

## **TO THE NATIONAL SECURITIES MARKET COMMISSION**

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

### **MATERIAL INFORMATION**

Today, with the unanimous agreement of its board of directors, MERLIN has acquired 3,300,000 own shares representing a 0.70% of its share capital, within the framework of the divestment process carried out by Banco Popular Español, SA in relation to its stake in the share capital of MERLIN.

The purchase of the shares was made at a price of EUR 10.725 per share, which represents a discount of 1.33% on the closing price of the day May 17, 2017.

This purchase will facilitate (without prejudice to the board of directors to analyse other potential destinations) to meet in a favourable manner the commitments with the management team, as a result of the long-term incentive plan settled in 2016, for two main reasons: (i) because it avoids the fluctuations that could have occurred in the listing price of the shares, if such shares for the plan were acquired out of an accelerated book building process; and (ii) because it involves acquiring the shares at an attractive price against their intrinsic value.

The total investment made by MERLIN amounts to 35,392,500 million euros.

Madrid, May 17, 2017.

**Merlin Properties SOCIMI, S.A.**