017 |

Presenting Team



José Luis del Valle
Chairman Lar España



Miguel Pereda
Board Member Lar España
CEO Grupo Lar



Jose Manuel Llovet
Commercial RE Managing
Director Grupo Lar



Sergio Garcia
Asset Management
Director Grupo Lar



Nicolás Alcibar
Lagasca 99 Project
Manager



Sergio Criado
CFO Lar España



Hernán San Pedro
Head of Investor Relations
Lar España

Today's Agenda



01 THE INVESTMENT CASE

José Luis del Valle
Chairman Lar España

02 MARKET UPDATE

Special Guest 1:
Ramiro J. Rodriguez PhD
Associate Director Cushman & Wakefield
Spain Research and Insight
Special Guest 2:
Yola Camacho
Partner Cushman & Wakefield
Retail Capital Markets Spain

03 RETAIL TRENDS

José Manuel Llovet
Commercial RE Managing Director Grupo Lar **Special Guest 3:**
Fernando Evole
Yelmo Cines
Country manager Cinepolis Spain

04 PORTFOLIO OVERVIEW

Sergio García
Asset Management Director Grupo Lar
Nicolás Alcibar
Lagasca 99 Project Manager

05 FUTURE VALUE

Sergio Criado
CFO Lar España

06 INNOVATION STRATEGY

Miguel Pereda
Board Member Lar España & CEO Grupo Lar

07 NEXT STEPS

Miguel Pereda
Board Member Lar España & CEO Grupo Lar

08 GUIDANCE - BP

Miguel Pereda
Board Member Lar España & CEO Grupo Lar

09 COCKTAIL



The Investment Case



Real Estate

Analyst Day

Jose Luis del Valle
Chairman Lar España

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Lar España, meant to be the Retail Reference Player in Spain

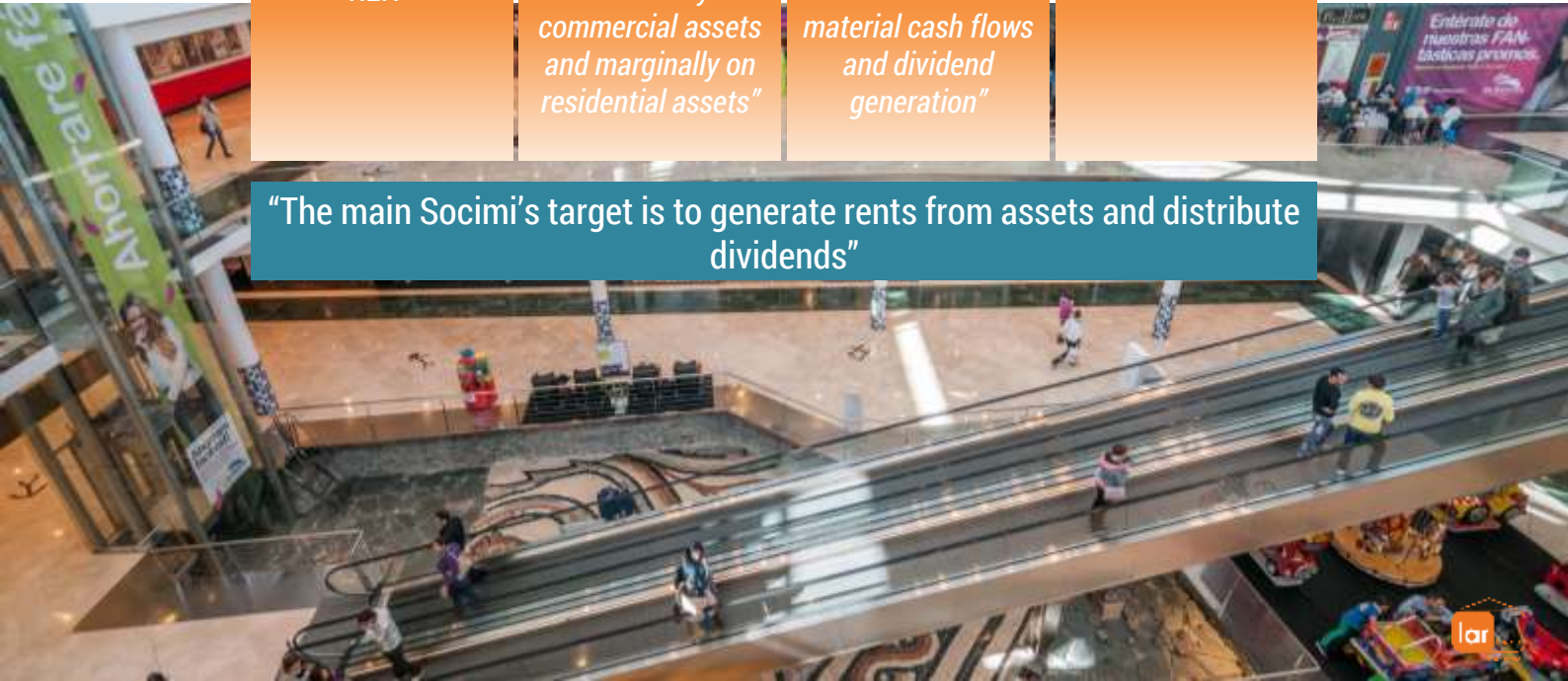
"To build a market leading Spanish REIT"

"Focused on prime/good secondary commercial assets and marginally on residential assets"

"Capital appreciation combined with material cash flows and dividend generation"

"Adequate leverage"

"The main Socimi's target is to generate rents from assets and distribute dividends"



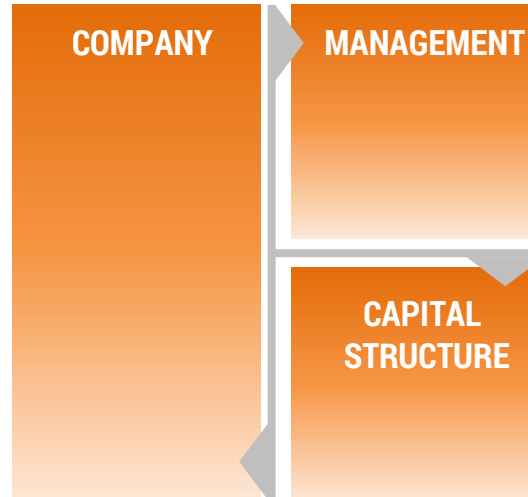
A Strategy Aligned at Every Level

COMPANY

First IPO of a Spanish REIT listed on the Spanish Stock Exchanges

Company's business strategy is to acquire primarily retail property with high return potential for rental purposes

Focused on creating both **sustainable income** and **strong capital returns** for shareholders



MANAGEMENT

Special focus on **under managed assets**

Real Estate Manager with objective of implementing an **Active Management Strategy** in order to deliver "Alpha"

>100 Real Estate experts contributing to Lar España's value delivery

CAPITAL STRUCTURE

37%¹ Net LTV

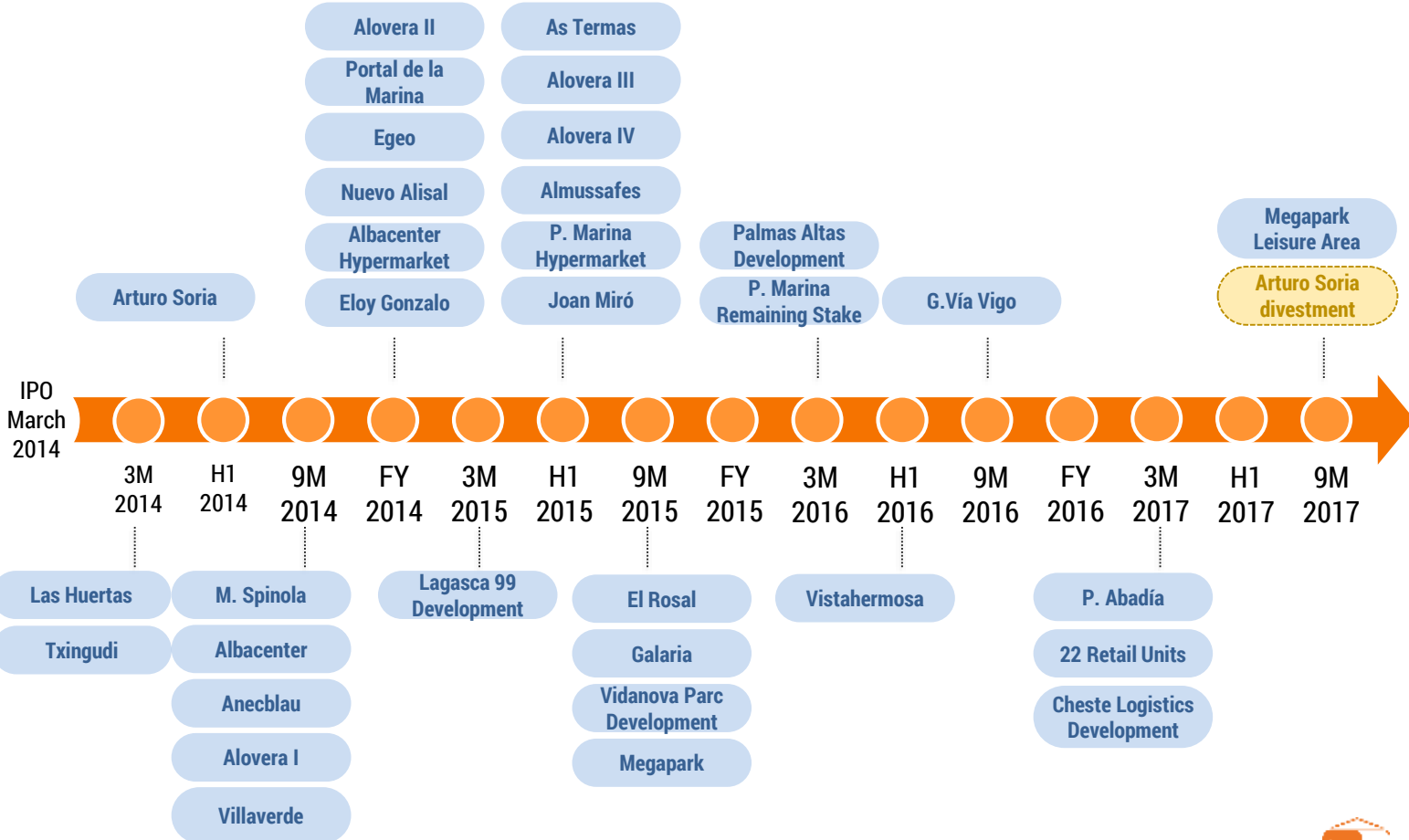
Diversification of sources of funding including bank and debt capital markets

Highly compelling
2.19% cost of debt

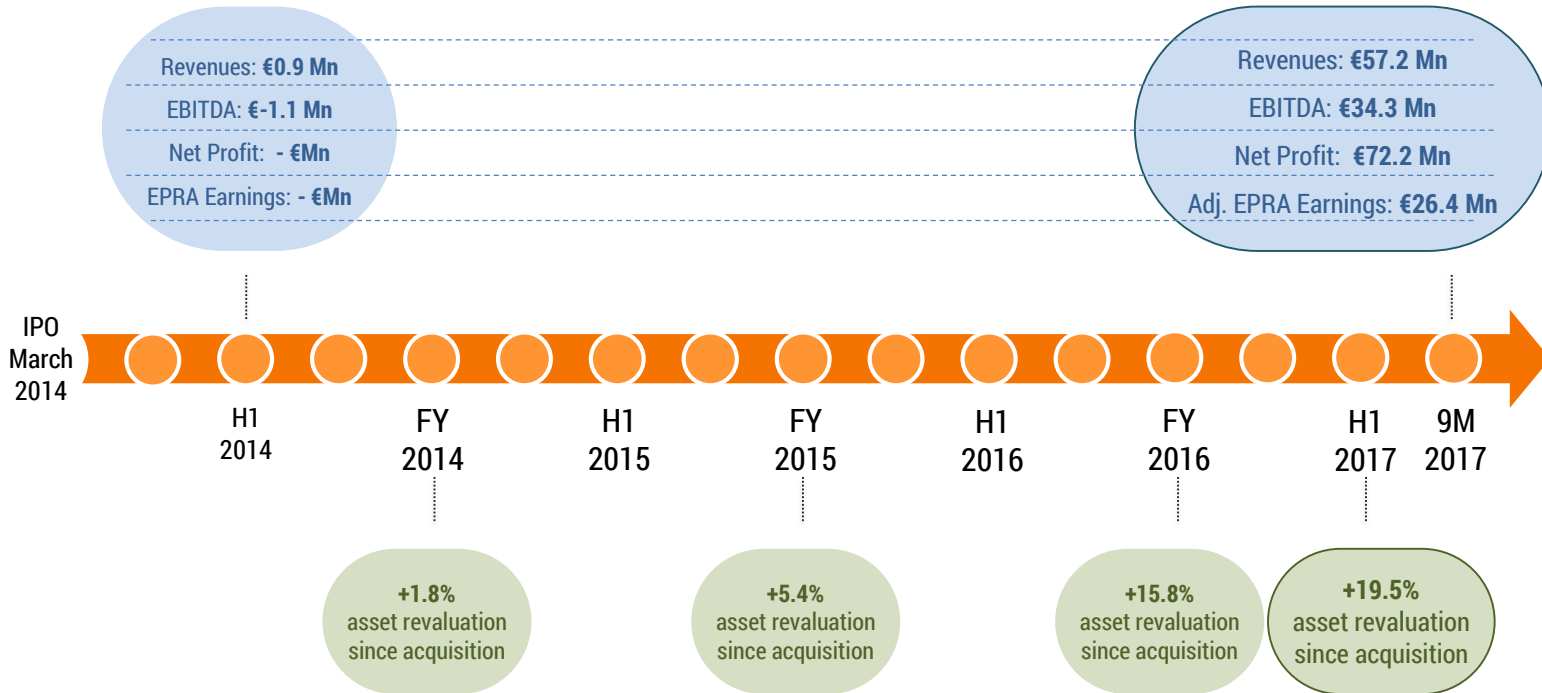
Back loaded
debt amortization profile

1. Net LTV calculated as of Q3 2017

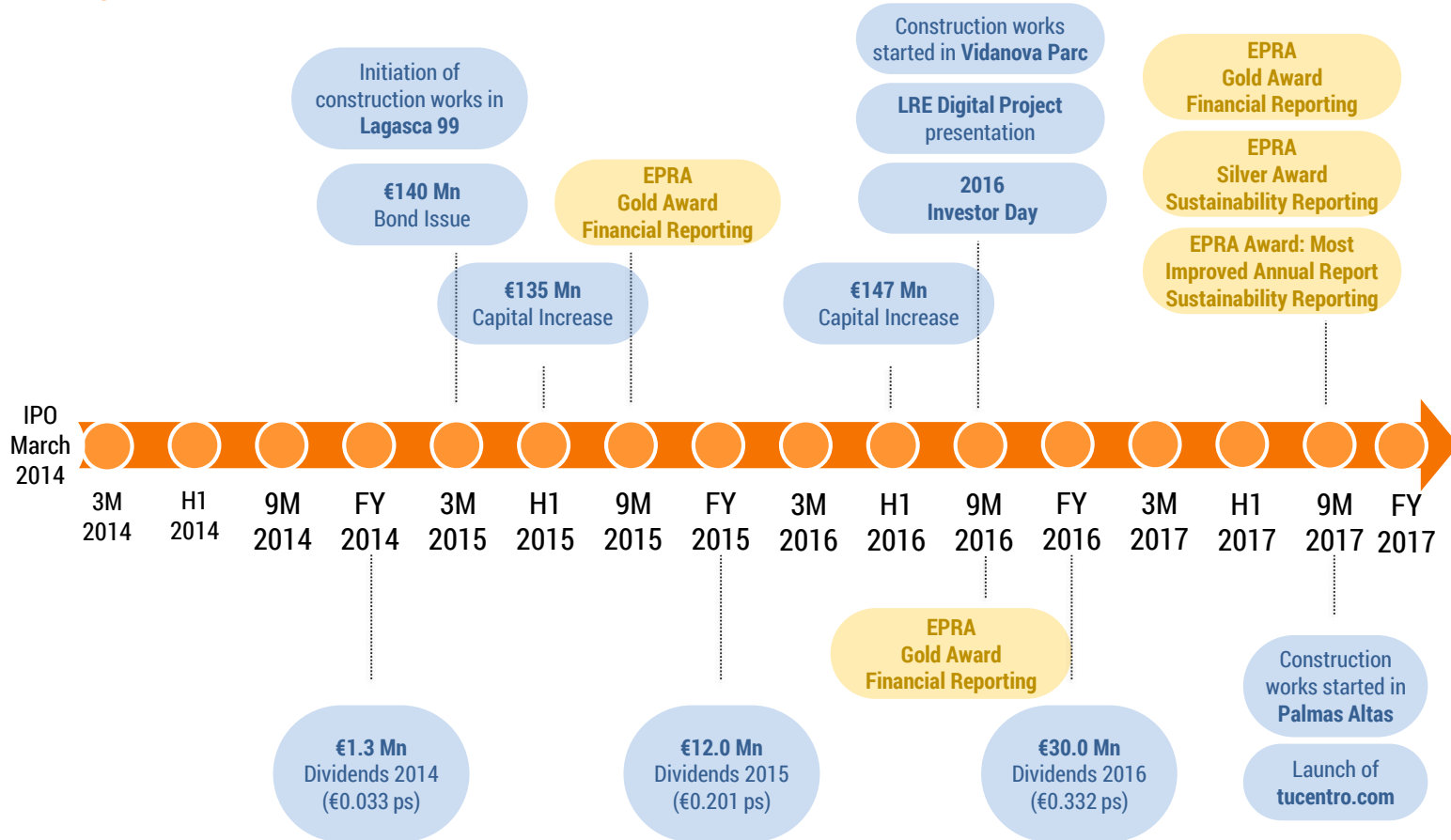
A Portfolio Built “Brick by Brick”



