

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

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) Today MERLIN has published its results for the first nine month period of 2015, which have caused the relevant fact number 230820.
- (ii) MERLIN will hold tomorrow, **Wednesday 11 November 2015, at 15:00 Madrid/CET**, an investor call with analyst and institutional investor 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=ea9487c9919545da16a22277c5d3f9615>

Voice

Passcode: 70658306

Dial-in numbers:

Spain +34 91 414 3675

France 0805101465

Germany 08007234756

UK +44 (0) 2071 928338

US 18778709135

- (iii) The presentation to be used for the purpose of the investor call **is attached to this relevant fact** and will be also made available through the MERLIN corporate site (www.merlinproperties.com).

Madrid, 10 November 2015.

Merlin Properties SOCIMI, S.A.

3Q 2015 results presentation



MERLIN

PROPERTIES

Disclaimer



This presentation has been prepared by MERLIN Properties SOCIMI, S.A. (the "Company") for informational use only.

The information contained in this presentation does not purport to be comprehensive or to contain all the information that a prospective purchaser of securities of the Company may desire or require in deciding whether or not to purchase such securities. The information contained in this document is subject to change, verification and completion without notice. Neither the Company nor any of affiliates, advisors or agents makes any representation or warranty, express or implied, as to the accuracy or completeness of any information contained or referred to in this document. Each of the Company and its affiliates, advisors or agents expressly disclaims any and all liabilities which may be based on this document, the information contained or referred to therein, any errors therein or omissions therefrom. Neither the Company, nor any of its affiliates, advisors or agents undertakes any obligation to provide the recipients with access to additional information or to update this document or to correct any inaccuracies in the information contained or referred to therein.

Certain statements in this document regarding the market and competitive position data may be based on the internal analyses of the Company, which involve certain assumptions and estimates. These internal analyses may have not been verified

by any independent sources and there can be no assurance that the assumptions or estimates are accurate. Accordingly, undue reliance should not be placed on any of the industry, market or competitive position data contained in this presentation. Additionally, certain information contained herein may be based on management accounts and estimates of the Company and may have not been audited or reviewed by the Company's auditors. Recipients should not place undue reliance on this information. The financial information included herein may have not been reviewed for accuracy or completeness and, as such, should not be relied upon.

This information is provided to the recipients for informational purposes only and recipients must undertake their own investigation of the Company. The information providing herein is not to be relied upon in substitution for the recipient's own exercise of independent judgment with regard to the operations, financial condition and prospects of the Company.

Neither this presentation nor any copy of it may be taken, transmitted into, disclosed or distributed in the United States, Canada, Australia or Japan. The distribution of this presentation in other jurisdictions may also be restricted by law and persons into whose possession this presentation comes should inform themselves about and observe any such restrictions. The securities of the Company have not been and, should there be an offering, will not be registered under

the U.S. Securities Act of 1933, as amended (the "Securities Act"), or the U.S. Investment Company Act of 1940, as amended (the "Investment Company Act"). Such securities may not be offered or sold in the United States except on a limited basis, if at all, to Qualified Institutional Buyers (as defined in Rule 144A under the Securities Act) in reliance on Rule 144A or another exemption from, or transaction not subject to, the registration requirements of the Securities Act. The securities of the Company have not been and, should there be an offering, will not be registered under the applicable securities laws of any state or jurisdiction of Canada or Japan and, subject to certain exceptions, may not be offered or sold within Canada or Japan or to or for the benefit of any national, resident or citizen of Canada or Japan.

THIS PRESENTATION DOES NOT CONSTITUTE OR FORM PART OF ANY OFFER FOR SALE OR SOLICITATION OF ANY OFFER TO BUY ANY SECURITIES NOR SHALL IT OR ANY PART OF IT FORM THE BASIS OF OR BE RELIED ON IN CONNECTION WITH ANY CONTRACT OR COMMITMENT TO PURCHASE SHARES. ANY DECISION TO PURCHASE SHARES IN ANY OFFERING SHOULD BE MADE SOLELY ON THE BASIS OF PUBLICLY AVAILABLE INFORMATION ON THE COMPANY.

This presentation may include forward-looking statements. All statements other than statements of historical facts

included in this presentation, including, without limitation, those regarding the financial position, business strategy, management plans and objectives for future operations of the Company are forward-looking statements. These forward-looking statements involve known and unknown risks, uncertainties and other factors, which may cause such actual results, performance or achievements, or industry results, to be materially different from those expressed or implied by these forward-looking statements. These forward-looking statements are based on numerous assumptions regarding the present and future business strategies of the Company and the environment in which they expect to operate in the future.

Forward-looking statements speak only as of the date of this presentation and the Company expressly disclaims any obligation or undertaking to release any update of, or revisions to, any forward-looking statements in this presentation, any change in their expectations or any change in events, conditions or circumstances on which these forward-looking statements are based.

In reviewing this presentation, the recipient is agreeing to, and accepting, the foregoing restrictions and limitations.

