TO THE NATIONAL SECURITIES MARKET COMMISSION

MERLIN Properties, SOCIMI, S.A. ("MERLIN"), in compliance with article 82 of Law 24/1988, of July 28, on the Securities Market, notifies the following

RELEVANT INFORMATION

(i) MERLIN will hold a presentation with analysts and institutional investors today, Tuesday, February 28, 2017, at 3 p.m. Madrid/CET time, which can be followed on line, through audio and video conference, with the following link and access code:

Webex Link:

https://MERLINproperties.webex.com/MERLINproperties/onstage/g.php?MTID=e214fbfbe94bd062e17faeea9efc95724

Event number: 78487457

Participant Dial in numbers:
España +34 91 414 3680

Francia 0800947320

Alemania 08005893472

Reino Unido +44 (0) 1452 557851

USA 18666654042

(ii) Attached you will find the press release and the supporting documentation for the presentation that will also be available on MERLIN's corporate website (www.merlinproperties.com)

Madrid, February 28th 2017.

MERLIN Properties SOCIMI, S.A.

Press release

28 February 2017

Reports FY2016 net profit of € 583 million, increases complementary dividend to 20 cents in May (4 cents or 11% above previous estimates) and guides towards 44 cents total remuneration (+10%) in 2017

MERLIN Properties delivers on its results and increases FY2016 dividend

- Gross rents: € 351.0 million (+64%)
- Recurring EBITDA: € 303.6 million (+63%)
- Recurring FFO: € 232.7 million (+75%)
- Gross asset value: € 9,824 million
- EPRA net asset value: € 11.23 (+14%)
- Guidance to shareholder distributions in 2017: € 44 cents per share (+10.0%)

• MERLIN reports an IFRS net profit of € 582.6 million. The portfolio gross asset value (GAV) exceeds €9,800 million, representing a 6% increase on a like-for-like (LfL) basis versus 2015.

• Net asset value in accordance with EPRA recommendations ("EPRA NAV") amounts to €11.23 per share, a 14% increase versus last year (€9.85).

• Through a combination of dividends and EPRA NAV growth the Company has created significant value to shareholders for an aggregate total of € 520 million, delivering an implicit annual total shareholders return (TSR) of 17.2%.

• MERLIN announces a complementary dividend in May of 20 cents per share, up to a total of 40 cents in FY2016, 11% above expectations. It also provides guidance for shareholders distributions of € 207 million or 44 cents per share in FY 2017 (+10% vs 2016).

MERLIN Properies SOCIMI, S.A
www.merlinproperties.com
info@merlinprop.com

Press release

28 February 2017

Madrid, 28 February.- MERLIN Properties closed FY2016 with revenues of € 362.8 million, recurring EBITDA of € 303.6 million, recurring FFO of € 232.7 million and net profit of € 582.6 million, in accordance with IFRS.

Announcement of an increase in complementary dividend for 2016 and guidance towards estimated shareholder distributions in 2017 of 44 cents per share (+10% versus 2016)

MERLIN announces an increase in the complementary dividend to be paid in May to 20 cents per share, which added to the 20 cents already distributed, totals 40 cents per share of distributions to shareholders in 2016, versus 36 expected (+11%). The referred complementary dividend will be paid after approval by the AGM, which is expected to take place on April 26th.

The Company guides to a shareholder distribution of at least € 207 million in FY2017. This remuneration, which will be fully paid in cash, will amount to c. 44 cents per share, distributed partly as a dividend and partly as a share premium refund, and represents an increase of 10% over 2016.

The shareholders remuneration for 2017 will be paid in two instalments, September 2017 and May 2018, after approval of the previous year's accounts at the AGM.

Substantial increase in portfolio GAV

The integration of Metrovacesa has led to a significant hike in gross asset value of the portfolio of assets ("Gross Asset Value" or "GAV") which, as of 31 December 2016, amounts to € 9,824 million, according to the appraisals performed by Savills and CBRE as of 31st December 2016, versus a GAV of € 6,053 million, in 2015. The like-for-like value increase of the portfolio compared to 31st December 2015 appraisal is 6.2%. It is worth highlighting the like-for-like increase in logistics (+10%) and shopping centers (+8%).

In accordance with EPRA standards, net asset value ("EPRA NAV") amounts to € 5,275 million, equivalent to € 11.23 per share, representing a 14% increase over 2015 EPRA NAV per share (9.85), certifying the significant value created to shareholders after the integration of Metrovacesa.

Leadership in office, retail and logistics

2016 has consolidated MERLIN as the leading Spanish REIT and one of the most relevant in Europe. MERLIN Properties benefits from a strong positioning in the Spanish market across all asset categories. The portfolio, which spans over 3 million square meters, makes MERLIN the number 1 player in office, retail and logistics and number 2 in shopping centers. It is predominantly office focused, comprising 47% of the combined portfolio rents, followed by high street retail at 23%, shopping centers at 20% and logistics at 7%.

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info@merlinprop.com

Press release

28 February 2017

Intense year in asset rotation

The Company has exceeded its goals for 2016 in asset rotation. Following Metrovacesa integration, the Company achieved the deconsolidation of the rented residential portfolio. MERLIN owns a 16.1% stake in Testa Residencial, the leading company in this segment, after the completion by end of March of the capital increase on-going, which will raise the portfolio to over 8,000 units and a gross asset value of € 1,716 million.

Last December 30th, MERLIN did also complete the sale of its hotel portfolio to Foncière des Murs for € 535 million.

Total divestments in 2016 amount to € 761 million, representing a 7.1% premium over appraisals, and capital gains of €51 million.

Remarkable value created to shareholders

MERLIN Properties has finalized 2016 consolidated financial statements with gross rental income of € 351.0 million (+64% versus 2015), recurrent EBITDA of € 303.6 million (+63% versus 2015) and consolidated net profit of € 582.6 million in accordance with IFRS (+1,087% versus 2016). These results include the integration of Metrovacesa from September 15th to end of December. On a per share basis, the value created is significant, with FFO per share of 64 cents (versus 60 cents in 2015) and 1.59 euros EPS (versus 0.22 in 2015).

MERLIN Properties' capital structure has been further optimized. The Company has reduced its leverage ratio to 45.5% (versus 49.8% in 2015), extending the average maturity to 6.2 years (versus 3.8) and maintaining the average cost of debt at 2.3%

The value creation to shareholders amounts to € 522 million, through a combination of dividends in the calendar year (€ 101 million) and EPRA NAV growth (€ 421 million), representing an annual shareholders return rate of 17.2%. Since IPO, the company has created value to shareholders for an amount of € 1,110 million through dividends and NAV growth

Positive outlook for 2017

In a growing market environment, the objectives for 2017 are clearly identified. MERLIN is focused on extracting value from its asset base, hence the investment pace will be more muted. Three pillars are the drivers for growth: (i) an ambitious capex program for office and shopping centers, (ii) an increase in occupancy, mainly in the assets coming from Metrovacesa, and (iii) a logistics WIP program, which will add more than half a million square meters to its stock over the next 18 months.

MERLIN Properies SOCIMI, S.A
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info@merlinprop.com

Press release

28 February 2017

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 5,100 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

MERLIN PROPERTIES

FY 2016
RESULTS PRESENTATION

28 FEBRUARY 2017

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MERLIN PROPERTIES

ISMAEL CLEMENTE
CEO

MIGUEL OLLERO
CFO / COO

DAVID BRUSH
CIO

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IBEX 35 STOXX® Europe 600 Global property research Solutions for customized property indices EPRA NAREIT MSCI

INTRODUCTION

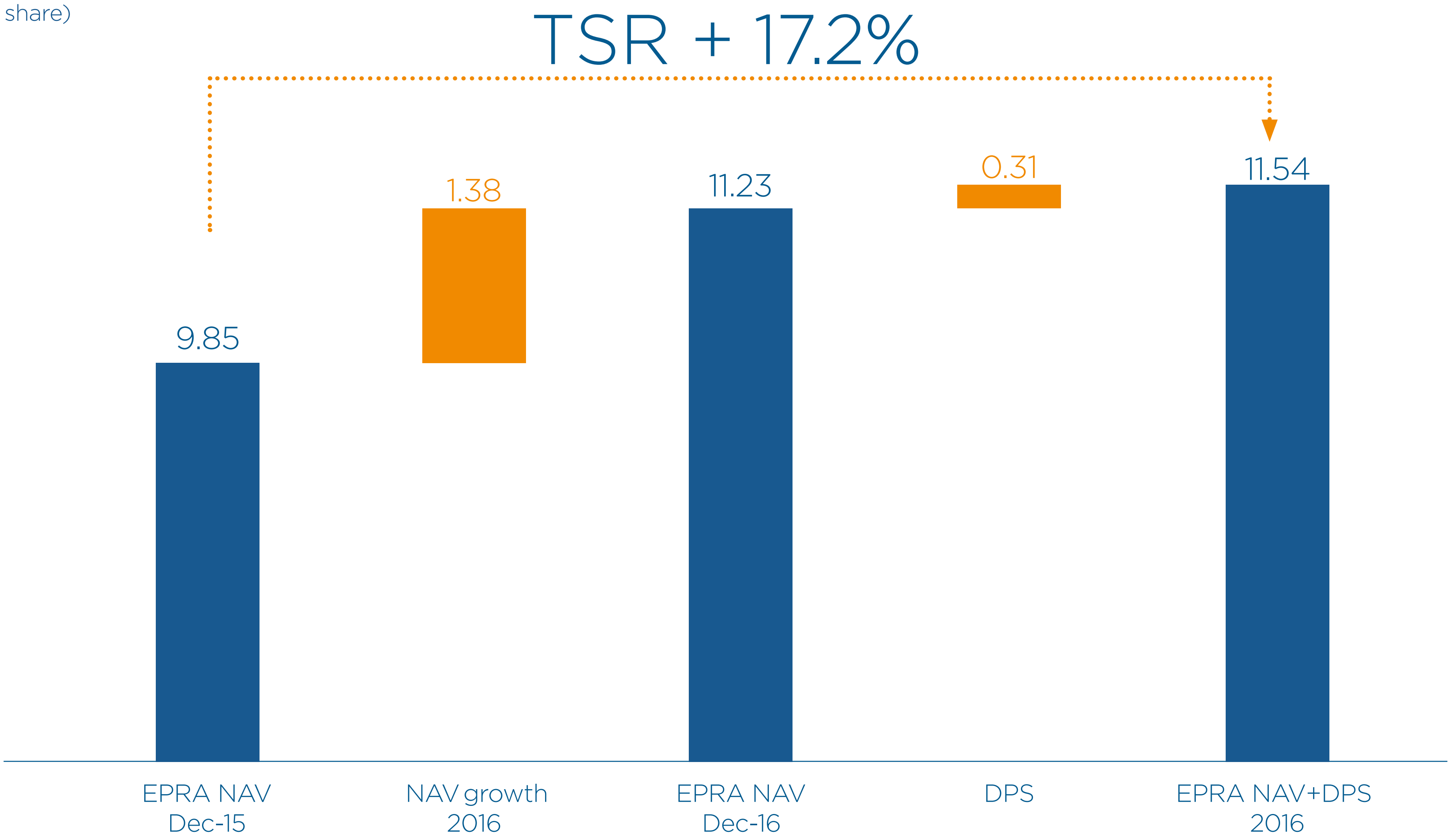
MERLIN IS THE LARGEST AND MOST DIVERSIFIED SPANISH REIT

