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HECHO RELEVANTE

Como continuación al Hecho Relevante publicado con fecha 3 de febrero de 2017 con número de registro 247895, Colonial remite documentación de soporte a la presentación a analistas e inversores correspondiente a los acuerdos alcanzados relativos a nuevas inversiones realizadas, que se celebrará hoy lunes día 6 de febrero de 2017 a las 18:00 horas (CET) a través de un webcast.

Los datos de conexión a la conferencia se detallan a continuación:

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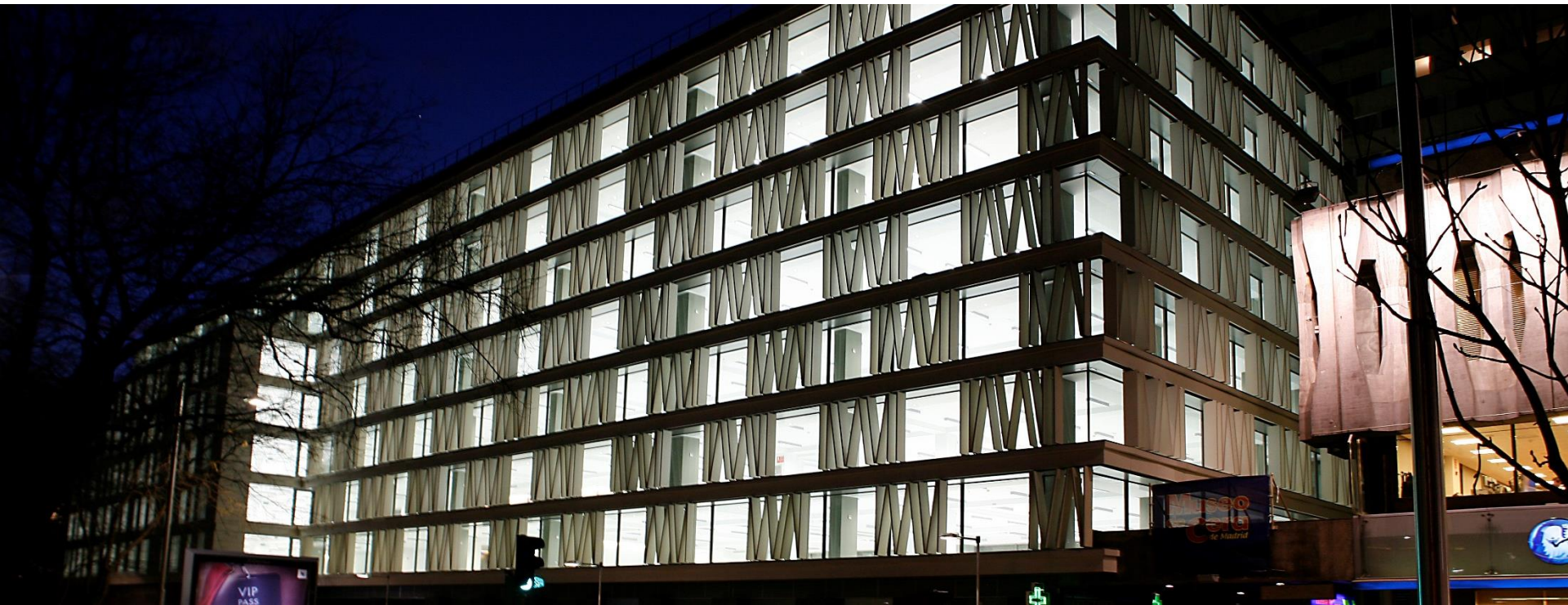
Adicionalmente, la presentación estará disponible en la página web de la Sociedad.

En Barcelona, a 6 de febrero de 2017.