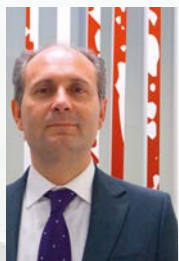
Presenting team



ISMAEL CLEMENTE
CEO



DAVID BRUSH
CIO



MIGUEL OLLERO
CFO / COO

INDEX

- 1. Financial highlights.**
A strong performance
- 2. The portfolio.**
High yielding and well diversified
- 3. Acquisitions.**
Accretive investments



3Q15 results include full consolidation of Testa balance sheet and June to September profit and loss statement

3Q 15
€139.4m
 Gross rents

3Q 15
€93.2m
 Recurring FFO

September 30
€2,939m
 Net debt

September 30
50.6%
 LTV

GRI
€303.4m
 Annualized

Net Rents
€283.3m
 Annualized

EPRA
5.58%
 Gross Yield

EPRA
5.21%
 Net Yield

Assets
1,020

GLA
1,880,998 sqm

GAV
€5,807m

EPRA
9.51
 NAV / share⁽¹⁾

Source: Company

¹ Shares outstanding as of 30 September 2015 amount to 323 million



Financial highlights



Outstanding gross-to-net ratio drives the strong cash flow generation in the period

Consolidated profit and loss

3Q 2015

Gross rents	€ 139.4 m
Offices	€ 36.0 m
High street retail	€ 67.1 m
Shopping centers	€ 19.6 m
Logistics	€ 7.9 m
Hotels	€ 5.7 m
Rented residential	€ 2.6 m
Other	€ 0.5 m
Net rents ¹	€ 131.0 m
Recurring EBITDA	€ 119.6 m
EBITDA	€ 99.8 m
Recurring FFO ³	€ 93.2 m
FFO ⁴	€ 71.4 m
EPRA net earnings	€ 85.3 m
IFRS net profit ⁶	(€ 130.3 m)

▶ Annualized GRI
€ 303.4² m

▶ Annualized NRI
€ 283.3² m

Per share⁵

Recurring
EBITDA
0.37

Recurring
FFO
0.29

EPRA
EPS
0.26

Source: Company

¹ Gross rents net of incentives straight lines, collection loss and non recoverable expenses.

² Annualized gross rents and net rents have been calculated as passing gross / net rent as of September 30st, multiplied by 12 for MERLIN and accumulated rents as of September for Testa divided by 9 and multiplied by 12.

³ Recurring funds from operations includes recurring rents less recurring expenses less recurring net financial expenses.

⁴ FFO equals recurring FFO less expenses associated with the acquisition of companies and one-off financing expenses.

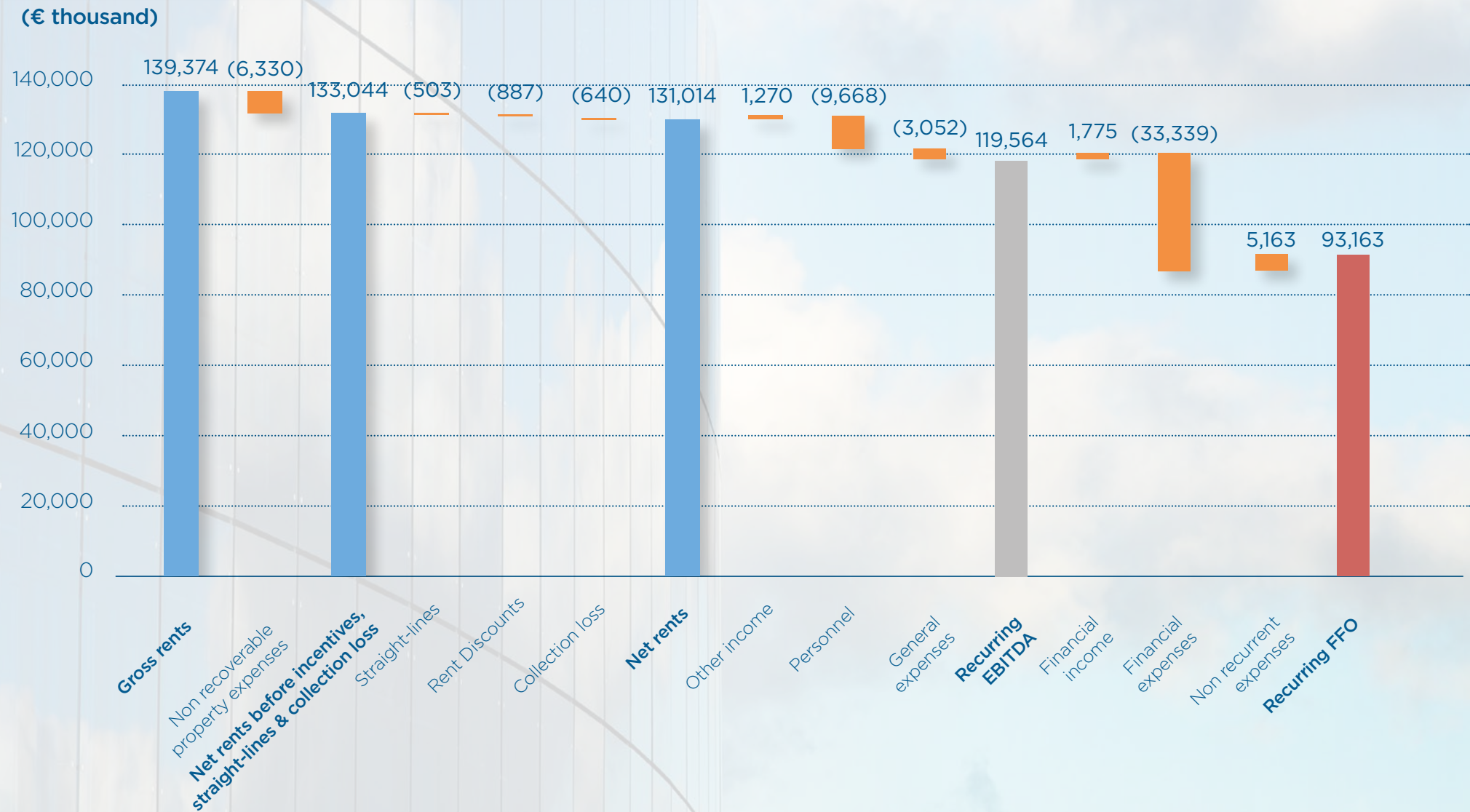
⁵ Shares outstanding as of 30 September 2015 amount to 323 million.

