



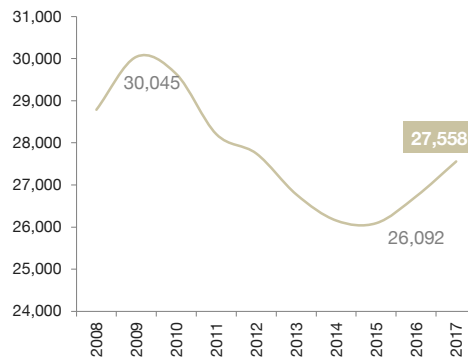
RETAIL SNAPSHOT

2nd QUARTER 2018

SITUATION IN SPAIN

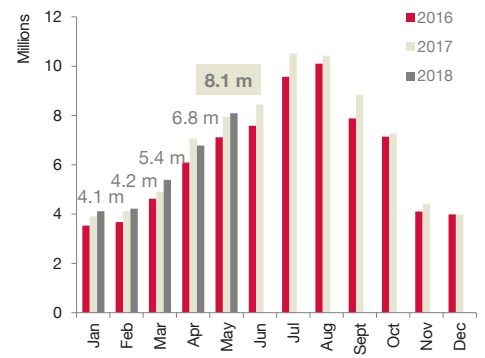
- The purchasing power of Spanish households continues to increase, as the unemployment rate reduces and economic growth strengthens.
- In the first five months of the year the number of tourists is 2.3% higher than that of the same period in 2017. It is expected 2018 will be a record year for tourism, impacting positively on footfall and on retail sales.
- The good prospects and opportunities offered by retail parks have increased the interest of national and international developers for large projects.
- The growth of retail parks will come from mixed uses and formulas that generate synergies between the retail area and the logistics park, through systems such as *Click & Collect*, *Click & Deliver*, and the mix of leisure and food & beverage offer.

GRAPH 1
Average annual net household income
2008 - 2017



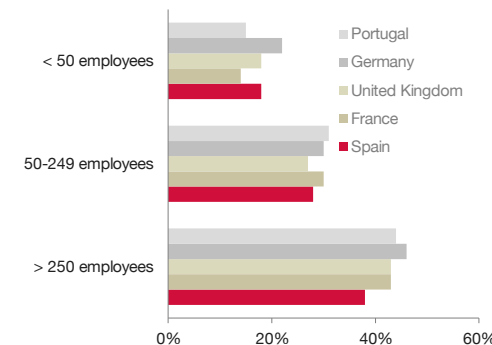
Source: INE

GRAPH 2
International tourists
2016 - 2018



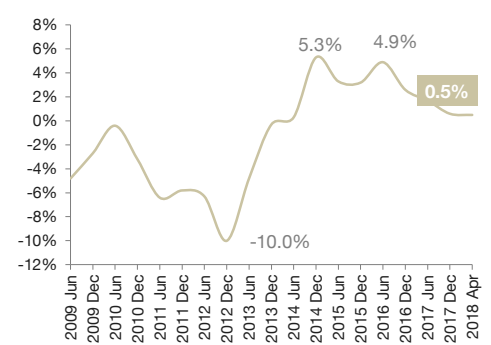
Source: INE | IET

GRAPH 3
E-commerce % of companies with e-commerce sales \geq 1% of the total sales. 2017



Source: Eurostat

GRAPH 4
Retail trade
Turnover index. Y-o-y (%)



Source: INE

GRAPH 5
Upcoming openings
Retail parks



VIDANOVA PARC
(Sagunto, Valencia)
GLA: 45,000 sq m
September 2018



JAÉN PLAZA
(Jaén)
GLA: 79,000 sq m
Autumn 2018



PARQUE COMERCIAL MAZARRÓN
(Mazarrón, Murcia)
GLA: 10,042 sq m
Autumn 2018

GRAPH 6
Future projects
Retail parks



PARQUE COMERCIAL LAS MERCEDES (Madrid)
GLA: 6,500 sq m

RETAIL INVESTMENT IN SPAIN

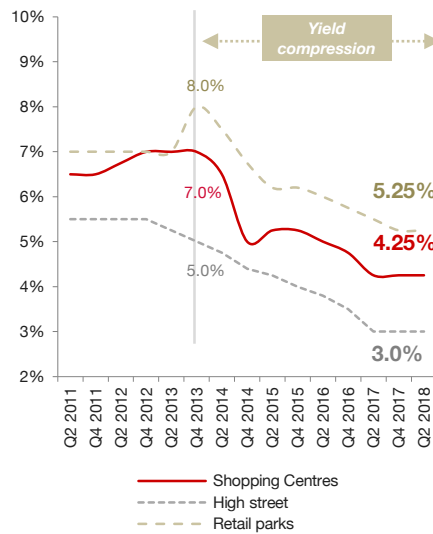
- Retail investment in the first half of the year totalled 850 million euros.

