

Insur Moscatelares (San Sebastián de los Reyes)



Jardines de Santa Ana III (Dos Hermanas)



Elements (Marbella)



Selecta Conil (Conil de la Frontera)



Altos del Retiro (Malaga)



Pineda Parque (Seville)



Insur Madrid Río - Business Park



Plaza del Teatro (Malaga)



Edificio Insur (Seville)



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- Increase in the **business turnover** (+49.3%) in **EBITDA** (+59.3%) and in **profits** (+245.5%).
- **Acceleration in marketing developments:** commercial sales of 45.6 M€ in the 1st half of 2017, with a major boost in the 2nd quarter of 2017, reporting an increase of 60.2% compared to the first quarter. Pre-sales¹ of 96.7 M€ (28.4% more than the 1st half of 2016).
- **Progress in new developments**, 1,744 housing units in 32 developments: 11 direct and 21 in JVs.
- **Acceleration in marketing new surface areas for leasing** (9,001 m² in the 1st half of 2017 compared to 11,767 m² throughout 2016). 7.75% of the portfolio was marketed in the 1st half of 2017.
- **Growth in building and management** (+579.8% and +27.3% respectively), owing to the boost in projects developed through JVs.
- **Reduction in the Net Financial Debt** by 19.5 M€ (-10.3%).
- **Free Float increase** of 5.89% for the sale of treasury stock to institutional investors, for the purpose of favouring the liquidity of value.
- **Diversification of financing sources.** Incorporation of a Promissory Note Programme to MARF (Alternative Fixed Income Market), with a maximum outstanding balance of 20 M€. First placement on 20th July 2017 of 3.5 M€ mostly to 6 months to 1.5%.
- **Greater dissemination and value hedge.** Fidentis launches its hedging, in addition to Arcano.

¹ 1 contracts and reserves on property undelivered to customers or registered as income.

I. EXECUTIVE SUMMARY

RESULTS OF THE FIRST HALF OF 2017

	1st half of 2017	1st half of 2016	Variation
BUSINESS TURNOVER	41.8	28.0	49.3%
Development	25.2	20.0	26.3%
Leases	5.0	5.6	(11.2%)
Construction	10.5	1.5	579.8%
Management and marketing	1.1	0.9	27.3%
EBITDA	9.4	5.9	59.3%
Asset turnover performance	1.2	-	n/a
RECURRENT EBITDA	8.2	5.9	39.0%
FINANCIAL RESULT	(2.6)	(3.0)	(13.5%)
PBT	5.2	1.5	253.1%
PAT	3.8	1.1	242.7%

PRE-SALES (Development)	96.7	75.3	28.4%
OCCUPANCY RATE (Leasing)	74.0%	64.7%	14.4%

	30/06/2017	31/12/2016	Variation
TOTAL ASSETS	341.9	338.3	3.6
NET WORTH	92.7	80.4	12.3
GAV	435.5	450.2	(14.7)
Corrected GAV*	466.4	478.6	(12.2)
NFD	170.1	189.6	(19.5)
LTV	39.1%	42.1%	(3.0)
Corrected LTV*	36.5%	39.6%	(3.1)

Figures in M€

*Adding to the GAV the value of investments and loans in JVs consolidated by the equity method.

INCREASE IN TURNOVER

A significant increase in turnover of development activity (+26.3%) and a high increase in construction activities (+579.8%) and management and marketing (+27.3%), owing to new developments through JVs.

INCREASE OF EBITDA

An increase of 3.5 M€ (+59.3%) in EBITDA, owing to greater contribution to the development business and the results of the sale of real estate investments.

INCREASE IN THE FINANCIAL YEAR RESULTS

High increase in the results of the 1st half of 2017 compared to the first half of 2016 (+242.7%) owing to the increase of recurrent EBITDA, the result of asset rotation and the reduction in financial costs.

