

Colonial

According to the article 228 of the *Ley 4/2015, de 23 de octubre, del Mercado de Valores*, Inmobiliaria Colonial, S.A. ("**Colonial**") announces the following

HECHO RELEVANTE ("Significant Event")

Following the Significant Event published on the 16th of February 2016, with the registered number 234915, Colonial publishes the documentation to support the presentation to analysts and investors corresponding to the full year 2015 results that will be held today Monday 22th of February 2016 at 7:00 PM (CET) through webcast.

The information regarding the presentation is detailed below:

From Spain: +34 917900872

From the Netherlands: +31 107138194 + 165213#

From the UK: +44 (0) 2077509908

The presentation can be followed online through the following link:

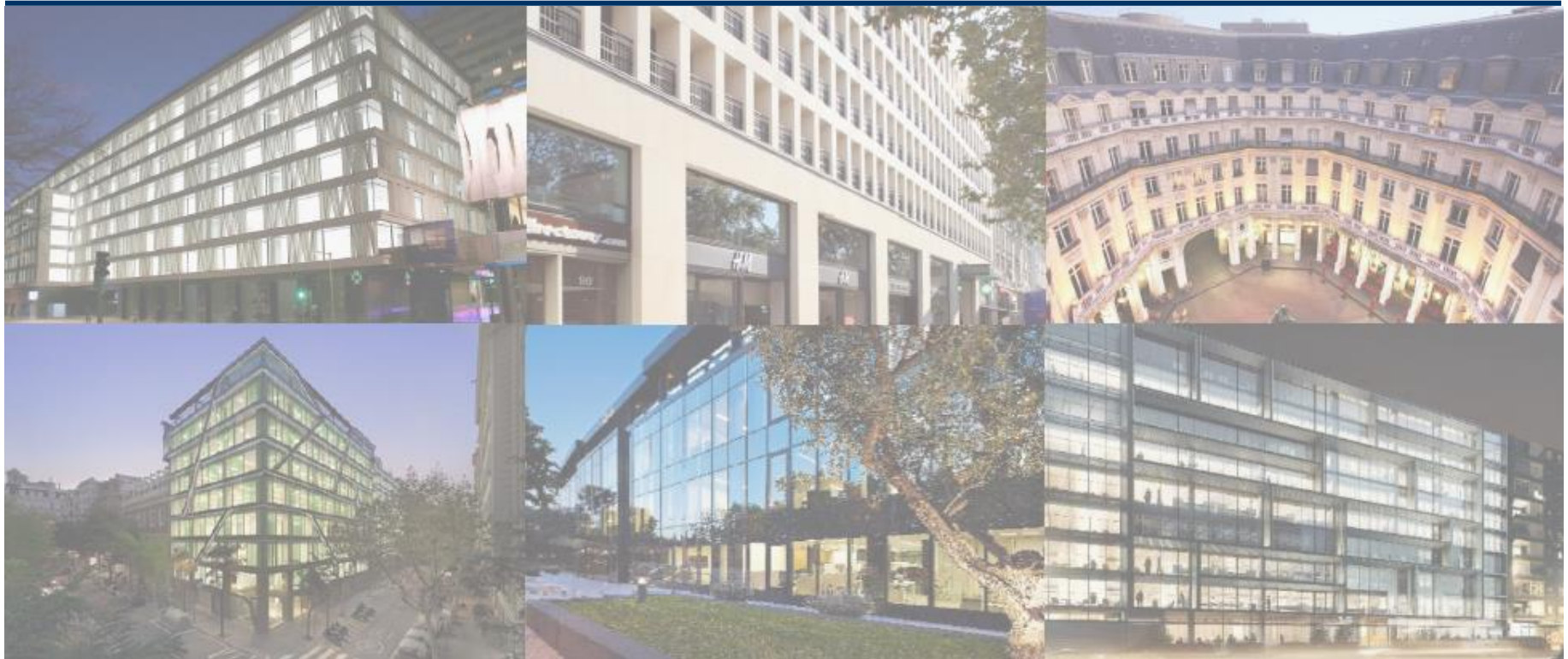
<http://event.onlineseminarsolutions.com/r.htm?e=1120347&s=1&k=27C70D9629C79823FD0C95FBFD9C314A>

In addition, the presentation will be available on the website of the company.

Barcelona, 22th of February 2016

Colonial

2015 Annual Results Presentation



Colonial

Most Improved
Annual Report

FINANCIAL REPORTING

EPRA
BPR
GOLD

FINANCIAL REPORTING

22 February 2015

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AGENDA

- 1 Highlights
- 2 Macroeconomic context & office markets
- 3 Operating performance
- 4 Financial review
- 5 Growth drivers
- 6 Conclusion

PRESENTING MANAGEMENT TEAM

Pere Viñolas
CEO



Carmina Ganyet
Corporate Managing Director



Carlos Krohmer
Chief Corporate Development Officer



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HIGHLIGHTS



1 HIGHLIGHTS 2015

A year of outstanding performance

A strong set of Results

- EPRA NAV of 62cts€/share: +29% of Total Return
- Gross Rental Income, +9% (+6% like for like)
- Recurring Income, +121%
- Net Profit of €415m

Performance & Operations

- Record volume of lettings: more than 163,000 sq m in a year
- Strong momentum in office occupancy, +845bp up to 94%
- Capturing reversionary potential in rental cash flow
- Successful delivery of projects / value added strategies
- Selective acquisition plan on track with attractive returns

Finance Highlights

- First ever and only Spanish property company with Investment Grade Rating
- Successful issue of €1,750m of bonds
- Financial cost of 2.27% (-104 bp)
- LTV of 41.8% at year end (-230 bp)
- Most improved & Gold Award in EPRA BPR
- Significant increase in analyst coverage



1 HIGHLIGHTS 2015

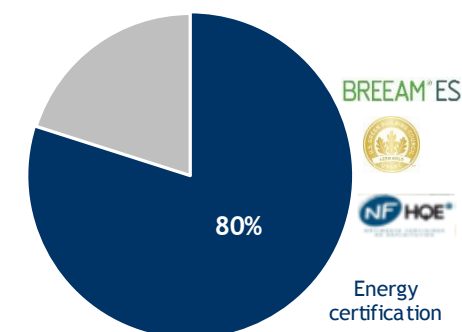
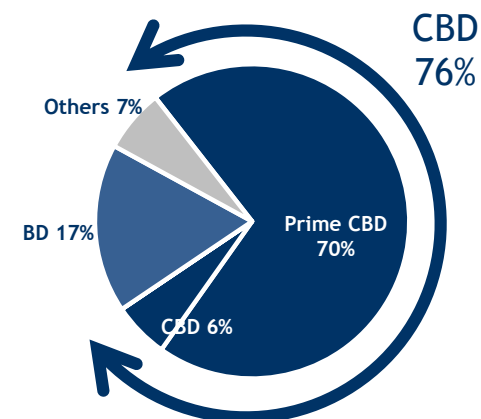
A year of outstanding performance

A year of outstanding performance in every key performance indicator

- EPRA NAV of 62cts€/share: +29% y-o-y growth
- Strong letting activity with significant improvement of occupancy
- Double digit GAV growth in all markets through value added strategies and prime CBD positioning
- High quality credit profile with prudent LTV

| | 2015 | Var. 12 months |
|-----------------------------------|---------------------|----------------------------|
| EPRA NAV (cts.€/share) | 62 cts €/sh. | +29% |
| Recurring Net Profit | €37m | +121% |
| Net Profit | €415m | +€624m ⁽¹⁾ |
| Gross Asset Value | €6,913m | +16% LFL |
| EPRA Occupancy - Office Portfolio | 94% | +845 bps |
| Gross Rents | €231m | +6% LFL |
| Recurring EBITDA | €178m | +8% LFL |
| Acquisitions & Repositioning | €362m | → Acquisitions 100% CBD |
| Group LTV | 41.8% | (230pb) |
| Rating Standard & Poor's | BBB- Stable Outlook | |
| Finance cost Group | 2.27% | (104pb) |
| Maturity Group | 4.8 years | +0.9 years |

Business Mix - GAV Group



(1) Before discontinued operations divested in 2014

2

MACROECONOMIC CONTEXT & OFFICE MARKETS



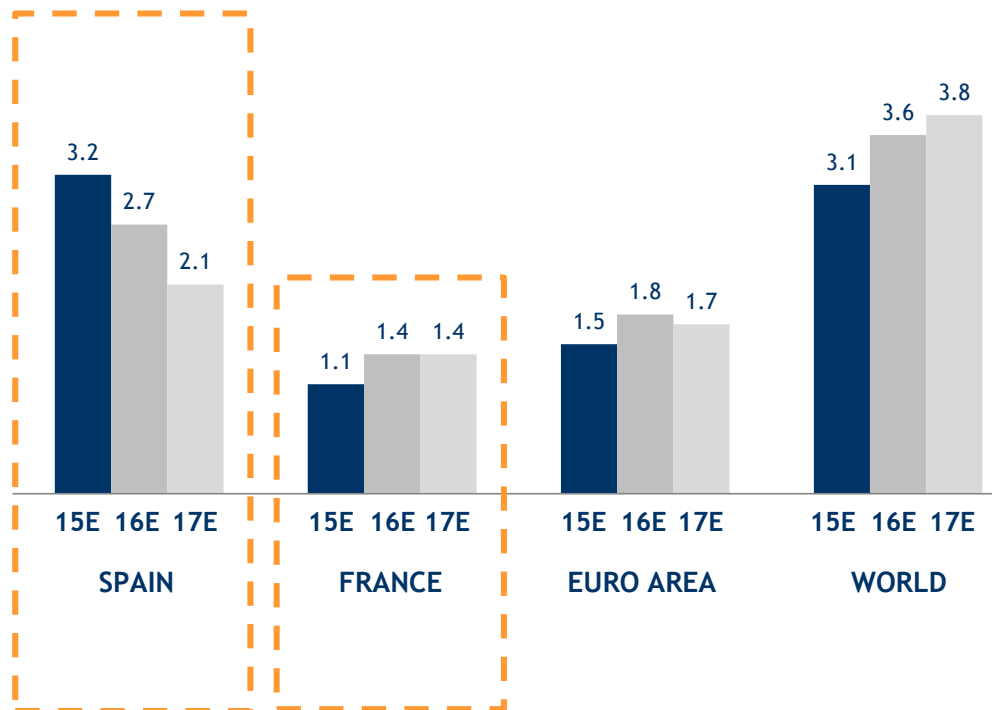
2 MACROECONOMIC CONTEXT & OFFICE MARKETS

Macroeconomic context

Global growth affected by China and Oil Price, however:

- Spain remains with strong fundamentals and high GDP growth prospects
- France with increasing growth momentum in coming years

