



EVOLUCIÓN CONSOLIDADA

+4,6%

FFO por acción vs 1T16

+14,1%

NAV por acción vs 1T16

- **Excelente conjunto de resultados** que reflejan una **creación de valor** en todos los indicadores.
- **FFO** por acción de **€ 0,16** (+4,6% vs 1T16) y **NAV** por acción (sin revalorización en el período) de **€ 11,36** (+14,1% vs 1T16).
- **AFFO** (€ 0,15 por acción en el trimestre) **según lo planeado** para cumplir con la estimación dada al mercado para 2017 (€ 0,55 por acción).
- La ligera caída en márgenes se debe a la desocupación importada con la cartera de MVC.

| (€ millones) | 1T17 | 1T16 | vs 1T16 |
|-----------------------|-------|-------|---------|
| Ingresos totales | 119,9 | 78,4 | +52,9% |
| Rental brutas | 115,3 | 76,8 | +50,1% |
| Rentas netas | 102,9 | 70,6 | +45,9% |
| <i>Margen</i> | 89,3% | 91,9% | |
| EBITDA ⁽¹⁾ | 99,4 | 67,4 | +47,5% |
| <i>Margen</i> | 82,9% | 86,0% | |
| FFO ⁽²⁾ | 74,2 | 48,8 | +52,1% |
| AFFO | 71,1 | n.d. | n.a. |
| Resultado neto | 66,6 | 45,2 | +47,1% |

| (€ por acción) | 1T17 | 1T16 | vs 1T16 |
|----------------|-------|------|---------|
| FFO | 0,16 | 0,15 | +4,6% |
| AFFO | 0,15 | n.d. | n.a. |
| BPA | 0,14 | 0,14 | +1,2% |
| NAV | 11,36 | 9,96 | +14,1% |

EVOLUCIÓN DEL NEGOCIO

+2,6%

Rentas like-for-like⁽³⁾ vs 1T16

Mismo perímetro
1T16

+3,6%

Release spread de oficinas

Toda la cartera
1T17

+102 pbs

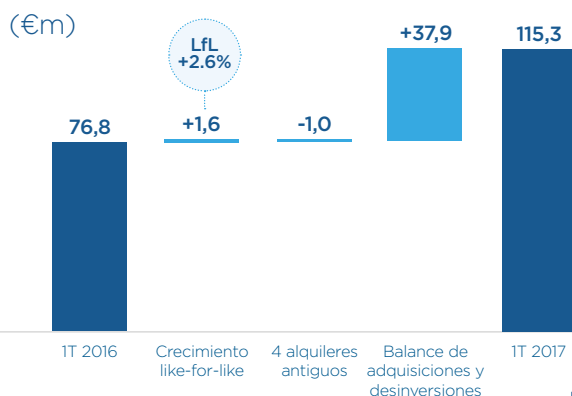
Ocupación vs 31/12/16

92,3%

| | Renta | | Alquileres | Ocup. vs 31/12/16 |
|---------------------|--------------|--------------|----------------|-------------------|
| | €m | Cambio Lfl | Release spread | pbs |
| Oficinas | 53,4 | +2,8% | +3,6% | +56 |
| Centros comerciales | 22,6 | +4,9% | +9,7% | +149 |
| High street retail | 26,1 | +0,9% | n.m. | - |
| Logística | 8,9 | +3,7% | +8,0% | +160 |
| Otros | 4,3 | +5,7% | n.m. | -35 |
| Total | 115,3 | +2,6% | | +102 |

- **Oficinas:** 178.194 m² contratados (14% del stock). **Lfl** positivo⁽³⁾ de **+2,8%** y **release spread** positivo de **+3,6%**.
- **Centros comerciales:** 30.918 m² contratados. **Lfl** positivo⁽³⁾ de **+4,9%** y **release spread** positivo de **+9,7%**.
- **Logística:** 67.534 m² contratados. **Lfl** positivo⁽¹⁾ de **+3,7%** y **release spread** positivo de **+8,0%**.

Evolución de rentas brutas



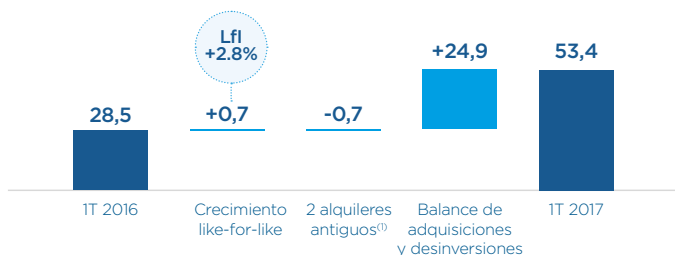
⁽¹⁾ Excluyendo partidas no recurrentes (€ 1,0m) más LTIP devengado (€ 7,1m).

⁽²⁾ FFO equivale a EBITDA menos pagos de intereses.

⁽³⁾ Cartera en explotación durante el período 1T16 y el período 1T17: € 62,3m de GRI en 1T2016.

OFICINAS

Evolución de rentas brutas (€m)



Desglose de rentas

| | Rentas brutas | Renta pasante anual (€ m) | Renta pasante (€/m ² /mes) |
|--------------|---------------|---------------------------|---------------------------------------|
| Madrid | 43,5 | 176,5 | 17,0 |
| Barcelona | 7,1 | 28,6 | 13,2 |
| Lisboa | 1,9 | 7,6 | 18,2 |
| Otros | 0,8 | 3,2 | 10,8 |
| Total | 53,4 | 215,9 | 16,3 |

Alquileres

- Buena evolución en nuestros 3 mercados principales, con crecimientos de renta en renovaciones (*release spread*) del +3,6% de media.
- Los principales impulsores de la evolución positiva son: la ampliación de PWC en la Torre Castellana, y las renovaciones de Expedia en Sollube, Vass en Avda. de Europa I y Pepper en Juan Esplandiú.
- Otros incluye la renovación de los dos alquileres a Endesa en Málaga y Granada. El activo de Málaga se ha vendido en abril con una prima del 16% respecto a la última valoración.

| | m ² contratados | Salidas | Entradas | Renovaciones | Neto | Release spread | # contratos |
|--------------|----------------------------|-----------------|---------------|----------------|--------------|----------------------------|-------------------------|
| Madrid | 161.864 | (19.366) | 27.783 | 134.081 | 8.417 | +3,6% | 47 |
| Barcelona | 11.298 | (2.723) | 1.502 | 9.796 | (1.222) | +2,6% | 9 |
| Lisboa | 945 | (227) | - | 945 | (227) | +7,9% | 1 |
| Otros | 4.087 | - | - | 4.087 | - | (13,4%) | 2 |
| Total | 178.194 | (22.316) | 29.285 | 148.909 | 6.969 | +3,6%⁽¹⁾ | 57⁽²⁾ |

