



COMISIÓN NACIONAL DEL MERCADO DE VALORES

En cumplimiento de los deberes de información previstos en el artículo 82 de la Ley 24/1988, de 28 de julio, del Mercado de Valores, Lar España Real Estate SOCIMI, S.A. (en adelante, “Lar España” o la “Sociedad”) pone en conocimiento de la Comisión Nacional del Mercado de Valores el siguiente

HECHO RELEVANTE

Con fecha 26 de mayo de 2015, la Sociedad adjunta presentación para accionistas e inversores con información sobre la evolución del negocio y los activos adquiridos.

Madrid, a 26 de mayo de 2015

Lar España Real Estate SOCIMI, S.A.
Don José Luis del Valle Doblado,
Presidente del Consejo de Administración



Corporate Presentation - Strategic and Financial Update

May, 2015

www.larespana.com



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Agenda

1 Overview of Lar España

2 Asset portfolio

3 Lar España – 2015 overview

Appendix

Introduction to Lar España

Lar España's aim is to generate high returns for its shareholders via its business strategy of owning, operating and renting its Real Estate portfolio (through Active Property Management), which is mainly focused on Commercial Property Assets in Spain

Strong Corporate Governance

- **Independent Board of Directors** (4 out of 5 members are independent)
- Highly **regarded individuals** with experience in Spain, listed markets, real estate and finance

Board Structure

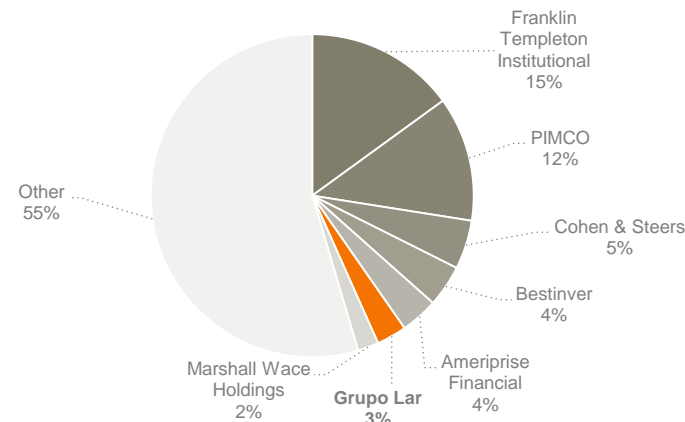
Name	Position
Jose Luis Del Valle	Chairman, Independent
Alec Emmott	Director, Independent
Roger Cooke	Director, Independent
Pedro Luis Uriarte	Director, Independent
Miguel Pereda	Director, Non-Independent
Juan Gomez-Acebo	Secretary (Non-Director)

Source CNMV

Overview

- **First IPO** of a Spanish REIT listed on the Spanish Stock Exchange
- Focused on creating both **sustainable income** and **strong capital returns** for shareholders

Shareholder Structure as of May 2015



Source CNMV

- **Lar España** went public in March 2014 (IPO gross proceeds of **€400m**) and opted for the **SOCIMI tax regime** (REIT regime)
- It is **externally managed by Grupo Lar** (family owned, Spanish private Real Estate developer, Investor and Asset Manager with a 40-year track record of international experience)
- **Company's business strategy** is to acquire real estate assets for rental purposes with high return potential consisting primarily of **commercial property** (mainly retail and office)

Lar España at a glance

Key figures as of May 2015

Market cap ¹	€426m	Total acquisitions	€526m	Passing net rent ^{2,3}	€31.5m
Occupancy rate	94.1%	GLA owned	296,572 sqm	WAULT	3.0 years
	LTV ⁴	44%	Gross yield ⁵	7.6%	

Flagship assets

Shopping centres



Retail units



Offices



¹ Share price of €10.64 as of May 19, 2015; ² Passing rent calculated as the annualised last passing rent before the acquisition on the purchase of the assets; ³ Gross passing rent of €35.5m (gross margin of 88.7%); ⁴ LTV calculated as gross debt over total assets value (i.e. not taking into account ~€90mm of current liquidity, expected to be invested in the short term); ⁵ Gross yield calculated as the annualised last gross passing rent over the acquisition purchase price.

14 months after the IPO, well ahead of our target

Investment of total initial proceeds levered @ 50% LTV (€780m) by 18-24 months



- 100% equity already deployed in 14 months
- Debt expected to be deployed before Q3 2015

In the region of a 50% target leverage



- 44% LTV
- ~ €90m of liquidity available

Investment at high yields



- 6.5% in retail (on market adjusted low rents and high vacancies)
- 5.8% in offices
- 10.0% in logistics

Established network to source off-market deals



- 60% of transactions (by value) have been executed through off-market deals

Strong cash flow and dividend growth



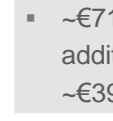
- Paid €0.033 dividends per share over first fiscal year
- Focus on an attractive dividend distribution policy

Focus on prime/good secondary real estate products in need of asset management



- ~€43m of capex on the current portfolio expected to be deployed in the coming years
- Repositioning of 3 assets (2 office buildings and 1 shopping center)

Identification of a strong pipeline

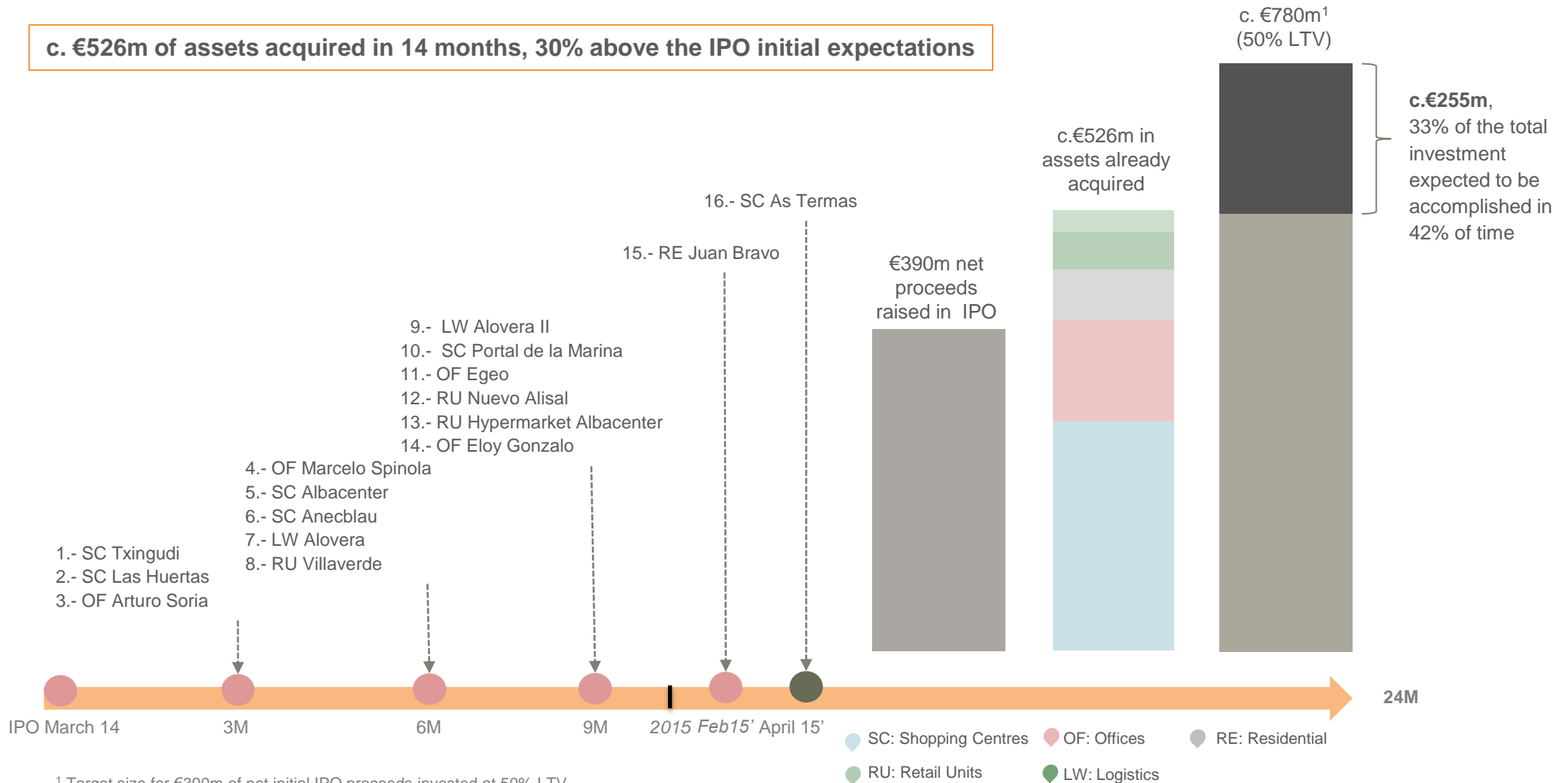


- ~€718m of pipeline identified, out of which ~€147m are under exclusivity (with additional ~€40m of capex requirements), ~€172m are under due diligence and ~€399m of pipeline under negotiation