Project Alpha II Presentation

February 2017



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PRESENTING MANAGEMENT TEAM



Pere Viñolas
Chief Executive Officer



Carmina Ganyet
Corporate Managing Director



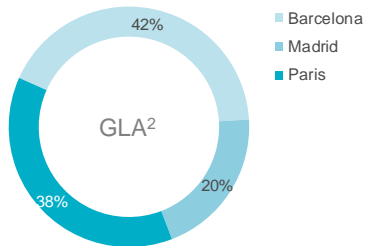
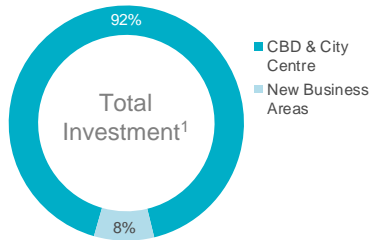
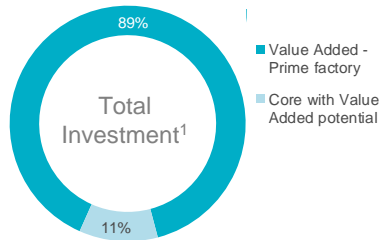
Carlos Krohmer
Chief Corporate Development Officer

Alpha II – 2017 starts with strong delivery on acquisitions

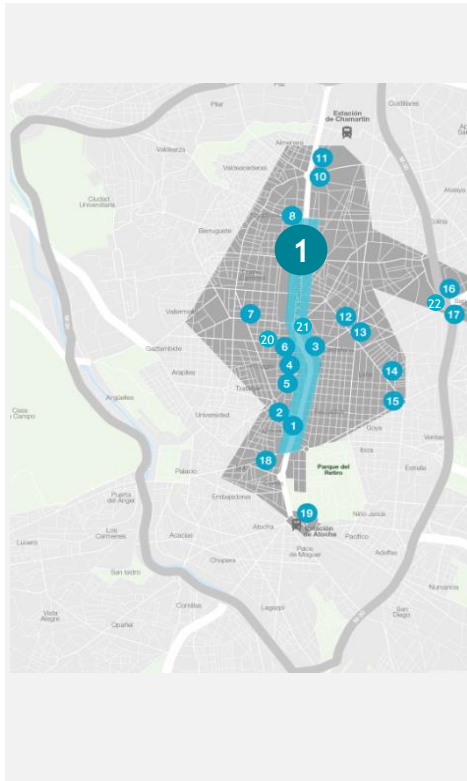
Acquisitions for a total volume close to €400m

- > Acquisition of 3 prime office assets in Spain and 1 in Paris
- > High quality products with unique positioning
- > Attractive value added returns through Prime factory projects
- > Alpha II accelerates Colonial's growth plan maintaining investment discipline

