



Business Plan 2017-2020



Real Estate

Investor Day

Miguel Pereda
Director Lar España

www.larespana.com

October 2016

Disclaimer

This document has been prepared by Lar España Real Estate SOCIMI, S.A. (the "Company") for information purposes only and it is not a regulated information or information which has been subject to prior registration or control by the Spanish Securities Market Commission. This document neither is a prospectus nor implies a bid or recommendation for investment. This document includes summarised audited and non-audited information. The financial and operational information, as well as the data on the acquisitions which have been carried out, included in the presentation, correspond to the internal recordings and accounting of the Company. Such information may in the future be subject to audit, limited review or any other control by an auditor or an independent third party. Therefore, this information may be modified or amended in the future.

The information contained herein has been obtained from sources that the Company considers reliable, but the Company does not represent or warrant that the information is complete or accurate, in particular with respect to data provided by third parties (including certain information relating to the Company's properties such as their catchment areas and performance indicators for periods preceding the time of acquisition by the Company). Neither the Company nor its legal advisors and representatives assure the completeness, impartiality or accuracy of the information or opinions included herein. In addition, they do not assume responsibilities of any kind, whether for misconduct or negligence, with regard to any damages or losses that may derive from the use of this document or its contents. The information contained in this document has not been subject to independent verification. This document includes forward-looking representations or statements on purposes, expectations or forecasts of the Company or its management up to the date of release of this document. Said forward-looking representations and statements or forecasts are mere value judgments of the Company and do not imply undertakings of future performance. Additionally, they are subject to risks, uncertainties and other factors, which were unknown or not taken into account by the time this document was produced and released and which may cause such actual results, performance or achievements, to be materially different from those expressed or implied by these forward-looking statements. Moreover, these forward-looking statements are based on numerous assumptions (which are not stated in the presentation) regarding the Company's present and future business strategies and the environment in which the Company expects to operate in the future. There are many factors, most of them out of the Company's control which may cause the Company's actual operations and results to substantially differ from those forward-looking statements.

The financial information contained herein may include items which are not defined under the International Financial Reporting Standards as adopted by the European Union (IFRS-EU) and which are considered to be "alternative performance measures". Other companies may calculate such financial information differently or may use such measures for different purposes than we do, limiting the usefulness of such measures as comparative measures. Such financial information must be considered only in addition to, and not as a substitute for or superior to, financial information prepared in accordance with IFRS-EU.

Under no circumstances the Company undertakes to update or release the review of the information included herein or provide additional information. Neither the Company nor any of its legal advisors or representatives assume any kind of responsibility for any possible deviations that may suffer the forward-looking estimates, forecasts or projections used herein.

This information does not constitute or form part of any offer to sell or issue, or invitation to purchase or subscribe for, or any solicitation of any offer to purchase or subscribe for, any securities of the company, nor shall the fact of its distribution form the basis of, or be relied on in connection with, any contract or investment decision. This presentation should not be considered as a recommendation by the company, Grupo Lar Inversiones Inmobiliarias, S.A. or any other person that any person should subscribe for or purchase any securities of the company. Prospective purchasers of securities of the company are required to make their own independent investigation and appraisal.

The securities of the Company have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the "U.S. Securities Act") or the laws of any state or other jurisdictions of the United States. Such securities may not be offered or sold in the United States except on a limited basis, if at all, to Qualified Institutional Buyers (as defined in Rule 144A under the US Securities Act) in reliance on an exemption from, or transaction not subject to, the registration requirements of the U.S. Securities Act. The securities of the Company have not been and will not be registered under the applicable securities laws of any state or jurisdiction of Australia, Canada, Japan or Switzerland, and subject to certain exceptions, may not be offered or sold within Australia, Canada, Japan or Switzerland or to or for the benefit of any national, resident or citizen of Australia, Canada, Japan or Switzerland.

The information contained herein does not purpose to be comprehensive or to contain all the information that a prospective purchaser of securities of the Company may desire or require in deciding whether or not to purchase such securities.