GDP Growth



Market Trends

- | | |
|---------------|---|
| SPAIN | <p>Robust Growth with strong fundamentals</p> <ul style="list-style-type: none"> ✓ More than 540,000 jobs created in 2015 ✓ Ongoing decrease of unemployment expected ✓ Resilient exports, fuelled by continued improvements in competitiveness ✓ Inflation to turn slightly positive over the next years |
| FRANCE | <p>Signs of recovery gaining positive momentum</p> <ul style="list-style-type: none"> ✓ Growth slowly gaining momentum, mainly driven by private consumption ✓ Low energy prices will improve the financial position of households and businesses ✓ Resilient employment in service sector: 80% of employment in Ile-de-France (IDF) ✓ Acceleration of employment in service sector expected for 2016, especially in IDF |

2 MACROECONOMIC CONTEXT & OFFICE MARKETS

Rental Market - Offices

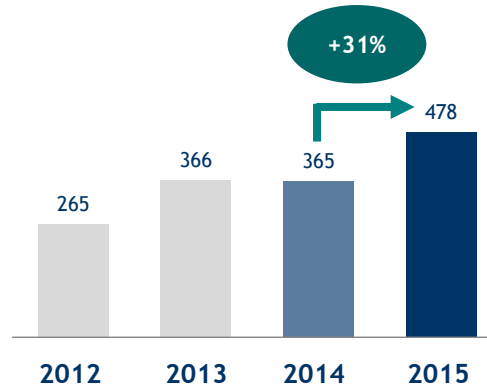
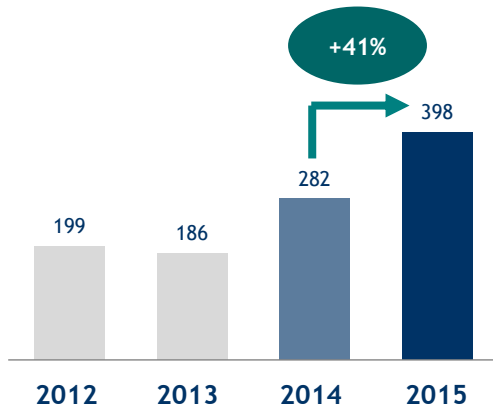
Increasing momentum in take up faces scarcity of Grade A availability in CBD

BARCELONA

MADRID

Increasing take-up vs. scarce supply

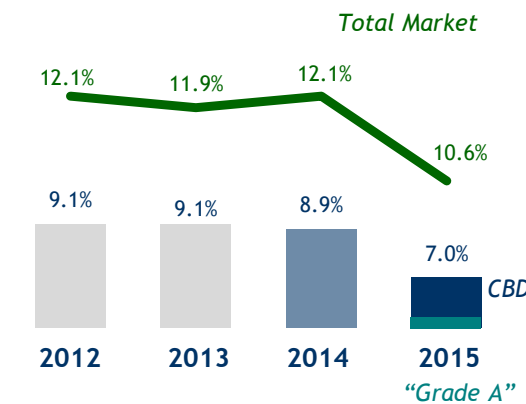
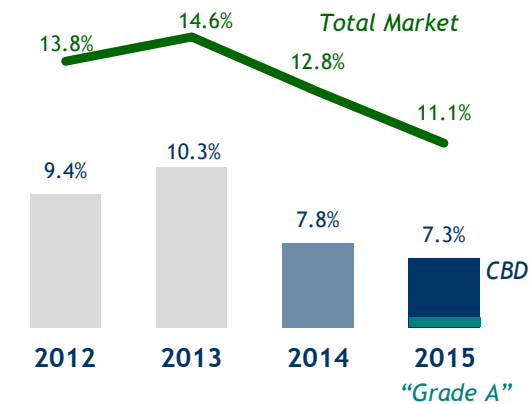
TAKE-UP ('000 sq m)



Take-up

- ✓ Barcelona with strong take-up momentum +41%
- ✓ Madrid close to 500,000 sq m of take up +31%

VACANCY %



Availability & Supply

- ✓ Vacancy going down at 11% at both cities
- ✓ CBD at 7% vacancy
- ✓ Grade A product almost inexistent

Rental Prices

- ✓ Prime rents in CBD growing at year end
- ✓ BD & New Business Areas improving
- ✓ Periphery with weak fundamentals, prices decreasing or flat

Source: JLL

Source: JLL, CBRE & C&W

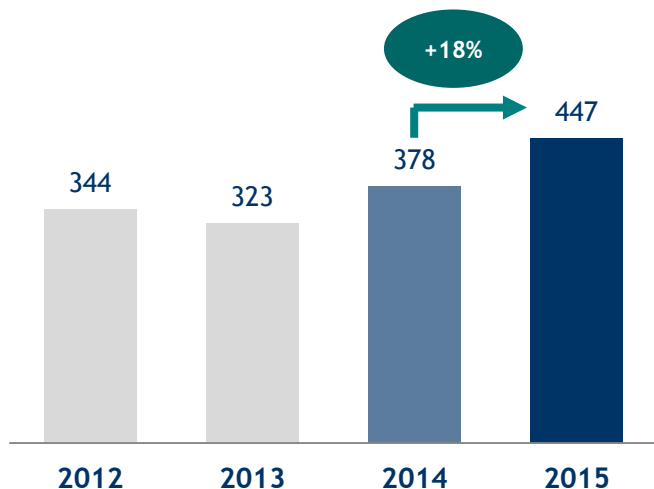
2 MACROECONOMIC CONTEXT & OFFICE MARKETS

Rental Market - Offices

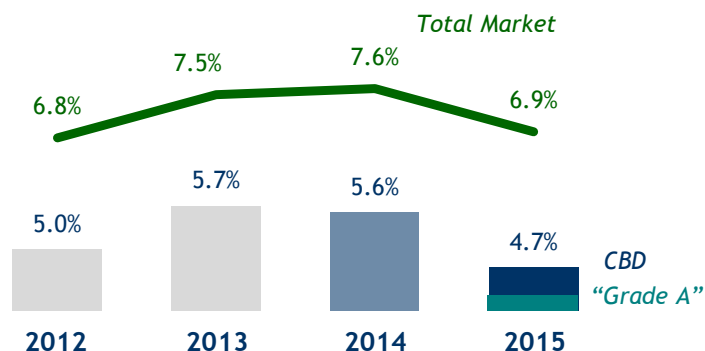
Increasing momentum in take up faces scarcity of Grade A availability in CBD

PARIS

TAKE-UP CBD ('000 sq m)



VACANCY %



Source: JLL & CBRE

Strong take-up vs scarce supply

Take-up

Above average performance of Paris CBD Market

- ✓ Take-up "Opera" +23%
- ✓ Take-up "Etoile" +15%

New technology firms entering Central Paris

Availability/Supply

- ✓ Grade A supply inexistent
- ✓ Immediately supply decreasing -21%
- ✓ Just 65,000 sq m of new/refurbished product available

Rental Prices

- ✓ Facial Prime Rents stable around 724€/sqm/year
- ✓ Ultra high quality products with even higher rents, e.g. #Cloud
- ✓ Economic rents increasing in CBD due to decreasing incentives

Source: JLL, BNP Paribas & CBRE

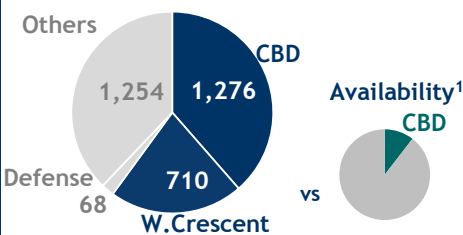
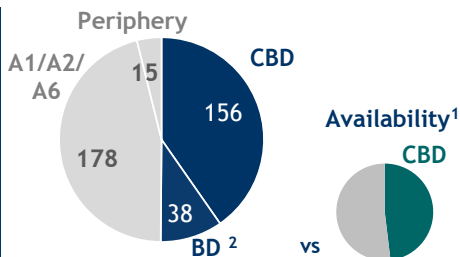
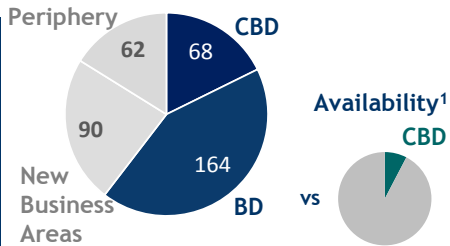
2 MACROECONOMIC CONTEXT & OFFICE MARKETS

Rental Market - Offices

Trends 2016 - Rental growth expected in CBD for the three cities

Take Up Analysis 2015

of transactions



Source: CBRE

Trends 2016

Market Trends

Take up

ERV Growth

Incentives

- ✓ Ongoing Consolidation of take-up momentum
- ✓ Limited stock to persist with no speculative supply in CBD, quality & sustainability are key
- ✓ Rental growth acceleration expected
- ✓ 22@ submarket with relevant potential
- ✓ New companies entering the Barcelona market



- ✓ CBD & Central Areas with highest momentum
- ✓ CBD preference of international companies
- ✓ Sustainability, Quality & location are key
- ✓ Occupiers demanding GLA to grow
- ✓ Rising obsolescence of stock in CBD as source for new opportunities



- ✓ Scarcity of high quality product in CBD
- ✓ Tiny speculative supply in Central Paris
- ✓ Accelerating obsolescence of stock
- ✓ New Economy firms entering Central Paris
- ✓ Rental growth acceleration in facial and economic rents



Source: Colonial & analysts

(1) Availability in sq m

(2) Inside M-30

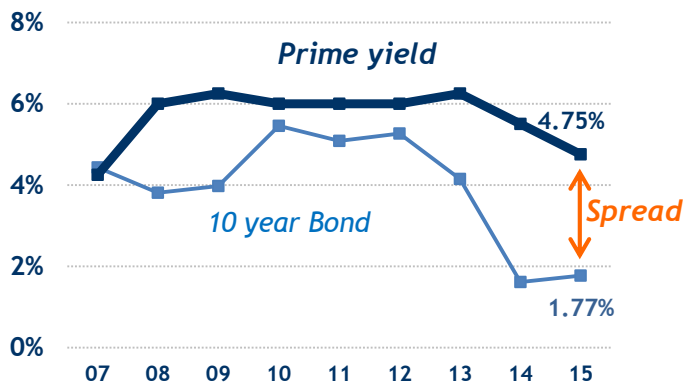
2 MACROECONOMIC CONTEXT & OFFICE MARKETS

Investment Market - Offices

- Important yield compressions in every market
- Spread vs reference rates remain at very attractive levels
- Room for further capital value growth through:
 1. Additional yield compression for prime assets
 2. Increasing rental values in coming quarters

