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HECHO RELEVANTE

Como continuación al Hecho Relevante publicado con fecha 23 de julio de 2019 con número de registro 280453, Colonial remite documentación de soporte a la presentación a analistas e inversores relativa a los resultados correspondientes al primer semestre de 2019, que se celebrará hoy lunes día 29 de julio de 2019 a las 18:30 horas (CET) a través de un webcast.

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

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La presentación online será visible a través del siguiente link:

<https://event.on24.com/wcc/r/2043887-1/BF1973C71899E69B6156FBE4E6944077?partnerref=rss-events>

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

En Madrid, a 29 de julio de 2019.



2/19

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- 01 Highlights
- 02 Market
- 03 Operational performance
- 04 Financial performance
- 05 Growth drivers
- 06 Conclusion

PRESENTING MANAGEMENT TEAM



Pere Viñolas
Chief Executive Officer



Carmina Ganyet
Corporate Managing Director



Carlos Krohmer
Chief Corporate Development Officer





OUTSTANDING FINANCIAL RESULTS

- > **Total Shareholder Return 1H 2019 of 18%**
- > EPRA NAV of €10.52€ per share: +16% YoY
- > Gross Asset Value of €11.8bn, +9% like-for-like YoY
- > Gross Rental Income of €174m, +4% like-for-like
- > Recurring earnings of €69m, +66% YoY
- > **Recurring EPS of €13.5 Cts. per share, +42% YoY**

STRONG OPERATIONAL PERFORMANCE

- > 151,800 sq m let with top tier clients
- > Very healthy vacancy levels at 4%
- > Successful pre-let of projects
- > Strong growth in rental prices
 - ✓ Capturing market rental growth
 - ✓ Double Digit Release Spreads
 - ✓ Solid Capital Value Growth

CONFIDENT OUTLOOK CONFIRMED

- > Delivery of Business Plan on track
- > CBD outperforming Secondary
- > Best-positioned portfolio for future growth

Solid top line growth driving results

- > Total Annual Shareholder Return of 18% (7% Total Shareholder Return in 6 months)
- > Net Asset Value of 10.52€/share +16% (+5% NAV growth in 6 months)
- > Recurring EPS of 13.5 €Cts/ share, +42%

Total Annual Return - € per share	06/19	1H19	YoY
TOTAL SHAREHOLDER RETURN		7%	18%
EPRA NAV - €/share growth	10.52	+5%	+16%

Strong Capital Value Growth (GAV)	06/19	YoY Var
Group like-for-like	€11,798m	+9%
Madrid like-for-like		+9%
Barcelona like-for-like		+19%
Paris like-for-like		+6%

Profit & Loss - €m	06/19	YoY Var
Gross Rental Income	€174m	+2%
Recurring Net Profit	€69m	+66%
Recurring EPS	13.5 €Cts/share	+42%

Balance sheet - €m	06/19	YoY Var
GAV Group	€11,798m	+5%
EPRA NAV	€5,348m	+29%

A solid capital structure	06/19
LTV	37.9%
Liquidity	€2,195m
Rating S&P	BBB+

(1) DPS subject to AGM approval

Solid top line growth driving results

- > Outstanding GRI Like for Like growth of +4%
- > Double digit Release Spread & Superior Rental Growth
- > Low vacancy of 4% with strong fundamentals

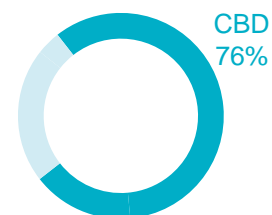
Solid Fundamentals 1H 2019

EPRA Vacancy	4%
Volume of sq m signed	129,345
# transactions signed	60

Outstanding GRI like for like 1H 2019 YoY Var

Group like-for-like³	€174m	+4%
Madrid like-for-like ³		+5%
Barcelona like-for-like ³		+4%
Paris like-for-like ³		+4%

Unparalleled Prime Positioning



Capturing Rental Price Increases

Double-digit release Spread¹	+11%
Barcelona	+52%
Madrid	+6%
Paris	+7%

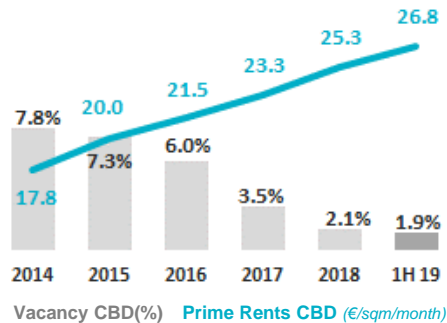
Strong rental growth²	+9%
Barcelona	+13%
Madrid	+4%
Paris	+11%

