

PRESS RELEASE -

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LAR ESPAÑA REAL ESTATE SOCIMI will carry out a share capital increase for up to EUR 135 million

- LAR ESPAÑA REAL ESTATE SOCIMI's Board of Directors has decided to approve a rights issue transaction amounting to €135mm on the back of GSM's authorization
- The SOCIMI has identified a very visible pipeline of assets amounting to €591mm –excluding associated capex–. Approximately 32% of these assets are currently under exclusive negotiations. On the back of the solid pipeline, in line with yields and target returns of LAR ESPAÑA's strategy, equity proceeds are expected to be deployed before year end
- LAR ESPAÑA's management team believes it can continue sourcing attractive investment opportunities in line with its investment strategy and superior return targets

Madrid, 16 July 2015 - Today, LAR ESPAÑA REAL ESTATE SOCIMI S.A. (LRE), the listed real estate investment company, has announced its intention to carry out a share capital increase valued at EUR 135 million, following board of directors' approval. The company will issue up to 20 million of new shares with a subscription price of 6.76 (2 euros of nominal and 4.76 euros of premium).

Transaction has been structured as a rights issue and hence current shareholders could exercise its pre-emption rights in order to avoid the dilution of their current stake. As outlined on the prospectus approved by CNMV, two pre-emption rights will be required in order to subscribe each new share. Certain existing shareholders have confirmed their intention of subscribing their pro-rata rights. J.P. Morgan is acting as sole global coordinator and bookrunner underwriting the entire size of the transaction, ensuring proceeds raised.

José Luis del Valle, Chairman of LAR ESPAÑA REAL ESTATE, assured that this transaction "*will allow us to take advantage of current target investment opportunities in the real estate market and to be more efficient, on the back of our larger size.*"

LAR ESPAÑA's Chairman also added that "*we have looked to obtain the best share capital increase terms possible for our shareholders, taking advantage of one of the few windows of*

opportunity open over the past few weeks that have been particularly turbulent in the capital markets."

Proceeds raised could be deployed in the short term on the back of the solid and clear pipeline identified by LAR ESPAÑA. José Luis del Valle also indicated that *"we aim to have all of the funds invested before the end of 2015, achieving a total investment size above €1 billion."*

As detailed in the prospectus, the SOCIMI has identified market opportunities valued at €591million, out of which, €192million are assets exclusively negotiated by the company and the remaining €399million are properties that are under study and negotiation. Approximately 49% of the pipeline identified corresponds to retail facilities, 46% to office properties and the remaining 5% belong to other categories.

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, incorporated as a SOCIMI *"Sociedad Anónima Cotizada de Inversión en el Mercado Inmobiliaria"* (Listed Corporation for Investment in the Real Estate Market).

The company, who's objective is to invest in the Spanish real estate sector, particularly in commercial property (offices and retail) raised €400 million in initial capital from its IPO and in January 2015 completed the first bond issue carried out by a SOCIMI in Spain for EUR 140 million.

On 4 June 2015, Lar España Real Estate SOCIMI was included on the FTSA EPRA/NAREIT Global index, a select global index designed to showcase the general trends of listed real estate companies around the world. The inclusion of Lar España on the index is a clear demonstration of the Company's current positioning, which after carrying out the first IPO of a Socimi on the Spanish Stock Exchange, has created a highly attractive real estate portfolio and continues to have an ambitious acquisitions plan.

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 solely mandated to Grupo Lar based on a 5-year management contract.

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