GLA **3,038,341 sqm** IN STOCK	GLA **550,329 sqm** EXPANSION PROJECTS	GRI[1] **€ 451.3 m** ANNUALIZED	ATTRIBUTED GRI[2] **€ 478.1 m** ANNUALIZED
FY 16 **€ 351.0 m** GROSS RENTS	FY 16 **€ 303.6 m** REC. EBITDA[3]	FY 16 **€ 232.7 m** REC. FFO[3]	FY 16 **€ 179.6 m** EPRA EARNINGS
5.0% GROSS YIELD	EPRA **4.5%** NET YIELD	EPRA **€ 5,275 m** NAV	EPRA **11.23** NAV/SHARE
DEC 16 **€ 9,824 m** GAV[4]	DEC 16 **€ 4,471 m** NET DEBT	DEC 16 **45.5%** LTV	SPOT **2.3%** COST OF DEBT

Source: Company
(1) Annualized gross/net rents calculated as passing gross/net rent as of December 31, multiplied by 12. GRI and net rents include fully consolidated assets
(2) Minority stakes would proportionally add € 26.8 m of gross
(3) Excluding stock plan accrual of 25% (€15.6 m). Rec. FFO calculated as recurring EBITDA (€303.6 m) minus net financial expenses paid (€70.9 m)
(4) Includes December 2016 Savills/CBRE appraisals plus total cost of assets acquired through "forward purchase"

EXCELLENT RETURN TO SHAREHOLDERS IN 2016

(€ per share)



Source: Company

+€20 M FY 2016 DIVIDEND TO REACH €160 M, AHEAD OF GUIDANCE OF €140 M

MERLIN FY 16 DIVIDEND

€160 M

Source: Company
(1) Dividend holders were 323.0m shares. Following approval by AGM of 2016 accounts
(2) Dividend holders are 469.7m shares

FY 16 FINANCIAL RESULTS

+6.6% INCREASE IN FFO PER SHARE AND +9.6% IN EPRA EPS

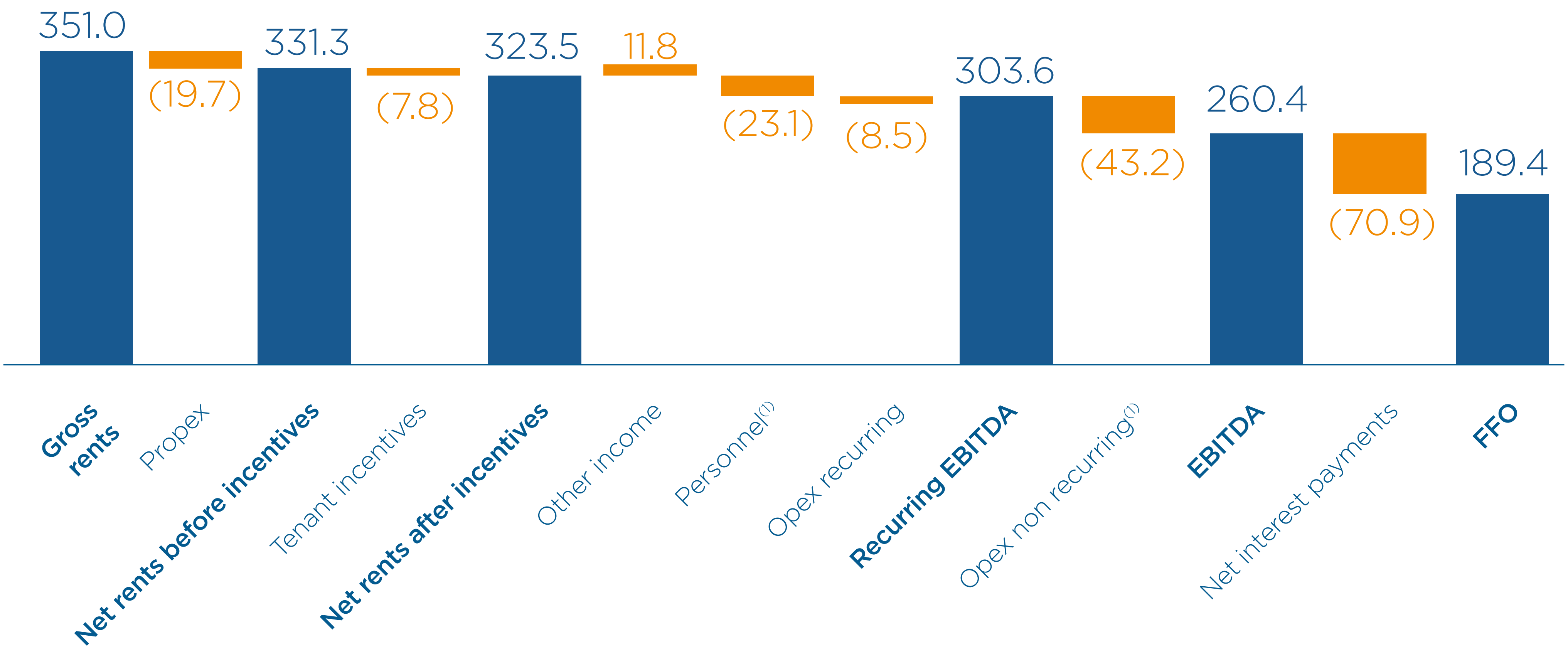
(€ million)	31/12/16	31/12/15	YoY
Gross rents	351.0	214.4	+63.7%
Net rents after incentives	323.5	201.5	+60.5%
EBITDA	260.3	161.2	+61.5%
Recurring FFO[(1)]	232.7	133.1	+74.8%
FFO[(2)]	189.5	107.6	+76.0%
EPRA earnings	179.6	99.3	+80.8%
IFRS net profit	582.6	49.1	+1,087.2%

(€)	Per share[(3)]	Per share[(3)]	YoY
Recurring FFO	0.64	0.60	+6.0%
FFO	0.52	0.49	+6.6%
EPRA earnings	0.49	0.45	+9.6%
IFRS EPS	1.59	0.22	+619.5%

Source: Company
(1) Recurring FFO equals FFO less non-recurrent one-off expenses
(2) FFO calculated as EBITDA (€260.4 m) less net financial expenses paid of €70.9 m
(3) Weighted number of outstanding shares in the period

HIGH OPERATING EFFICIENCY (92% GROSS-TO-NET & 86% RECURRING EBITDA MARGIN)

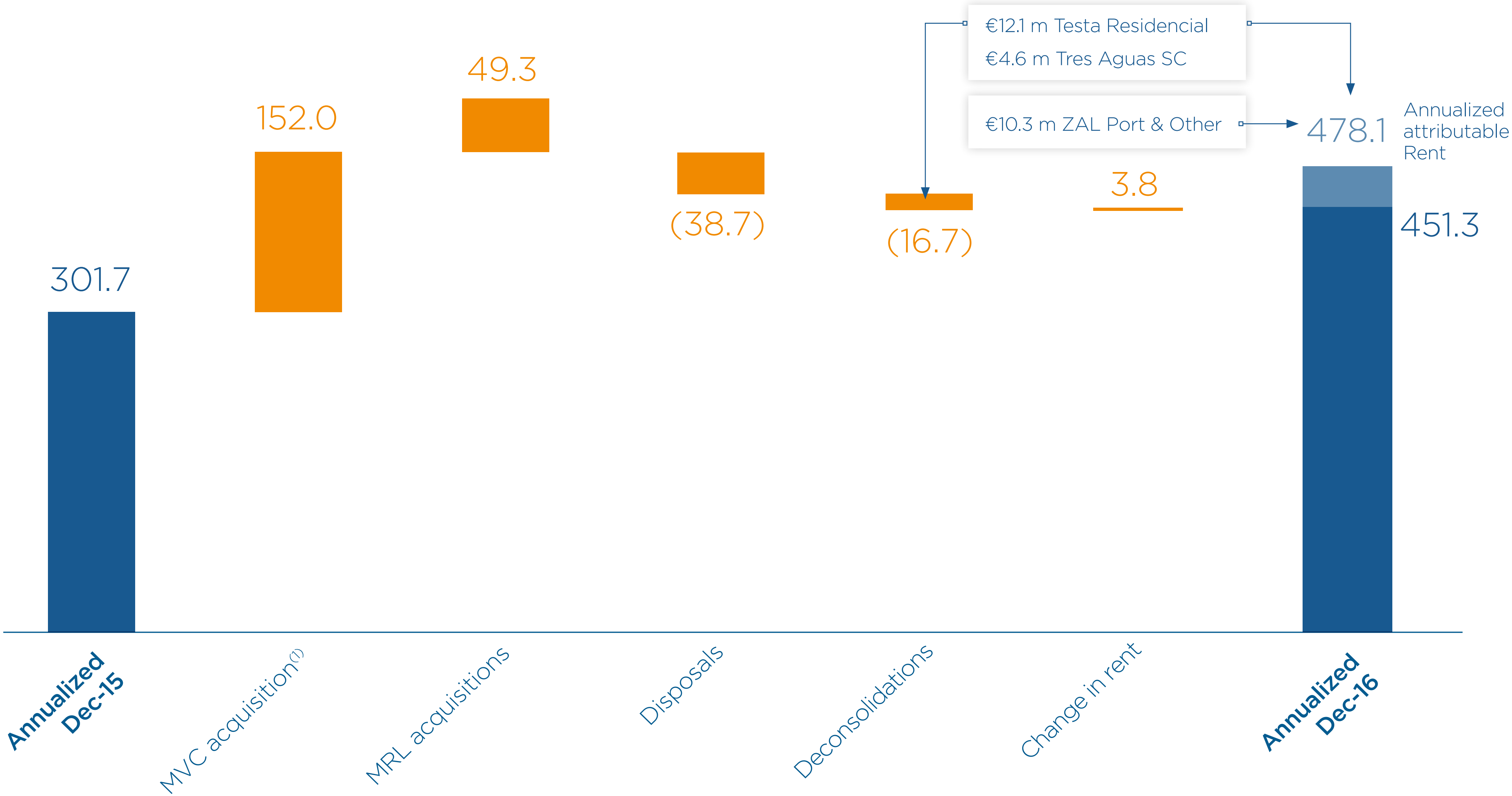
(€ million)



