

COMISIÓN NACIONAL DEL MERCADO DE VALORES

En cumplimiento de los deberes de información previstos en el artículo 82 de la Ley 24/1988, de 28 de julio, del Mercado de Valores, Lar España Real Estate SOCIMI, S.A. (en adelante, “**Lar España**” o la “**Sociedad**”) pone en conocimiento de la Comisión Nacional del Mercado de Valores el siguiente

HECHO RELEVANTE

Con fecha 28 de Agosto de 2014, la Sociedad adjunta presentación para accionistas e inversores con información sobre la evolución del negocio y los activos adquiridos.

En Madrid, a 28 de Agosto de 2014

Lar España Real Estate SOCIMI, S.A.
Don José Luis del Valle Doblado, Presidente del Consejo de Administración



Lar España Real Estate

28 August 2014



Disclaimer



The information included in this presentation has been drafted by Grupo Lar Inversiones Inmobiliarias, S.A. ("Grupo Lar") for informational use only, to assist investors in deciding whether they wish to proceed with a further investigation of the company named Lar España Real Estate SOCIMI, S.A. (the "Company") and also to help such recipients decide whether they want to purchase shares of the Company (the "Shares"), which are listed on the Spanish stock exchanges and the Spanish continuous market. The initial subscription offering of the Shares of the Company (the "Offering") and the admission to listing of the Company in Spain required the approval by the Spanish securities market commission (the "CNMV") of a Spanish prospectus ("Folleto Informativo"). The Folleto Informativo is available at the webpage of the Company and the CNMV (www.cnmv.es).

No representation or warranty, express or implied, is given or will be given by or on behalf of the Company, Grupo Lar, J.P. Morgan Securities plc (the "Global coordinator") or their respective affiliates or agents, or any of such persons' directors, officers, employees or advisors or any other person as to the accuracy, completeness or fairness of the information or opinions contained in this document and any reliance you place on them will be at your sole risk. In addition, no responsibility, obligation or liability (whether direct or indirect, in contract, tort or otherwise) is or will be accepted by the Company, Grupo Lar, the Global Coordinator, any managers or any other person in relation to such information or opinions or any other matter in connection with this document or its contents or otherwise arising in connection therewith. Market data attributed to specific sources have not been independently verified. The information in this document, is orientative and therefore subject to change, is incomplete and has not been independently verified and will not be updated. The information in this document, including but not limited to forward looking statements, applies only as of the date of this document and is not intended to give any assurances as to future results. Certain statements in this document regarding the market and competitive position data are based on the internal analyses of the Company, which involves certain assumptions and estimates. These internal analyses have not been verified by any independent sources and there can be no assurance that the assumptions or estimates are accurate. Accordingly, undue reliance should not be placed on any of the industry, market or competitive position data contained in this presentation.

This document and any copy of it is not for publication, release, disclosure or distribution, directly or indirectly, in, and may not be taken or transmitted into the United States, Canada, Japan or Australia, and may not be copied, forwarded, distributed or transmitted in or into the United States, Canada, Japan or Australia or any other jurisdiction where to do so would be unlawful. The distribution of this document in other jurisdictions may also be restricted by law and persons into whose possession this document comes should inform themselves about and observe any such restrictions. Any failure to comply with such restrictions may constitute a violation of the laws of the United States, Canada, Japan or Australia or any other such jurisdiction. The Shares have not been and will not be registered under the Securities Act of 1933, as amended (the "Securities Act") and may not be directly or indirectly, be offered, sold, taken up, exercised, resold, renounced, transferred or delivered, directly or indirectly, within the United States except to Qualified Institutional Buyers (as defined in Rule 144A under the Securities Act) in reliance on Rule 144A or another exemption from, or transaction not subject to, the registration requirements of the Securities Act. Any such investors shall also be Qualified Purchasers (as defined in section 3(c)(7) of the U.S. Investment Company Act of 1940, as amended). There will be no public offering of the Shares in the United States. The Shares have not been and will not be registered under the applicable securities laws of Japan, Canada or Australia and, subject to certain exemptions, may not, directly or indirectly, be offered or sold in, or for the account or benefit of any national, resident or citizen of, Japan, Canada or Australia. Any failure to comply with these restrictions may constitute a violation of U.S., Japanese, Canadian or Australian securities laws. You should expect that the Company will be a passive foreign investment company ("PFIC") for U.S. federal income tax purposes. Any U.S. taxpayers that consider an investment in the Company should consult their tax advisers concerning the Company's PFIC status for any taxable year and the tax considerations relevant to an investment in a PFIC. Grupo Lar is not regulated as an alternative investment fund manager ("AIFM") within the meaning of Directive 2011/61/EU of the European Parliament and of the Council of 8 June 2011 on Alternative Investment Fund Managers ("AIFMD") as Spain has not yet implemented the AIFMD. The Company may, however, constitute an alternative investment fund within the meaning of AIFMD ("AIF") under the laws of other EEA jurisdictions where the AIFMD has been implemented. Accordingly, shares may only be marketed or offered in such jurisdictions in compliance with and subject to the terms of any transitional regime permitting such marketing or offering which exists under such jurisdiction's implementation of the AIFMD and any other laws and regulations applicable in such jurisdiction.