This document discloses neither the risks nor other material issues regarding an investment in the securities of the Company. The information included in this presentation is subject to, and should be read together with, all publicly available information. Any person acquiring securities of the Company shall do so on their own risk and judgment over the merits and suitability of the securities of the Company, after having received professional advice or of any other kind that may be needed or appropriate but not only on the grounds of this presentation. By delivering this presentation, the Company is not providing any advisory, purchase or sale recommendation, or any other instrument of negotiation over the securities or financial instruments of the Company. This document does not constitute an offer, bid or invitation to acquire or subscribe securities, in accordance with the provisions of article 35 of the consolidated text of the Spanish Securities Market Act approved by the Royal Legislative Decree 4/2015, of 23 October, and/or the Royal Decree 1310/2005, of 4 November and their implementing regulations. Furthermore, this document does not imply any purchase or sale bid or offer for the exchange of securities or a request for the vote or authorization in any other jurisdiction. The delivery of this document within other jurisdictions may be forbidden.

Recipients of this document or those persons receiving a copy thereof shall be responsible for being aware of, and complying with, such restrictions.

By accepting this document you are accepting the foregoing restrictions and warnings.

All the foregoing shall be taking into account by those persons or entities which have to take decisions or issue opinions relating to the securities issued by the Company. All such persons or entities are invited to consult all public documents and information of the Company registered within the Spanish Securities Market Commission.

Neither the Company nor any of its advisors or representatives assumes any kind of responsibility for any damages or losses derived from any use of this document or its contents.

Investor Day Wrap up



Track Record

After >2 years operating as SOCIMI, Lar España has built an outstanding retail platform and portfolio of assets



Tools to Grow

Lar España is set to grow through:

- ✓ Portfolio size increase with its current firepower
- ✓ Retail asset performance improvement by implementation of its value-added approach
- ✓ Unlocking Value by asset rotation policy



Brilliant Future

Lar España aspires to become the reference value-added REIT in Europe

Lar España Highlights

GAV
€ 1,191 m

GLA
707,184
sqm

EPRA
Topped-up
NIY
6.1%

EPRA
Occupancy
Rate
93.0%

EPRA Topped-up NIY

6.1%¹
EPRA NIY



Retail

6.3%



Offices¹

4.4%



Logistics

7.4%

EPRA Occupancy Rate

93.0%¹
EPRA OCCUP.



Retail

93.3%



Offices¹

87.0%



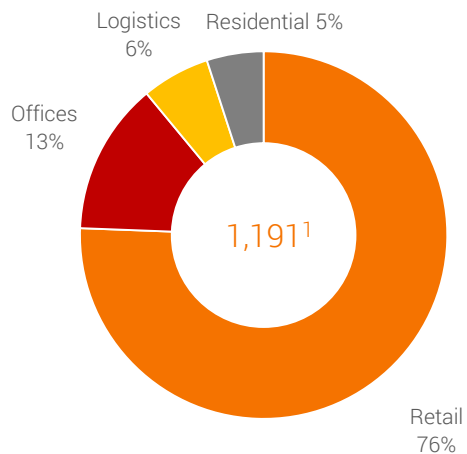
Logistics

100.0%

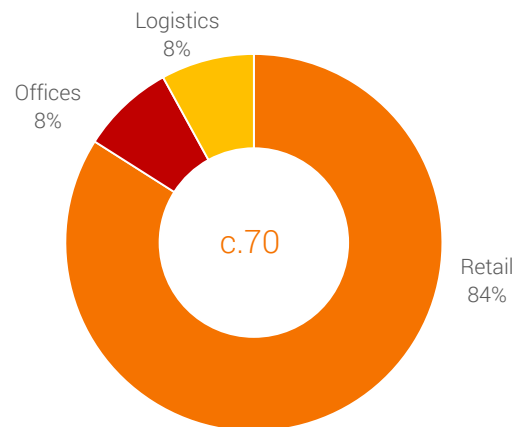
(1) EPRA Topped-up NIY & EPRA Occupancy Rate exclude Marcelo Spinola office building due to its lack of representativeness (full refurbishment)

Lar España Highlights

GAV (Mn€)



Annualized Gross Rental Income (Mn€)



1. Total GAV = Valuation of assets as of 30th June + acquisition price Gran Vía de Vigo

Summary Key Facts



Value Creation levers

1. Value added initiatives aimed at increasing asset attractiveness and raising occupancies and rents
2. Development of Retail assets and other assets with available firepower
3. Unlocking Value by asset rotation policy



