KRIS VAN LANCKER
Managing Director
T: (+34) 91 123 7600
E: kvanlancker@optimusinvestors.com

DAVID DIEZ
Investment Consultant
T: (+34) 91 123 9181
E: ddiez@optimusinvestors.com

Optimus Global Investors, a trademark of Optimus Capital, S.L.

Spain Real Estate Update Q3 2015

Spain's Economic Backdrop…

2014 was characterized by the arrival 'en masse' of international investors and the creation of large Spanish REITs (SOCIMIs). After seven years being a no-go area, Spain has transformed into one of the hottest markets for investors. Last year alone, more than €7bn ($7.8bn) was invested in commercial real estate – this is almost triple the amount invested in 2013 when it stood at €2.5bn ($2.8bn).

The influx of investor interest is mainly due to Spain's economic recovery and the attractive price levels. Spain has been one of the best performers in the Eurozone with consistent quarterly GDP growth since mid-2013. Eurozone growth has been mixed, growing by 0.8% in 2014 whereas Spain's GDP grew at 1.4% over the same period – Spain is expected to grow 2.8% in 2015 and 2.5% in 2016.

The recovery is demonstrated by all the main economic indicators, such as increased consumer confidence, improved labour market, greater disposable income and household consumption as well as improved access to financing.

IMPLICATIONS ON THE REAL ESTATE INVESTMENT MARKET:

As mentioned above, 2014 was a successful year for the Spanish real estate market. The commercial property segment saw investment volumes of €7.2bn of which 43% was in the capital, Madrid. When splitting this into sectors, 72% was apportioned to the Office and Retail markets whilst the remainder was in Industrial (8%), Hotels (14%) and Bank units (6%). It must be highlighted that the investment volume seen in 2014 across both logistics and hotels in Spain saw the greatest y-o-y increase across the entire real estate market.

It is important to note the distribution of the investor origin, with 44% of the demand carried out by national investors, whilst international

2014 was the year of change for Spain – since the end of 2013, the positive economic prospects for the country have been the main drivers for new foreign investment into the country.

investment took the majority (North America 40%, European 37%, Latam 12% and Asia 11%). The rationale for the large amount of national investors was the creation of the SOCIMIs in Spain that amounted to 70% of the domestic investment volume (30% of total volume in the sector). Although SOCIMIs are a Spanish tax-efficient investment vehicle, there is increased participation from overseas investors taking stakes in these vehicles as a way of entering the market.

Investors generally had capitalized on low prices and the potential of gaining from the impending upward growth cycle. The focus has mainly been on prime properties in prime locations where we are already seeing hardening of yields over all segments of the market. This characteristic coupled with the lack of prime stock has made many investors redirect their search to prime properties in secondary or decentralized areas. In terms of strategy, the value-added approach through repositioning, refurbishment, improvement of property management and development are the preferred routes for investors.

Real Estate presents the biggest opportunity at the moment given the aggressive correction we experienced during the crisis – the biggest volume of investment has been in Offices and Retail, with 72% of the total volume.

1. RETAIL (HIGH STREET & SHOPPING CENTRES): €2.4bn/$2.7bn was invested in 2014. Growing GDP, falling unemployment and rising real wages have resulted in growing consumer confidence, an upturn in household disposable income and increased consumer spending, the key pillars for the success of the Spanish retail market.

High Street: The continued recovery has fed into the Spanish high street since 2014, with demand for prime high street units increasing so much so that there is a now shortage of space on the best streets. Many expanding domestic and international retailers are considering streets off the prime areas and secondary cities. Most of the demand over the last 18 months has been seen in Madrid, as a result of its above national average income levels, larger population and the regional government's positive stance towards retail developments and liberal opening hours.

Prime street Retail units are forecasted to remain at 4%, for super-prime properties with super-prime tenants (typically luxury goods sector) yields could drop to 3.25%.

The most popular streets in Madrid city center are Gran Via/Preciados (rents of €2,700sq.m/$32,500sq.ft per annum), Fuencarral (€1,425sq.m/$17,150sq.ft), Jose Ortega y Gasset, Serrano (€2,300sq.m/$27,700sq.ft) and Goya (€1,300sq.m/$15,650). Gran Via has been the only street that has shown countercyclical behavior and where rental yields on the best section of the street have increased by more than CPI during the crisis, increasing by 40% since 2006 (+9% in 2014). The world's biggest fashion brands, institutional investors, real estate companies, hotel specialists and developers have gravitated to Gran Via due to the aforementioned pick-up in yield, expected appreciation in values as well as the

potential for (re)development through active management. Although the majority of investors are asking for the best locations in order to let them out to large international retail chain tenants, we are seeing an appetite for non-prime rental premises. Typically, institutional investors are behind those investments although the market of transactions under €10m are dominated by family offices and local private investors who target typically 4% for prime premises.