This document is not a prospectus but an advertisement and investors should not rely on it in connection with any contract or commitment for the subscription or purchase of any Shares referred to in this advertisement, except on the basis of the information contained in the Folleto Informativo (including any amendment or supplements thereto) approved by the CNMV and published by the Company in due course in connection with the Offering. This presentation includes forward-looking statements. All statements other than those of historical fact included in this presentation, including, without limitation, those regarding our financial position, business strategy, estimated investments, management plans and objectives of future operations are forward-looking statements. These forward-looking statements involve known and unknown risks, uncertainties and other factors, which may cause our actual results, performance or achievements, or industry results, to be materially different from those expressed or implied by these forward-looking statements. These forward-looking statements are based on numerous assumptions regarding our present and future business strategies and the environment in which we expect to operate in the future. There are many factors, most of them out of our control, which may cause our actual operations and results to substantially differ from those forward-looking statements included in this presentation. The opinions included in this presentation are referred to the situation as of the date of this presentation and may be amended without prior notice. We expressly waive any obligation or undertaking to distribute any updates of the forward-looking statements of this presentation, including events, conditions or circumstances being the base of such forward-looking statements or any other information or figure included in this presentation, unless it may be required by the applicable law.

1 Introduction. Share price

2 Market overview

3 Investment Criteria, First Acquisitions and Pipeline

Lar España's share price

- ▶ Share price below NAV (9.77 €)
- ▶ Low trading volume in the first months
- ▶ A communication plan is in place following recent investments



1 Introduction. Share price

2 Market overview

3 Investment Criteria, First Acquisitions and Pipeline

Market Overview

- ▶ Madrid office market
 - Rents. Improving in the city centre (2% average evolution in H1). -1.2% in Madrid.
 - Gross Take up improving (212,000 m2 in H1). +0,2% vs H1 2013 and +16% vs H2 2013
 - Vacancy 13.2% (14.1% in December 2013)

- ▶ Barcelona office market
 - Rents. Improving in the city centre (3% average evolution in H1) . 0.3% in Barcelona.
 - Gross Take up improving (119,000 m2 in H1). +28% vs H1 2013 and +13% vs H2 2013
 - Vacancy 14.3% (15.03% in December)

- ▶ Residential
 - Selective improvements in rhythms and values. Prices increased by 0.15% in Q2 2014 according to INE.
 - New developments are starting in Madrid and Barcelona ,where old stock is limited.
 - Financing for individual buyers is sufficiently available

Market Overview

▶ Retail sales

- Sales of most of big fashion retailers are improving in the majority of the SC compared with 2013.
- The general index of sales (índice general del comercio minorista) shows an increase of 0.2% in June compared with 2013
- 1.23% of increase in sales in 2014 (6 months) in major SC managed by Grupo Lar.
- By activities, better results in fashion (2.37%) and households (4.1%) than services and leisure (same portfolio)

▶ Shopping centres Occupancy

- 0.2% of growth in occupancy according to the national occupancy index in June compared to 2013.