⁶ includes the impairment of contingent deferred tax liabilities as a result of Testa acquisition. see next page.

The CDTL corresponds to the latent capital gain tax, which would only be materialized if Testa assets were to be sold. Accounting rules dictate that the Group take the latent CDTL as a negative result

Testa
business
combination

	Thousand euros	Ref.
Purchase price	1,998,180	I
Shareholders' equity of Testa as of 30 June 2015	624,302	II
Increase in value of property assets based on appraisals as of 30 June	1,000,708	III
Increase in value of intangible assets	69,147	IV
Increase in value of investments in associates accounted for using the equity method based on appraisals as of 30 June	12,839	V
Increase in value of investments in concessional financial assets based on appraisals as of 30 June	2,151	VI
Deferred tax liabilities associated with the increase in value of assets (25%)	(271,211)	VII
TOTAL II, III, IV, V, VI, VII	1,437,936	VIII
Excess of purchase price	550,244	IX=(I-VIII)
Impairment of contingent deferred tax liability	(271,211)	X
Goodwill	279,032	XI=IX-X



Source: Company

Financial discipline and proactive management of the capital structure leads to healthy financial ratios. The Company is in the process of refinancing Testa's debt

Consolidated balance sheet

September 2015

Portfolio value	€5,807 m
Gross financial debt ⁽¹⁾	€3,501 m
Cash	€562 m
Net financial debt ⁽¹⁾	€2,939 m
Net LTV	50.6%

Cost of debt⁽²⁾
Average: **2.6%**

Av. maturity⁽²⁾
4.8 years

% Hedged⁽²⁾
40.8%

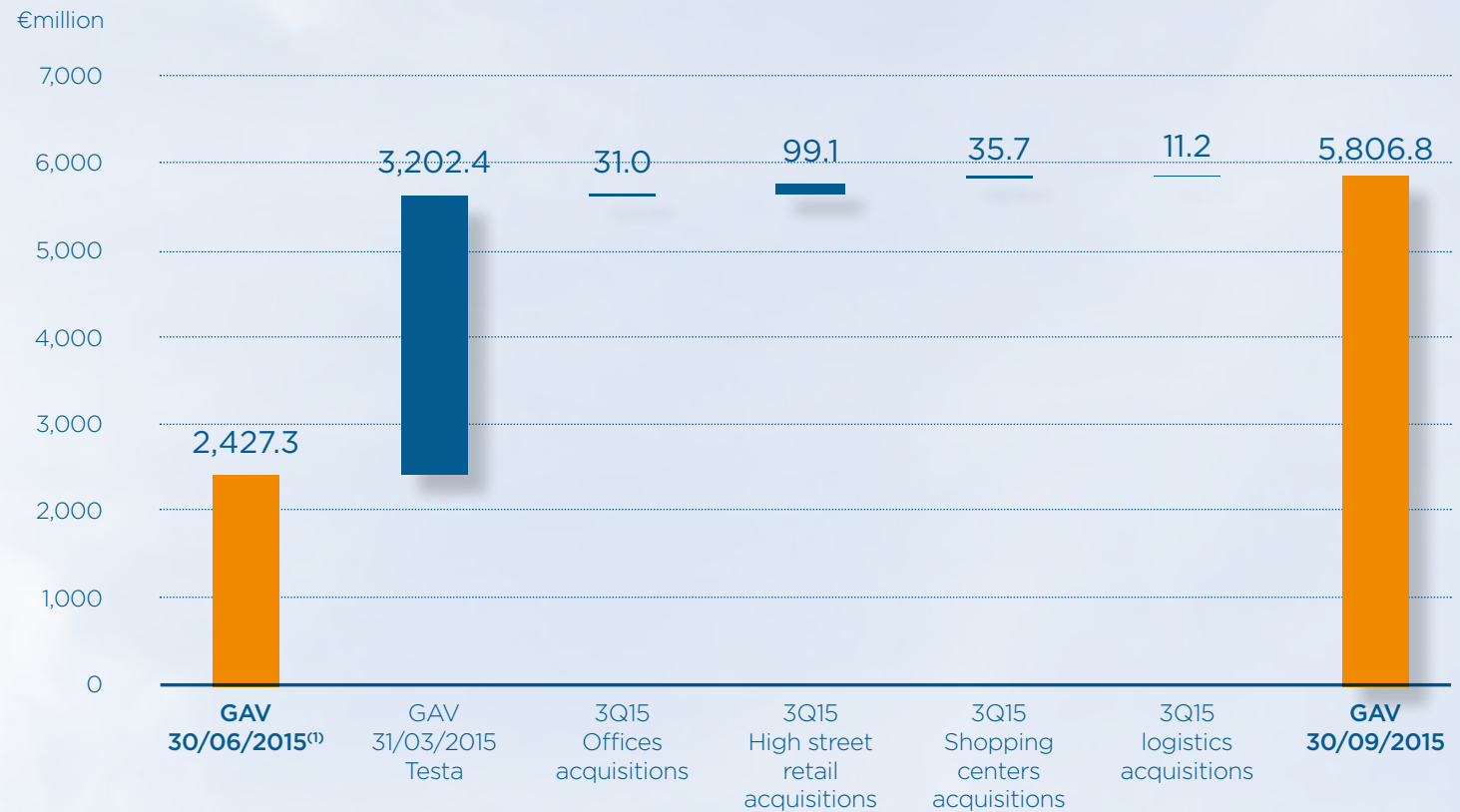
Source: Company

¹Includes payable to Sacyr of €317 m for the 26.6% of Testa.