Lar España has delivered results on the initiatives announced at IPO

Investment executed ahead of expectations at IPO, >70% completed and 100% expected to be executed over Q3 2015

c. €526m of assets acquired in 14 months, 30% above the IPO initial expectations



¹ Target size for €390m of net initial IPO proceeds invested at 50% LTV

Lar España is committed to a value-added strategy

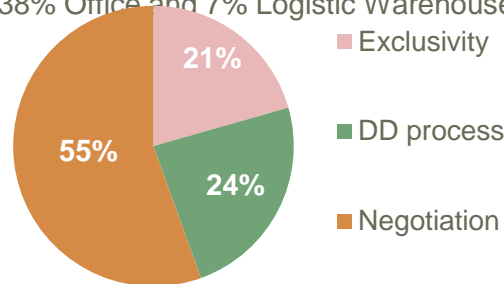
- Clear strategy driving asset allocation
- Focus on assets with value creation potential beyond macro cycle
- Specialist approach to asset management

Asset Class	Investment and Asset Management strategy	Location
c.80%	Retail <ul style="list-style-type: none"> ▪ Shopping Centres and Retail Parks with a confirmed catchment area expected to be consolidated through an improved tenant mix or with upside potential for repositioning, extension and development ▪ Intense asset management through vacancy reduction, increase in turnover rents and mall income as well as a reduction of non-recoverables 	Locations with limited density and higher GDP per capita than average, throughout Spain
	Office <ul style="list-style-type: none"> ▪ Value-creation based on intensive property management: <ul style="list-style-type: none"> ▪ Increase on NOI through vacancy reduction, lease contracts restructuring and reduction on non recoverables ▪ Repositioning and improving quality: capex investments ▪ Targeted refurbishment or development ▪ Selective rotation strategy: hold office assets to put them into value (repositioning) and increase its rents ahead of selling them 	Madrid & Barcelona Core locations with limited vacancy, historical low rents and good public transportation
	Other Commercial <ul style="list-style-type: none"> ▪ Other Commercial asset classes on a selective basis: combination of low rents, high yields and low price per sqm 	Madrid, Barcelona, Valencia areas with very good access
Up to 20%	Residential <ul style="list-style-type: none"> ▪ Focus on first homes only ▪ New developments in niche markets without zoning risk, limited supply and clear demand (lack of new development) 	Madrid and other big cities on a very selective basis

Lar España has a robust acquisition pipeline to meet its portfolio targets

Key highlights

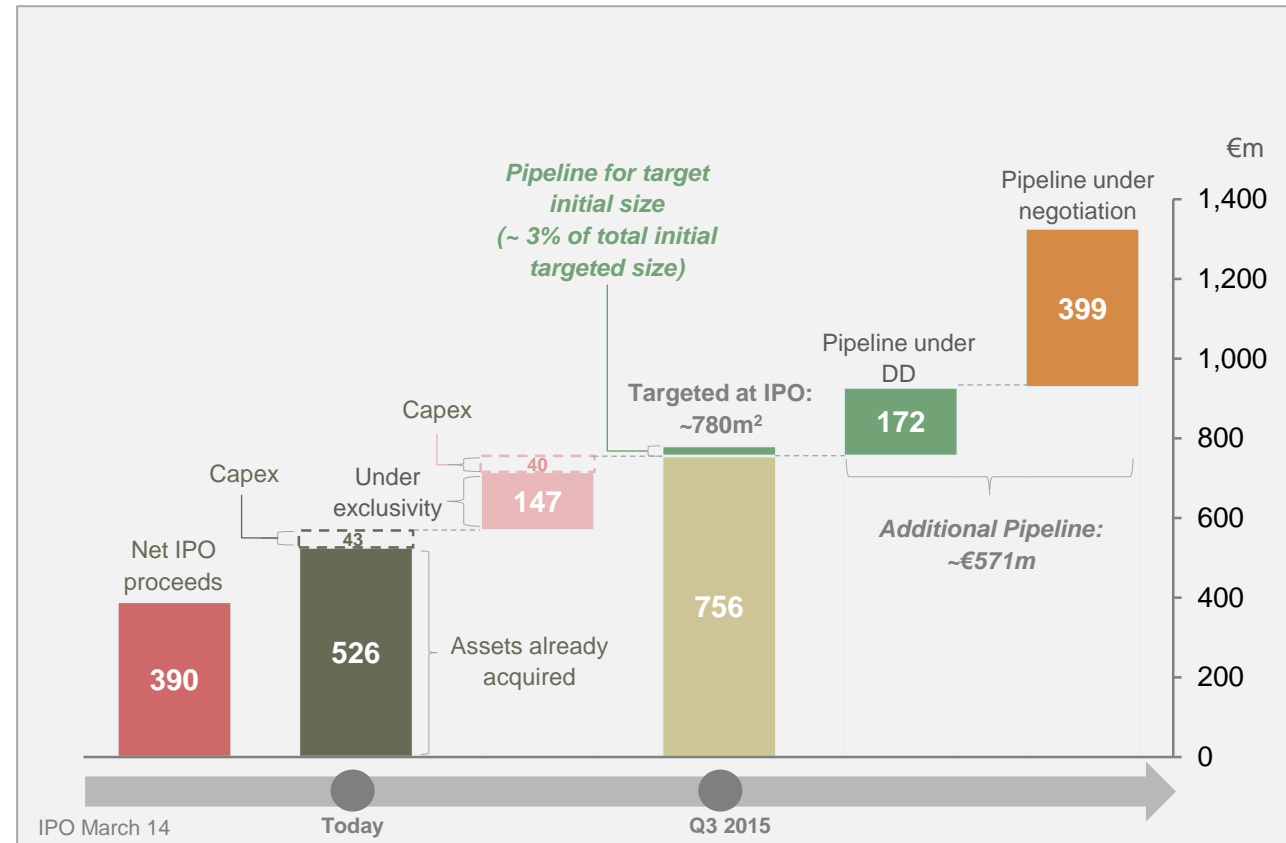
- c.€147m of assets **Under Exclusivity**
 - **>7% of Net Initial Yield** (estimated) **on cost** of the pipeline under Exclusivity
- Expected additional **capex needs** related to current portfolio of **~€43m**
- Assets under exclusivity are expected to require **additional ~€40m capex – mostly for development** purposes
- Total pipeline breakdown is 55% Retail, 38% Office and 7% Logistic Warehouses



Total Pipeline size¹: ~€718mm

¹ Pipeline size excluding potential capex requirement (€43m on current portfolio and €40m on assets under exclusivity); ² €390m of net initial IPO proceeds invested at 50% LTV

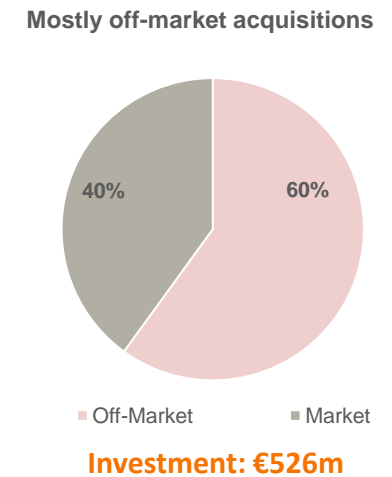
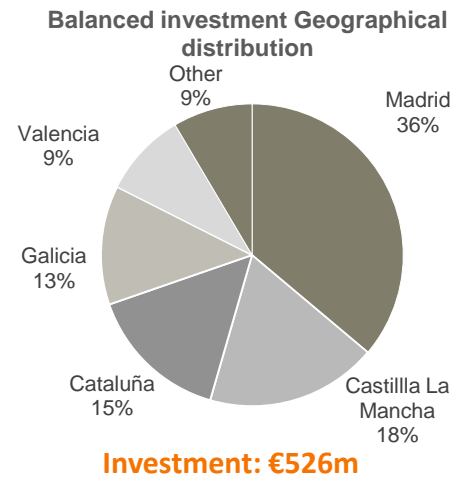
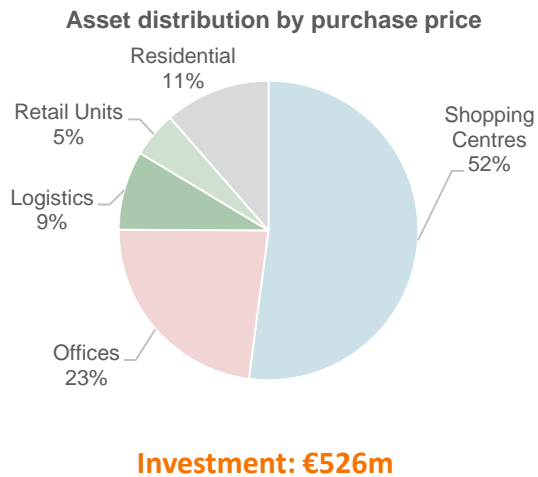
Illustrative pipeline targeted by Lar España