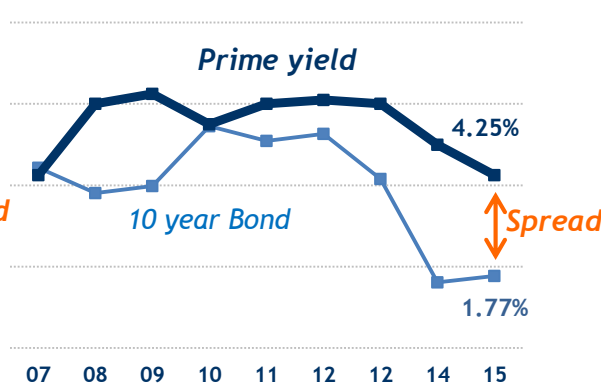
Prime Yields (1)

BARCELONA



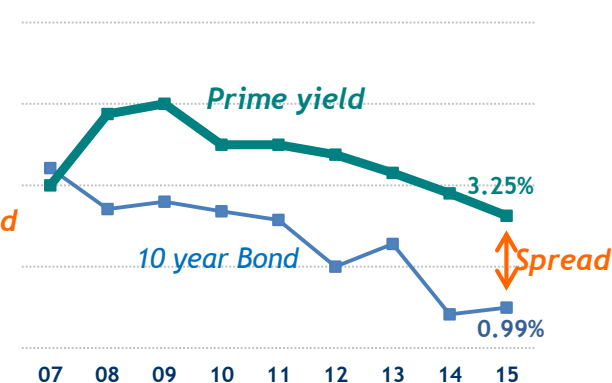
Investment volume of €530m

MADRID



Investment volume of €2,600m

PARIS



Investment volume of €29,000m

(1) Market consultants in Spain report gross yields and in France they report net yields

3

OPERATING PERFORMANCE

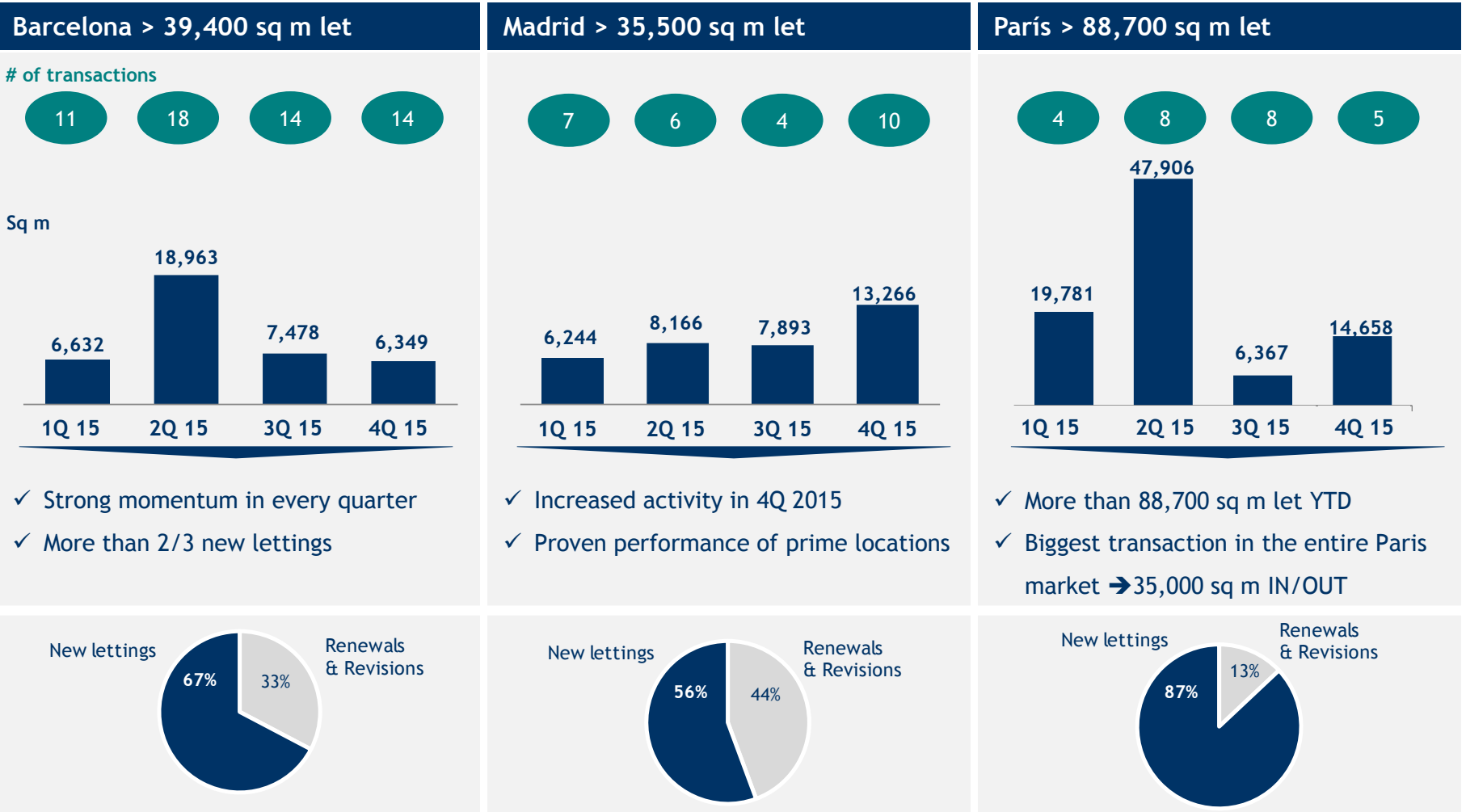


3 OPERATING PERFORMANCE - 2015

Strong letting activity

Continued positive momentum on letting activity in every market

- Barcelona catching up, Madrid consolidating strong performance
- Paris with record volumes, proven success of prime product

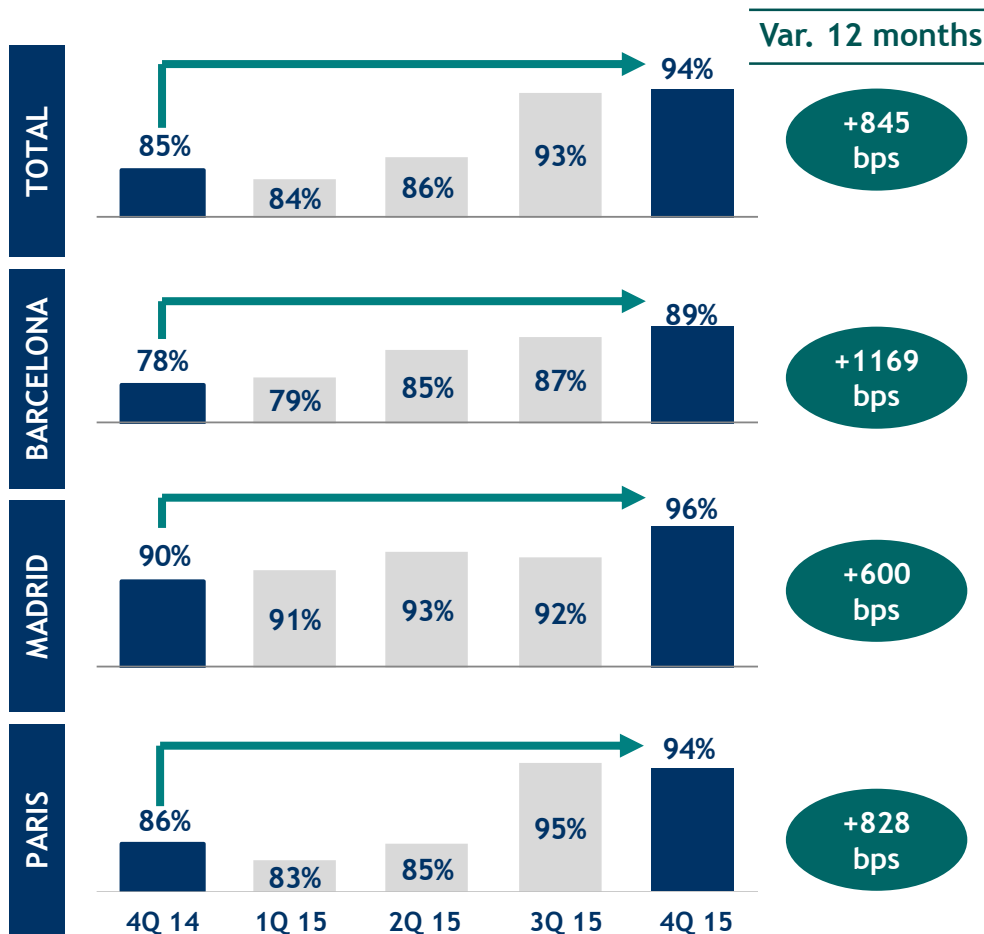


3 OPERATING PERFORMANCE - 2015

EPRA Office Occupancy improvements in office portfolio

EPRA Office Occupancy at 94%, +845 bps in 12 months

EPRA Financial Office Occupancy



EPRA Occupancy

Barcelona

Total Portfolio 90% / Office Portfolio 89%

- ✓ Improvement of +1169 bps in a year in office occupancy
- ✓ Strong momentum in second half

Madrid

Total Portfolio 96% / Office Portfolio 96%

- ✓ Improvement of +600 bps in a year in office occupancy
- ✓ Ratio close to pre crisis levels

Paris

Total Portfolio 95% / Offices Portfolio 94%

- ✓ Improvement of +828 bps in a year in office occupancy
- ✓ Ratio driven by success of repositioned product

3 OPERATING PERFORMANCE - 2015

Letting activity - Main Actions Barcelona

First Class Property Management ensures strong momentum in capturing high quality demand

Av. Diagonal, 409



52% →
100% let

2,155
sqm



NEINOR NORTE SL RATE MEDIA SL

Av. Diagonal, 682



63% →
95% let

3,703
sqm



Trav. Gracia / Amigó

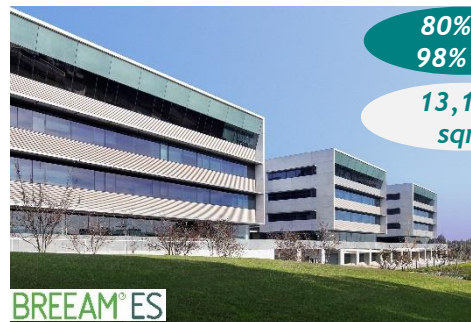


0% →
49% let

3,670
sqm



Sant Cugat



80% →
98% let

13,122
sqm

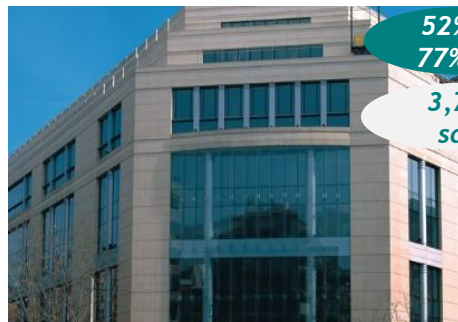


BSIS
Business Services
for Information Systems, S.A.

accenture
Alto rendimiento. Hecho realidad.



