

Prominent start of year for MERLIN Properties, with uplift in both rents and occupancy rates across all asset categories

- Gross rents: € 115.3 million (+50% vs 1Q 2016)
- Recurring EBITDA: € 99.4 million (+48% vs 1Q 2016)
- Recurring FFO: € 74.2 million (+52% vs 1Q 2016)
- Gross asset value: € 10.0 billion (without quarterly revaluations)
- Net asset value per share: € 11.36 (+14.1% vs 1Q 2016)
- 1Q17 Office Release spread: +3.6%

- During the first quarter of the year, MERLIN has contracted more than 275,000 sqm, with positive increases in rents in all asset classes.
- Annualized gross rents amount to € 463 million with an occupancy rate of 92.3% (+1% vs 31/12/16).
- Most relevant acquisitions in the period are Torre Glòries in Barcelona and MERLIN-Cabanillas logistic park, 100% occupied at opening. Additionally, the Company continues executing the 5 year capex program launched at the end of 2016.

Madrid, 12 May.-, MERLIN Properties has released its 1Q 2016 consolidated financial statements with total revenues of € 120 million, a recurring EBITDA of € 99.4 million, a recurring FFO (EBITDA less interest) of € 74.2 million and a consolidated net profit in accordance with IFRS of € 66.6 million.

EPRA NAV, according to EPRA recommendations, amounted to € 5,335 million (11.36 euros per share). It is important to highlight that no new appraisal for the assets has been carried out this quarter as, in accordance with the Company's policy, new appraisals of the portfolio are carried out on a semi-annual basis.

MERLIN Properties has started the year on a positive footing, with 276,646 sqm contracted with a general uplift in rents. The portfolio occupancy rate has increased from 91.3% in December to 92.3% at the end of the first quarter.

Offices

Good performance in the 3 core markets delivering +3.6% release spread on renewals (+3.6% in Madrid, + 2.6% in Barcelona and +7.1% in Lisbon). Occupancy rate also increases from 87.9% to 88.5%.

During the period, MERLIN acquired Torre Glòries in Barcelona, an iconic building designed by Jean Nouvel, soon to be refurbished. The building was selected in April to support the candidature of Barcelona in the competition to host the European Medicines Agency's headquarters after leaving London. Other refurbishments such as Avenida Europa, pre-let to Renault, Puerta de las Naciones, pre-let to Ferrovial, and Balmes in Barcelona, are proceeding in accordance with plans.

Shopping Centers

The shopping center portfolio has also experienced a very positive quarter with a 3.9% increase in footfall and a release spread on renewals of 9.7%. The occupancy rate has experienced a meaningful increase from 88.6% to 90.1%.

The works undertaken on the sports zone of Marineda shopping center are close to completion with an 82% pre-let level. Also worth highlighting is the 5,100 sqm signed with Nickelodeon in Thader (Murcia), which will become the first location with this entertainment format in Spain.

Logistics

The superb momentum experienced by this sector is represented in MERLIN's portfolio: the occupancy has increased from 95.4% to 97% and the releasing spread on renewals achieved an 8% uplift.

In May, MERLIN inaugurated its logistic park "MERLIN Cabanillas" with 202.600 sqm of gross lettable area. The park is the largest logistics development since 2007 and has successfully achieved 100% occupancy prior to opening.

Shareholder remuneration

On 18th May, MERLIN Properties will distribute to its shareholders 20 cents per share through dividend and share premium distribution. The Company reiterates the 2017 dividend guidance of €207 million or 44 cents per share (+10% vs 2016)

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 more than 5 billion 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.

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