Lar España has consolidated a stable rent generating and value-added portfolio

All figures stated at the acquisition date

Asset Class	Units	Price	Gross Lettable Area	W.A.U.L.T	Avg. Rent/sqm	Avg. Initial Occupancy	Avg. Gross Initial Yield	Avg. Net Initial Yield	Annualised Net Rent Generation
Retail	9	€300.0m	135.7k sqm	3.5	14.2€	92%	7.6%	6.5%	c.€20.0m
Offices	4	€120.8m	41.7k sqm	2.2	14.2€	94.7% ¹	6.5%	5.8%	c.€7.0m
Logistics	2	€44.9m	119.1k sqm	1.6	3.4€	100%	10.8%	10.0%	c.€4.5m
Residential	1	€60m	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Total	16	€525.7m	296.6k sqm	3.0	13.2€	94.1%	7.6%⁽²⁾	6.7%⁽³⁾	c.€31.5m

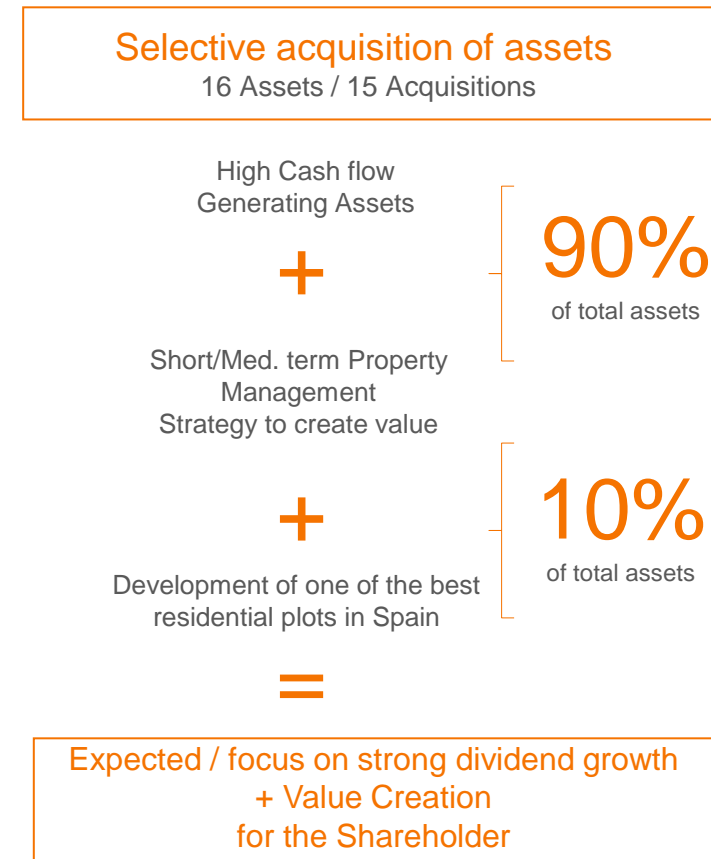
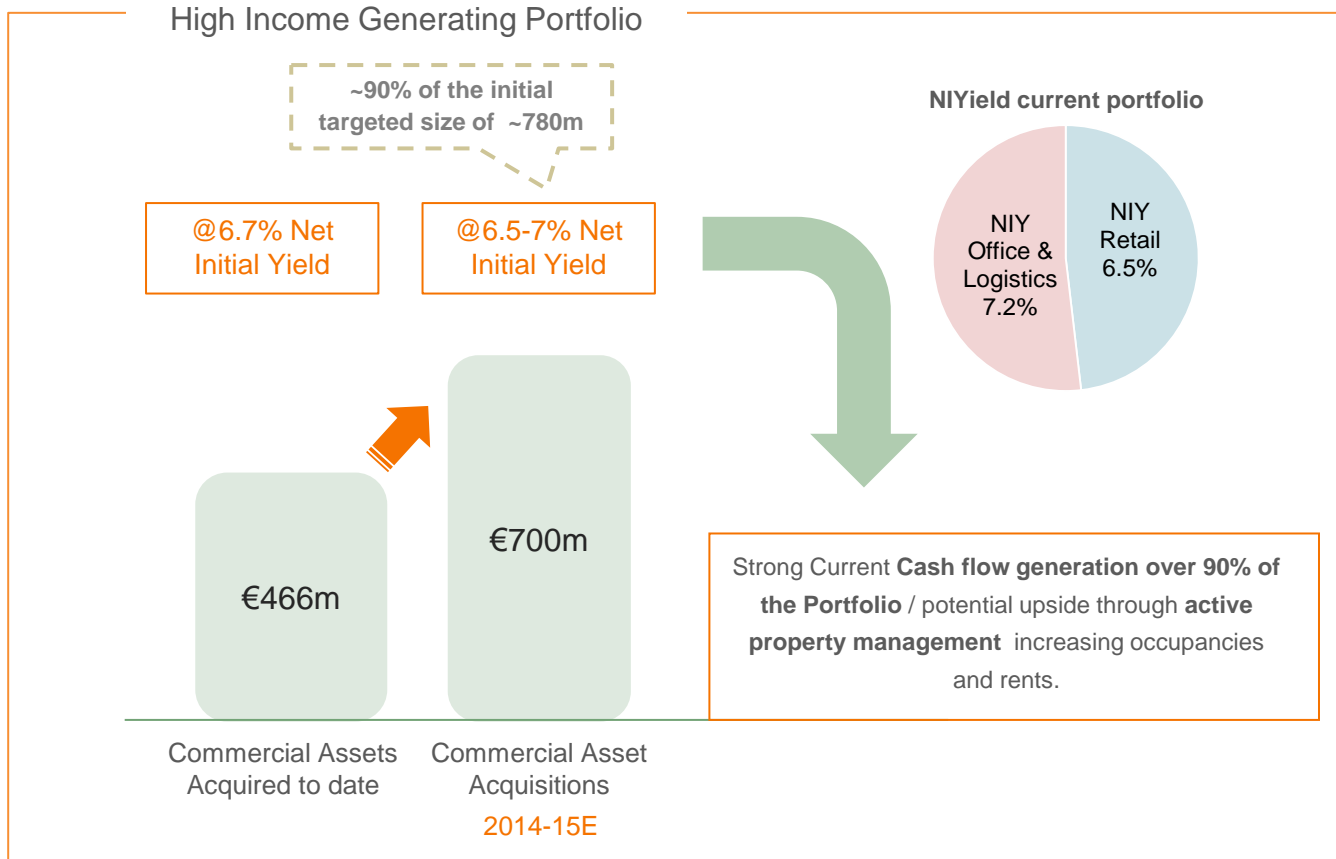


¹ Marcelo Espinola has been excluded from calculation due to total refurbishment.

² 7.6% is the NIY on cost of rent generating assets. Thus, €60m investment for a residential development is not included in its calculation.

³ 6.7% is the NIY on cost of rent generating assets. Thus, €60m investment for a residential development is not included in its calculation.

Focus on value creation through a consolidated high entry yield portfolio with ample room for asset improvement



Strong Management Team



Miguel Pereda
Managing Director at Grupo Lar
Board Member of LRE



- Co-CEO of Grupo Lar since 2007.
- CEO of Grupo Lar Grosvenor for six years.
- Over 25 years of experience in real estate sectors.
- Degree in Business Administration at Universidad Complutense. MBA from IE and Masters from IMD.

Real Estate Manager
Luis Pereda
Executive Chairman



REAL ESTATE TEAM

LAR ESPAÑA MANAGEMENT TEAM

SERGIO CRIADO
 CFO



- Financial Director of Grupo Lar for Spain and Portugal since 2006, covering office, industrial, residential and second home area. Launched Lar Perú in 2012
- Over 14 years of experience in financial and real estate sectors.
- Degree in Business Administration at UAH.
- MBA from IEB.

JON ARMENTIA
 Corporate Manager



- Financial Director of Grupo Lar since 2006, covering retail properties area.
- Over 12 years of experience in audit, financial and real estate sectors. Worked in Deloitte for 4 years.
- Degree in Business Administration at Universidad de Navarra.

SUSANA GUERRERO
 Legal Manager



- Joined Lar España in Nov. 2014.
- Worked as M&A and Corporate lawyer at Uría Menéndez for 10 years.
- Degree in Law at Universidad Complutense. LLM in business law from I.E.

JORGE PEREZ DE LEZA
 Europe



- Managing Director of Residential Product Europe since 2005.
- Consultant for more than five years at Boston Consulting Group.
- Over nine years of experience in the sector.
- Degree in Engineering at ICAI. MBA from Harvard University.

MIGUEL ÁNGEL GONZÁLEZ
 Residential



9 people

- Development Director at ING Real Estate.
- Project Management Director at Grupo Ríofisa.
- Over 20 years of experience in Real Estate Development sector.
- Degree in Civil Engineering at UPM. MBA from IE.

JOSE MANUEL LLOVET
 Retail



15 people

- Capital Markets Director at JLL.
- Investment Manager Director at Unibail Rodamco in Spain.
- Over 25 years of experience in real estate sector.
- Degree in Economics at CUNEF.

ARTURO PERALES
 Offices



3 people

- Head of Office Agency at Atis Real.
- Director of Office Development at Lar Grosvenor.
- Director of Asset Management at two prominent Family Offices.
- Over 19 years of experience in real estate sector, focused on offices.