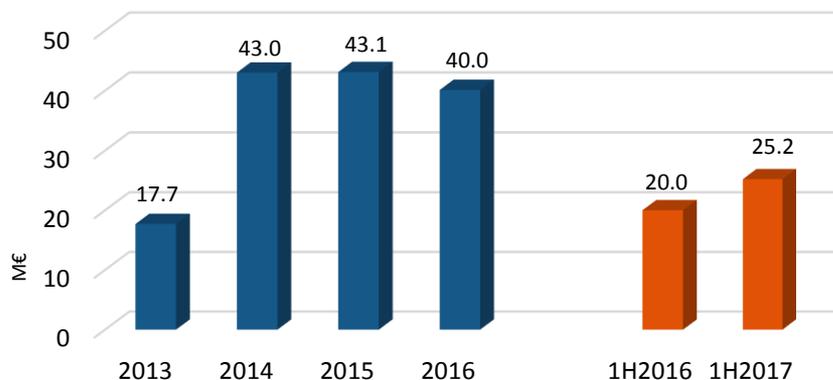
REDUCTION OF FINANCIAL INDEBTNESS AND IMPROVED OF LTV

Reduction of 19.5 M€ since 2016 year end (-10.3%) resulting in improved LTV by 3 p.p.

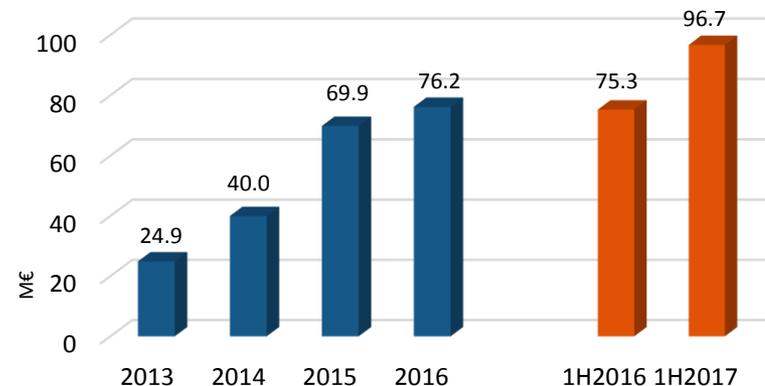
II. DEVELOPMENT ACTIVITY

ACCELERATION IN MARKETING

Evolution in Turnover of the real estate development activity



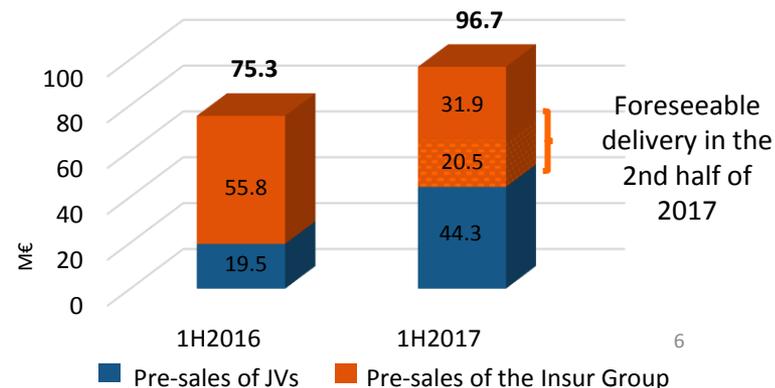
Evolution in pre-sales of real estate development (*)



*Pre-sales of joint and associated business are included, as these companies are managed by the Insur Group.

- During the 1st half of 2017, the Group has delivered 99 housing units in various developments mainly located in Seville, Dos Hermanas (Seville) and Marbella (Malaga).
- Development activity is progressing at an accelerated rate.
- In the 1st half of 2017, reservations and contracts have been drawn up for 45.6 M€ (17.5 M€ in the 1st quarter of 2017 and 28.1 M€ in the second quarter of 2017).
- Accumulated pre-sales at the end of the 1st half of 2017 totalled 96.7 M€, an increase of 26.9% over the 2016 year end.

Breakdown in pre-sales of real estate development (*)



II. DEVELOPMENT ACTIVITY

DEVELOPMENTS UNDERWAY AND LAND PORTFOLIO

1,137 homes delivered from 2009 to the 1st half of 2017.

