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

MERLIN Properties, SOCIMI, S.A. (“MERLIN”), in compliance with the applicable legislation, hereby notifies the following

RELEVANT INFORMATION

MERLIN will hold an investor call with analyst and institutional investor, today, Thursday 22 September 2017, at 3pm Madrid/CET, which can be followed on line, through audio and video conference, with the following *link* and access code:

Link:

<https://merlinproperties.webex.com/merlinproperties/onstage/g.php?MTID=edc93c72b523d40ab456dccef32bb973>

Access code: 84962292

Participant dial in numbers:

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- Germany 069222233964
- France 0176742431
- Italy 0236003730
- Netherlands 0207139280
- USA 18666654042
- Canada 18777885918

Attached you will find the press release, supporting documentation for the presentation, and the management report, that will also be available on MERLIN’s corporate website (www.merlinproperties.com).

Madrid, 22 September 2017.

MERLIN Properties, SOCIMI, S.A.

Good first half for MERLIN Properties, which increases its dividend guidance for 2017 to € 0.46 per share

- Gross rents: € 235.1 million (+53% vs 1H 2016)
- Recurring EBITDA: € 198.6 million (+47% vs 1H 2016)
- Recurring FFO: € 148.6 million (+54% vs 1H 2016)
- Gross asset value: € 10.4 billion (+3,7% LfL vs Dec-2016)
- NAV per share: € 11.89 (+5.9% vs Dec-2016)

- During the first half, MERLIN has renewed or contracted ca. 500.000 sqm, with positive increases in rents in all asset classes, generating FFO per share of € 0.32, above its target for the period
- The Company increases the dividend per share guidance for 2017 to € 0.46 (+5% versus previous guidance and +15% versus 2016 DPS)

Madrid, 22 September- MERLIN Properties has released its 1H 2017 consolidated financial statements with total revenues of € 243 million, recurring EBITDA of € 199 million, recurring FFO (EBITDA less interest) of € 149 million and a consolidated net profit in accordance with IFRS of € 421 million. The Company has reached a FFO per share of € 0.32, representing a 5.7% increase versus the first half of 2016 and showing good income generation capacity.

The gross asset value (GAV) of the portfolio amounts to over 10.45 billion, growing 3,7% LfL as compared to December. EPRA net asset value (EPRA NAV) amounts to € 5,586 million or € 11.89 per share, compared to € 11.23 in December (+5.9%).

The intense leasing activity during the period, with ca. half a million sqm renewed or contracted, evidences the positive evolution of the Spanish real estate market and the portfolio size and quality of MERLIN following the integration of Metrovacesa. Offices, shopping centers and logistics have posted positive like-for like rental growth and remarkable re-letting spreads in all cases. Furthermore, the overall portfolio occupancy rate has increased from 91.3% in December to 93.1% at the end of the first half.

Offices

This segment, which was lagging behind shopping centers and logistics in terms of rental recovery, has shown very good performance in the 3 core markets, delivering +3.4% re-letting spread overall (+3.1% in Madrid, + 6.3% in Barcelona and +7.9% in Lisbon). Occupancy rate also increases from 87.9% to 89.3%.

During the period, MERLIN acquired Torre Glòries in Barcelona and Central Office in Lisbon, progressed in the construction of Torre Chamartin, and continued executing its refurbishment plan, notably in Avenida Europa (Renault), Puerta de las Naciones (Ferrovial) and Balmes 236 (Eugin).

Shopping Centers

The shopping center portfolio has shown its quality and strength in the period, with positive footfall and tenant sales evolution coupled with a notable re-letting spread (+5.5%). The occupancy rate has increased to 89.3%.

The refurbishment plan keeps progressing. The new Marineda sports area has successfully been inaugurated with 91% occupancy, Nickelodeon works in Thader progress according to plans (opening in 4Q) and the renovation works in Arturo Soria Plaza have started.

Logistics

The strong market dynamics are driving the portfolio performance to reach virtually full occupancy, with a re-letting spread of +16.3%.

After the successful inauguration of Cabanillas Park I in May, with 202.600 sqm fully let at opening, the ambitious organic growth plan continues, with upcoming projects in Meco, Pinto, Azuqueca, Getafe and Sevilla.

Shareholder remuneration

In line with the positive business evolution, the Company increases its FY2017 dividend guidance to €216 million or 46 cents per share (+15% vs 2016).

About MERLIN Properties

MERLIN Properties SOCIMI, S.A. (MC:MRL) is the largest real estate company trading on the Spanish Stock Exchange, with a market capitalization of more than 5.5 billion euros, specialized in the acquisition and management of commercial property in the Iberian region. MERLIN Properties mainly invests in offices, shopping centers and logistics facilities, within the Core and Core Plus segments, forming part of the benchmark IBEX-35, Euro STOXX 600, FTSE EPRA/NAREIT Global Real Estate, GPR Global Index, GPR-250 Index, and MSCI Small Caps indices.

Please visit www.merlinproperties.com to learn more about the company.

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6M 2017
RESULTS PRESENTATION



22 SEPTEMBER 2017

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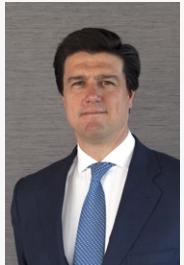
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ISMAEL CLEMENTE
CEO



MIGUEL OLLERO
GM / COO



DAVID BRUSH
CIO

Contents

6M 17 Financial Results

Office performance

Shopping centers performance

Logistics performance

Valuation and debt position

Value creation

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Financial performance

- **+5.7%** FFO per share YoY
- **+12.2%** EPRA NAV YoY
- **Highest FFO yield** in the market
- Significant **growth prospects** in valuation
- Capital structure: longer and **more balanced maturity**

Business performance

- Excellent performance in office, shopping centers and logistics, with **positive LfL growth and release spread**
- **Strong increase in occupancy** in offices (+132 bps), shopping centers (+68 bps) and logistics (+329 bps)

Value creation

- **Excellent** value creation for the **assets delivered** in the period
- Development and refurbishment plan being **executed on target**
- Significant **potential for rental growth**