- The sale of six retail parks owned by Pradera to Carmila was the largest transaction of the second quarter. Portfolio deals will boost investment volume to record figures by year end.

- Leisure and food & beverage chains have attracted investors looking for corporate transactions. Tommy Mel's, Tony Roma's and La Chelinda have all recently been acquired by the investment fund Abac Capital.

- The merger and acquisition processes of supermarket chains that have recently taken place in other countries, such as Asda and Sainsbury's in the United Kingdom, could serve as a prelude to a similar trend in Spain, one of the distribution sectors less concentrated markets in Europe.

GRAPH 7
Historical prime yields
2011 - 2018



Source: Knight Frank Research

GRAPH 8
European prime yields
Latest data available

	SHOPPING CENTRES	RETAIL PARKS	HIGH STREET
Brussels	= 4.25	= 5.50	↓ 3.50
London	↑ 4.50	= 4.50	= 2.25
Amsterdam	= 4.75	= 5.50	↓ 3.00
Frankfurt	= 3.75	↓ 5.00	= 3.60
Berlin	= 3.75	↓ 5.00	↓ 2.50
Paris	= 3.75	= 4.75	= 2.75
Dublin	= 4.50	= 5.25	= 3.50

Source: Knight Frank Research

GRAPH 9
TOP3 | Investment transactions
Q2 2018

PRADERA PORTFOLIO

VENDOR: PRADERA EUROPEAN RETAIL FUND
PURCHASER: CARMILA

€ 182 m | 56,900 sq m

PARC VALLÉS

VENDOR: PRADERA & CABOEL
PURCHASER: FREY INVEST

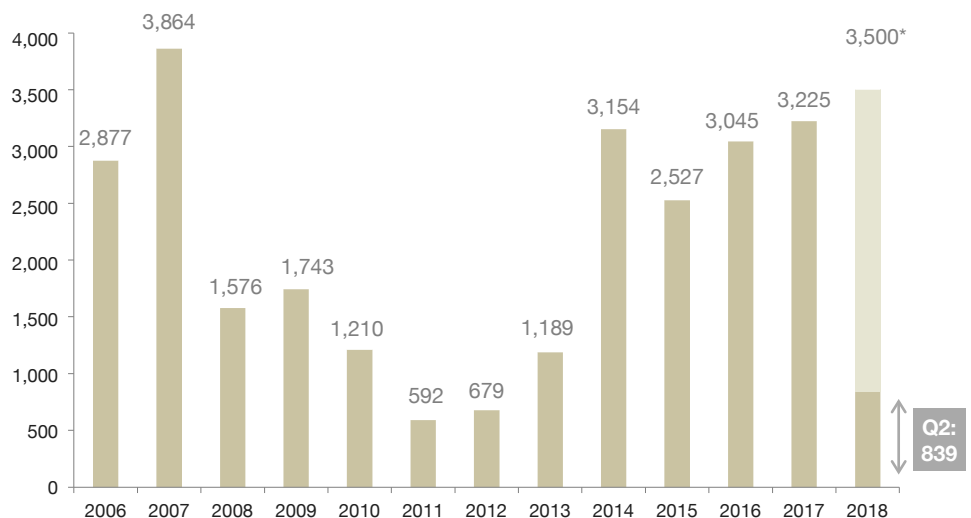
€ 82.5 m | 45,200 sq m

CC HABANERAS

VENDOR: HARBERT EUROPEAN REAL ESTATE FUND
PURCHASER: CASTELLANA PROPERTIES

€ 80.6 m | 24,160 sq m

GRAPH 10
Historical retail investment
Million euros. 2006 - 2018



Source: Knight Frank Research

* Year-end estimation based on our view of the market performance



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