

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

In relation to the Significant Event published on 15 April 2015 under registration number 221,406, MERLIN hereby informs that, upon the expiration of the Preemptive Subscription Period and Additional Shares Allocation Period provided for in the prospectus regarding the share capital increase of MERLIN, registered with the Official Registries of the Spanish National Securities Market Commission (*Comisión Nacional del Mercado de Valores*) on 16 April 2015 under registration number 10,521 (the "**Prospectus**"), 64,605,999 shares have been subscribed for, amounting to gross proceeds of 613,756,990.50 euros, as detailed below:

- a) Preemptive Subscription Period: during the Preemptive Subscription Period, which ended on 2 May 2015, 64,481,098 shares of MERLIN, representing 99.807% of the shares offered in the share capital increase, have been subscribed for, leaving 124,901 shares available for allocation during the following periods.
- b) Additional Shares Allocation Period: 786,967,895 additional shares of MERLIN were requested. Given that the number of additional shares requested has exceeded the 124,901 shares available for allocation, the Agent Bank of the share capital increase has determined the allotment of such shares as provided for in the Prospectus.
- c) The total number of shares subscribed during the Preemptive Subscription Period plus the additional shares requested represent a demand of 13.2 times the shares offered in the share capital increase.

Consequently, given that all of the shares under the share capital increase have been fully subscribed for, there has been no Discretionary Shares Allocation Period.



In addition, it is reported that MERLIN will grant the public deed of share capital increase and will process its registration with the Commercial Registry of Madrid, in accordance with the initial calendar.

Madrid, 7 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.*