SONSOLES CANTERO
 Managing Director



101 people

- Over 28 years of experience in the real estate sector. 12 of which in Gentalia.
- Specialises in shopping centres. Has worked on over 100 shopping centres and outlets in Spain and Portugal.
- Degree in Mining Engineering and MBA.

GRUPO LAR

GENTALIA

Note: Grupo Lar's Corporate Service team has 10 employees

Positive financial results

P&L (€'000s)		
€ '000Ss	2014A	1Q 2015
Revenues	8,606	6,471
Other income	217	130
Personnel costs	(108)	(93)
Other expenses	(6,789)	(2,541)
Results from operating activities (EBITDA)	1,926	3,967
Financial Income	2,391	198
Financial Expenses	(519)	(824)
Share in profit (loss) of equity-accounted companies	(342)	477
Profit from continuing operations	3,456	3,818
Income Tax	-	-
Net Profit	3,456	3,818

Balance Sheet (€'000s)					
Assets	31/12/2014	31/03/2015	Liabilities and Equity	31/12/2014	31/03/2015
Investment properties	357,994	358,250	Share capital	80,060	80,060
Equity-accounted investees	18,087	20,214	Share premium	320,000	320,000
Non-current financial assets	3,841	53,641	Other reserves	-9,185	-5,642
Total Non-Current Assets	379,922	432,105	Retained earnings	3,456	3,818
Inventories	2,843	2,843	Treasury shares	-4,838	-3,615
Trade and other receivables	1,970	1,694	Total Equity	389,493	394,621
Other current financial assets	32,032	6,995	Bonds and marketable sec.	-	138,098
Other current assets	136	6,441	Loans and borrowings	37,666	57,514
Cash & cash equivalents	20,252	157,474	Other non-current liabilities	5,143	5,454
Total Current Assets	57,233	175,447	Total Non-Current Liabilities	42,809	201,066
Total Assets	437,155	607,552	Bonds and marketable sec.	-	445
			Loans and borrowings	156	5,155
			Trade and other payables	4,679	4,600
			Other current liabilities	18	1,665
			Total Current Liabilities	4,853	11,865
			Total Equity and Liabilities	437,155	607,552

Agenda

1 Overview of Lar España

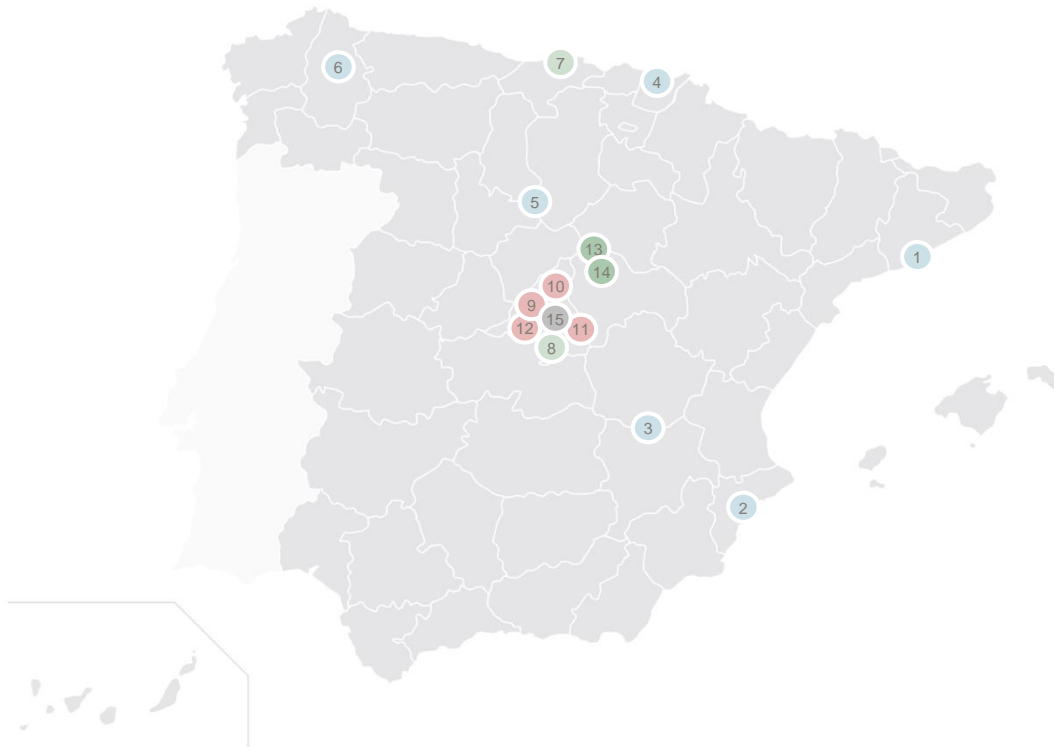
2 Asset portfolio

3 Lar España – 2015 overview

Appendix

Portfolio Overview

Location by asset class



Shopping Centre

- 1 L'Anec Blau (*Barcelona*)
- 2 Portal de la Marina (*Alicante*)
- 3 Albacenter – SC+ Hypermarket + Retail Units (*Albacete*)
- 4 Txingudi (*Guipúzcoa*)
- 5 Las Huertas (*Palencia*)
- 6 As Termas (*Lugo*)

Retail Unit

- 7 Alisal (*Santander*)
- 8 Villaverde (*Madrid*)

Office

- 9 Egeo (*Madrid*)
- 10 Arturo Soria (*Madrid*)
- 11 Cardenal Marcelo Spinola (*Madrid*)
- 12 Eloy Gonzalo (*Madrid*)

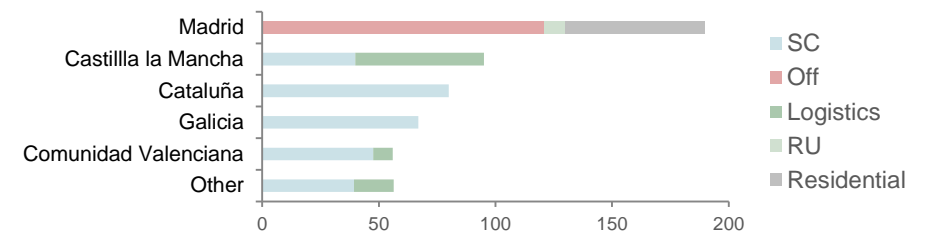
Logistics

- 13 Alovera I (*Guadalajara*)
- 14 Alovera II (*Guadalajara*)

Residential

- 15 Juan Bravo / Claudio Coello

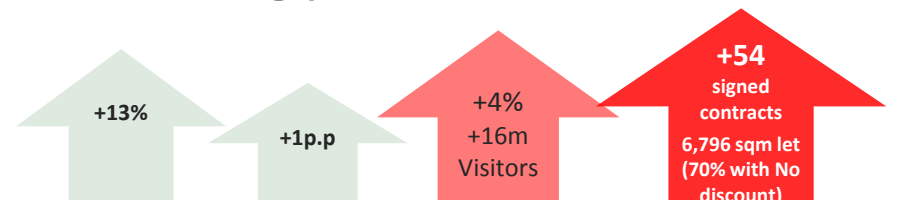
Breakdown of assets by Geography, €m



Value creation performed by Lar España

Strong asset management capabilities

Strong performance in Retail...



Total Sales 1Q15/1Q14 Occupancy since acquisition Footfall since acquisition Business Evolution since acquisition

- ✓ €5.5m Capex expected over 2015 – Added Value Strategy
- ✓ 7.6% Average Gross Initial Yield
- ✓ 6.5% of Net Initial Yield & more than €20m of Net Rental Income per year
- ✓ Resistant to the Business Cycle / Sustainable income stream supported by a strong tenant lineup. Maintainable Occupancy Cost Ratio

	NIY	EPRA Occupancy ¹
L'Anec Blau	6.1%	96.4%
Portal de la Marina	6.6%	90.2%
Albacenter	7.0%	90.5% ²
Txingudi	6.7%	94.9%
Las Huertas	6.9%	83.4%
As Termas	6.2%	91.5%
Alisal	6.8%	100.0%
Villaverde	7.5%	100.0%

¹ Based on December 2014 third party appraisal report; ² 88.7% excluding rents guaranteed

... as well as in the Office/Logistics segment

- ✓ +0.5p.p. occupancy on Q1 2015 vs. acquisition
- ✓ Expected Capex: €19m – Added Value Strategy
- ✓ Active Management Strategy in Office Assets
- ✓ Repositioning / Full Refurbishment of Marcelo Espinola (€9.4m in capex)
 - Office: 6.5% of Gross Initial Yield / 5.8% of Net Initial Yield. ~ €7m of Net rental income
 - ✓ Potential to improve rents in medium term (2-3 years)
 - Logistic Warehouse: 10.8% of Gross Initial Yield / 10.0% of Net Initial Yield. ~€4.5m of Net Rental Income
 - ✓ Adaptive warehouses with a combination of attractive price and rent/sqm and prime logistic locations

	NIY	EPRA Occupancy ¹
Egeo (Office)	5.6%	100.0%
Arturo Soria (Office)	5.4%	84.9%
Marcelo Spinola (Office)	7.7%	38.0% ³
Eloy Gonzalo (Office)	5.2%	96.9%
Alovera I & II (Logistic warehouse)	10.0%	100.0%

³ Full refurbishment process

KPI: Initial Figures

Detailed Portfolio Overview

Shopping Centres

Aneclau



Location:	Barcelona
GLA:	28,863 sqm
Occupancy (%):	96.4% ¹
Net yield on cost (%):	6.1%
Monthly Rent (€/sqm)	16.9€

As Termas



Location:	Lugo
GLA:	33,151 sqm
Occupancy (%):	91.5% ¹
Net yield on cost (%):	6.2%
Monthly Rent (€/sqm)	12.4€

P. De la Marina



Location:	Alicante
GLA:	30,007 sqm ¹
Occupancy (%):	90.2% ¹
Net yield on cost (%):	6.6%
Monthly Rent (€/sqm)	17.6€

¹ LRE has acquired 58.78% of the Company.