²Excluding Testa, cost of debt would be 2.96%, 6.6 years of average maturity and 75.3% hedged.

The portfolio has not been revalued this quarter. GAV increase does only reflect the assets bought in 3Q at acquisition price

30/06/2015
GAV bridge
to 30/09/2015



Source: Company

¹Includes € 11.7m of advanced payments deposits paid for 2 turn-key projects

MERLIN commercial real estate portfolio is the highest yielding in the Spanish listed market

EPRA performance metrics

September 2015

	€ m	Per share ⁴
EPRA net earnings	85.3	€0.26
EPRA NAV	3,071.6	€9.51
Adjusted EPRA NAV ¹	2,794.0	€8.65
EPRA NNAV	2,740.5	€8.48
EPRA "topped-up" yield²	5.31%	
EPRA net yield³	5.21%	

Source: Company

¹Adjusted NAV deducting the premium paid for Testa

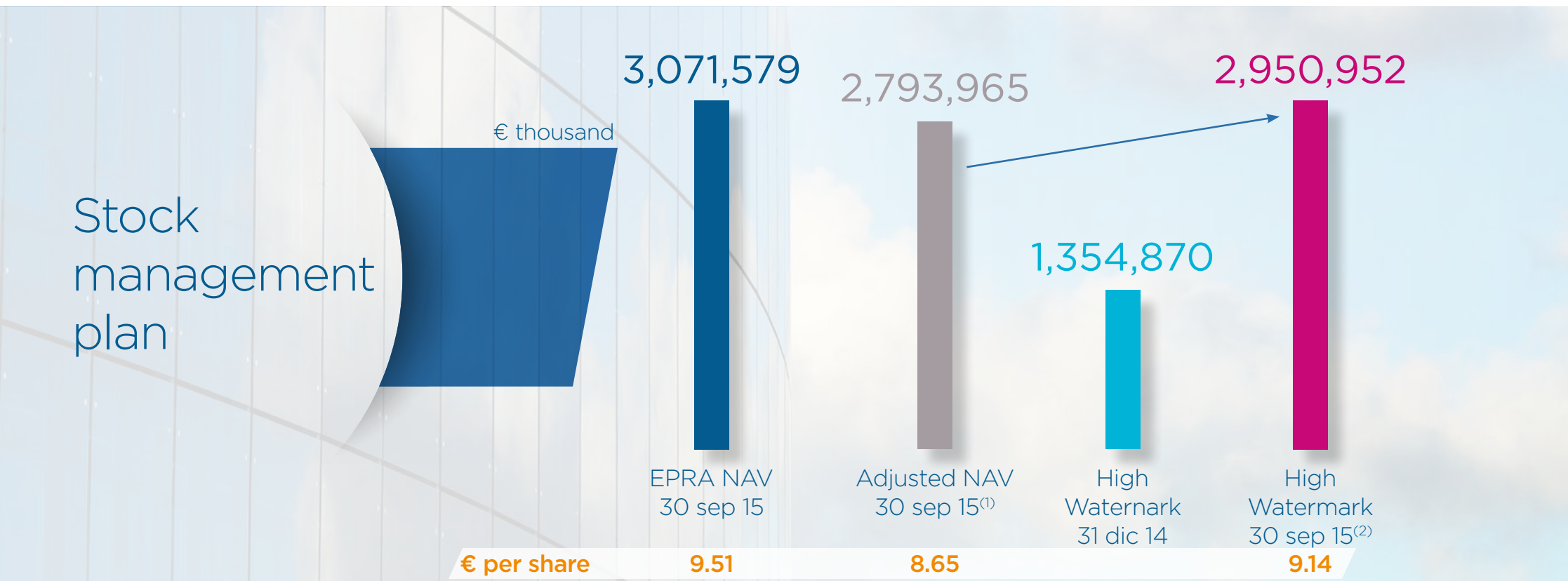
²Adjustment to the EPRA Net Initial Yield in respect of the expiration of rent-free periods (or other unexpired lease incentives such as discounted rent periods and step rents)

³Calculated as annualized net rents after incentives and collection loss (passing net rents as of June 30, multiplied by 12), divided by commercial portfolio GAV

⁴Outstanding shares as of September 2015 is 323 million

MERLIN's management at its own initiative has elected to calculate the stock plan based on the adjusted NAV, deducting attributable goodwill from EPRA NAV

Stock Plan states that EPRA NAV shall apply for the calculation of the year end shareholder return. However, at the initiative of the management the 2015 adjusted NAV will prevail instead. This means that the goodwill arising from Testa acquisition is deducted from EPRA NAV for stock plan calculation purposes



