



NATIONAL SECURITIES MARKET COMMISSION

In compliance with the reporting requirements under article 82 of Law 24/1988 of 28 July on the Securities Market, Lar España Real Estate SOCIMI, S.A. ("Lar España" or the "Company") hereby informs the National Securities Market Commission of the following

MATERIAL FACT

Following the Material Fact published by the Company (register number 218511), Lar España announces that yesterday, following the valid signing of the Subscription Agreement with Morgan Stanley & Co. International plc, the Company granted the public deed for the issue of senior secured notes (the "**Issue**" and the "**Notes**", respectively) which will be submitted to the Commercial Registry of Madrid for registration.

The Issue -solely targeting qualified investors- has been carried out for a total amount of €140,000,000, maturing on 21 February 2022. The Notes, issued at par value, will have a face value of €100,000 and will bear interest at an annual rate of 2.90%.

The closing of the Issue is expected to take place on 19 February 2015, the date on which the Notes will be admitted to trading on the regulated Main Securities Market of the Irish Stock Exchange.

Madrid, 13 February 2015

Lar España Real Estate SOCIMI, S.A.
Mr. José Luis del Valle Doblado,
Chairman of the Board of Directors



PRESS RELEASE - February 2015

LAR ESPAÑA REAL ESTATE SOCIMI S.A. completes the first bond issue carried out by a SOCIMI

- The issue of the Senior Bond for the amount of €140 million will enable the company to stay ahead of its investment plan.
- The terms of the issue demonstrate the quality of the assets acquired and the ability of the Management Team to implement the business plan.
- The Bond will be repaid in a one-off payment in 2022, which thereby affords the company the stability it needs to implement its value-added business plan.

Madrid, 13 February 2015. LAR ESPAÑA REAL ESTATE SOCIMI S.A. ("Lar España") has successfully completed the first bond issue carried out by a SOCIMI. The operation was completed with agreement on the final terms of a 7-year senior non-ranked credit bond issue for a total amount of €140 million. This operation, which will mature in February 2022, has a fixed annual coupon of 2.9% and repayment of the Bond principal will be made in a one-off payment upon maturity.

Lar España was the first SOCIMI to list on the stock exchange after three years of little-to-no activity and seven years after the last real estate company had listed, and it has now become the first SOCIMI to issue corporate Bonds in order to raise funds. This transaction also marks the first Euro secured bond transaction to be listed in the Main Securities Market of the Irish Stock Exchange by a REIT.

The issue was primarily placed with overseas international investors. The funds raised from the issue will be used in order to continue the company's investment plan, which by the end of 2014 had already invested 25% more than the target amount set out in the Issue Prospectus.

The debt issue, coupled with existing bank financing, further strengthens the highly balanced financial structure of its extremely diversified portfolio, in a total of €231 million with lower than market financial costs. This operation raises LAR España's leveraging to 50% LTV of its property portfolio, which is valued at €458.7 million.

The structure of the operation will afford Lar España greater flexibility to expand its investment and business plan and provide it with additional leveraging capacity.



According to Sergio Criado, CFO of Lar España, "With this issue, we have secured a debt structure that will allow the company and the market to have a clear long-term vision of our business plan, as well as providing the company with the stability it needs in order to continue to implement the proposed value-added strategy for its assets. The aim of which is to generate and distribute added value to our shareholders".

In the words of José Luis Valle, President of LAR ESPAÑA REAL ESTATE, "The bond issue demonstrates the quality of the existing property portfolio, paves the way for future issues and will allow Lar España to drive its investment plan towards creating a €750 million portfolio in under 24 months".

Morgan Stanley acted as the sole structuring agent and underwriter for the operation and the law firms, Uría Menéndez and Linklaters acted as legal advisors on the operation.

To date, the SOCIMI has invested €458.7 million in assets, which is more than the €400 million raised at the company IPO, of which €206.9 million was allocated to the acquisition of five shopping centres located in the Basque Country, Palencia, Albacete, Barcelona and Alicante; €120.8 million for four office properties in Madrid; €44.9 million for 8 logistics warehouses in Guadalajara; €26.1 million for three retail warehouses in Madrid and Cantabria and €60 million for a residential asset in Madrid.

ABOUT LAR ESPAÑA REAL ESTATE SOCIMI S.A.

Lar España Real Estate SOCIMI S.A. is a Spanish company that trades on the Spanish Stock Market as a SOCIMI "*Sociedad Anónima Cotizada de Inversión en el Mercado Inmobiliaria*" (Listed Corporation for Investment in the Real Estate Market).

Lar España, which has an initial capital of €400 million, aims to invest in the Spanish real estate sector, particularly in the commercial office and retail market.

The company is managed by a highly experienced independent Board of Directors, which combines renowned Spanish and international professionals from the real estate and finance sectors. The management of Lar España has been exclusively mandated to Grupo Lar on a 5-year management contract.

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