Albacenter



Location:	Albacete
GLA:	27,974 sqm
Occupancy (%):	90.5% ¹
Yield on cost (%):	7.0%
Monthly Rent (€/sqm)	9.63€

Txingudi



Location:	Guipúzcoa
GLA:	9,920 sqm
Occupancy (%):	94.9% ¹
Net yield on cost (%):	6.7%
Monthly Rent (€/sqm)	18.8€

Las Huertas



Location:	Palencia
GLA:	6,108 sqm
Occupancy (%):	83.4% ¹
Net yield on cost (%):	6.9%
Monthly Rent (€/sqm)	15.8€

¹ Based on December 2014 appraisal report.

KPI: Initial Figures

Detailed Portfolio Overview (cont'd)

Retail

Nuevo Alisal



Asset Characteristics

Date of Opening:	2010
Location:	Santander
GLA:	7,648 sqm
Acquisition price:	EUR 17.0 m
Price per sqm:	2,223 €/ sqm
No. Tenants:	Multi-tenant

KPI (Initial)

Occupancy (%):	100.0% ¹
Net yield on cost (%):	6.8%
Monthly Rent (€/sqm)	13.6€

¹ Based on December 2014 appraisal report;

Villaverde



Asset Characteristics

Date of Opening:	2002
Location:	Madrid
GLA:	4,391 sqm
Acquisition price:	EUR 9.1 m
Price per sqm:	2,072 €/sqm
No. Tenants:	Single-tenant

KPI (Initial)

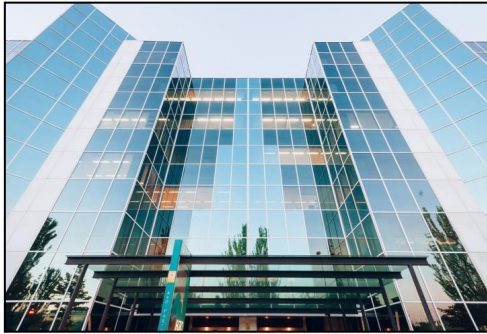
Occupancy (%):	100.0% ¹
Net yield on cost (%):	7.5%
Monthly Rent (€/sqm)	14.8€

KPI: Initial Figures

Detailed Portfolio Overview (cont'd)

Office

Egeo



Asset Characteristics

Location:	Madrid
GLA:	18,254 sqm
Acquisition price:	EUR 64.9 m
Price per sqm.:	3,555 €/sqm
No. Tenants:	Multi-tenant

KPI's (Initial)

Occupancy (%):	100.0%¹
Net yield on cost (%):	5.6%
Monthly Rent (€/sqm)	15.9€

¹ Based on December 2014 appraisal report;

Arturo Soria



Asset Characteristics

Location:	Madrid
GLA:	8,663 sqm
Acquisition price:	EUR 24.2 m
Price per sqm.:	2,793 €/sqm
No. Tenants:	Multi-tenant

KPI's (Initial)

Occupancy (%):	84.9%¹
Net yield on cost (%):	5.4%
Monthly Rent (€/sqm)	15.6€

Marcelo Spinola



Asset Characteristics

Location:	Madrid
GLA:	8,584 sqm
Acquisition price:	EUR 19.0 m
Price per sqm.:	2,213 €/sqm
No. Tenants:	Multi-tenant

KPI's (Initial)

Occupancy (%):	38.0%²
Net yield on cost (%):	7.7%³
Monthly Rent (€/sqm)	13.9€

² Occupancy affected by Total refurbishment of the building.

³ With an estimated Occupancy of 95% after total refurbishment in 2015.

Eloy Gonzalo



Asset Characteristics

Location:	Madrid
GLA:	6,231 sqm
Acquisition price:	EUR 12.8 m
Price per sqm.:	2,043 €/sqm
No. Tenants:	Multi-tenant

KPI's (Initial)

Occupancy (%):	96.9%¹
Net yield on cost (%):	5.2%
Monthly Rent (€/sqm)	7.9€

KPI: Initial Figures

Detailed Portfolio Overview (cont'd)

Logistics and residential

Juan Bravo



Asset Characteristics

Asset Type:	Residential
Date of Construction:	2015-2017
Location:	Madrid
GLA	31,521 sqm ¹
Acquisition price:	EUR 60 m ²

¹ 26,203 sqm for development in Juan Bravo 3 and 5,318 sqm corresponds to the Claudio Coello building.

² Corresponds to the 50% of the JV with PIMCO

Alovera I & Alovera II



Asset Characteristics

Asset Type:	Logistics W.
Location:	Guadalajara
GLA:	119,147 sqm
Acquisition price:	EUR 44,85 m
Price per sqm:	376,42 €/sqm
No. Tenants:	Multi-tenant

KPI's (Initial)

Occupancy (%):	100.0%
Yield on cost (%):	10%
Monthly Rent (€/sqm)	3.4€

Agenda

1 Overview of Lar España

2 Lar España's portfolio 1-year post IPO

3 Lar España – 2015 overview

Appendix

What to expect from 2015

~780m in assets acquisition expected to be completed over Q3 2015

LTV around 50% and dynamic review in light of economic conditions

Capital increase¹ a possibility in line with attractive capital deployment opportunities

Active Management Strategy fully in place on every asset acquired

Consolidated portfolio with a substantial rental income




Focus on an attractive dividend distribution policy

¹ Under the general shareholders meeting's authorisations


Priorities 2015

Retail


Asset Management

-  **Target of +5-7% Increase of Sales and 96% Occupancy rate for the end of 2015. Aggressive letting plan for 50 new leases**
-  **Full control** of the shopping centres through acquisition of co-owners premises
-  Increase of effective rents due to **property outgoings reduction strategy**

Capex & Repositioning




-  **Refurbishment** of Las Huertas Shopping Centre during 2015

Acquisitions



-  **Target of €200m / Strong pipeline. Proven access to off-market situations**

Office & Logistics

Asset Management

-  **Tenant policies: Unifying and simplifying contracts**
– Optimize cost pass-through to tenants
-  **Occupancies:** Raising occupancy rates in Arturo Soria
-  **Rents:** increasing rents according to market conditions

Capex

-  **€6.7m Full Refurbishment in Marcelo Espinola and selective Capex for Eloy Gonzalo, Arturo Soria and Egeo**
-  **€0.81m in Logistic Warehouses**

Repositioning



-  **Marcelo Espinola, Eloy Gonzalo: expecting incremental rents**

Residential


Done

- Demand Test and Waiting List
- **Appointment of the Sales coordinator**

Capex

-  **Estimated 2015-2017: €11m-€14m**
-  **Delivery of first houses from 2H 2017**

Action Plan

- Main sales agent agreement/Marketing Plan
- Presales launching / Definitive project design
-  **Start construction 4Q 2015**

Agenda

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Appendix

grupo lar A Unique Real Estate Manager

Grupo Lar, our investment manager, is a seasoned, **family owned**, Spanish private Real Estate developer, Investor and Asset Manager with a **40-year track record of international** experience, **Joint Ventures with Tier 1 Investors** and long term relationships with **Financial Institutions**

Expertise in Retail, Office and Residential

- **Retail: extensive track record** developing, investing and managing Retail assets:
 - owns 66% of **Gentalia**, one of the largest Shopping Centre developers and managers in Spain (52 units and 1.3 million sqm GLA)
 - Grupo Lar has made JV with top-tier investors in Retail
- **Office:** large experience; developed and managed 9 unique properties for corporate headquarters in Madrid and Barcelona
- **Residential:**
 - **+10,000 dwellings** sold during the last ten years
 - by the end of 2013 Grupo Lar had acquired and **managed 1,700 dwellings from Sareb** in partnership with Fortress

Long term successful Joint Ventures

- Grupo Lar has **successfully partnered** with Real Estate funds from the **most highly regarded international institutions**
- E.g. 50-50% JV With **Grosvenor**, from 2000 to 2008, to develop, invest and manage Office, Shopping and Business Centres in Spain