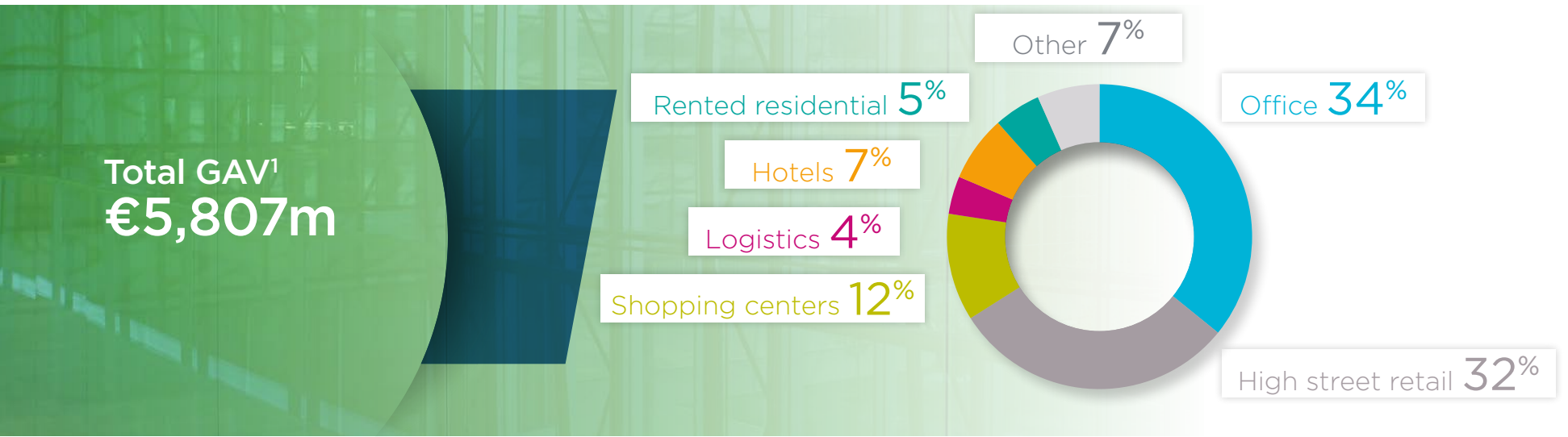
¹ Adjusted NAV is calculated as EPRA NAV less goodwill generated by Testa acquisition (€ 277,615 thousand).

² High watermark as of 30 Sep 15 has been calculated as high watermark as of 31 Dec 14 (€ 1,354,970 thousand) plus May capital increase net proceeds (€ 596,235 thousand), plus August capital increase net proceeds (€ 999,747 thousand).



The portfolio

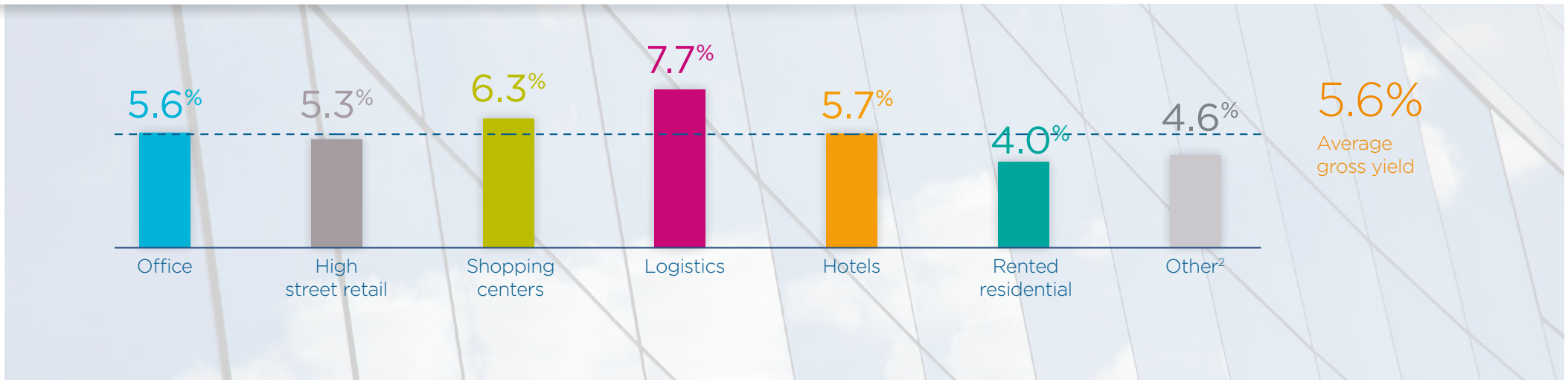




¹ Based on 100% consolidation of Testa. Includes € 2,416m of MERLIN GAV as of June 30th excluding Testa stake, plus € 3,202, of Testa GAV as of March 31st, plus € 177m of acquisitions in 3Q 2015, valued at acquisition cost, plus €11.7m of advanced payments deposits.

² Based on 100% consolidation of Testa. Annualized rents have been calculated as (i) MERLIN passing monthly gross / net rents as of June 30th, multiplied by 12, (ii) Testa passing gross / net rents for the first semester, multiplied by 2, and (iii) annual gross / net rents for rents for acquisitions executed post June 30th.