6M 17

FINANCIAL RESULTS





+5.7% INCREASE IN FFO PER SHARE AND +37.2% IN EPRA EPS

| € m | 6M17 | 6M16 | YoY |
|-----------------------------|-------------|-------------|------------|
| Total revenues | 242.6 | 158.0 | 53.5% |
| Office | 108.5 | 57.4 | 89.0% |
| High street retail | 52.1 | 48.0 | 8.4% |
| Shopping centers | 47.3 | 20.4 | 131.6% |
| Logistics | 19.5 | 9.8 | 98.3% |
| Other ⁽¹⁾ | 7.7 | 18.9 | n.a. |
| Gross rents | 235.1 | 154.6 | 52.1% |
| Net rents | 208.0 | 142.3 | 46.2% |
| EBITDA⁽²⁾ | 198.6 | 135.5 | 46.6% |
| FFO⁽³⁾ | 148.6 | 96.7 | 53.7% |
| AFFO⁽⁴⁾ | 142.6 | n.d. | n.d. |
| IFRS net profit | 421.4 | 211.1 | 99.6% |
| EPRA NAV | 5,585.9 | 3,423.2 | 63.2% |
| € per share | 6M17 | 6M16 | YoY |
| FFO | 0.32 | 0.30 | 5.7% |
| AFFO | 0.30 | n.d. | n.d. |
| IFRS EPS | 0.90 | 0.65 | 37.2% |
| EPRA NAV | 11.89 | 10.60 | 12.2% |

Source: Company

⁽¹⁾ Including hotels, rented residential in 6M16

⁽²⁾ Excludes non-recurring items (€ 3.0m) plus LTIP accrual (€ 26.75m)

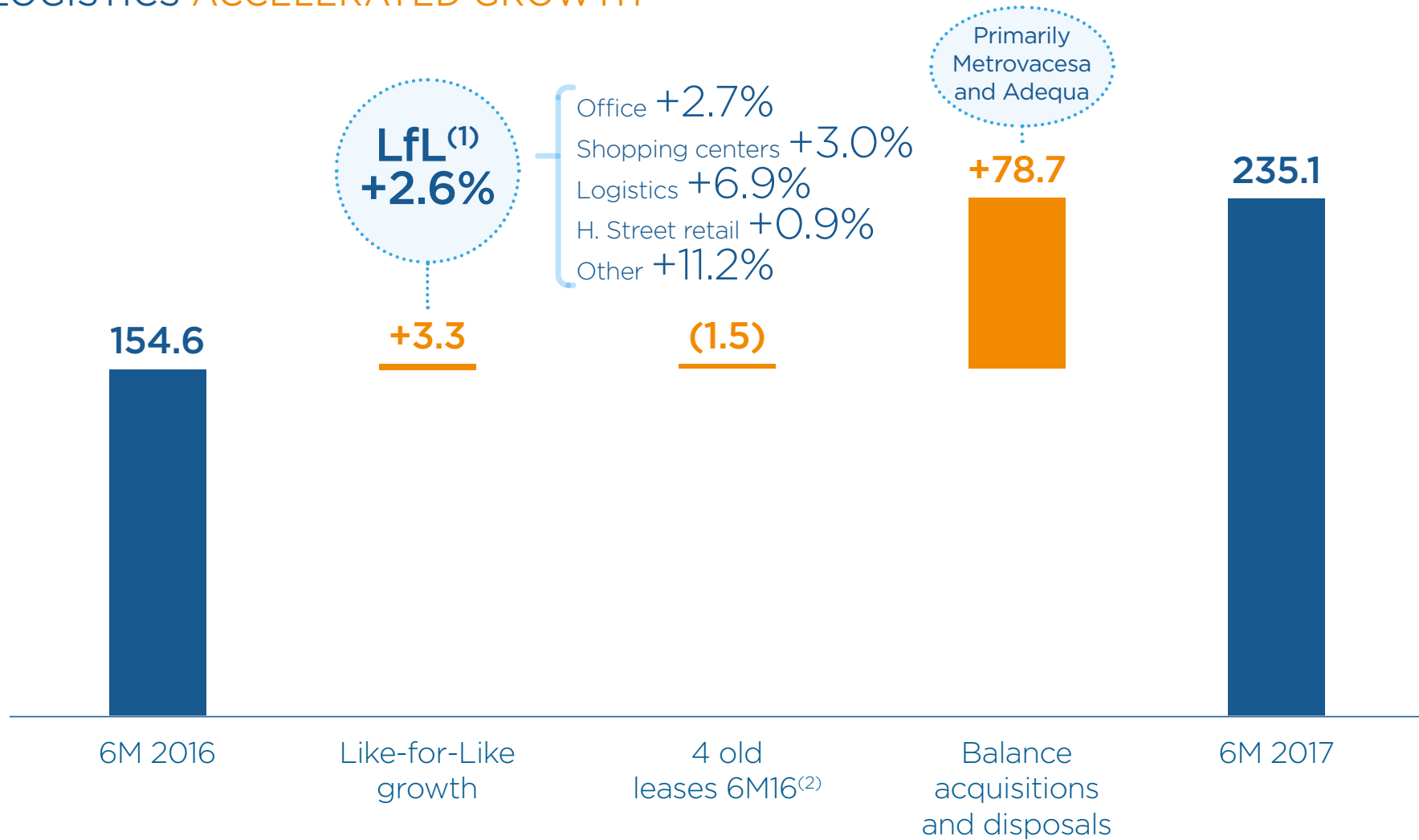
⁽³⁾ FFO equals EBITDA less net interest payments, less minorities, less recurring income taxes plus share in recurring earnings of equity method. FFO reported in 6M16 has been rebased in accordance with this methodology

⁽⁴⁾ AFFO equals FFO less maintenance Capex



OFFICE AND SHOPPING CENTERS SHOWING ROBUST UPWARDS TREND AND LOGISTICS ACCELERATED GROWTH

(€m)