Ocupación

- Continúa la **tendencia al alza de la ocupación en Madrid** (+86 pbs).
- **Absorción neta positiva en Madrid, mientras que el dato negativo en Barcelona** se debe a 1.116 m² desocupados en Balmes para llevar a cabo una reforma integral respaldada por un pre-alquiler del 100% (6,187 m²).
- **Por mercados, el mejor comportamiento durante el trimestre se ha producido en Madrid NBA**, concretamente Campo de las Naciones. Amex ha alquilado 4.749 m² en Partenón 12-14 y Roche 11.444 m² en Puerta de las Naciones, reteniendo de este modo al inquilino tras abandonar Eucalipto 33 (7.185 m²).
- Desocupación progresiva de Monumental en Lisboa para acometer la **reforma integral planeada**.

| | |
|-----------------|--------------------------|
| Stock | 1.246.465 m ² |
| WIP | 54.253 m ² |
| Stock incl. WIP | 1.300.898 m ² |

| | Tasa de ocupación | | |
|--------------|-------------------|--------------|------------|
| | 31/03/17 | 31/12/16 | Cambio pbs |
| Madrid | 88,7% | 87,9% | +86 |
| Barcelona | 85,1% | 85,7% | (58) |
| Lisboa | 93,6% | 94,2% | (61) |
| Otros | 100,0% | 100,0% | - |
| Total | 88,5% | 87,9% | +56 |

⁽¹⁾ Vestas y Endesa-Sevilla

⁽²⁾ Excluyendo otros. En caso de ser incluidos, los 59 contratos reflejan un *release spread* medio de 3,2%.

OFICINAS (CONT.)

WIP Y REFORMAS

WIP



Torre Glòries

- Uno de los **edificios más icónicos** en Barcelona.
- Ubicado en el **área prime** de la confluencia de la avenida Diagonal con la plaza de Les Glòries (**22@**).
- Originalmente **diseñado por Jean Nouvel**, distribuido en 34 plantas sobre rasante y un auditorio.

SBA **37.614 m²**

ERV **€ 10,3m**

ERV Yield sobre coste **6,5%**

Adquisición **€ 142m**

Inversión **€ 15m**

Entrega **Mar-18**



Torre Chamartín

- **Torre LEED Platino**, ubicada en la confluencia de la A-1 con la M-30.
- **Especificaciones AAA**, liderado por el arquitecto Miguel Oriol.

SBA **16.639 m²**

ERV **€ 4,3m**

ERV Yield sobre coste **6,2%**

Adquisición **€ 31,0m**

Inversión **€ 38,0m**

Entrega **Mar-18**

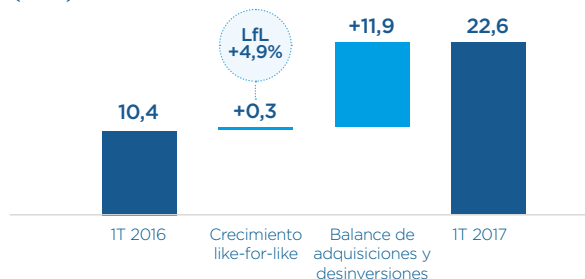
Reformas

| | Alcance | Presupuesto | % ejecutado | SBA (m ²) | Entrega | Pre-alquiler | |
|---|------------------------|-------------------------|-------------|-----------------------|---------|--------------|--------------|
|  | Avda. Europa | Reforma integral | € 6,6m | 85% | 12.605 | Sep-17 | 100% |
|  | Puerta de las Naciones | Reforma integral | € 5,0m | 80% | 10.619 | Dic-17 | 100% |
|  | Eucalipto 33 | Hall y entradas comunes | € 3,4m | 10% | 7.185 | Oct-17 | Fase inicial |
|  | Balmes | Reforma integral | € 2,8m | 0% | 6.187 | Jun-18 | 100% |

CENTROS COMERCIALES

Evolución de rentas brutas

(€m)



Desglose de rentas

| | Rentas brutas 1T17 | Renta pasante anual (€ m) | Renta pasante (€/m ² /mes) |
|--------|--------------------|---------------------------|---------------------------------------|
| MERLIN | 22,6 | 92,7 | 19,3 |

Afluencia y facturación de inquilinos

| | 1T17 U12M | 1T16 U12M | vs 1T16 |
|---------------------------|-----------|-----------|---------|
| Afluencia | 99,9m | 96,1m | +3,9% |
| Facturación de inquilinos | € 856,0m | € 832,2m | +2,9% |
| OCR | 12,9% | | |

Alquileres

- **Release spread positivo.** Los principales impulsores son Larios, Porto Pi, El Saler, La Fira y Centro Oeste.
- **El mayor alquiler** firmado es en el centro comercial Thader con Nickelodeon (5.096 m²).

| | Contratado | Salidas | Entradas | Renovaciones | Neto | Release spread | # Contratos |
|-------|------------|---------|----------|--------------|-------|----------------|-------------|
| Total | 30.918 | (6.487) | 12.805 | 18.113 | 6.318 | +9,7% | 31 |

Ocupación

- **Movimiento positivo en ocupación** (+149 pbs).
- **Marineda ha tenido un trimestre excelente** (+1.894 m² de absorción neta) como consecuencia de varias ampliaciones firmadas con marcas de Inditex y la inclusión de nuevos inquilinos (por ejemplo, New Yorker).

| | |
|----------------------------------|------------------------|
| Stock | 418.105 m ² |
| Opción+Tres Aguas ⁽¹⁾ | 104.174 m ² |
| Stock con Opción+Tres Aguas | 522.279 m ² |

Tasa de ocupación

| | 31/03/17 | 31/12/16 | Cambio pbs |
|-------|----------|----------|------------|
| Total | 90,1% | 88,6% | +149 |

INVERSIONES, REFORMAS Y DESARROLLOS

Reformas

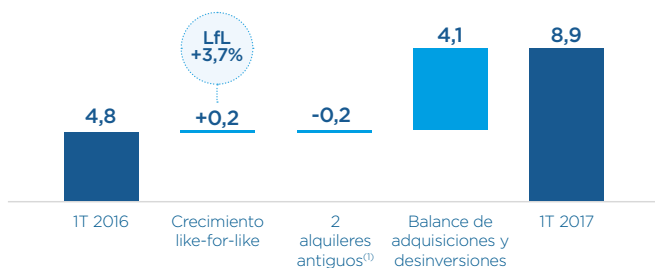
| | Marineda | El Saler | Thader |
|-----------------------|----------------------------|---|------------------------------------|
| Alcance | Creación de área deportiva | Extensión (+3.100 m ²), fachada y accesos | Parque Nickelodeon y áreas comunes |
| Presupuesto (€m) | 1,6 | 13,1 | 8,9 |
| % ejecutado | 85% | 5% | 10% |
| SBA (m ²) | 3.402 | 23.086 | 5.096 |
| Entrega final | Jun-17 | Mar-18 | Oct-17 |
| Pre-alquiler | 82% | Fase inicial | 100% |

⁽¹⁾ Tres Aguas con 100% de locación.