Morgan Stanley

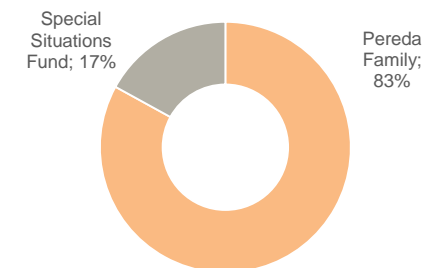


THE BAUPOST GROUP®

Reputation & Reliable Manager

- **Grupo Lar**, whose **consolidated position** in the market enables access to untapped opportunities
- **Commitment of Grupo Lar:** holds a **3%** stake in Lar España, subject to a 3 year lock-up period since March 2014
- **Independent and high quality board** 4 highly regarded independent directors (4 out of 10)

Grupo Lar Ownership



Alignment of interests



1

Total Exclusivity

- The Manager is committed to **total exclusivity for commercial investment opportunities** in Spain
- In the Residential sector, Lar España has the right to co-invest with the Manager
- International standards of Governance and Code of Conduct

2

Structure and Incentives

- **Critical** activities are carried out in-house:
 - ✓ CFO
 - ✓ Corporate Manager
 - ✓ Legal Manager
- **Real Estate related** activities and expertise provided by the Manager
- **Management fees:**
 - ✓ 1.25% per annum of NAV
 - ✓ 3 year **lock-up** (since March 2014) for the shares to be received as performance fees

3

Management Commitment

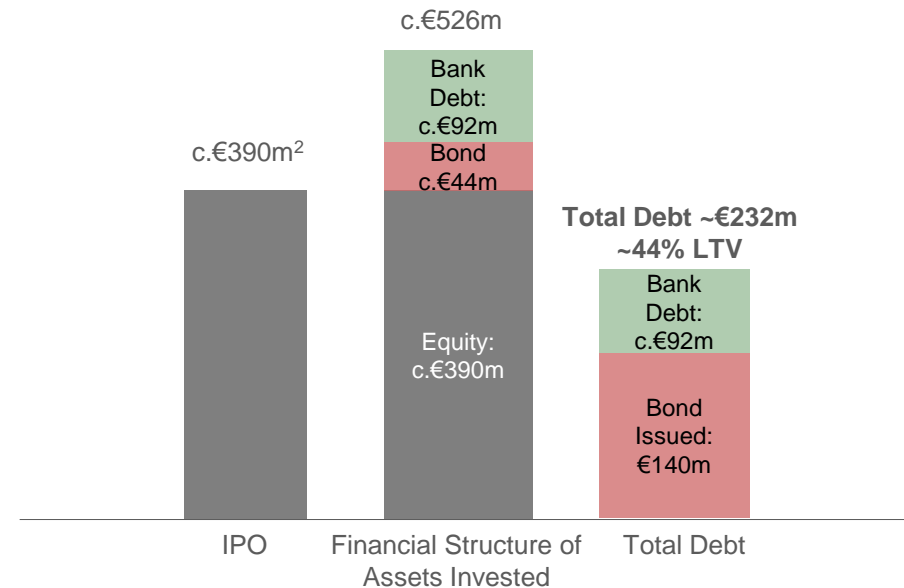
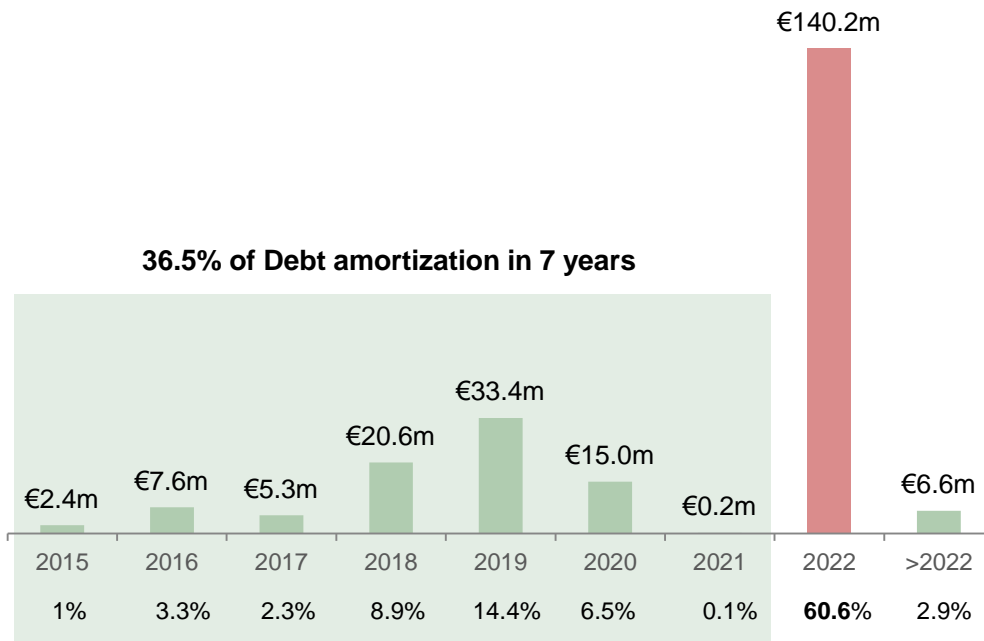
- **Grupo Lar** owns a **3%** stake in Lar España, subject to a **3 year lock-up** period (since March 2014)
- **Miguel Pereda**, family owner member and Grupo Lar co-CEO is the key figurehead from a Real Estate point of view
- **Grupo Lar** is **contracted to exclusively** provide Management to **LRE**
- **Initial 5-year** management contract (since March 2014)



Lar España has a flexible Balance Sheet structure which provides visibility and stability to the valued added-strategy / Cost of Debt < Euribor + 2.6%

Complete alignment of Debt Profile with the value-added strategy

~44% LTV and ~€90m¹ of available liquidity as of April 2015



¹ Cash Flow from Operations not Included

² Net Initial Proceeds from the IPO

Appendix-Portfolio Description



Portfolio descriptions

Shopping Centre

Aneclubau, Barcelona

Asset Characteristics

Asset Name:	Aneclubau
Asset Type:	Shopping Centre
Date of Opening:	2006
Location:	Barcelona
GLA:	28,863 sqm
Acquisition price:	EUR 80.0 m
Price per sqm:	2,772 €/sqm
No. Tenants:	Multi-tenant

Building Capex

Capex committed:	€0.6m
KPI's (Initial)	
Occupancy (%):	96.4% ¹
Net yield on cost (%):	6.1%
Monthly Rent (€/sqm)	€16.9

¹ Based on December 2014 appraisal report;



Location & Profile

- Located in Castelldefells, in the South-West of Greater Barcelona, next to the busiest highway in the area.
- 18 km to the South-West of Barcelona and 9 km from El Prat International Airport.
- Strong draw combination of fixed residential population and tourism.
- Primary catchment area: 140,000 within 0-10 minutes.



Investment Rationale

- Medium size dominant shopping centre in its catchment area.
- Excellent tenants such as Mango, Zara Group, H&M and Mercadona Supermarket (Leading distribution company in Spain).
- Requires intense asset management to improve the retail offering, reconversion of external no-let areas and to take advantage of the special Sunday trading authorisation.
- Footfall 2013: 4.7 Mn visitors.

Portfolio descriptions

Shopping Centre

As Termas, Lugo

Asset Characteristics

Asset Name:	As Termas
Asset Type:	Shopping Centre
Date of Opening:	2005
Location:	Lugo
GLA:	33,151 sqm
Acquisition price:	EUR 67.0 m
Price per sqm:	2,021 €/sqm
No. Tenants:	Multi-tenant

Building Capex

Capex Committed:	€1.0m
KPI's (Initial)	
Occupancy (%):	91.5%
Net yield on cost (%):	6.2%
Monthly Rent (€/sqm)	€12.4



Location & Profile

- As Termas is located on the northern outskirts of Lugo, a secondary city in a province of 350,000 inhabitants in the North West of Spain. It is the dominant centre in the area, with an extensive primary catchment area (over 200,000 people).
- As Termas is highly visible and easily accessible from the N-VI, N-640 and A-6 motorways.
- Average annual footfall of 3.45 million visitors between 2007 and 2013.
- 2,200 parking spaces.



Investment Rationale

- Large dominant shopping centre in its catchment area with top tier mass market operators, such as H&M, Media Markt, C&A, Sfera or Cortefiel, all of them are the only stores of their kind in the entire province.
- Catchment area's average retail spend is 13% above the Spanish average. Unemployment is the lowest of the four Galician provinces.
- Potential to increase occupancy via improvement of the retail offer.

Portfolio descriptions

Shopping Centre

Portal de la Marina, Alicante

Asset Characteristics

Asset Name:	P. De la Marina
Asset Type:	Shopping Centre
Date of Opening:	2008
Location:	Alicante
GLA:	30,007 ¹ sqm
Acquisition price:	EUR 47.6 m
Price per sqm:	2,699 €/sqm
No. Tenants:	Multi-tenant

Building Capex

Capex committed:	€0.0m
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KPI's (Initial)

Occupancy (%):	90.2% ²
Net yield on cost (%):	6.6%
Monthly Rent (€/sqm)	€17.6



Location & Profile

- 100 Km South of Valencia beside the AP-7 Motorway.
- Catchment area: 216,000 Inhabitants.
- Main Tenants: Kiabi, Mango.
- Footfall 2013: c. 3.5m shoppers.



