

Excellent quarter for MERLIN Properties, with rental and occupancy growth accelerating in all asset categories

- Gross rents: € 371.0 million (+5.3% YoY)
- Recurring EBITDA: € 296.4 million (-0.4% YoY)
- Gross asset value: € 12.25 billion (without quarterly revaluations)
- Net asset value per share: € 14.33 (+19.2% vs 9M 2017)
- Release spread accelerating: +6.8% in office, +4.1% in shopping centers and +9.2% in logistics
- Occupancy: 93.4% (+128 bps vs 30/06/2018)

- During the first nine months of the year, MERLIN has contracted more than 650,000 sqm, with positive increases in rents in all asset classes. Significant hike in occupancy
- The three plans of the Company, Landmark I, Flagship and Best II continue progressing, with relevant advances in Torre Glòries, Adequa, Arturo Soria and Larios
- Investment activity in the period has taken place in Portugal, with the acquisitions of Almada shopping center and Zen Tower office building, both in Lisbon, and in logistics, with acquisitions in A-2 and A-4 hubs, as well as in Vitoria and Valencia

Madrid, 14 November- MERLIN Properties has released its 9M 2018 consolidated financial statements with total revenues of € 376 million, recurring EBITDA of € 296 million, recurring FFO (EBITDA less interest) of € 213 million and a consolidated net profit in accordance with IFRS of € 482 million.

NAV amounted to € 6,733 million (14.33 euros per share), representing a 19.2% increase versus 9M 2017. It is important to highlight that no new appraisal for the assets has been carried out this quarter as, in accordance with the Company's policy, new appraisals of the portfolio are carried out on a semi-annual basis.

The intense leasing activity during the period, with over 650,000 sqm renewed or contracted, delivers very positive performance indicators, evidencing a growing trend both in rental prices (+6.8% release spread in offices as of September, versus +4.7% as of June) and occupancy, which has grown significantly to end the period at 93.4% (+128 basis points versus June).

Offices

- Business performance

Very good performance with a 6.8% average release spread. The release spread has been 4.6% in Madrid, 17.2% in Barcelona and 6.4% in Lisbon. The occupancy has also grown to reach 88.6%, which represents an increase of 79 bps quarter over quarter. Like for like rental growth is now in the positive territory, after overcoming the effect of the vacancies experienced in the first quarter. Relevant leases in the quarter include 6,046 sqm with Deloitte in Torre Chamartin, 3,385 sqm with Oracle in Torre Glòries, 2,239 sqm with Servdebt in Marqués de Pombal 3 and 7,531 sqm with Ferrovial in Via Norte.

- Landmark Plan I

The works in Adequa Phase 1 have been completed. Torre Glòries has seen the end of Phase I and the commencement of Phase II (lobby, observatory and auditorium).

Shopping Centers

- Business performance

The shopping center portfolio has seen a strong release spread of 4.1%, exhibiting an accelerating trend (+3.4% as of June). Significant increase in occupancy during the quarter, growing from 88.2% as of June to 90.5% as of September (+235 basis points). Like for like rental growth stands at 3.2%.

- Flagship Plan

Arturo Soria shopping center has been completely refurbished, only pending works on the parking and terraces. X_Madrid is also progressing both in works and leasing activity, with pre-lets now at 80%. The full refurb of Larios is 32% executed, with Zara having signed the extension to the new fashion area, totaling 4,425 sqm.

Logistics

- Business performance

This asset category continues showing strength: MERLIN release spread reaches 9.2% and occupancy grows by 85 bps to reach 98.2%. Like for like rental growth is 8.2%.

- Best Plan II

On track, with great progress in Cabanillas Park I module F and Toledo-Seseña. Logistics footprint keeps expanding through selected acquisitions in the main hubs of Valencia and The Basque Country.

Investment and divestment activity

The Company has surpassed the targets for 2018, publicly disclosed earlier in February.

As regards to divestments, MERLIN has reached an agreement in November with BBVA for the sale of 166 branches for a price of € 252 million, representing a premium of 3.6% versus latest appraisal as of June 30. This sale together with Testa Residencial and other ancillary non-core assets represent an aggregate amount of € 588 million of disposals and an average premium of 2.5% versus latest appraisal.

As regards to investments, MERLIN has focused in Portugal, having acquired Almada shopping center (€ 406.7 million, 5.9% yield) and Zen Tower office building (€ 33.3 million, 6.4% yield), both in Lisbon, and in logistics, having acquired several assets in the A-2 and A-4 corridors, Valencia and Vitoria (€ 59.1 million, 7.3% yield).

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 approximately 5,300 million 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.

For further information please contact:

Nuria Salas, nsalas@tinkle.es, +34 629 56 84 71

Sarah Estébanez, sestebanez@tinkle.es, +34 636 62 80 41

Iris Ancares, iancares@tinkle.es, +34 607 94 70 96