LOGÍSTICA

Evolución de rentas brutas

(€m)



⁽¹⁾ Logista y UPS

Desglose de rentas

| | Rentas brutas 1T17 | Renta pasante anual (€ m) | Renta pasante (€/m ² /mes) |
|--------------|--------------------|---------------------------|---------------------------------------|
| Madrid | 4,0 | 18,1 | 3,6 |
| Barcelona | 1,0 | 9,8 | 4,9 |
| Otros | 3,9 | 10,4 | 3,6 |
| Total | 8,9 | 38,4 | 3,9 |

Alquileres

- **Release spread positivo** principalmente impulsado por las renovaciones de Logiters en **Alovera (A-2)** y Tenneco y Ayuntamiento de Madrid, ambos en **Madrid-Coslada(A-2)**.

| | Contratado | Salidas | Entradas | Renovaciones | Neto | Release spread | # Contratos |
|--------------|---------------|----------|--------------|---------------|--------------|----------------|-------------|
| Madrid | 53.165 | - | - | 53.165 | - | 8,0% | 5 |
| Barcelona | 8.508 | - | 6.198 | 2.310 | 6.198 | - | - |
| Otros | 5.861 | - | 2.367 | 3.494 | 2.367 | - | - |
| Total | 67.534 | - | 8.565 | 58.969 | 8.565 | 8,0% | - |

Ocupación

- **Ningún inquilino ha desocupado** espacio.
- **Nuevos contratos** firmados en Barcelona (Parc Logistic) y Sevilla impulsan el incremento en ocupación.
- La cartera de Madrid está **completamente ocupada**.

| | |
|-------------------------|--------------------------|
| Stock | 869.880 m ² |
| WIP | 368.161 m ² |
| Stock con WIP | 1.238.041 m ² |
| CILSA | 417.268 m ² |
| CILSA WIP | 16.859 m ² |
| Stock gestionado | 1.672.168 m ² |

| | Tasa de ocupación | | Cambio pbs |
|--------------|-------------------|--------------|-------------|
| | 31/03/17 | 31/12/16 | |
| Madrid | 100,0% | 100,0% | - |
| Barcelona | 89,7% | 86,6% | +308 |
| Otros | 97,7% | 96,8% | +96 |
| Total | 97,0% | 95,4% | +160 |

LOGÍSTICA (CONT.)

ADQUISICIONES, REFORMAS Y DESARROLLOS

Adquisiciones



Cabanillas

- **Parque logístico** ubicado a 51 kms del centro de Madrid y 42 kms del aeropuerto de Barajas.
- **Acceso directo** a las autopistas A-2 y R-2.
- MERLIN-Cabanillas está **dividido en 5 módulos**. 100% alquilado a Logista, Luis Simoes, XPO Logistics y otro inquilino.
- SBA adquirido en 1T (3 módulos) es **114.761 m²**.

SBA **202.600 m²**






GRI **€ 7,8m**

Yield sobre coste **8,2%**

Ocupación **100%**

Inversión **€ 96,1m**

Desarrollos

| | Presupuesto | % ejecutado | SBA (m ²) | Entrega final | Pre-alquiler |
|--|-------------|-------------|-----------------------|----------------|--------------|
|  Meco II | € 27,5m | 86% | 59.891 | Jun-17 | - |
|  Pinto I | € 5,8m | 66% | 11.098 | Jun-17 | 100% |
|  Pinto II | € 20,2m | 46% | 59.017 | Jul-17 | 100% |
|  Azuqueca II⁽¹⁾ | € 47,4m | 66% | 98.000 | Por determinar | - |
|  Sevilla ZAL I | € 2,7m | - | 5.400 | Ene-18 | 100% |

⁽¹⁾ Actualmente en negociaciones para proyecto "llave en mano".

BALANCE DE SITUACIÓN

- No hay eventos relevantes en el período.

| | € millones |
|---|------------|
| GAV (sin revalorizaciones durante el período) | 10.026,7 |
| Deuda financiera bruta | 5.185,3 |
| Caja ⁽¹⁾ | (615,2) |
| Deuda financiera neta | 4.570,1 |

Ratios

| | |
|--|----------|
| LTV | 45,6% |
| Tipo interés medio | 2,26% |
| Vencimiento medio (años) | 6,0 |
| Deuda no hipotecaria sobre deuda total | 76% |
| Interés a tipo fijo | 88,7% |
| Posición de liquidez | € 855,2m |

Rating corporativo

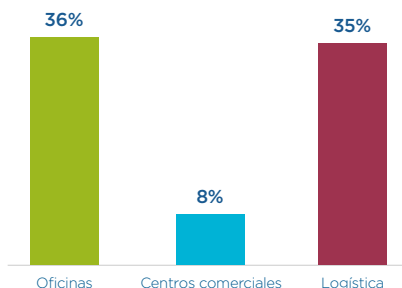
| | |
|---------|------|
| S&P | BBB |
| Moody's | Baa2 |

SOSTENIBILIDAD

- 5 nuevos certificados LEED/BREEAM obtenidos desde finales de 2016

| Ribera del Loira | Atica 3 | Madrid-Cabanillas (Módulo) | Diagonal 514 | Muntadas II |
|---|---|---|---|---|
|  |  |  |  |  |
| Oro | Bueno | Oro | Oro | Correcto |

% GAV certificado



CAPEX

| | Activos | € millones |
|--|---|--------------|
| Adquisiciones | • Cabanillas B, C & D • Torre Glóries | 188,7 |
| Desarrollos/Rehabilitación | • Juan Esplandiú • Avda Europa • Madrid-Meco II • Eucalipto 33 • Marinada • Madrid-Pinto • Puerta de las Naciones • El Saler • Madrid-Gavilanes | 14,5 |
| Cartera like-for-like (Capex de mantenimiento) | | 3,1 |
| Total | | 206,3 |

⁽¹⁾ Incluyendo tesorería y equivalentes y pago diferido de la desinversión de la cartera de hoteles (€ 66,6m).