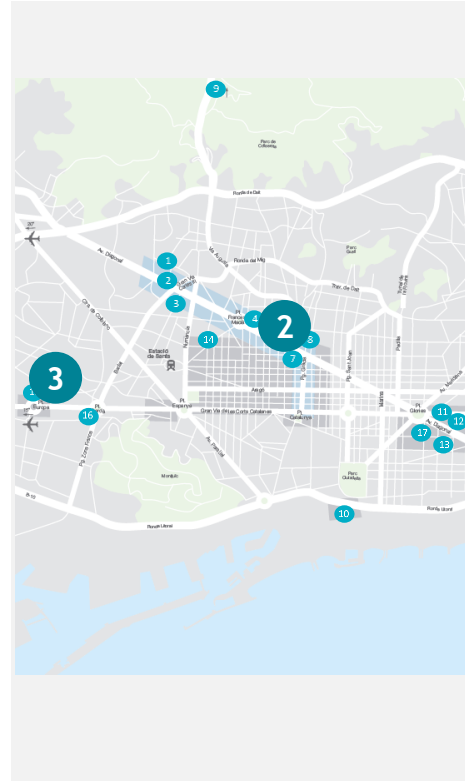
BUSINESS MIX¹



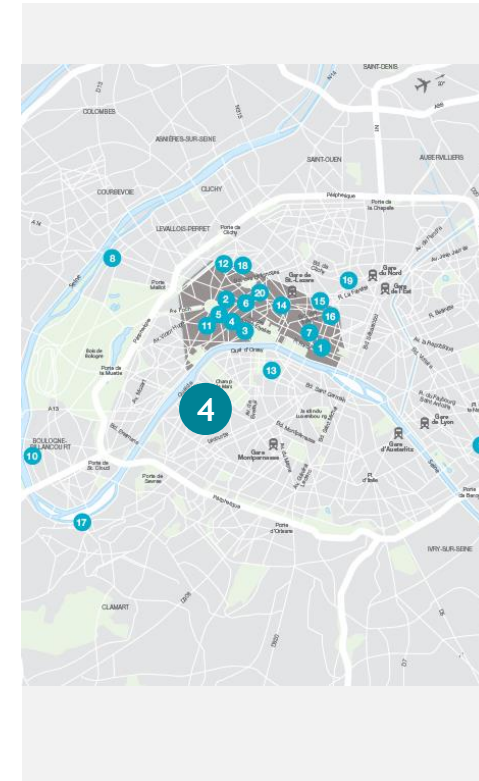
MADRID



BARCELONA



PARIS



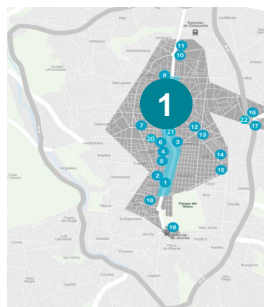
1 Acquisition price + total project capex
2 GLA above ground

Alpha II – 2017 starts with strong delivery on acquisitions

Acquisitions for a total volume close to €400m

- > Acquisition of 3 prime office assets in Spain and 1 in Paris
- > High quality products with unique positioning
- > Attractive value added returns through Prime factory projects
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MADRID



1 Paseo de la Castellana, 163
Madrid Prime CBD



Value Added – Prime factory
GLA: 10,910 sq m

Total Investment¹: €51m

2 Travessera de Gracia, 47-49
Barcelona Prime CBD



Core with value added potential
GLA: 8,939 sq m

Total Investment¹: €41m

BARCELONA



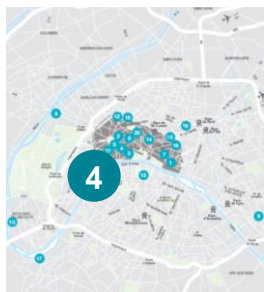
3 Plaza Europa, 46-48
Barcelona Plaza Europa



Value Added – Prime factory
GLA: 14,000 sq m

Total Investment¹: €32m

PARIS



4 112-122 Av. Emile Zola
Paris South Center



Value Added – Prime factory
GLA: 20,340 sq m

Total Investment¹: [€245m - €265m]

¹ Acquisition price + total project capex

PASEO DE LA CASTELLANA, 163

- Madrid Prime CBD -

Creating a prime site in Paseo de la Castellana, Madrid CBD

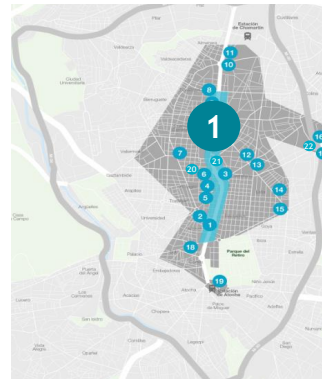
- > Asset located in Paseo de la Castellana 163, in the heart of Madrid's CBD
- > Unique prime positioning in the financial center of Madrid

PASEO DE LA CASTELLANA, 163 – Madrid Prime CBD

PRIME FACTORY PROJECT

Main asset characteristics

- > Prime site with 10,910 sq m of GLA with 900 sq m floor plants
- > Multitenant asset with flexible floor plants, efficient layout and high luminosity
- > Building with two entrances: Paseo de la Castellana and Capitán Haya
- > Location sought after by multinationals and service companies
- > Prime rents in Madrid around €29/sq m/month¹
- > Undermanaged and outdated asset with significant Prime Factory potential
- > Real estate transformation project envisaging Breeam Very Good certificate



¹ Source: JLL Q4 2016 Market Data

Creating a prime site in Paseo de la Castellana, Madrid CBD

1 PASEO DE LA CASTELLANA, 163



- > Creation of a prime site at a total investment below €4,700/sq m
- > Unique prime positioning in the financial center of Madrid

PASEO DE LA CASTELLANA, 163 - Madrid CBD

PRIME FACTORY PROJECT

Sources of Value Creation

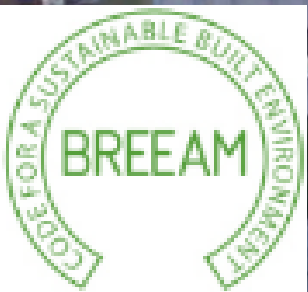
- > Attractive entry price of €3,774/sq m¹ for a prime site in Paseo de la Castellana
- > Fully let multitenant building, significantly under-rented (€14/sq m /month current passing rent)
- > Significant value creation through Prime Factory transformation
 - €940/sq m of capex (€10.3m full project)
 - Progressive transformation across the coming years
 - Attractive rentroll to capture rental and value uplifts
 - Breeam Very Good certification envisaged
- > Creation of a prime site at a total investment below €4,700/sq m⁴
- > Attractive 10 year ungeared IRR with high running yield