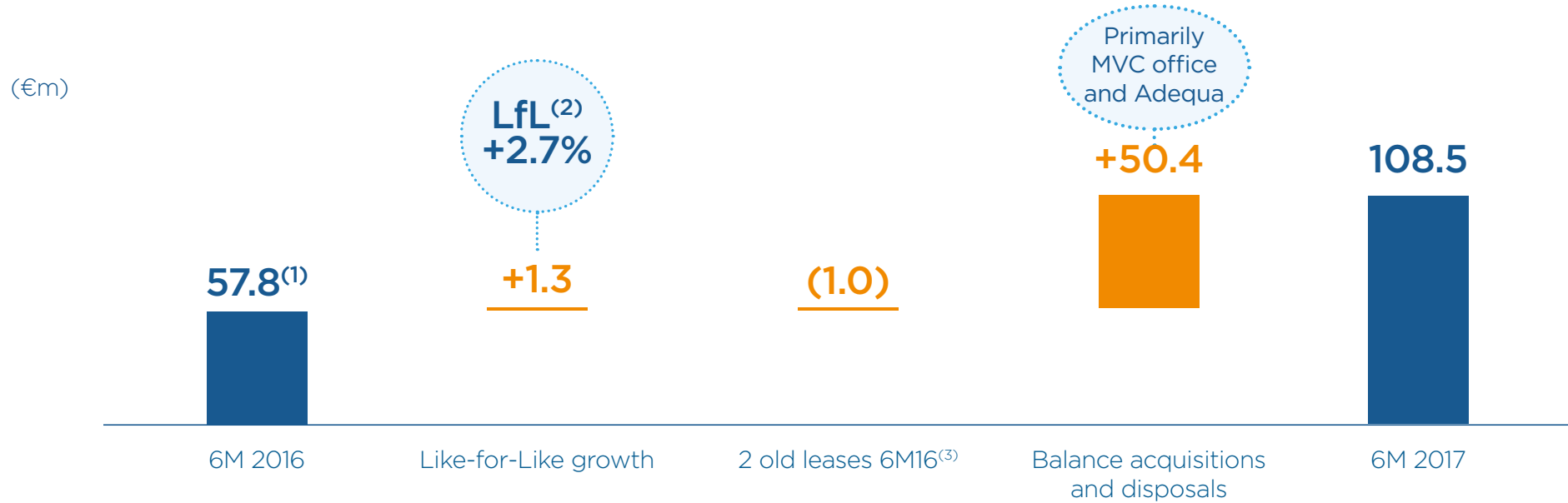


⁽¹⁾ Portfolio in operation for 6M 16 (€ 128.8m GRI) and for 6M 17 (€ 132.1m GRI)

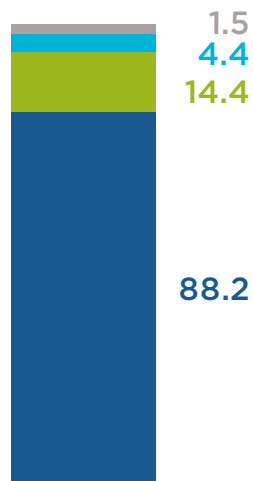
⁽²⁾ Vestas, Endesa-Sevilla, UPS and Logista

OFFICE PERFORMANCE

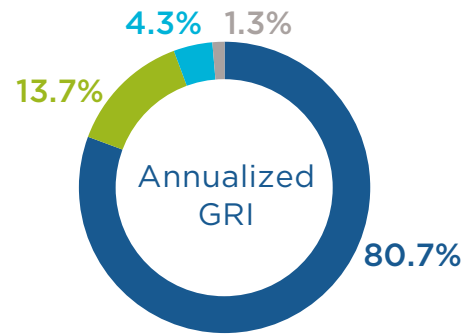




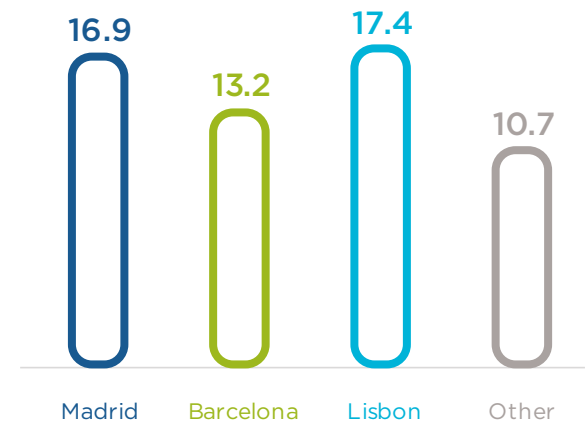
Gross rents 6M 17



Breakdown by location



Passing rent (€/sqm/m)



■ Madrid ■ Barcelona ■ Lisbon ■ Other


⁽¹⁾ Rebased after reclassification of assets (€ 57.4m reported in 30/06/16)

⁽²⁾ Office portfolio in operation for the 6M16 (€ 48.4m) and for the 6M17 (€ 49.7m)

⁽³⁾ Vestas and Endesa-Sevilla






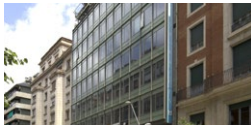

GOOD PERFORMANCE IN OUR 3 CORE MARKETS, WITH **+3.4% RELEASE SPREAD**

| | Contracted sqm | Release spread | # contracts | Main actions | | |
|--------------|----------------|----------------|-------------|---|--|---|
| Madrid | 200,894 | +3.1% | 72 |  URÍA MENÉNDEZ |  codere |  SONY |
| Barcelona | 34,152 | +6.3% | 26 |  McKinsey &Company |  FUJITSU | |
| Lisbon | 1,043 | +7.9% | 1 |  British Hospital | | |
| TOTAL | 236,089 | +3.4% | 99 | | | |

Most meaningful sample in Spain



OCCUPANCY RISING IN MADRID AND BARCELONA

| | Net Absorption | Occupancy 30/06/17 | Change vs 31/12/16 (bps) | Main actions |
|--------------|----------------|--------------------|--------------------------|--|
| Madrid | +12,806 | 88.9% | +105 |  Roche  AMERICAN EXPRESS  Aktua |
| Barcelona | +4,191 | 88.8% | +312 |  clinica eugin  grupo VIPS |
| Lisbon | (467) | 92.7% | (154) | Change of perimeter (Central Lisbon acquisition) |
| TOTAL | +16,529 | 89.3% | +132 | |

91.9%

If we were to exclude from stock 36k⁽¹⁾ under refurb (29k pre-let)

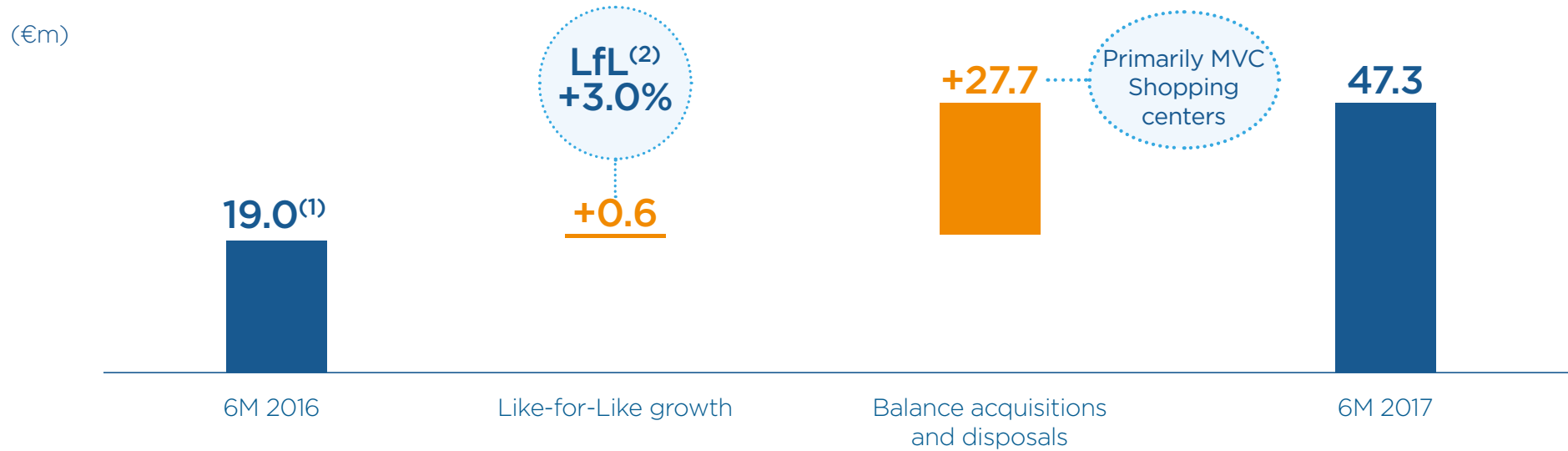
⁽¹⁾ Avda. Europa, Puerta de las Naciones, Eucalipto 33 and Balmes