Shopping Centres: In 2014, Spain witnessed renewed interest in shopping centres by major retail brands. Attracted by increasing consumption, improvement in consumer confidence and reductions in unemployment retailers have had increased sales and footfall in prime shopping centres and in those located in areas where the economic situation is more stable. Not only has the improvement in the economic outlook contributed to the increased appetite by international investors but also the attractive pricing relative to comparable markets. Furthermore, SOCIMIs have provided additional liquidity/demand having accounted for 50% of the total investment volume of shopping centre assets in 2014.

Prime Shopping Centre Yields: ***5.25%***

Vacancy rates: ***8.7%***

Rents: ***€190sq.m per annum***

We still witness ongoing demand for core/prime shopping centres despite the aggressive hardening in yields seen over the last 2 years (6.75% in mid-2013 to 5.25% at present) and we believe there is room for 75bps further hardening with minimal volatility. Second-tier assets however offer some margin for pickup in returns leading to new transactions as investors accept marginal further risk. Despite the expected yield compression in due course as a result of the low availability of space, we forecast rental growth of 20-30% over the next 5 years depending on the shopping centre. Specific to Madrid, the vacancy rate in prime centres is low at 8.7% and we see this to be consistent across both urban and semi-urban centres, as well as centres with both low and large GLA. Typical rents in prime are €190sq.m/$2,300sq.ft per annum. In Madrid, which accounts for 20% of Spain's GLA of shopping centre space, we have noticed a shift in population to the suburbs which makes semi-urban centres all the more attractive.

Excess demand and relative lack of product has resulted in a general compression in office yields, especially in prime locations. Despite this yield compression, the positive macroeconomic forecasts coupled with additional credit and rental increases leads to the expectation that investment in 2015 will be similar to that in 2014.

2. OFFICE: The recovery of the Spanish office market seen since 2013 has been a consequence of the new economic growth model undergone in Spain; supported by structural reforms to stimulate competition, productivity and exports as well as stability in public finances and recapitalization of the banking sector. The office market has also benefitted from a weaker Euro and lower oil prices that support the industrial sector and exporters along with the improved labour market.

Investment volumes reached €2.8bn ($3.1bn) in 2014, which is more than double those levels seen in 2013, and the highest registered

over the past 10 years, excluding 2006-2007. In terms of distribution, 61% of investment was made in Madrid, followed by 24% in Barcelona and the remaining 15% in other locations throughout the country. The office market in Spain has seen a gradual improvement in occupier demand over the last year with take-up levels bolstered by a larger number of transactions. Madrid prime office yields stand at 4.75% but with lot sizes of below €30m they show 50bps harder. Decentralised areas show a 100bps pick-up.

As economic conditions improve, there has been a noted increase in demand with take-up in Madrid increasing by 10% over the last year and we expect this trend to continue throughout 2015 and 2016. We have seen notable interest from investors who did not traditionally form part of the Spanish real estate market, such as South American, American, Israeli, Arab, Canadian, Chinese and Russian investors. The SOCIMIs accounted for roughly 1/3 of the total investment in the office market in 2014. Investors are certain that after rents fell by more than 40% from the peak of the market in 2007-2008, that these corrections have bottomed-out and foresee significant rental growth over the short to medium term. 70% of the volume seen in 2014 came from Core or Core+ investors whilst 20% applied a value-added strategy.

The current yield levels in Madrid and Barcelona for trophy assets lie at around 4-5.5% whilst city centre hotels yield in the region of 6-8%

3. HOTEL: €1bn/1.2bn investment in 2014. The Spanish tourism sector witnessed a growth rate of 2.9% last year, which is double that of the national GDP (1.4%), not only due to the overseas demand but also the increased domestic demand. Domestic demand, both inland and on the coast, rose by 10% due to increased household income and the general improvement in the Spanish real economy. The aforementioned, coupled with a depreciating Euro and falling oil prices, making travel cheaper, have resulted in the recent success seen in the Spanish hotel sector.

The hotel market in Spain is highly fragmented with varying quality of assets. 58% of the existing hotel supply is independently operated, many of which are family-owned, with the remainder consisting of domestic and international hotel operators meaning that the discrepancy of standards can be very apparent. Accordingly, the need for consolidation across the sector as well as the asset repositioning presents a significant opportunity for investors with a value-add investment strategy. In 2014 Spain witnessed a RevPar growth of 10% across the sector that has made the asset class all the more appealing for international investment. Additionally, in spite of its seasonal behavior, the hotel resort market has performed well over the last couple of years with average occupancy rates well above the average for urban centres.

