ANNOUNCEMENT PRIOR OF THE TAKEOVER BID OF ALZETTE INVESTMENT S.À R.L. FOR THE SHARES REPRESENTING THE TOTALITY OF THE STAKE OF HISPANIA ACTIVOS INMOBILIARIOS SOCIMI, S.A.

This prior announcement is publicly disclosed in accordance with the provisions of the Real Decreto 1066/2007, de 27 de julio, sobre el régimen de las ofertas públicas de adquisición de valores and contains the main characteristics of the voluntary takeover bid, which is subject to mandatory authorisation by the Spanish Securities and Exchange Commission.

The detailed terms and characteristics of the bid shall be set out in the explanatory prospectus which shall be published after the aforesaid authorisation has been obtained.

1. IDENTIFICATION OF THE BIDDER

The bidding company is Alzette Investment S.à r.l. ("**Bidco**" or the "**Bidder**"), a Luxembourg corporation, with registered address in 2-4, rue Eugène Ruppert, L-2453 Luxembourg (Luxembourg), registered with the Luxembourg register of commerce and companies under number B 221.919. Bidco is in the process to obtain its "LEI" Code.

For the purposes of the provisions of Section 5 of the t*exto refundido de la Ley del Mercado de Valores aprobado por el Real Decreto Legislativo 4/2015, de 23 de octubre* (the **"LMV"**), it is expressly recorded that Bidco is controlled and wholly owned by entities advised by affiliates of The Blackstone Group International Partners LLP, ("**Blackstone**").

A more detailed description regarding the shareholding structure of the Bidder will be included in the explanatory prospectus (the "**Explanatory Prospectus**") that will be published after the obtaining of the approval of this bid in order to acquire 100% of the share capital of Hispania Activos Inmobiliarios SOCIMI, S.A. ("**Hispania**" or the "**Target Company**") by the Bidder (the "**Bid**") by the Spanish Securities and Exchange Commission (the **"CNMV"**).

2. DECISION TO DRAW UP THE BID

The decision to draw up the Bid was adopted following an agreement of the Board of Directors of Bidco held on 4 April 2018.

The Bid was also approved by the Board of Directors of Alzette Holdco S.à r.l. (the immediate shareholder of Bidco) on April 4, 2018.

The launch of the Bid does not require the adoption of any other resolutions by any other entity advised by affiliates of Blackstone.

3. SUBMISSION OF THE BID

Bidco shall submit the application for authorization of the Bid to the CNMV, along with the Explanatory Prospectus and any other document that must be submitted, in accordance with the terms of Section 17 of the *Real Decreto 1066/2007, de 27 de julio, sobre el régimen de las ofertas públicas de adquisición de valores* (the "**Royal Decree on Takeover Bids**"), as soon as possible and in any event within the maximum period of 1 month from the date of this announcement, i.e. no later than May 4, 2018.

4. TYPE OF BID

The Bid is considered a voluntary bid for the purposes of the provisions of Section 137 of the LMV and Section 13 of the Royal Decree on Takeover Bids.

5. STAKE OF THE BIDDER IN THE TARGET COMPANY

Bidco currently holds a direct stake of 18,073,095 shares in Hispania, representing 16.56% of its share capital. The 18,073,095 shares have been acquired by the Bidder on 4 April 2018 from QP Capital Holdings Limited and QPB Holdings Ltd, for a price per share of 17.45 euros. Said share purchase does not include any additional agreement in connection with the transfer of the referred shares.

In accordance with the computation rules of Section 5 of the Royal Decree on Takeover Bids, once deducted 198,006 treasury shares currently held by the Target Company according to the public available information, the Bidder holds 16.59% of the voting rights of the Target Company.

In the 12 months prior to the date of this announcement, neither the Bidder nor any other company of the group to which it belongs, nor the directors of these companies, have carried out, directly or indirectly, individually or jointly with others or in any other way, any transaction over the shares issued by the Target Company or securities granting rights for the subscription or acquisition of shares of the Target Company, other than the acquisition of shares currently owned by the Bidder formalized on 4 April 2018.