The Transaction

| | |
|--------------------|-------------|
| Price ² | €41m |
| Capex | €10m |
| Total Investment | €51m |
| GLA ³ | 10,910 sq m |
| Parking | 52 units |
| Capital value | €4,684/sq m |

The Opportunity

| | |
|----------------------------|-------|
| Ungeared IRR | 9% |
| Yield on Cost ⁵ | 6%-7% |



1 Acquisition price

4 Total investment including project capex

2 Excluding transfer costs

5 Final product post Capex

3 Surface above Ground

TRAVESSERA DE GRACIA, 47-49

- Barcelona Prime CBD -

02 Acquired assets - Travessera de Gràcia, 47-49

A landmark office building in the CBD of Barcelona

2 TRAVESSERA DE GRACIA, 47-49

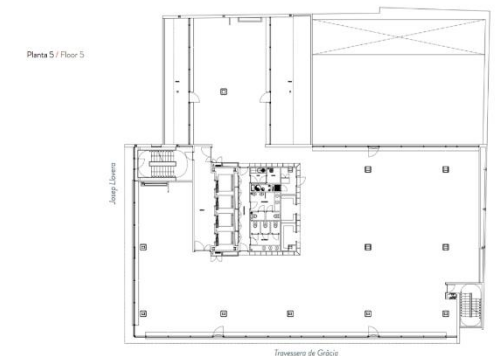
- > Acquisition of a 8,939 sq m office prime building in the heart of the CBD
- > Spanish Headquarters for a high quality tenant - Bertelsmann

TRAVESSERA DE GRÀCIA, 47-49 – Barcelona CBD **CORE WITH VALUE ADDED POTENTIAL**

Main asset characteristics

- > 8,939 sq m office prime building in the heart of the CBD
- > Building with open floors plants, above 1,000 sq m, and high levels of natural light, highly sought after and scarce in Barcelona CBD
- > Prime rents in CBD Barcelona around €21.5/sq m/month¹
- > Unique footprint in terms of floor size in the Barcelona market
- > Sale & Lease contract, with a 5 years duration with a top tenant: The Bertelsmann Group (the company has been occupying the building for more than 20 years)

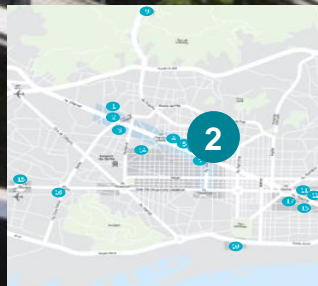
The Bertelsmann Group is a media, services and education company that operates in 50 countries, with 117,000 employees and generated revenues of €17.1 billion in 2015²



BERTELSMANN

1 Source: JLL Q4 2016 Market Data

2 Source: Bertelsmann corporate webpage



02 Acquired assets - Travessera de Gràcia, 47-49

A landmark office building in the CBD of Barcelona

2 TRAVESSERA DE GRACIA, 47-49



- > Core prime site with attractive IRR
- > High quality tenant with strong covenants

TRAVESSERA DE GRÀCIA, 47-49 - Barcelona CBD

CORE WITH VALUE ADDED POTENTIAL

Sources of Value Creation

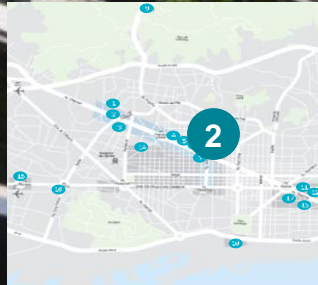
- > Acquisition of a prime site in the CBD of Barcelona at a price below €4,700/sq m
- > Consolidates Colonial's CBD position enhancing its negotiation power in the Barcelona market
- > Mid-term repositioning potential through dedicated asset management (last refurbishment in 1998)
- > Potential Bream Very Good certification
- > Core high quality investment with attractive ungeared IRR (>6%)
- > Gross initial yield around 4.5% with interesting reversion