Growth of the Portfolio aimed at Consistent P&L Growth

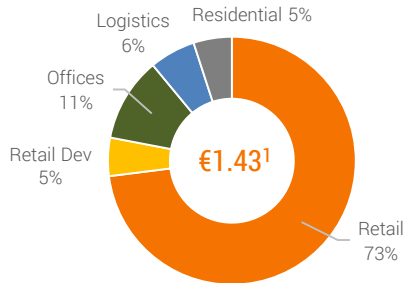


Major Corporate Milestones since IPO

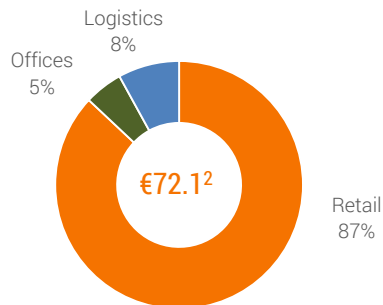


A Unique Footprint in the Spanish Geography

GAV (€Bn)

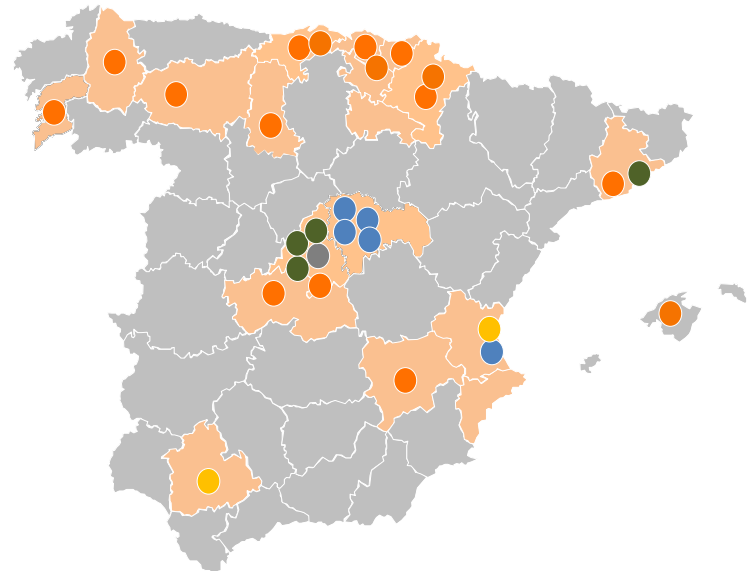


EPRA Annualized Net Rent (€Mn)



Geographies cautiously selected

- ☑ Dominant SCs in their catchment area
- ☑ Regions with **above-average GDP per capita**
- ☑ **Low commercial density**, or in **highly touristic ones**
- ☑ Improvement capability



1. Total GAV = Asset valuation as of 30th June 2017 + capex Q3 2017 – Arturo Soria divestment.
 2. EPRA annualized rent as of 30th September 2017.

Creating Value through ESG



Assets

Properties that have a positive effect on their urban surroundings and generate a high return for our shareholders and investors.



Corporate Governance

Business model that aims to have a positive effect on the environment and society, as well as generate financial returns; easing environmental and social pressures generated by the business activity.



Social Capital

People's talent forms the cornerstone of the economic model and the company's value.



Environment

Understood as both the physical and active environment that directly impacts our financial returns and generates value for the company.

Recognitions

2017 EPRA BPR & sBPR Awards



First SOCIMI to be awarded with the **"EPRA GOLD AWARD"** in Financial Reporting for the **third consecutive year**



Recognition of the **CSR work and progress** made this year



Since June 2015:
Member of **FTSE EPRA/Nareit Global Estate Index**

Sustainability Certification



ISO 9001 – certified quality management systems

Health and safety management system endorsed by the OHSAS 18000 regulation

The certificate guaranteeing the renewable origin of the power used (issued by the CNMC, Spain's anti-trust authority and energy sector watchdog)



BREEAM® Certification

Eloy Gonzalo office building: Refurbishment project certified with **"Very Good" rating**

Marcelo Spínola office building: Certified with New-Build, **"Very Good" rating**

Egeo office building: Obtaining **"Good" In-Use certification**

El Rosal Shopping Centre: Obtaining **"Very Good" In-Use certification**

Accessibility Certification



Eloy Gonzalo office building: Refurbishment project certified with the **AENOR Universal Accessibility certification¹**



Lar España received recognition from **ILUNION Technology and Accessibility** in October 2017 for its **initiatives and projects aimed at improving universal accessibility**

1. Provisional until completion of the building works

Our Values and Strengths

Value is our DNA

Experienced
Manager

Improved
Corporate
Governance
Policy

Tailor made
balanced
portfolio

Sustainable
investment
Strategy &
Dividends

Continuous
innovation
and
Digitalization

1

RIGHT
TIMING

Cycle
Opportunity

2

RIGHT
RESOURCES

Operational
Financial
Know-How

3

RIGHT
PLATFORM

Size
Synergies
Developments
Rotation potential

FUTURE

RESULTS

Operational

Revaluation

Dividends



Retail Trends in Spain



Real Estate

Analyst Day

José Manuel Llovet
Commercial RE Managing
Director Grupo Lar

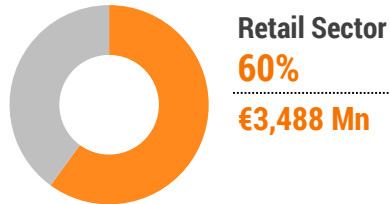
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Sound Investment Market of Commercial Assets

Commercial real estate¹ investment volume in 9M 2017

c. €5,842 Mn [+28% vs 9M 2016]

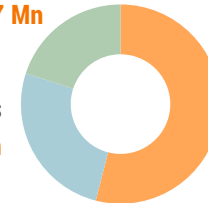


Other Retail Assets

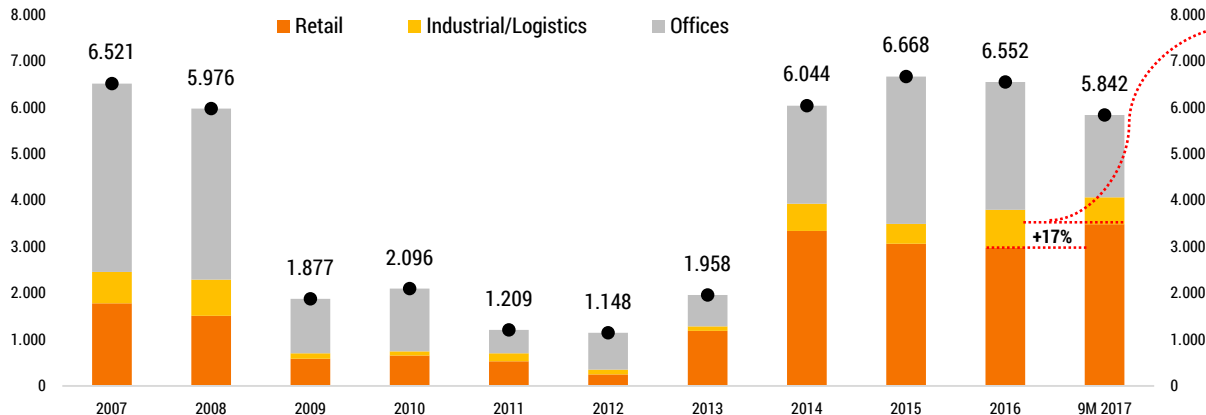
20% | €1,877 Mn

Retail Units

26% | €902 Mn



Investment Volume by sector (€ Mn)²



Already exceeded total retail investment volume in 2016

1. 1. Offices, retail and logistics

2. 2. Source: JLL, considering just direct investment transactions

Solid growth of the Spanish Economy

Macro recovery in Spain is one of Lar España external value-creation pillars...

Flourishing **tourism** sector: **over 66 Mn** of tourists, 9M 2017

Following the trend of 2016, when it registered its fourth record year with over 70 million of tourist

Inflation: YoY growth at **1.6%** in Oct. 2017

Leaving behind a negative path since September 2016

Positive Outlook in **GDP Growth**: **3.1%** YoY Change vs **2.5%** of the Eurozone avg. in Q3 2017

It is expected to continue over-performing the Eurozone, although at a more moderate pace

Unemployment Rate follows a decreasing trend: **16.4%**, lowest figure of the last six years

Job creation is expected to remain at circa 2.8% with Spain generating one of the highest number of jobs in Europe

Private consumption annual variation of **2.6%** in H1 2017

Well performance as a consequence of household spending on goods and services

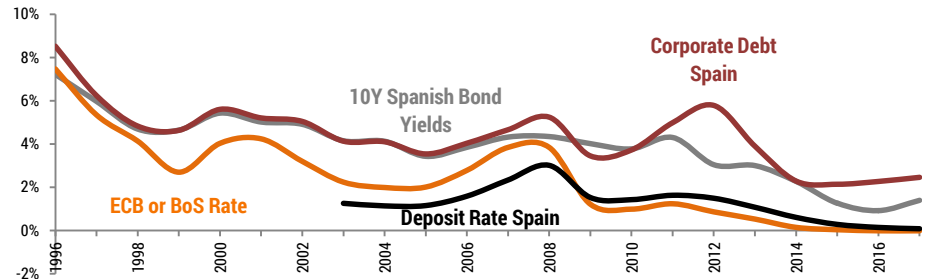
The upbeat economic outlook in Spain coupled with job creation, favourable financing conditions, along with loose monetary policy and low oil prices, have bolstered **domestic demand**, the main driving force for Spanish economy's recovery, making **Spain a highly attractive market**

Yields Compression as a Market Driver

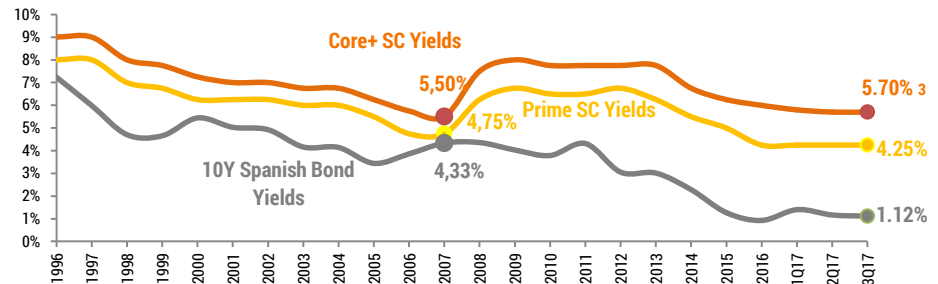
Ultra-low interest rates have reduced headline yields in Spain and Europe in general, and shifted investors' appetite towards high-yielding assets...

...mainly Core+ assets within recovering Spanish economy (such as the Shopping Centre Market)

Spanish headline yields ¹



Spanish SC yields ²



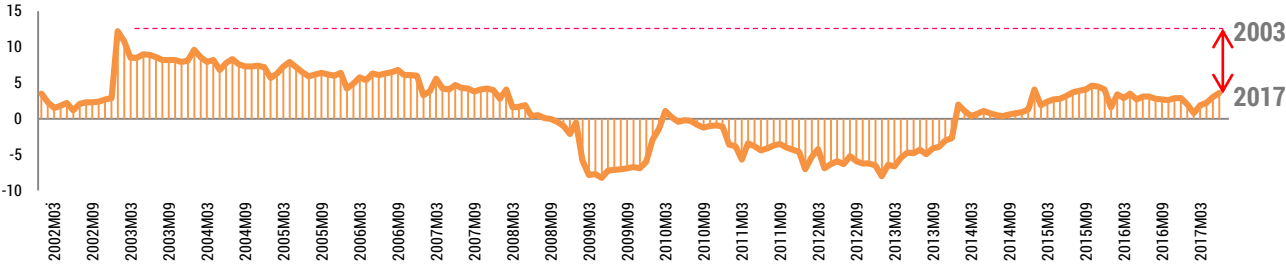
We estimate there is room for **50bps compression** in the core plus segment

1. Source: Bank of Spain
2. Source: JLL & Savills (Historical) & Grupo Lar (Forecast) / Bank of Spain (Actuals) & Bloomberg (Forecasts)
3. Data estimated considering last market transactions in 2017

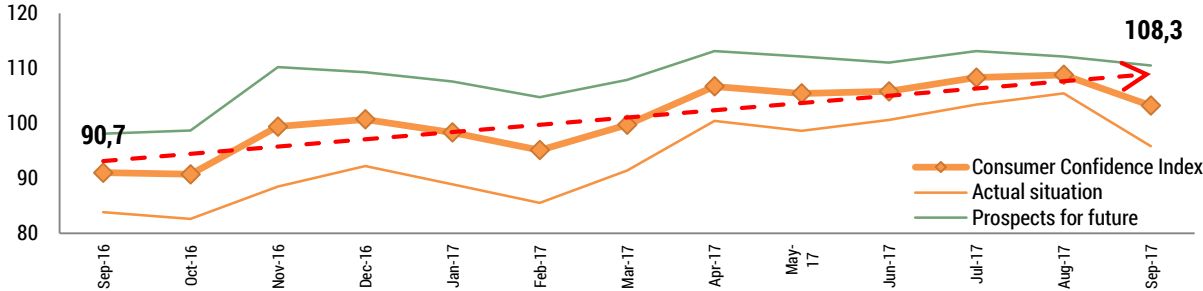
Sales and Consumption Supporting Further Upside

There is still **room for further recovery of sales** and consensus is optimistic...

Retail Sales Index % YoY Growth ¹



Consumer Confidence Index ²



Analyst's consensus is **2.4% sales growth in 2018**

1. Source: INE
2. Source: CIS



Supply Dynamics Support Shopping Centre's Stock

56,000 sqm of **new GLA** is expected to be opened by the end of 2017, with the opening of **3 new shopping centres**

Shopping centre stock



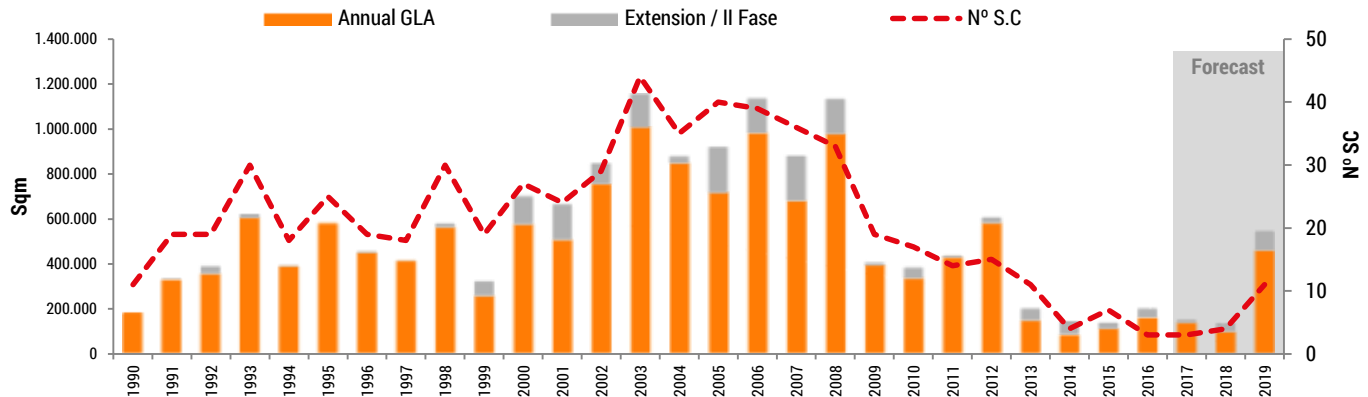
GLA (sqm)



Density (sqm per 1,000 inhab.)