Investment Rationale

- Already managed by Grupo Lar, this is a dominant shopping centre in its catchment area - high population and tourist area.
- Attractive opportunity to improve cash-flow by generating an alternative marketing mix with the anchor tenants.
- Excellent tenant line-up and upside potential through active asset management.

¹ LRE has acquired 58.78% of the Company.

² Based on December 2014 appraisal report;

Portfolio descriptions

Shopping Centre

Albacenter, Albacete

Asset Characteristics

Asset Name:	Albacenter
Asset Type:	Shopping Centre
Date of Opening:	1996
Location:	Albacete
GLA:	27,974 sqm
Acquisition price:	EUR 39.9 m
Price per sqm:	1,426.3 €/sqm
No. Tenants:	Multi-tenant

Building Capex

Capex committed:	€2.2m
------------------	--------------

KPI's (Initial)

Occupancy (%):	90.5% ¹
Yield on cost (%):	7.0%
Monthly Rent (€/sqm)	9.63€

¹ Based on December 2014 appraisal report;



Location & Profile

- Located in Albacete, the largest city in Castilla La Mancha, with a provincial population of 402,837 inhabitants and municipal population of 172,472.
- Urban shopping centre with outstanding access from the city and regional main roads.
- Albacete's dominant shopping centre, providing main mass market fashion operators and anchored by an Eroski hypermarket.
- Parking: 75 spaces over two levels.
- Main Tenants: Eroski, Primark, Orchestra.
- Footfall: 4m visitors.



Investment Rationale

- **Asset management:** Improve commercial attractiveness.
- Acquired in two phases: first the Shopping Centre and second, the hypermarket plus two retail warehouses. Strategic acquisition for the full control of Albacenter shopping centre.
- Medium size dominant shopping centre in its catchment area with top tier mass market fashion operators. Anchored by Eroski Hypermarket and a +4,000 sqm Primark unit (European leading fashion specialist) together with a good number of relevant tenants such as H&M and Inditex brands.
- Eroski and Primark provide security to the income stream, in terms of size, quality and lease term.
- Focus on the leisure floor and fashion brands, reinforcing its privileged urban location and improving occupancy.

Portfolio descriptions

Shopping Centre

Txingudi, Guipuzcoa

Asset Characteristics

Asset Name:	Txingudi
Asset Type:	Shopping Centre
Date of Opening:	1997
Location:	Guipúzcoa
GLA:	9,920 sqm
Acquisition price:	EUR 27.7 m
Price per sqm:	2,789 €/sqm
No. Tenants:	Multi-tenant

Building Capex

Capex committed:	€0.6m
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KPI's (Initial)

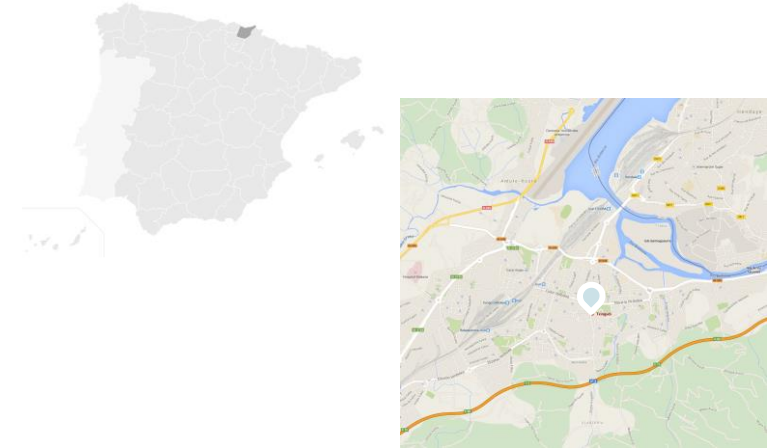
Occupancy (%):	94.9% ¹
Net yield on cost (%):	6.7%
Monthly Rent (€/sqm)	€18.8

¹ Based on December 2014 appraisal report;



Location & Profile

- Irún (61,193 inhab.) within Guipuzcoa (Basque Country) on the North Coast of Spain, adjacent to the French border.
- Catchment (20 min drive): 91,351 inhabitants.
- Consolidated industrial and commercial area with excellent access to the national motorway and the city.
- Footfall 2012: 4M shoppers.



Investment Rationale

- Located in the Basque Country near the French border. One of the areas with the highest GDP and income per capita in Spain.
- Anchored by Alcampo, Decathlon, Norauto, (owner-occupiers) Kiabi and Mango.
- Strong asset management opportunities based on reduction in non-recoverable costs improving vacancy and tenant mix. Reduction in leisure and improvement in fashion brands to improve the balance between Spanish and French customers.

Portfolio descriptions

Shopping Centre

Las Huertas, Palencia

Asset Characteristics

Asset Name:	Las Huertas
Asset Type:	Shopping Centre
Date of Opening:	1989
Location:	Palencia
GLA:	6,108 sqm
Price of acquisition:	EUR 11.7 m
Price per s.q.m.:	1,916 €/sqm
No. Tenants:	Multi-tenant

Building Capex

Capex committed:	€1.0m
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KPI's (Initial)

Occupancy (%):	83.4% ¹
Net yield on cost (%):	6.9%
Monthly Rent (€/sqm)	€15.8

¹ Based on December 2014 appraisal report;



Location & Profile

- Palencia, within the Castilla y León region in North West Spain. Catchment (20 min drive): 99,310 inhabitants.
- Immediate area comprises a mixed residential and retail area, therefore 50% are pedestrians. Well located, connecting the city centre with the A-67 highway (main connection between Palencia and Valladolid).



Investment Rationale

- Only shopping centre in the city of Palencia
- Main tenants: Sprinter, MerKaI, P&B.
- Footfall 2013: 2.3 m visitors.
- Renovation project under consideration aimed at attracting a diversified retail offer to change the positioning from a convenience centre to a fashion based centre, by remodeling and incorporating local specialists and international brands.

Portfolio descriptions

Retail Unit

Nuevo Alisal, Santander

Asset Characteristics

Asset Name:	Nuevo Alisal
Asset Type:	Retail Warehouse
Date of Opening:	2010
Location:	Santander
GLA:	7,648 sqm
Acquisition price:	EUR 17.0 m
Price per sqm:	2,223 €/ sqm
No. Tenants:	Multi-tenant

Building Capex

Capex committed:	€0.0m
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KPI's (Initial)

Occupancy (%):	100% ¹
Net yield on cost (%):	6.8%
Monthly Rent (€/sqm)	€13.6

¹ Based on December 2014 appraisal report;



Location & Profile

- Stand alone unit next to the consolidated El Alisal Retail Park, which has been operational since 2004.
- Located in Santander, capital city in the north of Spain with strong and stable economy and growth potential.
- The retail park features Carrefour, Aki, Worten, Kiabi, Merkal, Galp, Burger King, McDonald's and Mercadona. El Alisal has a GLA of more than 25,000 sqm.
- The Media Markt located in Nuevo Alisal, was in the Spanish Top 10 for sales.



Investment Rationale

- Media Markt and Toys' r' us are two well-renowned international retailers.
- Very well located asset, where rent has recently been renegotiated to generate strong cash flow with mid-term potential for consolidation.
- Recently built and in excellent condition.
- Part of the most successful retail park in the region.

Portfolio descriptions

Retail Unit

Villaverde, Madrid

Asset Characteristics

Asset Name:	Villaverde
Asset Type:	Retail Unit
Date of Opening:	2002
Location:	Madrid
GLA:	4,391 sqm
Acquisition price:	EUR 9.1 m
Price per sqm:	2,072 €/sqm
No. Tenants:	Single-tenant

Building Capex

Capex committed:	€0.1m
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KPI's (Initial)

Occupancy (%):	100% ¹
Net yield on cost (%):	7.5%
Monthly Rent (€/sqm)	€14.8

¹ Based on December 2014 appraisal report;



Location & Profile

- Stand alone unit in a very consolidated residential area. Very well located in a highly populated area.
- Excellent visibility: fronts on to Avenida de Andalucía, the main urban link to the South of Madrid, with connections to the M-30, M-40 and M-45 ring roads.
- Public transport: bus and underground. In front of Villaverde transport interchange.



Investment Rationale

- Media Markt (part of Metro Group) is the leading electronics retailer in Spain and one of the biggest in Europe.
- The retailer has increased market share over the crisis, benefiting from the closing of a number of competitors and strengthening its position in Spain.
- The rent was renegotiated prior to the acquisition, in order to generate strong cash flow with mid-term potential.

Portfolio descriptions

Office building

Egeo, Madrid

Asset Characteristics

Asset Name:	Egeo
Asset Type:	Office Building
Location:	Madrid
GLA:	18,254 sqm
Acquisition price:	EUR 64.9 m
Price per sqm.:	3,555 €/sqm
No. Tenants:	Multi-tenant

Building Capex

Capex committed:	€1.3m
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KPI's (Initial)

Occupancy (%):	100% ¹
Net yield on cost (%):	5.6%
Monthly Rent (€/sqm)	€15.9

¹ Based on December 2014 appraisal report;



Location & Profile

- Located in the North-East of Madrid, outside the M-30 ring road, in Phase I of Campo de las Naciones (5 minutes drive from the airport).
- Freestanding building.
- 6 storey building.
- Parking: 340 spaces (1.86 spaces: 100 sqm)
- Main Tenants: Ineco and Sanofi.