DEVELOPMENTS UNDERWAY

- 166 housing units completed pending sale or delivery.
- 32 developments underway (16 in West Andalucia, 11 in Malaga and the Costa del Sol, and 5 in Madrid), with a total of 1,744 housing units.
 - 458 housing units underway directly by Insur with a development potential of 58,085 m².
 - 1,286 housing units underway through JVs (with Insur holding a 50% share), with a development potential of 188,744 m².
- 161 housing units under management and construction (delegated development) for Altamira Real Estate.
- Development of a Business Park in Madrid Rio covering 28.159 m² s/r (2 office buildings each covering approximately 14,000 m²).

A total of 2,071 housing units under development

A TOTAL OF 4,723 HOUSING UNITS

LAND PORTFOLIO

A total 2,652 housing units and 56,000 m² of buildable plots for hotel and tertiary use

- 95,000 m² of buildable plots for residential use, 880 housing units.
- 30,000 m² of buildable plots for hotel use.
- 26,000 m² of buildable plots for tertiary use.
- Long-term purchase options on 12 plots with a building potential of 208,148 m² (1,772 housing units).



II. DEVELOPMENT ACTIVITY

OWN PROJECTS

PROJECTS UNDER CONSTRUCTION

Development	Location	Building potential	No. of homes	Volume of sales (M€)	Planned delivery
Jardines de Arco Norte 2	Dos Hermanas (Seville)	4,376	38	6.9	2017
Altos del Retiro 1st phase	Malaga	2,760	22	4.7	2017
Jardines de Arco Norte 3	Dos Hermanas (Seville)	3,140	27	5.1	2018
Edificio Galileo	Mairena del Aljarafe (Seville)	5,390	42	7.9	2018
La Reserva - El Rompido	Cartaya (Huelva)	6,582	66	14.8	2018
La Riviera	Marbella (Malaga)	3,409	17	6.1	2018
Moscatelares	San Sebastián de los Reyes (Madrid)	5,847	38	15.8	2018/19
Plaza del Teatro	Malaga	7,032	57	24.2	2019
Jardines de Santa Ana III	Dos Hermanas (Seville)	4,862	35	7.2	2019
		43,398	342	92.7	

PROJECTS STARTING CONSTRUCTION 2H2017

Development	Location	Building potential	No. of homes	Volume of sales (M€)	Planned delivery
Conde de Zamora	Cordoba	10,296	81	20.8	2019
Altos del Retiro 2nd phase	Malaga	4,391	35	7.0	2019
		14,687	116	27.8	

TOTALS		58,085	458	120.5	
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II. DEVELOPMENT ACTIVITY

PROJECTS IN JVs

PROJECTS UNDER CONSTRUCTION

Development	Location	Building potential	No. of homes	Volume of sales (M€)	Planned delivery
Selecta Rodas	Dos Hermanas (Seville)	7,560	54	12.3	2017
Alminar II	Marbella (Malaga)	8,074	44	21.5	2018
Pineda Parque 1ª fase	Seville	17,767	102	36.2	2018/19
Selecta Arquímedes	Dos Hermanas (Seville)	13,201	116	20.5	2018/19
		46,602	316	90.5	

PROJECTS STARTING CONSTRUCTION IN 2H2017

Development	Location	Building potential	No. of homes	Volume of sales (M€)	Planned delivery
Boadilla Garden I	Boadilla del Monte (Madrid)	6,760	36	17.2	2019
Boadilla Garden II	Boadilla del Monte (Madrid)	7,108	38	18.5	2020
Selecta Atenas	Dos Hermanas (Seville)	8,534	58	13.2	2019
Elements Fase I	Marbella (Malaga)	6,656	53	16.3	2019/20
Boadilla Essences I	Boadilla del Monte (Madrid)	6,480	32	17.6	2019/20
Selecta Conil	Conil de la Frontera (Cadiz)	8,131	73	15.4	2019/20
		43,669	290	98.2	