HECHOS POSTERIORES

- El 10 de abril se amortizaron anticipadamente **€ 200m** de los préstamos bancarios no hipotecarios con vencimiento en 2021. Como resultado, la **deuda financiera bruta pro-forma** asciende a **€ 4.983.9m** a fecha del presente informe.
- El 10 de abril, MERLIN adquirió Central Office Building, un edificio de oficinas de **10.310 m²** ubicado en el área EXPO de Lisboa y 100% alquilado a inquilinos de primera clase. El precio de adquisición fue de **€ 29 millones**, representando un yield del **6,8%**.
- El 26 de abril de 2016, MERLIN celebró la **Junta General de Accionistas. Todos los puntos del orden del día fueron aprobados**, incluyendo una **distribución a los accionistas de € 0.20 por acción, que será pagado de forma efectiva el 18 de mayo.**

ANEXOS

1. Cuenta de resultados consolidada
2. Balance de situación consolidado
3. Medidas alternativas del rendimiento

1. Cuenta de resultados consolidada

| (€ miles) | 1T17 | 1T16 |
|---|-----------------|-----------------|
| Rentas brutas | 115.293 | 76.818 |
| Oficinas | 53.261 | 28.504 |
| High Street retail | 26.094 | 24.022 |
| Centros comerciales | 22.217 | 10.440 |
| Logística | 9.498 | 4.851 |
| Otros | 4.224 | 9.001 |
| Otros ingresos de explotación | 4.607 | 1.615 |
| Total ingresos de explotación | 119.900 | 78.433 |
| Descuentos de rentas y linealizaciones | (3.557) | (1.288) |
| Impagados | (33) | (124) |
| Total gastos de explotación | (24.941) | (10.070) |
| Gastos de explotación de activos no repercutibles a arrendatarios | (8.759) | (4.833) |
| Gastos de personal | (5.523) | (3.235) |
| Gastos generales recurrentes | (2.582) | (1.536) |
| Gastos generales no recurrentes | (952) | (466) |
| Provisión contable para Plan Incentivos L/P | (7.125) | - |
| EBITDA | 91.369 | 66.951 |
| Amortizaciones/desinversiones/combinación de negocios | (2.106) | (1.133) |
| EBIT | 89.263 | 65.818 |
| Resultado financiero neto | (25.249) | (12.496) |
| Costes amortización de deuda | (2.449) | (4.385) |
| Resultado por enajenaciones de instrumentos financieros | 216 | - |
| Variación valor razonable de instrumentos financieros | 5.380 | (3.969) |
| Participación en el resultado de sociedades en equivalencia | 474 | 730 |
| RESULTADO ANTES DE IMPUESTOS | 67.635 | 45.698 |
| Impuestos sobre beneficios | (804) | (440) |
| RESULTADO DEL PERIODO | 66.831 | 45.258 |
| Minoritarios | (280) | (21) |
| RESULTADO DEL PERIODO SOCIEDAD DOMINANTE | 66.551 | 45.237 |

2. Balance de situación consolidado

(€ miles)

| ACTIVO | 31/03/17 | 31/12/16 | PATRIMONIO NETO Y PASIVO | 31/03/17 | 31/12/16 |
|--|-------------------|-------------------|--|-------------------|-------------------|
| ACTIVO NO CORRIENTE | 10.280.663 | 10.078.890 | PATRIMONIO NETO | 4.916.174 | 4.840.769 |
| Inmovilizado intangible | 256.868 | 257.969 | Capital | 469.771 | 469.771 |
| Inmovilizado material | 3.778 | 3.569 | Prima de emisión | 4.017.485 | 4.017.485 |
| Inversiones inmobiliarias | 9.229.942 | 9.027.184 | Reservas | 445.110 | (143.537) |
| Inversiones por el método de participación | 320.749 | 319.697 | Acciones y participaciones en patrimonio propias | (105) | (105) |
| Inversiones financieras a largo plazo | 328.492 | 329.427 | Otras aportaciones de socios | 540 | 540 |
| Activos por impuesto diferido | 140.834 | 141.044 | Dividendo a cuenta | (59.759) | (59.759) |
| | | | Beneficios consolidados del ejercicio | 66.549 | 582.645 |
| | | | Ajustes por cambio de valor | (45.008) | (47.582) |
| | | | Socios externos | 21.591 | 21.311 |
| | | | PASIVO NO CORRIENTE | 5.717.577 | 5.869.594 |
| | | | Deudas a largo plazo | 5.123.589 | 5.278.731 |
| | | | Provisiones a largo plazo | 37.217 | 34.092 |
| | | | Pasivos por impuesto diferido | 556.771 | 556.771 |
| ACTIVO CORRIENTE | 683.541 | 839.690 | PASIVO CORRIENTE | 330.453 | 208.217 |
| Activos no corrientes mantenidos para la venta | 58.607 | 508.832 | Deudas a corto plazo | 213.855 | 65.853 |
| Inversiones en empresas del grupo y asociadas | 72.763 | 76.919 | Provisiones a corto plazo | 867 | 867 |
| Inversiones financieras a corto plazo | 6.733 | 6.445 | Acreedores comerciales y otras cuentas a pagar | 108.030 | 140.868 |
| Efectivo y otros activos líquidos equivalentes | 544.789 | 247.081 | Otros pasivos corrientes | 7.701 | 629 |
| Otros activos corrientes | 649 | 413 | | | |
| TOTAL ACTIVO | 10.964.204 | 10.918.580 | TOTAL PATRIMONIO NETO Y PASIVO | 10.964.204 | 10.918.580 |

3. Medidas alternativas del rendimiento

De acuerdo con las recomendaciones emitidas por la European Securities and Markets Authority (ESMA), las medidas alternativas del rendimiento se describen a continuación.

Glosario

EBITDA

Resultado operativo antes de revalorizaciones netas, amortizaciones, provisiones, intereses e impuestos.

EBITDA recurrente

Se calcula como EBITDA menos gastos generales no recurrentes de la compañía y menos provisión contable para Plan de incentivos a largo plazo.

EPRA NAV

El EPRA Net Asset Value (EPRA NAV) se calcula en base a los fondos propios consolidados de la compañía y ajustando determinadas partidas siguiendo las recomendaciones de la EPRA, incluir valor de los activos a mercado y excluir determinadas partidas que no se espera que cristalicen en un negocio de patrimonio en alquiler sostenido.

EPRA Net Initial Yield

Ingreso por alquileres anualizado basado en las rentas pasantes a fecha de balance, menos costes comunes no repercutidos, dividido por el valor de mercado del activo, incrementado con los costes de adquisición.