Source: Company
(1) 25% of yearly accrual of MSP included in non recurring

€ 451 MILLION OF ANNUALIZED GROSS RENTS

(€ million)



EPRA NAV PER SHARE GROWS € 1.38 IN THE YEAR TO REACH € 11.23 (+14.0%)

	31/12/16		31/12/15		YoY	
	€ m	Per share	€ m	Per share	€ m	Per share
EPRA earnings	179.6	€ 0.49	99.3	€ 0.45	80.8%	+9.6%
EPRA NAV	5,274.7	€ 11.23	3.181.2	€ 9.85	65.8%	+14.0%
EPRA NNNAV	4.819.5	€ 10.26	2,926.4	€ 9.06	64.7%	+13.2%
EPRA "topped-up" NIY[1]	4.6%		5.0%			
EPRA net initial yield[2]	4.5%		5.0%			
EPRA vacancy	9.8%		5.4%			
Recurring EPRA costs	16.9%		14.3%			

Includes

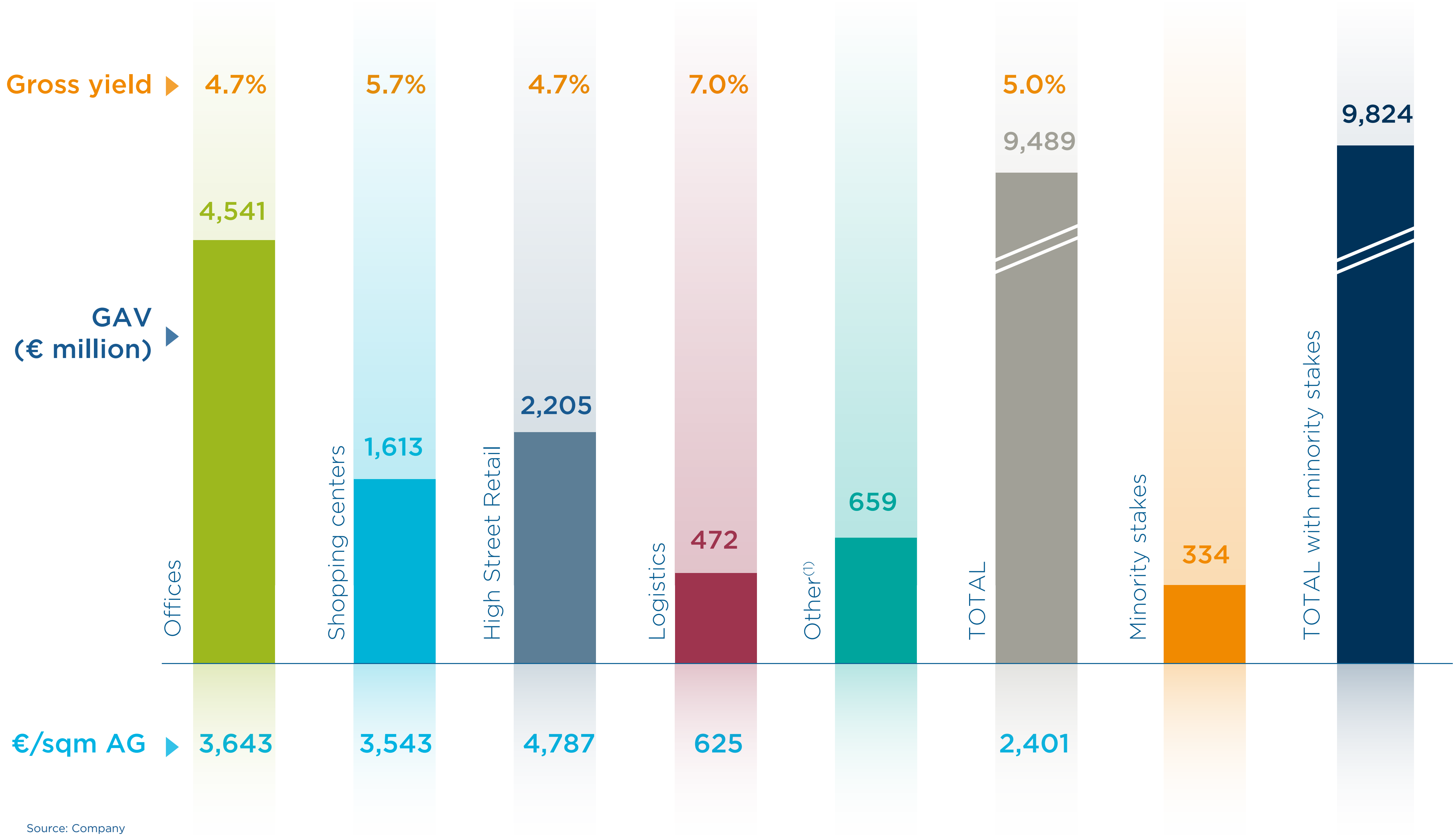
Propex	5.6%
Tenant incentives	2.2%
Personnel[3]	6.6%
Opex recurring	2.4%

Source: Company

[1] Adjustment to the EPRA Net Initial Yield in respect of the expiration of rent-free periods (or other unexpired lease incentives such as discounted rent periods and step rents).

[2] Calculated as annualized net rents after incentives and collection loss (passing net rents as of December 31, multiplied by 12), divided by commercial portfolio GAV.

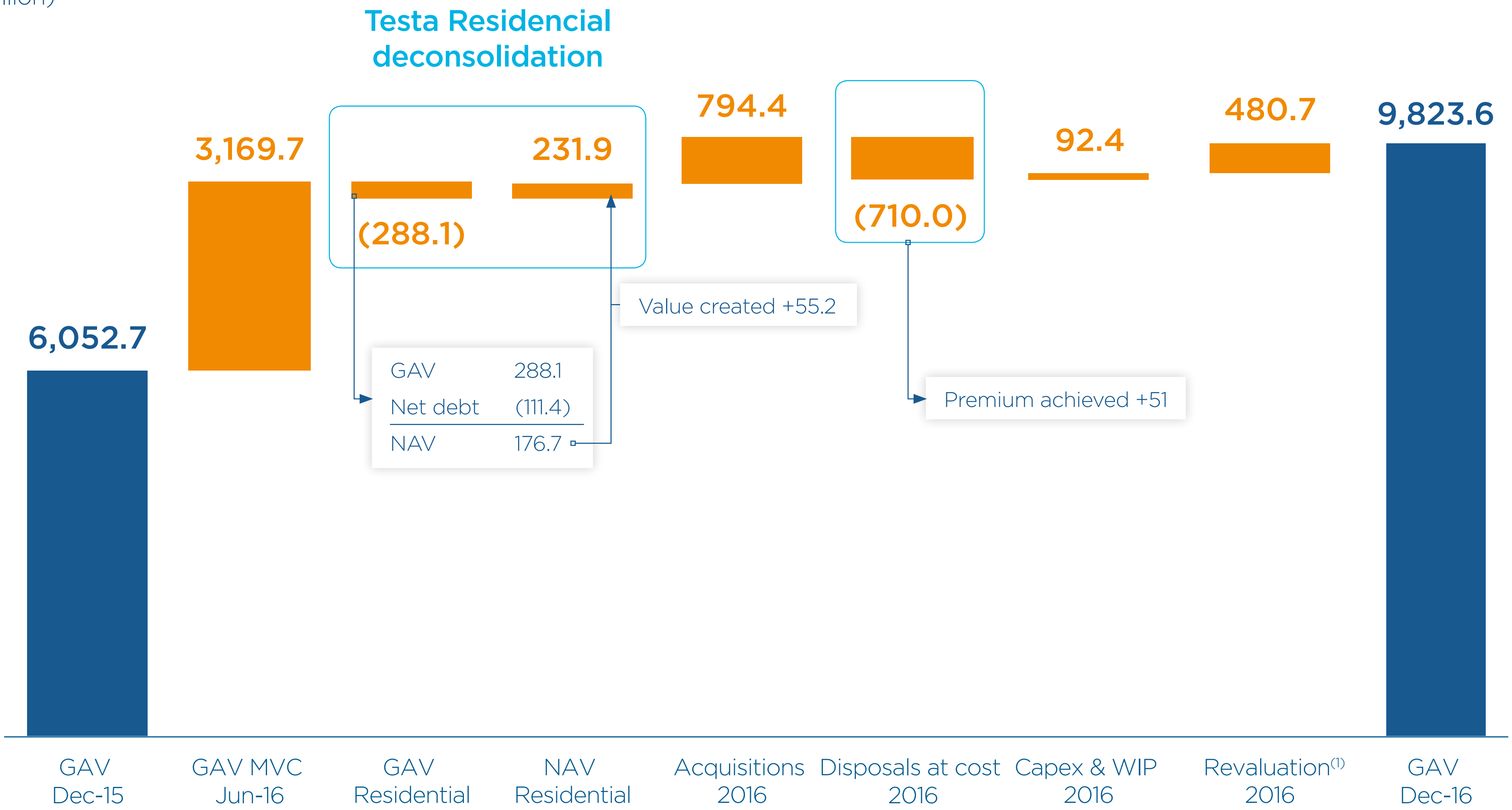
[3] Vested component of MSP considered as non-recurring Opex



Source: Company
(1) Other includes logistics WIP, hotels, land for development, non-core land and miscellaneous

METROVACESA DRIVES GAV GROWTH IN THE YEAR

(€ million)

