

## MERLIN Properties reports 9M 2016 results with a consolidated EBITDA of 203 million euros, not including Metrovacesa

- Gross rents: € 229.5 million (+65% vs 9M 2015)
- Recurring EBITDA: € 202.5 million (+69% vs 9M 2015)
- Recurring FFO: € 148.5 million (+59% vs 9M 2015)
- Gross asset value: € 6,568 million (no appraisal done this quarter)
- NAV per share: € 10.71

- Annualized gross rents (not including Metrovacesa) amount to € 310.4 million (€ 322.0 million including the attributed rent from the stakes held as equity method), with an occupancy rate of 95.7% and an average unexpired lease term of 9.0 years.
- MERLIN Properties acquired Adequa business park and the remaining 50% of Arturo Soria shopping center, reaching 100% ownership of the asset.
- Following the successful completion of the bond issuance in October, the Company fine tunes its capital structure reducing the exposure to floating interest rates, with 92% of its debt hedged, and increasing the debt maturity profile.
- Post 30 September, MERLIN has completed the merger by absorption of Testa Inmuebles en Renta, the spin-off of Metrovacesa, the integration of the commercial assets of Metrovacesa into MERLIN and the deconsolidation of the rented residential subsidiary, Testa Residencial.

Madrid, 15 November.- MERLIN Properties has released its 9M 2016 consolidated financial statements, with total revenues of €236.7 million and recurring EBITDA of €202.5 million. Taking into account EPRA standards, recurring FFO was €148.5 million. Consolidated net profit, in accordance with IFRS, amounts to €254.9 million.

These results do not include Metrovacesa yet as the spin-off and integration of the commercial assets of Metrovacesa in MERLIN has been executed in October.

EPRA NAV, according to EPRA recommendations, amounted to 3,458.7 million euros (€10.71 per share). It is important to highlight that no new appraisal of the portfolio has been carried out this quarter since appraisals are carried out on a semi-annual basis. Pro-forma NAV post Metrovacesa transaction amounts to €10.92 per share.

Lease-up activity has been particularly intensive through this nine-month period. MERLIN has signed leases for 469,118 sqm, of which 145,643 sqm correspond to new leases and 323,475 sqm to renewals.

### *New acquisitions*

MERLIN announces the acquisition of Adequa Business Park (transaction will be completed in December) for a total price of €380 million. Adequa has approximately 75,000 sqm GLA fully leased and buildability for further 45,000 sqm in two new assets to be built. Adequa is a large scale business park (+100,000 sqm GLA) benefiting from the closest location to Madrid CBD.

MERLIN Properties has additionally acquired the 50% remaining stake in Arturo Soria Plaza to reach full ownership. Arturo Soria Plaza is a shopping center that has shown excellent operating performance over the last twelve months, reaching €4.5 million of gross rents and full occupancy.

Following these acquisitions, MERLIN owns a portfolio of 1,013 assets, as of September 30, 2016, with a total gross leasable area of circa 2.5 million sqm. Average occupancy is ca. 96%, with an average EPRA gross yield of 5.0%.

### *Capital structure*

MERLIN has continued fine-tuning its capital structure. After the successful bond issuance in October, the pro-forma (including Metrovacesa) leverage is now at 47.0%. The exposure to floating interest rates has decreased, with 92% of the debt hedged and all the financial ratios have improved. Average debt maturity stands at 6.6 years.

Shareholders return (dividend per share plus EPRA NAV growth per share) amounts to 9.8% in these nine months.

## 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 4,400 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](http://www.merlinproperties.com) to learn more about the company.

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