

RETAIL SNAPSHOT

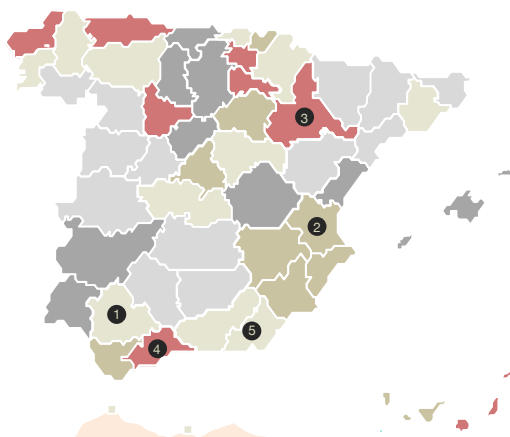
4th QUARTER 2017

SITUATION IN SPAIN

- After the uncertainty generated by the independence process in Catalonia, the Consumer Confidence Index and the footfall have recovered the positive trend with which they finished the third quarter.
- Retail trade continues to grow at the same time that e-commerce reaches an all time maximum.
- Despite the success of platforms such as HBO or Netflix, leisure activities continue to be a claim for physical establishments. Cinemas have increased their turnover by 18% in the last three years.
- The future of shopping centres depends on their capacity to generate new experiences that attract consumers, their specialization or on whether they are a convenience centre, with a more restricted product offer, but where the consumer convenience prevails.

GRAPH5
Shopping centre density* and openings in 2018. SQM / '000 inhabitants

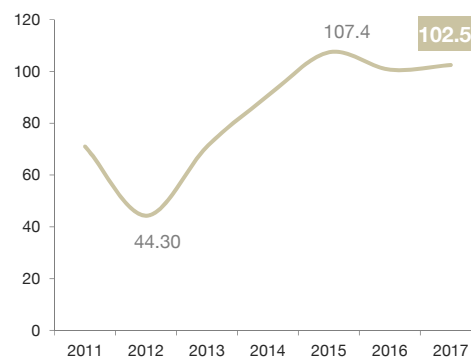
● Very high ● High ● Medium ● Low ● Very low



1. Torre Sevilla
2. Vidanova Parc
3. Torre Village
4. Plaza Mayor (enlargement)
5. Torrecárdenas

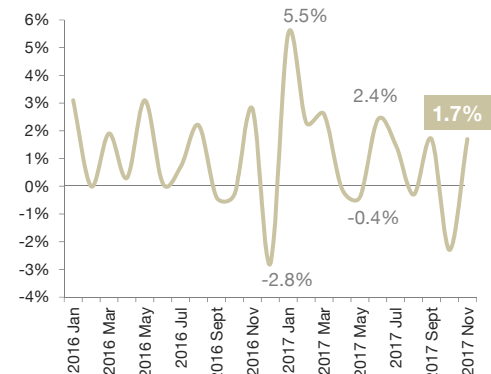
*Based on data from the AECC Annual2016

GRAPH1
Consumer Confidence Index
2011 - 2017



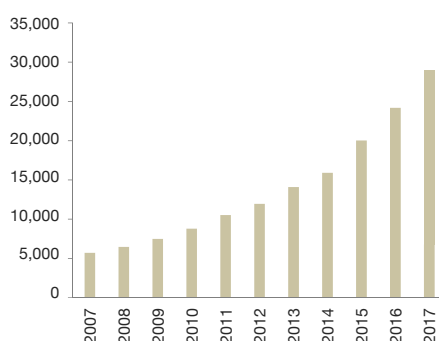
Source: CIS

GRAPH2
Footfall
Y-o-y (%)



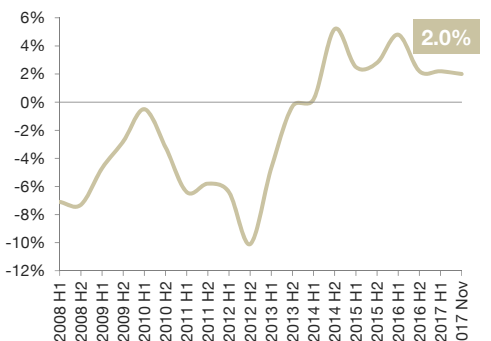
Source: Shoppertrak

GRAPH3
E-commerce
Turnover. Million euros.