*Madrid prime location hotel yields: **6-8%***

*Madrid trophy asset yields: **4-5.5%***

Value added strategy: *Purchase of empty buildings and renovation into new hotels is more economical than acquiring existing hotels outright.*

The outpacing of demand over supply in the hotel sector means that

the key markets have recorded an increase in occupancy rates. Most transactions have taken place in Madrid, Barcelona and Mallorca, although over the last months there has been increased demand in the Balearic (especially Ibiza) and Canary Islands, as well as some other costal areas. The trend over the last 2 years in Madrid and Barcelona has been to convert empty buildings into hotels and follow change-of-use strategies where office buildings have also been converted into hotels. This has been the preferred route by many investors to gain greater returns compared to acquiring existing hotels that are offered at very high asking prices.

4. INDUSTRIAL: Pertinent to the recent success of the industrial-logistics markets has been the improvement in private consumption; GDP growth up 1.4% in 2014 and increased exports as a result of the drop in oil prices and the Euro as well as improved access to financing. Putting this into numbers, investment volume in the area was north of €600m ($670m) last year (the highest level seen in the last 10 years), yields in excess of 7% and take-ups levels greater than 30% in Madrid.

*Yields for prime Industrial assets: **7%***

70% of the investor activity over the last year took place in the Madrid area while the rest was in Barcelona, Seville, Zaragoza and Valencia. 60% of demand came from institutional investors, 30% from SOCIMIs (Spanish REITs) and 10% from family offices. Naturally, the amount of interest in this market has lead to a fall in supply (despite there still being high levels of supply), a fall in vacancy levels over the last 2 years and rental price increases for the best quality assets. Less prime assets have seen a stabilization of rental levels as most appetite is focused on prime at the moment.

*Yields for prime Logistics assets: **7.5%***

Industrial Properties: Industrial rents in Madrid, depending on the area, are either stabilizing or are close to stabilizing as rental corrections are ever smaller - prices fell around 4% over 2014 to €3.15sq.m/$38sq.ft per month. Approximately 20% of the space taken in industrial properties over the last year was for sale, whilst the remaining 80% was to let. Despite the industrial sector as a whole lagging slightly behind other real estate segments, yields across prime assets have actually started to fall due to the ongoing shortage of large, high-quality assets – prime yields currently stand at 7% having hardened 50bps in 2015 alone and an additional 75bps in 2014.

Logistics: The story in the logistics sector is similar to the industrial space in that rental prices of the best quality and located properties have begun to rise and remain stable in other markets. Prime units with solvent tenants and compulsory fixed term contracts in the best communicated areas have seen a 100bps hardening over the last 6 months to the existing 7.5% yield levels. Nevertheless, yields in

secondary markets are seen at 8.5% and have been stable. During 2014, and continuing on from the falls seen in 2013, vacancy rates fell from 16% to 14.5%. Furthermore, take-up registered its fourth consecutive year of growth increasing by 35% compared to 2013, 90% of which was for lettings and the remainder for outright purchase transactions. After 6 years of consecutive price falls, logistics rents on average followed different lines to those in the industrial sector and rose by 4% in Madrid and currently stand at just over €3sq.m/$36sq.ft per month. There is a quantifiable relationship in the logistics space between rents and distance from the most urban areas of Madrid – rents fall from €4.75sq.m/57sq.ft per month from within the most central and urban areas of the city to €2.5sq.m/$30sq.ft per month in the outer regions.

5. RESIDENTIAL: The residential market has started to bear the fruits of the wider economic recovery that Spain is experiencing, reflected by increased sales of residential properties. This is a tendency that is expected to continue throughout 2015. Despite domestic demand increasing, overseas buyers interest continues to grow, as it has done since 2009 (+17% in 2014 and increasing to 30% in 2015). Prices are now stabilizing and, according to data provided by Spanish authorities, the accumulated price correction since the top of the market in 2007-2008 stands at 32% for new-build properties and 43% for pre-owned. Despite the considerable reduction in prices, property values are still not affordable. This is demonstrated by the current "mortgage cover ratio", which stands at over 6x, well below the ideal 4-4.5x. Accordingly, new residential supply coming to the market is still low. New-build properties that are coming to the market are generally very different to the current available stock and developed in markets where there is strong demand with affordable prices and strong sales rates. Over the last 18 months we have seen a heightened interest amongst investors in land or buildings with refurbishment potential in these areas.