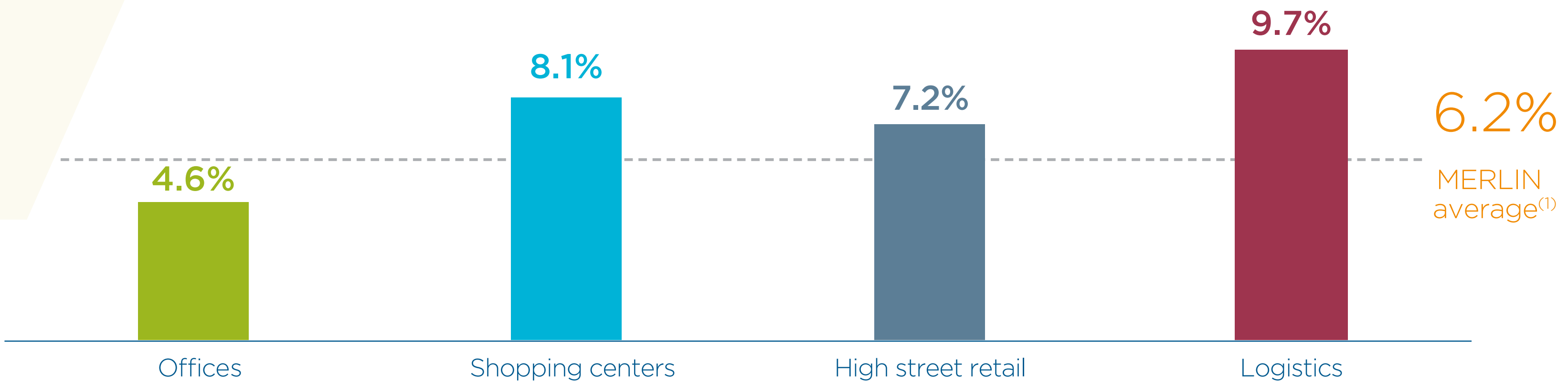


Source: Company

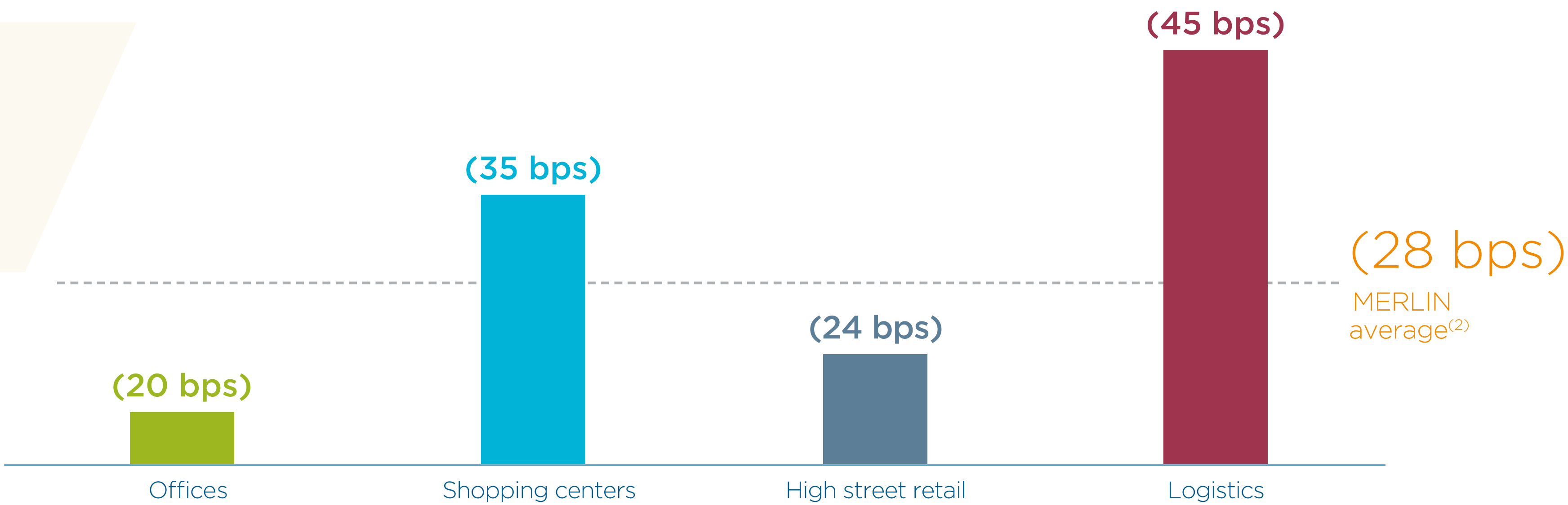
(1) Revaluation includes €465.6 m of valuation uplift in Balance Sheet + €15.1 m of valuation uplift of Balance Sheet (related to concesions and equity method)

ROBUST GROWTH IN LFL GAV (+6.2%)

GAV like-for-like evolution



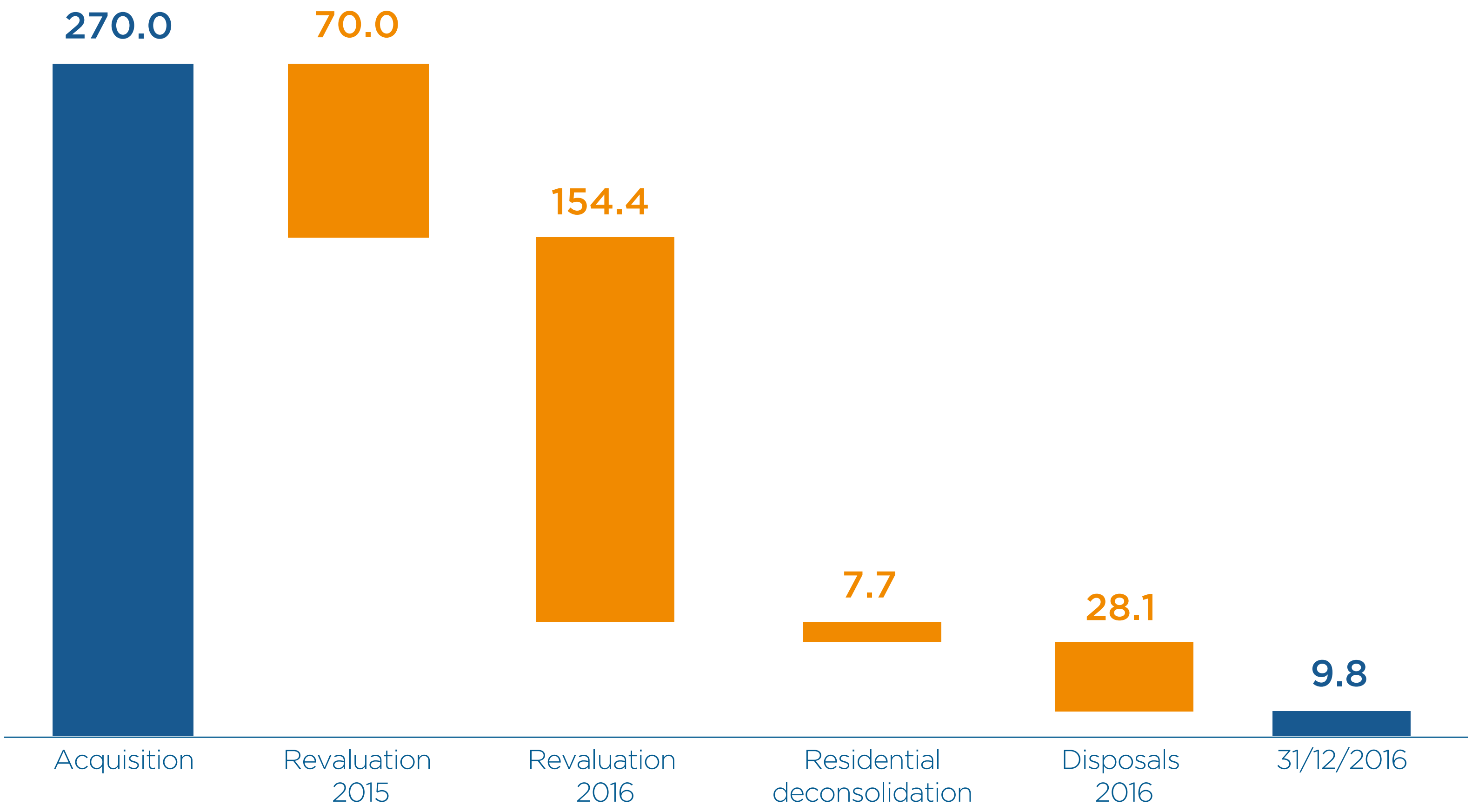
Yield compression



Source: Company
[1] Includes minority stakes and other asets
[2] MERLIN average yield compression in 'Other' stakes

TESTA GOODWILL NOW VIRTUALLY OFFSET

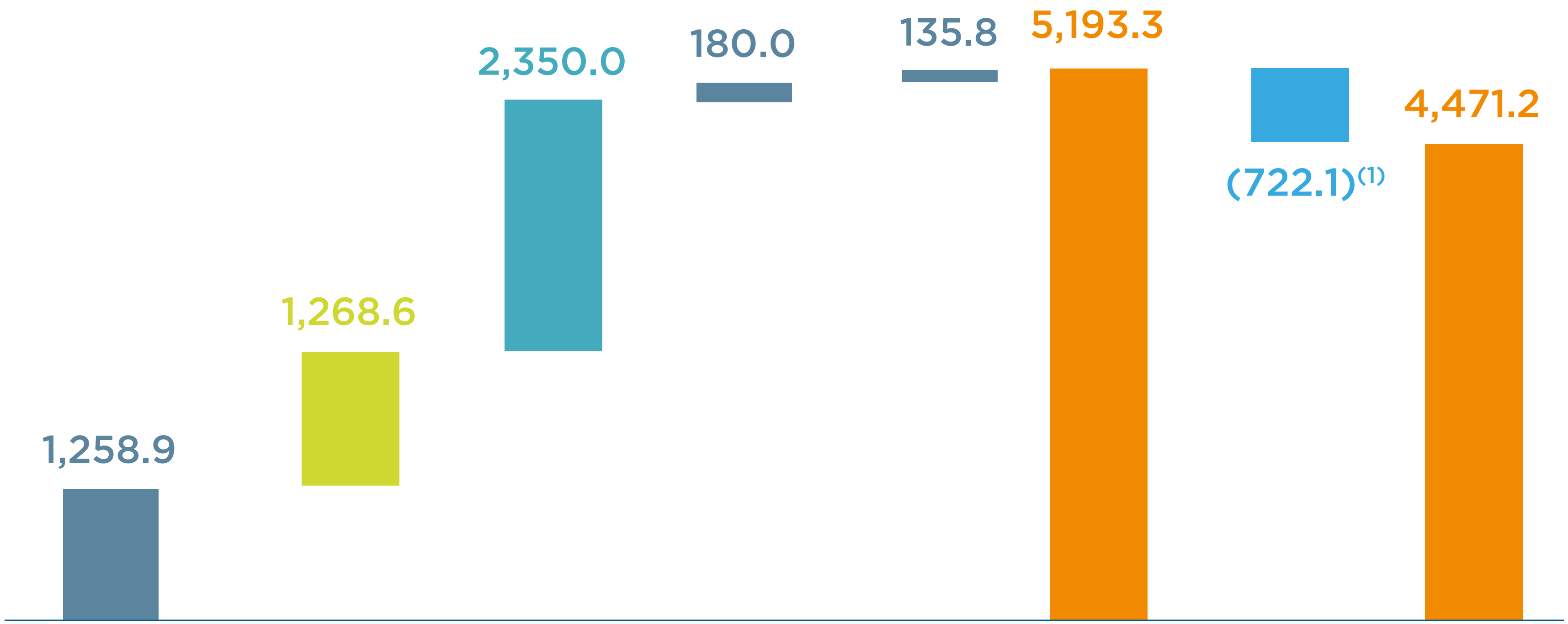
(€ million)