(1) Rental prices signed vs previous rents
 (2) Rental prices signed vs ERV 12/18
 (3) EPRA like-for-like variance base on EPRA BPR methodology
 (4) Portfolio in operation with Leed & Breeam certificates

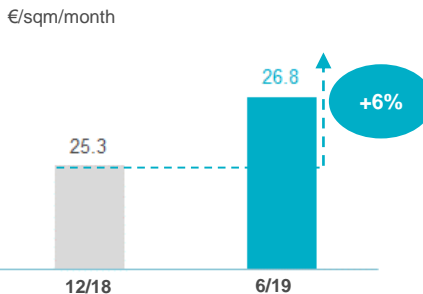


VACANCY %

BARCELONA



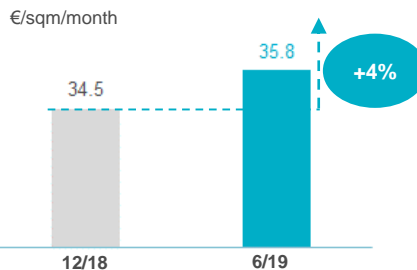
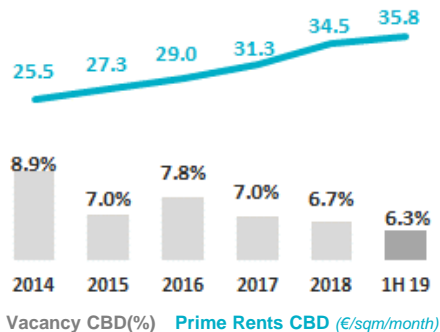
PRIME ERV



HIGHLIGHTS

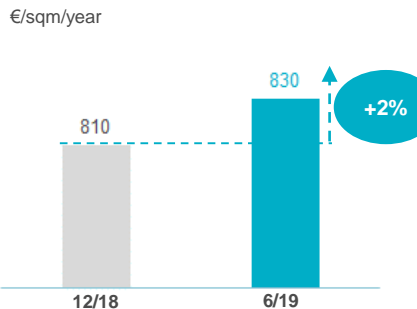
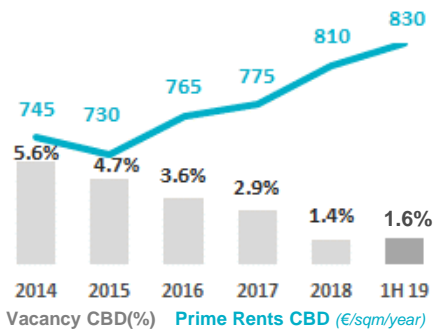
- > Record take-up of 251,000 sqm in 1H19
- > CBD vacancy at historical lows -> 1.9%
- > Prime rents at €26.75/sq m /month, +6% in 2019

MADRID



- > Strong 1H take-up: 334,500 sqm, +42% YoY
- > CBD vacancy decreased to 6.3%
- > Prime rents up to €35.75/sq m /month, +4% in 2019

PARIS



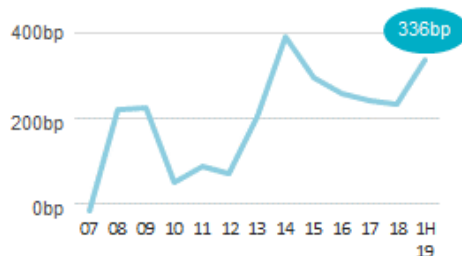
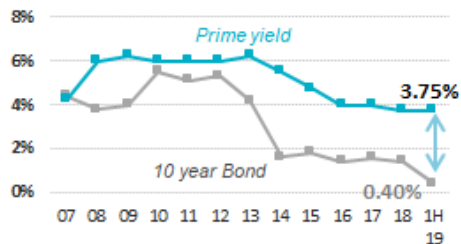
- > Strong 1H 2019 with take-up of 1,101,000 sqm
- > CBD vacancy at historical lows: 1.6%
- > Prime rents at €830/sq m /year