PROJECTS IN DEVELOPMENT PROCESS

Development	Location	Building potential	No. of homes	Volume of sales (M€)	Planned delivery
Pineda Parque 2ª fase	Seville	8,249	68	24.7	2020
Selecta Olimpia	Dos Hermanas (Seville)	3,934	20	6.1	2020
BA-3	Dos Hermanas (Seville)	10,499	93	16.5	2020/21
BC-2	Dos Hermanas (Seville)	13,761	116	21.4	2021/22
BA-2	Dos Hermanas (Seville)	12,032	108	19.7	2022/23
Boadilla Essences II	Boadilla del Monte (Madrid)	3,240	16	8.8	2019/20
Elements Fase II	Marbella (Malaga)	8,118	66	21.1	2019/20
Elements Fase III	Marbella (Malaga)	4,324	34	9.4	2020
QuintEssence I	Marbella (Malaga)	10,282	45	13.6	2019/20
QuintEssence II	Marbella (Malaga)	11,791	53	14.7	2020/21
QuintEssence III	Marbella (Malaga)	12,243	61	15.7	2021
		98,473	680	171.7	

TOTALS		188,744	1,286	360.4	
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II. DEVELOPMENT ACTIVITY

NEW INVESTMENTS

	BUILDING POTENTIAL	HOUSING UNITS
INVESTMENTS MADE IN 2014	53,373 m²	416
INVESTMENTS MADE IN 2015	147,388 m²	1,045
INVESTMENTS MADE IN 2016	74,548 m²	339
INVESTMENTS MADE IN 2017	8,131 m²	73
<ul style="list-style-type: none"> ▪ Through Desarrollos Metropolitanos del Sur, S.L., with Insur and ANIDA (BBVA Group) holding a 50% share: <ul style="list-style-type: none"> ▪ A plot for residential use in Conil de la Frontera (Cadiz) 	8,131 m ²	73
TOTAL INVESTMENTS MADE	283,440 m²	1,873



Selecta Conil (Conil de la Frontera)

INSUR MADRID RÍO is a project developed by IDS Madrid Manzanares, S.A., a company constituted in 2016 in which the Insur Group has a 50% share and two private investors. Beside the "Google Campus" and the Mahou Calderón urban project, in Madrid, a Business Park will be constructed with a total building potential of 28,159 m².

It is planned to invest 69 M€ in the Business Park, which will be divided into two buildings of approximately 14,000 m² each. It will also have an underground car park.

PROGRESS OF THE PROJECT

During the first half of the year, underground construction works have been started.



IV. LEASING ACTIVITY

ACCELERATION IN MARKETING

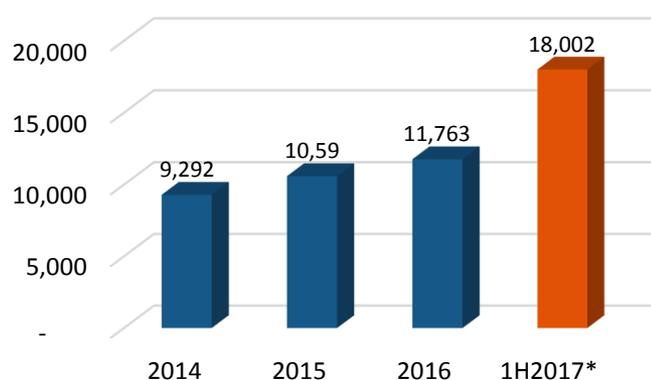
	2014	2015	2016	1st half of 2017	Marketing 2017 as of the date of this report
M² marketed (new registrations)	9,292	10,590	11,763	9,001*	11,535
Marketing s/GLA	7.90%	9.20%	10.20%	7.75%	9.93%
Occupancy rate	68.00%	71.00%	67.10%	73.99%	-

Portfolio of 116,111 m² of offices and commercial premises, and over 2,500 car parking spaces.