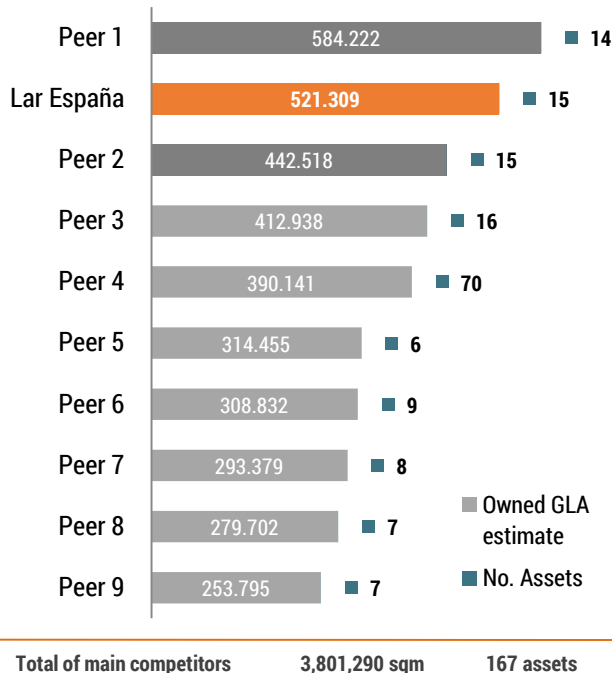


Evolution of Shopping Centre Stock



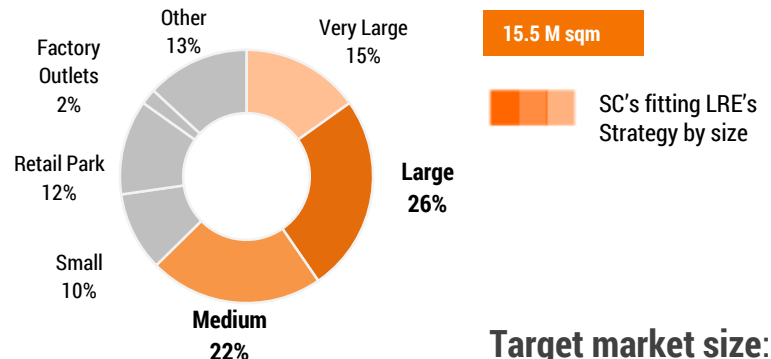
Where is Lar España among its Competitors?

Main market players by owned GLA, including GLA under development ¹



LAR España has a clear objective to **consolidate among the top 3 retail operators** in Spain: target to selectively increasing GLA to **generate revenue synergies**

Spain total GLA by size ²



60.3% of the total market

1. Considering opening date of assets under development until 2020. Source: CBRE & Grupo Lar Figures at November 15th, 2017. Main competitor's assets fitting LRE are in portfolios with active rotation. Excluding 22 retail units and Villaverde (standalone unit) owned by Lar España.

2. Source: AECC 2016. Very Large: (>79,999 sqm) / Large: (40,000-79,999 sqm) / Medium: (20,000-39,999 sqm) / Small: (5,000-19,999 sqm) / Others: Hypermarkets and Leisure Centers

Lar España Main Investment Criteria

Lar España has built a **high quality Core+ portfolio**, acquiring **asset by asset**

Investment Criteria are 4: **Dominant in its area, Size, Footfall and Quality Tenants** and all with **Value Creation potential**



+250,000

Catchment Area
leader



+5 Mn

Footfall



BIG S.C.

40k – 80k sqm



Best Retailers

55

INDITEX

3

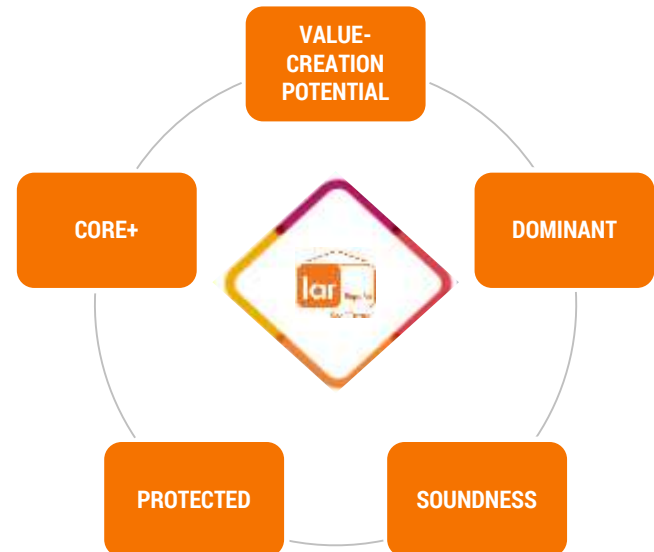
Carrefour

Main owners

MediaMarkt

3

DECATHLON



Lar España Retail Dominant Portfolio (A)

	Megapark Bilbao	Gran Vía Vigo	P. Marina Alicante Coast	El Rosal Ponferrada	Aneclubau Great BCN	As Termas Lugo	P. Abadía Toledo
							
Area (sqm)	83,380/127,772	41,435	40,158	51,022	28,608	35,127/43,718	37,114/54,012
NMV¹ (€ Mn)	192.0	153.0	114.3	100.4	95.0	80.8	63.7
NMV Increase vs Acq.¹	+12.9%	+8.5%	+28.2%	+14.7%	+18.6%	+17.4%	+0.9%
Holding Period¹ (years)	1.7	0.8	2.0 ²	2.0	3.0	2.1 ³	0.3
EPRA NIY⁴	5.1%	5.8%	5.5%	6.3%	4.9%	6.4%	6.4%
Ownership	100% RP+FOC+LC	100%	100%	100%	100%	71.2% 100% SC	68.6% 100% RP
Value Added Potential	<ul style="list-style-type: none"> ▪Renovation ▪Tenant mix 	<ul style="list-style-type: none"> ▪Extension ▪Experience 	<ul style="list-style-type: none"> ▪Extension ▪Experience 	<ul style="list-style-type: none"> ▪Renovation ▪Experience 	<ul style="list-style-type: none"> ▪Reposition 	<ul style="list-style-type: none"> ▪ Commercial transformation 	<ul style="list-style-type: none"> ▪ Marketing ▪ Services
Footfall⁵ (Mn visits)	10.5	7.2	4.2	5.4	5.7	3.7	3.0

1. Data from last valuation at June 30th, 2017; NMV gross increase vs acquisition (not including Capex)

2. Average as 59% of P. Marina SC was purchased at 30/10/2014; 41% at 30/03/2016; and P. Marina Hyper was purchased at 09/06/2015

3. Average as As Termas SC was acquired at 15/04/2015 and its Petrol Station at 28/07/2015

4. EPRA Q3 2017

5. Annual Footfall estimation for 2017

Lar España Retail Dominant Portfolio (B)

	Vistahermosa Alicante	Albacenter Albacete	Palmas Altas ⁶ Sevilla	Vidanova Parc ⁶ Sagunto	Other Retail Assets ⁷
Area (sqm)	35,550	27,890	100,000 ¹²	44,252	61,948
NMV¹ (€ Mn)	47.5	52.1	52.0	19.6	142.2
NMV Increase vs Acq.¹	+11.8%	+30.4%	+28.4%	+68.9%	+17.0%
Holding period¹ (years)	1.1	2.8 ⁸	1.4	1.9	2.4 ⁹
EPRA NIY⁴	5.9%	6.0%	n.a.	n.a.	6.6%
Ownership	100%	99.2%	100%	100%	67.5%
Value Added Potential	<ul style="list-style-type: none"> ▪Occupancy ▪Reposition 	<ul style="list-style-type: none"> ▪Occupancy ▪Transforming 	<ul style="list-style-type: none"> ▪Develop 	<ul style="list-style-type: none"> ▪Dominant ▪Develop. 	<ul style="list-style-type: none"> ▪ Various
Footfall⁵ (Mn)	7.0	4.8	Est. 14.0	Est. 5.5	▪ Various

Overall Portfolio

w/o develop.

Incl. develop.

440,233 /
Avg¹⁰ 42,032584,485 /
Avg¹⁰ 47,503

1,112

+16.4%

2 years

5.8%

89.0%

Active AM

57.4¹¹ /
Avg¹⁰ 5.775.9¹¹ /
Avg¹⁰ 6.5

w/o develop.

Incl. develop.

6. Assets under development

7.- Other retail units include: Txingudi, Las Huertas, Nuevo Alisal, Villaverde, Galaria and 22 retail units portfolio

8.- Average as Albacenter Hyper was acquired at 19/12/2014 and Albacenter SC at 30/07/2014

9.- Average as acquisition dates are as follows: 22 retail units at 27/03/2017, Txingudi at 24/03/2014, Nuevo Alisal at 17/12/2014, Las Huertas at 24/03/2014, Villaverde at 27/07/20104 and Parque Galaria at 23/07/2015

10.- Excluding Other Retail Assets (GLA: 61,948)

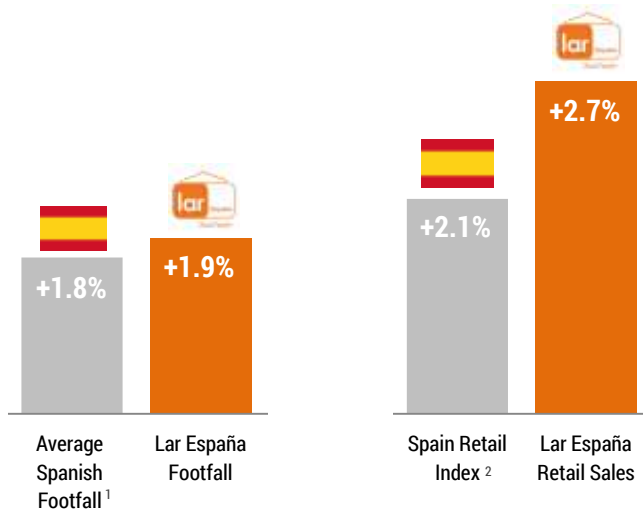
11.- Including Txingudi and Las Huertas (GLA: 16,979). Excluding Alisal, Villaverde, Galaria and 22 retail units portfolio (GLA: 44,970)

12.- Including Retail & Family Leisure Place.

9M 2017 Key Retail Operating Trends

Outperforming the market

Lar España vs Spain Index Sales & Footfall YoY Growth



Sales

+3%
vs 9M 2016
€451.5 Mn

Visits

+2%
vs 9M 2016
41.9 Mn

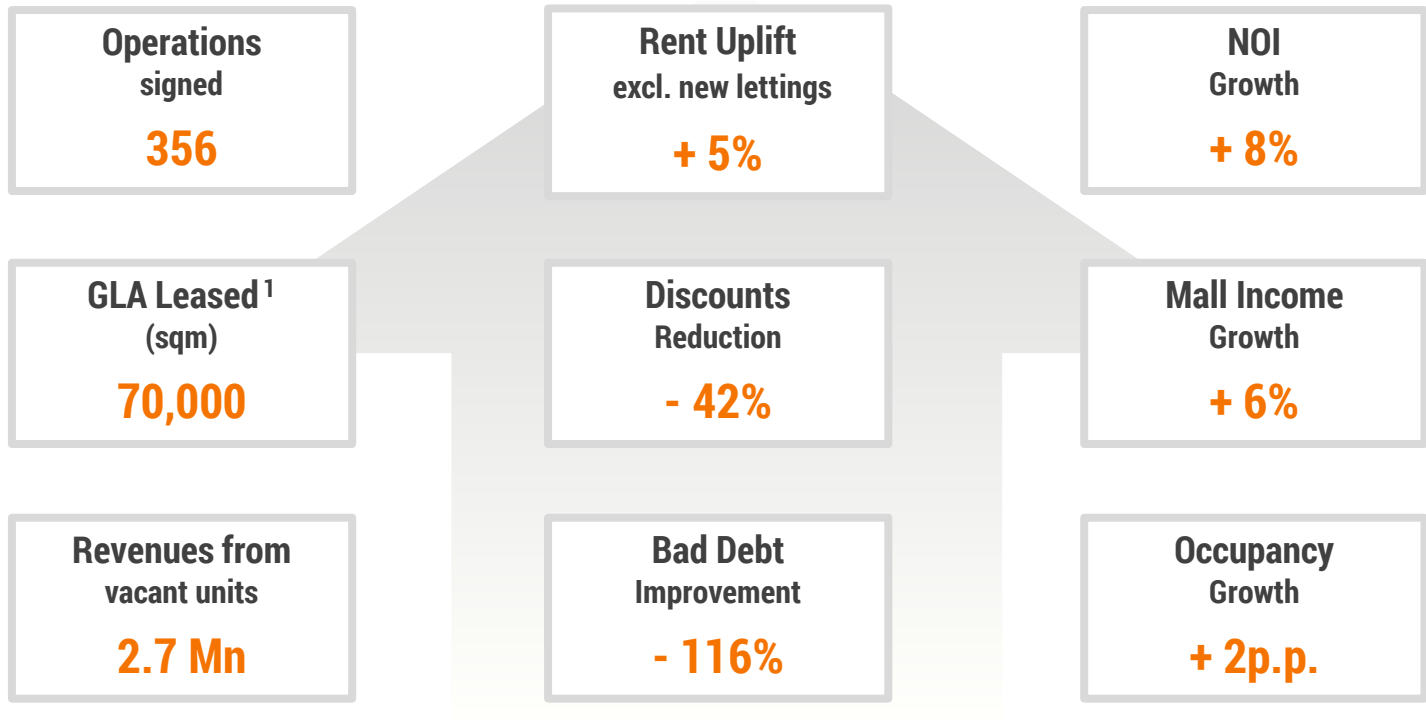
Occupancy³

+2p.p.
vs 9M 2016
94.6%

1. Shopper Track Index
2. Source: INE Spanish Retail Index, YTD till September 2017
3. In accordance with EPRA BPR (Q3 2017)

Lar España Outstanding Results since Acquisition

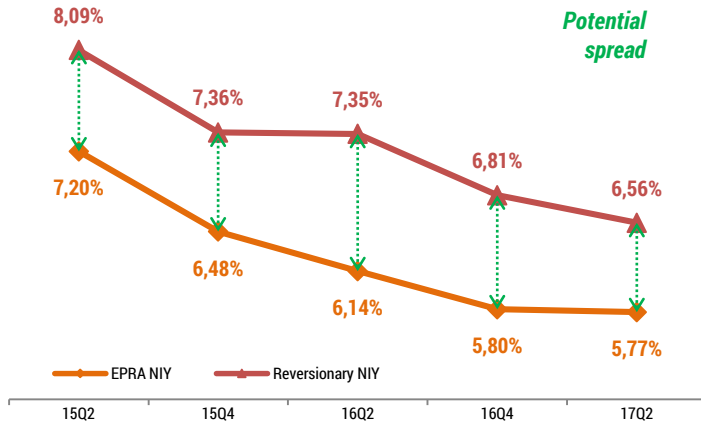
Key Performance Actual Indicators accumulated till Sep. 2017 vs Acquisition



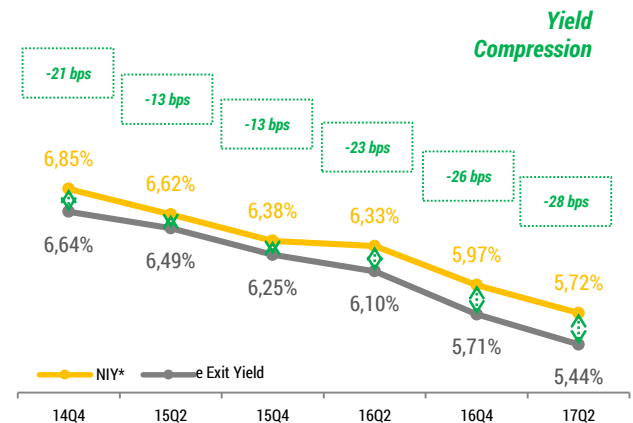
1. 17% of total GLA

There's Still High Potential to Create Value

NIY vs Topped Up NIY vs Potential NIY vs Reversionary NIY¹



Yield Compression Path²



*NIY corrected for temporary effects of CF Yr1

There is still a long way to go through **Asset Management value-creation strategy**, our main pillar