Investment Rationale

- Confirmed location.
- Building has two independent distribution wings with an attractive central lobby topped by a large skylight, providing light to the interior areas.
- Opportunity to improve management of building and invest capex to add value by improving energy efficiency.
- Clear potential rental growth.
- 100% occupied at current market rents.

Portfolio descriptions

Office building

Arturo Soria 336, Madrid

Asset Characteristics

Asset Name:	Arturo Soria
Asset Type:	Office Building
Location:	Madrid
GLA:	8,663 sqm
Acquisition price:	EUR 24.2 m
Price per sqm.:	2,793 €/sqm
No. Tenants:	Multi-tenant

Building Capex

Capex committed:	€1.1m
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KPI's (Initial)

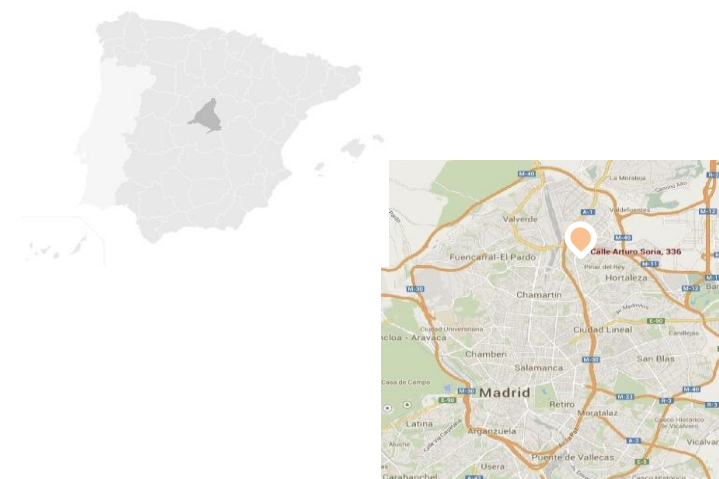
Occupancy (%):	84.9% ¹
Net yield on cost (%):	5.4%
Monthly Rent (€/sqm)	€15.6

¹ Based on December 2014 appraisal report;



Location & Profile

- Located in the north east of Madrid, very close to the M-30 ring road and Airport. Quick access to the M-11 (Airport) and A-1 motorways and the M-30 & M-40 ring roads.
- Metro station "Pinar de Chamartín" located 150 m from the building.
- 9 storey freestanding building with plenty of natural light.
- Divisible floor 1,045 sqm in 2/3 units.
- Good average car parking ratio (2.22 spaces: 100 sqm)
- Main Tenants: Banco Santander, Adeslas and Clear Channel.



Investment Rationale

- Urban and consolidated area with good identity and communications.
- Offers very competitive average rents, €16 per sqm/month, with potential growth.
- Programmed Capex will improve the distribution of the building, enable lease-up of the current vacant space and improve its energy efficiency.

Portfolio descriptions

Office building

Card. Marcelo Spínola 42, Madrid

Asset Characteristics

Asset Name:	Marcelo Spinola
Asset Type:	Office Building
Location:	Madrid
GLA:	8,584 sqm
Acquisition price:	EUR 19.0 m
Price per sqm.:	2,213 €/sqm
No. Tenants:	Multi-tenant

Building Capex

Capex committed:	€9.4m
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KPI's (Initial)

Occupancy (%):	38.0% ¹
Net yield on cost (%):	7.7% ²
Monthly Rent (€/sqm)	€13.9

¹ Occupancy affected by Total refurbishment of the building.

² With an estimated Occupancy of 95% after total refurbishment in 2015.



Location & Profile

- Located in Madrid (North - East), inside M-30 ring road.
- Metro station is 900 m. away from the building.
- 14 storey building above ground, freestanding tower with 4 facades.
- Main Tenants: Maessa, Acer Computer, Sungard.
- Parking: 150 parking spaces (1.75 spaces: 100 sqm)



Investment Rationale

- Consolidated location with excellent visibility from M-30.
- A repositioning, via full refurbishment of the asset is required, due to under management and low occupancy. Capex: €8.5m.
- This will permit very flexible space (single tenant–multi-tenant) at net rents around €20 per sqm. taking into account the expected market improvement and lack of renovated/new buildings.

Portfolio descriptions

Office building

Eloy Gonzalo, Madrid

Asset Characteristics

Asset Name:	Eloy Gonzalo
Asset Type:	Office Building
Location:	Madrid
GLA:	6,231 sqm
Acquisition price:	EUR 12.8 m
Price per sqm.:	2,043 €/sqm
No. Tenants:	Multi-tenant

Building Capex

Capex committed:	€1.9m
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KPI's (Initial)

Occupancy (%):	96.9% ¹
Net yield on cost (%):	5.2%
Monthly Rent (€/sqm)	€7.9

¹ Based on December 2014 appraisal report;



Location & Profile

- Located in the centre of Madrid, inside M-30 ring road, 1km away from Paseo de la Castellana.
- Metro, 100m away.
- 5 street level retail units (24% of GLA)
- Main Tenants: Spotify, Territorio Creativo.



Investment Rationale

- Under-rented – 20% below market levels
- The flexibility of its layout and natural day-lighting offer versatile accommodation for a wide variety of office users generating a solid cash-flow on the low unit cost.
- A repositioning, via partial refurbishment of the asset is required. Capex: EUR 1.9 m; average rent clearly below market rents. Opportunity for rental increases.
- The seven floors currently used as office space, also allow for conversion to residential space if vacancy can be achieved.

Portfolio descriptions

Logistics Warehouse

Alovera I & Alovera II , Guadalajara

Asset Characteristics

Asset Name:	Alovera I & Alovera II
Asset Type:	Logistics W.
Date of Opening:	1992-2008
Location:	Guadalajara
GLA:	119,147 sqm
Acquisition price:	EUR 44,85 Mn
Price per sqm:	376,42 €/sqm
No. Tenants:	Multi-tenant

Building Capex

Capex committed:	€5.3m
KPI's (Initial)	
Occupancy (%):	100,0%¹
Yield on cost (%):	10,03%
Monthly Rent (€/sqm)	€3.4

¹ Based on December 2014 appraisal report;

Location & Profile

- Guadalajara (East), 48 km from Madrid. Facing A-2 (national highway).
- Prime Logistics and industrial area.



Investment Rationale

- Tenant: Carrefour, Factor 5 & TechData.
- Very strong logistics location.
- Below replacement cost purchase price avoids risk from new supply.
- Lack of large warehouses in good locations.
- Captive clients and a high-tech warehouse.

Portfolio descriptions

Residential Portfolio

Juan Bravo 3 and Claudio Coello Building, Madrid

Asset Characteristics

Asset Name:	Juan Bravo
Asset Type:	Residential
Date of Construction:	2015-2017
Location:	Madrid
GLA	31,521* sqm
Acquisition price:	EUR 60** m

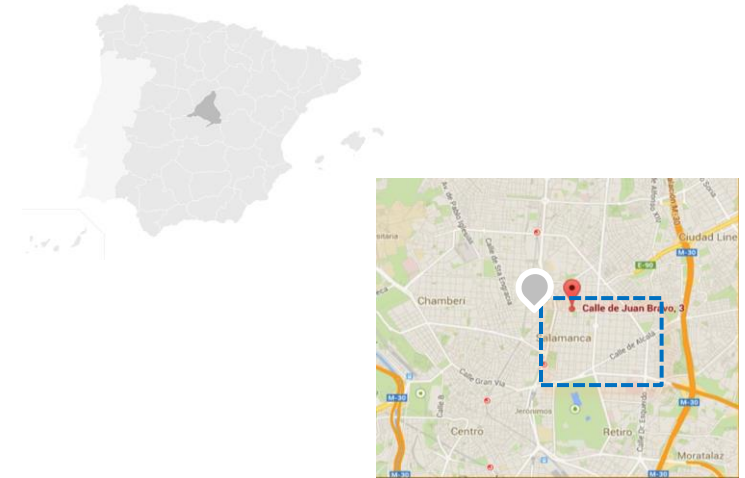
(*) 26,203 sqm for development in Juan Bravo 3 and 5,318 sqm corresponds to the Claudio Coello building.

(**) Corresponds to 50% of the JV with PIMCO



Location & Profile

- Location in Salamanca district, the most exclusive area in Madrid.
- Total 26,203 sqm to develop residential units for sale. 5,318 sqm belongs to a residential building in Claudio Coello.
- Fully licensed plot of land for a new-build residential building, with no building refurbishment limitations.
- Opportunity to define units with areas that are fully adapted to current demand. The land allows for the construction of a stand-alone building, providing excellent natural light and ventilation options. Possibility of interior designed common areas providing XXI century services.



Investment Rationale

- The property will be the most exclusive residential development in Madrid since 2006
- High demand and a lack of supply of luxury residential apartments in Madrid.
- Construction costs have dropped significantly due to the real estate crisis, while quality has increased.
- Projects with high customisation options are performing very well in the market.