Finance through cash flow and leverage

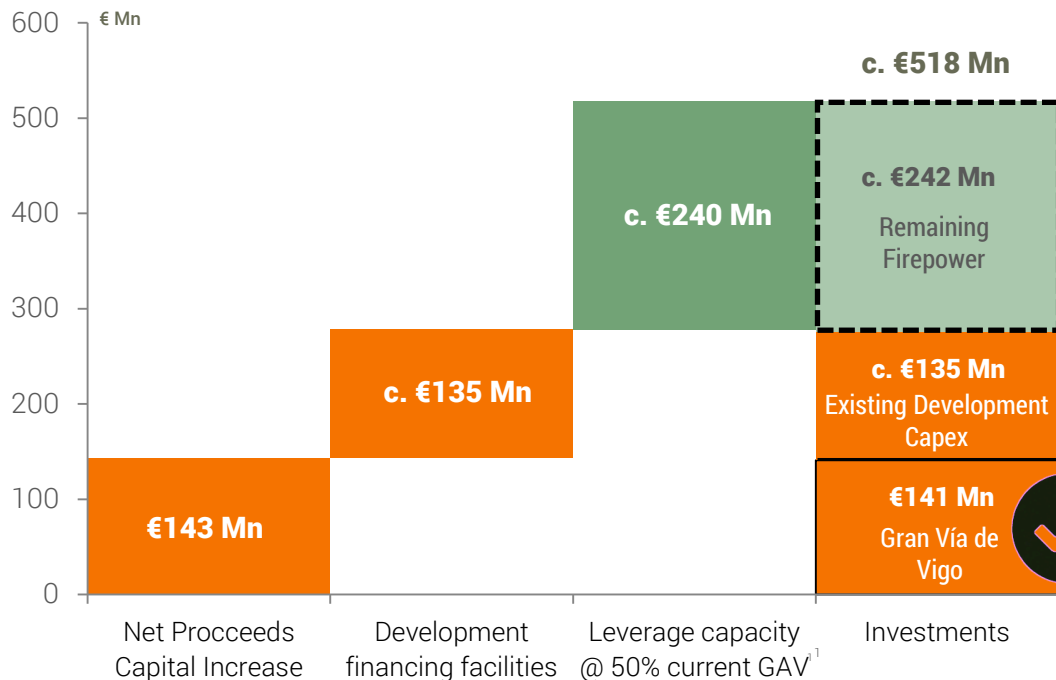
1. Current Firepower c.€240Mn through spare leverage capacity
2. Conservative scenario allows for sustainable cash flow generation to achieve 4-5% recurring dividend yield on NAV per share



No Capital Increase needed

1. The Company does not need to increase share capital to comply with its ordinary business plan. Additionally, there are no authorizations to do so currently in force.
2. If authority to the Board to increase capital is requested at the next GSM, it will exclude the possibility of use when the share price is placed at a lower level to NAV.

Capacity to grow



Expiration of 3Y lock-up period under SOCIMI Regime

c. €300 Mn in non-retail assets between 2017-2018



¹ Raising of Development financing facilities according to the progress of the projects @ a LTV of 80%, while respecting the overall Leverage limits stated in the IPO Prospectus. Global LTV will not be affected since growth of GAV of the development projects and the provision of credit facilities will be done simultaneously.