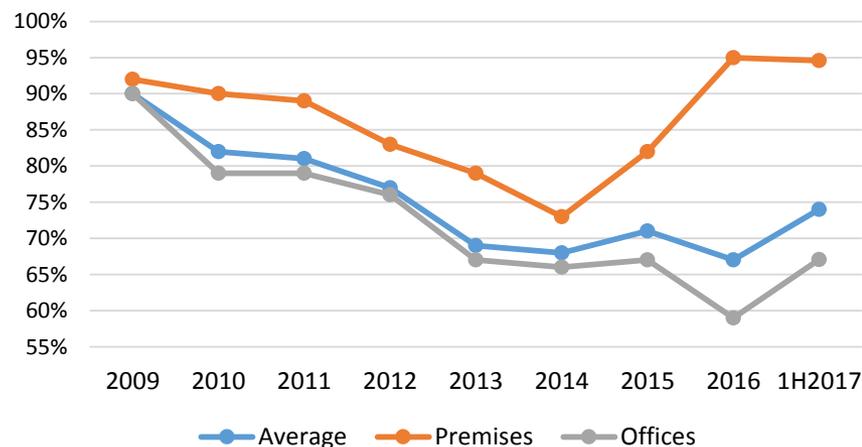
- During the 1st half of 2017, contracts have been entered into for a gross leasable surface area of 9,001 m².
- Between the closing date of the first half of 2017 and the date of this report, new contracts have been entered into for 2,534 m².

(*) The leased surface area includes 2,033 m² which has been formalized with the subsidiary company Insur Centros de Negocios, S.A.U., to re-establish the business centre, which will start to operate in September.

M² Marketed



Evolution of the occupancy rate

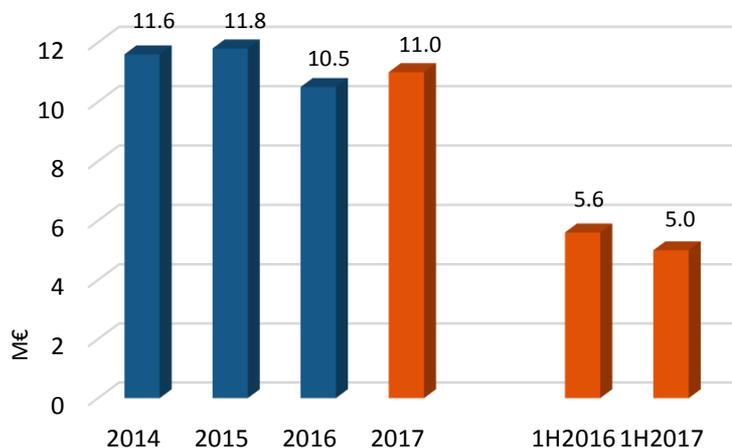


* Annualized M² marketed

IV. LEASING ACTIVITY

EVOLUTION OF THE TURNOVER

Leasing Business Turnover



* Estimated annualized leasing business turnover 2017

- The reduction of 11.22% in the turnover is the result of the vacancy by the Administration of the Edificio Insur (12,080 m²) in May 2016.
- Annualized rents from leasing contracts currently in force, including the turnover estimate of the subsidiary Parking Insur, S.A.U, total 12.3 M€.

Edificio Insur Cartuja (Seville)



- The GAV of real estate investment for own use on 30th June 2017, totals 299.6 M€ (according to an assessment done on 31/12/2016).
- The hidden reserves in real estate investments, which are entered at cost price, total 164,0 M€ on 30th June 2017.