Source: Company

STRONGER CREDIT PROFILE AND GOOD DIVERSIFICATION OF FINANCIAL SOURCES

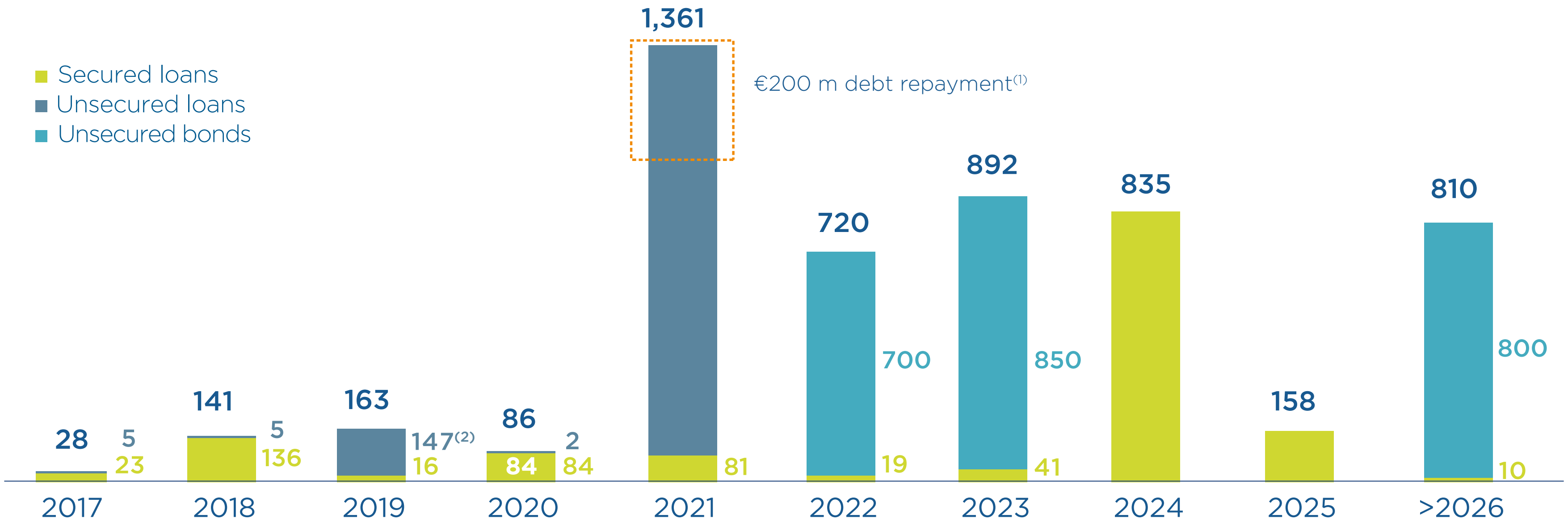
(€ million)



	Unsecured bank loans	Secured loans	Unsecured bonds	Revolving facilities	Leasings	Total gross debt	Cash	Total net debt
% Over Gross Debt	24.2%	24.4%	45.3%	3.5%	2.6%	**100.0%**		
Average Cost (%)	1.9%	2.8%	2.2%	1.9%	3.2%	**2.26%**		
% Hedged	72.5%	98.8%	100.0%	0.0%	68.4%	**88.7%**		

Source: Company
(1) Cash balance includes cash available at 31/12/2016 (€250.9m) and net receivables from the sale of hotels (€471.2m).

LTV REDUCED TO 45.5%
PLANNED EARLY REPAYMENT OF €200 M



	Policy	31/12/16	31/12/15
Net debt		€4,471.1 m	€3,013.4 m
LTV	<50%	45.5%	49.8%
Average interest rate (spot)		2.26%	2.22%
Average maturity		6.2 years	3.8 years
Unsecured debt/Total debt	>50%	75.6%	16.1%
Fixed rate debt	>60%	89.3%	43.3%

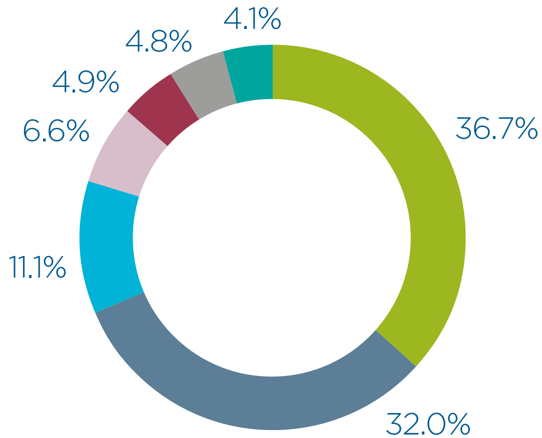
Source: Company
[1] €200 m early repayment of the term loan expiring in 2021
[2] €120 m corresponds to the RCF repayment of the drawdown amount as of December 16. RCF agreement allows the extension of the maturity until 2021

PORTFOLIO PERFORMANCE

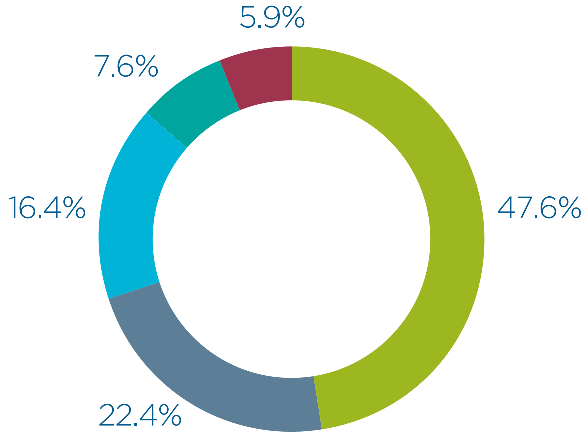
BALANCED PORTFOLIO IN LINE WITH COMPANY'S TARGET

GAV breakdown per asset type

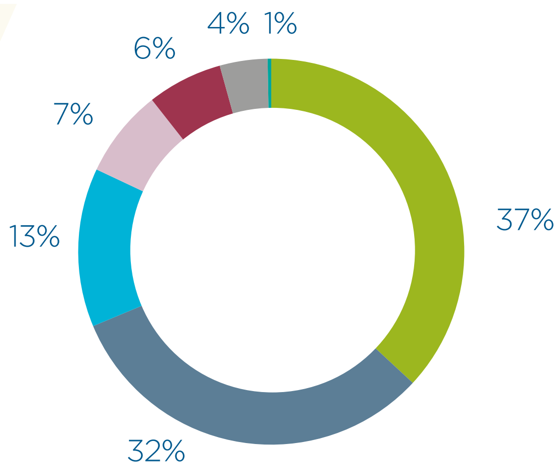
31/12/2015

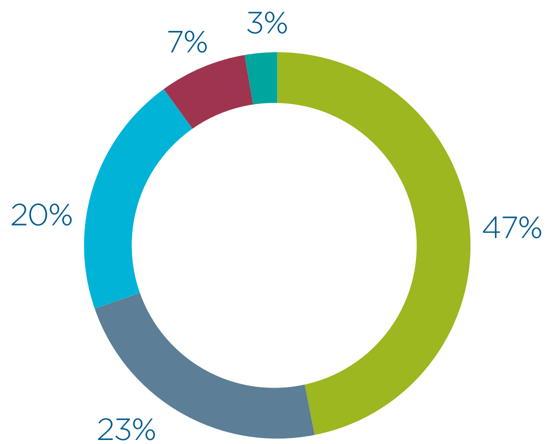


31/12/2016



GRI breakdown per asset type



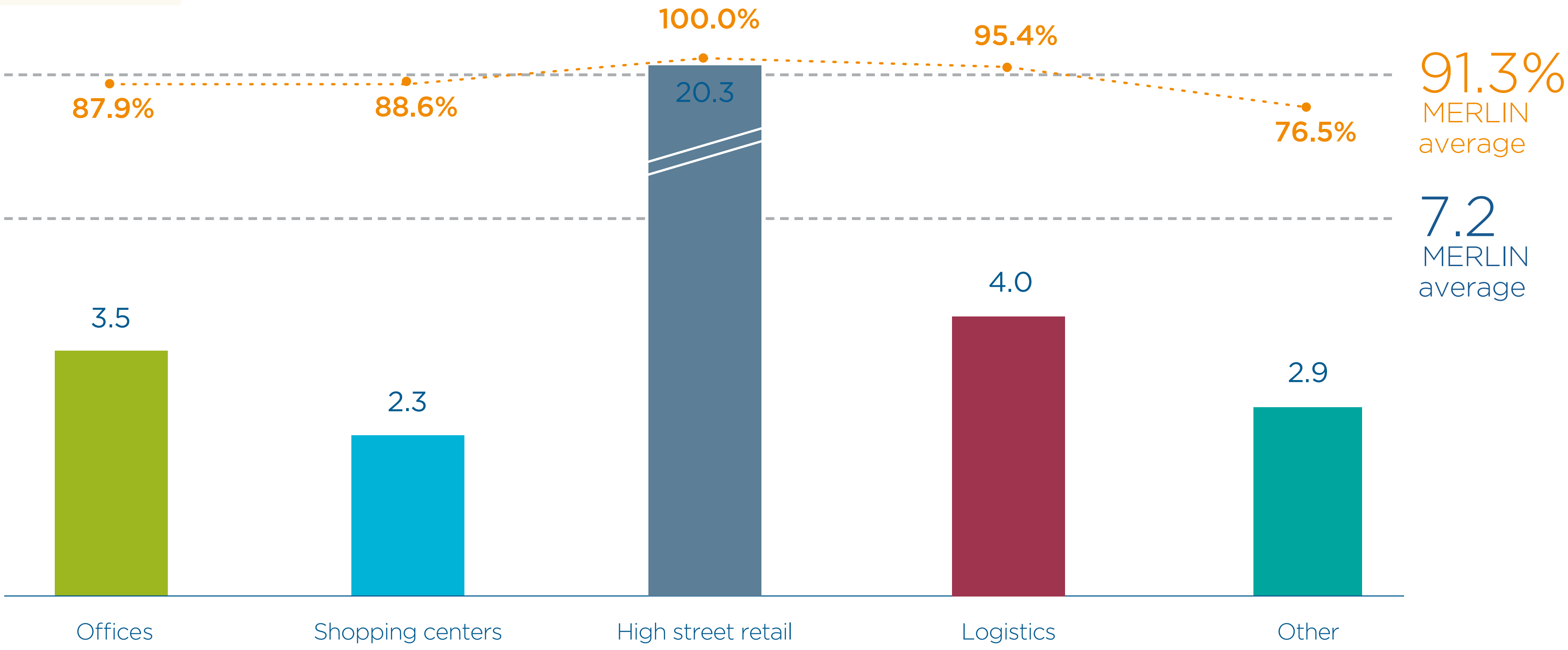


■ Offices ■ High Street retail ■ Shopping centers ■ Logistics ■ Other ■ Rented residential ■ Hotels