- ✓ **Repositioning** the SCs through changes in the tenant mix and Capex investments
 - ✓ Improving layout, carrying out **extensions or transformations**
 - ✓ Creating **shopping experience** destinations
- ✓ **Increasing control** over the SC by complementing acquisitions of other ownership stakes
 - ✓ **Increasing occupancy** levels
 - ✓ **Optimizing** service charges
 - ✓ **Cutting down lease incentives**

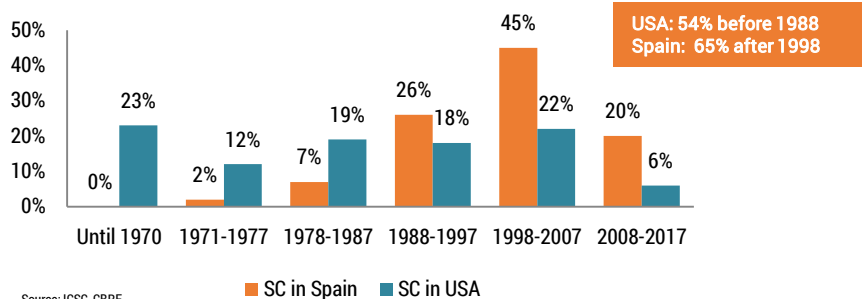
1. In accordance with EPRA BPR. Potential NIY = (Topped Up Net Annualized Rent + ERV Vacant Units) / GMV; Reversionary NIY = (ERV / GMV)

2. In accordance with valuations results. The valuations have been made by external independent valuers: JLL or C&W.

Two Burning Issues

1 USA. The Department Store Case. Impact in SC

Aging of shopping centres (% of new GLA / total GLA)



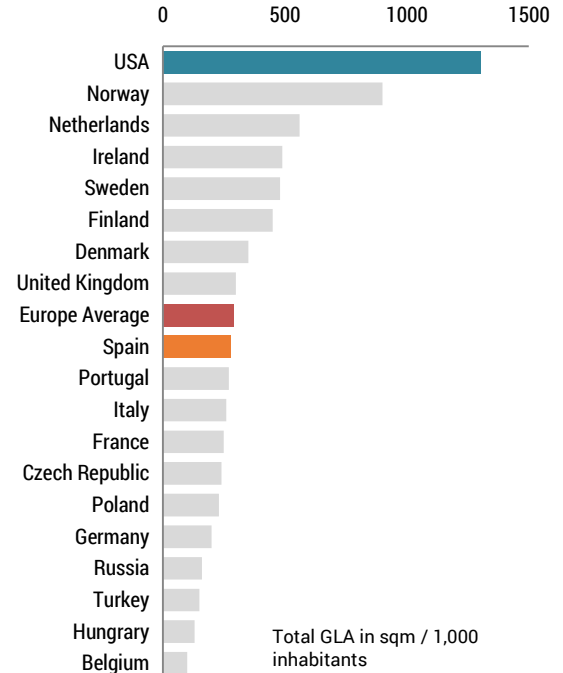
Retail Density by Region



	USA	Spain
# SC	116,000	560
GLA	762 Mn	16 Mn
Market Share	76%	18%

Source: GfK, M2 sales area Retail: shopping centres, high Street and Freestanding

Shopping Centre Stock/Capita 2017



Source: JLL, Akershus Eiendom, Sadolin & Albaek, CBRE 2017

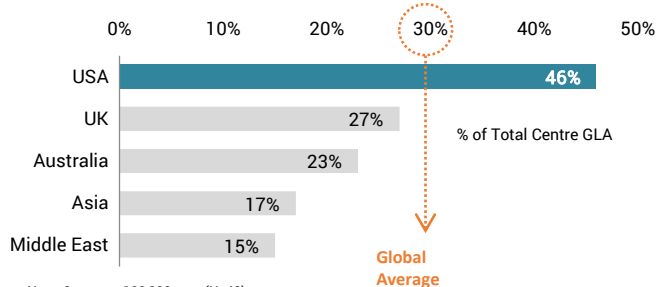
Two main differences, density and aging are crucial for market understanding



Two Burning Issues

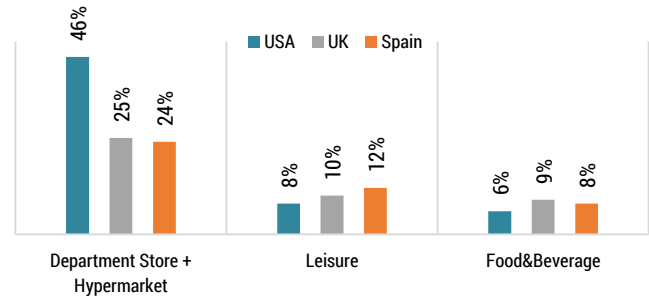
1 USA. The Department Store Case. Impact in SC

Department stores on total GLA

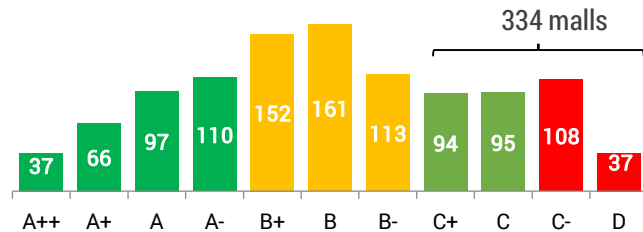


Note: Centres > 100,000 sqm (N=48)
Source: Bloomberg (May 2017), Cistri (June 2017)

Tenant Mix (% of GLA)



USA SC at risk of closing



Source: Green

Prime vs Secondary



High dependency of Department Stores in the USA whilst Europe has a more modern and balanced tenant mix
 There are 334 SC in jeopardy in USA, this represents 30% of GLA but 5% in GAV.
 Oldest, smallest, less digital and poorest shopping experience have more possibilities to fail.



Two Burning Issues

2 Democratisation of technology. Online + Offline sales

Total **e-commerce turnover in Spain** was **€ 24 Bn** in 2016, YoY growth of 20.8%

Sectors with the highest revenue:



However, E-Commerce comprises different types of activities and transactions, and **not all affect the Spanish shopping centre market**



25.9%
€2.9Bn Activities that are present in Spanish Shopping Centres

Areas of activity with the highest percentage of e-commerce turnover in 2016 related to Shopping Centers:



Change and Adaptability

Market trends forecasted that individuals will shop increasingly by a **combination of online and offline**, versus a significant reduction of only online or only offline shopping



Customers

- New buying channel
- Better Brand experience
- Access to personalized promotions and new services
- Click & Collect Service and multiple delivery options



Retailers

- Better Customer Service and better CRO (Conversion Rate Optimization)
- Additional sales, cross-selling and opportunities through click & collect
- Improves stocks and operations control
- Access to more products and infinite aisle



Lar España

- Experience. Service.
- New leisure and F&B activities.
- Differentiation among its competitors
- Modern and updated perception.
- Digital transformation. New income from the new channel

Lar España Digital



Online platform

Leads Lar España's Shopping Centres Digital Transformation



Omni-channel platform

Includes products of physical stores where customers can buy through its smartphone, tablet, laptop or PC



New and extra channel for our customers

Satisfies individuals needs offering more services and options

The main goal is to add value, generate a better shopping experience and stronger loyalty



New and extra channel for our tenants

Generates new income from new opportunities coming from e-commerce, market places and "new catchment areas"

Transforms e-commerce into an opportunity



New and extra channel to generate a long term sustainable growth

Increases the value of our assets and the differentiation from our competitors



Portfolio Overview



Real Estate

Analyst Day






Sergio García

Asset Management Director
Grupo Lar

www.larespana.com

December 2017

Retail KPIs · Since Acquisition¹ from Q3 2017

	2015	2016	2017
 N° of SC²	7	9	11
 GLA owned Sqm	307,185	388,768	440,233
 Vacancy Evol.	7.5%	5.2%	5.0%
 Footfall Evol. <i>Comparable Data Versus previous year</i>	+3.9%	+1.3%	+1.9%
 Sales Evol. <i>Comparable Data Versus previous year</i>	+4.2%	+2.7%	+2.7%

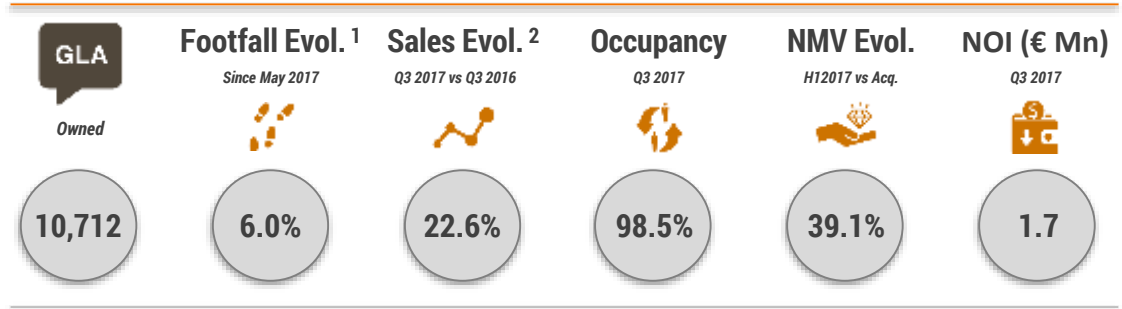


1. First SC acquired in March, 2014
2. Excl. Alisal, Villaverde, Galaria and 22 retail units

Txingudi



Non-Core Assets



¹Average footfall increase since H&M and Kiabi openings

²Total Data, H&M effect

Acquired in 2016



Txingudi

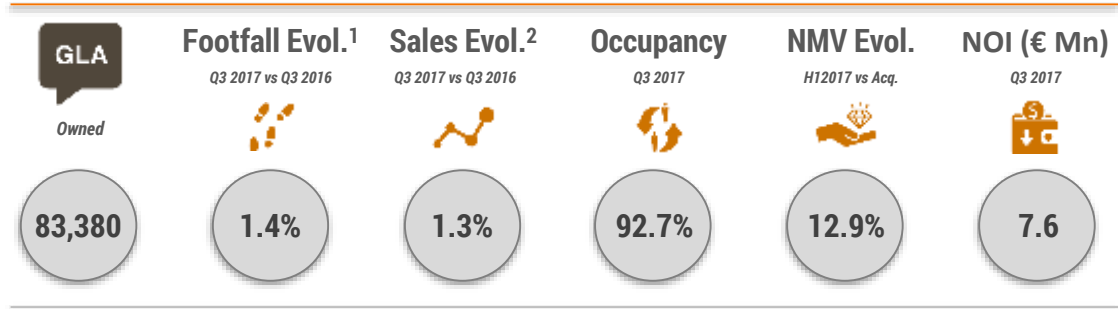
Amazing Refurbishment Developed



Megapark¹



Core Assets

¹ FOC² Total Data

Refurbishment project *Already launched*

Acquired in 2015

Capex

€3.5 Mn

Planning

Starting Q4 2017 - Ending Q3 2018

Objectives

Renew the outdated image of the SC

Improve ambience and offer

Become the best commercial offer in Bilbao

Megapark

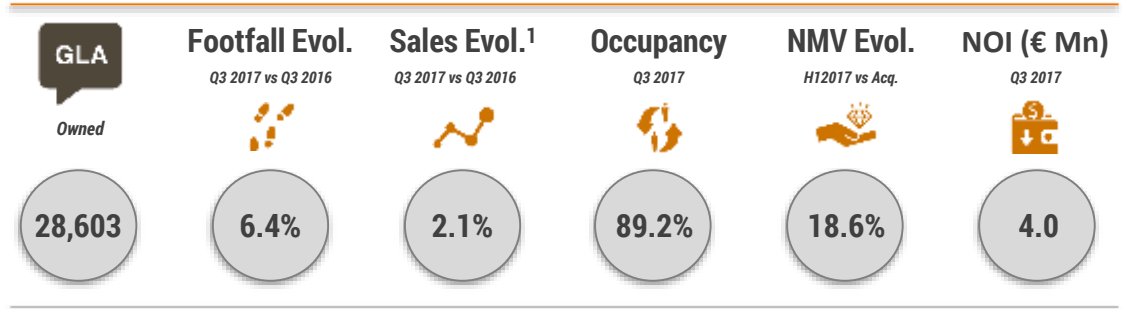
Image renewal & Improvement of FOC Commercialization



Aneclubau



Core Assets



¹Total data

Dining Area project *Mediterranean lifestyle*

Acquired in 2014



Capex

Dining + Cinema refurbishment

Planning

Starting Q3 2018 - Ending Q2 2019
Preletting strategy already launched

Objectives

Exploite commercial value in leisure and dining areas

Create an innovative ambience in outdoor area

Lifestyle SC and commercial reference in Baix Llobregat

Aneclubau

Transformation & positioning of FB area (Food & Beverage)

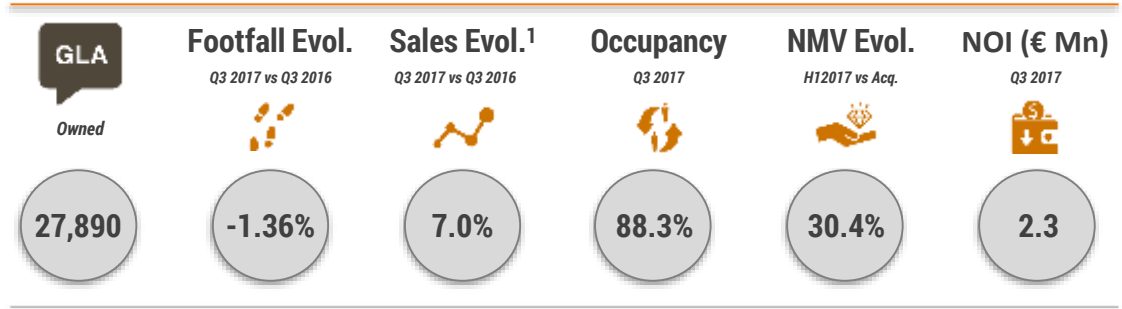


Albacenter

Total Complex



Core Assets



¹Total data

Full renewal project *Already launched*

Acquired in 2014



Capex

€3.3 Mn

Planning

Works already started - Ending Q2 2018

Objectives

Improve commercial mix

Reposition the SC as a urban square

Modern and complete renovation of the asset

Albacenter

Value generation through impressive refurbishment

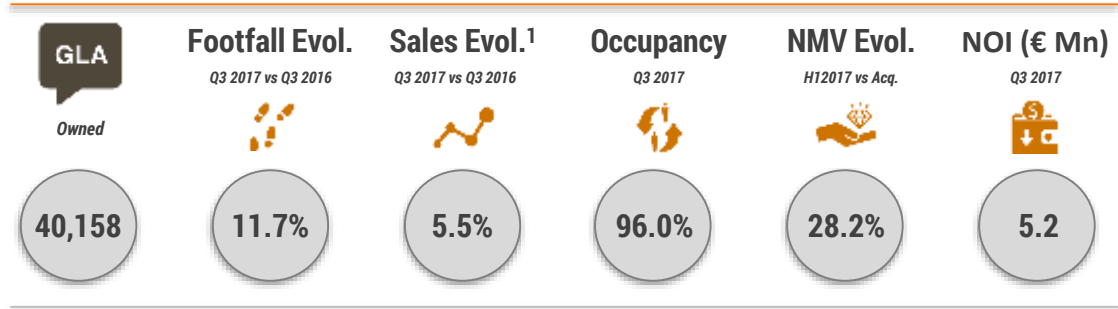


Portal de la Marina

Retail Complex



Core Assets



¹Total data

New main entrance and a complete refurbishment of Dining area

Acquired in 2016



Capex

€3.0 Mn

Planning

Starting Q4 2017 - Ending Q3 2018

Objectives

Renew the outdated image of the SC

Mediterranean lifestyle SC with the best dining offer

Portal de la Marina

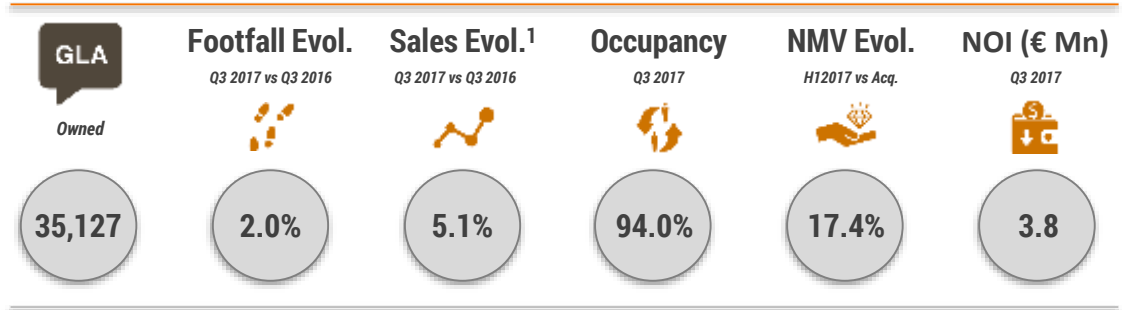
Transformation & positioning of FB area (Food & Beverage)