Berlín Numància



52% →
77% let

3,797
sqm

International Consulting Firm

Av. Diagonal, 530



63% →
100% let

1,148
sqm



Financial Entity

3 OPERATING PERFORMANCE - 2015

Letting activity - Main Actions Madrid

First Class Property Management ensures strong momentum in capturing high quality demand

Alfonso XII, 62



86% →
97% let
1,880
sqm



Jose Abascal



72% →
98% let
3,801
sqm



Ramírez Arellano, 37



100% let
5,988
sqm



Recoletos, 37-41



100% let
6,002
sqm

Financial Entity

Génova



100% let
1,845
sqm

PRADA & ASOCIADOS



Ortega y Gasset



100% let
7,792
sqm

3 OPERATING PERFORMANCE - 2015

Letting activity - Main Actions Paris

First Class Property Management ensures strong momentum in capturing high quality demand

Le Vaisseau



100% pre let
6,026 sqm



In/Out



0% → 100% let
32,614 sqm



#Cloud



90% pre let
24,105 sqm



131 Wagram



100% let
7,549 sqm



Louvre Saint-Honoré



97% let
5,943 sqm



3 OPERATING PERFORMANCE - 2015

High quality tenant portfolio

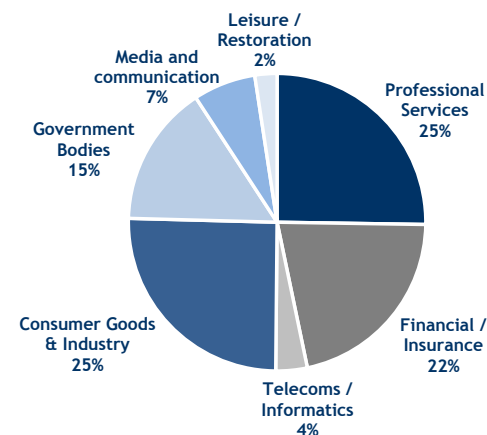
High quality premises attract and retain top tier tenants

- A well diversified tenant base with long-standing clients
- 2015 - another year of capturing many new high quality clients

A well diversified tenant base of top quality clients



Diversified sector mix

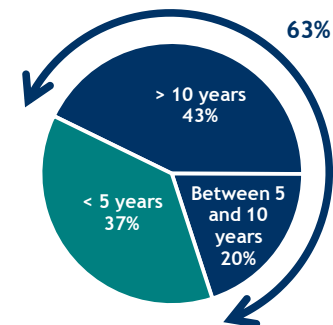


Main new tenants captured in 2015



Long standing clients

Length of time tenants stay



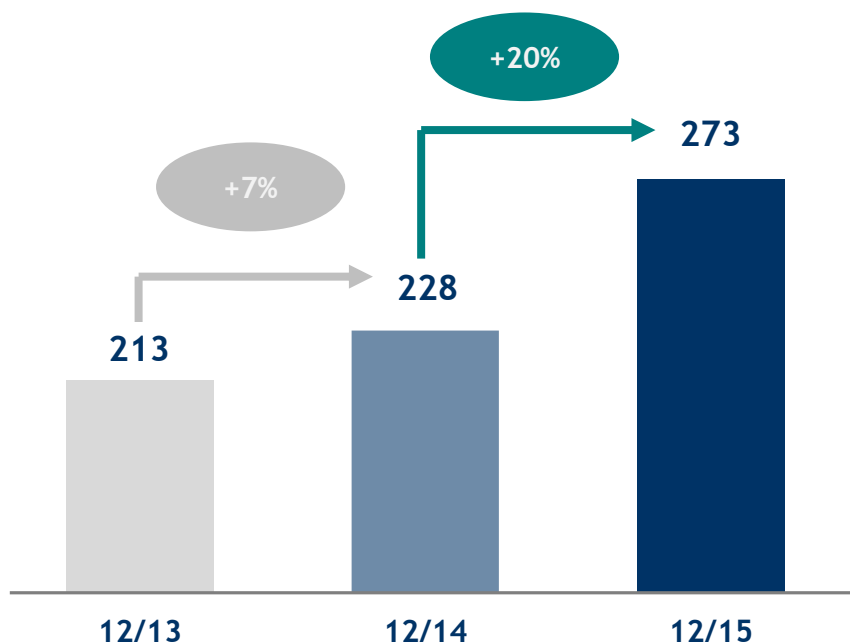
3 OPERATING PERFORMANCE - 2015

Growth of rental cash flow accelerating

Growth of rental cash flow accelerating

1. Significant increase of passing GRI in 2015
2. Current GRI growth mainly volume driven
3. Recovery of rental price cycle still to come through

Significant increase of Passing GRI¹ €m



(1) Topped-up passing GRI

Rental prices entering recovery

| | Maximum rental levels signed | Recovery starts for prime CBD |
|-----------|------------------------------|--|
| BARCELONA | 19 €/sqm/month | <ul style="list-style-type: none"> Prices increase for some top products in CBD High quality repositioning key to attract demand |
| MADRID | 26 €/sqm/month | <ul style="list-style-type: none"> Secondary areas still weak |
| PARIS | 780 €/sqm/year | <ul style="list-style-type: none"> Paris outperforming previous year ERVs in top quality assets |

3 OPERATING PERFORMANCE - 2015

Successful project execution- Superior returns through value added strategies

- Highly successful value added strategies - Prime Factory Projects
- Superior returns & value creation for shareholders

#CLOUD.paris



- Project start 2012
- Released 90% prelet

| | |
|-----------------------------|-------|
| ERV uplift | +42% |
| Capital Gain ⁽¹⁾ | +54% |
| Yield on Cost | +6.1% |

IRR ungeared⁽¹⁾ +16%

90 CHAMPS ELYSÉES



- Project start 2012
- Released 90% prelet

| | |
|---------------------------------|-------|
| ERV uplift ⁽²⁾ | +35% |
| Capital Gain ^{(1) (2)} | +38% |
| Yield on Cost ⁽²⁾ | +5.2% |

IRR ungeared^{(1) (2)} +10%

IN/OUT



- Project start 2011
- Released 100% let

| | |
|-----------------------------|-------|
| ERV uplift ⁽³⁾ | +90% |
| Capital Gain ⁽¹⁾ | +31% |
| Yield on Cost | +6.6% |

IRR ungeared⁽¹⁾ +7%

⁽¹⁾ Capital gain and IRR from beginning of the Project until 12/2015 (exit at 12/15 GAV) ⁽²⁾ Including retail part (1st floor occupied by H&M) ⁽³⁾ Compared to Thomson CSF leasing conditions in 2009 21/45

3 OPERATING PERFORMANCE - 2015

Successful project execution- Superior returns through value added strategies

- Highly successful value added strategies - Prime Factory Projects
- Full re-pricing not yet captured -> substantial additional value to cristalize upon full market recovery

JOSE ABASCAL, 56



- Project start 06/2014
- Released 98% let

| | |
|-----------------------------|-------|
| ERV uplift | +14% |
| Capital Gain ⁽¹⁾ | +36% |
| Yield on Cost | +6.6% |

IRR ungeared⁽¹⁾ +35%

TILOS, 2-6



- Project start 12/2013
- Released 100% let

| | |
|-----------------------------|-------|
| ERV uplift | +19% |
| Capital Gain ⁽¹⁾ | +17% |
| Yield on Cost | +6.1% |

IRR ungeared⁽¹⁾ +16%

DIAGONAL 409



- Project start 06/2013
- Released 100% let

| | |
|-----------------------------|-------|
| ERV uplift | +14% |
| Capital Gain ⁽¹⁾ | +33% |
| Yield on Cost | +6.6% |

IRR ungeared⁽¹⁾ +16%

⁽¹⁾ Capital gain and IRR from beginning of the Project until 12/2015 (exit at 12/15 GAV)

4

FINANCIAL REVIEW



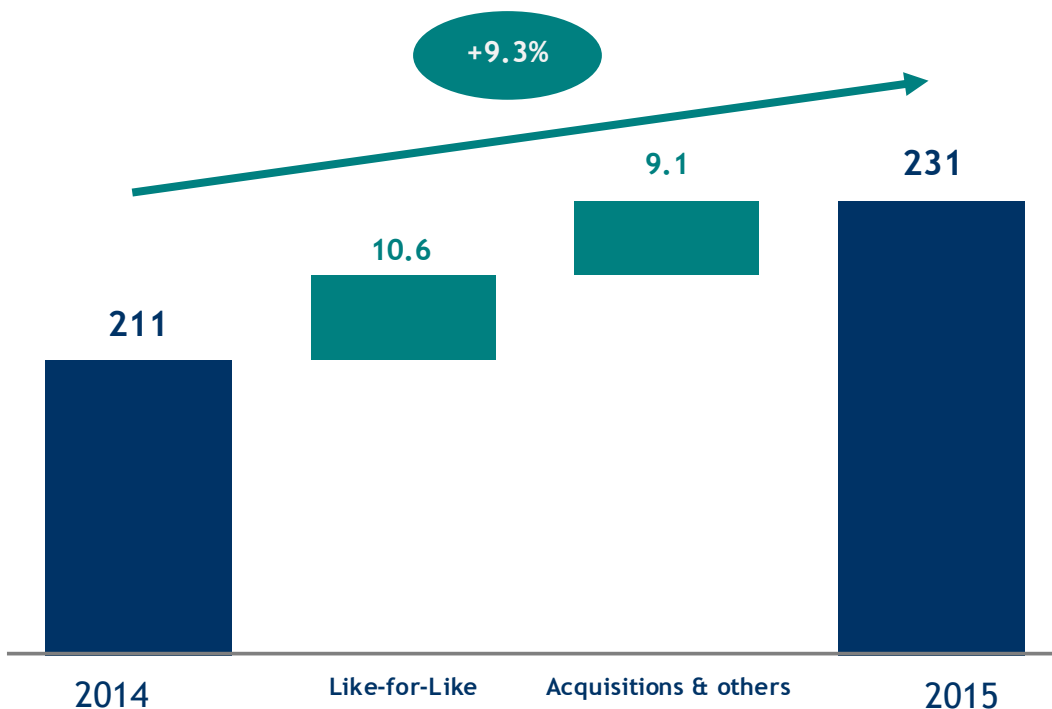
4 FINANCIAL REVIEW - 2015

Strong top line growth

Strong top line growth driven by:

- Strong underlying growth of comparable portfolio
- Additional rents from new acquisitions