▶ Consumer confidence

- The positive tendency continues
- Substantial improvement compared with July 2013

Investment Market Overview

Lar España Real Estate Outlook

- ▶ The market has become more competitive due to:
 - 3 new REIT's competing in some of the asset classes
 - Other large international investors also very actively looking for investments
 - » Opportunistic, core and value added
 - Financing is improving in LTV and cost
 - Not sufficient product on sale on the first 7 months of the year specially in offices.

- ▶ Asset management capabilities and access to product will be key in the next months.

- ▶ These trends have not altered the original plans in terms of investment calendar or target returns.'

1

Introduction

2

Market overview

3

Investment Criteria, First Acquisitions and Pipeline

Proposed investment criteria

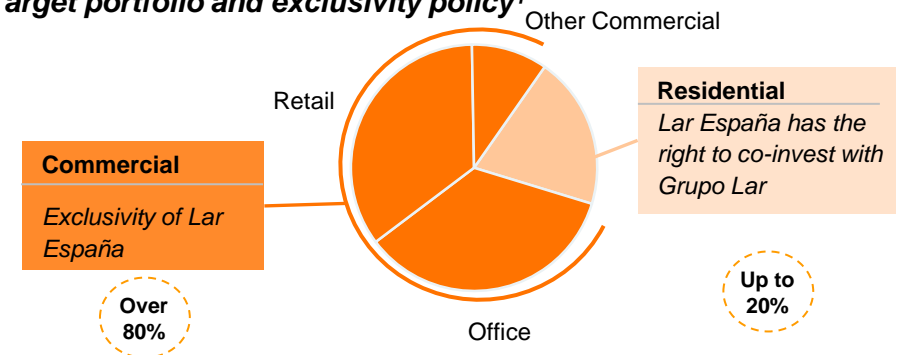
Target property types and locations

Commercial Real Estate Over 80%	Core commercial Office	<ul style="list-style-type: none"> ▶ Mainly focused on office properties in Madrid and Barcelona ▶ Potential for active asset management through lease management and refurbishment capex
	Retail	<ul style="list-style-type: none"> ▶ Shopping Centres with significant growth potential <ul style="list-style-type: none"> ■ Centres with repositioning, extension and other asset management potential will be targeted ■ Competitive centres in prime or secondary cities ▶ Retail parks investment, and projects for their extension and development across Spain ▶ Explore opportunities in alternative retail formats, such as “big box”
	Other Commercial	<ul style="list-style-type: none"> ▶ Other commercial asset classes on a selective basis.
Residential Up to 20%	Residential	<ul style="list-style-type: none"> ▶ Residential <ul style="list-style-type: none"> ■ Focus on first homes only ■ Invest in new developments in niche markets where supply is limited ■ Possibility of co-investment

Investment criteria across different asset classes

- ▶ Primarily fully built assets with a small component of development risk on a highly selective cases.
- ▶ Lot size : Typically €20MM or higher equity ticket
- ▶ Potential to selectively enter into **joint ventures**
 - Opportunity to avoid asset concentration risk
 - Opportunity to achieve larger deals

Target portfolio and exclusivity policy¹



¹ Exclusivity policy does not apply to existing managers investments or alliances

Note: Target portfolio breakdown for illustrative purposes

Basis of the initial investment proposition

- ▶ To invest 750MM€ in 18 to 24 months (equity + debt)
- ▶ To invest 300MM€ in 2014
- ▶ Try to avoid the bigger processes where the competition will be higher. Focus on medium-size deals with an asset management angle.
- ▶ Investing the equity first and starting to look for debt financing in Q4 as :
 - The cost of debt is dropping
 - The return for un-invested equity is very low
- ▶ Location
 - Retail in general all over Spain
 - Offices in Madrid and Barcelona
 - Logistics primarily in Madrid and Barcelona. Other big secondary cities might be consider on very selective basis.
 - Residential (first homes) in Major cities and submarkets with limited supply

Transactions signed between IPO and august 7th

- ▶ 8 assets bought
 - 5 retail assets in 5 different cities
 - 2 office buildings in Madrid
 - 1 logistic platform
- ▶ €213 MM of investment and €235 MM including capex
- ▶ 115,000 sqm
- ▶ Initial yield between 5.5 % (assets with higher vacancy) and 10%
- ▶ Other deals brought to late stage and not completed
 - ▶ 4 shopping centers dropped during DD process for more than €100MM
 - ▶ 1 shopping center lost after DD. An investor exercised a preemption right (€150MM)

