

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 2nd October 2014, **MERLIN**, through its fully owned subsidiary “MERLIN Oficinas, S.L.”, has acquired five class-A office buildings in Madrid.

The acquisition has been executed for an amount of € 130.000.000. The purchase price has been paid in full with equity.

A deal press release is attached.

Madrid, 3rd October 2014.

Merlin Properties SOCIMI, S.A.

MERLIN Properties acquires five office buildings in Madrid for 130 million euros

- The portfolio comprises a total of 5 modern, efficient class-A buildings with a gross leasable area (GLA) of 34,175 sqm let to blue chip international tenants such as Philips, Vestas and Neoris.
- The purchase price has been paid in full with equity.
- With this purchase, MERLIN has invested ca. 1,250 million euros of the 1,292 million euros raised in its stock market listing, and has now put to work more than 95% of its capital.

Madrid, 3rd October.- MERLIN Properties Socimi, S.A., (“MERLIN”) (MC:MRL) one of the main real estate companies listed on the Spanish Stock Exchange, specialised in the acquisition and management of commercial real estate assets in the Iberian region, has announced today the acquisition of 5 office buildings located in the A1 office axis, North of Madrid’s central business district, for 130 million euros. The purchase of this modern, efficient class-A portfolio perfectly fits with MERLIN’s strategy of acquiring quality assets with long-term price increase potential.

The portfolio has a total GLA of 34,175 sqm and includes 5 office buildings, one with total GLA of 10,856 sqm and 281 parking places fully let to Vestas, an office complex with 3 buildings with total GLA of 17,139 sqm and 392 parking places let to Philips and Neoris and an empty building with a total GLA of 6,180 sqm and 98 parking places.

The acquisition price reflects an initial net yield of 7.07% (“EPRA Net Initial Yield”) that will provide MERLIN with additional annualized gross rental income of 9.8 million euros and an estimated NOI of 9.2 million.

All the properties are built to the highest standards and are highly visible from the A1 highway, very close to Plaza de Castilla.

This acquisition represents an important milestone for MERLIN since it becomes its first office acquisition in Madrid, a strategic market for the company. Moreover, it further reinforces its strategy, based on the acquisition of high quality assets in consolidated locations like the A1 corridor, the best prime decentralized office area in Madrid.

With this investment, MERLIN has deployed ca. 1,250 million euros from the 1,292 million euros the company raised through its stock market listing. Investments to date include assets within the four property types identified by the company as part of its core/core+ strategy at IPO (high-street retail, shopping centres, offices and logistics facilities).

Following this acquisition, MERLIN’s portfolio boasts a GLA of over 575,000 sqm and generates gross rental income of more than 122 million euros per annum.

VIEWS OF THE BUILDINGS



About MERLIN Properties

MERLIN Properties Socimi, S.A. (MC:MRL) is a Spanish REIT which made its stock market debut on 30 June 2014. The company, whose share capital amounts to 1,292 million euros, is the largest REIT 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, high street retail, 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, proven experience in real estate investments, who manage the company's portfolio of assets seeking the highest operating efficiency and returns on the assets for the benefit of its shareholders. 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.

For further information

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