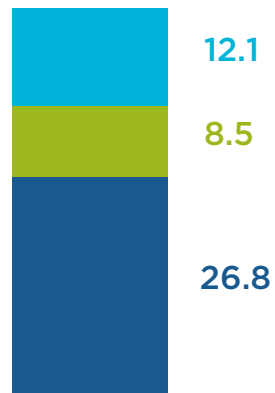
SHOPPING CENTERS PERFORMANCE



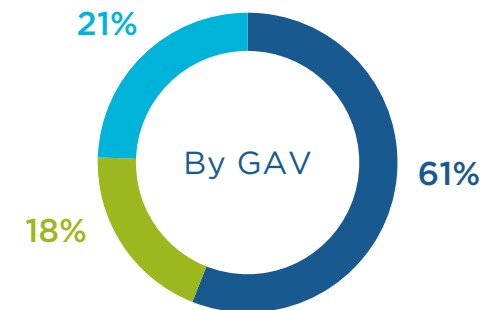
A DOMINANT AND URBAN PORTFOLIO SHOWING STRENGTH



Gross rents 6M 17



Breakdown by type




■ Urban ■ Dominant ■ Secondary









⁽¹⁾ € 20.4m reported. € 19.0m after reclassification of Plaza de los Cubos as High Street retail

⁽²⁾ Shopping centers portfolio in operation for 6M 16 (€ 19.9m) and for 6M 17 (€ 20.5m). Assuming full consolidation of Arturo Soria SC



MEANINGFUL RELEASE SPREAD (+5.5%)

| | Release spread | #contracts | Main actions |
|---------------|----------------|------------|--|
| All portfolio | +5.5% | 84 |         |

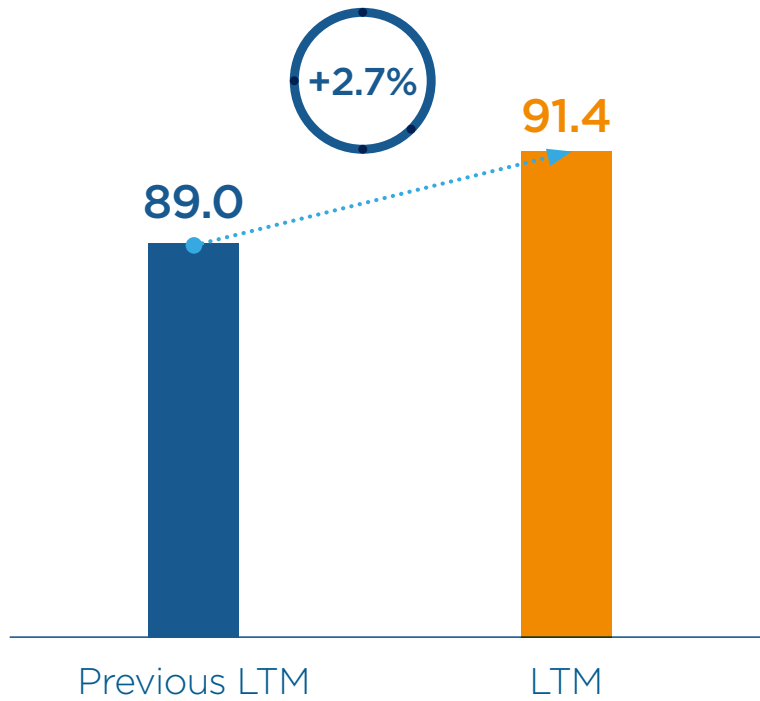
| | Contracted sqm | Net Absorption | Occupancy 30/06/17 | Change vs 31/12/16 (bps) | Main actions |
|---------------|----------------|----------------|--------------------|--------------------------|---|
| All portfolio | 71,587 | +2,974 | 89.3% | +68 |         |

In spite of Shana and Blanco bankruptcies (5,084 sqm)