Business Plan 2017-2020



Main Assumptions



Period

2017-2020

New Investments

c. €240 Mn estimated to be invested in 2017

Building & Maintenance Capex

c. €30 Mn

Delivery

Lagasca 99 residential for sale in 2018

New Base Fee

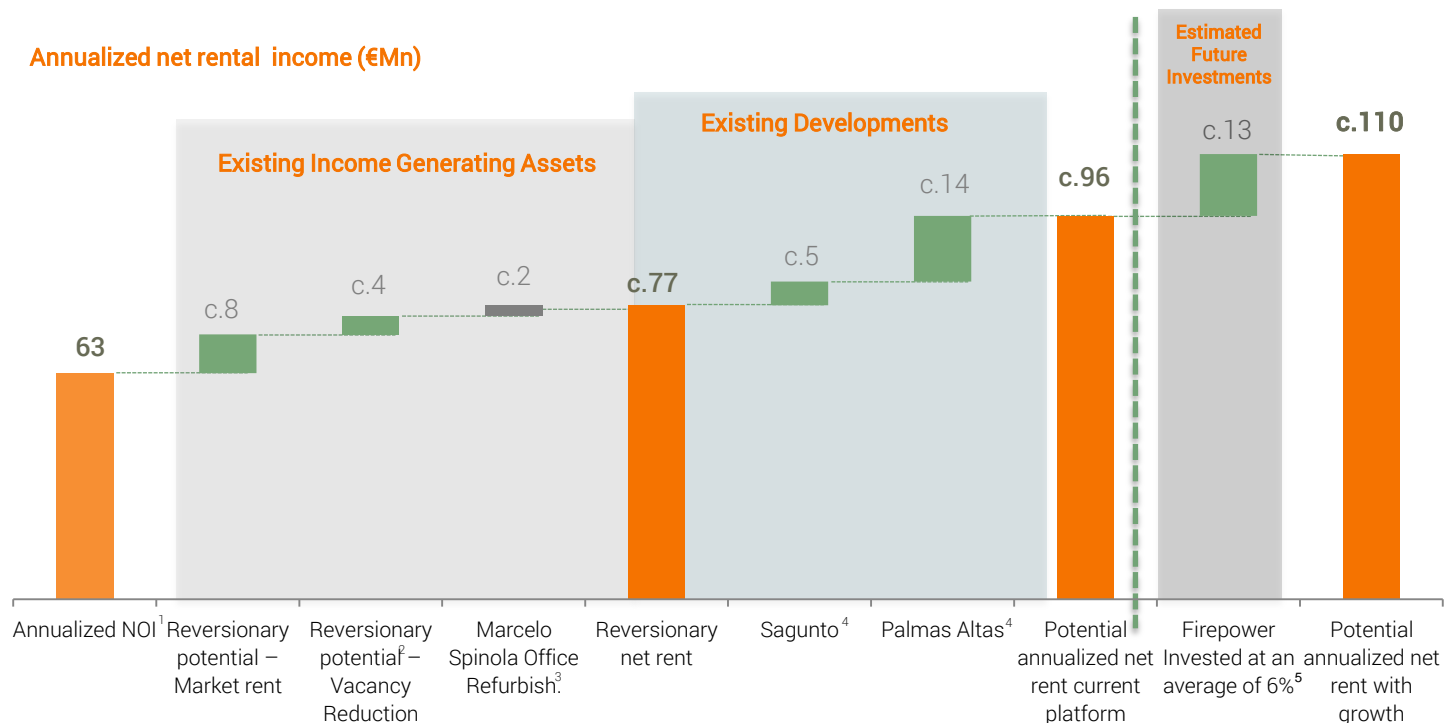
1.25% on NAV up to €600 Mn + 1% on NAV Over > € 600 Mn

Capital increase

No further capital increases considered

Expected Rental Growth

Annualized net rental income (€Mn)



¹ EPRA Annualized net rent as at H1 2016 + Estimated annualized net rent Gran Via de Vigo

² Illustrative potential additional rent in H1 2016 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 H1 2016. Difference applied only to the current occupancy rate, considering the occupancy rate of the Company's properties as of 30 June 2016

³ Illustrative potential additional rent in H1 2016 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

⁴ Potential rent that may be derived from certain of the Company's assets under development (Sagunto 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

⁵ Estimated Rental Income assuming an average yield of assets acquired @ 6%

Short and mid term growth potential

Key targets & assumptions 2017-2020

Return Targets	Expected 2016 End	Expected Average Growth per annum
Total Annual Return	>12%	▲ >12%
NAV	c. €780 Mn	▲ c. 9-10%

Business Plan Assumptions	Expected 2016 End	Expected Average Growth per annum
Annualized GRI	c. €70 Mn	▲ c. 14%
Annualized NOI ¹	c. €63 Mn	▲ c. 15%
Non Recoverable/ GRI Expenses	10%	▼ c. -10% (till 7% target)
Occupancy	93%	▲ c. 1% (till 97% target)

¹ In accordance with EPRA BPR

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

2016

More than **4%¹ over NAV** (> 5% on current Market Cap)

2017 - Onwards

c. 5% over NAV

2

Extraordinary dividends

Lagasca 99 delivery

Other divestments, according to the Business Plan execution and conditions

3

One payment per year upon approval of the General Shareholders Meeting

1. 4% Dividend yield over Average of 2016 quarterly NAV

Closing Remarks

1 RIGHT TIMING

Cycle
Opportunity

2 RIGHT RESOURCES

Operational
Financial
Know-How

3 RIGHT PLATFORM

Size
Synergies
Developments
Rotation potential

Future

RESULTS

Operation
Revaluation
Dividends



Investor Day

Follow us:

www.larespana.com



Lar España Real Estate SOCIMI



info@larespana.com



Investor Day App