EPRA gross yields¹



Occupancy and WAULT¹



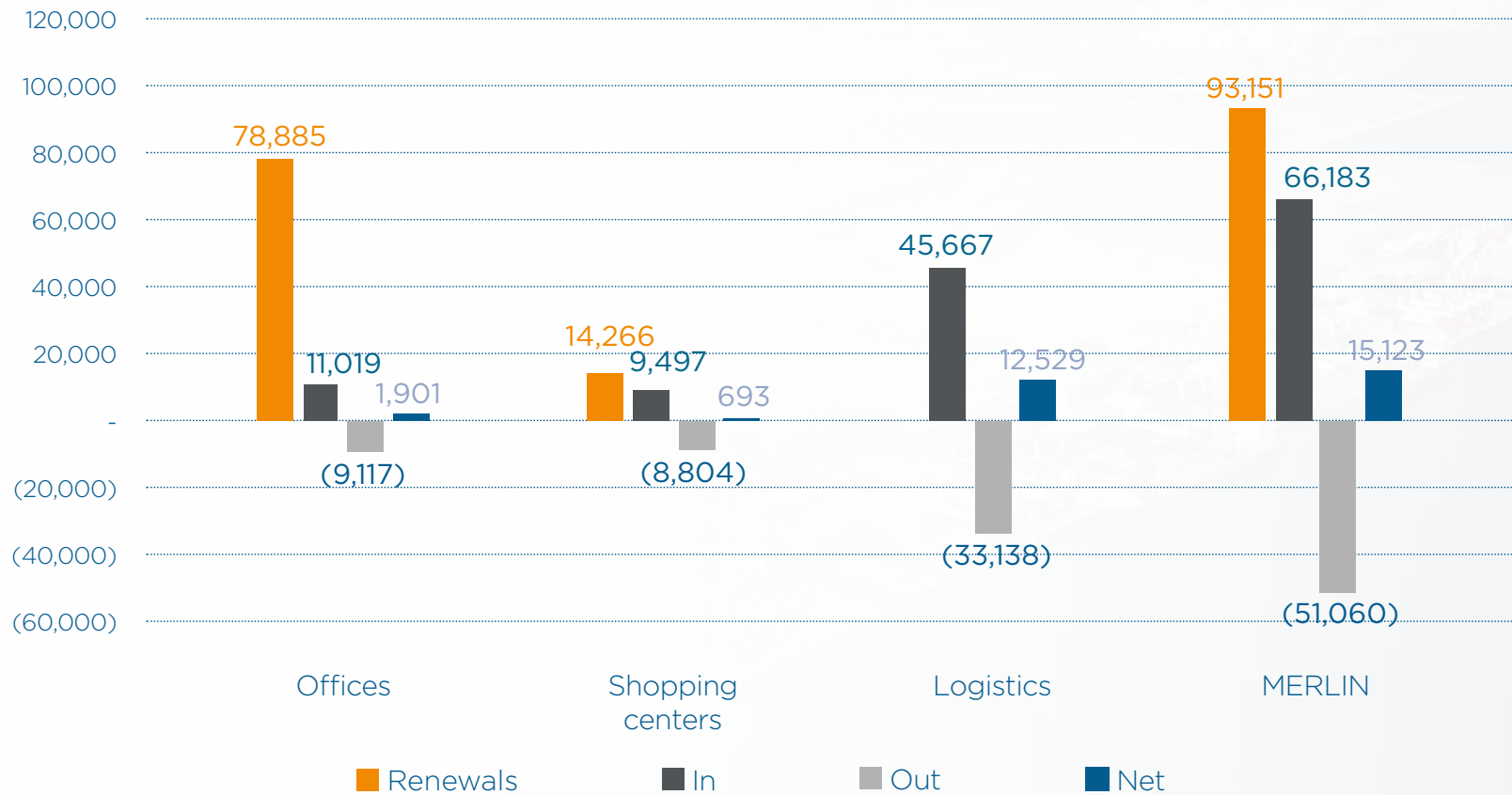
¹ Annualized gross rents per asset category divided by June 30th appraisal of MERLIN portfolio and March 31st appraisal of Testa portfolio.

² Other includes senior residences and parking facilities.

³ Includes financial assets (i.e. AC Forum and Costa Ballena). If excluded, the WAULT would be 4.1 years.

⁴ Weighted by GRI, excludes AC Forum and Costa Ballena.

Positive net lease-up accross all asset classes.
 159.3k sqm lease-up of which 66.2k sqm are new contracts and 93.2k sqm are renewals



On track with the latest €370m pipeline reported

Estimated
c.€370m
pipeline

	€m invested	Status	Deals
Up to 3Q15	€177m	✓	Caprabo/Cabanillas/Arturo Soria/Gefco/Office land
4Q15	€62m	✓	Zal Port/Sant Esteve/ La Granada
Up to 1Q17	€131m	Pending	Turn-keys funding + others



New acquisitions





DESCRIPTION

This asset, built in 2004 following the highest standards for logistics facilities, perfectly suited for cross-docking requirements, has a gross lettable area of **11,488 sqm** and is **fully leased** on a long-term basis to **Gecco**, one of the leading French logistics.

The property is located in the industrial area known as Los Olivos **industrial area of Getafe** alongside the **A-4** highway and in front of the M-45 motorway, benefitting from direct access. Getafe is the prime logistics area in South Madrid, which boasts excellent access to the A-4, M-50, R-4 and A-42 roads. Other tenants in the logistic park include Dia, TNT and CBL.

KEY FACTS

- **100%** Percent Ownership
- **100%** Occupancy
- **€11.2m** Acquisition price³
- Title **Freehold**
- **€0.8m** Annual GRI¹
- **7.3%** Gross Yield
- **11,488 sqm** GLA
- **3.0 years** Wault²

LOCATION

- No of tenants **1**



Source: Company.

¹ Annualized 2015 GRI.

² Weighted average unexpired lease term calculated as from September 30, 2015.

³ Including transaction cost.