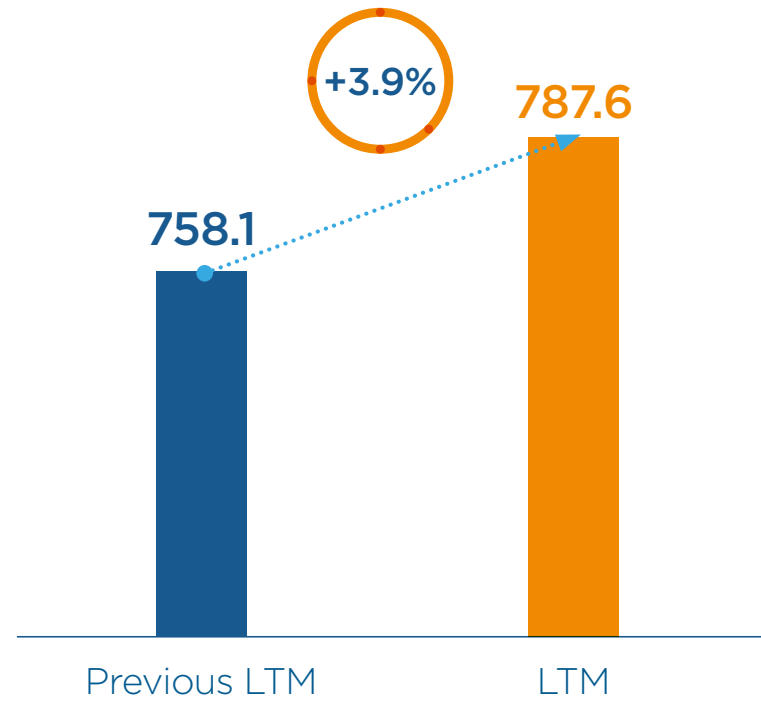


OVER 100M VISITORS TO OUR PORTFOLIO

Visitors⁽¹⁾



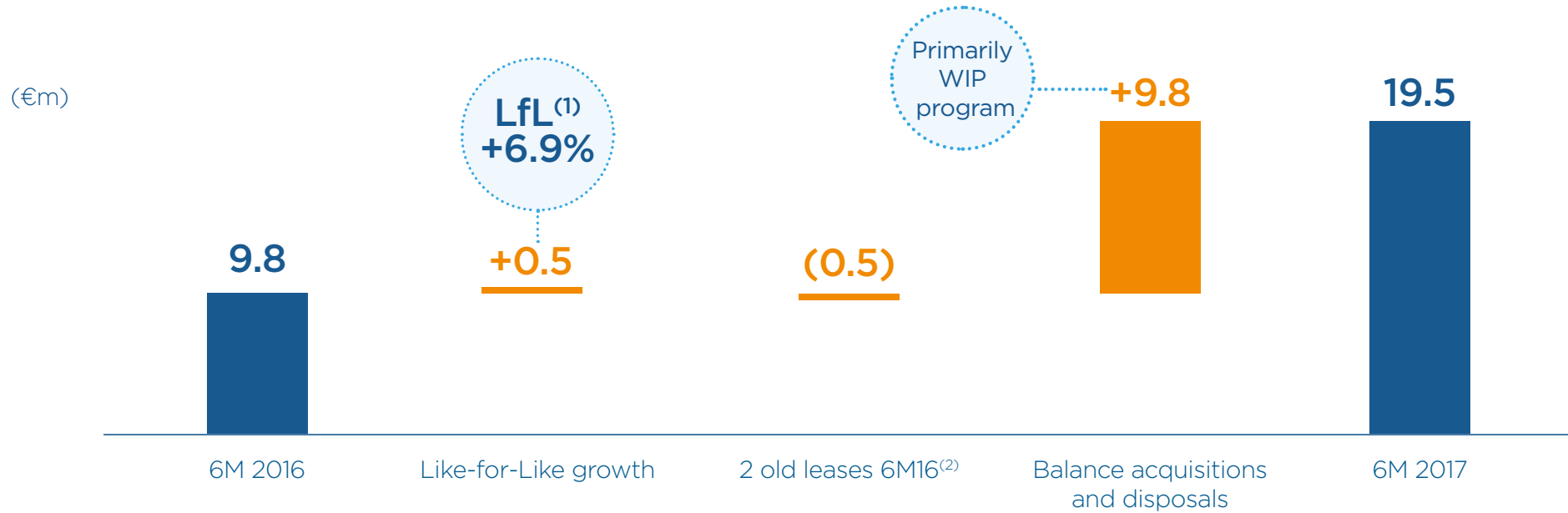
Sales⁽¹⁾



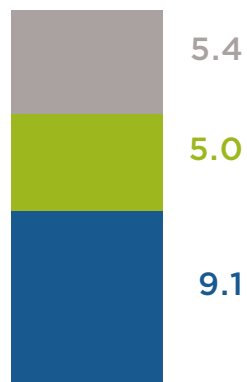
⁽¹⁾ Excluding assets impacted by the "opening effect" of a new shopping center in the previous 24 months (Porto Pi)



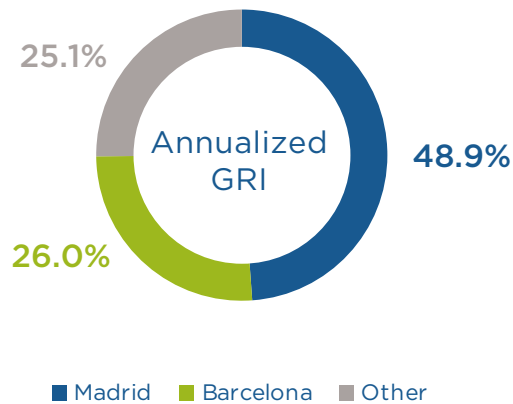
LOGISTICS PERFORMANCE



Gross rents 6M 17



Breakdown by location



Passing rent (€/sqm/m)






⁽¹⁾ Logistics portfolio in operation for 6M 16 (€ 7.6m) and for 6M 17 (€ 8.1m)

⁽²⁾ UPS and Logista








STRONG MARKET DINAMICS DRIVING A VERY POSITIVE RELEASE SPREAD

| | Release spread | #contracts | Main actions | |
|--------------|----------------|------------|--|--|
| Madrid | +16.3% | 6 |  DACHSER Intelligent Logistics |   |
| Barcelona | - | - | | |
| Other | - | - | | |
| TOTAL | +16.3% | 6 | | |

