

MERLIN Properties' Annual General Shareholders Meeting approves the issuance of bonds up to € 1,500 million

- The Company has today filled with the regulator the EMTN program prospectus and will initiate market prospection next week
- The Company goal is to early refinance the 2-year maturity bridge to bond loan signed with 10 financial entities associated with Testa acquisition.
- The AGM has approved the financial statements and business management for 2015, a transformational year for the Company after Testa acquisition, as Ismael Clemente highlighted.
- The AGM has also approved the distribution to shareholders of €60 million (18.58 cents per share) for 2015, and the management team has guided that the remuneration for 2016 is expected to raise to € 140 million (43 cents per share).

Madrid, 6 April.- MERLIN Properties' AGM has approved today the financial statements and director's management report for 2015, as well as the 2015 distribution to shareholders for an amount of €60 million. The Company has obtained the majority support from its shareholders on a key year, in terms of asset management, after the acquisition of Testa.

During the AGM, Ismael Clemente, Chairman and CEO of MERLIN Properties, has stated that "2015 has been the first complete financial year for our company, and by year end we had become the largest commercial real estate company in Spain. The acquisition of Testa Inmuebles has transformed MERLIN and poised the company to lead our market". In addition, during his speech, Ismael Clemente highlighted the consolidation of the sustained, high yielding and highly efficient business model of MERLIN properties, and has emphasized that "this leadership, as evidenced by the inclusion of MERLIN in the IBEX-35 selective index, would have not been possible without the quality of the team that forms MERLIN Properties. A highly knowledgeable and real estate specialised team, on top of every opportunity that the market brings"

With regards to the future, Ismael Clemente highlighted that the Company is in the final stage of integrating Testa "an exemplary integration that enhances the best of both companies and has achieved a consolidated team and a corporate structure that works at full speed. Our assets represent a formidable and diversified portfolio located in the most attractive places and, as such, we are going to work in order to extract its maximum potential, while continuing to analyse new acquisition opportunities".

2015 financial statements with a prominent increase across all its key metrics

MERLIN Properties has reported 2015 consolidated financial statements, with gross rental income of € 214.5 million (+278% versus 2014), recurrent EBITDA of € 186.7 million de euros (+271% versus 2014) and consolidated net profit of € 49.1 million in accordance with IFRS, and FFO of € 99.3 million in

accordance with EPRA (+387% versus 2014). These results include the results of Testa since June 30 (half a year).

MERLIN Properties' net financial debt (short-term and long-term debt minus cash) at the end of the fiscal year was € 3,013 million, representing a leverage ratio of 49.8%, and a net asset value of €3,181.2 million (€ 9.85 per share). The company's cash position at the end of 2015 was over € 560 million.

MERLIN has further optimized its capital structure with the recent € 1.7 billion financing of the original Testa debt, reducing the average cost of debt to 2%, significantly increasing the unencumbered asset ratio (57% of total debt is non-mortgage backed), diversifying its sources of funding and increasing the average maturity profile beyond 6 years, which the Company expects to further extend once the bond issuance is completed.

Guidance on shareholder distribution expected for 2016, representing an increase of 133% to 2015 effective distribution

MERLIN Properties' AGM has approved the distribution to shareholders of €60 million for 2015 fiscal year, which represents a distribution of € 18.58 cents per share. After the interim dividend paid in October 2015, the Company will distribute on 27th April 2016 a complementary dividend and share premium totalling € 10.83 cents per share.

The Company provided guidance on the expected 2016 distribution to shareholders, amounting to a minimum of € 140 million or € €0.43 per share. This remuneration, which will be fully paid in cash, distributed partly as a dividend and partly as a share premium refund, represents an increase of 133% over last year announcement.

With this payment, MERLIN Properties would deliver a remuneration rate in the upper range of international peers, and above the IBEX 35 average.

Changes to the remuneration policy

Shareholders have today passed the remuneration policy for 2016, including the number of shares assigned to the stock plan. However, this will be the last year with the referred plan in place since the management team has committed to amend it for 2017.

Ismael Clemente explained that "in 2015, the Company has experienced a significant move in its shareholders base shifting from alternative to long-term institutional investors, including mutual and pension funds. Our stock plan, which has not yet delivered any award to management, was designed to meet alternative investors' requirements, including absolute returns measurements. After the shift in the shareholders base, the plan needs to be adapted to new policies and recommendations stated by both American and European regulators. The management team has committed to adapt the compensation systems and will propose to the shareholders meeting an amended plan in the future."

About MERLIN Properties

MERLIN Properties SOCIMI, S.A. (MC:MRL) is the largest real estate company trading on the Spanish Stock Exchange, with a market capitalization of approximately 3,200 million euros, specialized in the acquisition and management of commercial property in the Iberian region. MERLIN Properties mainly invests in offices, shopping centers and logistics facilities, within the Core and Core Plus segments, forming part of the benchmark IBEX 35, Euro STOXX 600, FTSE EPRA/NAREIT Global Real Estate, GPR Global Index, GPR-250 Index, and MSCI Small Caps indices.

Please visit www.merlinproperties.com to learn more about the company.

For further information please contact:

Nuria Salas, nsalas@tinkle.es, +34 629 56 84 71

Sarah Estébanez, sestebanez@tinkle.es, +34 636 62 80 41

Iris Ancares, iancares@tinkle.es, +34 607 94 70 96