The Transaction

| | |
|--------------------|-------------|
| Price ¹ | €41m |
| GLA ² | 8,939 sq m |
| Parking | 6 units |
| Capital value | €4,620/sq m |

The Opportunity

| | |
|-----------------|-------|
| Ungeared IRR | >6% |
| Initial Yield | 4.5% |
| Potential Yield | 5%-6% |



¹ Excluding transfer costs ² Surface above Ground

PLAZA EUROPA PROJECT

- Barcelona -

Creation of an unparalleled prime site in Plaza Europa

3

PLAZA EUROPA, 46-48

- > Prime factory Project of 14,000 sq m
- > Creation of a prime site in a growth market



PLAZA EUROPA 46-48 – New Business Area Barcelona

PRIME FACTORY

Main characteristics final product

- > Development project of an unique prime site through a joint venture with the company Inmo, Real Estate subsidiary of the Puig family
 - ✓ Family from Barcelona that is owner of a multinational leading luxury group – Puig – with presence in more than 20 countries with more than 30 brands¹
 - ✓ Corporate Headquarters of the – Puig – single tenant of that asset, located in front of the new project
- > Creation of a 21 storey office tower of 14,000 sq m and 150 parking spaces
- > Open-plan column free floors with floor plates up to 800 sq m
- > Flexible floor and sizeable plants divisible in modules
- > The asset will be granted with the best energy certificates, Leed Gold certificate envisaged for final product
- > Easy access to metro station directly linked to city center and airport
- > Architect bid to be opened in the next weeks

¹ Source: Company webpage

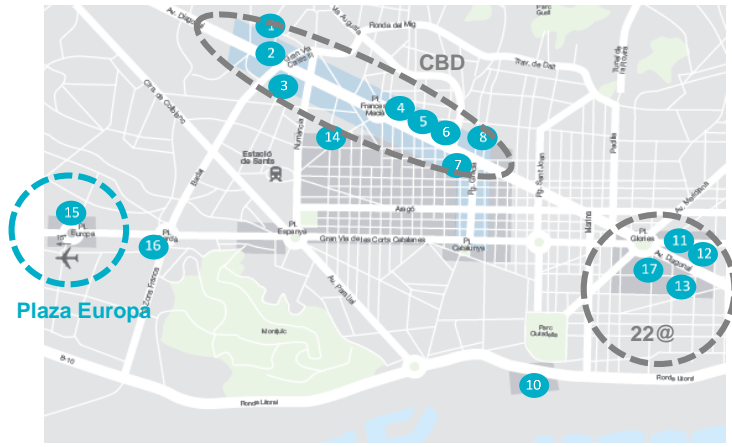
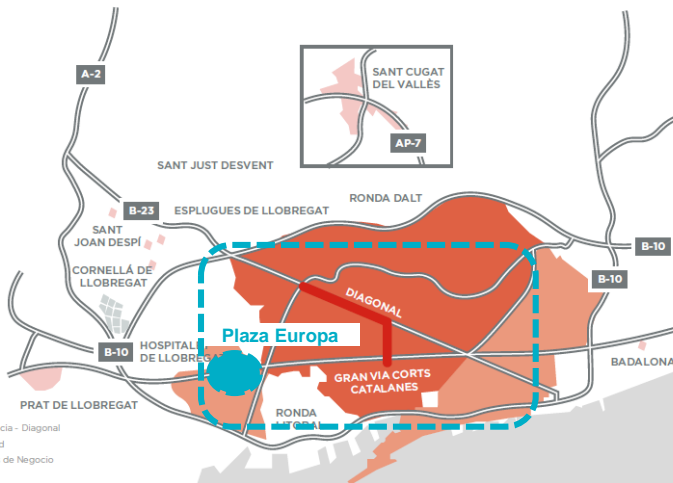
Plaza Europa area – An emerging new business area in Barcelona

3 PLAZA EUROPA, 46-48

- > Plaza Europa is an emerging new business area with attractive growth prospects in rent and value

