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NATIONAL SECURITIES MARKET COMMISSION

In compliance with the reporting requirements under article 228 of the consolidated text of the Securities Market Act, approved by Royal Legislative Decree 4/2015, of 23 October, Lar España Real Estate SOCIMI, S.A. (hereinafter, "Lar España" or the "Company") hereby informs the National Securities Market Commission of the following

MATERIAL FACT

Further to the Material Fact published on 7 July 2016, with register number 240593, the Company hereby informs that upon the expiration of the Preferential Subscription Period and the Additional Allocation Period provided for in the prospectus regarding the Share Capital Increase of the Company, registered with the Official Registries of the National Securities Market Commission on 7 July 2016 under register number 10676 (the "**Prospectus**"), 29,913,479 New Ordinary Shares have been subscribed for, amounting to gross proceeds of EUR 147,174,316.68, as detailed below:

- a) Preferential Subscription Period: during the Preferential Subscription Period, which ended on 23 July 2016, 29,587,095 New Ordinary Shares of Lar España, representative of 98.91% of the total amount of New Ordinary Shares offered in the Share Capital Increase, have been subscribed for, leaving 326,384 New Ordinary Shares available for allocation during the following periods.
- b) Additional Allocation Period: during the above-mentioned Preferential Subscription Period, 341,766,220 additional New Ordinary Shares of Lar España were requested, and therefore 326,384 New Ordinary Shares were subscribed for during the Additional Allocation Period, representative of 1.09% of the total amount of New Ordinary Shares offered in the Share Capital Increase. Given that the number of additional New Ordinary Shares requested has exceeded the 326,384 New Ordinary Shares available for allocation, the agent bank of the Share Capital Increase has determined the pro rata allotment of such New Ordinary Shares as provided for in the Prospectus.

The total number of New Ordinary Shares subscribed for during the Preferential Subscription Period plus the additional New Ordinary Shares requested represent a demand of 12.41 times the New Ordinary Shares offered in the Share Capital Increase.

As a consequence of the above, given that the totality of the New Ordinary Shares offered in the Share Capital Increase has been fully subscribed for, the Discretionary Allocation Period



established in the Prospectus is not to be opened.

In addition, it is reported that Lar España will grant the public deed of the Share Capital Increase on 1 August 2016 and will process its registration with the Commercial Registry of Madrid.

Madrid, 29 July 2016.

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



IMPORTANT INFORMATION

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The issue, exercise (in the case of preferential subscription rights) or sale of securities in the offering are subject to specific legal or regulatory restrictions in certain jurisdictions. Lar España assumes no responsibility in the event there is a violation by any person of such restrictions.

The information contained herein shall not constitute an offer to sell or the solicitation of an offer to buy the securities referred to herein, nor shall there be any sale in any jurisdiction in which such offer, solicitation or sale would be unlawful.

Lar España has not authorized any offer to the public of securities in any Member State of the European Economic Area other than Spain. With respect to each Member State of the European Economic Area other than Spain and which has implemented the Prospectus Directive (each, a "Relevant Member State"), no action has been undertaken to make an offer to the public of securities requiring publication of a prospectus in any Relevant Member State. As a result, as long as the necessary procedures for the execution of the public offer are not adopted, the securities may only be offered in Relevant Member States (a) to any legal entity which is a qualified



investor as defined in Article 2(1)(e) of the Prospectus Directive; or (b) in any other circumstances which do not require the publication by Lar España of a prospectus pursuant to Article 3 of the Prospectus Directive. For the purposes of this paragraph, the expression an “offer of securities to the public” means the communication in any form and by any means of sufficient information on the terms of the offer and the securities to be offered so as to enable an investor to decide to exercise, purchase or subscribe for the securities, as the same may be varied in that Member State by any measure implementing the Prospectus Directive in that Member State and the expression “Prospectus Directive” means Directive 2003/71/EC (and amendments thereto, including the 2010/73/EU Directive, to the extent implemented in the Relevant Member State), and includes any relevant implementing measure in the Relevant Member State.