Gross Rental Income - €m



Gross Rental Growth



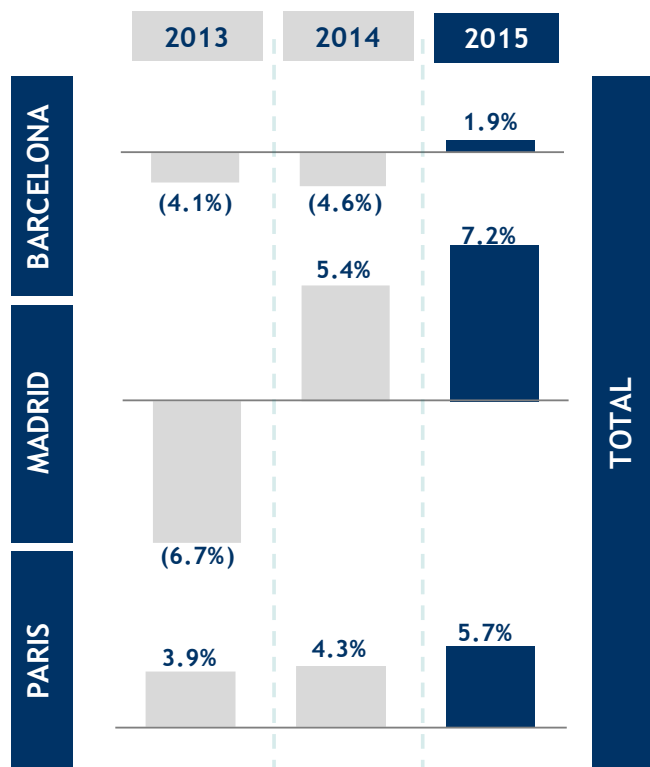
4 FINANCIAL REVIEW - 2015

Strong underlying growth of portfolio

Strong recovery of gross rental income in all markets

- Madrid consolidates strong momentum & Barcelona achieves positive growth
- Paris remains with very good performance

"Like for Like" Rental Growth



Strong Recovery in all markets

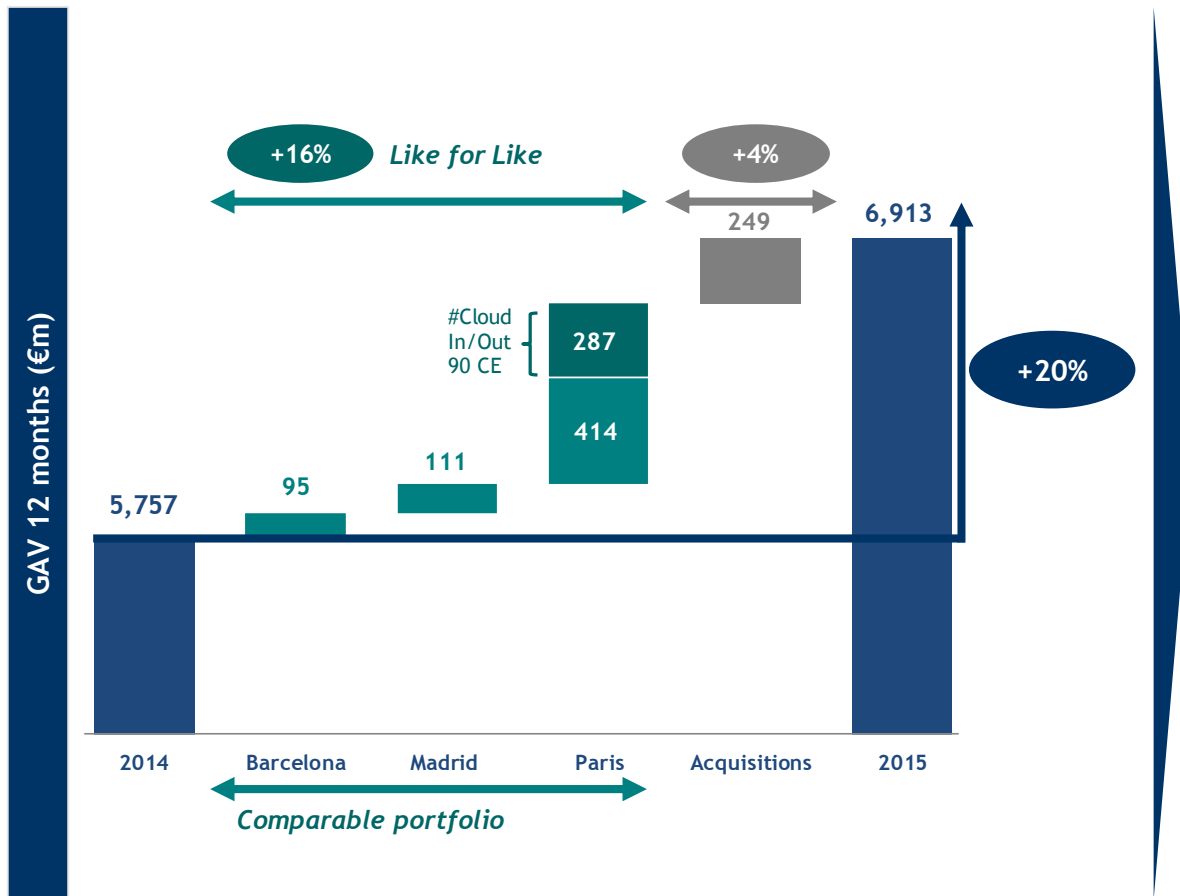


Prime CBD Positioning that delivers superior rental growth

4 FINANCIAL REVIEW - 2015

Strong underlying growth in Gross Asset Values

- Gross Asset Value of €6,913m (€7,239m including transfer costs)
- Significant growth in Gross Asset Values, +16% like for like in a year



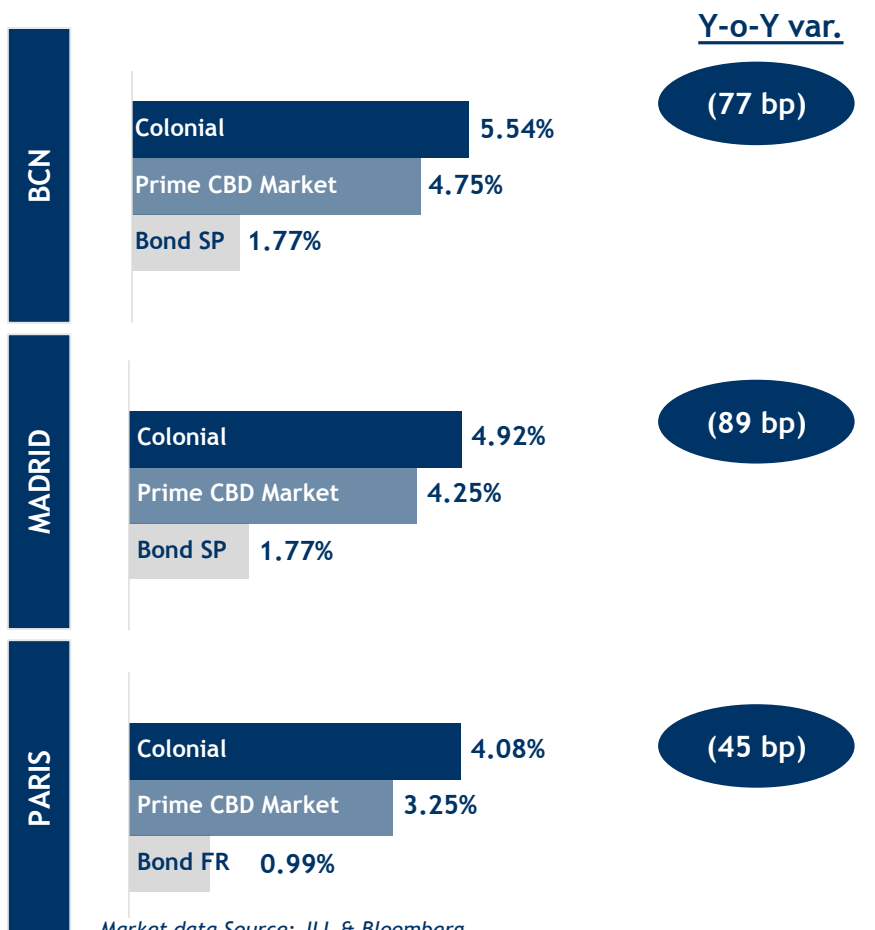
| GAV Variance LFL | | | |
|------------------|------------|------------|-------------|
| | 1H15 | 2H15 | Full year |
| BCN | +10% | +6% | +16% |
| MADRID | +11% | +5% | +17% |
| PARIS | +7% | +8% | +16% |
| TOTAL | +8% | +8% | +16% |

4 FINANCIAL REVIEW - 2015

Strong underlying growth in Gross Asset Values

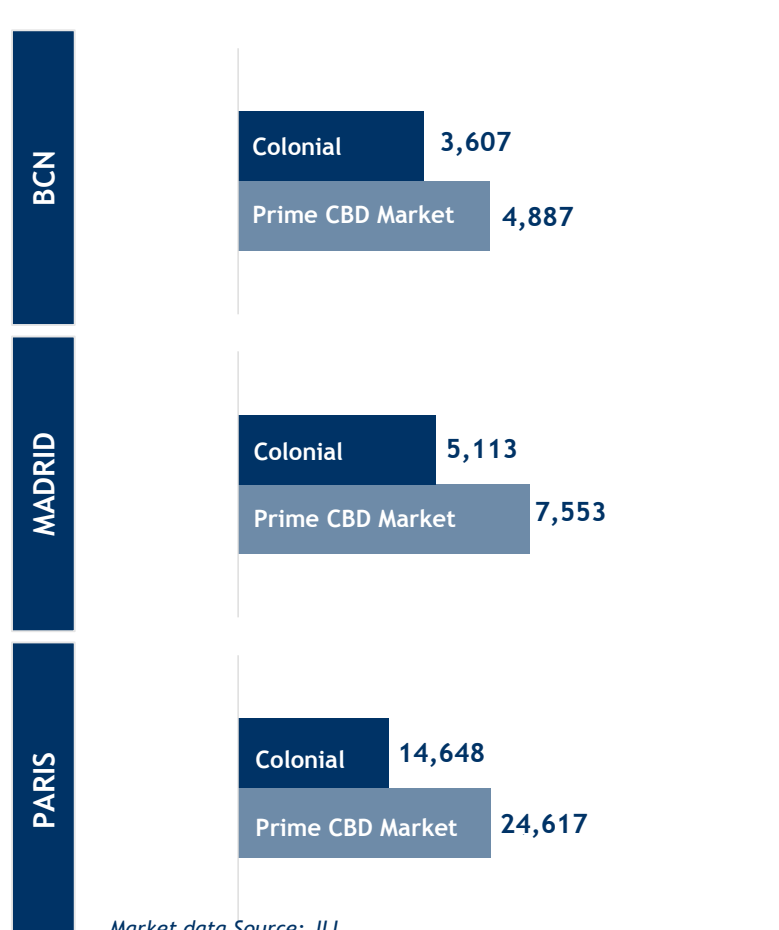
- Important yield compression in every market, in particular Madrid & Barcelona
- Colonial portfolio at very attractive valuation levels

Valuation Yields¹



Market data Source: JLL & Bloomberg

Capital Values 12/2015 - €/sq m



Market data Source: JLL

(1) Market consultants in Spain report gross yields and in France they report net yields.