Plaza Europa New Business Area – A growth market

- > New business area in Barcelona with an office stock of 150,000 sq m
- > After CBD and 22@ third largest market of Barcelona
- > Market with excellent communications to the airport and port and just 10 minutes away of the city center
- > Area with good combination of new residential, hotels and retail schemes
- > Located next to Barcelona’s trade fair premises, Gran Via 2 mall and IKEA
- > Home of local international companies such as Puig, Werfen, Agrolimen and other multinationals (i.e. KPMG, Olympus, Nissan, Ericsson...)
- > Current prime rents are in the mid tens with attractive growth potential



Attractive ungeared return through Prime Factory project

3

PLAZA EUROPA, 46-48

- > Creation of a prime site at a total investment below €2,300/sq m
- > Expected 10 Year ungeared IRR above 9%



PLAZA EUROPA 46-48 - Barcelona BD

PRIME FACTORY

Sources of Value Creation

- > Attractive entry price¹ of €2,257/sq m for a new prime office building in Plaza Europa
- > Significant footprint of Colonial in this area developing a prime office building
- > Lack of available Grade A spaces in Barcelona
- > Potential LEED gold certification
- > No new projects to be developed in this market due to lack of new land
- > Ungeared 10 year IRR above 9% with a yield on cost close to 8%

The Transaction

| | |
|-------------------------------|-------------|
| Total Investment ¹ | €32m |
| GLA ² | 14,000 sq m |
| Parking | 150 units |
| Capital value ¹ | €2,257/sq m |

The Opportunity

| | |
|----------------------------|------|
| Ungeared IRR | >9% |
| Yield on Cost ³ | 7-8% |

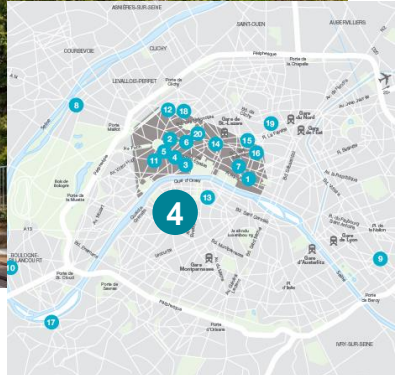
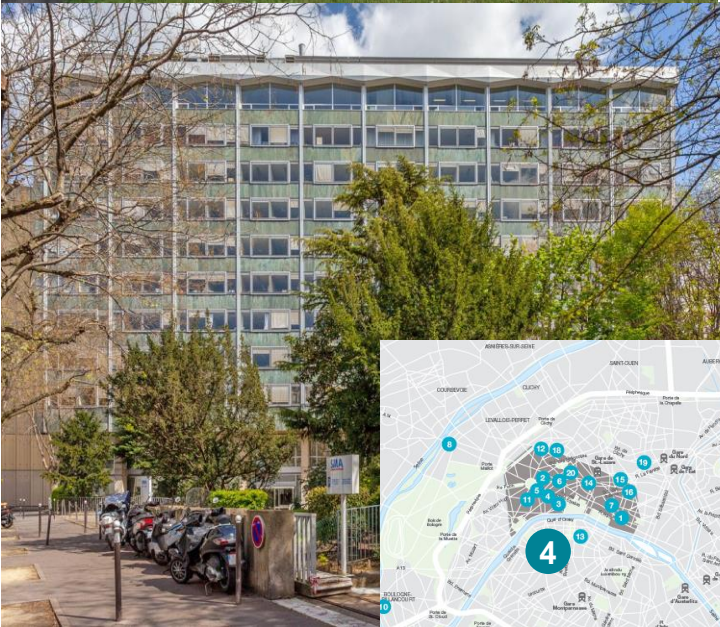
¹ Total investment cost ² Surface above Ground ³ Final product including full capex

112-122 Avenue Émile Zola

- Paris South Center -

Creation of a new business center in the South Paris Center

4 112-122 AVENUE ÉMILE ZOLA



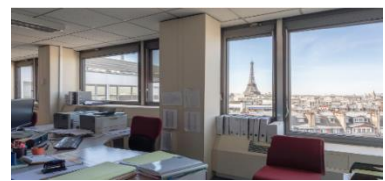
- > 20,340 sq m office Prime Factory project in a prime location
- > Asset with excellent Real Estate fundamentals