Over the last year, land and refurbishment deals were carried out in the core real estate markets for an approximate value of €1.8bn, of which 60% in city centres. Furthermore, the largest amount was allocated to Madrid where a large number of these deals (primarily residential) were completed. Part of this was due to foreign investment, as overseas investment funds have little access to asset classes that offer returns of 10-15%; a level that is viable in residential real estate.

KEY TAKEAWAYS

The Spanish economy is set to be one of the strongest performing economies in Europe over the next five years. Following yield compression, returns will be led by the continued rise in prime rental levels. Low supply of fully let investments means taking on additional risk and investors focusing their attention on less core areas, with higher vacancy rates. Nevertheless, these areas present opportunities as there are grade A buildings with grade A tenants.

Contact us

If you would like to discuss this report or the investment opportunities for your institution in further detail, please email the team or call us directly.

Optimus global investors

Email:
research@optimusinvestors.com
info@optimusinvestors.com

Global phone numbers:
Spain: (+34) 91 123 7600
UK: +44 (0)20 3514 3775
US: +1 (646) 453 6252

www.optimusinvestors.com

Address: Calle General Oraa 29, 28006 Madrid, Spain

Optimus Global Investors sources and manages real estate assets as well as other alternative investments in Spain.

We are a boutique consulting group based in Madrid that helps investors access and manage assets in Spain. With its experienced team of multilingual professionals Optimus provides bespoke solutions to meet any investment need, offering comprehensive advice and creating value for our investors.

Appendix (I) – Economic Indicators

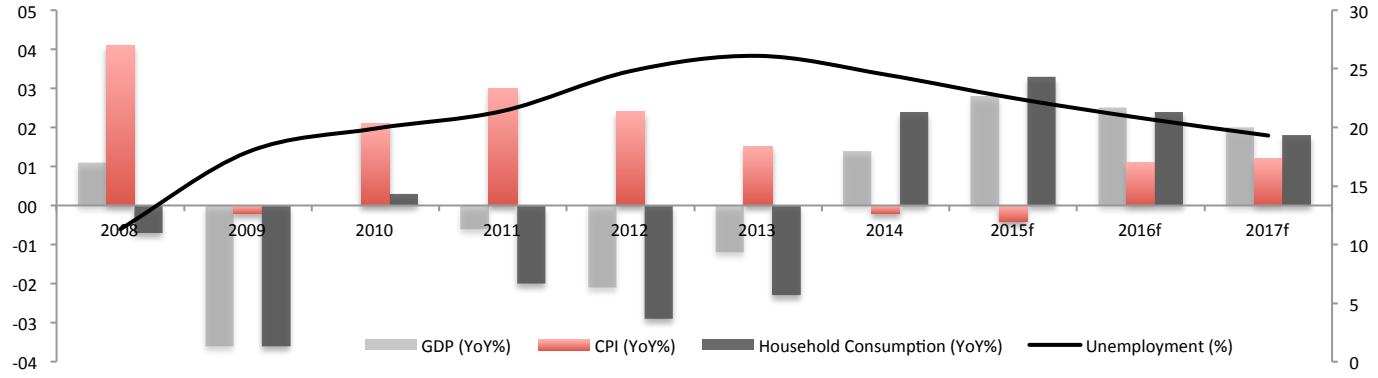
Macroeconomic backdrop, Spain:

SPAIN	2008	2009	2010	2011	2012	2013	2014	2015f	2016f	2017f
GDP (YoY%)	1,1	-3,6	0,0	-0,6	-2,1	-1,2	1,4	2,8	2,5	2,0
Industrial Production (YoY)	--	--	--	--	--	--	1,5	2,5	2,6	--
Household Consumption (YoY%)	-0,7	-3,6	0,3	-2,0	-2,9	-2,3	2,4	3,3	2,4	1,8
CPI (YoY%)	4,1	-0,2	2,1	3,0	2,4	1,5	-0,2	-0,4	1,1	1,2
Unemployment (%)	11,3	17,9	19,9	21,4	24,8	26,1	24,5	22,5	20,8	19,3
Central Bank Rate (%)	2,50	1,00	1,00	1,00	0,75	0,25	0,05	0,05	--	--
3-Month Interest Rate (%)	2,89	0,70	1,01	1,36	0,19	0,29	0,08	0,01	--	--
2-Year Note (%)	2,29	1,85	3,44	3,16	2,78	1,41	0,38	0,37	--	--
10-Year Note (%)	3,81	3,97	5,44	5,04	5,23	4,13	1,60	1,93	--	--
EURUSD	1,40	1,43	1,34	1,30	1,32	1,37	1,21	1,05	1,10	1,13

