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This document comprises a supplementary prospectus relating to Starwood European Real Estate Finance Limited (the **Company**) prepared in accordance with the Prospectus Rules made pursuant to section 73A of FSMA. This document has been approved by the Financial Conduct Authority (the **FCA**) as a supplementary prospectus under section 87A of FSMA and has been filed with the FCA and made available to the public in accordance with section 3.2 of the Prospectus Rules. This document includes particulars given in compliance with the Listing Rules and Prospectus Rules of the Financial Conduct Authority for the purpose of giving information with regard to the Company. This document is supplemental to, and should be read in conjunction with the prospectus published by the Company on 7 September 2015 (the **Prospectus**) in connection with the issue of New Ordinary Shares and/or C Shares pursuant to a share issuance programme (the **Placing Programme**). Words or expressions defined in the Prospectus have the same meaning when used in this document unless the context requires otherwise.

The Company and the Directors, whose names appear on page 6 of this Supplementary Prospectus, each accept responsibility for the information contained in this Supplementary Prospectus. To the best of the knowledge and belief of the Company and the Directors (who have taken all reasonable care to ensure that such is the case), the information contained in this Supplementary Prospectus is in accordance with the facts and does not omit anything likely to affect the import of such information.

Starwood European Real Estate Finance Limited

(a company incorporated in Guernsey under The Companies (Guernsey) Law, 2008, as amended, with registered no. 55836)

Supplementary Prospectus

Sole Sponsor and Bookrunner
Fidante Capital

Fidante Partners Europe Limited, trading under “Fidante Capital” (**Fidante**), (formerly Dexion Capital plc) which is authorised and regulated in the United Kingdom by the Financial Conduct Authority, is acting as sole Sponsor and Bookrunner to the Company in connection with the matters described herein. Fidante is acting for the Company in relation to the matters described herein and no one else and will not be responsible to anyone other than the Company for providing the protections afforded to its clients, nor for providing advice in relation to the Placing Programme, the contents of this document or any transaction or arrangement referred to herein. This does not exclude any responsibilities or liabilities of Fidante under FSMA or the regulatory regime established thereunder.

This document does not contain or constitute an offer to sell or to issue any Shares or the solicitation of an offer to buy or subscribe for Shares. The distribution of this document in certain jurisdictions may be restricted by law. No action has been taken by the Company or Fidante that would permit an offer of the Shares or possession or distribution of this document or any other offering or publicity material in any jurisdiction where action for that purpose is required, other than in the United Kingdom, Sweden and the Netherlands. Persons into whose possession this document comes should inform themselves about and observe any such restrictions. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdiction.

The Placing Programme Shares offered by the Prospectus have not been and will not be registered under the United States Securities Act of 1933, as amended (the **U.S. Securities Act**), or with any securities regulatory authority of any state or other jurisdiction of the United States and may not be offered, sold, exercised, resold, transferred or delivered, directly or indirectly, in or into the United States or to or for the account or benefit of any U.S. person (within the meaning of Regulation S under the U.S. Securities Act) except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and in compliance with any applicable securities laws of any state or other jurisdiction in the United States. There will be no public offer for the Placing Programme Shares in the United States.

The Company has not been and will not be registered under the U.S. Investment Company Act and investors will not be entitled to the benefits of the U.S. Investment Company Act.

Neither the SEC nor any state securities commission has approved or disapproved of these securities or passed upon the adequacy or accuracy of this document. Any representation to the contrary is a criminal offence in the United States.

In addition, the Company has not been, and will not be, registered under the United States Investment Company Act of 1940, as amended, (the **U.S. Investment Company Act**), nor will the Investment Manager be registered as an investment adviser under the United States Investment Advisers Act of 1940, as amended (the **U.S. Investment Advisers Act**), and investors will not be entitled to the benefits of the U.S. Investment Company Act or the U.S. Investment Advisers Act. The attention of potential investors is drawn to the Risk Factors set on pages 19 to 36 of the Prospectus.

