



Testa Residencial's General Shareholders Meeting approves the request for admission to trading of its shares on the Spanish Stock Exchanges

- **The Shareholders approve the annual accounts for FY 2017 and a capital increase with preferential subscription rights in the context of the potential listing on the Spanish Stock Exchanges**
- **The FY 2017 results show a 25.1 million euros EBITDA and a 70.2 million euros profit**

Madrid, April 27th. – Testa Residencial's General Shareholders Meeting, gathered yesterday in an ordinary session approving the annual accounts corresponding to the financial year 2017, as well as resolving to request the admission for trading of the company's shares on the Spanish Stock Exchanges.

Before the admission to trading of the shares, it is foreseen that an offer of existing and newly issued shares will be made, exclusively targeted at qualified investors (the Offer).

In this context, it has been considered appropriate to give minority shareholders of the Company the possibility of subscribing shares prior to the Offer and, with this aim, the Board approved a capital increase with preferential subscription rights for Testa Residencial's current shareholders (although Testa Residencial's four main shareholders (Santander, BBVA, Merlin Properties and Acciona Real Estate), owners of more than 99% of its capital, have irrevocably waived their right for a pre-emptive subscription). Under the approved increase, the minority shareholders, if desired, may subscribe a newly issued share for every 14 shares they own. The shares that are not subscribed by the minority shareholders during the one-month pre-emptive subscription period will be offered in the Offer, at the price that, if applicable, will be determined. In the event that the Offer does not take place, the increase will be canceled.

Testa Residencial closed the year 2017 with revenues of 52.9 million euros, presenting a growth in comparison with the previous year that is mainly explained by the inclusion of important portfolios, following the completion of several transactions throughout the past two years.

Like-for-like, taking into account Testa Residencial's portfolio as of January 1, 2017, the rental income grew an 8.1% during the past year, achieving an average rent of 7.5 euros/sqm/month for the entire portfolio as at December 2017. At the end of the last financial year, the occupancy rate of the residential portfolio reached 90%.

Testa Residencial closed 2017 with a gross asset value (GAV) of the portfolio of 2,275 million euros and annualised rents of 72.2 million euros as at December 2017.

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Wolfgang Beck, CEO of Testa Residencial, has highlighted the positive operating evolution of the accounts, which “confirm the soundness of Testa Residencial’s business, sustained by the excellent location and quality of the assets, as well as by the active and professional management, enabling the optimization of the portfolio”.

In parallel, the Board of Directors of Testa Residencial approved the merger project with one of its affiliates, Compañía Urbanizadora del Coto, S.L., 99.65% owned by Testa Residencial. The owners of the remaining 0.35% will receive Testa Residencial shares, exchange that will be covered by treasury stock, for a total value of 1.1 million euros, not requiring additional capital issuances.

About Testa Residencial

Testa Residencial SOCIMI S.A. is the leading private company in the residential rental market in Spain (not including portfolios owned by financial entities) whose objective is to efficiently and professionally manage a selection of residential properties that provide the best service to its tenants and a recurring income to shareholders . At present, it has a portfolio of 9,244 homes with a prominent presence in the main Spanish metropolitan areas (mainly in Madrid). Its main shareholders are Santander 36.8%, BBVA 25.6%, Acciona 20.0% and Merlin Properties 17.0%.

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The information, opinions and forward-looking statements contained in this release speak only as at its date and are subject to change without prior notice.

The prospectus in connection with the potential Offer and admission to listing is pending approval by the Spanish Securities & Exchange Commission (CNMV). Upon approval, it will be available on the company's registered office and in the respective websites of the company (www.testa-socimi.com) and the CNMV (www.cnmv.es).

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