4 FINANCIAL REVIEW - 2015

High quality asset base with solid capital structure

First class credit credentials allow for competitive financing costs

First Class Credit Credentials

High Credit Credentials

| | |
|----------------|-----------------------------------|
| COLONIAL SPAIN | BBB- with stable outlook (by S&P) |
| SFL | BBB with stable outlook (by S&P) |

Solid Capital Structure

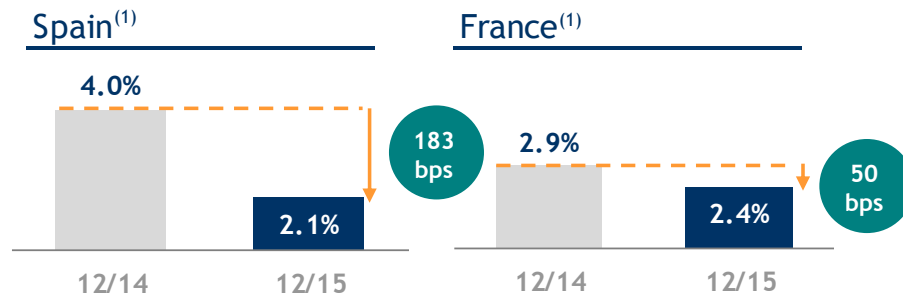
Group LTV
41.8%

Group Maturity
4.8 years

Significant improvement of financing costs

Costs savings through active liability management

1. Issuance of €1.2bn bonds in Spain substituting previous syndicate facilities - 4 and 8 years tranches cost of 1.863% & 2.728%
2. Issuance of €500m of bonds in France - 7 years at 2.25%
3. New revolving credit facility in Spain of €350m
4. Renegotiation of €658m of credit lines in France



Highly Competitive Financing

(1) Spot rate as of December 2015

4 FINANCIAL REVIEW - 2015

Successful Liability Management

Optimal financing based on active liability management

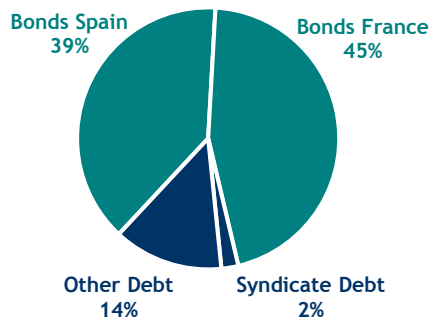
- Competitive financing cost
- First class long term financing & important fire power capacity

Competitive Finance Costs

Financing costs % - Spot as of 31/12/15



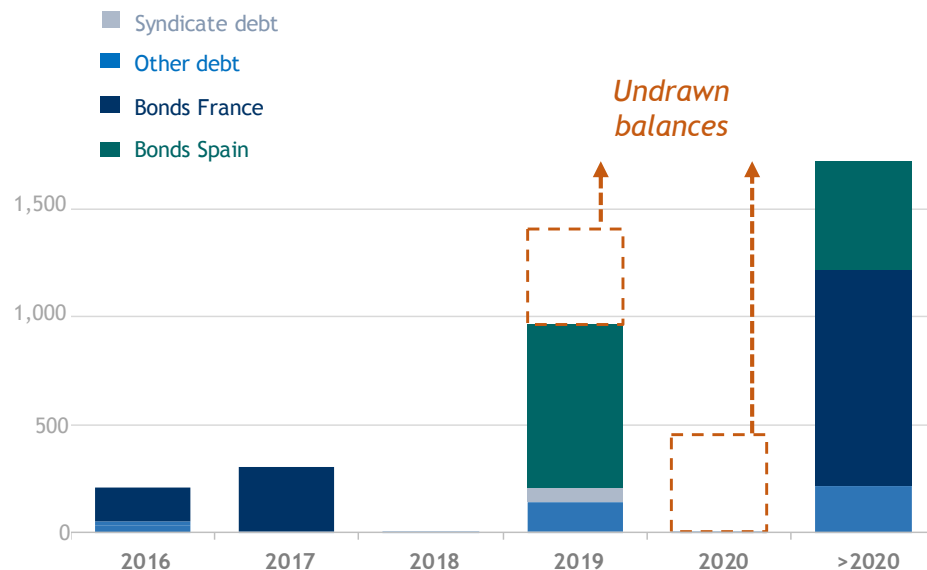
First class financing with huge fire power capacity



Available Cash & undrawn balances

| | |
|--------------|----------------|
| Spain | €488m |
| France | €622m |
| Total | €1,110m |

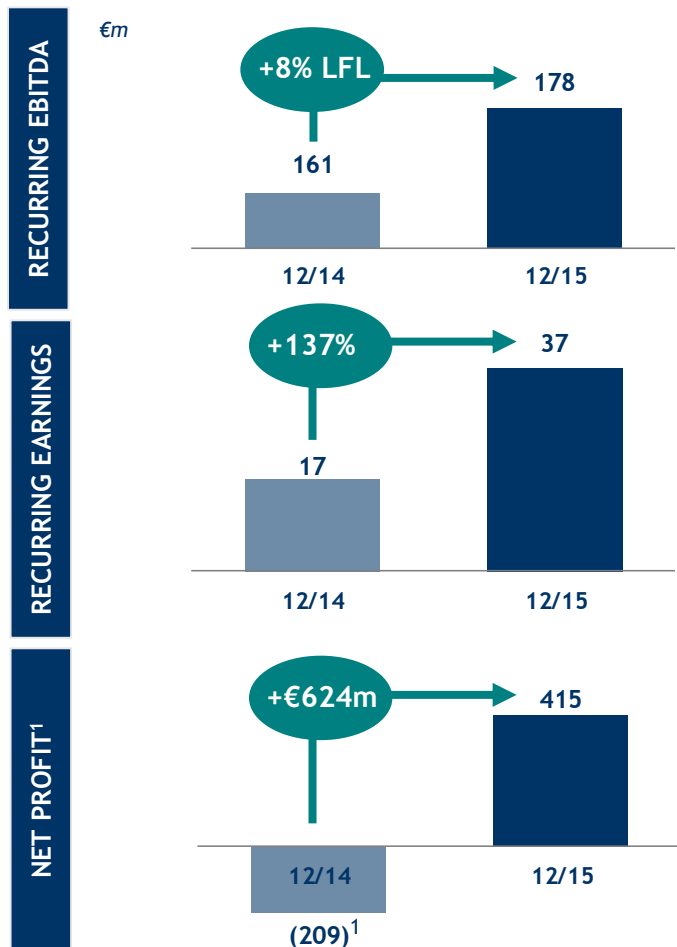
A long term maturity profile



4 FINANCIAL REVIEW - 2015 Profit & Loss Account

Significant increase in Net Profit through:

- Strong operating performance
- Important savings in financing costs
- Prime positioning & Value Added Strategies generating above average growth



Profit & Loss Accounts €m

| Results analysis - €m | 2015 | 2014 | Var. |
|---|------------|--------------|------------|
| Gross Rents | 231 | 211 | 20 |
| Net operating expenses ⁽²⁾ | (20) | (19) | (1) |
| Overheads | (33) | (32) | (1) |
| Recurring EBITDA | 178 | 161 | 17 |
| Results associated to SIIC de Paris - recurring | 0 | 4 | (4) |
| Recurring financial result | (83) | (102) | 18 |
| Income tax expense & others - recurring | (12) | (8) | (4) |
| Minority interests - recurring | (46) | (39) | (7) |
| Recurring Earnings | 37 | 17 | 20 |
| Variation of the asset value & Provisions | 715 | 169 | 546 |
| Non-recurring financial result & MTM | (48) | (124) | 76 |
| Income tax & others - non recurring | (47) | (174) | 127 |
| Minority interests - non recurring | (242) | (98) | (144) |
| Profit attributable before discontinued operations | 415 | (209) | 624 |
| Discontinued operations | 0 | 701 | na |
| Profit attributable to the Group | 415 | 492 | na |