EPRA "topped-up" NIY

Ajuste al EPRA Net Initial Yield con respecto al vencimiento de los períodos de renta gratuita y otros incentivos al arrendatario.

EPRA tasa de desocupación

Ocupaciones financieras según cálculos recomendados por EPRA (superficies ocupadas multiplicadas por la renta de mercado / superficies en explotación a renta de mercado).

FFO

Resultado recurrente del negocio calculado como EBITDA menos intereses netos del período.

FFO recurrente

Se calcula como FFO menos gastos generales no recurrentes de la compañía.

GAV

Valor de la cartera según la última tasación externa disponible más pagos anticipados para proyectos llave en mano y desarrollos.

Período medio de vencimiento

Representa la duración media de la deuda de la compañía hasta su vencimiento.

Rentas brutas anualizadas

Renta pasante a 31 de marzo multiplicada por 12.

Renta Media Pasante

Representa la renta por m²/mes a la cual está arrendado un activo o categoría de activos a 31 de marzo.

Resultado neto EPRA

Resultado recurrente de los negocios estratégicos.

Yield bruto

Representa la rentabilidad bruta de un activo o categoría de activos. Se calcula dividiendo la renta bruta anualizada entre el último GAV disponible.

Like-for-Like

Compara el crecimiento de las rentas brutas de la cartera que ha estado de forma constante en explotación en los tres meses del 1T 2016 y los tres meses del 1T 2017.



MERLIN

PROPERTIES

Paseo de la castellana, 257
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CONSOLIDATED PERFORMANCE

+4.6%

FFO per share YoY

+14.1%

NAV per share YoY

- **Excellent set of results** showing **value creation** across all metrics
- **FFO** per share of **€ 0.16** (+4.6% YoY) and **NAV** per share (no revaluation in the period) at **€ 11.36** (+14.1% YoY)
- **AFFO** (€ 0.15 per share in the quarter) **on track** to meet full year **2017 guidance** (€ 0.55 per share)
- Erosion in margins reflect the vacancy imported with the MVC portfolio

| (€ million) | 1Q17 | 1Q16 | YoY |
|----------------------------|-------|-------|--------|
| Total revenues | 119.9 | 78.4 | +52.9% |
| Gross rents | 115.3 | 76.8 | +50.1% |
| Net rents | 102.9 | 70.6 | +45.9% |
| <i>Gross-to-net margin</i> | 89.3% | 91.9% | |
| EBITDA ⁽¹⁾ | 99.4 | 67.4 | +47.5% |
| <i>Margin</i> | 82.9% | 86.0% | |
| FFO ⁽²⁾ | 74.2 | 48.8 | +52.1% |
| AFFO | 71.1 | n.d. | n.a. |
| Net earnings | 66.6 | 45.2 | +47.1% |

| (€ per share) | 1Q17 | 1Q16 | YoY |
|---------------|-------|------|--------|
| FFO | 0.16 | 0.15 | +4.6% |
| AFFO | 0.15 | n.d. | n.a. |
| EPS | 0.14 | 0.14 | +1.2% |
| NAV | 11.36 | 9.96 | +14.1% |

BUSINESS PERFORMANCE

+2.6%

Rents like-for-like⁽³⁾ YoY

Same perimeter as 1Q16

+3.6%

Office release spread

All portfolio in 1Q17

+102 bps

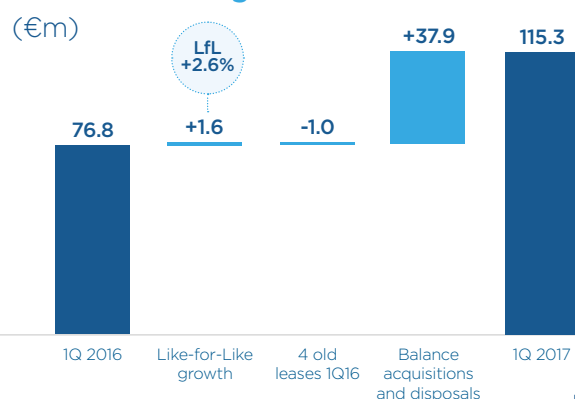
Occupancy vs 31/12/16

92.3%

- **Office:** 178,194 sqm contracted (14% of stock). Positive **LfL**⁽³⁾ of **+2.8%** and positive **release spread** of **+3.6%**
- **Shopping centers:** 30,918 sqm contracted. Positive **LfL**⁽³⁾ of **+4.9%** and positive **release spread** of **+9.7%**
- **Logistics:** 67,534 sqm contracted. Positive **LfL**⁽³⁾ of **+3.7%** and positive **release spread** of **+8.0%**

| | Rent | | Leasing activity | Occ. QoQ |
|--------------------|--------------|--------------|------------------|-------------|
| | €m | Lfl change | Release spread | Bps |
| Office | 53.4 | +2.8% | +3.6% | +56 |
| Shopping centers | 22.6 | +4.9% | +9.7% | +149 |
| High street retail | 26.1 | +0.9% | n.m. | - |
| Logistics | 8.9 | +3.7% | +8.0% | +160 |
| Other | 4.3 | +5.7% | n.m. | -35 |
| Total | 115.3 | +2.6% | | +102 |

Gross rents bridge



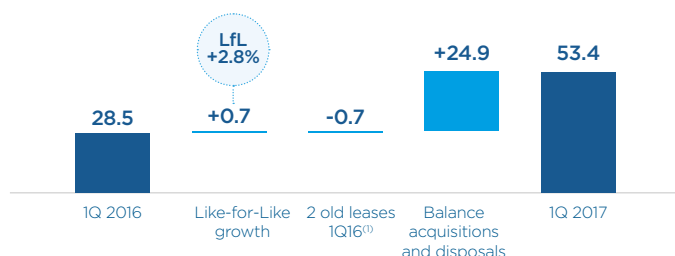
⁽¹⁾ Excludes non-recurring items (€ 1.0m) plus LTIP accrual (€ 7.1m)

⁽²⁾ FFO equals EBITDA less net interest payments

⁽³⁾ Portfolio in operation for the 1Q16 and for the 1Q17: € 62.3m of GRI in 1Q2016

OFFICES

Gross rents bridge (€m)



Rents breakdown

| | Gross rents 1Q17 | Annual passing rent (€ m) | Passing rent (€/sqm/m) |
|--------------|------------------|---------------------------|------------------------|
| Madrid | 43.5 | 176.5 | 17.0 |
| Barcelona | 7.1 | 28.6 | 13.2 |
| Lisbon | 1.9 | 7.6 | 18.2 |
| Other | 0.8 | 3.2 | 10.8 |
| Total | 53.4 | 215.9 | 16.3 |