DESCRIPTION

Logistics asset comprising **6 modules** with a total **GLA of 39,576 sqm** located in the industrial area known as Gavilanes, in Getafe, with immediate **access to the A-4 highway, M-50, R-4 and M-45**. Getafe is a prime logistics area in Madrid (16 kms. to Madrid city centre, 9 kms. from Mercamadrid and 27 kms. from Madrid airport). Other close tenants in the area include Decathlon and Costco.

KEY FACTS

- **100%** Percent Ownership
- **100%** Occupancy
- **€29.2m** Acquisition price²
- Title **Freehold**
- **€2.3m** Annual GRI¹
- **7.7%** Gross Yield¹
- **39,576 sqm** GLA

LOCATION



- Turn-key acquisition.
- Delivery of finished asset by December 2016.
- 18 months rental guarantee after delivery.

Source: Company.
¹ Annualized forecast GRI upon full occupancy.
² Including transaction cost.



DESCRIPTION

Prime urban shopping center in Arturo Soria, East of Madrid, within a **high-end residential area, and excellent connections to the A2 and the busy M30/M40 highways**. The property comprises a total **GLA of 6,965 sqm**, divided into two floors of retail and two floors of parking. The shopping center has 82 units, with **renowned brands** such as Massimo Dutti, Purificación Garcia, Bimba y Lola, Zara Home, Lateral and Sanchez Romero supermarket.

KEY FACTS

- **50%** Percent Ownership
- **91%** Occupancy
- **€37.3m** Acquisition price³
- Title **Freehold**
- **€4.2M** Annual GRI¹
- **5.8%** Gross Yield
- **6,965 sqm** GLA
- **1.5 years** Wault²

LOCATION



- No of tenants **82**
- ZARA HOME
- Massimo Dutti
-

Source: Company.

¹ Annualized 2015 GRI.

² Weighted average unexpired lease term calculated as from September 30, 2015.

³ Including transaction cost.



DESCRIPTION

Logistic asset, with **16,812 sqm of GLA**, located in Sant Esteve Sesrovires (Barcelona, **in the conjunction of the A-2 and AP-7 highways**), in a consolidated logistics park in close proximity to the SEAT car factory in Martorell, mostly accommodating tenants related to car manufacturing and food. The asset is leased to the French multinational Decathlon.

KEY FACTS

- **100%**
Percent Ownership
- **100%**
Occupancy
- **€9.8m**
Acquisition price³
- Title
Freehold
- **€769 K**
Annual GRI¹
- **7.9%**
Gross Yield
- **16,812 sqm**
GLA
- **0.9 years**
Wault²
- No of tenants **1**

LOCATION

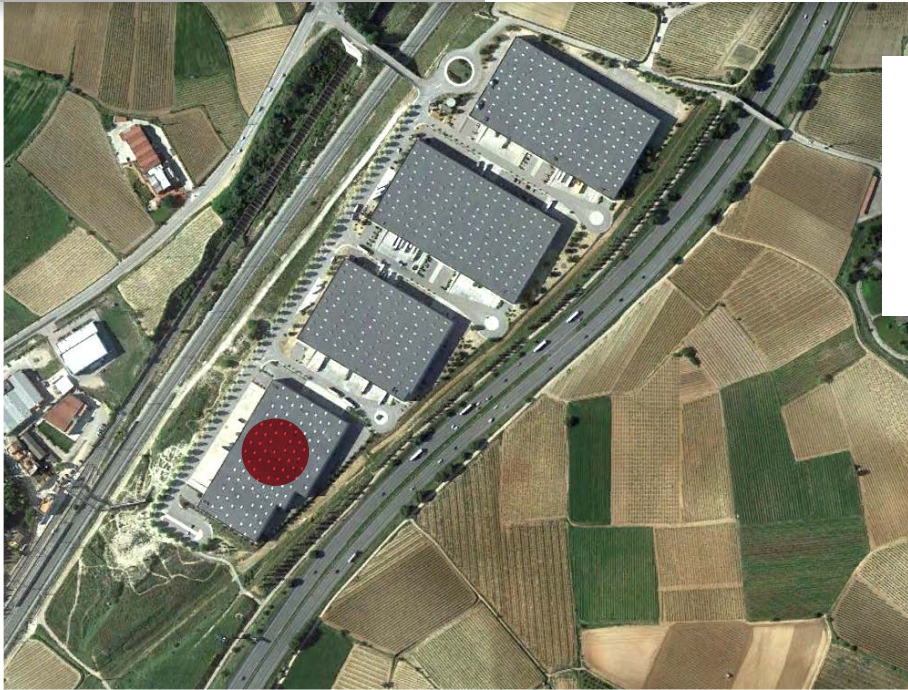


Source: Company.

¹ Annualized 2015 GRI.

² Weighted average unexpired lease term calculated as from September 30, 2015.

³ Including transaction cost.



DESCRIPTION

Logistic asset, with **16,758 sqm of GLA**, located in the logistics park of La Granada del Penedés, (Barcelona, **facing the AP-7 highway**) **fully leased to Norwood**, a wholly-owned subsidiary of BIC and one of the leading suppliers of imprinted promotional products.

KEY FACTS

- **100%**
Percent Ownership
- **100%**
Occupancy
- **€9.2m**
Acquisition price³
- Title
Freehold
- **€736 K**
Annual GRI¹
- **8.0%**
Gross Yield
- **16,758 sqm**
GLA
- **4.3 years**
Wault²

LOCATION

- No of tenants **1**



Source: Company.

¹ Annualized 2015 GRI.