Source: CNMC

GRAPH4
Retail market
Y-o-y (%)



Source: INE

GRAPH6
Future openings
Shopping centres and retail parks



TORRE SEVILLA
Sevilla, Sevilla
GLA: 28,600 sqm
Q3 2018



TORRECÁRDENAS
Almería, Almería
GLA: 60,000 sqm
Q4 2018



MC ARTHUR GLENN (PLAZA MAYOR)
Málaga, Málaga
GLA: 30,000 sqm
Q4 2018

Source: Knight Frank Research

RETAIL INVESTMENT IN SPAIN

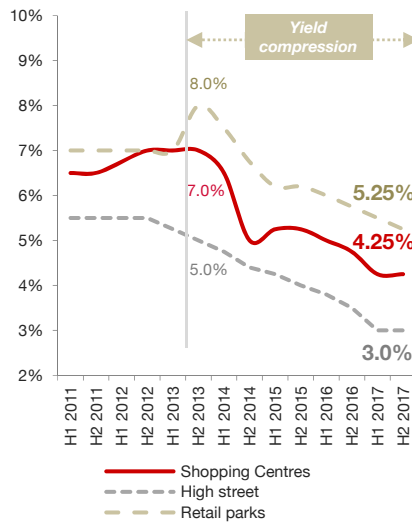
- Retail investment was € 3.22 billion at the end of 2017, remaining at record levels similar to the last three years.

- In 2018 the sale of the Inditex portfolio with 16 stores is expected to reach € 400 million. The company and other retailers are opting for the sale & leaseback formula to adapt themselves to their new strategy.

- Large mall owners resorted to m&a with competitors to pose themselves in a better position in the market: Hammerson bought Intu Properties and a week later Unibail-Rodamco acquired Westfield.

- There has been an increasing interest from investors in retail parks that combine online shopping with a comfortable shopping and leisure experience. The investment in retail parks increased more than 180% compared to 2016.

GRAPH 7
Historical prime yields
2006 - 2017



Source: Knight Frank Research

GRAPH 8
European prime yields
Latest data available

	SHOPPING CENTRES	RETAIL PARKS	HIGH STREET
Brussels	4.25	5.50	3.75
London	4.25	4.50	2.25
Amsterdam	5.00	5.75	4.00
Frankfurt	3.75	5.25	3.60
Berlin	3.75	5.25	2.75
Paris	3.75	4.75	2.75
Dublin	4.50	5.25	3.50

Source: Knight Frank Research

GRAPH 9
TOP3 | Investment transactions
Q4 2017

BERCEO SHOPPING CENTRE

VENDOR: TRISTAN CAPITAL PARTNERS

PURCHASER: MDSR INVESTMENTS

€ 105 m | 45,710 sqm

ALAMEDA PARK & SAN PEDRO DEL PINATAR PARK

VENDOR: ACTIV GROUP

PURCHASER: VUKILE PROPERTY & CASTELLANA PROPERTIES

€ 65.3 m | 36,140 sqm

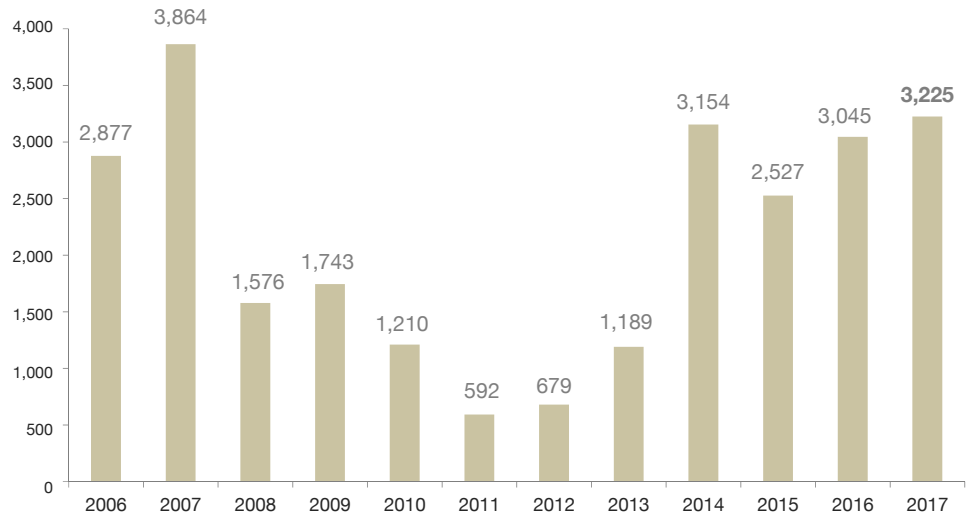
TERRASSA PLAÇA

VENDOR: CITYGROVE

PURCHASER: REAL I.S.

€ 52.5 m | 29,470 sqm

GRAPH 10
Historical retail investment*
Million euros. 2006 - 2017



Source: Knight Frank Research

*High street not included



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