GDP (% YoY change)	
Spain	2,7
Eurozone	1,0
Germany	1,0
France	0,8
UK	2,4
Italy	0,1

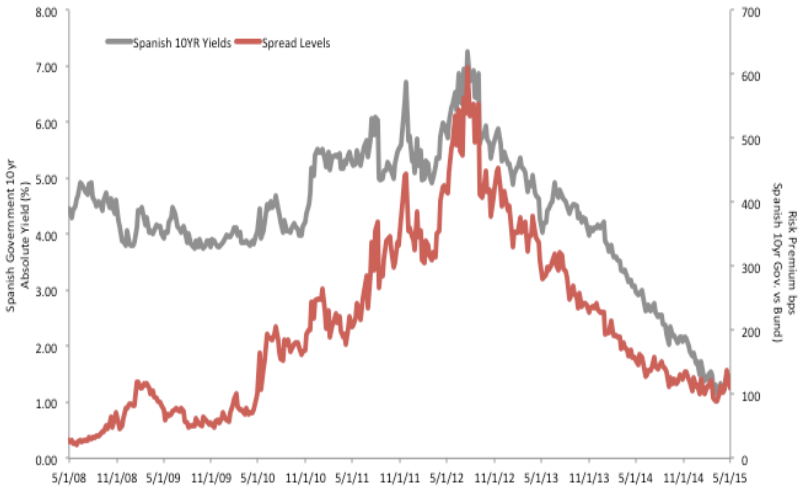
Source: Bloomberg, Optimus Capital

Key Economic Indicators, Spain:



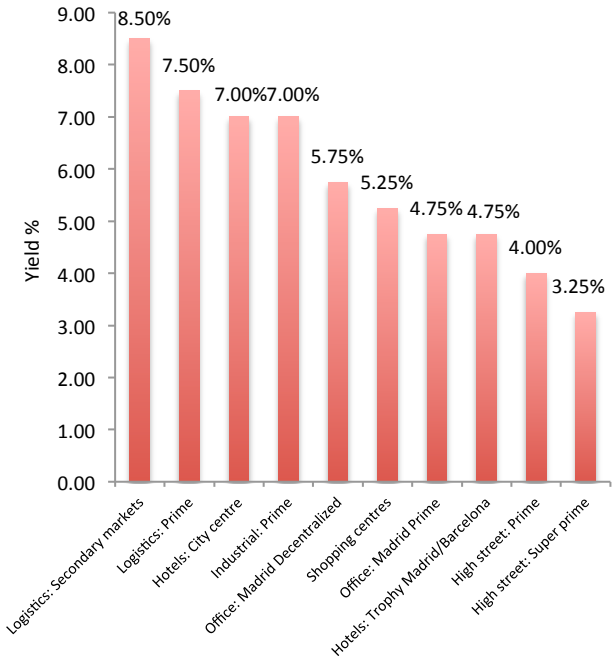
Source: Bloomberg, Optimus Capital

Spanish Yield Premiums:



Source: Bloomberg, Optimus Capital

Yield by Asset Class:



Optimus global investors

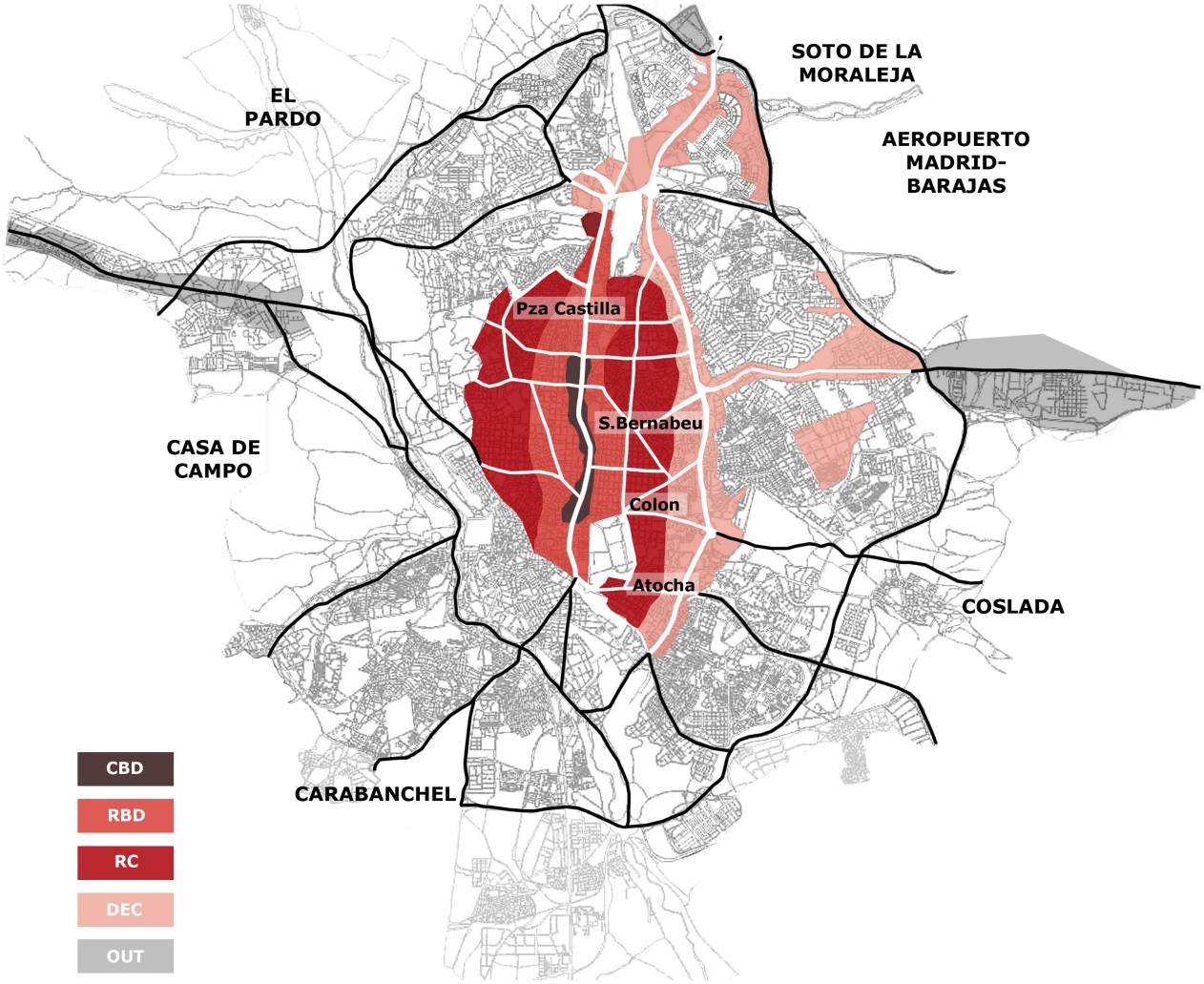
Appendix (ii) – Market Transactions 2014 (>€100m) & 2015 YTD

2014	Asset Class	Asset	Location	Transaction Value (€m)	Vendor	Purchaser
2014	Offices	70 Andalucian government buildings	Several locations	300	Junta de Andalucía (Gov. entity)	W.P. Carey (US REIT)
2014	Retail & Hotel	Marineda City Complex	La Coruña	260	Invest Cos (Fund)	Merlin Properties (SOCIMI)
2014	Retail	Islazul	Madrid	232	Grupo Lar & Ivanhoé Cambridge (Fund)	TIAA Henderson Reat Estate (Fund)
2014	Hotel	Resort Sotogrande	Cadiz	220	NH (Hotel Group)	Cerberus (Fund)
2014	Offices	13 Generalitat buildings	Barcelona	201	Generalitat de Catalunya (Gov. entity)	Zurich (Insurance)
2014	Offices & Retail	Four office buildings & one retail warehouse	Madrid, Barcelona & Tarragona	180	Credit Suisse (Bank)	Axia Real Estate (SOCIMI)
2014	Vastned Portfolio (8 centers)	Several locations	Several locations	160	Vastned (RE Group)	Baupost Group (Fund) / Green Oak Real Estate (Fund) / Grupo Lar (RE Group)
2014	Retail	El Boulevard	San Sebastian	157	CBRE Global Investors (RE Group)	REI Investment IBV (Fund)
2014	Office, Retail & Hotel	Paseo de la Castellana, 200	Madrid	140	Reyal Urbis (RE Group)	Drago (RE Group) + PSP Investments (Canadian Pension Fund)
2014	Offices	Santa Hortensia 26-28	Madrid	130	Morgan Stanley (Bank)	Finacess (Fund)
2014	Industrial	Six logistics assets	Madrid & Guadalajara	133	Gran Europa (RE Group)	Logicor (RE Group)
2014	Offices	Levitt Portfolio	Madrid	130	Levitt (RE Group)	Merlin Properties (SOCIMI)
2014	Offices	Eight buildings	Madrid & Malaga	120	Oncisa (RE Group)	Hispania Activos Inmobiliarios (SOCIMI)
2014	Offices	Avenida de America 115	Madrid	117	Solvia (RE Group)	London Regional (Fund)
2014	Retail	Gran Vía de Vigo	Vigo	115	ING Real Estate developments	Oaktree (Fund)
2014	Industrial	Portfolio SABA	Madrid & Barcelona	100	SABA (Interparking)	Prologis (Logistics)