In the United Kingdom, this document, and any other material in relation to the securities referred to herein, is directed only at (i) persons who have professional experience in matters relating to investments falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended (the “Order”), or (ii) persons who are high net worth entities, and other persons to whom it may lawfully be communicated, falling within Article 49(2) of the Order (all such persons together being referred to as “relevant persons”). Any investment or investment activity to which this communication relates will only be available to and will only be engaged in with, relevant persons. Any person who is not a relevant person must not act or rely on this document or any of its contents.

PRESS RELEASE -

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LAR ESPAÑA shareholders subscribe to a EUR 147 million share capital increase

- The increase was carried out via the issuance of approximately 30 million shares with a scrip value of EUR 4.92 euros each. The new shares are expected to start trading as of Wednesday 3 August
- 98.91% of the new shares issued were subscribed using pre-emptive rights which could be exercised until 23 July, and the remaining 1.09% were subscribed in the additional subscription period
- Investors requested a total of 371,353,315 shares, with the new shares issued in the share capital increase being 12.41 times oversubscribed
- LAR ESPAÑA has identified market opportunities totalling EUR 838.5 million, including the Gran Vía de Vigo shopping centre, the acquisition of which it expects to complete in October

Madrid, 29 July 2016 - LAR ESPAÑA REAL ESTATE SOCIMI S.A. (LRE) has successfully completed a EUR 147 million share capital increase, after 100% of the shares offered were subscribed.

LAR ESPAÑA shareholders used their pre-emptive rights to subscribe 98.91% of the new shares. The remaining 326,384 shares were subscribed in the additional subscription period.

The investors requested a total of 371,353,315 new shares (29,587,095 via pre-emptive rights and 341,766,220 in the additional subscription period) making the share capital increase 12.41 times oversubscribed. The new shares are expected to start trading on the Spanish Stock Exchange as of Wednesday 3 August.

José Luis del Valle, Chairman of LAR ESPAÑA REAL ESTATE, highlighted "we must thank our shareholders for taking part in the share capital increase that we have just completed, which is particularly important taking into account the tough times that capital markets are going through". "As with the share capital increase that we carried out last year - he added -, we have

already identified the assets that we intend to acquire with the capital raised, which provides our shareholders with assurance and gives our portfolio an extra edge".

Del Valle went on to say that the share capital increase "will allow LAR ESPAÑA to continue to strengthen its portfolio, a portfolio comprising high quality assets with significant potential, which thanks to astute management, could considerably increase in value". In this regard, he added that as at 30 June, the SOCIMI's value had increased by 9.7%, compared to its acquisition price.

LAR ESPAÑA has identified market opportunities totalling EUR 838.5 million, with asset types in line with the SOCIMI's current portfolio: shopping centres account for 81% of the EUR 838.5 million, offices 14% and the remaining 5% include varying other types of properties.

More specifically, the SOCIMI has signed an agreement to acquire the Gran Vía de Vigo shopping centre, one of the most important in the region, a deal which is likely to be closed at the end of October. The acquisition of this asset will make the LAR ESPAÑA retail platform one of three largest in the country by lettable area, and the second largest by average size of assets and the leader in percentage of assets owned, which will help speed up its improvement plans for each and every one of its assets.

The 25 real estate assets owned by LAR ESPAÑA are valued at EUR 1,003 million according to the latest available valuations. Of these EUR 1,003 million, EUR 728 million equate to thirteen retail schemes located in Madrid, Valencia, Seville, Alicante, Cantabria, Lugo, León, Vizcaya, Navarre, Guipúzcoa, Palencia, Albacete and Barcelona; EUR 150 million on four office buildings in Madrid and one in Barcelona; EUR 70 million on four logistics properties in Guadalajara and one in Valencia; and EUR 55 million and one 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, incorporated as a SOCIMI "*Sociedad Anónima Cotizada de Inversión en el Mercado Inmobiliaria*" (Listed Corporation for Investment in the Real Estate Market). The company, whose objective is to invest in the Spanish real estate sector, particularly in the retail commercial property segment, raised EUR 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.

For more information:

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