

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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