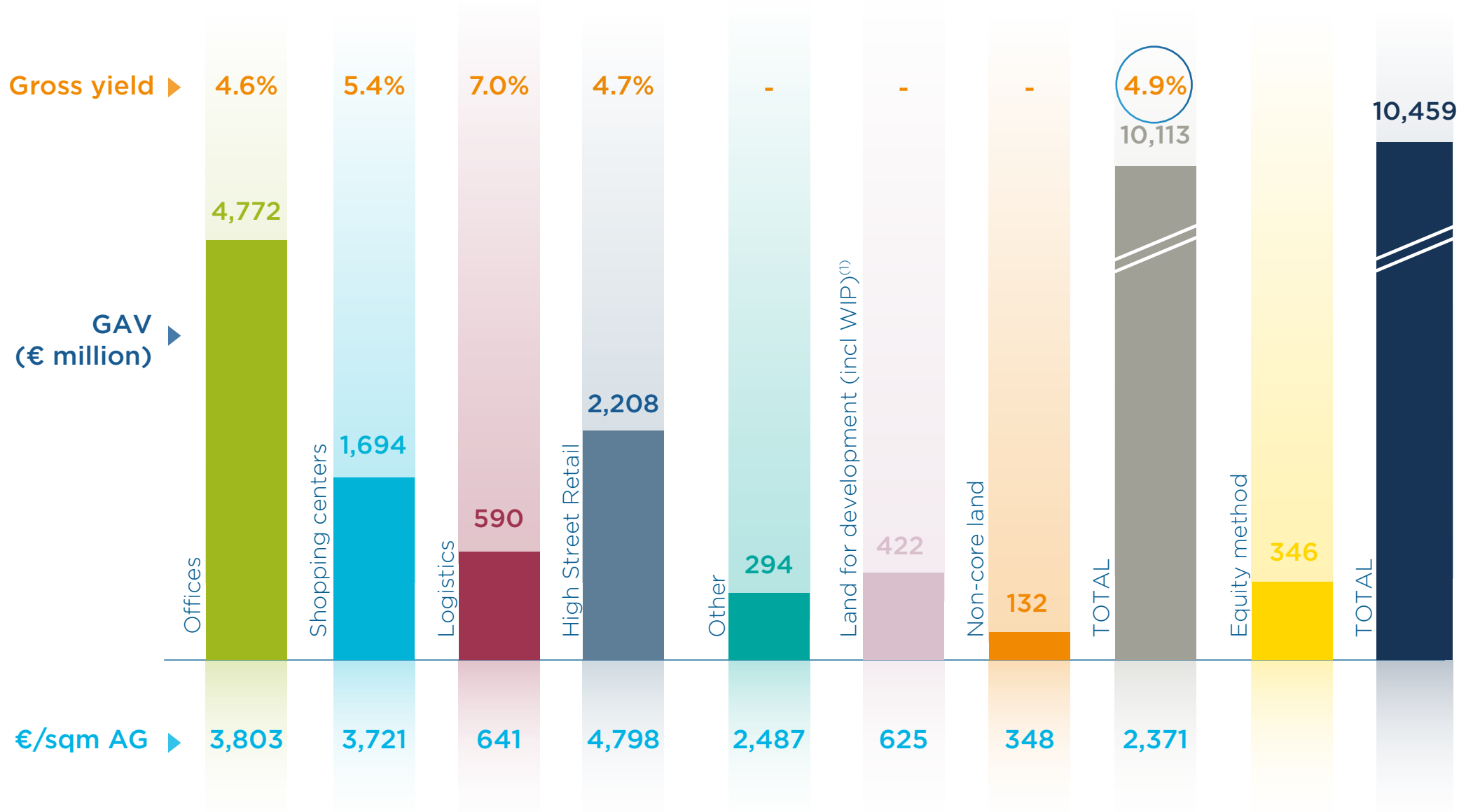


STRONG LEASING PERFORMANCE: THE PORTFOLIO IS VIRTUALLY FULLY OCCUPIED

| | Contracted sqm | Net Absorption | Occupancy 30/06/17 | Change vs 31/12/16 (bps) | Main actions | |
|--------------|----------------|----------------|--------------------|--------------------------|--|--|
| Madrid | 130,952 | +49,793 | 100.0% | - |  XPO Logistics |  DSV |
| Barcelona | 31,102 | +26,730 | 99.1% | +1,253 |  MOLENBERGNATIE |  ZAMORANO |
| Other | 21,066 | (2,585) | 95.8% | (103) |  CBL | |
| TOTAL | 183,121 | +73,938 | 98.6% | +329 | | |

A photograph of a modern, multi-story building with a glass and steel facade. The building features a large, open atrium with a high ceiling supported by a complex steel truss structure. A central glass tower is visible, reflecting the sky. The floor is a mix of light-colored stone tiles and a dark wooden deck. The overall atmosphere is clean, bright, and architectural.

VALUATION AND DEBT POSITION



Source: Company

⁽¹⁾ Including Non income producing assets such as Logistic WIP and office WIP (Torre Charmatin and Torre Glories)



AMPLE ROOM FOR FUTURE GROWTH

| | LfL growth 6M 17 | Yield compression 6M 17 |
|--------------------|------------------|-------------------------|
| Office | 4.7% | (11 bps) |
| Shopping centers | 5.1% | (27 bps) |
| Logistics | 6.0% | (18 bps) |
| High Street retail | 0.2% | (0 bps) |
| MERLIN | 3.7% | (11 bps) |

Lowest yield compression among Spanish peers

Yields on GAV

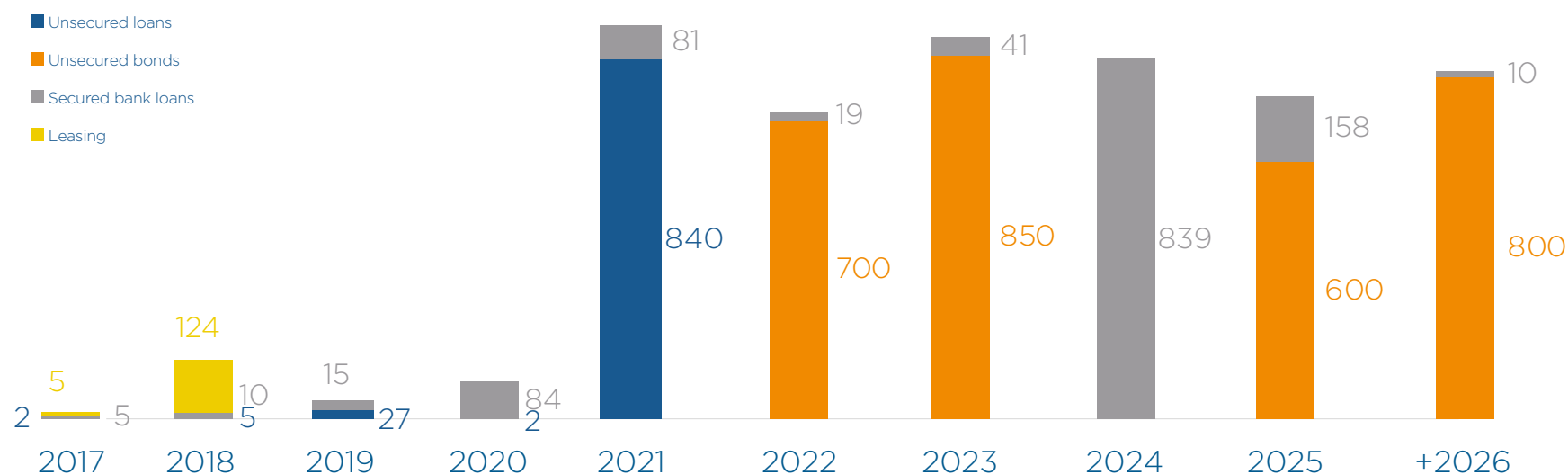
| | MERLIN | Peer 1 | Peer 2 | Peer 3 |
|---------------------------------------|-------------|-------------|-------------|-------------|
| Office | 4.6% | 3.9% | 3.4% | 2.8% |
| Shopping centers | 5.4% | | | 6.3% |
| Logistics | 7.0% | | 5.9% | 6.3% |
| FFO Yield on NAV⁽¹⁾ | 5.3% | 2.5% | 2.4% | 5.1% |

Highest FFO yield among Spanish peers

⁽¹⁾ Calculated as 6M 17 FFO share multiplied by 2, and divided by EPRA NAV per share as of 30/06/17



