

In compliance with Section 228 of the *Real Decreto Legislativo 4/2015, de 23 de octubre, por el que se aprueba el texto refundido de la Ley del Mercado de Valores*, Inmobiliaria Colonial, S.A. ("**Colonial**" or the "**Company**") hereby discloses the following

REGULATORY ANNOUNCEMENT (*HECHO RELEVANTE*)

The Board of Directors of the Company, in its meeting held on November 14th, 2016, has agreed to carry out a share buy-back programme under the authorization granted by the General Shareholders' Meeting of the Company, held on June 30th, 2014, under item eight of the agenda (the "**Buy-back Programme**").

The Buy-back Programme will take into consideration the transparency and operative requirements set forth by the *Regulation (EU) No 596/2014 of the European Parliament and of the Council of 16 April 2014 on market abuse (market abuse regulation) and repealing Directive 2003/6/EC of the European Parliament and of the Council and Commission Directives 2003/124/EC, 2003/125/EC and 2004/72/EC* (the "**Market Abuse Regulation**") and the *Commission Delegated Regulation (EU) 2016/1052 of 8 March 2016 supplementing Regulation (EU) No 596/2014 of the European Parliament and of the Council with regard to regulatory technical standards for the conditions applicable to buy-back programmes and stabilisation measures* (the "**Delegated Regulation**"), as well as other applicable regulations, notwithstanding that one of the purposes of the Buy-back Programme is not contemplated under article 5.2 of the Market Abuse Regulation.

The Buy-back Programme will have the following characteristics:

- *Purpose*: the Buy-back Programme has the following purposes: (i) to complete the coverage of the share delivery plan approved by the General Shareholders' Meeting of the Company on January 21st, 2014; and (ii) additional initiatives that the Board of Directors of the Company may deem appropriate for the Company's interest.
- *Maximum monetary amount*: the maximum monetary amount allocated to the Buy-Back Programme is €68,000,000.
- *Maximum amount of shares*: the maximum number of own shares to be bought by the Company under the Buy-back Programme is 10,000,000 shares, which represent 2.80% Colonial's current share capital.
- *Price and Volume*: the transactions under the Buy-back Programme will be carried out in accordance with provisions 2 and 3 of article 3 of the Delegated Regulation. In this sense, with regard to the price, Colonial will not purchase shares at a price higher than the higher of the price of the last independent trade and the highest current purchase bid on the trading venue where the purchase is carried out, including when the shares are traded on different trading venues. As to the volume, Colonial will not purchase more than 25% of the average daily volume of the shares on the trading venue on which the purchase is carried out.
- *Duration*: the maximum duration of the Buy-back program is 6 months, therefore it will remain in force until May 15th, 2017. Notwithstanding the foregoing, the Buy-back Programme will conclude if, before said date, the purchases carried out reach the allocated maximum monetary amount or the maximum amount of shares to be purchased under the Buy-back Programme.

The Buy-back Programme will be lead-managed by Renta 4 Banco, S.A.

Colonial will inform through the corresponding regulatory announcement of the interruption, amendment or conclusion of the Buy-back Programme. Additionally, it will communicate all the transactions carried out under the Buy-back Programme.

As a consequence of the establishment of the Buy-back Programme, as of November 15th, 2016, the liquidity contract subscribed by the Company with Renta 4 SV, S.A., currently Renta 4 Banco, S.A., on June 22nd, 2015, announced through the corresponding regulatory announcement no. 224847, will be temporarily suspended. The Company will inform the market, if appropriate, through the corresponding regulatory announcement of the reestablishment of the referred liquidity contract. Attached to this regulatory announcement is the detail of the transactions carried out by the financial intermediary as of October 28th, 2016, date of the last disclosure, until November 14th, 2016, both inclusive.

In Barcelona, November 14th, 2016.

SUMMARY

	Shares	Amount (€)	Average price
Previous balance	148,701	230,765.98	
Acquisitions	150,149	(940,895.47)	6.266
Disposals	(89,247)	563,839.31	6.318
Expenses ⁽¹⁾	0	(1,815.00)	
Other movements ⁽²⁾	0	800,000.00	
Final balance	209,603	651,894.82	

Date	Acquisition/Disposal	Shares	Total	Average price	Amount (€)
PREVIOUS (28/10/2016)	-	-	148,701	-	-
28/10/2016	Acquisition	14,341	163,042	6.417	(92,029.96)
28/10/2016	Disposal	(21,268)	141,774	6.420	136,539.47
31/10/2016	Acquisition	12,875	154,649	6.411	(82,536.78)
31/10/2016	Disposal	(17,200)	137,449	6.407	110,198.71
01/11/2016	Acquisition	22,210	159,659	6.340	(140,800.80)
01/11/2016	Disposal	(2,000)	157,659	6.352	12,704.99
02/11/2016	Acquisition	16,640	174,299	6.253	(104,041.82)
03/11/2016	Acquisition	7,013	181,312	6.224	(43,646.99)
03/11/2016	Disposal	(20,378)	160,934	6.265	127,670.80
04/11/2016	Acquisition	9,500	170,434	6.208	(58,974.19)
04/11/2016	Disposal	(5,230)	165,204	6.205	32,452.06
07/11/2016	Acquisition	11,275	176,479	6.235	(70,295.80)
07/11/2016	Disposal	(1,214)	175,265	6.242	7,577.43
08/11/2016	Acquisition	8,000	183,265	6.218	(49,742.58)
08/11/2016	Disposal	(5,300)	177,965	6.236	33,049.85
09/11/2016	Acquisition	11,140	189,105	6.196	(69,026.18)
09/11/2016	Disposal	(13,910)	175,195	6.208	86,353.99
10/11/2016	Acquisition	22,245	197,440	6.222	(138,406.42)
10/11/2016	Disposal	(2,747)	194,693	6.295	17,292.01
11/11/2016	Acquisition	14,910	209,603	6.130	(91,393.95)
14/11/2016	-	0	209,603	0.000	0.00

(1) Broker costs of the financial intermediary

(2) Cash contributed by Colonial on October 31st, 2016