(2) Includes other income

(1) Before discontinued operations divested in 2014

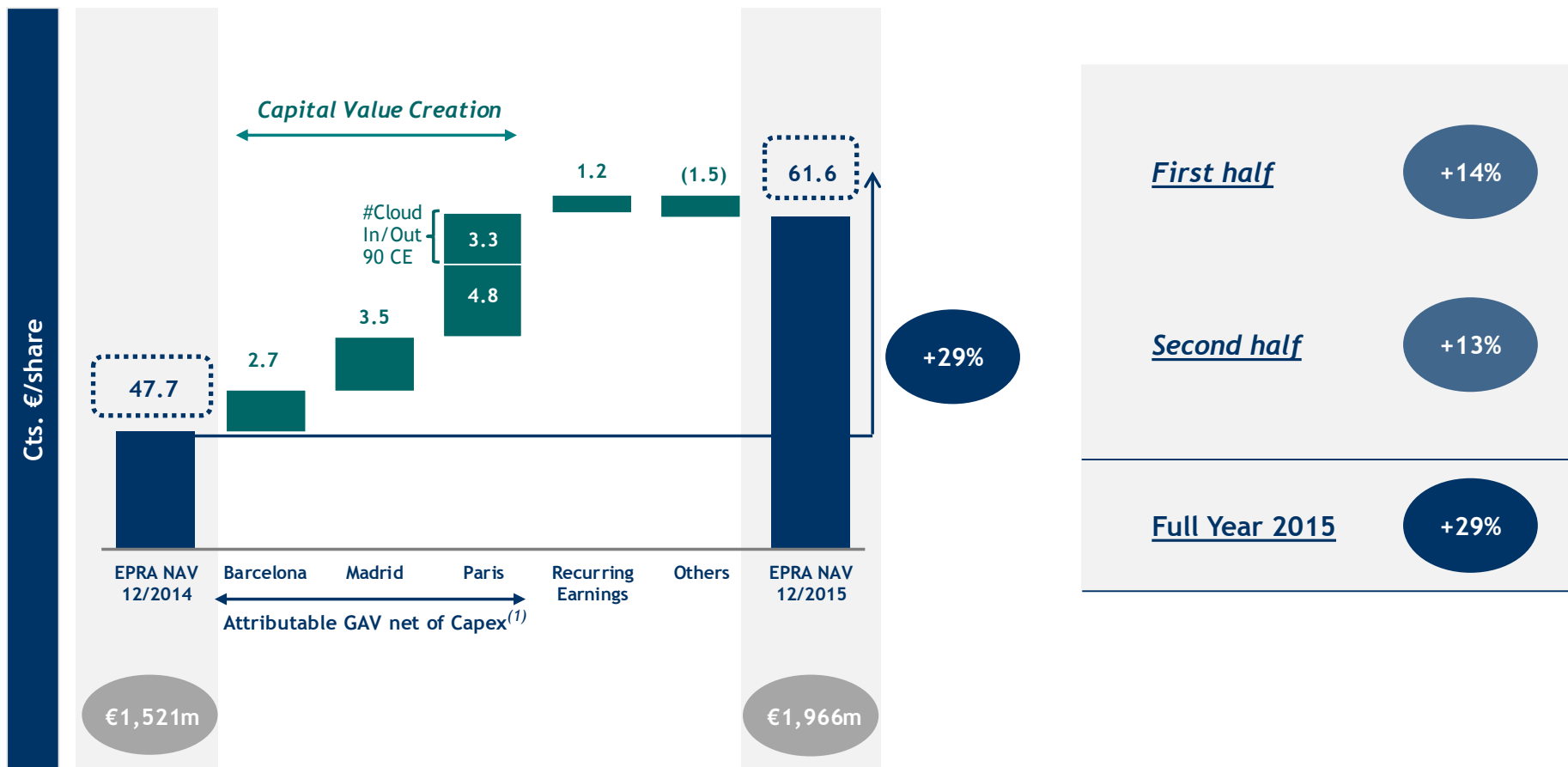
4 FINANCIAL REVIEW - 2015

Double Digit Growth Total Shareholder Return

Strong momentum in NAV growth, +29% year on year increase

Strong momentum in NAV growth

Double digit Total Return



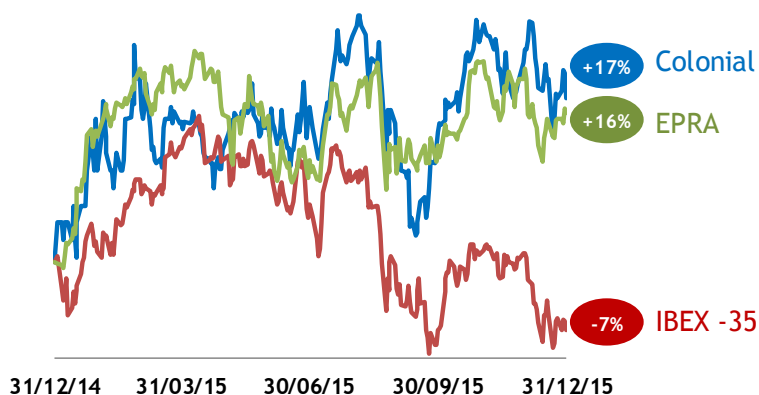
(1) Includes net impact of the increase in the transfer tax rate and the additional tax levied (both in France) as from 1 January 2016 (€49m)

4 FINANCIAL REVIEW - 2015

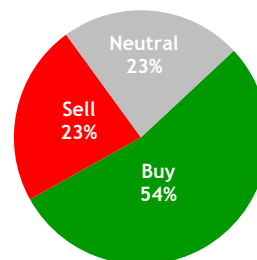
Strong share price performance

Long term oriented Shareholder Base with important free float & liquidity

Share price performance

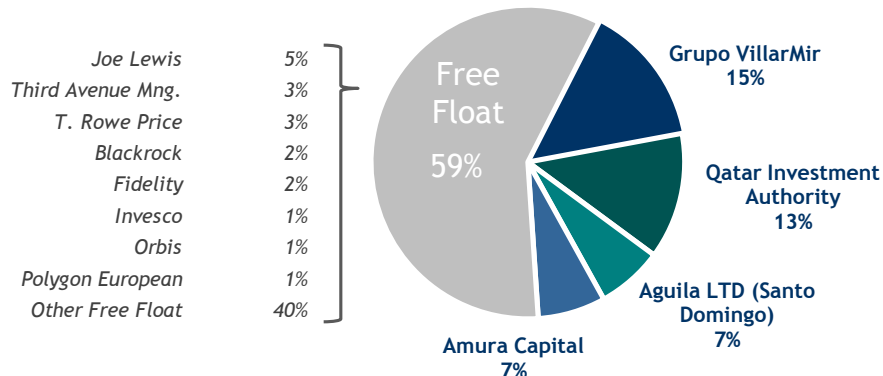


Analyst recommendation



| | |
|------------------------|--------------|
| Target Price consensus | 0.71 €/share |
| Target Price - Minimum | 0.58 €/share |
| Target Price - Maximum | 0.95 €/share |

High quality shareholder structure with good liquidity

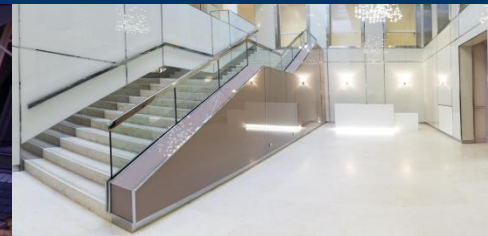


| | |
|--------------------------------------|----------|
| Market Capitalization ⁽¹⁾ | €2,047 m |
| Free Float ⁽¹⁾ | €1,199 m |
| Av. Daily Trad. Vol. 2015 | €7.5 m |
| Free Float - Turnover | 159 days |

5

GROWTH DRIVERS

- ACQUISITIONS & CURRENT PORTFOLIO -



5 GROWTH DRIVERS

Acquisitions of Prime Assets in CBD

- Acquisition plan on track €475m
- Selective investment approach - focus on Prime Assets in CBD

Acquisition Target

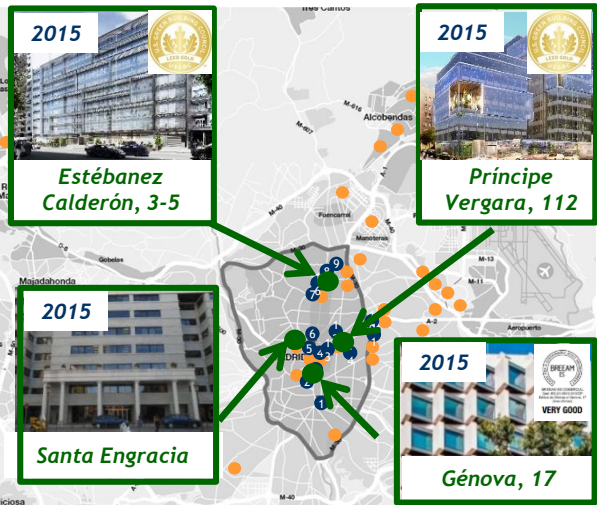
- €1,500m in 5 years
- €300m per annum

Delivery YTD

€475m¹ invested since November 2014

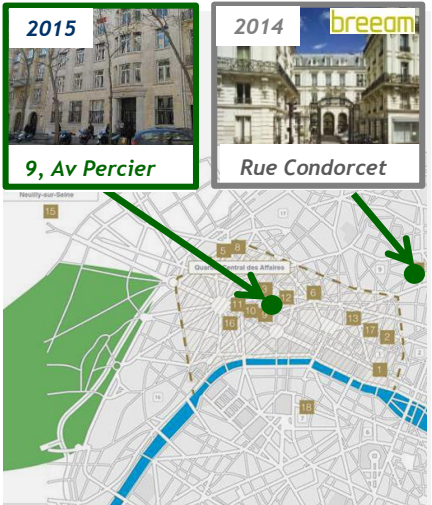
| | | | €m ¹ |
|--------|--------------------|------------|-----------------|
| Nov 14 | Condorcet | Paris | 230 |
| Dec 14 | Plaza Europa | Barcelona | 11 |
| May 15 | Estébanez Calderon | Madrid CBD | 30 |
| Jun 15 | Percier | Paris CBD | 68 |
| Jul 15 | Príncipe Vergara | Madrid CBD | 31 |
| Jul 15 | Génova 17 | Madrid CBD | 37 |
| Dec 15 | Santa Engracia 120 | Madrid CBD | 68 |
| | | | 475 |

MADRID - 4 acquisitions



- Acquisitions Colonial
- Portfolio Colonial
- Acquisitions Peers

PARIS - 2 acquisitions



- Acquisit. Colonial
- Portfolio Colonial

BARCELONA - 1 acquisition (Plaza Europa)






- Acquisit. Colonial
- Portfolio Colonial

¹ Including transfer costs

5 GROWTH DRIVERS

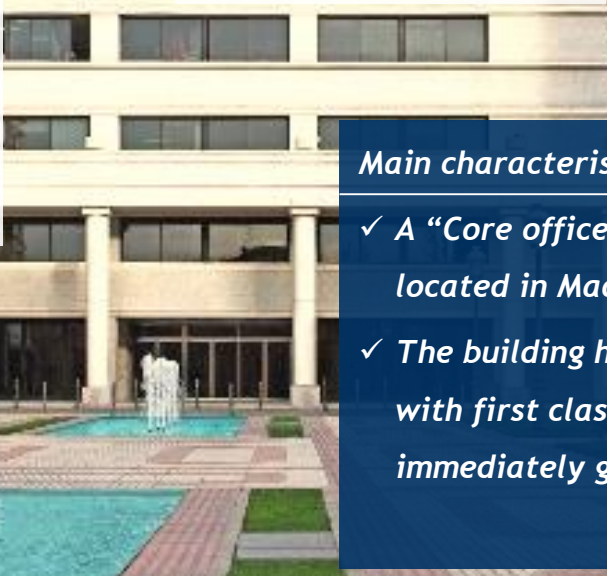
Acquisitions of Prime Assets in CBD

- Attractive risk adjusted returns through selective investment approach
- Acquisition returns above target maintaining investment discipline

| Investments 2015 | | | Delivery vs Target | |
|--------------------|-----------------|--|---|---|
| MADRID & BARCELONA | Core Investment | Plaza Europa <i>Barcelona New Business Area</i> |  |  |
| | | Génova 17 <i>Madrid Prime CBD</i> |  |  |
| | | Santa Engracia <i>Madrid CBD</i> |  |  |
| | Prime Fractory | Estébanez Calderón <i>Madrid Prime CBD</i> |  |  |
| | | Príncipe de Vergara <i>Madrid CBD</i> |  |  |
| PARIS | Core Investment | Condorcet <i>Paris CBD</i> |  |  |
| | | Percier <i>Paris Prime CBD</i> |  |  |

