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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

Further to the Significant Event published on 7 May 2015 with register number 222,649, it is hereby informed that the public deed relating to the share capital increase of the Company for a nominal amount of 64,605,999 by means of the issuance and flotation of 64,605,999 new ordinary shares of the Company, of one (1) euro face value each, and of the same class and series as the existing shares currently in circulation, has been duly registered with the Commercial Registry of Madrid (the **Share Capital Increase**).

Consequently, the share capital of the Company has been set at 193,818,000 euros, divided into 193,818,000 shares of one (1) euro face value each, all of them belonging to a single class and series.

The Company will request the admission to listing of the new shares issued by virtue of the Share Capital Increase on the Stock Exchanges of Madrid, Barcelona, Bilbao and Valencia, and quoted on the Automated Quotation System (*Sistema de Interconexión Bursátil* or *Mercado Continuo*) where the current shares of the Company trade. It is expected that the New Shares are admitted to trading on the above-mentioned Stock Exchanges tomorrow 12 May 2015, with commencement of trading being on 13 May 2015. In case of a delay in this timeline, it will be immediately communicated to the market through the publication of the relevant Significant Event.

Madrid, 11 May 2015.

Merlin Properties SOCIMI, S.A.

Warning.

This document does not constitute an offer for the sale of securities, nor a request for offers to purchase or subscribe securities in the United States. The securities referred to herein have not been nor will be registered in accordance with the Securities Act of 1933 and may not be offered or sold in the United States unless they are registered under the legislation applicable or are exempt from registration. There is no intention to register a portion of the offer in the United States or to make a public offer of securities in the United States.

The issue, exercise or sale of securities of the offer is subject to restrictions established by laws or regulations in certain jurisdictions. The Company does not assume any responsibility if there is a violation of such restrictions by any person. The information contained herein does not constitute an offer for the sale of securities, nor a request for offers to purchase, nor will there be any sale of the securities referred to herein in any jurisdiction in which such offer, request or sale is unlawful. Investors must not accept any offer, nor acquire securities referred to herein, unless they do so on the basis of the information contained in the prospectus relating to the transaction which may be published for such purpose.

*The Company has not authorized a public offer of securities in any Member State of the European Union other than Spain. In relation to Member States of the European Union other than Spain that have implemented Directive 2003/71/EC (each referred to as a “**Relevant Member State**” and such Directive as the “**Prospectus Directive**”), no actions have been undertaken nor will be undertaken to make a public offer of securities which requires the publication of a prospectus in such States. As a result of the foregoing, the securities referred to herein may only be offered in the Relevant Member States (a) to legal persons that are qualified investors as defined in Article 2(1)(e) of the Prospectus Directive, or (b) under any other circumstance which does not require the publication by the Company of a prospectus in accordance with Article 3 of the Prospectus Directive in such States.*

*This notice is addressed only to (i) persons that are outside the United Kingdom or (ii) in the United Kingdom, to persons with professional experience in matters relating to investments included in Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 and the amendments thereto (the “**Order**”), or to entities with a high net value and other persons who may be lawfully contacted under Article 49(2) of the Order (all these persons will be jointly referred to as the “**Relevant Persons**”). Any investment or investment activity referred to in this notice shall only be available to and may be engaged in with Relevant Persons. Any entity which is not a Relevant Person must not act or rely on this document or on any of its contents.*