As Termas SC



Core Assets



¹Total data

New Dining Area & Image Renewal

Acquired in 2014



Capex

€1.4 Mn Dining

Planning

Starting Q2 2018 - Ending Q4 2018

Objectives

Improve design of Dining area, making it more comfortable and local taste

Update the Global image of the SC

As Termas

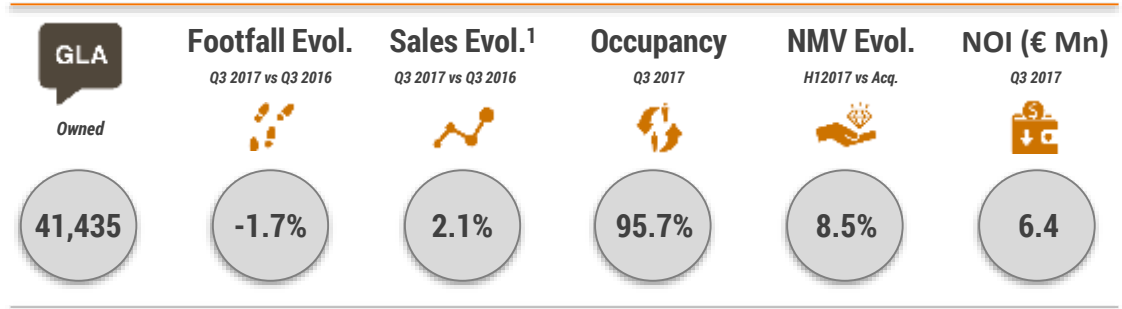
Improve FB area (Food & Beverage) and attract local restaurants



Gran Vía



Core Assets



¹Total data

Acquired in 2016



Full renewal project

Concept on development

Completely image uplift

Improving commercial mix, dining area and parking

Meeting point between the sea and the urban centre

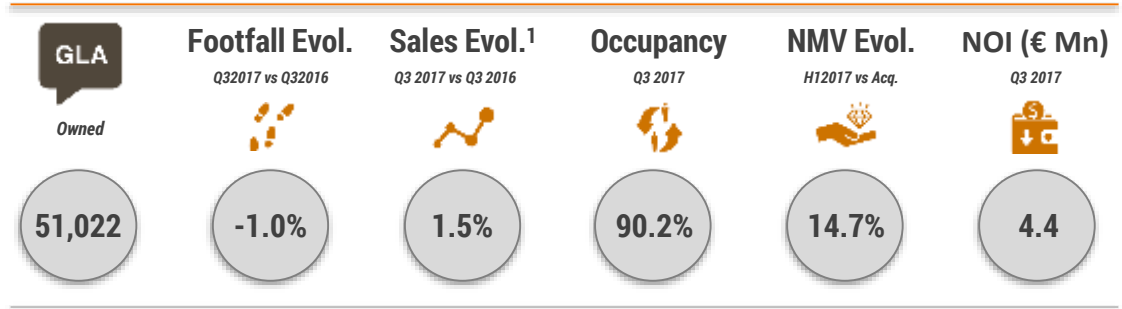
Gran Vía



El Rosal



Core Assets



¹Total data

Acquired in 2015



Completely Image Renewal

Capex

€2 Mn

Planning

Starting Q1 2018 - Ending Q2 2018

Objectives

Image renewal introducing new technologies

Completely refurbishment of Dining area

Positioning the SC as a natural and familiar referent in its influence area

Retail Parks



Vistahermosa

Acquired in 2016



Owned

33,550

Footfall Evol.

Q3 2017 vs Q3 2016



12.6%

Sales Evol.

Q3 2017 vs Q3 2016



6.5%

Occupancy

Q3 2017



90.5%

NMV Evol.

H1 2017 vs Acq.



11.8%

NOI (€ Mn)

Q3 2017



1.9



Abadía

Acquired in 2017



Owned

37,114

Footfall Evol.

Q3 2017 vs Q3 2016



1.4%

Sales Evol.¹

Q3 2017 vs Q3 2016



3.1%

Occupancy

Q3 2017



100%

NMV Evol.

H1 2017 vs Acq.



0.9%

NOI (€ Mn)

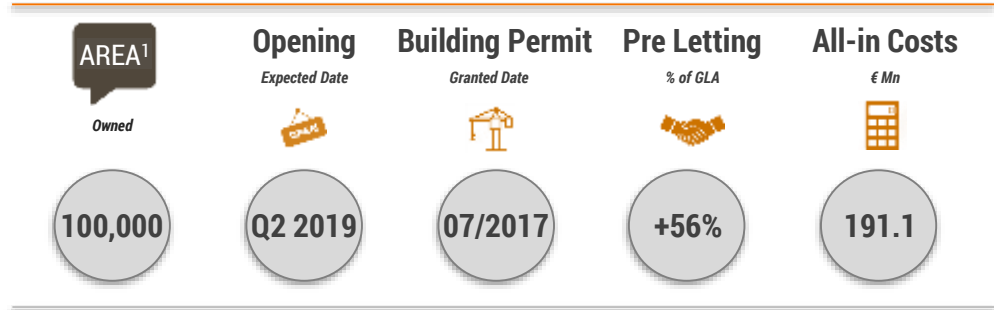
Q3 2017



1.9

¹Comparable Data

Palmas Altas



¹Retail and family leisure place

Plot acquired in 2016



Tenants already signed



Project Key Points

One of the most important projects in Spain

Optimal mix of family leisure and fashion

It is expected to receive 14 Mn visits/year

Sustainability (BREEAM Certificate and CO emissions)

Catchment Area: +1,5 Mn inhabitants

Palmas Altas



Vidanova Parc



Plot acquired in 2015



Tenants already signed



Project Key Points

Excellent location

Valencia – Sagunto – Castellón - Teruel axis

First Retail Warehouse in the catchment area

+250k inhabitants, Market Gap
Triples during Summer months

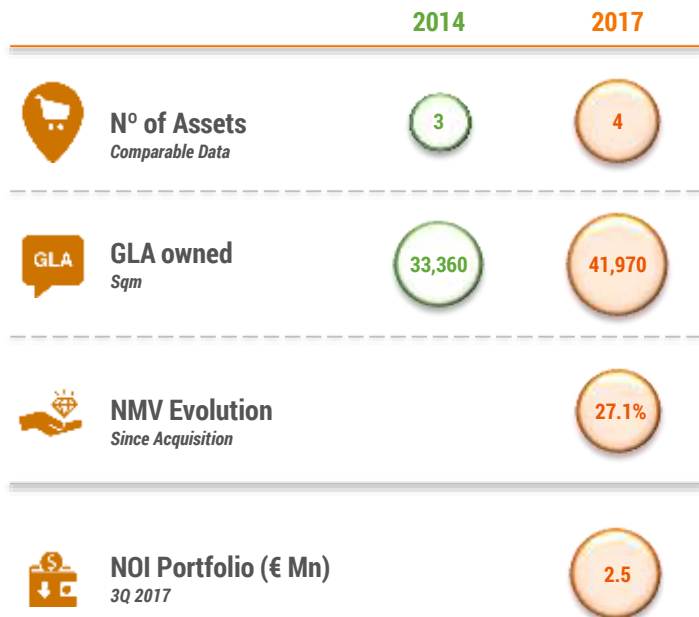
CaixaBank Financing: €24 Mn



Vidanova Parc



Offices KPIs · Since Acquisition¹ from Q3 2017



1. First asset acquired in 2014

Marcelo Spínola



NMV Evol.

H1 2017 vs. Acq



76.3%

Capex

Total Amount



€9.6 Mn

Eloy Gonzalo



NMV Evol.

H1 2017 vs. Acq



47.3%

Capex





Total Amount



€4.1 Mn



Logistics KPIs · Since Acquisition¹ from Q3 2017

	2014	2017
 N° of Assets <i>Comparable Data</i>	2	5
 GLA owned <i>Sqm</i>	119,148	161,840
 NMV Evolution <i>Since Acquisition</i>		31.6%
 NOI Portfolio (€ Mn) <i>3Q 2017</i>		3.9



1. First asset acquired in 2014

Highlights

PORTFOLIO REVALUATION

Retail + Offices +
Logistics

+15.3%

FOOTFALL EVOL. Q3 17 vs Q3 16

Comparable Data

+1.9%

SALES EVOL. Q3 17 vs Q3 16

Comparable Data

+2.7%

NOI EVOL. Q3 17 vs Q3 16

+3.6%





Lagasca 99 Residential Development



Real Estate

Analyst Day

Nicolás Alcibar

Lagasca 99 Project Manager

www.larespana.com

December 2017

Lagasca 99



In Process

Q2 2018

Estimated delivery date

New record set
for a flat in
Madrid Golden
Mile

Financing of
100% of
construction
costs agreed

GLA Sqm
26,203

Location
Madrid

Purchase Date
30 January 2015

Acquisition Price¹
€50.1 Mn

Market Value (June 2017)¹
€71.5 Mn

¹Corresponds to the 50% of the JV with Pimco



Construction works on schedule

100% structure completed
Façade and rest of the building on progress on
schedule

Price c.11,000 €/sqm
Solid sales rhythm

30%
FY 2015

44%
FY 2016

70%
9M 2017



Future Value



Real Estate

Analyst Day

Sergio Criado
CFO Lar España

www.larespana.com

December 2017

Value Momentum of the Spanish Economy

1

Spanish economy has been surprising on the upside during the last years

2

It is expected to continue outperforming the Eurozone

3

Confidence of consumers keeps growing in line with income and stable earnings driven by strong employment creation

4

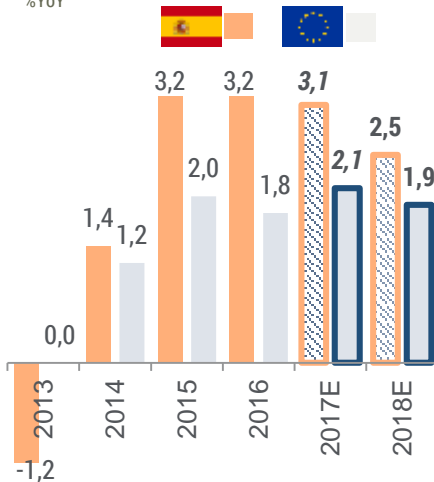
Unemployment Rate supporting further decreases