LONG-TERM, BALANCED MATURITY PROFILE



| | 30/06/17 | 31/12/16 |
|--------------------------|-----------|----------|
| Gross financial debt | € 5,216m | € 5,193m |
| Cash ⁽¹⁾ | € 451m | € 722m |
| Net financial debt | € 4,765m | € 4,471m |
| GAV | € 10,459m | € 9,824m |
| LTV | 45.6% | 45.5% |
| Average cost | 2.24% | 2.26% |
| Floating interest rate | 1.6% | 11.3% |
| Average maturity (years) | 6.2 | 6.2 |
| Liquidity ⁽²⁾ | € 871m | € 949m |
| Non-mortgage debt | 75.8% | 75.6% |

⁽¹⁾ Including cash and net proceeds from the sale of hotels

⁽²⁾ Including available treasury plus hotels sale receivable and unused credit facilities (€ 420m)

VALUE CREATION





BALMES 236

6,187 sqm
GLA

100%
Occupancy

€ 8m Capex
mostly borne
by tenant
(€1.8 by MRL)

39%
ROI

THE PLAN

- Transformation of a multi-tenant C asset in an excellent location into a B+ mono-tenant HQ

ACTIONS

- Commercialization by internal leasing team
- Technical supervision by internal technical team
- Pre-let to Eugin, Spanish leader in fertility investigation

Occupancy
59%
↓
100%

(€/sqm/m)
12.4
↓ +29%
16.0

clínica
eugin





MARINEDA SPORTS AREA

3,402 sqm
GLA

€ 2.5m
Total Cost

€ 0.45m
Rents

18%
ROI

THE PLAN

- Transformation of an unborn luxury brands area, with high vacancy, into a sports related area

ACTIONS

- Redesign to improve visibility, vertical connections and interior design
- Change of flooring, lighting, furniture and digitalization
- Re-tenanting plan
- In-house project management

91%
Occupancy

Successful
retenanting

Sprinter

U URBAN JUNGLE

1st store in a shopping center in Spain



Largest gym operation in NW Spain

COOLLIGAN

2nd store in a shopping center in Spain

OTEROS
SNEAKERS FOR ALL

1st store in Galicia





MERLIN-CABANILLAS PARK I

202,607 sqm
GLA

Largest
Park built
since 2007

100%
Occupancy

8.2%
Yield on cost

30% valuation
uplift

THE PLAN

- Development of a large logistics park in the main hub in Spain, with the highest specifications to meet the needs of 3PLs and e-commerce companies

ACTIONS

- Forward purchase agreement with two developers
- Price set in an inflationary market
- No construction risk
- Leasing risk reduced through rental guarantees
- Project monitored "in-house"
- MRL leasing team led commercialization



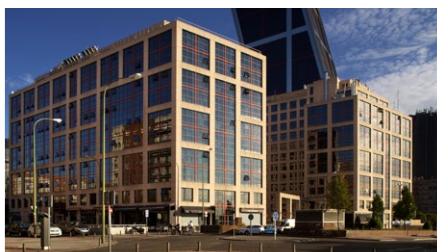
100%
Occupancy

€ 7.8m
Annual rents

Top tier tenants



EXCELLENT VALUE CREATION (+31% UPLIFT)



December 2015

Testa portfolio

December 2016

Testa + Metrovacesa
portfolio

April 2017

Testa + Metrovacesa
+ banks portfolio

September 2017

Testa + Metrovacesa +
banks + Acciona portfolio

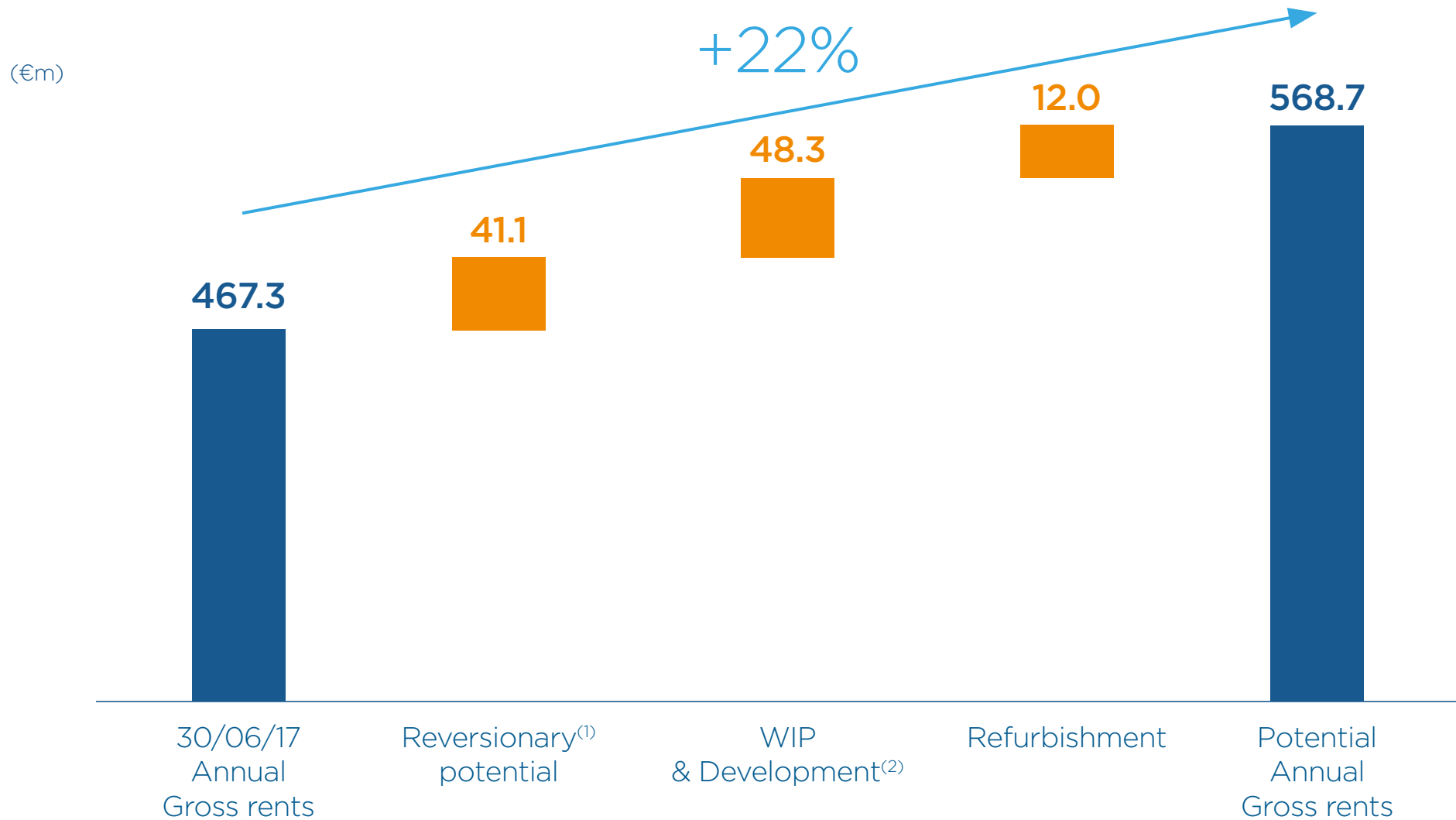
| | | | | |
|--------------------|------|-------|-------|-------|
| NAV | 177 | 618 | 1,377 | 1,816 |
| MRL stake | 100% | 34.2% | 16.2% | 12.7% |
| MRL attributed NAV | 177 | 212 | 223 | 231 |