As a consequence, the highest price paid by Bidco for shares in the Target Company in the 12 months prior to the date of this announcement is 17.45 euros per share, which matches the price of the Bid.

Moreover, up to the date of this announcement, Bidco has not appointed any members of the administrative or management bodies of the Target Company.

Finally, it is stipulated with regard to the Bid and the Target Company that the Bidder is not acting in concert with any other person or organisation.

6. INFORMATION CONCERNING THE TARGET COMPANY

The Target Company is Hispania, a Spanish corporation (*sociedad anónima*), with registered address C/ Serrano 30, 2º izq, 28001 Madrid, and tax number (N.I.F.) A-

86919271. Hispania is registered in the Madrid Commercial Registry (*Registro Mercantil de Madrid*), with a LEI Code number 95980020140006035226.

Pursuant to the publicly available information concerning the Target Company, the current share capital of Hispania stands at 109,169,542 euros, divided into 109,169,542 shares with a par value of 1 euro each, fully subscribed and paid up. The shares of Hispania are represented by book entries, listed in the corresponding accounting registers of Iberclear and its authorised participating entities, they are listed on the Madrid, Barcelona, Bilbao and Valencia Stock Exchanges and quoted on the automated quotation system of the Spanish Stock Exchanges (*Sistema de Interconexión Bursátil Español*).

Moreover, pursuant to the publicly available information, at the present time Hispania has not issued any bonds that may be converted into or swapped for shares or any other similar securities or instruments outstanding which could directly or indirectly grant entitlement to subscription or purchase of the shares of Hispania. Consequently, there are no securities in Hispania other than the shares stipulated in the Bid that could be targeted by said Bid.

7. SECURITIES AND MARKETS TARGETED BY THE BID

The Bid is launched over the totality of the issued shares of the Target Company in which its share capital is divided, although the Bid excludes the shares owned by Bidco (18,073,095 shares of Hispania, representing 16.56% of the share capital), which shall be locked up. Therefore, the Bid targets a total of 91,096,447 shares in Hispania, representing 83.44% of its share capital.

The terms of the Bid are identical for all the shares of the Target Company which the Bid is targeting.

The Bid is drawn up exclusively in the Spanish market, as this is the only market in which the shares of Hispania are listed, and targets all shareholders in Hispania regardless of their nationality or residence.

This announcement and the contents thereof do not constitute formulation or dissemination of the Bid in jurisdictions or territories other than Spain. Therefore this announcement shall not be published or in any other way distributed or sent to jurisdictions or territories in which the Bid may be illegal or in which additional documentation may be required, and those receiving this announcement may not distribute it or send it to the aforesaid jurisdictions or territories.

8. CONSIDERATION

The consideration of the Bid is 17.45 euros per share and will be totally paid in cash (the "**Price of the Bid**"). As a consequence, the maximum total amount to be disbursed by the Bidder will be 1,589,633,000.15 euros.

The Price of the Bid has been determined on the basis that if any distribution of dividends, reserves, premiums or any other equivalent form of distribution, return of capital or payment to or against equity (or related items), or any declaration thereof, is approved, made or paid by the Target Company prior to the settlement of the Bid (including any dividend approved or declared at the annual shareholders meeting held on April 4, 2018) (in each case, a "**Distribution**"), the Price of the Bid shall be reduced by an amount equal to the gross amount per share of such Distribution (other than to the extent that the benefit of such distribution accrues to Bidco after the settlement of the Bid in respect of shares acquired by Bidco in connection with the Bid), as long as the eventual decrease of the consideration does not exceed that necessary to preserve the financial equivalence with the consideration previously offered and as long as it obtains prior authorization of the CNMV, in accordance with the terms of article 33.1 of the Royal Decree on Takeover Bids.

For the avoidance of doubt, the Price of the Bid shall be reduced in an amount equivalent to gross amount per share distributed by reason of the following agreements of distribution adopted by the ordinary general shareholders meeting held last April 4, 2018: (i) extraordinary distribution of the share premium for an amount up to 60,000,000 euro; (ii) extraordinary distribution of share premium for an amount of up to 32,000,000 euro, and (iii) extraordinary share premium distribution for a total gross amount up to 215,000,000 euro.

