

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. (hereinafter, "**Lar España**" or the "**Company**") hereby informs the National Securities Market Commission of the following

MATERIAL FACT

On 23 December 2014, the Company, through its subsidiary Riverton Gestión S.L., has acquired from Hermanos Bernal Pareja CB an office building in Madrid, located at Calle Eloy Gonzalo nº 27, with a gross leasable area (GLA) of approximately 6,232 square meters.

The acquisition was carried out for a total amount of €12.73 million, fully paid with equity.

Madrid, 23 December 2014

Lar España Real Estate SOCIMI, S.A.

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

Attached: Press Release

LAR ESPAÑA REAL ESTATE SOCIMI S.A. ACQUIRES AN OFFICE BUILDING LOCATED IN THE CENTER OF MADRID

- **The purchase of the office building located in Eloy Gonzalo Street, in the center of Madrid, has been completed for a total of €12.73 million.**
- **With this operation, the company has already acquired 4 office buildings since its IPO in March 2014.**
- **The SOCIMI is expanding its portfolio of assets in the city with over 41,000 sqm of gross leasable area in prime locations.**

Madrid, 23 December de 2014.-LAR ESPAÑA REAL ESTATE SOCIMI S.A. (LRE), listed real estate investment company, has completed the acquisition, to the company Hermanos Bernal Pareja, C.B., of an office building located in 27, Eloy Gonzalo Street, situated in the center of Madrid, for an amount of €12.73 million.

The building, built in the 60's, has 6,232 sqm of gross leasable area (GLA), distributed over nine floors, of which more than 5,500 sqm are above ground. The first seven floors, a space currently dedicated to office use, also allow its conversion to residential use. Besides, the ground floor and the basement, which represent 23% of the SBA, with 715 sqm per floor, are fully occupied rented as commercial use.



Front view of the building acquired by LRE

The flexibility of its plants offers a great versatility to accommodate multiple types of companies. Currently, the building acquired by LAR ESPAÑA REAL ESTATE has an occupancy rate over 95%.

The excellent location, design and visibility of this classic building, located less than 1 kilometer away from Paseo de la Castellana and within the M-30, ring road leading from the city, make it an attractive asset. Moreover, its central location also allows quick and easy access by public transport, taking advantage of the exceptional communications per meter (Iglesia stop, line 1, 100 meters way) and bus (lines 16 and 61).



Location of the office building located in the central street Eloy Gonzalo

As Miguel Pereda, member of the Board of LAR ESPAÑA REAL ESTATE, claims, "the acquisition of the building located in Eloy Gonzalo is an important strategic investment opportunity for LAR ESPAÑA REAL ESTATE. The building has a large potential for improvement in both the management and in income and capital value". "With this acquisition, the SOCIMI reaffirms its objective of realizing investments in assets with consolidated locations, increasing its portfolio in Madrid in more than 41,000 sqm, and, regarding all the different types of assets managed, in more than 275,000 sqm", he adds.

JLL has advised the owners of the asset in the commercial aspect.

With this transaction, the SOCIMI managed by Grupo Lar, which received €400 million in its IPO, has already invested €330.9 million, of which €176.8 million were allocated to 5 Shopping Centers located in País Vasco, Palencia, Albacete, Barcelona and Alicante; €90.9 million in four office buildings in Madrid; €44.9 million to 8 logistics units in Guadalajara; and €18.3 million to three commercial buildings in Madrid and Cantabria.



Air and front views of the building acquired by LRE

ABOUT LAR ESPAÑA REAL ESTATE SOCIMI S.A.

Lar España is a newly-incorporated Spanish property investment company listed in the Spanish Stock Exchange and incorporated as a Spanish SOCIMI, “Sociedad Anónima Cotizada de Inversión en el Mercado Inmobiliario” (Spanish legal vehicle comparable to REIT regimes present in other legislations).

Lar España has an initial capital of EUR 400 million to invest in the Spanish real estate sector, especially in the commercial segment, mainly offices and retail. The company has an experienced and reputable Board of Directors with a balanced combination of people from real estate as well as finance backgrounds, both in Spain and internationally.

ABOUT GRUPO LAR

Grupo Lar is a Spanish diversified real estate company with international presence and over 29 years of track record in the sector. Its activities entail asset management, investment, development and property management in commercial and residential real estate, operating in 8 countries across European and Latin American markets.

The Company has been successful across the different economic cycles with diversified operations including the commercial and residential real estate sectors and is highly experienced in active portfolio and asset management, refurbishment and development.



PRESS RELEASE

In addition, during these years Group Lar has built a strong and successful reputation working with third party investors as co-investors and JVs, including Baupost, Axa, Fortress, GE Capital, Grosvenor, Morgan Stanley and Whitehall Funds.

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