5

Future Investment supported by largest yield Gap in recent history

Positive Outlook in GDP Growth

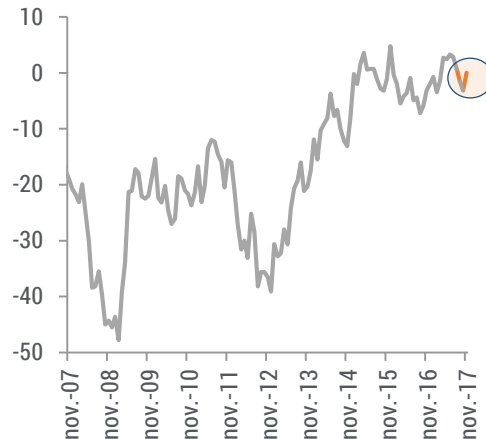
%YoY



Source: IMF

Spanish Consumer Confidence Index

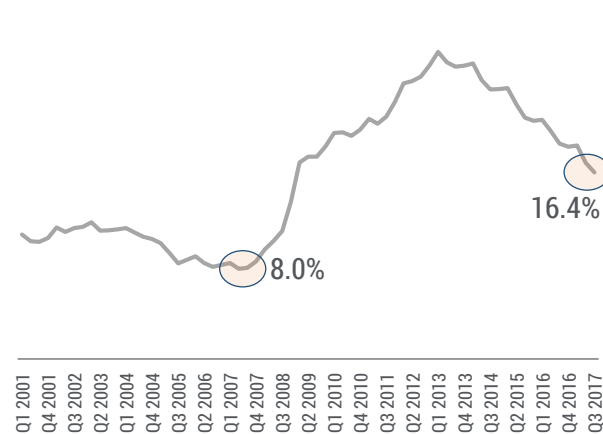
Net Balance



Source: Ine, Bank of Spain

Unemployment Rate

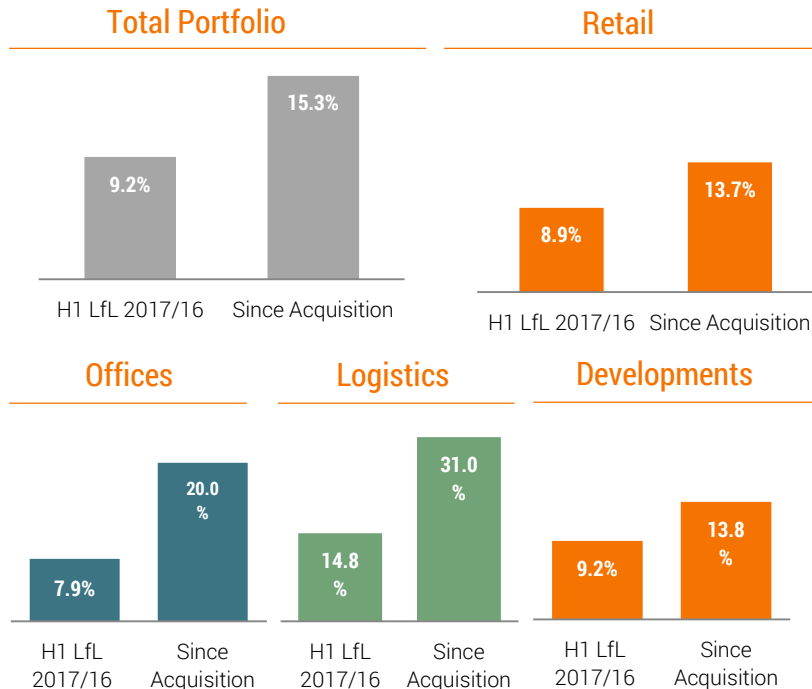
%



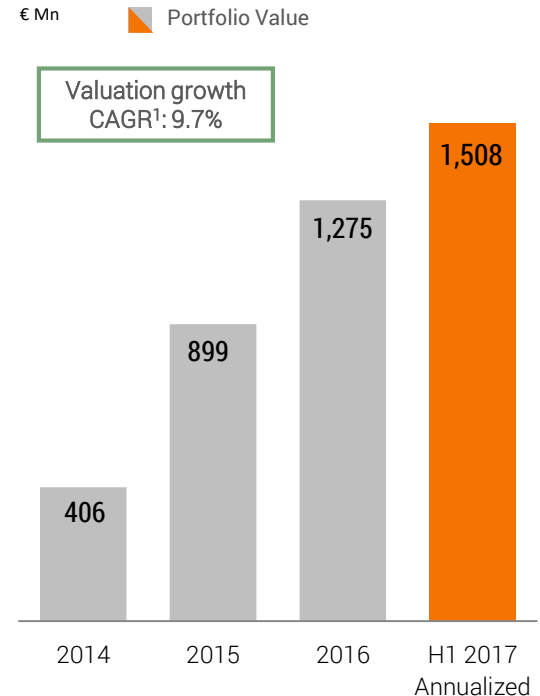
Source: Ine, Bank of Spain

Strong Valuation Performance in All Asset Classes to Date

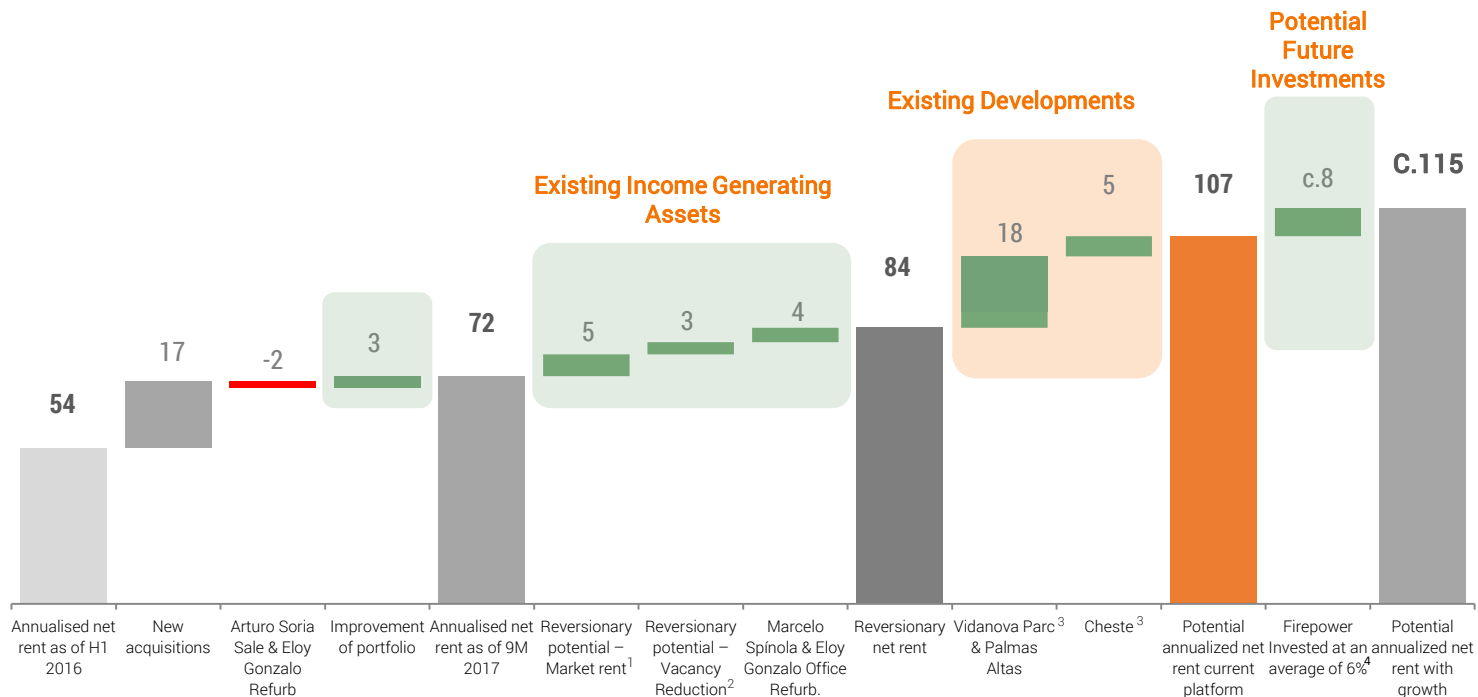
Revaluation after invested Capex



Portfolio Value evolution



Present Portfolio Potential



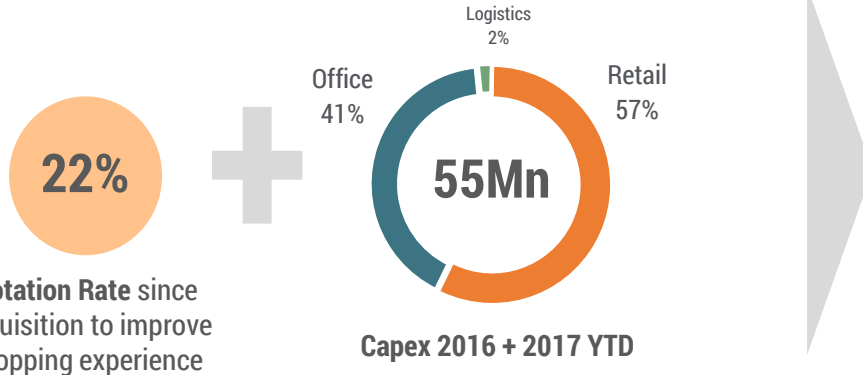
15 months back

Next 24 months

1. Illustrative potential additional rent calculated as the difference between the market net rent estimated by the Company's appraisal done by Cushman & JLL, as part of their valuation exercise and the annualized net rent obtained by the Company in 9M2017. Difference applied only to the current EPRA occupancy rate, considering the occupancy rate of the Company's properties as of 31 September 2017.
2. Illustrative potential additional rent in 9M 2017 calculated, assuming the full occupancy of the Company's properties, as the application of the market net rent estimated by the Company's appraisers as part of their valuation exercise with respect to the vacant spaces in each of the Company's properties. Full occupancy has been estimated at 97% for Shopping Centres given structural vacancy and 100% for the remaining portfolio
3. Potential rent that may be derived from certain of the Company's assets under development (Vidanova Parc and Palmas Altas) based on the announced yield at the moment of their respective acquisition (9.2% and 8.0% respectively) as applied to the acquisition price and building capex for each asset
4. Estimated Rental Income assuming an average yield of assets acquired @ 6%

Proven Asset Management Capabilities

Active Asset & Tenant Management + Smart Capex in Operating Assets



Rotation Rate since acquisition to improve shopping experience

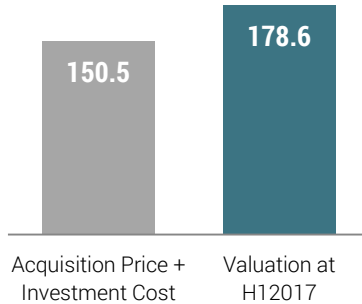
...are providing results

- +19.5%** Portfolio Valuation Growth
- +2%** Occupancy Total Portfolio
- €9.5Mn** EPRA annualized Net Rent Improvement since 9M 2016

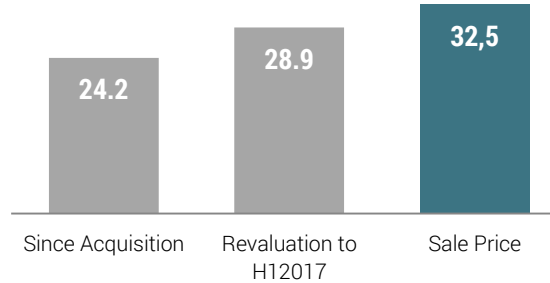


Asset Rotation = Unlocking Value

Office revaluation since acquisition



Arturo Soria revaluation



+34.5%
sale price/ acquisition

+13.0%
Premium over last appraisal



Development Value...

2 Retail developments



Residential development

c.88%

GLA signed & committed

Vidanova Parc, Valencia



+56%

GLA signed & committed

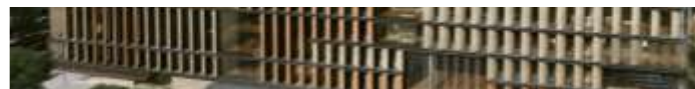
Palmas Altas, Seville



70%

Sales
As of 9M 2017

LAGASCA 99



Price
c.11,000 €/sqm

Q2 2018

Estimated delivery date



Debt Management as a Means of Value Creation

Key Figures of the financing

37%

Net Loan to Value (LTV)

2.19%

Avg. Cost of Debt

-41 b.p since H1 2015

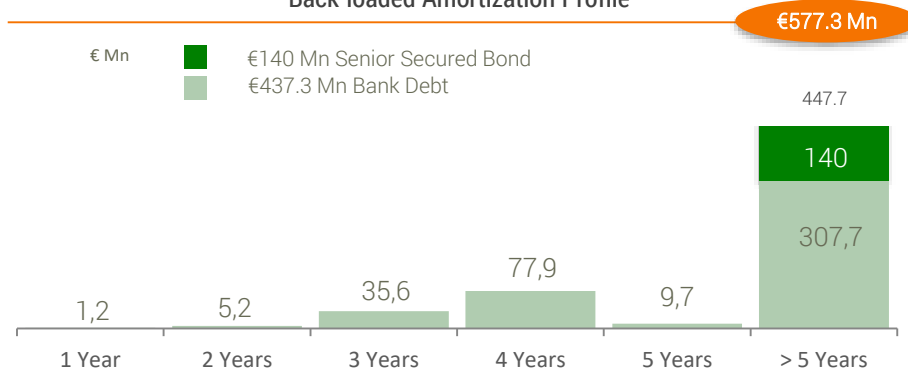
5.3x

Interest Cover Ratio¹(ICR)

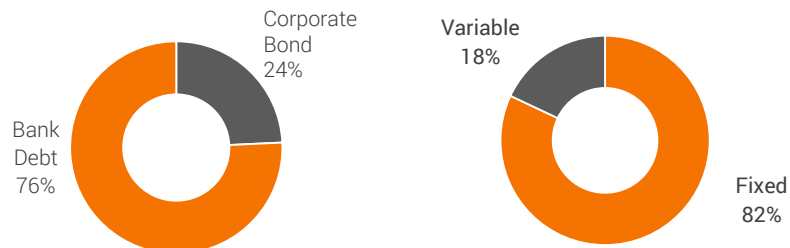
6.3Y

Debt duration

Back-loaded Amortization Profile



Diversification of sources



1. EBITDA (pre-revaluation) / Interest expenses as at H1 2017

€140Mn Bond Contract allows Flexibility in the Mortgage-Backed Assets Perimeter

Each Secured Real Estate Asset can be substituted with a non-residential Real Estate Asset that has an aggregate value and net operating income equal or greater to the asset being substituted

First Ranking Mortgage Real Estate Assets for up to ~60% LTV at Bond Perimeter Level

Issuer:	Lar España Real Estate SOCIMI, S.A
Structure:	Senior Secured
Trade Date:	12 February 2015
Settlement Date:	19 February 2015
Size:	€140 MM
Maturity:	7 year
Coupon:	2.900% Fixed, annual Act/Act
Security	<p>First Ranking Mortgage Real Estate Assets for up to ~60% LTV at Bond Perimeter Level</p> <ul style="list-style-type: none"> • Mortgage securing 20% of the principal of the bond • Promissory mortgage to extend to 130% in case of a "Mortgage Extension Trigger" <p>First Ranking Pledges over the shares of the Subsidiaries within the Bond Security perimeter</p>
Asset/Security Substitution	Each Secured Real Estate Asset can be substituted with a non-residential Real Estate Asset that has an aggregate value and net operating income equal or greater to the asset being substituted
Use of Proceeds	To acquire additional real estate properties in accordance with its Investment Strategy as defined in the IPO Prospectus
Call Options	Modified Spens at mid-swap flat
Listing:	Irish Stock Exchange
Morgan Stanley Role:	Sole Bookrunner and Structurer

Acquisition Pipeline Aimed at Increasing Retail Platform Value

Current Opportunities

110k+

GLA

- ✓ Large and visible pipeline including actionable off-market acquisitions with yields in the 6% area

100%

Retail

- ✓ High quality assets in prime locations focused on retail assets

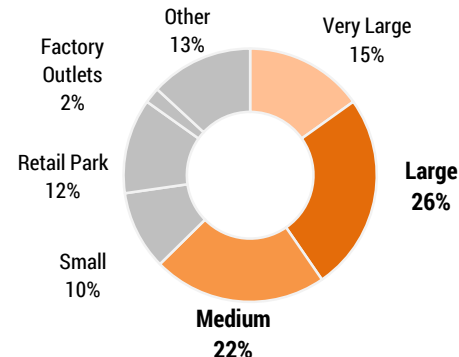
e6.0%

Expected
Minimum Yield

- ✓ Substantial upside potential through active asset management in line with previous acquisitions

Lar España in the Spanish Retail Market

LAR España has a clear objective to **consolidate among the top 3 retail operators** in Spain: target to selectively increasing GLA to **generate revenue synergies**



15.5 M sqm

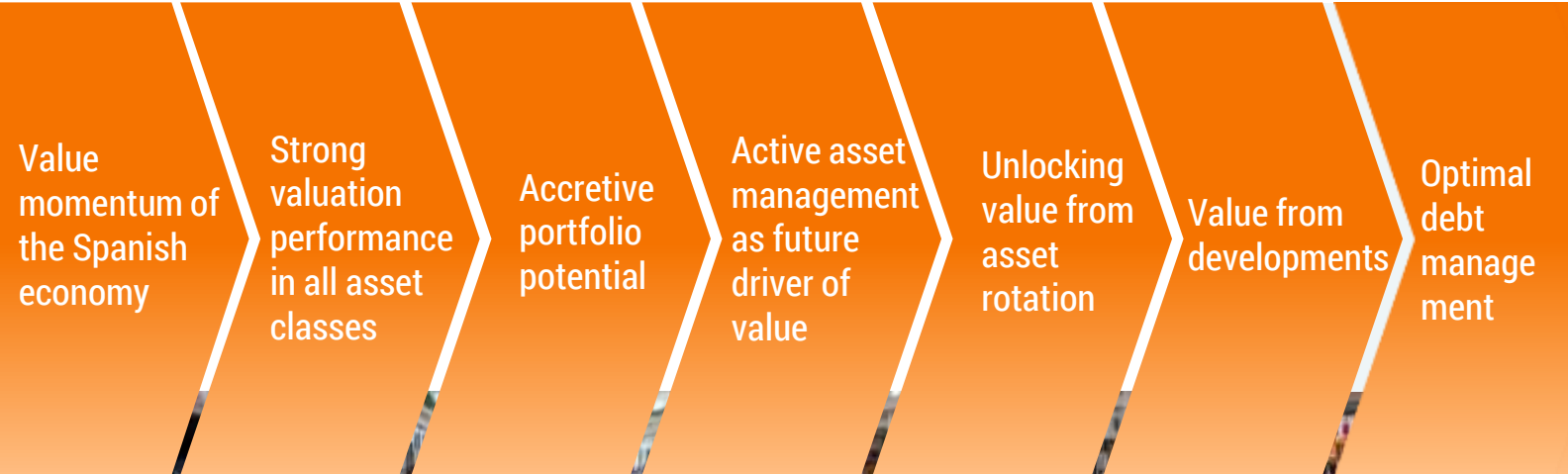
SC's fitting LRE's
Strategy by size

Target market size:

9.4 Mn sqm GLA

60.3% of the total market

Main Highlights





Innovation Strategy



Real Estate

Analyst Day

Miguel Pereda

CEO Grupo Lar &
Board Member Lar España

www.larespana.com

December 2017

Innovation Rationale

To position Lar España
as the **leader in digital transformation**
in the retail sector

To change relations with customers and retailers, making them more efficient and “digital” and our way to interact between departments in the Company, creating a work environment much more efficient and modern

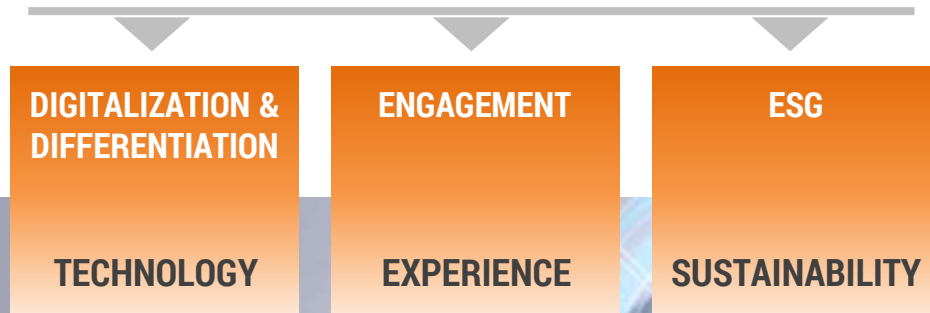
To create shared value to **lead economic and social progress**, and also generate financial returns for our shareholders

Lar España recognises its ability to have an impact on the world we live in and has therefore set itself the objective of improving people’s quality of life, bolstering socio-economic progress in Spain and generating a financial return for investors.