Leasing activity

- **Good performance in our 3 core markets**, delivering +3.6% release spread on average
- **Main drivers** of the positive evolution are: PWC extension in Torre Castellana 259, and the renewals of Expedia in Sollube, Vass in Avda Europa I and Pepper in Juan Esplandiu

- Other includes the renewal of the two Endesa leases in Málaga and Granada. The Málaga asset has been sold in April at a 16% premium over last appraised value

| | Contracted Sqm | Out | In | Renewals | Net | Release spread | # Contracts |
|--------------|----------------|-----------------|---------------|----------------|--------------|----------------------------|-------------------------|
| Madrid | 161,864 | (19,366) | 27,783 | 134,081 | 8,417 | +3.6% | 47 |
| Barcelona | 11,298 | (2,723) | 1,502 | 9,796 | (1,222) | +2.6% | 9 |
| Lisbon | 945 | (227) | - | 945 | (227) | +7.9% | 1 |
| Other | 4,087 | - | - | 4,087 | - | (13.4%) | 2 |
| Total | 178,194 | (22,316) | 29,285 | 148,909 | 6,969 | +3.6%⁽¹⁾ | 57⁽²⁾ |

Occupancy

- **The positive trend** in occupancy in Madrid continues (+86 bps)
- **Positive net absorption in Madrid, while the negative figure in Barcelona** is driven by 1,116 sqm vacated in Balmes to undertake a full refurb on the back of a 100% pre-let (6,187 sqm)
- **By markets, best performer in the quarter has been Madrid NBA**, namely Campo de las Naciones. Amex has let 4,749 sqm in Partenon 12-14 and Roche 11,444 sqm in Puerta de las Naciones, thus retaining the tenant after leaving Eucalipto 33 (7,185 sqm)
- Emptying Monumental in Lisbon ahead of **future full refurbishment**

| | |
|------------------------|---------------|
| Stock | 1,246,465 sqm |
| WIP | 54,253 sqm |
| Stock incl. WIP | 1,300,898 sqm |

| | Occupancy rate | | Change bps |
|--------------|----------------|--------------|------------|
| | 31/03/17 | 31/12/16 | |
| Madrid | 88.7% | 87.9% | +86 |
| Barcelona | 85.1% | 85.7% | (58) |
| Lisbon | 93.6% | 94.2% | (61) |
| Other | 100.0% | 100.0% | - |
| Total | 88.5% | 87.9% | +56 |

⁽¹⁾ Vestas and Endesa-Sevilla

⁽²⁾ Excluding other. If included, the 59 contracts show an average release spread of 3.2%

OFFICES (CONT.)

WIP AND REFURBISHMENTS

WIP



Torre Glòries

- One of the **most iconic buildings** in Barcelona
- Located in the **prime area** of Diagonal junction with Plaza de les Glòries (**22@**)
- Originally **designed by Jean Nouvel**, ground level plus 34 floors, plus an auditorium

GLA **37,614 sqm**

ERV **€ 10.3m**

ERV YoC **6.5%**

Acquisition **€ 142m**

Investment **€ 15m**

Delivery **Mar-18**



Torre Chamartín

- **LEED Platinum tower**, located in the junction between A-1 and M-30
- **AAA** specifications, led by architect Miguel Oriol

GLA **16,639 sqm**

ERV **€ 4.3m**

ERV YoC **6.2%**

Acquisition **€ 31.0m**

Investment **€ 38.0m**

Delivery **Mar-18**

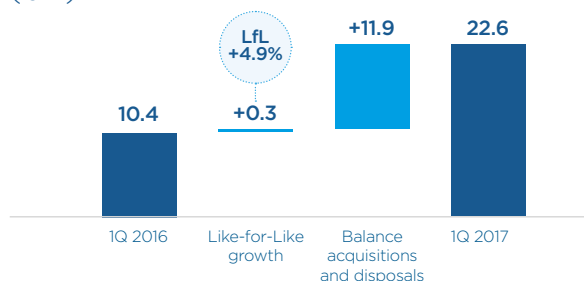
Refurbishments

| | Scope | Budget | % executed | GLA (sqm) | Delivery | Pre-let |
|--|------------------------|--------|------------|-----------|----------|---------------|
|  <p>Avda. Europa</p> | Full refurb | € 6.6m | 85% | 12,605 | Sep-17 | 100% |
|  <p>Puerta de las Naciones</p> | Full refurb | € 5.0m | 80% | 10,619 | Dec-17 | 100% |
|  <p>Eucalipto 33</p> | Lobby and common areas | € 3.4m | 10% | 7,185 | Oct-17 | Initial phase |
|  <p>Balmes</p> | Full refurb | € 2.8m | 0% | 6,187 | Jun-18 | 100% |

SHOPPING CENTERS

Gross rents bridge

(€m)



Rents breakdown

| | Gross rents 1Q17 | Annual passing rent (€ m) | Passing rent (€/sqm/m) |
|--------|------------------|---------------------------|------------------------|
| MERLIN | 22.6 | 92.7 | 19.3 |

Footfall and tenant sales

| | 1Q17 LTM | 1Q16 LTM | YoY |
|--------------|----------|----------|-------|
| Footfall | 99.9m | 96.1m | +3.9% |
| Tenant sales | € 856.0m | € 832.2m | +2.9% |
| OCR | 12.9% | | |

Leasing activity

- **Positive release spread.** Main drivers are Larios, Porto Pi, El Saler, La Fira and Centro Oeste
- **The largest lease** signed in Thader with Nickelodeon (5,096 sqm)

| | Contracted | Out | In | Renewals | Net | Release spread | # Contracts |
|-------|------------|---------|--------|----------|-------|----------------|-------------|
| Total | 30,918 | (6,487) | 12,805 | 18,113 | 6,318 | +9.7% | 31 |

Occupancy

- **Positive move** in occupancy (+149 bps)
- **Marineda had an excellent quarter** (+1,894 sqm net absorption) following several extensions of Inditex brands plus addition of new tenants (i.e. New Yorker)

| | |
|----------------------------------|-------------|
| Stock | 418,105 sqm |
| Opcion+Tres Aguas ⁽¹⁾ | 104,174 sqm |
| Stock with Opcion+Tres Aguas | 522,279 sqm |

| | Occupancy rate | | |
|-------|----------------|----------|------------|
| | 31/03/17 | 31/12/16 | Change bps |
| Total | 90.1% | 88.6% | +149 |