5 GROWTH DRIVERS Superior Returns through “Prime Factory” Investments

A unique high-visibility building in Madrid CBD with an important growth potential

| SANTA ENGRACIA | CBD - Madrid | Core Investment | | | | | | | | | | |
|--|--|---|------|------------------|-------------|---------|-----------|-----------|-----|----------------------------|------------|---|
| <p>Sources of Value Creation</p> <ul style="list-style-type: none"> ✓ Asset located in an area with significant growth potential in the medium term ✓ Secured cash flow with strong covenants ✓ Short term reversion ✓ Colonial will deploy capex on the building in order to enhance the positioning ✓ Obtention of additional GLA through reorganization of spaces | <p>TRANSACTION</p> <table border="1"> <tr> <td>Price¹</td> <td>€67m</td> </tr> <tr> <td>GLA²</td> <td>13,429 sq m</td> </tr> <tr> <td>Parking</td> <td>180 units</td> </tr> <tr> <td>Occupancy</td> <td>95%</td> </tr> <tr> <td>Capital value³</td> <td>4,478€/sqm</td> </tr> </table> | Price ¹ | €67m | GLA ² | 13,429 sq m | Parking | 180 units | Occupancy | 95% | Capital value ³ | 4,478€/sqm | <p>OPPORTUNITY</p> <ul style="list-style-type: none"> ▪ Potential Yield 5% ▪ Attractive Total Return |
| Price ¹ | €67m | | | | | | | | | | | |
| GLA ² | 13,429 sq m | | | | | | | | | | | |
| Parking | 180 units | | | | | | | | | | | |
| Occupancy | 95% | | | | | | | | | | | |
| Capital value ³ | 4,478€/sqm | | | | | | | | | | | |
|  |  | <p>breeam</p> <p><i>Main characteristics final product</i></p> <ul style="list-style-type: none"> ✓ A “Core office building of 13,429sq m located in Madrid CBD ✓ The building has a 95% occupancy rate with first class tenants, and will immediately generate rental cash flow | | | | | | | | | | |

1 Excluding transfer costs 2 Surface above Ground 3 Excluding parking spaces

5 GROWTH DRIVERS Superior Returns through “Prime Factory” Investments

Prime Factory project execution on track

ESTÉBANEZ CALDERÓN 3-5

Prime CBD - Madrid

Prime Factory Inv.

Good progress on project execution

- ✓ Definition of project parameters
- ✓ Definition of product features
- ✓ Assignment of architects
 - Estudio Lamela
 - Architect of the new Madrid Airport
- ✓ Obtention of the demolition licence
- ✓ Finishing demolishing works
- ✓ Obtention of project licence



✓ Expected release 2H 2017

TRANSACTION

| | |
|--------------------|-------------|
| Price ¹ | €30m |
| Capex | €13m |
| Total Inv. | €43m |
| GLA ² | 10,458 sq m |
| Capital Value | 4,130€/sq m |

OPPORTUNITY

Yield on Cost 7-8 %
Important Capital Gain

Attractive Total Return



Main characteristics final product

- ✓ 10,500 sq m of unique office space
- ✓ Absolutely flexible floor plants
- ✓ Maximum efficiency of lettable space (diaphanous plants) with natural light
- ✓ Leed Gold Building



5 GROWTH DRIVERS Superior Returns through “Prime Factory” Investments





Prime Factory project execution on track

PRÍNCIPE DE VERGARA 112

CBD - Madrid

Prime Factory Inv.

Good progress on project execution

- ✓ Definition of project parameters 
- ✓ Definition of product parameters 
- ✓ Assignment of architects 
 - Ortiz y León
 - Architect of the new BBVA Headquarters
- ✓ Obtaining of the demolition licence 
- ✓ Demolishing works to start shortly

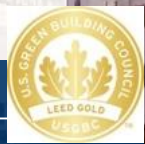
- ✓ Obtain of project licence Negotiating underway
- ✓ Start of construction works After obtaining project license
- ✓ Expected release 2H 2017

| TRANSACTION | |
|--------------------|-------------|
| Price ¹ | €30m |
| Capex | €15m |
| Total Inv. | €45m |
| GLA ² | 11,368 sq m |
| Capital Value | 3,983€/sq m |

| OPPORTUNITY | |
|--------------------------------|-----|
| Yield on Cost | 7 % |
| Important Capital Gain | |
| Attractive Total Return | |



- Main characteristics final product**
- ✓ 11,400 sq m of surface above ground
 - ✓ Flexible spaces (fixed or not fixed positions) and open atriums
 - ✓ Natural light & large garden terraces
 - ✓ Leed Gold Building



1 Excluding transfer costs 2 Surface above Ground

5 GROWTH DRIVERS Superior Returns through "Prime Factory" Investments

INITIAL

CURRENT

FINAL

ESTÉBANEZ CALDERON



PRÍNCIPE DE VERGARA



5 GROWTH DRIVERS "Core Investments" in Prime CBD

Complementary "Core" investments with important cash generating capacity

GÉNOVA, 17

Prime CBD - Madrid

TRANSACTION

| | |
|----------------------------|------------|
| Price ¹ | €36m |
| GLA ² | 4,776 sq m |
| Occupancy | 100% |
| Capital Value ³ | 6,669€/sqm |

OPPORTUNITY

- Potential Yield 5%
- Attractive Total Return

Sources of value creation

- ✓ Strong lease-up: 67% to 100% in 5 months
- ✓ Immediate additional cash flow stream
- ✓ Repositioning of retail space with a significant rental uplift potential
- ✓ Attractive reversion profile
- ✓ Scarce high quality product in Madrid CBD



9, AVENUE PERCIER

Prime CBD - Paris

TRANSACTION

| | |
|------------------|-------------|
| Price | €68m |
| GLA ² | 6,000 sq m |
| Occupancy | 64% |
| Capital Value | 11,506€/sqm |

OPPORTUNITY

- Potential Yield 5%
- Attractive Total Return

Sources of value creation

- ✓ Repositioning of 1/3 of the asset - currently under refurbishment
- ✓ Obtention of Bream certification
- ✓ Scarce high quality product in Paris Opera



5 GROWTH DRIVERS

Attractive growth profile in Gross Rents

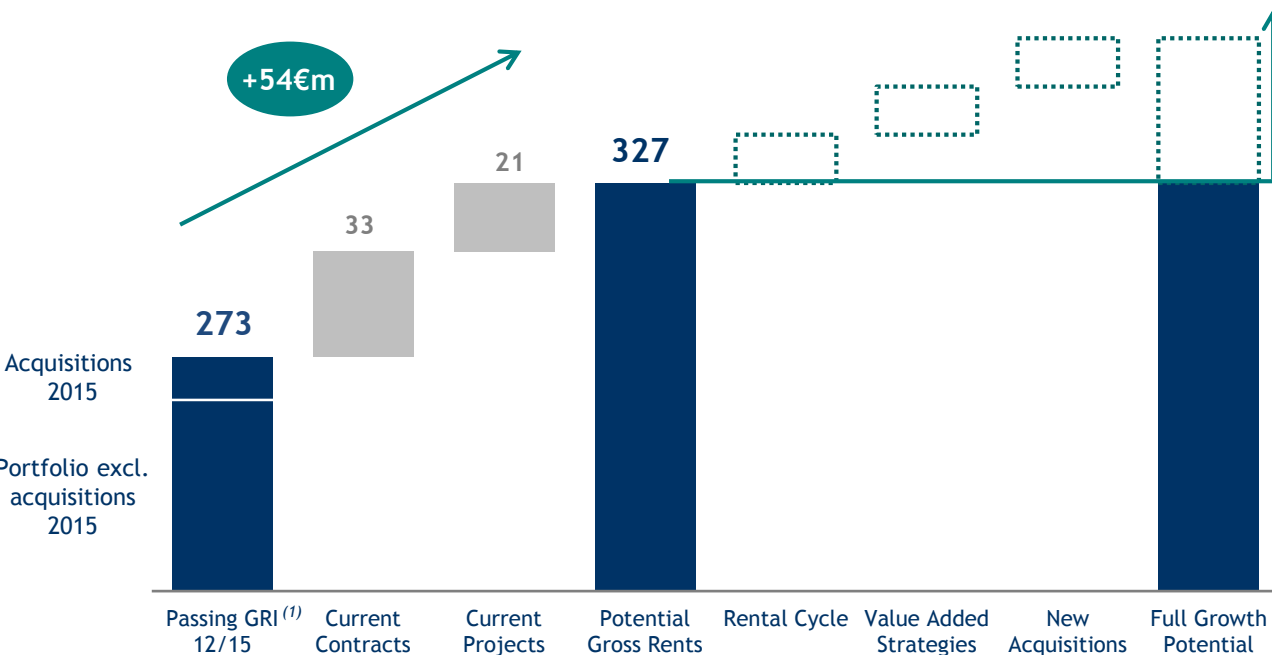
Significant value & cash flow to be unlocked from current portfolio and growth strategy

Passing Gross Rental Income¹ - €m

Reversionary potential

Significant GRI to cristalize in P/L

Sources of additional GRI



1. Significant amount of passing GRI not yet reflected in P/L
2. Strong momentum in operations as solid base for further reversion
 - ✓ From current contracts
 - ✓ From current projects
3. Rental cycle impact to come
4. Additional Value Added / Prime factory initiatives.
5. Further acquisitions

6

CONCLUSION



6 CONCLUSION 2015 - A year of outstanding performance

A year of outstanding performance in operations & financing

1

Occupancy improvement as major achievement in ongoing operations

2

Sustainable, strong top line growth in every market

3

Value creation through prime positioning and successful project execution

4

Delivery of acquisition target maintaining selective investment approach and financial discipline

5

Important optimization of capital structure - Investment Grade Rating

6

Superior Total Shareholder Return: +29% in 2015

6 CONCLUSION

A solid base for future growth

Drivers for future value creation

1

Our existing Portfolio

- ✓ Locked in GRI fully to crystalize in P/L & cash flow
- ✓ Additional reversionary potential underpinned by strong momentum in operations
- ✓ Recovery play of rental cycle to be captured in every market
- ✓ Yield compression and capital value growth not exceeded

2

Growth strategy with selective acquisition approach

3

Value added strategies with above average returns

4

Active asset allocation - arbitraging markets and asset cycles

5

Ongoing optimization of capital structure & credit profile

Attractive Total Shareholder Return

1. BoD dividend proposal¹ of 1.5 cts€/share -> 2.44% dividend yield on 12/15 NAV
2. Capital Value Return - NAV growth

A photograph of a modern, multi-story building with a glass facade. The building is partially obscured by a large, leafy tree in the foreground. The scene is set outdoors with a clear sky and some landscaping in the foreground.

Q & A