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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

The Company informs that its Board of Directors, at a meeting held on 15 July 2015, pursuant to the authorization granted by the ordinary Shareholders' Meeting of Lar España of 28 April 2015 under item sixth of the agenda, has adopted, inter alia, the following resolutions:

- i). To increase the share capital of Lar España by a total nominal amount up to €39,935,512 by the issuance and placing into circulation up to 19,967,756 new ordinary shares, each with a par value of €2, of the same class and series as those currently in circulation and represented by book entries with preferential subscription rights for all the existing shareholders (the "**New Shares**" and the "**Capital Increase**", respectively). The New Shares shall confer on the holders thereof the same rights as the shares currently in circulation from their entry in the accounting records of the Spanish securities, clearance and settlement system (*Sociedad de Gestión de los Sistemas de Registro, Compensación y Liquidación de Valores, S.A.U.*) ("**Iberclear**").
- ii). The New Shares are issued at par value of €2 plus a share premium of €4.76 per share, which gives rise to an issue price of €6.76 for each New Share, which must be paid by means of monetary contributions. Therefore, the actual total amount of the Capital Increase shall be €134,982,030.56, accounting for the possibility of an incomplete subscription.
- iii). In accordance with the provisions of Article 304 of the Spanish Companies Act, the shareholders of Lar España who are recognized as such in the accounting records of Iberclear at 23:59 Madrid time on the date of publication of the compulsory announcement of the Capital Increase in the Official Gazette of the Commercial Registry ("**BORME**") (which is expected to occur on 17 July 2015) are entitled to a preferential subscription right in relation to the New Shares. For each existing share of Lar España its holder shall be entitled to one preferential subscription right. Two preferential subscription rights shall be necessary in order to subscribe for one New Share.

The preferential subscription rights shall be transferable under the same conditions as the shares from which they are derived and may be traded through the Spanish Automated



Quotation System (*Sistema de Interconexión Bursátil Español*). Therefore, investors who acquire preferential subscription rights on the market may also subscribe for New Shares. The preferential subscription period during which the preferential subscription rights may be exercised shall be 15 calendar days, beginning on the day following the date of publication of the compulsory announcement of the Capital Increase in the BORME.

- iv). In relation to the foregoing, also on 15 July 2015 an underwriting agreement has been signed between the Company as issuer, Grupo Lar Inversiones Inmobiliarias, S.A. as Lar España's investment manager, and J.P. Morgan Securities plc as sole global coordinator and bookrunner. According to the underwriting agreement, all the New Shares have been underwritten by J.P. Morgan Securities plc.

The preferential subscription period shall only commence when the prospectus of the Capital Increase has been registered with the Spanish National Securities Market Commission (*Comisión Nacional del Mercado de Valores*) (the "CNMV"), which is expected to occur today. Once it has been approved, the prospectus will be available on Lar España's and the CNMV's web pages (www.larespana.com and www.cnmv.es, respectively), as well as in the offices of Lar España. The terms and conditions of the Capital Increase and the procedure established for the subscription of the New Shares shall appear in the prospectus.

The Company shall notify through the applicable legal channels the commencement of the preferential subscription period of the Capital Increase.

Madrid, 16 July 2015.

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.