Transactions signed between IPO and august 7th

Asset	Asset class	GLA 100% owned by Lar España (sqm)	Price(MM €)	Estimated CAPEX (MM €)	Total Investment (MM €)	Initial occupancy	Intial Yield on cost	Average rent in € per occupied m2
Las Huertas (Palencia)	Shopping center	6,108	11.7	2.6	14.3	86.0%	8.0%	17.30
Txingudi SC (Irún - Guipuzcoa)	Shopping center	9,861	27.7	4.6	32.3	90.0%	8.2%	23.70
Marcelo Spinola (Madrid)	Offices	8,584	19.0	8.5	27.5	38.2%	Actual 2.2% Estimated 7,8%	16.6 including ground floor
Albacenter (Albacete)	Shopping center	15,696	28.4	2.0	30.4	76.0% + 14% of rent guarantee	7.2%	12.30
Anec Blau (Castelldefels, Barcelona)	Shopping center	28,863	80.0	2.1	82.1	91.3% including terrance 98.2% mall area	6.3%	16.90
Media Markt (Villaverde, Madrid)	Retail unit	4,391	9.1	0.1	9.2	100.0%	7.7%	14.80
Arturo Soria (Madrid)	Offices	8,663	24.2	1.1	25.3	82.8%	5.5%	16.09 (including retail)
Alovera (Guadalajara)	Logistic platform	33,196	12.7	1.0	13.6	100.0%	9.9%	3.11
TOTAL SIGNED	-	115,362	212.8	22.0	234.8		-	

Pipeline

- ▶ 6 assets in advanced negotiation
 - 4 retail assets in 3 different locations
 - 1 logistic warehouse in the Madrid area
 - 1 prime residential development in Madrid

- ▶ Limited execution risk, subject to satisfactory DD
 - 4 under formal exclusivity and DD in final stage
 - 2 linked to other investments signed or under exclusivity

- ▶ Total investment amount of €171MM (€200MM capex included)

- ▶ 155,000 m2 in total

- ▶ Initial yields between 6.5% - 10% depending on vacancy and capex needed.

Types and Sources of Opportunities

ACQUISITIONS		
Asset classes	MM euros	%
SC	159.2	68%
Offices	52.8	22%
Others	22.8	10%
Total	234.8	100%

Off market	65%
Competitive process	35%

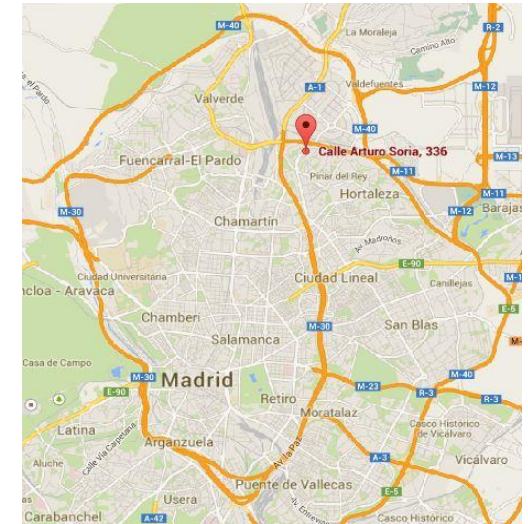
PIPELINE		
Asset classes	MM euros	%
SC	91.3	46%
Others	106.2	54%
Total	197.5	100%

Off market	94%
Competitive process	6%

Arturo Soria, 336 – Office Building

Location & Profile

- ▶ Located in Madrid (North - East), very close to the M-30 ring and Madrid Airport.
- ▶ Underground station is 150 m. away from the building.
- ▶ Freestanding building with 4 facades
- ▶ Construction year: 1994
- ▶ Seller: IVG INSTITUTIONAL FUNDS GMBH (German Fund)



Figures of Interest

- ▶ **Total GLA:** 8,663 sqm and 193 parking units
- ▶ **investment** 24.200.000
- ▶ **Vacancy :** 17,25% (1.495 m2)
- ▶ **Price per sqm** 2,526 €/SQM and 12,000 € per pk unit
- ▶ **Entry yield:** 5,48%
- ▶ **Yield on cost** 6,81% (**estimating** 95% Occupation)
- ▶ **Investment rationale:** Very urban, consolidated and well communicated location, that can offer very competitive rents. Some capex needed to improve the shape of the building and lease the actual vacant space. Current rents at a very low historical level. Good layout, and floor ceiling height.



