

TO THE NATIONAL SECURITIES MARKET COMMISSION

MERLIN Properties, SOCIMI, S.A. (“**MERLIN**”), in compliance with the applicable legislation, hereby notifies the following:

RELEVANT EVENT

The Shareholder’s Meeting of MERLIN, validly held today, September 15, 2016, on second call, has validly approved all of the proposed resolutions submitted for its consideration and vote, on the terms proposed by the Board of Directors to the shareholders in the documentation made available to them at the time of the call notice for the Shareholder’s Meeting (a call notice which was issued, among other means, by the relevant event of August 11, 2016, number 242,057).

In the context of the resolutions, approval was given, among other aspects:

1. To distribute, out of the Company’s unrestricted reserves (including the share issue premium), the gross amount of €6,460,600.00, at a rate of €0.02 per share, which will be distributed on such date as may be determined by the board of directors.
2. For the total spin-off of Metrovacesa, S.A. to MERLIN Properties, SOCIMI, S.A., Testa Residencial, S.A.U. and Metrovacesa Promoción y Arrendamiento, S.A., which will inherently entail increasing MERLIN’s share capital by €146,740,750, through the issue of 146,740,750 new shares, with a total share issue premium of €1,526,103,800, at a rate of €10.40 per share issued.
3. To appoint as directors of the Company, with effect from the execution of the deed that formalizes the above-mentioned spin-off:
 - (i) Mr. Rodrigo Echenique Gordillo, with the classification of nominee director;
 - (ii) Ms. Francisca Ortega Hernández-Agero, with the classification of nominee director;
 - (iii) Mr. Javier Garcia-Carranza Benjumea, with the classification of nominee director;
 - (iv) Mr. Agustin Vidal-Aragon de Olives, with the classification of nominee director;
 - (v) Ms. Pilar Cavero Mestre, with the classification of independent director;
 - (vi) Mr. Juan María Aguirre Gonzalo, with the classification of independent director;thereby fixing at 15 the number of members of the Board of Directors.
4. To authorize the Board of Directors, with authority to delegate, for a maximum period of five years, to issue fixed-income securities (including, in particular, debentures, bonds and promissory notes) and preference shares and to guarantee any issues of these securities carried out by other companies in its Group.

The full text of the proposed resolutions approved may be consulted on the company’s website (www.MERLINproperties.com).



The result of the votes will be posted on the company's website in accordance with the statutory terms and time limits.

Madrid, September 15, 2016.

MERLIN Properties, SOCIMI, S.A.