PRIME YIELDS ⁽¹⁾

SPREAD VS 10Y BOND

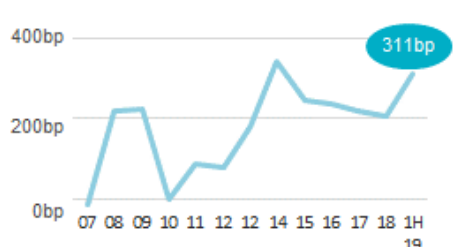
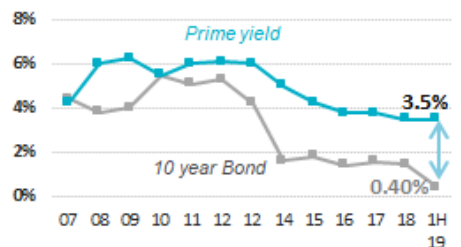
HIGHLIGHTS

BARCELONA



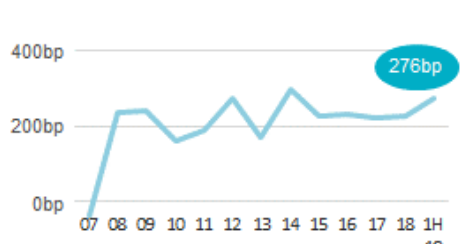
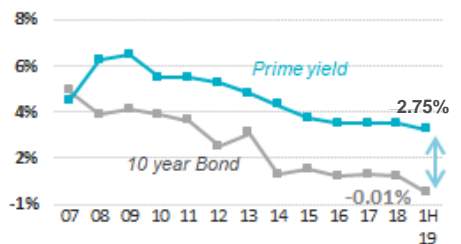
- > Invest volume of 620 €m in 1H19
- > Experts expect record investment volume for the full year 2019
- > Prime yields stabilizing at 3.75%
- > Healthy spread of 336 bp

MADRID



- > Record investment volume of 1 €bn in 1H 19 + 41% above historical series for 1H
- > Dominance of international investors
- > Prime yields stable at 3.50%

PARIS



- > More than €9.9bn in investment volume in 1H19 + 5% vs 2018 that was a record year
- > Increased volume of large transactions in CBD
- > Prime yields compressed 25 bp to 2.75%

(1) Market consultants in Spain report gross yields and in France they report net yields
Source: JLL, CBRE & Bloomberg



Unparalleled exposure to CBD

03 Operational performance

CBD focus ensures strong letting performance

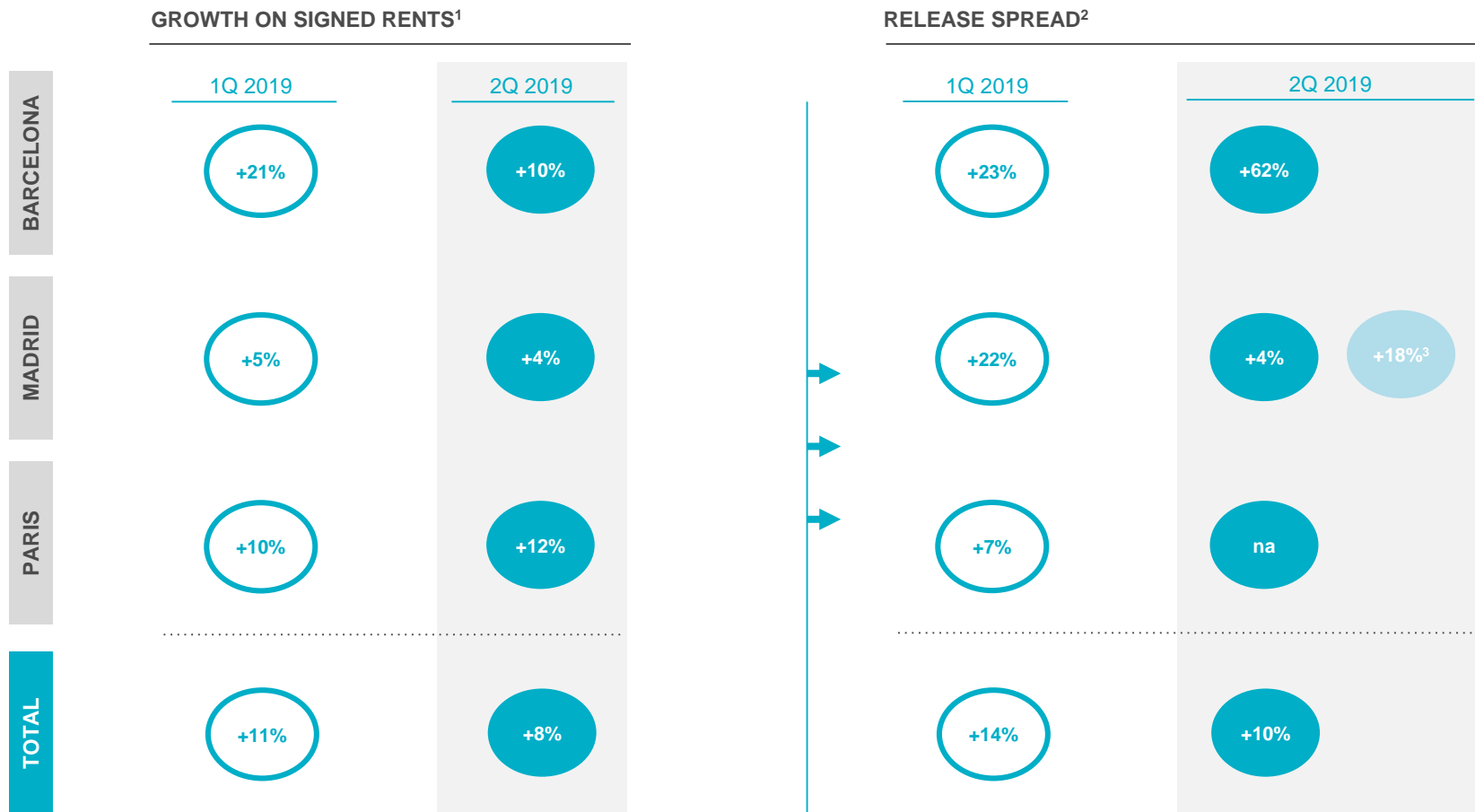
		# CONTRACTS	SQM SIGNED	GRI SECURED ¹	INCENTIVES ²	EPRA VACANCY ³
BARCELONA		19	27,188	€7m	4%	1%
MADRID		19	78,021	€17m	4%	9%
PARIS		22	24,136	€19m	13%	2%
LOGISTIC		2	22,449	€1m	5%	10%
TOTAL		62	151,793	€44m	9%	4%