Bidco has the necessary funds to pay the consideration established. The entire consideration shall be made effective in cash, and shall be endorsed by a guarantee by a credit institution pursuant to the provisions of Section 15 of the Royal Decree on Takeover Bids.

The price per Hispania share represents a premium of approximately:

(i) 18.4 % to the 31 December 2017 reported EPRA NNNAV of €15.15 per Hispania share adjusted for the €0.41 per share dividend paid in March 2018 (being equal to €14.73 per Hispania share);

(ii) 24.5 % to the 31 December 2017 reported EPRA NNNAV of €15.15 per Hispania share adjusted for; (a) the €0.41 per share dividend paid in March 2018 and; (b) the non-provisioned liability in respect of the performance fee of €77.6 million or €0.71 per Hispania share (the "**Additional Performance Fee Liability**"[1]), being equal to €14.02 per Hispania share;

(iii) 12.5 % to the 31 December 2017 reported EPRA NAV of €15.93 per Hispania share adjusted for the €0.41 per share dividend paid in March 2018 (being equal to €15.51 per Hispania share);

(iv) 17.9 % to the 31 December 2017 reported EPRA NAV of €15.93 per Hispania share adjusted for; (a) the €0.41 per share dividend paid in March 2018 and; (b) the Additional Performance Fee Liability of €77.6 million or €0.71 per Hispania share, being equal to €14.80 per Hispania share ;

[1] The Additional Performance Fee Liability of €77.6 million or €0.71 per Hispania share is based on a total performance fee of €173 million due to Azora Gestion, S.G.I.I.C., S.A.U. ("Azora"), of which only €95 million provisioned in the reported 31 December 2017 EPRA NAV, estimated on the basis of the proposed Price of the Bid and the calculation of the Azora performance fee based on the methodology disclosed in Hispania IPO Prospectus dated 3 March 2014

(v) 5.0 % to the volume-weighted average price of €16.62 per Hispania share for the one-month period ended 28 March 2018 (the "**Last Unaffected Trading Day**", being the last unaffected trading day before the date of this announcement prior to abnormal increase in trading volumes of Hispania shares relative to other Spanish SOCIMIs over the period starting 29 March 2018 and ending 4 April 2018 [2]);

(vi) 7.9 % to the volume-weighted average price of €16.17 per Hispania share for the three-month period ended on the Last Unaffected Trading Day;

(vii) 13.6 % to the volume-weighted average price of €15.36 per Hispania share for the six-month period ended on the Last Unaffected Trading Day.

Despite the Bid being a voluntary bid, Bidco considers that the Price of the Bid constitutes a fair price (*precio equitativo*) within the terms of Section 9 of the Royal Decree on Takeover Bids as it is the highest price paid by the Bidder in the prior 12 months and will be justified with the corresponding valuation report elaborated in accordance with that established under article 10 of the Royal Decree on Takeover Bids which will be filed jointly with the Explanatory Prospectus. Notwithstanding the foregoing, the appraisal of the price of the consideration as a "fair price" is subject to the criterion of the CNMV.

9. CONDITIONS TO MAKE THE BID EFFECTIVE

According to section 13 of the Royal Decree on Takeover Bids, the Bid shall be subject to the satisfaction of the following essential conditions:

(i) Acceptance of the Bid by shareholders of the Target Company together holding the number of shares required to make the Bidder owner of 50% plus 1 share in the Target Company, this is, 54,584,772 shares.

(ii) The general shareholders meeting of the Target Company not passing before the end of the acceptance period of the Bid any resolution approving:

(a) the amendment of the following articles of the bylaws of the Target Company: article 2, relating to the corporate purpose; article 3, relating to the duration of the Target Company; articles 5, 12, 13 and 14, relating to the share capital; article 8, relating to the ancillary services; articles 23 and 31 relating to the performance of the general shareholder´s meeting; articles 34, 35, 38, 40, 41 and 44, relating to the performance of the board of directors; and article 56 relating to the dividends.