Source: Company

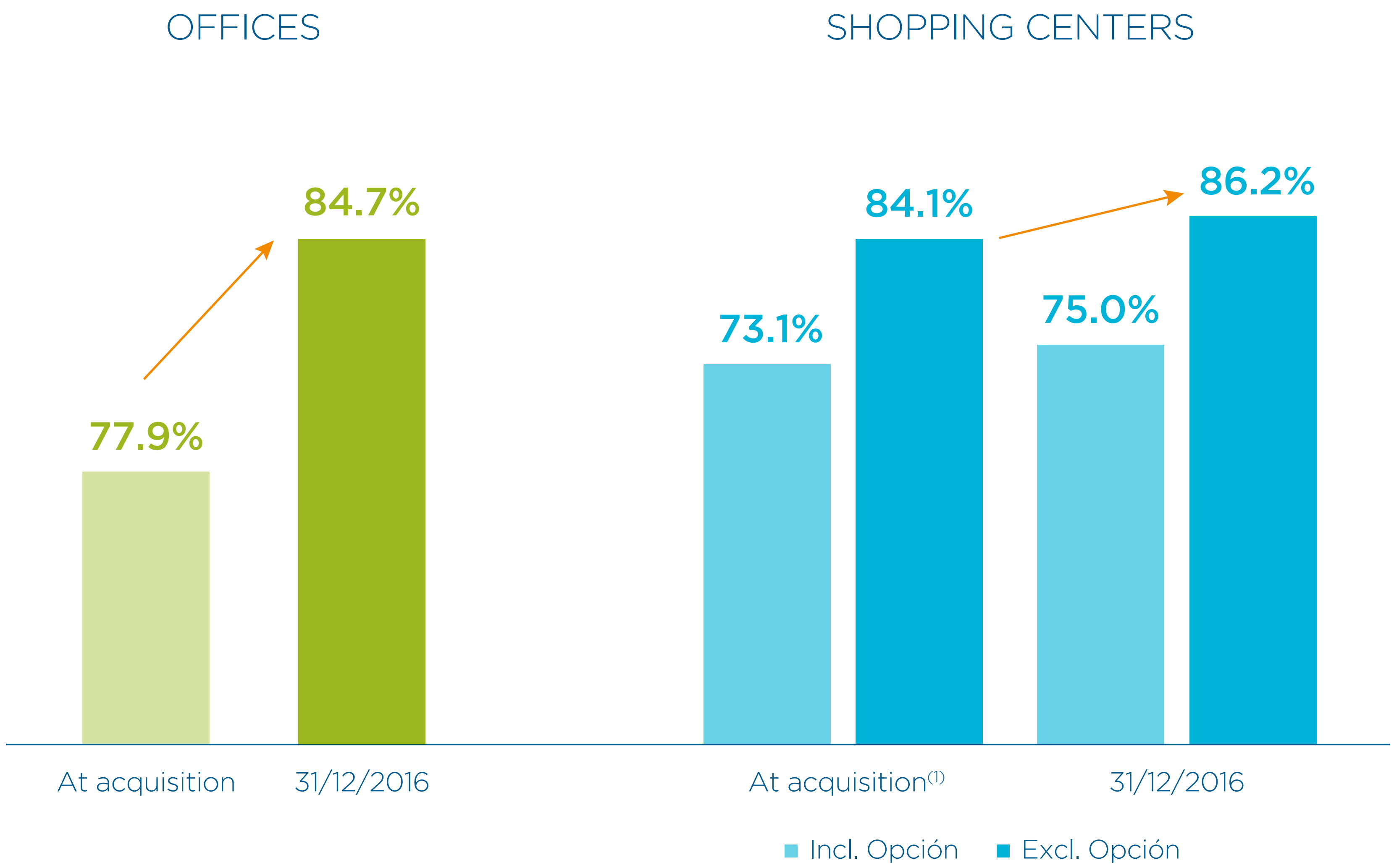
OCCUPANCY IMPROVEMENT POTENTIAL AFTER MVC

Occupancy and WAULT per asset type[(1)]



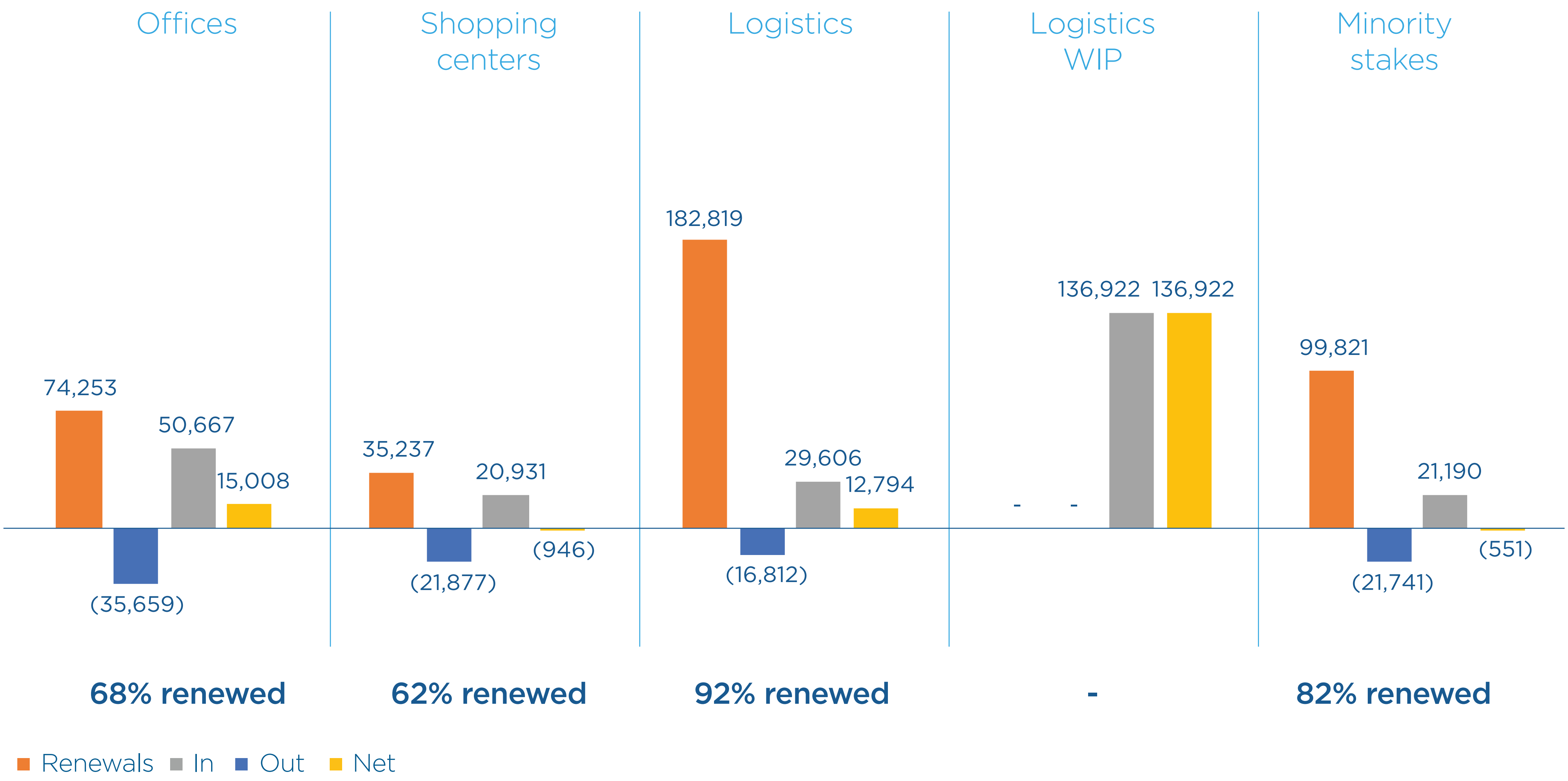
Source: Company

(1) WAULT by rents means the weighted average unexpired lease term, calculated as of 31 December 2016



Source: Company
(1) Rebased to adjust for reallocated assets into different asset categories and disposals

+650K SQM CONTRACTED WITH EXCELLENT RETENTION RATE OF 80%



Note: Data provided includes FY figures for MERLIN and Q4 for Metrovacesa

ATTRACTING LEADING CLIENTS

Offices	P&G Renewal 7,267 sqm Avenida de Bruselas 24	ferrovial Renewal 10,619 sqm Puerta de las Naciones	URÍA MENÉNDEZ Renewal 10,732 sqm Príncipe Vergara 187	L'ORÉAL PARIS Renewal 7,168 sqm Josefa Valcarcel 48
Shopping centers	LEROY MERLIN In 11,984 sqm Marineda	ZARA Renewal 2,026 sqm Larios	PRIMARK Renewal 5,389 sqm Larios	Sprinter In 911 sqm Porto Pi
Logistics	Logiters Renewal 38,763 sqm Guadalajara - Alovera	DACHSER Intelligent Logistics Renewal 28,490 sqm Madrid - Coslada	Logista Renewal 70,134 sqm Cabanillas I	azkar DACHSER Group Renewal 35,285 sqm Meco II
Logistics WIP	Logista In - Prelet 38,054 sqm Cabanillas II (A)	Luis Simões In - Prelet 48,468 sqm Cabanillas II (C)	ID LOGISTICS In - Prelet 59,017 sqm Pinto I	XPO Logistics In - Prelet 47,891 sqm Cabanillas II (D)

POSITIVE LFL RENTAL GROWTH ACROSS THE BOARD (DATA FOR MERLIN ONLY)