INVESTMENTS, REFURBISHMENTS AND DEVELOPMENTS

Refurbishments

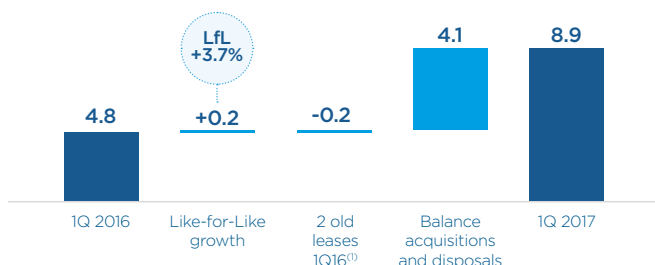
| | Marineda | El Saler | Thader |
|-------------|----------------------|---|-----------------------------------|
| Scope | Sports area creation | Extension (+3,100 sqm), façade and accesses | Nickelodeon park and common areas |
| Budget (€m) | 1.6 | 13.1 | 8.9 |
| % executed | 85% | 5% | 10% |
| GLA (sqm) | 3,402 | 23,086 | 5,096 |
| Delivery | June-17 | Mar-18 | Oct-17 |
| Pre-let | 82% | Initial phase | 100% |

⁽¹⁾ Tres Aguas at 100% allocation

LOGISTICS

Gross rents bridge

(€m)



⁽¹⁾ Logista and UPS

Rents breakdown

| | Gross rents 1Q17 | Annual passing rent (€ m) | Passing rent (€/sqm/m) |
|--------------|------------------|---------------------------|------------------------|
| Madrid | 4.0 | 18.1 | 3.6 |
| Barcelona | 1.0 | 9.8 | 4.9 |
| Other | 3.9 | 10.4 | 3.6 |
| Total | 8.9 | 38.4 | 3.9 |

Leasing activity

- **Positive release spread** mainly driven by the renewals of Logiters in **Alovera** (A-2), and Tenneco and Madrid Town Hall both in **Madrid-Coslada** (A-2)

| | Contracted | Out | In | Renewals | Net | Release spread | # Contracts |
|--------------|---------------|----------|--------------|---------------|--------------|----------------|-------------|
| Madrid | 53,165 | - | - | 53,165 | - | 8.0% | 5 |
| Barcelona | 8,508 | - | 6,198 | 2,310 | 6,198 | - | - |
| Other | 5,861 | - | 2,367 | 3,494 | 2,367 | - | - |
| Total | 67,534 | - | 8,565 | 58,969 | 8,565 | 8.0% | - |

Occupancy

- **No tenant vacating space** in the portfolio
- **New contracts** signed in Barcelona (Parc Logistic) and Sevilla drive the increase in occupancy
- Madrid portfolio is **fully occupied**

| | |
|------------------------|---------------|
| Stock | 869,880 sqm |
| WIP | 368,161 sqm |
| Stock incl. WIP | 1,238,041 sqm |
| CILSA | 417,268 sqm |
| CILSA WIP | 16,859 sqm |
| Stock managed | 1,672,168 sqm |

| | Occupancy rate | | |
|--------------|----------------|--------------|-------------|
| | 31/03/17 | 31/12/16 | Change bps |
| Madrid | 100.0% | 100.0% | - |
| Barcelona | 89.7% | 86.6% | +308 |
| Other | 97.7% | 96.8% | +96 |
| Total | 97.0% | 95.4% | +160 |

LOGISTICS (CONT.)

INVESTMENTS, REFURBISHMENTS AND DEVELOPMENTS

Investments



Cabanillas

- **Logistics park** located 51 kms from Madrid city centre and 42 kms from Barajas airport
- **Direct access** to both A-2 and R-2 highways
- MERLIN-Cabanillas is **divided into 5 modules**. 100% let to Logista, Luis Simoes, XPO Logistics and an undisclosed tenant.
- GLA acquired in 1Q (3 modules) is **114,761 sqm**

GLA **202,600 sqm**






GRI **€ 7.8m**

YoC **8.2%**

Occupancy **100%**

Investment **€ 96.1m**

Developments

| | Budget | % executed | GLA (sqm) | Delivery | Pre-let |
|--|---------|---------------|--------------|----------|---------|
|  Meco II | € 27.5m | 86% | 59,891 | Jun-17 | - |
|  Pinto I | € 5.8m | 66% | 11,098 | Jun-17 | 100% |
|  Pinto II | € 20.2m | 46% | 59,017 | Jul-17 | 100% |
|  Azuqueca II⁽¹⁾ | € 47.4m | 66% | 98,000 | TBD | - |
|  Sevilla ZAL I | € 2.7m | - | 5,400 | Jan-18 | 100% |

⁽¹⁾ Currently negotiating BTS

BALANCE SHEET

- No significant event in the period

| | € million |
|------------------------------------|-----------|
| GAV (no revaluation in the period) | 10,026.7 |
| Gross financial debt | 5,185.3 |
| Cash ⁽¹⁾ | (615.2) |
| Net financial debt | 4,570.1 |

| Ratios | |
|------------------------------|----------|
| LTV | 45.6% |
| Av. interest rate | 2.26% |
| Av. Maturity (years) | 6.0 |
| Unsecured debt to total debt | 76% |
| Interest rate fixed | 88.7% |
| Liquidity position | € 855.2m |

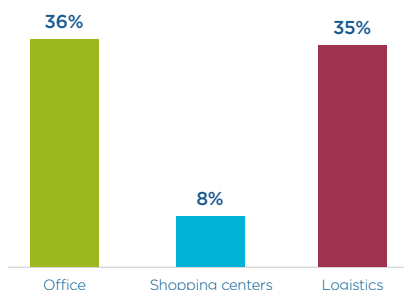
| Corporate rating | |
|------------------|------|
| S&P | BBB |
| Moody's | Baa2 |

SUSTAINABILITY

- 5 new LEED/BREEAM certificates obtained since end of 2016

| Ribera del Loira | Atica 3 | Madrid-Cabanillas (Module A) | Diagonal 514 | Muntadas II |
|---|---|---|---|---|
|  |  |  |  |  |
| Gold | Good | Gold | Gold | Correct |

% GAV certified



CAPEX

| | Assets | € million |
|---|---|--------------|
| Acquisitions | • Cabanillas B, C & D • Torre Glòries | 188.7 |
| Development/Refurbishment | • Juan Esplandiu • Avda Europa • Madrid-Meco II • Eucalipto 33 • Marineda • Madrid-Pinto • Puerta de las Naciones • El Saler • Madrid-Gavilanes | 14.5 |
| Like-for-like portfolio (Maintenance Capex) | | 3.1 |
| Total | | 206.3 |

⁽¹⁾ Includes cash and deferred payment of hotels disposal (€ 66.6m)

POST CLOSING EVENTS

- On April 10, **€ 200m** of the unsecured bank loans maturing in 2021 were repaid early. As a result, **pro-forma gross financial debt** amounts to **€ 4,983.9m** as of the date of this report.
- On April 10, MERLIN acquired Central Office Building, a **10,310 sqm** office building located in the Expo area of Lisbon and 100% let to best-in-class tenants. Acquisition price was **€ 29 million**, representing a **6.8%** yield.
- On April 26, MERLIN held the **AGM**. **All the items of the agenda were approved**, including a **distribution to shareholders of € 0.20 per share, which will be paid on May 18th**.