Card. Marcelo Spínola, 42 – Office Building

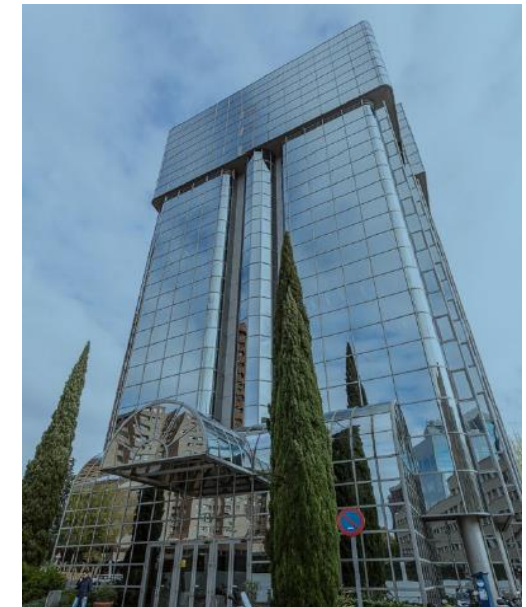
Location & Profile

- ▶ Located in Madrid (North - East), inside M-30 ring.
- ▶ Underground station is 900 m. away from the building.
- ▶ Freestanding tower with 4 facades
- ▶ Construction year: 1993
- ▶ Seller: REYAL URBIS (Spanish RE company)



Figures of Interest

- ▶ **Total GLA:** 8,584 sqm
- ▶ **Parking** 150 parking units
- ▶ **Investment:** 19.000.000
- ▶ **Price** 2.059 €/sqm and 12.000 per pk unit
- ▶ **Capex :** 8.500.000
- ▶ **Initial Vacancy:** 5,309 sqm
- ▶ **yield on cost** 7,88% (estimating 95% occupancy)
- ▶ **Investment rationale.** Good consolidated area with great views over the M30. flexible layout . A substantial refurbishment will allow to offer very flexible space on rents around 20 euros/m2. focus on quality and energetic efficiency.



Alovera (Guadalajara) – Logistic Warehouse

Location & Profile

- ▶ Guadalajara (East), 48 km away form Madrid. Facing A-2 (national highway).
- ▶ Prime Logistic and industrial area
- ▶ Two tenants.
- ▶ Construction year: 2000 - 2001
- ▶ Seller: INVISTA EUROPEAN RE SPANISH PROPCO, S.L.

Figures of Interest

- ▶ **Total GLA:** 35,196 sqm
- ▶ **Investment** 12,675 MM €
- ▶ **Price** 377 €/sqm
- ▶ **Entry yield:** 9,80%. 8,91% (after 1MM capex and release)
- ▶ **Investment rationale:** Very strong logistics location. Current rent levels (3 euros/m²) avoid risk of competition of new supply. Divide the warehouse in 2 units once one of the contracts expires and released at market levels.



Retail Acquisitions Completed as of 31st July 2014



Txingudi, Irún (Guipuzcoa, Basque Country) – SC

Location & Profile

- ▶ Irún (61,193 inhab.) within the Guipuzcoa (Basque Country) on the North Coast of Spain, adjacent with the border of France.
- ▶ Catchment (20 min driving): 91,351 inhab.
- ▶ Consolidated industrial and commercial area with excellent access to the national motorway and the city
- ▶ Vendor : Corio

Figures of Interest

- ▶ **GLA:** 9.861 sqm
- ▶ **Price/sqm:** 2,789 €/sqm
- ▶ **Other owners:** Alcampo, Decathlon, Norauto, McDonalds, Casa, Merkal .
- ▶ **Units & Main tenants:** 52 units. Kiabi, Mango
- ▶ **GLA Occupancy:** 90%
- ▶ **Footfall 2012:** 4,0 million shoppers
- ▶ **Sales 2013:** € 14,5 million
- ▶ **Asset management:** Reduction in non recoverable costs, improving vacancy and tenant mix. Reduction in leisure and improvement in fashion brands. More balance between spanish and french customers.