² Weighted average unexpired lease term calculated as from September 30, 2015.

³ Including transaction cost.



DESCRIPTION

The ZAL in the Port of Barcelona is the **most renowned logistics platform in the Mediterranean corridor** with a total surface of 212 hectares. The platform benefits from a unique location inside the **Port of Barcelona, only 2 km from the airport and 10 minutes-drive from the city centre**. The surface under leasehold includes **376,992 sqm** of GLA for logistics **warehouses** already built, **land** for the future development of **190,000 sqm** of GLA, and **407,063 sqm of land let** to third parties for logistics use. The platform is almost fully occupied by more than **130 logistics operators** and end users both domestic and international.

KEY FACTS

- **32%**
Percent Ownership¹
- **92.4%**
Occupancy²
- **€50.0m**
Acquisition price⁴
- Title
Leasehold
- **€33.3 m**
Annual GRI³
- **9.2%**
Gross Yield
- **567k sqm**
GLA
- **407k sqm**
of additional leased land

LOCATION

- No of tenants **130**



Source: Company.

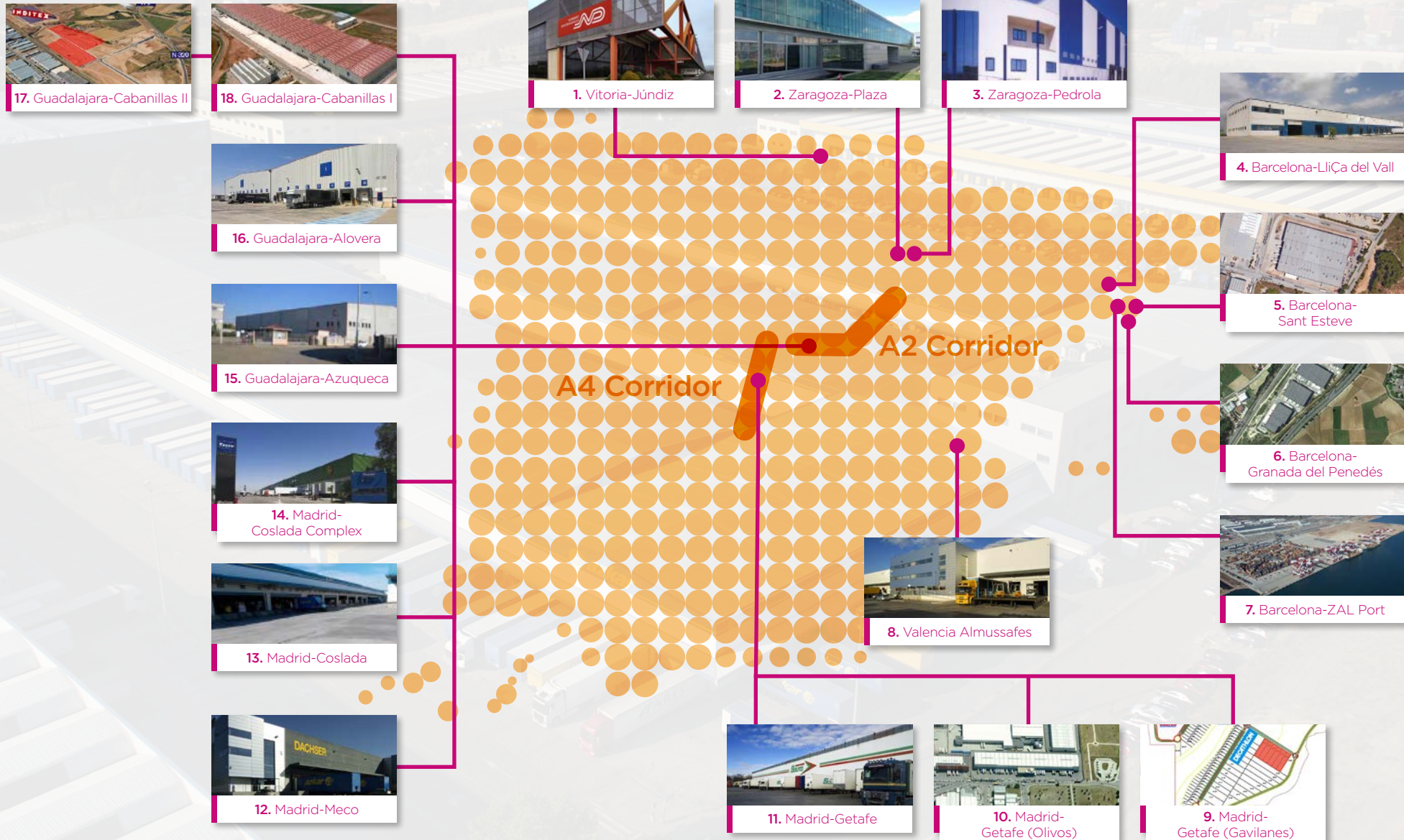
¹ Other shareholders of ZAL Port of Barcelona are Autoritat Portuaria de Barcelona (63%) and SEPES (5%).

² Based on 377k sqm of built area, excluding the 190k buildable sqm for future development.

³ 2014 GRI reported.

⁴ Acquisition of 32% stake.

MERLIN has become a **key logistics player** with 1.2m sqm of GLA under management and presence in all **main logistic hubs**



PASEO DE LA CASTELLANA, 42

28046 MADRID

+34 91 787 55 30

info@merlinprop.com

www.merlinproperties.com



MERLIN
PROPERTIES