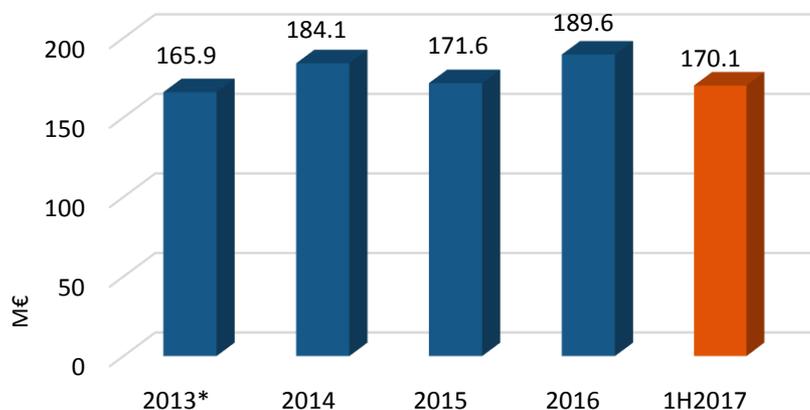
V. CONSTRUCTION ACTIVITIES AND MANAGEMENT AND MARKETING OF PROJECTS

10.5 M€ CONSTRUCTION INCOME
Increase of 579.8%

1.1 M€ MANAGEMENT INCOME
Increase of 27.3%

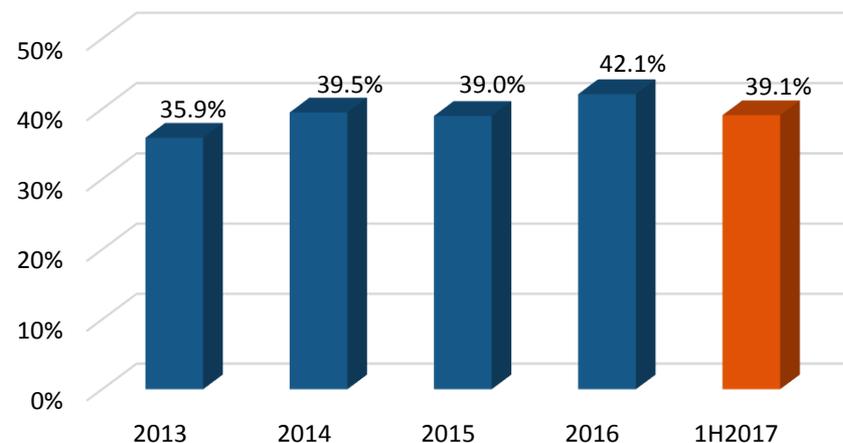
Main projects managed at present:		
<p>IDS BOADILLA GARDEN RESIDENCIAL, S.A.</p> <p>Partners: Private investors (50%)</p>	<ul style="list-style-type: none"> Boadilla Garden (Boadilla del Monte, Madrid), 74 homes Boadilla Essences (Boadilla del Monte, Madrid), 48 homes 	<p>IN THE MARKETING PHASE:</p> <ul style="list-style-type: none"> Boadilla Garden I: 74 homes <p>IN THE PROJECT PHASE</p> <ul style="list-style-type: none"> Boadilla Essences: 48 homes <p>WORKS STARTING IN 2017</p>
<p>IDS MADRID MANZANARES, S.A.</p> <p>Partners: Private investors (50%)</p>	<ul style="list-style-type: none"> Insur Madrid Río – Business Park (28,159 m² divided between 2 buildings) 	<p>Underground construction works have been started</p>
<p>DESARROLLOS METROPOLITANOS DEL SUR, S.L.</p> <p>Partner: ANIDA (BBVA Group): 50%</p>	<ul style="list-style-type: none"> Selecta Entrenúcleos (Seville), 2,337 homes Alminar II (Marbella), 44 homes Selecta Conil (Conil de la Frontera), 73 homes 	<p>UNDER CONSTRUCTION (214 HOMES):</p> <ul style="list-style-type: none"> Alminar II: 44 homes Selecta Rodas: 54 homes Selecta Arquímedes: 116 homes <p>IN THE PROJECT PHASE (78 HOMES):</p> <ul style="list-style-type: none"> Selecta Atenas: 58 homes Selecta Olimpia: 20 homes Selecta Conil: 73 homes
<p>IDS RESIDENCIAL LOS MONTEROS, S.A.</p> <p>Partners: Private investors (50%)</p>	<ul style="list-style-type: none"> Los Monteros (Marbella) 312 homes 	<p>IN THE MARKETING PHASE:</p> <ul style="list-style-type: none"> Elements I: 53 homes <p>WORKS STARTING IN 2017</p>
<p>IDS PALMERA RESIDENCIAL, S.A.</p> <p>Partners: Private investors (50%)</p>	<ul style="list-style-type: none"> Pineda Parque (Seville) 170 homes 	<p>UNDER CONSTRUCTION:</p> <ul style="list-style-type: none"> 1st phase: 102 homes
<p>Development delegated from Altamira Real Estate</p>	<ul style="list-style-type: none"> Residencial Santa Bárbara (Seville) 161 homes 	<p>UNDER CONSTRUCTION</p>

Evolution of net financial debt



*includes net financial debt of Hacienda La Cartuja S.A.U. and IDS Residencial, S.A.U. through proportional integration.