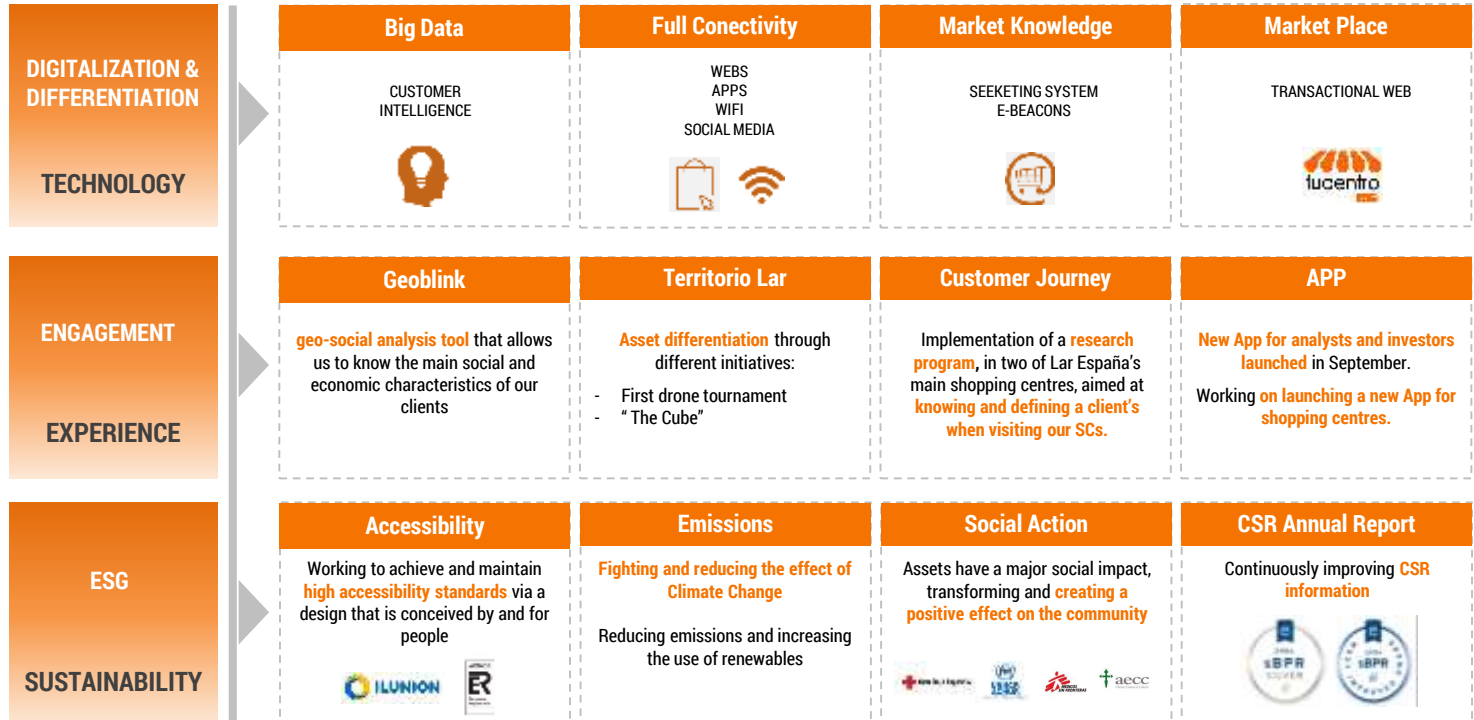
Innovation Strategy – TES Project

Disruptive projects differentiating among our competitors



Innovation Strategy – Technology

Disruptive projects differentiating among our competitors



Digitalization & Differentiation

Digitalization and Differentiation of Lar España projects

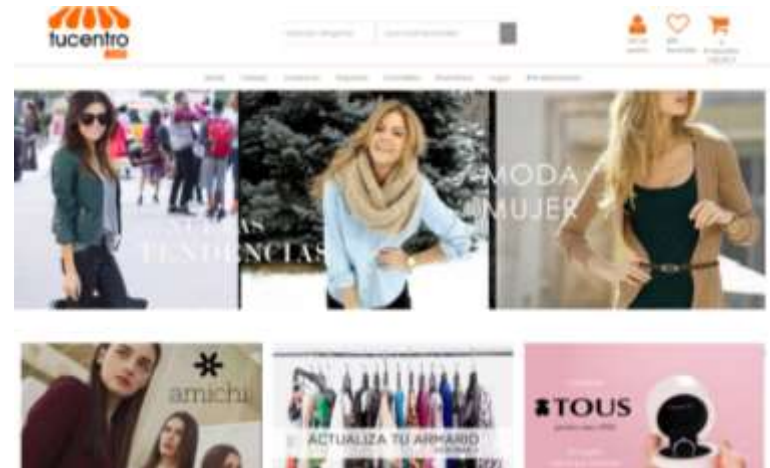
1

Webs, Apps and
Social Networks



2

Tucentro.com
New transactional web



3

Footfall and
Seeketing



4

Market research in
our shopping centres

Sales & effort rates
analysis

Data Analytics

Engagement – Creating Experiences

projects aimed at **engaging customers**

Customer Journey

Getting to know SC customers archetypes

LAR Territory

Implementing activities to make SCs more fun

Reforms Plan

Capex plan adapted to each asset's strategy

Wonderful Project

Entrepreneurship promotion and increase the relationship with the community

Indicators

Measurement of the engagement with indicators and targets

CUSTOMER JOURNEY

By



Environmental, Sustainability and Governance

Creating shared value

Asset Management & Environmental

Accessibility Society-based initiatives
Responsible Asset Management & environmental performance

Corporate Governance

Ensuring strong governance
Transparency in management
Continuous monitoring

Risk Control & Management

Ethics and Compliance



ESG - Asset Management & Environment

1 Responsible asset management focused on consumptions and emissions

Promoting **sustainability certification measures**, encouraging the use of new technology to **improve our assets' environmental quality and management**

CSR Master Plan to meet the most demanding sustainability standards

Lar España is improving the environmental performance of its shopping centres and offices and increasing the environmental awareness of its tenants. Implementing measures in its assets in:

Water

Electricity

Gas/Diesel

Additional environmental measures

Creating shared value

2 Accessibility

Working to achieve and maintain high accessibility standards that will allow everyone to be able to access its properties correctly and comfortably, taking into account existing problems.



87% retail assets & 80% offices audited

Lagasca 99: Excellent accessibility
Technical Building Code (TBC)

3 Society-based initiatives

>1,100 social and environment awareness days held in our shopping centres

>65 NGOs and foundations

>16,000kg of food has been collected

>EUR300,000 invested in social initiatives and collaboration projects

>35,500kg of clothing has been donated

commitment to promoting social integration



ESG - Corporate Governance



Risk Control & Management System

Integrated enterprise risk management (**ERM**) system designed to mitigate the risks exposure

1

ERM system involves all Lar España's staff and supervising of third parties responsible for outsourced services

Risk management performed by specialist service providers

- ✓ Investment and asset management
- ✓ Preparation of the organisation's finance-tax information
- ✓ Half-yearly asset appraisals

2

Risk Map: the ERM system categorises risk into *high, medium and low*. Risk tolerance determination system reviewed at least annually

Response and monitoring plans

- ✓ Less critical risks. **Rationalisation and optimisation**
- ✓ Risks assessed to be of medium importance. **Assessment and surveillance**
- ✓ Risks deemed highly critical. **Exhaustive analysis**



Ethics and Compliance

To guarantee ethical conduct and enforce regulatory compliance

1

Code of Conduct and Whistle-blowing Channel

2

Crime prevention model

3

Anti-Money Laundering Manual



Next Steps



Real Estate

Analyst Day

Miguel Pereda

CEO Grupo Lar &
Board Member Lar España

www.larespana.com

December 2017

Our Next Steps

**LAR ESPAÑA-
GRUPO LAR
RELATIONSHIP
FRAMEWORK**

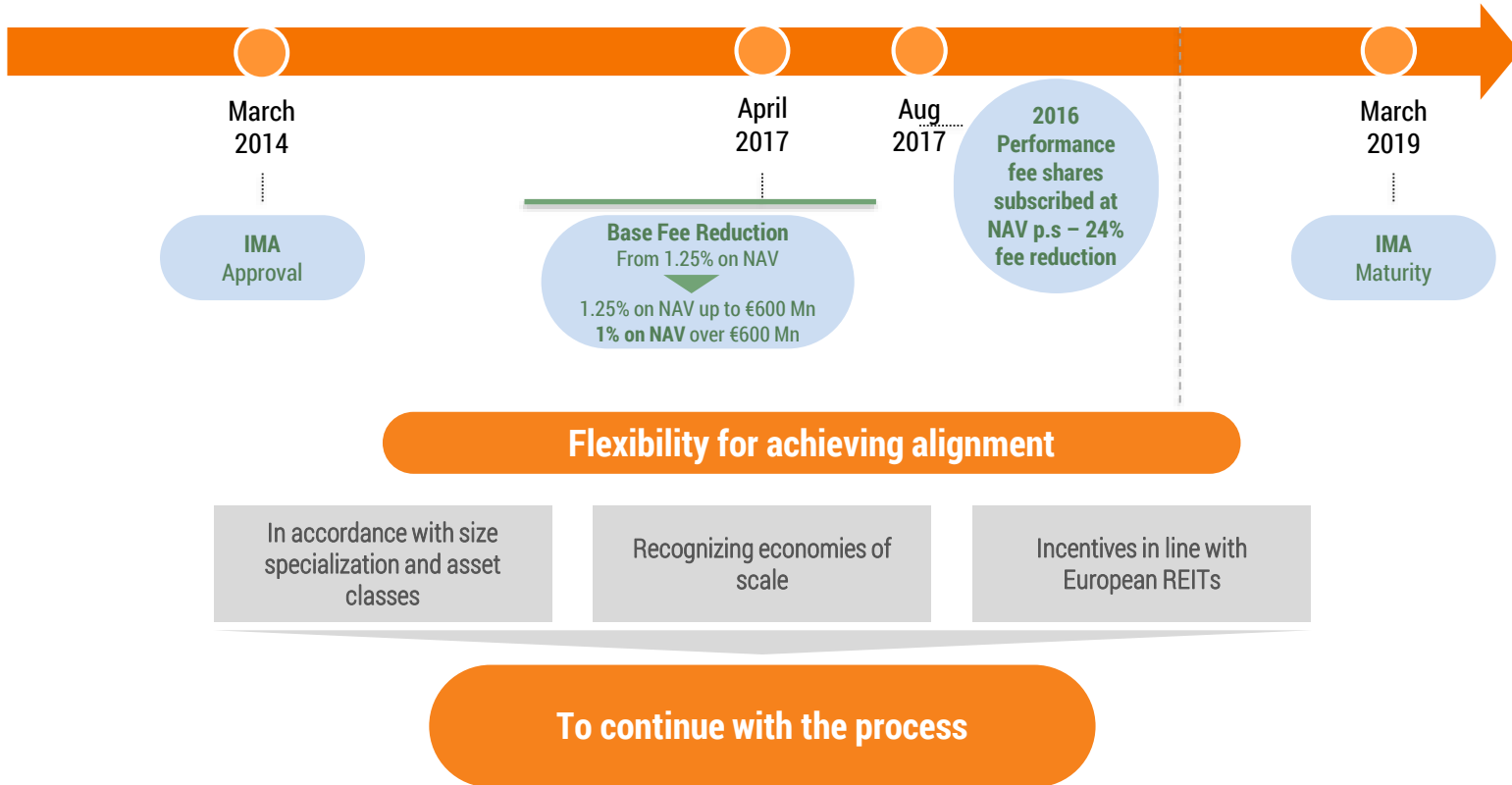
**RETAIL FOCUS
STRATEGY**

**NON-CORE
ASSETS
DIVESTMENT**

DEVELOPMENTS



Lar España – Manager Agreement



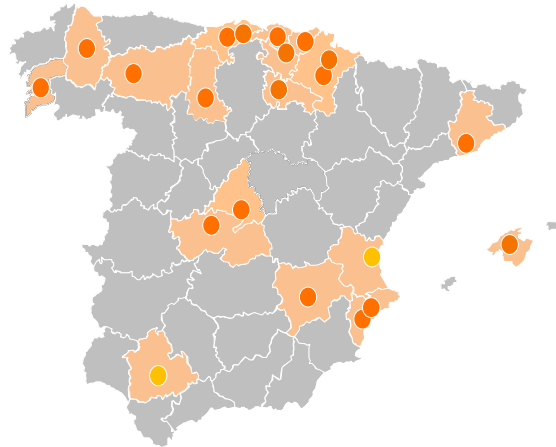
Retail Focus Strategy

Investment Criteria

- Value-Creation Potential
- Dominant
- Core+
- Soundness
- Protected

100%
ownership

Target
levered
IRR>12%



Creation of unique shopping experiences

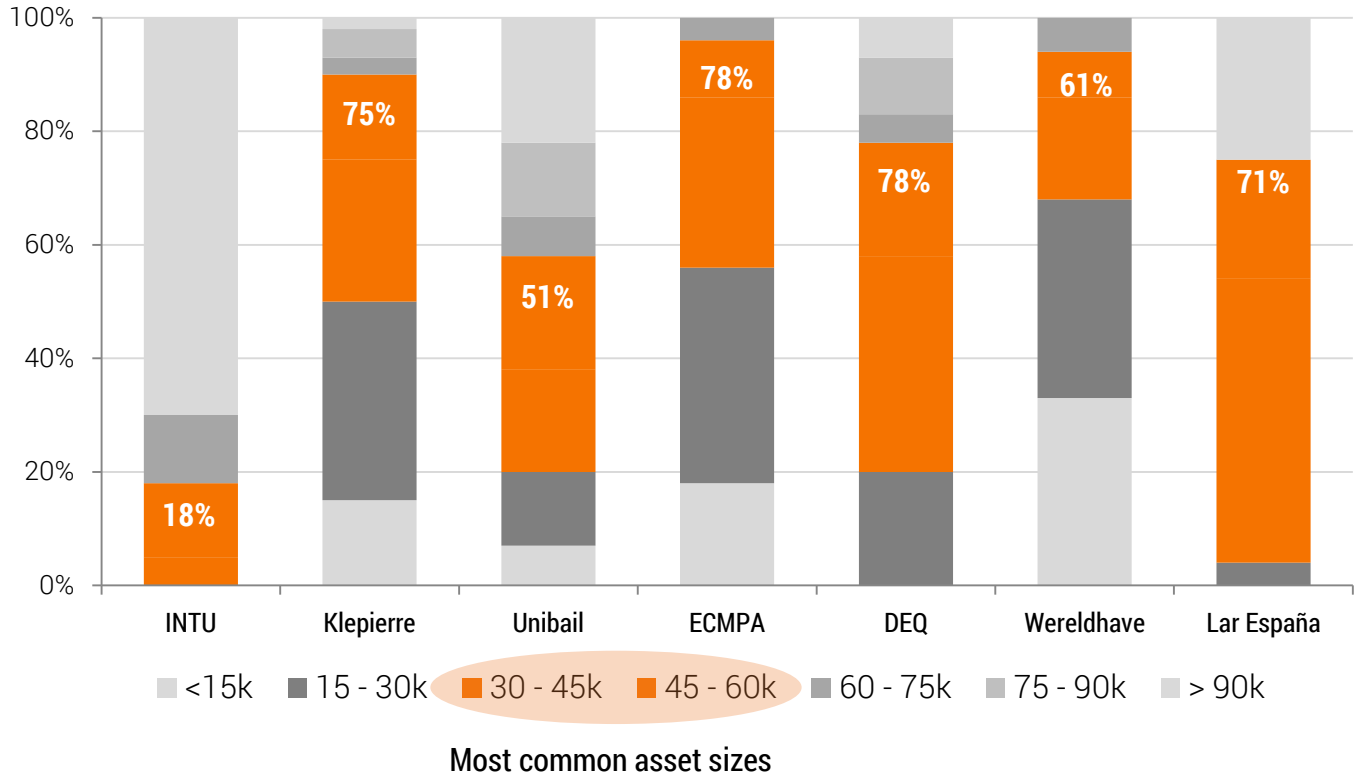
- Customer journey analysis
- Optimum size for area of influence
- Optimal and fine-tuned tenant line-up
- Enhancement of entertainment areas
- Repositioning through targeted capex
- Leverage on technology to know and influence clients



High yielding assets with limited risk

Retail Focus Strategy

Lar España mix is positioned in the most common asset size among top retail operators



Non-Core Assets Divestment

Expected divestments to crystalize significant value

+3Y post Acquisition Date	Asset	Status	Asset Class	Location	GAV 30 June 2017	Sale Price	Premium Since Acquisition
Jul 2017	Arturo Soria	Sold	Office	Madrid	€28.9 Mn	€32.5 Mn	+34.5%
Jul 2017	Marcelo Spínola	Refurbishment completed	Office	Madrid	€33.5 Mn		
Dec 2017	Egeo	-	Office	Madrid	€76.1 Mn		
Dec 2017	Eloy Gonzalo	<i>Under refurbishment</i>	Office	Madrid	€18.8 Mn		
Jun 2018	Joan Miró	-	Office	Barcelona	€21.4 Mn		
Ongoing	Lagasca 99	<i>Under development</i>	Residential	Madrid	€71.5 Mn		

1. Date after which the favourable SOCIMI tax regime applies to divestments
 2. Corresponds to the 50% of the JV with PIMCO

Developments

Keep investing our two retail developments...

