

TO THE SPANISH NATIONAL SECURITIES MARKET COMMISSION
(*COMISIÓN NACIONAL DEL MERCADO DE VALORES*)

Merlin Properties SOCIMI, S.A. (“MERLIN”), in compliance with the provisions of article 82 of the Spanish Act 24/1998, of 28 July, on the Securities Market, informs,

RELEVANT INFORMATION

On 31 July 2014, **MERLIN**, throughout its fully (100%) owned subsidiary “Court Inversiones 2014, S.L.U.”, has acquired the Marineda shopping centre located in A Coruña from Invest-Cos.

The acquisition has been executed for an amount of €260m. The purchase price has been fully disbursed with **MERLIN** equity.

A deal press release is attached.

Madrid, 31 July 2014.

Merlin Properties SOCIMI, S.A.

MERLIN Properties acquires the Marineda City shopping centre in A Coruña for 260 million euros

- The acquisition represents the largest single-asset investment in the shopping centre sector in Spain since 2008
- The shopping centre is the cornerstone of the *Marineda City* development, Spain's second-largest shopping and leisure complex boasting approximately 200,000 m² of GLA
- This is MERLIN's second acquisition following Tree Inversiones (880 bank branches and 5 buildings leased to BBVA) and demonstrates the company's commitment to investing in quality assets

Madrid, 31 July 2014.- MERLIN Properties Socimi S.A., ("MERLIN") (MC:MRL), one of the largest real estate companies listed on the Spanish Stock Exchange and specialised in the acquisition and management of commercial real estate in the Iberian region, has announced today the acquisition of the *Marineda City* shopping centre from Invest Cos, owner of the complex and an investee of Manuel Jove, Modesto Rodríguez, José Collazo and Jose Souto. The transaction price, fully financed through MERLIN's own equity, amounted to 260 million euros and includes the four-star Carrís Marineda hotel located within the complex.

The shopping centre and the hotel, together with IKEA, El Corte Inglés and the Business Centre, constitute the second largest shopping and leisure complex in Spain, in which invested 450 million euros, generating 4,500 direct jobs and 8,000 indirect jobs.

Opened in April 2011, the complex has a built area of more than 500,000 m², a gross leasable area (GLA) of approximately 200,000 m² and 6,500 parking spaces. *Marineda City* has consolidated its position as a benchmark shopping and leisure destination in the northwest of the Iberian Peninsula and has received more than 43 million visitors since opening, making it one of the drivers of the Galician economy in the retail, leisure and hospitality sectors. The popularity of the complex in terms of visitor numbers goes hand in hand with its commercial success in view of its current occupancy rate of almost 100%, with 98% of GLA let.

Due to its excellent connections both to the centre of A Coruña and the main roads to the rest of Galicia, the catchment area of *Marineda City* covers a population of almost 2.8 million people. The shopping centre has over 100,000 m² of GLA and an attractive and balanced retail mix which includes prestigious operators such as Inditex Group's brands, Primark, H&M, C&A, Decathlon, Bricor, MediaMarkt and Worten. El Corte Inglés and IKEA's company-owned stores also form part of the *Marineda City* shopping and leisure centre. The Carrís Marineda City hotel has a surface area of 6,000 m².

The acquisition price of the shopping centre and hotel reflects a gross yield of 7.1% and an initial net yield, according to EPRA recommendations, of 6.6% ("EPRA topped-up Net Initial Yield", net of rental discounts) and with potential for future yield growth

through improvements in the management of the asset. Following this acquisition, MERLIN's annual gross rental income amounts to approximately 107 million euros.

Ismael Clemente, Executive Chairman and CEO of MERLIN Properties stated: *“The Marineda City shopping centre is an example of an exceptional asset which is rarely found in the market. This asset strengthens MERLIN's bet on building a portfolio of high-quality assets. MERLIN's long-term focus and commitment will allow the company to harness the full potential of the property”.*

Garrigues, CBRE and Arcadis EC Harris advised MERLIN on this transaction.

About MERLIN Properties

MERLIN Properties Socimi, S.A. (MC:MRL) is a newly created Socimi (Spanish REIT), which made its Spanish stock market debut on 30 June 2014. The company, whose share capital amounts to 1,291 million euros, is one of the main real estate companies trading on the Spanish Stock Exchange and specialises in the acquisition and management of commercial property in the Iberian region. MERLIN Properties mainly invests in offices, shopping centres, industrial and logistics facilities and urban hotels, within the Core and Core Plus segments. MERLIN Properties is part of the benchmark FTSE EPRA/NAREIT Global Real Estate Index.

The Company boasts a team of professionals with extensive and proven experience who manage the company's portfolio of assets seeking the highest operating efficiency and returns on the assets. MERLIN Properties is led by Ismael Clemente, Executive Chairman and CEO; Miguel Ollero, CFO and COO; and David Brush, CIO.

Please visit www.merlin-socimi.com to learn more about the company.

EXTERIOR VIEWS



INTERIOR VIEWS



For further information on Merlin Properties please contact
José M. García Villardefrancos, jgarcia@grupoalbion.net, +34 687 992 789
Esther Rovira, erovira@grupoalbion.net, +34 91 531 23 88

For further information on Invest Cos please contact
Belén Rey Asensio, brey@inveravante.com, +34 628 128 258