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## **TO THE SPANISH NATIONAL SECURITIES MARKET COMMISSION**

For the purposes of article 82 of the Spanish Securities Market Act (*Ley del Mercado de Valores*), Merlin Properties SOCIMI, S.A., (hereinafter, “**MERLIN**” or the “**Company**”) hereby reports the following

### **SIGNIFICANT EVENT**

On June 8, Merlin Properties SOCIMI, S.A. (**MERLIN Properties**) and Sacyr, S.A. (**Sacyr**) have entered into an investment agreement for the acquisition by MERLIN Properties, in different phases, of a majority stake in the share capital of Testa Inmuebles en Renta, S.A. (**Testa**), that may reach 100% of its share capital (hereinafter, the **Investment Agreement**), by means of the implementation of the following transactions:

- (a) the subscription by MERLIN Properties of a share capital increase in Testa amounting to 430,838,704.01 Euros through the issuance of 38,491,930 new ordinary shares of twenty Euro cents (€ 0.20) of nominal value each and a share premium of 10.9929618497 Euros per share, representing 25% of Testa’s share capital (after the share capital reduction adopted by Testa General Shareholders’ Meeting, held on February 3, 2015), which has been fully subscribed and paid up as of June 8;
- (b) subject to the approval by the General Shareholders’ Meeting of MERLIN Properties, the acquisition by MERLIN Properties
  - (i) in a first phase, no later than July 29, 2015, of 38,645,898 shares in Testa owned by Sacyr, for an overall price of 861,240,363.77 Euros, that would entitle MERLIN Properties to a total stake of 50.1% of the share capital of Testa;
  - (ii) in a second phase, not before than September 30, 2015, and no later than June 30, 2016, of 76,248,281 shares in Testa owned by Sacyr, for an overall price of 694,000,000 Euros, that would entitle MERLIN Properties to a total stake of 99.6% of the share capital of Testa;

Consequently, the total consideration for these acquisitions will amount to 1,555,240,363.77 euros and MERLIN will own a stake of 99.6% of the share capital of Testa.

- (iii) Upon the acquisition by MERLIN Properties of the referred stake in Testa, the launching by MERLIN Properties of a takeover bid over 100% of the shares in Testa, in accordance with the provisions set out in the applicable legislation. In connection with such takeover bid, Sacyr has irrevocably undertaken to block its shares in Testa and not to tender them in the takeover bid.

The Investment Agreement contains certain provisions related to remedies and penalties that would only come into force upon the breach of terms and obligations set out therein.

Morgan Stanley and Goldman Sachs have acted as financial advisors to MERLIN Properties.

Madrid, June 9, 2015.

**Merlin Properties SOCIMI, S.A.**