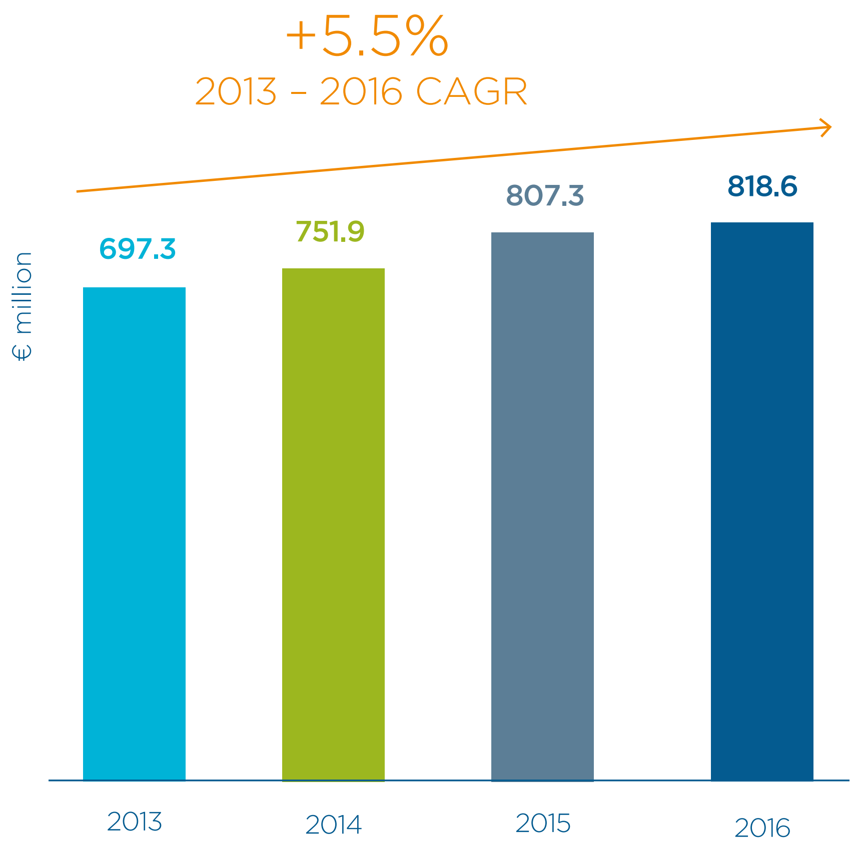
Commercial annualized LfL rent evolution (passing 31/12/16 vs. passing 31/12/15)

(€ thousand)	% Renewed	# leases	Absolute Rent Change	Occupancy	CPI	Like for like "same space" Rent	Like for like "same space" %
Offices	18%	65	(2,498)	(2,432)	(211)	145	0.6%
Excl. expiry of 2 old leases	**15%**	**63**	**764**	**(141)**	**(211)**	**1,115**	**5.4%**
Shopping Centres	**21%**	**105**	**(816)**	**(1,404)**	**(58)**	**646**	**6.7%**
Logistics	42%	6	(256)	308	(27)	(536)	(6.6%)
Excl. expiry of 2 old lease	**29%**	**4**	**240**	**41**	**(19)**	**218**	**5.4%**
TOTAL	22%	176	(3,569)[1]	(3,529)	(296)	255	0.6%
Excl. expiry of old leases	**18%**	**172**	**188**	**(1,504)**	**(287)**	**1,979**	**6.0%**

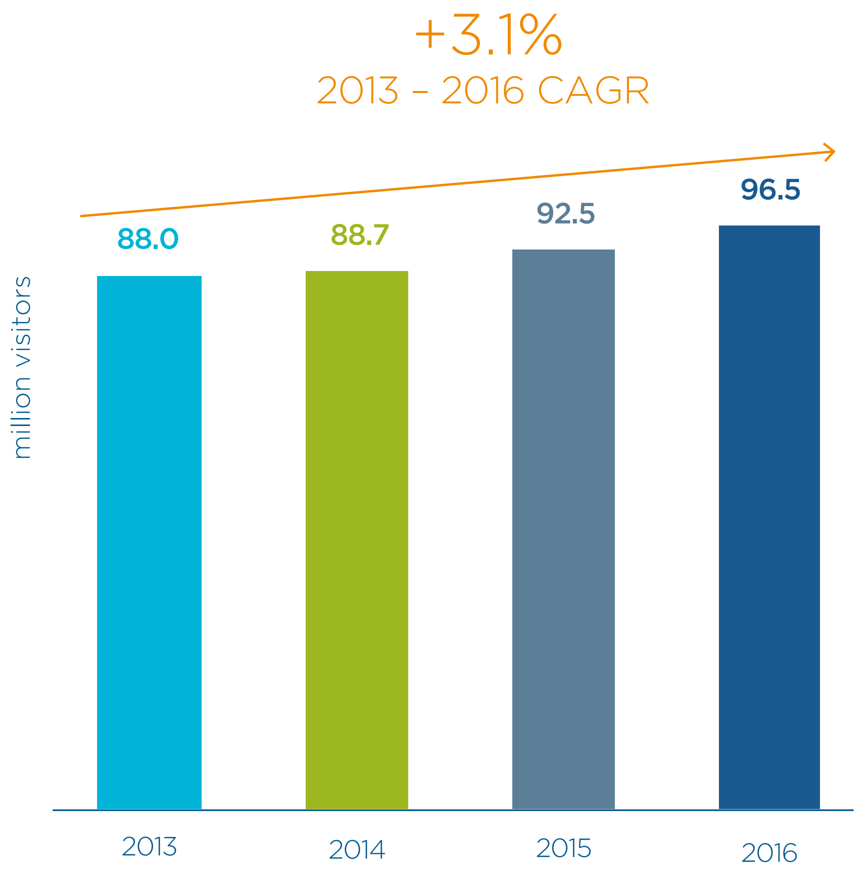
[1] Excludes hotels and other. If included, rent change would be (€ 2,671) thousand and € 1,086 thousand if old leases are excluded

RETAIL METRICS SHOW SUSTAINED STRONG PERFORMANCE

Sales evolution



Footfall evolution



DELIVERED

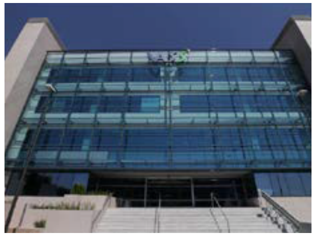
Ulises 16-18

Scope:
Full refurb
Capex (€ 000):
6,950
Status:
100% let

Juan Esplandiu

Scope:
Partial refurb
Capex (€ 000):
2,302
Status:
87% let

Avda Europa I



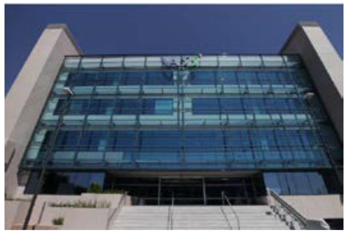
Scope:
Full refurb
Capex (€ 000):
9,040
Status:
100% let

Partenon 12-14

Scope:
Full refurb
Capex (€ 000):
9,950
Status:
23% Pre-let

ON-GOING

Avda Europa II



Scope:
Full refurb
Capex (€ 000):
6,600
Status:
100% let

Marineda

Scope:
Sports area creation
Capex (€ 000):
1,600
Status:
56% Pre-let

Eucalipto 33

Scope:
Lobby and common areas
Capex (€ 000):
3,450
Status:
Initial phase

El Saler

Scope:
Extension (+3,100 sqm), façade and accesses
Capex (€ 000):
13,100
Status:
Initial phase

Puerta de las Naciones #3

Scope:
Full refurb
Capex (€ 000):
5,173
Status:
100% let

Thader

Scope:
Nickelodeon park and common areas
Capex (€ 000):
8,900
Status:
100% let

Arturo Soria

Scope:
Façade, common areas, foodcourt
Capex (€ 000):
2,800
Status:
Initial phase

Tower Chamartín

Scope:
Development
Capex (€ 000):
38,000
Status:
Speculative development

INVESTMENT & DIVESTMENT ACTIVITY

Description

- Torre Glòries is one of the most **iconic buildings in Barcelona,** located in the prime area of Avenida Diagonal junction with Plaza de Les Glòries, in the heart of the **Barcelona tech-oriented business district** known as 22@.
- The building was originally designed by prestigious arquitects Jean Nouvel and Fermín Vázquez and opened in 2005. It comprises a **gross area of 37,614 sqm,** in ground level plus 34 above ground floors, plus an auditorium with over 350 pax seating capacity. It also benefits from 300 parking spaces located in four below ground levels. The total constructed area amounts to **51,485 sqm.**

Value drivers

- Capex of approximately € 15 million for **multi-tenancy** reconversion works to own one of the most attractive office buildings in Barcelona
- **22@ is one of the most compelling markets in Barcelona** with major transformation in the medium term (Plaza refurb and La Sagrera train station)
- Increased exposure to **Barcelona prime+CBD areas**

Key Metrics

100%
Ownership

Freehold
Title

€10.3 m
Annual ERV

37,614 sqm
GLA

€142.0 m
Acq. price

€15.0 m
Capex

6.5%
ERV Yield

EXCELLENT ACHIEVEMENTS IN 2016

			PRICE (€M)
	**Hotel Portfolio** Dec-2016	• Urban hotels mainly located in Madrid and Barcelona • Buyer: **Foncière des Murs**	535.0
	**Alcalá 45** Dec-2016	• Madrid CBD building located close to Gran Vía. Overrented lease expiring in 2019 • Buyer: **Madrid Town Hall**	104.0
	**Grande Armée** Nov-2016	• Conforama flagship store located in Grande Armée, Paris • Buyer: **Deka**	58.5
	**BBVA branches** 2016	• 17 bank branches let to BBVA • Buyer: **Private individuals**	19.1
	**Other** 2016	• Several non-core assets, including 2 senior living facilities, 1 parking facility and 3 residential units from Metrovacesa • Buyer: **Private corporates and individuals**	44.1
TOTAL		**+7.1% PREMIUM**	**760.7**