2015	Asset Class	Asset	Location	Transaction Value (€m)	Vendor	Purchaser
January	Retail	Building on Gran Vía 30	Madrid	42	N/A	Talus Real Estate (RE Fund)
January	Retail	Building on Gran Vía 32	Madrid	N/A	Drago Capital (RE Group)	Pontegadea, Amancio Ortega (Retail)
January	Offices	Torre Ederra	Madrid	N/A	BBVA (Bank)	GMP (RE Group)
January	Offices	BMW Offices	Madrid	41	Gecina (RE Group)	SOCIMI managed by IBA Capital Gecina
January	Residential & Commercial	11 plots in Madrid	Madrid	64	Sareb (Restructuting fund, Spain banks)	N/A
January	Office	Office buildings on Goya 29	Madrid	27	N/A	Realia (Fund)
January	Residential & Commercial	RE complex 'Golf Hills Village'	Madrid	N/A	N/A	CTH Capital (Fund)
January	Offices	Building in Barcelona	Barcelona	37	UBS (Bank)	Merlin Properties (SOCIMI)
January	Retail	Ten Consum Supermarkets	Valencia & Castilla-La Mancha	N/A	A group of investors	Meridia (Fund)
January	Residential, offices & nursing homes	18 buildings	Barcelona	90	La Llave de Oro (Developer)	Goldman Sachs (Bank)
January	Offices	Office building in Barcelona	Barcelona	10	Sareb (Restructuting fund, Spain banks)	Colonial (Fund)
January	NPL portfolio	NPL Portfolio "Aneto"	Madrid	250	Sareb (Restructuting fund, Spain banks)	Blackstone (Fund)
January	Offices	Tripark Business Park (Las Rozas)	Madrid	N/A	N/A	IBA Capital Partners (Fund)
January	Residential & Commercial	Real Estate complex	Madrid	35	Cevasa (RE Group)	AKM Arganzuela (RE Group)
February	Residential	Plots in Madrid	Madrid	13	Sareb (Restructuting fund, Spain banks)	Castlelake (Fund)

