

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**)

MATERIAL FACT

The Company announces that its investment manager, Grupo Lar Inversiones Inmobiliarias, S.A. (**Grupo Lar**) has reported the acquisition of a controlling participation in Gentalia 2006, S.L. (**Gentalia**) from Servicios e Inversiones en GLA, S.L., passing from a 50% stake to a total 61%.

According to the investment manager agreement entered into by Grupo Lar and Lar España on 12 February 2014 (the **Investment Manager Agreement**), this controlling participation implies Gentalia to be deemed as an investment manager affiliate.

As an affiliate entity of the investment manager, Gentalia is bound by the commitments applicable to all related parties to Grupo Lar by virtue of the Investment Manager Agreement, leaving without effect the risk factors relating to potential competition from Gentalia included in the Company's IPO prospectus approved and registered by the CNMV on 13 February 2014.

Madrid, 15 September 2014

Lar España Real Estate SOCIMI, S.A.

Mr. José Luis del Valle Doblado, Chairman of the Board of Directors