Evolution of LTV



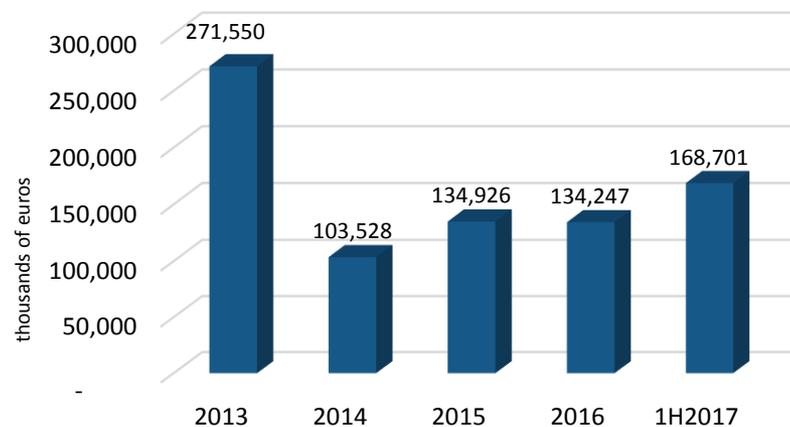
- Net financial debt totals 170.1 M€ (1st half of 2017) compared to 189.6 M€ (2nd half of 2016). This means a reduction of 19.5 M€ in absolute values and a reduction of 10.3% in relative values.
- The LTV has improved by 3 p.p. from 42.1% (2nd half of 2016) to 39.1% (1st half of 2017). The corrected LTV (adding the value of investments and loans in joint business to the value of stock) has improved by 3.1 p.p. from 39.6% (2nd half of 2016) to 36.5% (1st half of 2017).



VII. STOCK MARKET INFORMATION

	2013	2014	2015	2016	1H2017
Capitalisation (thousands of euros)	271,550	103,528	134,926	134,247	168,701
Shares (x1,000)	16,972	16,972	16,972	16,972	16,972
Period Last Price (euros)	15.2	6.1	7.8	7.9	9.9
Period High Price (euros)	16.6	15.0	15.7	10.4	9.9
Period Low Price (euros)	3.4	5.6	5.8	5.9	9.8
Volume (thousands of shares)	1,014	760	1,292	910	1,695
Turnover (thousands of euros)	4,786	5,301	12,315	7,437	16,347

Capitalisation



VIII. ECONOMIC ENVIRONMENT

CONSOLIDATION OF THE RECOVERY OF THE SECTOR (I)

Statistics of the past year confirm that the recovery of the real estate cycle in Spain is a reality:

- Housing prices have increased for the third consecutive year, by 5.3% (1st quarter of 2017) on an interannual basis.
- Mortgage volumes have increased by 17.3% in 2016, that is 47.9% from the start of recovery (2014).
- Buying and selling of housing is growing by 15% (1st quarter of 2017) on an interannual basis.
- Development activity is recovering; so far this year, the number of approvals of new construction has risen by 12.5% compared to the same period last year. During 2016, this variable increased by 29% and it is expected to maintain the growth rate in 2017 observed in the past two years (2016-2014 variation of 83%).

Source National Statistics Institute, Ministry of Development.

This recovery started in 2014, mainly in Madrid and Barcelona, and in certain coastal areas. It is starting to extend to other territories, backed by the growth in GDP, the intense creation of employment, improved confidence of families and good financial conditions. The areas in which Insur operates (West Andalusia, basically in Seville, Malaga, Costa del Sol and Madrid) continue to show a higher upward trend greater than other geographic areas.

Residencial Santa Bárbara (Seville)
Development delegated from Altamira



La Reserva El Rompido (Huelva)



Jardines de Arco Norte (Dos Hermanas)





READY TO GROW WITH PROFITABILITY

ALMINAR II (MARBELLA - MALAGA)

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