Las Huertas SC, Palencia – SC

Location & Profile

- ▶ Palencia within the Castilla y León Region in North West Spain. Catchment (20 min driving): 99,310 inhab.
- ▶ Immediate area is mixed residential and retail area, therefore, at pedestrian level (50%). Well located, connecting the city centre with the A-67 highway (main connection between Palencia and Valladolid).
- ▶ Seller : Corio

Figures of Interest

- ▶ **GLA:** 6.108 sqm
- ▶ **Price/sqm:** 1,917 € / sqm
- ▶ **Other owners:** Hypermarket and a petrol station
- ▶ **Nr. Units:** 42 units
- ▶ **Main tenants:** Sprinter, MerKal, Los Telares, P&B
- ▶ **GLA Occupancy:** 86%
- ▶ **Footfall 2013:** 2,3 MM visitors
- ▶ **Sales 2013:** € 8,5 MM
- ▶ **Asset management** Attract a diverse retailed offer to change the positioning from convenience to fashion appealing centre by incorporating demanded brands (Women Secret, Shana/Double Agent and reducing vacancy and rental discounts.



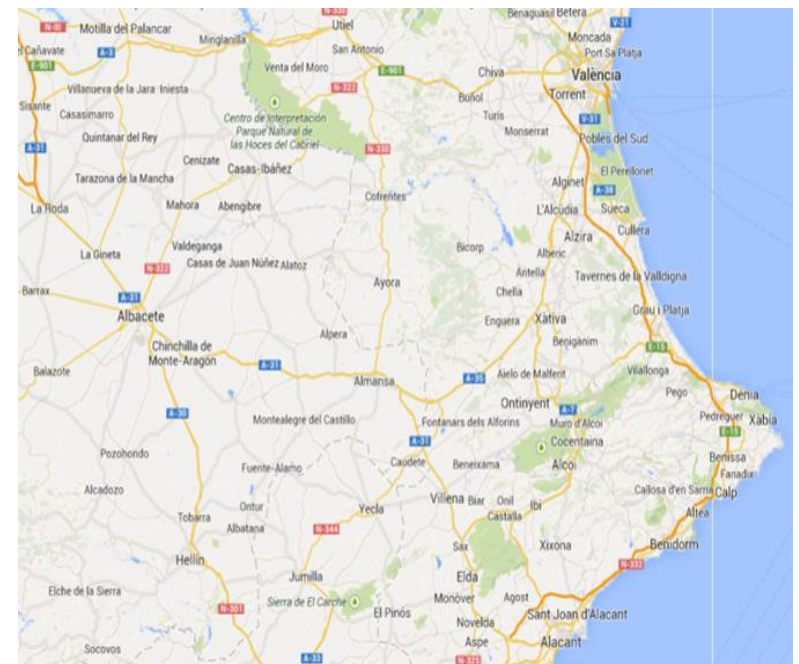
Albacenter SC, Albacete – SC

Location & Profile

- ▶ Located in Albacete, the largest city in Castilla La Mancha, with a provincial population of 402,837 inhabitants and municipal population of 172,472.
- ▶ Albacete's dominant shopping centre providing main mass market fashion operators and anchored by an Eroski hypermarket.
- ▶ Seller Unibail

Figures of Interest

- ▶ **Total GLA:** 15,696 sqm
- ▶ **Price/sqm:** 1,809 €/sqm
- ▶ **Other owners:** Eroski (Hyper, Primark, Petrol station)
- ▶ **Main tenants:** Shana, Double Agent, H&M, Bershka, New Yorker, Sprinter, Stradivarius, Deichman
- ▶ **Number of Units:** 75 units in two retail levels
- ▶ **GLA Occupancy:** 76% (additional 14% of rent guarantee)
- ▶ **Footfall 2013:** 4 MM visitors
- ▶ **Sales 2013:** 18 MM€
- ▶ **Asset management** improve occupancy. focus on the leisure floor and fashion brands reinforcing the very urban location.