February	Hotel	Hotel Solvasa	Barcelona	N/A	N/A	Eurohotel Group (Hotel Group)
February	Industrial	Gescobro (Collection company)	Madrid	N/A	Miura (Fund)	Cerberus (Fund)
February	Offices	Building at Gran Vía 14	Madrid	21	N/A	Private Mexican Investor
February	Residential	Building at Calle Juan Bravo	Madrid	120	N/A	Lar España (RE Group) & PIMCO (Fund)
March	Residential & Offices	Principe de Vergara & Sanchinarro	Madrid	86	N/A	Hispania (SOCIMI)
March	Offices	11 office buildings	Barcelona (7) & Madrid (4)	100	GE Capital RE (Fund)	Meridia (Fund)
March	Retail	Airesur Shopping Centre	Sevilla	77	N/A	CBRE GI (RE Group)
March	Retail	Plenilunio mall	Madrid	375	Orion Cap Managers (Fund)	Klepierre Acquires (RE Group)
March	Self storage & Offices	Self-storage	Madrid	8	Baraka Global Invest (RE Group)	Bluespace (Self-storage Group)
March	Retail	Zielo Shopping Centre	Madrid	73	Hines (RE Group)	UBS (Bank)
April	Offices	Revlon's HQ	Barcelona	30	Morgan Stanley (Bank)	Standard Life (Fund)
April	Retail	As Termas' shopping mall	Lugo	67	N/A	Lar España (SOCIMI)
April	Offices	The 'Torre Norte' building	Barcelona	15	CaixaBank (Bank)	SegurCaixa (Insurance)
April	Logistics	Logistics Plot	Guadelajara	N/A	N/A	Montepino (RE Group)
April	Student Accomodation	Two Halls of Residence	Barcelona	N/A	N/A	The Student Hotel
May	Land	Private plot of land	Mallorca	6	Ministry of Defence (Gov. entity)	La Llave de Oro subsidiary (RE Group)
May	Logistics	3 Logistics Platforms	Madrid & Valencia	19	UBS (Bank)	Lar Group (SOCIMI)
May	Retail	68 Gran Vía	Madrid	45	Carlyle (Fund)	FMS Wertmanagement (German 'Bad Bank')
May	Retail	Puerta del Sol 9	Madrid	30	Auction	Kennedy Wilson & Renta (Fund)
May	Retail	3 land plots in Arroyo del Fresno	Madrid	50	Madrid City Council (Gov. entity)	CP Grupo Inmobiliario (RE Group)
May	Offices	Paseo de la Castellana 89	Madrid	147	N/A	Corporacion Financiera Alba (March Family)
May	Logistics	Logistics Platform	Meco	22	Kefren Capital (RE Group)	Merlin (SOCIMI)
May	Retail	Shopping centre	Leon	N/A	CG Malls Europe (RE Group)	Blackstone (Fund)
May	Hotel	Ritz hotel	Madrid	130	Belmond Spanish Holdings & Landis	JV - Olayan (Fund) & Mandarin Group (Fund)
June	Hotel	Villa Magna Hotel	Madrid	190	Sodim (HoldCo of Queiroz Pereira family)	Jaime Gilinski (Colombian individual)
June	Loans	NPL Portfolio - 'Project Gaudi'	Madrid	260	FMS Wertmanagement (German 'Bad Bank')	Oaktree (Fund)
June	Offices	2 office buildings (Las Rozas & Cristalia BP)	Madrid	55	Deka (Fund)	Hispania (SOCIMI)
June	Logistics	5 Logistics Platforms	Madrid	75	N/A	GreenOak (Fund)
June	Retail	Plaza Éboli Shopping Center	Madrid	30	Doughty Hanson (Fund)	HIG Capital (Fund)
June	Hotel (Trophy assets)	2 Hotels In Canary Islands	Canary Islands	105	N/A	Hispania (SOCIMI)
June	Offices	Offices in Madrid	Madrid	51	Sareb (Restructuting fund, Spain banks)	Axiare (SOCIMI)
June	Offices	Office Building	Barcelona	20	N/A	Lar Group (SOCIMI)
June	Supermarkets	Eroski Hypermarket	Alicante	7	Altadena (Fund)	Lar España (SOCIMI)
June	Residential-Hotel	Condeminas Building	Barcelona	N/A	N/A	Manel Adell (Private investor)
June	Trophy asset	Building In Puerta de Alcalá	Madrid	80	Auction	Mapfre (Insurance)
June	Company	Subsidiary Testa	Madrid	1800	Sacyr (Construction)	Merlin (SOCIMI)
June	Loans	Hotel Loan Portfolio (Project Castle)	Madrid	N/A	Bankia (Bank)	UBS (Bank)
June	Retail	Zielo Shopping Centre	Madrid	70	Hines (RE Group)	UBS (Bank)
June	Port	50% Of Puerto Venecia	Zaragoza	225	Intu	CPPIB (Canadian Pension Fund)

APPENDIX (III) – MADRID OFFICE MARKET DISTRIBUTION:



CBD: Central Business District / RBD: Rest of Business District / RC: Rest of City / DEC: Decentralised / OUT: Outskirts

Disclaimer - please read

Optimus Global Investors is a trade name of Optimus Capital, S.L. This document has been prepared by Optimus Capital, S.L. and is provided for information purposes only and expresses data, opinions or estimations regarding the date of issue of the report, prepared by Optimus Capital, S.L. or obtained from or based on sources we consider to be reliable, and have not been independently verified by Optimus Capital, S.L. Therefore, Optimus Capital, S.L. offers no warranty, either express or implicit, regarding its accuracy, integrity or correctness.

Estimations this document may contain have been undertaken according to generally accepted methodologies and should be considered as forecasts or projections. Results obtained in the past, either positive or negative, are no guarantee of future performance. This document and its contents are subject to changes without prior notice depending on variables such as the economic context or market fluctuations. Optimus Capital, S.L. is not responsible for updating these contents or for giving notice of such changes. Optimus Capital, S.L. accepts no liability for any loss, direct or indirect, that may result from the use of this document or its contents. This document and its contents do not constitute an offer, invitation or solicitation to purchase, divest or enter into any interest in financial assets or instruments. Neither shall this document nor its contents form the basis of any contract, commitment or decision of any kind.

In regard to investment in financial assets related to economic variables this document may cover, readers should be aware that under no circumstances should they base their investment decisions on the information contained in this document. Those persons or entities offering investment products to these potential investors are legally required to provide the information needed for them to take an appropriate investment decision.

The content of this document is protected by intellectual property laws. It is forbidden its reproduction, transformation, distribution, public communication, making available, extraction, reuse, forwarding or use of any nature by any means or process, except in cases where it is legally permitted or expressly authorized by Optimus Capital, S.L.