APPENDIX

1. Consolidated Profit and loss
2. Consolidated Balance sheet
3. Alternative measures of performance

1. Consolidated Profit and loss account

| (€ thousand) | 1Q17 | 1Q16 |
|--|-----------------|-----------------|
| Gross rents | 115,293 | 76,818 |
| Office | 53,261 | 28,504 |
| High street retail | 26,094 | 24,022 |
| Shopping centres | 22,217 | 10,440 |
| Logistics | 9,498 | 4,851 |
| Other | 4,224 | 9,001 |
| Other income | 4,607 | 1,615 |
| Total revenues | 119,900 | 78,433 |
| Incentives | (3,557) | (1,288) |
| Collection loss | (33) | (124) |
| Total operating expenses | (24,941) | (10,070) |
| Property expenses not recharged to tenants | (8,759) | (4,833) |
| Personnel expenses | (5,523) | (3,235) |
| Recurring general expenses | (2,582) | (1,536) |
| Non-recurring general expenses | (952) | (466) |
| LT Incentive Plan non-cash provision | (7,125) | - |
| EBITDA | 91,369 | 66,951 |
| Depreciation/disposals/business combination | (2,106) | (1,133) |
| EBIT | 89,263 | 65,818 |
| Net interest expense | (25,249) | (12,496) |
| Debt amortization cost | (2,449) | (4,385) |
| Gain/(losses) on disposal of financial instruments | 216 | - |
| Change in fair value of financial instruments | 5,380 | (3,969) |
| Share in earnings of equity method investees | 474 | 730 |
| PROFIT BEFORE TAX | 67,635 | 45,698 |
| Income taxes | (804) | (440) |
| PROFIT (LOSS) FOR THE PERIOD | 66,831 | 45,258 |
| Minorities | (280) | (21) |
| PROFIT (LOSS) FOR THE PERIOD ATTRIBUTABLE | 66,551 | 45,237 |

2. Consolidated Balance sheet

(€ thousand)

| ASSETS | 31/03/17 | 31/12/16 | EQUITY AND LIABILITIES | 31/03/17 | 31/12/16 |
|--|-------------------|-------------------|-------------------------------------|-------------------|-------------------|
| NON CURRENT ASSETS | 10,280,663 | 10,078,890 | EQUITY | 4,916,174 | 4,840,769 |
| Intangible assets | 256,868 | 257,969 | Subscribed capital | 469,771 | 469,771 |
| Property plant and equipment | 3,778 | 3,569 | Share premium | 4,017,485 | 4,017,485 |
| Investment property | 9,229,942 | 9,027,184 | Reserves | 445,110 | (143,537) |
| Investments accounted for using the equity method | 320,749 | 319,697 | Treasury stock | (105) | (105) |
| Non-current financial assets | 328,492 | 329,427 | Other equity holder contributions | 540 | 540 |
| Deferred tax assets | 140,834 | 141,044 | Interim dividend | (59,759) | (59,759) |
| | | | Profit for the period | 66,549 | 582,645 |
| | | | Valuation adjustments | (45,008) | (47,582) |
| | | | Minorities | 21,591 | 21,311 |
| | | | NON CURRENT LIABILITIES | 5,717,577 | 5,869,594 |
| | | | Long term debt | 5,123,589 | 5,278,731 |
| | | | Long term provisions | 37,217 | 34,092 |
| | | | Deferred tax liabilities | 556,771 | 556,771 |
| CURRENT ASSETS | 683,541 | 839,690 | CURRENT LIABILITIES | 330,453 | 208,217 |
| Trade and other receivables | 58,607 | 508,832 | Short term debt | 213,855 | 65,853 |
| Short term investments in group companies and associates | 72,763 | 76,919 | Short term provisions | 867 | 867 |
| Short term financial assets | 6,733 | 6,445 | Trade and other payables | 108,030 | 140,868 |
| Cash and cash equivalents | 544,789 | 247,081 | Other current liabilities | 7,701 | 629 |
| Other current assets | 649 | 413 | | | |
| TOTAL ASSETS | 10,964,204 | 10,918,580 | TOTAL EQUITY AND LIABILITIES | 10,964,204 | 10,918,580 |

3. Alternative measures of performance

In accordance with the recommendations issued by the European Securities and Markets Authority (ESMA), the alternative measures of performance are described as follows.

Glossary

EBITDA

Earnings before net revaluations, amortizations, provisions, interest and taxes.

Recurring EBITDA

EBITDA less non-recurring general expenses of the Company and long-term incentive plan accrual.

EPRA NAV

EPRA Net Asset Value (EPRA NAV) is calculated based on the consolidated shareholders' equity of the Group adjusted to include properties and other investment interests at fair value and to exclude certain items not expected to crystallise in a longterm investment property business model, as per EPRA's recommendations.

EPRA Net Initial Yield

Annualised rental income based on the cash passing rents at the balance sheet date, less nonrecoverable property operating expenses, divided by the market value of the property, increased with acquisition costs.

EPRA "topped-up" NIY

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

EPRA Vacancy Rate

Estimated Market Rental Value (ERV) of vacant space divided by ERV of the whole portfolio.

FFO

Recurring result of the Company calculated

as EBITDA less debt interest expenses of the period.

Recurring FFO

FFO less non-recurring general expenses of the Company.

GAV

Value of the commercial portfolio in accordance with the latest external valuation available as of 31 December 2016 plus Capex and investments less disposals

Average debt maturity

It represents the average debt duration of the Company until maturity.

Gross annualized rents

Passing rent as of 31 March multiplied by 12.

Passing rent

It represents the rent for sqm/month to which an asset or category of assets is rented as of 31 March.

EPRA Earnings

Recurring earnings from core operational activities.

Gross yield

It represents the gross yield of an asset or category of assets. It is calculated by dividing the annualized gross rent between the latest available GAV.

Like-for-Like

Compares the growth of the gross rental income of the portfolio that has been consistently in operation in the three months of 1Q 2016 and the three months of 1Q 2017



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