112-122 Avenue Émile Zola – Paris West

PRIME FACTORY

Main asset characteristics

- > Creation of a 20,340 sq m prime office complex, with 201 parking spaces in Paris South Center
- > Project built on a 6,300 sq m land plot in the center of Paris:
 - > Located in the left “Rive” of Paris, next to the Eiffel Tower
 - > Asset in the heart of Paris’s 15th arrondissement
 - > Surrounded by a mix of residential and commercial real estate and is well served by public transport.
- > Future project with excellent Real Estate fundamentals:
 - > 1,400 sq m floor plants with high luminosity and efficient functionality
 - > Double entrance optimizing the asset divisibility and flows
 - > Tree-filled garden surrounding the asset

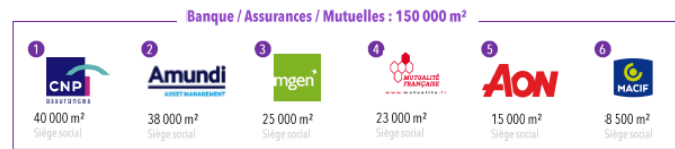


4 112-122 AVENUE ÉMILE ZOLA



15th Arrondissement market – South Paris Center

- > South Paris sector is a market of 5.6m of sq m, the second Office market in Paris after Paris CBD
- > Vacancy in this market stands at 3.3%, one of the lowest in the total Paris Market
- > Solid take-up: average annual volume around 250,000 sq m in the last 6 years
- > Letting transactions of more than 5,000 sq m represent 50% of the total volume of the area
- > Prime rents at levels around €580/ sq m/year
- > Established market that attracts various multinationals from the Media, Finance, and Public sector



Creation of a new business center in the South Paris Center

4 112-122 AVENUE ÉMILE ZOLA



- > Attractive ungeared return through the creation of a prime site
- > Prime Factory Project in the South Paris Center

112-122 Avenue Émile Zola – Paris West

PRIME FACTORY

Sources of value creation

- > Superior value creation through full transformation of an obsolete building
- > Creation of a unique product capable to unlock maximum market rents in a growing rental cycle
- > Obtaining additional GLA under analysis
- > Acquisition price secured in January with full in Q4 2017
 - > Underwriting at current pricing with deferred cash payment
- > Project starts after tenant leaves – Q4 2017
- > Attractive ungeared 10 year IRR (>7%)

The Transaction

| | |
|------------------|-------------------------------------|
| Price | €165m |
| Capex | [€80m - €100m] ¹ |
| Total Investment | [€245m - €265m] |
| GLA ² | 20,340 sq m |
| Parking | 201 units |
| Capital value | [€12,045-€13,028/sq m] ¹ |

The Opportunity

| | |
|---------------|-----|
| Ungeared IRR | >7% |
| Yield on Cost | >5% |

¹ Capex amount subject to final project study

² Surface above Ground

Transaction Summary & Conclusion

Solid delivery on sourcing of attractive value add investments

Proven delivery of value add acquisition

- > Assets with significant real estate value creation potential
- > Prime sites with unique market positioning
- > Strong commitment to investment discipline

SOURCING OF UNIQUE PRODUCTS LEVERAGE ON COLONIAL TRACK RECORD

| | |
|---|--|
| <p>1 Paseo de la Castellana, 163</p> | <ul style="list-style-type: none"> > Prime Factory opportunity sourced through an off market deal > Optimization of pricing, leveraging on credit tax and SPV acquisition structure |
| <p>2 Travessera de Gracia, 47-49</p> | <ul style="list-style-type: none"> > Colonial's reputation and track-record key for transaction closing > Accelerated execution thanks to Colonial's strong credit profile |
| <p>3 Plaza Europa, 46-48</p> | <ul style="list-style-type: none"> > Off market sourcing of a Prime Factory project > Partnership with highly recognized family office leveraging on Colonial's reputation in the market |
| <p>4 Emile Zola, 112-122</p> | <ul style="list-style-type: none"> > Prime Factory opportunity sourced in the Paris South Center > Optimized structuring through deferred cash payment |

ACQUISITIONS DETAILS

| Amounts in €m | Cash Upfront | Total Investment | |
|-------------------------|--|------------------------|--|
| Castellana, 163 | 41 | 51 | |
| Travessera, 47-49 | 41 | 41 | |
| Plaza Europa, 46-48 | 50% / 50% JV with land contribution by partner | 32 | |
| 112-122, Émile Zola | 165 | [245-265] ¹ | |
| Total Investment | 247 | [369-389] | |