[2] The trading volumes of Hispania shares (measured by number of shares exchanged over the trading day) increased by 187%, 172% and 271% versus last 1-month average-traded volumes respectively on 29 March 2018, 3 April 2018 and 4 April, 2018 compared with a decrease in traded volumes of 9%, 8% and 31% respectively for Spanish SOCIMIs (weighted average trading volumes of the shares of Merlin Properties, Inmobiliaria Colonial and Lar España) on the same trading days.

(b) The execution by the Target Company of a merger, spin off, global assignment of assets and liabilities or the issuance of new debt instruments.

(c) The sale or encumbrance of assets for a transactional aggregate value higher than 5% of the NAV of the Target Company as of December 31, 2017.

Moreover**,** to the effects of that foreseen under article 26 of the Royal Decree on Takeover Bids, the Bid is subject to complying with the following condition:

(i) Authorization (or non-opposition by virtue of the expiration of the applicable waiting period) of the Bid by the National Commission on Markets and Competition (CNMC).

10. NOTIFICATIONS WITH REGARD TO ANTI-TRUST AND AUTHORISATIONS BY OTHER SUPERVISORY BODIES

The Bidder considers that acquisition of the shares of Hispania as intended by the Bid does constitute a Spanish economic concentration for antitrust purposes in accordance with Law 15/2007, of July 3, of Antitrust, and therefore the acquisition of the shares involved in the Bid does require notification to, authorisation to be obtained from, or non-opposition by the anti-trust authorities. The Bidder considers that this acquisition does not require the authorisation of, or notification to, any Spanish or foreign supervisory body or authority other than the CNMV and the CNMC.

The filling of the authorization request relating to the Bid with the CNMC will be made by the Bidder within the five days following to the filing of the request for the authorization of the Bid to the CNMV.

11. AGREEMENTS CONCERNING THE BID

In relation to the Bid, Bidco has not reached any agreement with the shareholders of the Target Company, with its Board of Directors or with any board members.

12. STOCK MARKET INITIATIVES

In case that the conditions foreseen under article 136 of the LMV are met, the Bidder will exercise its right of forced sale at the Price of the Bid (as adjusted pursuant to section 8), in this case adjusting such price per share downwards in an amount equal to the gross amount per share of any Distribution carried out between the settlement of the Bid and the execution of the forced sale.

The execution of the transaction of the forced sale consequence of the exercise of the aforementioned right will give rise to, in accordance with articles 47 and 48 of Royal Decree 1066/2007 and the related regulations, the exclusion of the shares of the Target Company from the stock markets of Madrid, Barcelona, Bilbao and Valencia. Said exclusion will be effective on the date in which the transaction of forced sale is settled.

In case that the conditions foreseen under article 136 of the LMV are not met, the Bidder may consider the possibility of promoting the delisting of the Target Company.

13. OTHER INFORMATION

In the opinion of the Bidder, on the date of this announcement, there is no additional information which may be considered necessary for an adequate understanding of the same.

In accordance with the provisions of article 32.1 of the Royal Decree on Takeover Bids, since the publication of this announcement and until the filling of the Explanatory Prospectus, the Bidder, the members of its management and administrative bodies, its controlling shareholders, its advisors, the people with which it acts in concert and the others involved in this Bid will refrain from disseminating or publishing by any means any data or information not included in this announcement.

In accordance with the provisions of Section 30.6 of Royal Decree 1362/2007 of 19 October, as of the date of this announcement, any shareholders of Hispania who acquire shares granting voting rights must notify such acquisitions to the CNMV when the proportion of voting rights held by them is equal to or more than 1%.

Moreover, any shareholders already holding 3% of the voting rights shall notify any operations entailing any subsequent changes to this percentage.

Pursuant to the provisions of Section 2.b) of Rule Five of CNMV Circular 1/2017 of 26 April, as of the date of this announcement, operations on the Target Company's liquidity contract, if any, must be suspended.

In Madrid, on 5 April 2018

ALZETTE INVESTMENT S.À R.L.

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By: Diana Hoffmann	By: Paul-Alexandre Rischard
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