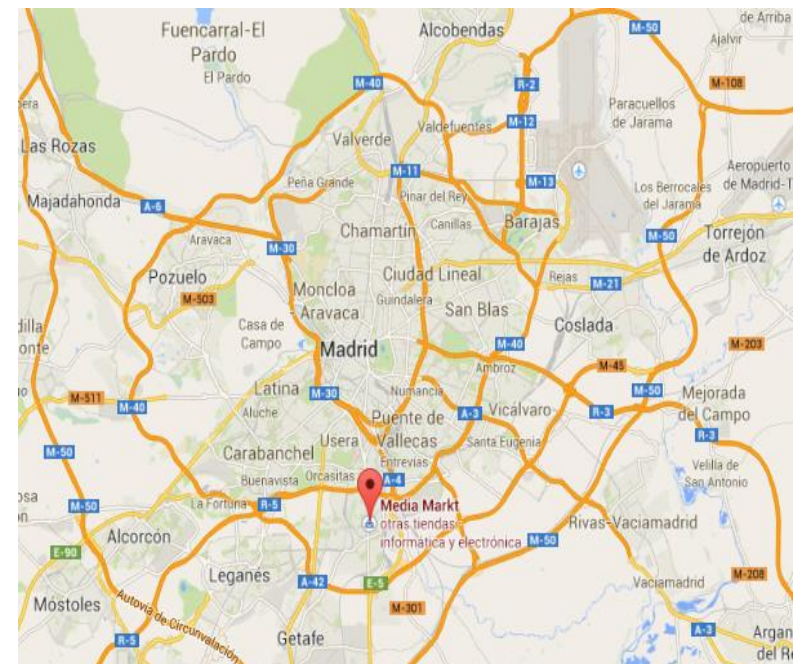
Media Markt, Villaverde (Madrid) – SC

Location & Profile

- ▶ Madrid (Santa Petronila 1, Villaverde)
- ▶ Stand alone unit in a very consolidated residential area.
- ▶ Excellent visibility: facade to 2 Avenida de Andalucía, main urban link of the South of Madrid connecting the bypasses M-30, M-40 and M-45
- ▶ Public transport: bus and underground. In front of Villaverde interchanger
- ▶ Seller : GMBH Internationales Immobilien Institut

Figures of Interest

- ▶ **Total GLA:** 4,391 sqm, sales area 2,499 sqm
- ▶ **Parking:** 114 underground parking spaces
- ▶ **Price/sqm:** 2,072 €/sqm
- ▶ **GLA Occupancy:** 100%
- ▶ **Date of opening:** 2002
- ▶ **Layout:** Two floors. A set of lifts and staircase communicates both levels for clients use.
- ▶ **Sales 2013:** 18.3 MM€
- ▶ **Investment rational.** Strong cash flow on a very well located asset were rent has been recently renegotiated.



Anecblau, Castelldefells (Barcelona) – SC

Location & Profile

- ▶ Castelldefells in the Catalonia Region. Strong combination of permanent residential population and touristic destination.
- ▶ 18 km. to the South-West of Barcelona city and 9 km. from El Prat International Airport.
- ▶ Primary Catchment 140,000 within 0-10 minutes
- ▶ Seller IG IPT



Figures of Interest

- ▶ **GLA:** 28,863 sqm
- ▶ **Price/sqm:** 2,772 €/sqm
- ▶ **Nr. Units :** 110 units in 3 retail levels
- ▶ **Main tenants:** Yelmo, H&M, Mango, Inditex and Mercadona
- ▶ **GLA Occupancy:** 91.3% - including terrace area 98.2% - mall area
- ▶ **Date of opening:** 2006
- ▶ **Footfall 2013:** 4.7 MM visitors
- ▶ **Sales 2013:** 51 MM€ exc. Mercadona
- ▶ **Asset management** improvement in occupancy and better use of external areas. Take advantage of the special authorization for trading on Sundays