€247m Cash Upfront

**€369m-€389m
Total Investment Volume²**

¹ Capex amount subject to final project study
² 100% Stake figures

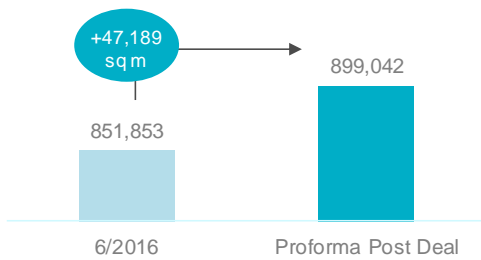
03 Transaction Summary

Acceleration of Colonial's growth plan

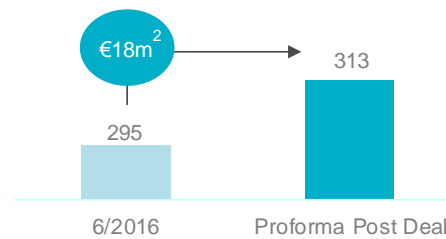
- > Significant growth in operating metrics
- > Significant increase in value-add exposure

Significant growth in operating metrics

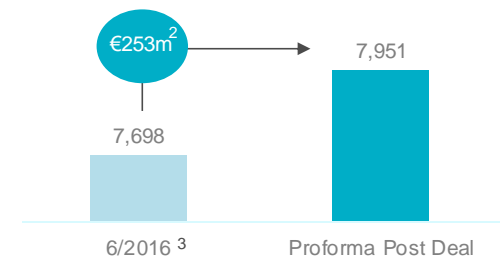
Total GLA – sq m (above ground)



Gross Rental Income¹ - €m

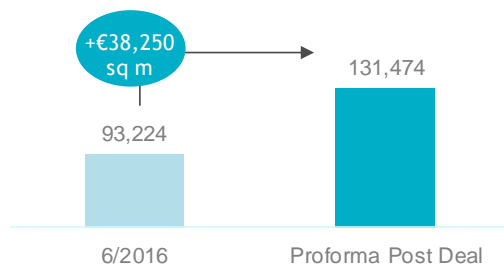


GAV - €m

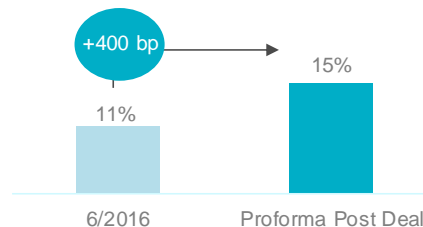


Increase of Value Add Exposure

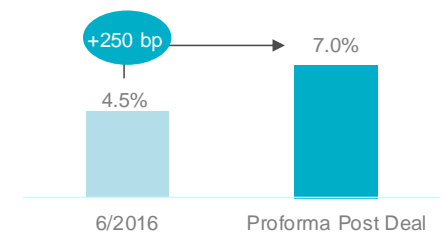
GLA projects & refurbishments - sq m



GLA – Share of Value Add



GAV - Share of Value Add



¹ Topped-up annualized GRI as of 6/2016 + potential GRI of acquisitions: a) Plaza Europa & Émile Zola Projects at current ERV) current passing rents of Castellana 163 and Travessera de Gracia 47-49
² Considering 50% of plaza Europa
³ GAV 6/2016 + Axiare Stake at 6/2016 NAV



SOLID DELIVERY ON VALUE ADD ACQUISITIONS

- > Starting 2017 with more than €360m¹ of acquisitions
- > Successful sourcing of investment opportunities leveraging on Colonial's goodwill
- > Acceleration of Colonial's growth strategy:
 - > Substantial increase of GLA (+47,000sq m), GRI (+€18m) and GAV (+€253m)
 - > Significant growth of value add exposure
 - > Solid capital structure with remaining fire power above €700m
- > Assets with substantial real estate value creation potential
- > Creation of prime sites with unique market positioning
- > Attractive entry prices at optimal market timing



**Highly attractive Ungeared Returns maintaining
strong commitment to investment discipline**

Colonial



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