SIMULTANEOUSLY IMPROVING TESTA RESIDENCIAL PROFILE: THE LEADER IN THE MARKET

| | | | | |
|--------|-------|-------|-------|-------|
| #units | 1,519 | 4,706 | 7,992 | 9,041 |
| GRI | 12 | 35 | 56 | 70 |
| GAV | 288 | 340 | 1,738 | 2,179 |



| | | Delivery Year | Pending Capex | Expected Rent | |
|---|---------------|------------------|---------------|---------------|-------|
|  | Development | Torre Glòries | 2018 | | |
| | | Torre Chamartin | 2018 | € 97m | € 24m |
| | | Adequa | 2021 | | |
|  | Refurbishment | Offices | 2017-2020 | € 174m | € 12m |
| | | Shopping centers | 2017-2020 | | |
|   | Logistics WIP | Meco II | 2017 | | |
| | | Pinto I | 2017 | | |
| | | Pinto II | 2017 | | |
| | | Gavilanes | 2018 | | |
| | | Sevilla ZAL | 2018 | € 230m | € 24m |
| | | Azuqueca II | 2018 | | |
| | | Azuqueca III | 2018 | | |
| | | San Fernando | 2018 | | |
| Cabanillas Park II | 2021 | | | | |



⁽¹⁾ Not considering any rental market growth nor inflation

⁽²⁾ Includes Torre Glòries, Torre Chamartin, Adequa and Logistic WIP

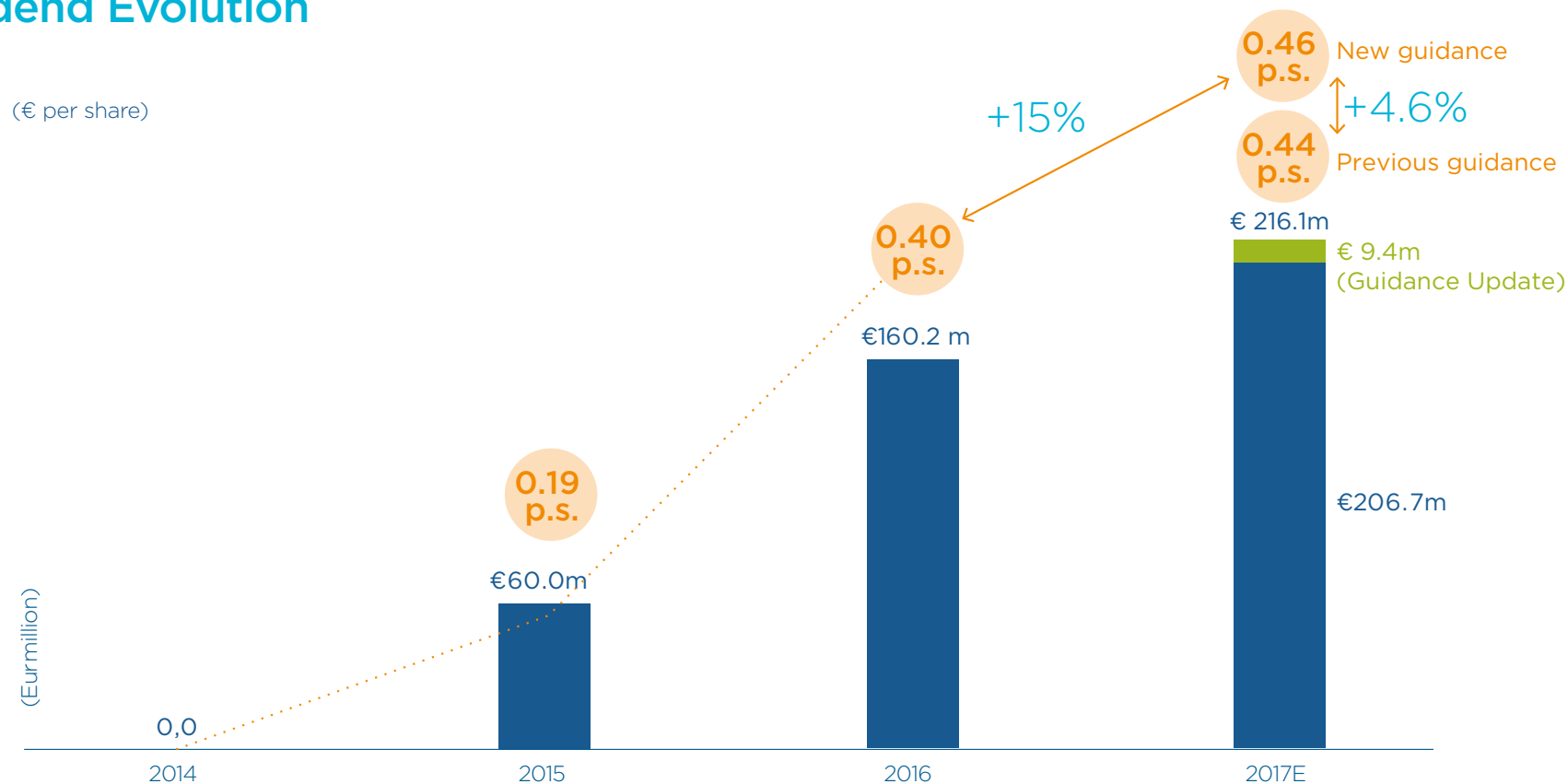


CLOSING REMARKS



- MERLIN very **well positioned** to capture strong upwards market dynamics
- **Strong reversion** through rents, occupancy, developments and refurbishments program (€ 467m of annual rents to reach € 569m)
- **AFFO per share and DPS guidance upgraded:** € 0.58 (vs € 0.55) and € 0.46 (vs € 0.44), respectively (+15% growth YoY 2017 vs 2016)

Dividend Evolution





MERLIN

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