



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

The Board of Directors of Lar España notes that PIMCO BRAVO Fund II, L.P ("**PIMCO**") has increased its stake in the Company to approximately 17%, according to the latest material fact published yesterday, with register number 244844.

PIMCO has been the anchor shareholder in Lar España since its IPO and recently expressed to the Board of Directors its interest to potentially extend its ownership stake based on their assessment of the attraction and potential of Lar España as an investment opportunity. PIMCO also stated that it had no intention to exceed the mandatory offer threshold.

The Board of Directors is fully committed to act in the best interests of all its stakeholders while continuing to focus on the execution of Lar España's strategy based on a build-up of the leading retail property portfolio in Spain. Its intense asset management strategy, including property turnarounds on its rental properties and the development of premium assets in well consolidated locations, provides Lar España with very attractive value creation and growth prospects for the immediate future. Additionally, it has an attractive pipeline of new acquisitions where to deploy its existing firepower, which will foster further growth, efficiency and visibility to the Company.

Madrid, 18 November 2016.

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