Q2
2018



Estimated
delivery date

>9%
Exp NIY

€4 Mn
Exp annual rents

c.88%
GLA signed
& committed¹



Retail

Q2
2019



Estimated
delivery date

>8%
Exp NIY

€14 Mn
Exp annual rents

c.56%
GLA signed
& committed¹



Retail

+ Other developments

Q2
2018

LAGASCA99

Estimated
delivery date

70%
Sales
9M 2017

c. 11,000 €/sqm
Price



In process



Residential

Cheste, Valencia

9.23%
Initial yield
on Cost

162,000
Sqm GLA

5
Initial
Op. assets



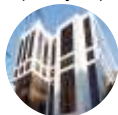
Logistics

1. As of t July 2017

Expected Next Steps

Arturo Soria Divestment

Sell Price – €33.5 Mn
 Capital Gain - €7.6 Mn
 Ext Div - €5.9 Mn, 0.064 €/ps
 (0.8% yield)



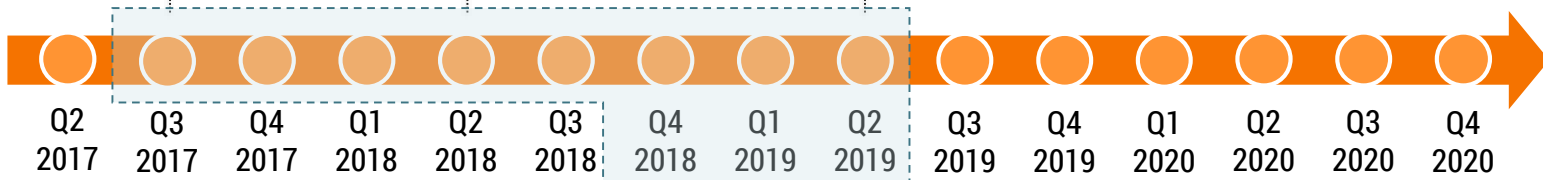
Vidanova Parc Delivery

Acq price - €14 Mn
 Dev capex - €26 Mn
 Exp NIY - >9%
 Exp annual rents - €4 Mn



Palmas Altas Delivery

Acq price - €36 Mn
 Dev capex - €109 Mn
 Exp NIY - >8%
 Exp annual rents - €14 Mn



Offices Divestment



Egeo Divestment



Eloy Gonzalo
 Refurbishment Completion



Marcelo Spínola
 Multitenant strategy



Joan Miró Divestment



LG99 Delivery
 Average Sell Price – 11,000 €/sqm
 GLA – 26,203 sqm



Business Plan



Real Estate

Analyst Day

Miguel Pereda

CEO Grupo Lar &
Board Member Lar España

www.larespana.com

December 2017

Lar España Q3 2017 Highlights

GAV
€1,429 Mn
+19% vs Q3 2016

Assets
31
3 acquisitions in 2017

GLA
882,852 sqm
+25% vs Q3 2016

Wault
2.7 years



Annualized Net Rent
€72.1 Mn
+15% vs Q3 2016

EPRA Topped-Up NIY
5.9%

Occupancy Rate
94.7%

2017 Investments
€112.9 Mn

Lar España Q3 2017 Highlights

EPRA NAV
€880.2 Mn
 +16% vs Q3 2016

Rental Income
€57.2 Mn
 +36% vs Q3 2016

Net LTV
37%

EBIT
€81.2 Mn
 +37% vs Q3 2016

Average Cost of Debt
2.19%

Net Profit
€72.2 Mn
 +55% vs Q3 2016

Financial Debt
€577.3 Mn

ROE¹
14.04%



1. Calculated using figures from last 12 months

Business Plan 2018-2021



Main BP Assumptions



Period

2018-2021

Divestments

€380 Mn

Capex Investment¹

c. €49 Mn

c. €247 Mn including development costs²

New Investments

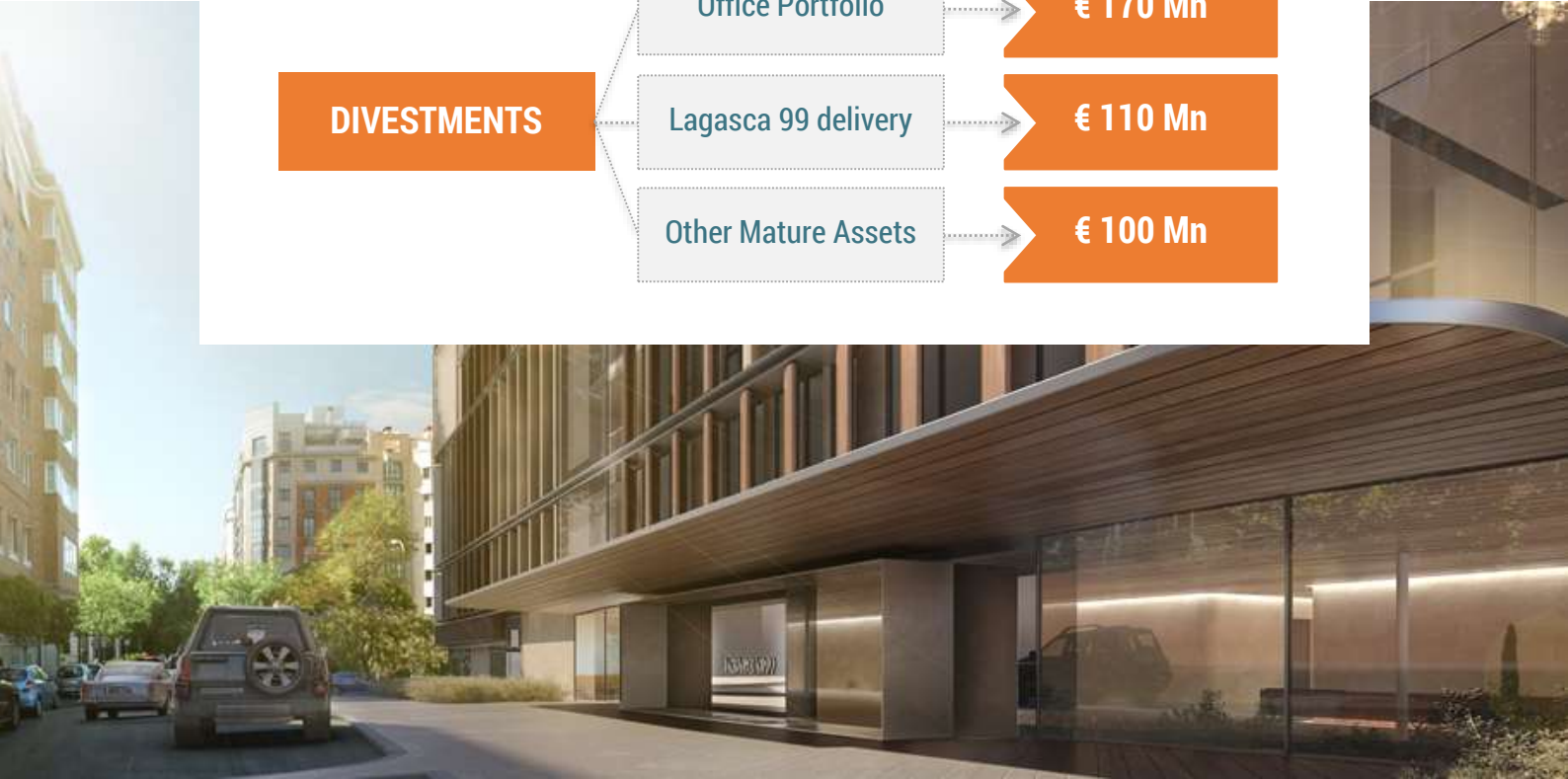
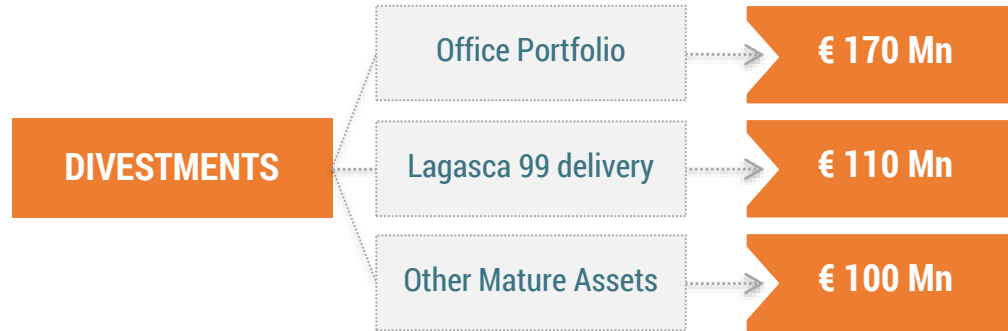
€220 Mn

Capital Increase

No capital increases considered

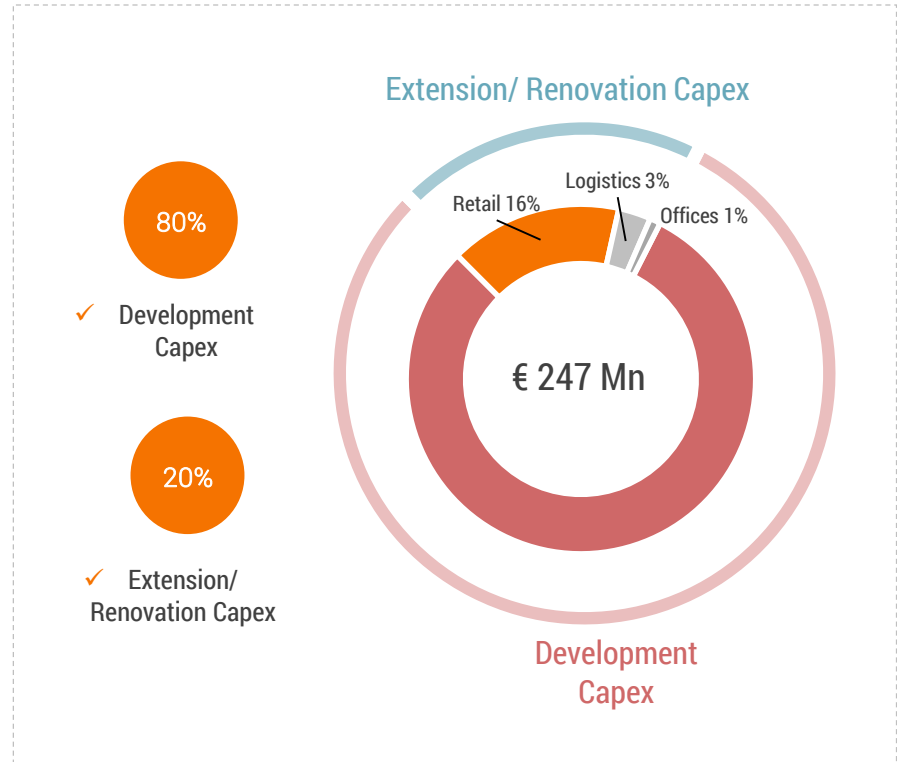
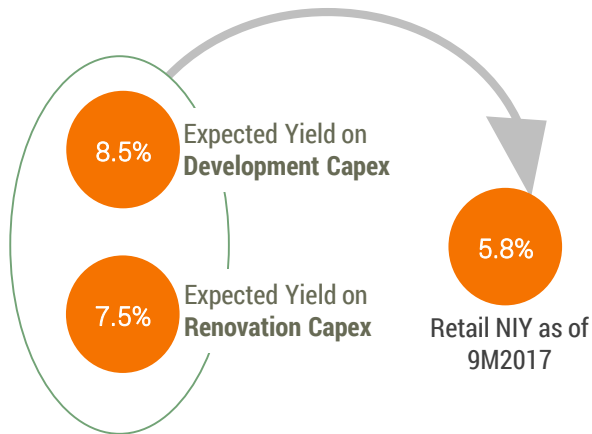
1. In existing investment properties and development projects
2. Development cost financed and to be financed

Main BP Assumptions



Development and Renovation Capex

Drivers of Share Price Accretion



Main BP Assumptions



Short Term Pipeline

	Asset Class	Aprox. GLA	Location
Asset 1 ¹	Retail	6,200	Centre Spain
Asset 2	Retail	37,000	Centre Spain
Asset 3	Retail	60,000	Prime Touristic Area
Asset 4 ¹	Retail	11,500	North Spain
...



1. Complementary Retail Assets

KPI's 2017-2021

	Expected End 2017	Expected Average Growth per annum
GAV	c. €1,500 m	↑ c.7%
Annualized GRI ¹	€ 81 m	↑ c.13%
Annualized NOI ¹	€ 73 m	↑ c.14%
Non recoverable/ GRI expenses	10%	↓ c.-8% (till 7% target)
Occupancy ¹	95%	↑ c. 1% (till 97% target)
Net LTV	37%	c. 37% ²

1. In accordance with EPRA BPR
2. Estimated as at 31.12.2021

KPI's 2017 - 2021

	Expected End 2017	Expected Average Growth per annum
Total Annual Return	>13%	↑ >12%
NAV	c. € 923 m	↑ c.8% ¹
Dividend Yield on NAV	5% over NAV	≥ 5% over NAV
6.1% Dividend Yield considering current Market Cap ²		

1. Without including dividend distribution

2. Calculated at 20.11.2017

Dividends

Dividend policy objectives

✓ Predictable and sustainable dividend and distribution schedule

✓ Competitive in the International Real Estate market

✓ Attractive vs Spanish equity market

✓ As a result of a solid cash flow generation

1

Dividend Yield

5% over NAV



2

Extraordinary dividends

Lagasca 99 Delivery
According to SOCIMI Regime



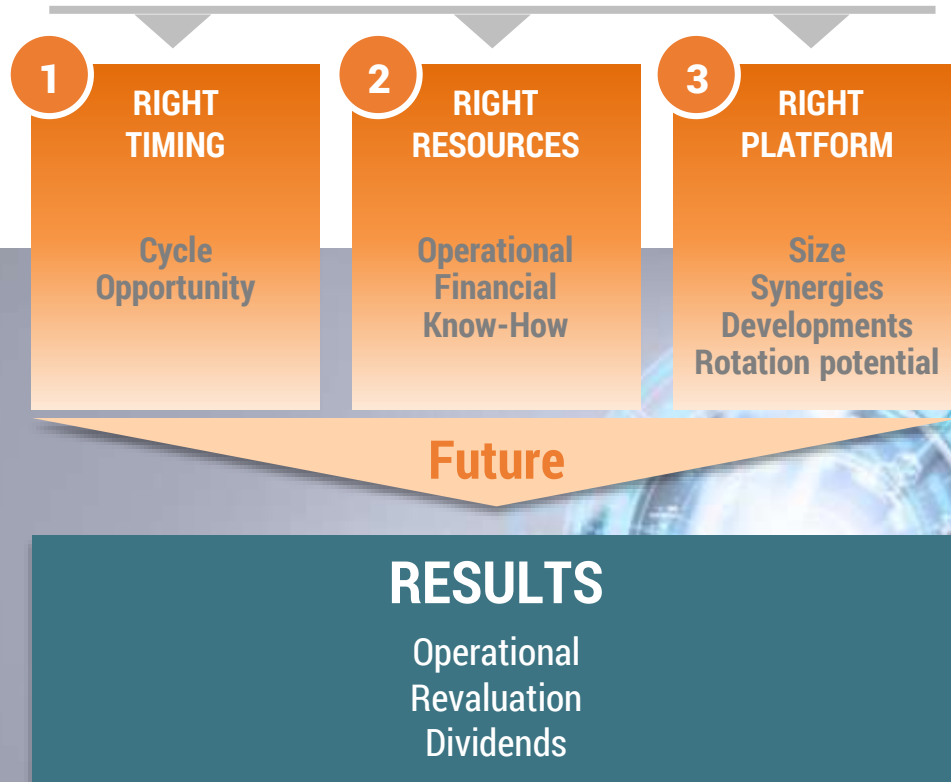
3

Distribution for other non core assets divestments

According to the Business Plan execution and best capital allocation

✓ **One payment per year** upon approval of the General Shareholders Meeting

Closing Remarks



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info@larespana.com



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