Quick delivery of strategic objectives

Focused strategy

Premia achieved prove hidden value within the company portfolio

Proof of assets liquidity

OUTLOOK 2017

Our market

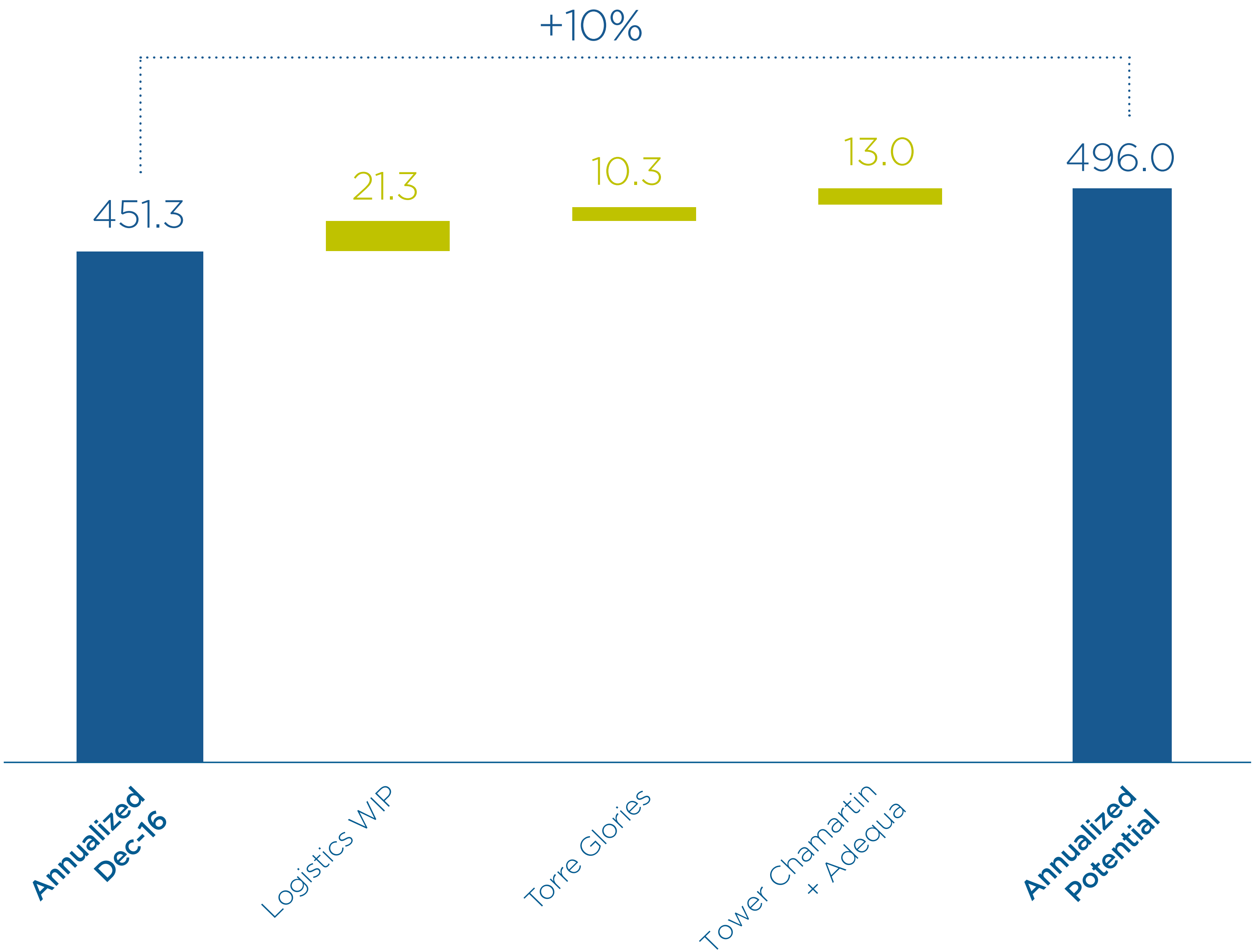
- **Positive** trend in **rents**
- Further **yield compression** mainly in **logistics**
- **Rapid growth of logistics**
- **No major change in supply but incipient refurbishment activity**

MERLIN

- **Acquisition activity more muted**
- **Ambitious Capex program** in office and shopping centers
- **Scale-up in logistics** as WIP program stock completes
- **Asset management opportunities** aimed at increasing Metrovacesa occupancy
- **Development:** logistics + AAA office
- **Debt reduction** €200 m early repayment

+10% GROWTH POTENTIAL IN ANNUALIZED RENTS

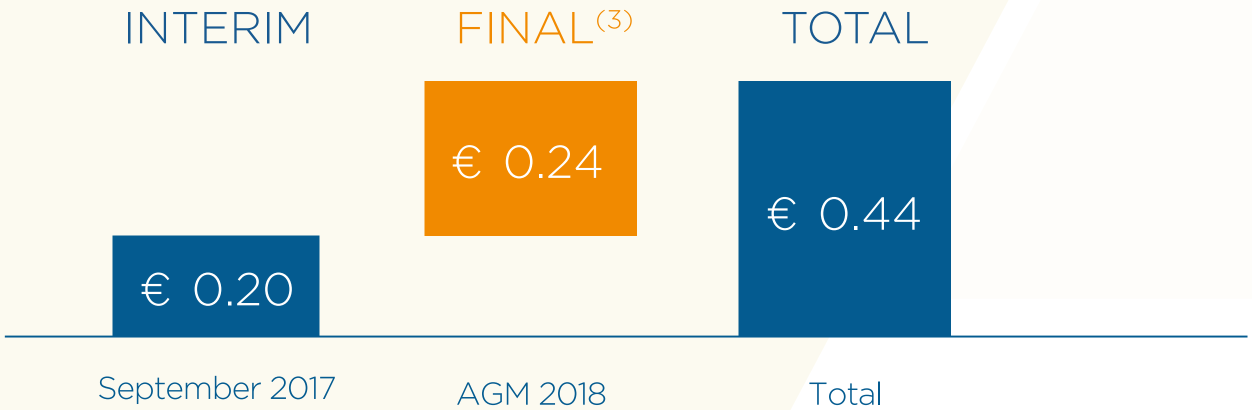
(€ million)



MERLIN DIVIDEND GUIDANCE
CALCULATED
ON THE BASIS OF
80% OF FFO 1[1]
ADJUSTED BY SALE
OF HOTELS[2]

MANAGEMENT GUIDANCE
FOR DISTRIBUTION **FY 2017:**
MINIMUM OF € 207 M
(€ 0.44 + PER SHARE)

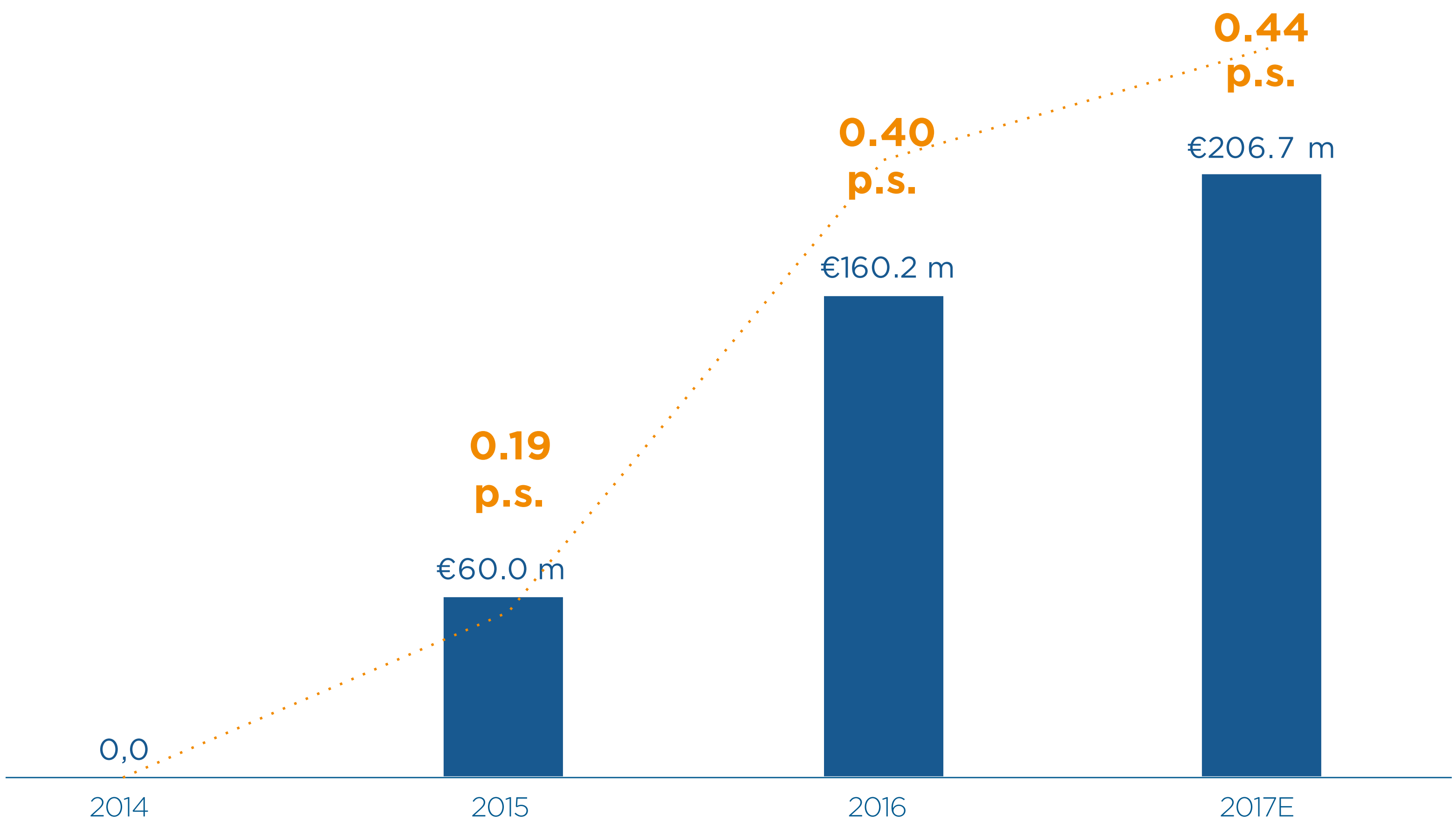
- Payment in two instalments:
- All cash
- Minimum guidance



Source: Company
[1] FFO1 refers to FFO minus maintenance capex and substracts 3 cents to an equivalent calculation based on FFO
[2] The sale of the hotel portfolio deducts 7 cents from the company cash flow that results in a lower dividend capacity until fully reinvested
[3] Following approval by AGM of 2017 accounts

DPS GUIDANCE REPRESENTS +10% GROWTH YOY 2017 VS 2016

(€ per share)



Source: Company

(1) MERLIN average includes yield compression in 'Other' assets.

CLOSING REMARKS

Value creation to shareholders	• **+6.6%** FFO per share • **+14.0%** EPRA NAV per share • TSR of **17.2%** • Credit profile **improved** in all metrics
Performance	• **Strong letting activity** with high tenant retention rate • Positive like-for-like rental growth: **+6.0%** • Significant **hike** in **Metrovacesa occupancy**
Investment & divestment activity	• Outstanding capital recycling: **€761 m** disposals at a **7.1%** premium • Torre Glòries increases **exposure to Barcelona prime+CBD** • **Logistics WIP program progressing according to plan**
Outlook	• **Positive market** environment • **Ambitious capex** program • DPS guidance 2017 **(€ 0.44 per share),** +10% above 2016

MERLIN

PROPERTIES

Paseo de la castellana, 42
28046 MADRID
+34 91 787 55 30
info@merlinprop.com
www.merlinproperties.com