22 March 2016

1. Purpose of Supplementary Prospectus

This document is being published in relation to the Placing Programme. This document is a regulatory requirement under Prospectus Rule 3.4.1 following the publication on 18 March 2016 of the audited annual report and financial statements of Starwood European Real Estate Finance Limited and its subsidiaries (the **Group**) for the year ended 31 December 2015 (the **2015 Annual Report**).

2. Significant new factor

2.1. 2015 Annual Report

The publication of the 2015 Annual Report constitutes a significant new factor relating to financial information contained in the Prospectus. By virtue of this document, the 2015 Annual Report is incorporated in, and forms part of, the Prospectus.

2.2. Statutory financial statements for the financial year ended 31 December 2015

Statutory financial statements of the Group for the financial year ended on 31 December 2015, in respect of which the Company's auditor, PricewaterhouseCoopers CI LLP has given an unqualified opinion that the financial statements give a true and fair view of the financial position of the Group as of 31 December 2015, and of the financial performance and cash flows of the Group for the period then ended in accordance with International Financial Reporting Standards as adopted by the European Union and have been properly prepared in accordance with the requirements of the Companies Law. PricewaterhouseCoopers CI LLP is a member of the Institute of Chartered Accountants in England and Wales.

2.3. Published report and accounts

The 2015 Annual Report which is incorporated into this document by reference included, on the pages specified in the table below, the following information:

	2015 Annual Report (audited) Page No(s)
Independent Auditor's Report	36 – 37
Independent Review Report	38
Consolidated Statement of Comprehensive Income	39
Consolidated Statement of Financial Position	40
Consolidated Statement of Changes in Equity	41
Consolidated Statement of Cash Flows	42
Notes to the Consolidated Financial Statements	43 – 69
Accounting Policies	43 – 48
Chairman's Statement	7 – 8
Investment Manager's Report	12 – 16
Report of the Directors	18 – 20

2.4. Selected financial information

The key audited figures that summarise the Group's financial period in respect of the period covered by the 2015 Annual Report, which have been extracted without material adjustment from the 2015 Annual Report, are set out in the following table:

	2015 Annual Report
Net assets (£'m)	305.5
Net asset value per Ordinary Share (pence)	100.43
Operating profit for the year before tax (£'m)	18.8
Operating profit for the year and total comprehensive income (£'m)	18.8
Earnings per Ordinary Share (pence)	7.23

2.5. Operating and Financial Review

The 2015 Annual Report included, on the pages specified in the table below: descriptions of the Group's financial condition (in both capital and revenue terms); details of the Group's investment activity and portfolio exposure; and changes in its financial condition and operating results for the period to 31 December 2015.

	2015 Annual Report Page No(s)
Financial Highlights	6
Chairman's Statement	7 – 8
Investment Manager's Report	12 – 16
Strategic Report	9 – 11

2.6. Other parts not relevant

The parts of the 2015 Annual Report that are not incorporated by reference in this Supplementary Prospectus are either not relevant for the investor or are covered elsewhere in this Supplementary Prospectus or in the Prospectus.

3. Update of the Summary

B.7 of the Summary is updated as follows:

B7	Key financial information	<p>The selected historical financial information regarding the Group set out below has been extracted directly from the 2015 Annual Report for the period ended 31 December 2015 and 31 December 2014.</p> <table style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 60%;"></th> <th style="text-align: right; width: 20%;">31 December 2015</th> <th style="text-align: right; width: 20%;">31 December 2014</th> </tr> </thead> <tbody> <tr> <td>Total assets (£m)</td> <td style="text-align: right;">314.4</td> <td style="text-align: right;">239.6</td> </tr> <tr> <td>Total liabilities (£m)</td> <td style="text-align: right;">(9.0)</td> <td style="text-align: right;">(1.3)</td> </tr> <tr> <td>Net assets (£m)</td> <td style="text-align: right;">305.5</td> <td style="text-align: right;">238.3</td> </tr> <tr> <td>Net asset value per Ordinary Share (p)</td> <td style="text-align: right;">100.43</td> <td style="text-align: right;">100.08</td> </tr> <tr> <td>Earnings per Ordinary Share (p)</td> <td style="text-align: right;">7.23</td> <td style="text-align: right;">6.15</td> </tr> <tr> <td>Dividends declared per Ordinary Share</td> <td style="text-align: right;">7.0</td> <td style="text-align: right;">5.80</td> </tr> </tbody> </table> <p>Certain significant changes to the Group's financial condition and results of operations have occurred during the period covered by the selected historical key financial information set out above which is not covered by the Prospectus, being the period from 7 September 2015 to 31 December 2015. These changes comprise:</p> <ul style="list-style-type: none"> - The receipt of aggregate gross proceeds of £43.5 million, from a placing on 24 September 2015; - The increase in the Company's revolving credit facility on 22 December 2015 from £50 million to £60 million; and - The payment by the Company of a dividend of 1.75 pence per Ordinary Share on 13 November 2015 (for the period from 1 July 2015 to 30 September 2015). <p>Save for the interim dividend of 1.75 pence per Ordinary Share declared on 26 January 2016 related to the period from 1 October 2015 to 31 December 2015 and paid on 18 February 2016, there has been no significant change in the financial condition and operating results of the Group since 31 December 2015, being the date to which the Group's latest audited annual financial statements were prepared.</p>		31 December 2015	31 December 2014	Total assets (£m)	314.4	239.6	Total liabilities (£m)	(9.0)	(1.3)	Net assets (£m)	305.5	238.3	Net asset value per Ordinary Share (p)	100.43	100.08	Earnings per Ordinary Share (p)	7.23	6.15	Dividends declared per Ordinary Share	7.0	5.80
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4. No significant change

Save for the interim dividend of 1.75 pence per Ordinary Share declared on 26 January 2016 and resulting in a cash distribution of £5.3 million paid on 18 February 2016, there has been no significant change in the financial or trading position of the Group since 31 December 2015, being the date to which the Group's latest audited annual financial statements were prepared.

5. Withdrawal rights

In accordance with section 87Q(4) of FSMA, where a supplementary prospectus has been published and, prior to the publication, a person agreed to buy or subscribe for transferable securities to which it relates, he may withdraw his acceptance before the end of the period of two working days beginning with the first working day after the date on which the supplementary prospectus was published. At the date of this Supplementary Prospectus there is no offer of Placing Programme Shares open for acceptance to which withdrawal rights would apply.

6. Responsibility

The Company and the Directors of the Company, whose names appear below, accept responsibility for the information contained in this Supplementary Prospectus, and declare that, having taken all reasonable care to ensure that such is the case, the information contained in this Supplementary Prospectus is, to the best of its and their knowledge, in accordance with the facts and contains no omission likely to affect its import.

The Directors are: Stephen Smith, John Whittle and Jonathan Bridel.

7. Additional information

7.1 Copies of this document and the 2015 Annual Report are available for inspection at <http://www.morningstar.co.uk/uk/nsm> and, until 6 November 2016, copies of both documents may be obtained, free of charge, during normal business hours at the registered office of the Company and at the offices of Norton Rose Fulbright LLP, 3 More London Riverside, London SE1 2AQ during business hours on any Business Day. Copies of this document and the 2015 Annual Report are also available on the Company's website at the following address: <http://www.starwoodeuropeanfinance.com/>.

7.2 Save as disclosed in this document, no other significant new factor, material mistake or inaccuracy relating to information included in the Prospectus has arisen or been noted, as the case may be, since the publication of the Prospectus.

7.3 To the extent that there is any inconsistency between any statement in or incorporated by reference in this document and any other statement in or incorporated by reference in the Prospectus, the statements contained in or incorporated by reference in this document will prevail.

22 March 2016