(1) Annualized figures of signed contracts
 (2) Incentive ratio = economic rents/ facial rents -1
 (3) Financial vacancy calculated according to EPRA vacancy methodology

Strong delivery on rental price increases

- > Significant rental growth in every segment
- > High release spreads, Barcelona outstanding
- > Paris portfolio with double digit rental growth on both quarters

SOLID INCREASE IN RENTAL PRICES



(1) Signed rents vs 12/18 ERV (new lettings & renewals)
 (2) Signed rents vs previous contracts (renewals)
 (3) Excluding one big single tenant outside CBD

Strong delivery on rental price increases across the entire portfolio

GROWTH ON SIGNED RENTS¹

First Quarter 2019

Pedralbes Center



+135%

Edouard VII



+21%

Francisco Silvela, 42



+19%

Sant Cugat



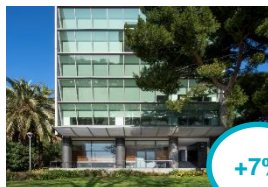
+17%

Av. Diagonal, 682



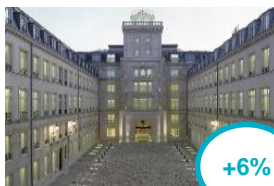
+11%

Diagonal 682



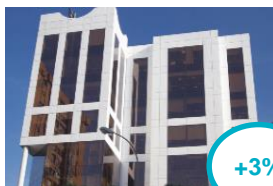
+7%

103 Grenelle



+6%

Arturo Soria, 336



+3%

Louvré Saint-Honoré



+3%

Second Quarter 2019

Haussman



+13%

Diagonal 525



+12%

Via Augusta



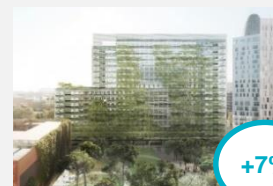
+10%

Lopez de Hoyos 35



+8%

Ciutat de Granada



+7%

Av. Bruselas 38



+7%



(1) Signed rents vs 12/18 ERV (new lettings)

Strong delivery on rental price increases across the entire portfolio

RELEASE SPREAD ¹

First Quarter 2019

Illacuna



Tucumán



Sant Cugat



Miguel Ángel, 11



Miguel Ángel, 11



Louvré Saint-Honoré



Second Quarter 2019

Diagonal 409



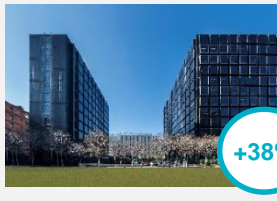
Via Augusta



Torre BCN



Diagonal 609



Santa Engracia



Alfonso XII



Diagonal 197



Francisca Delgado



Alfonso XII

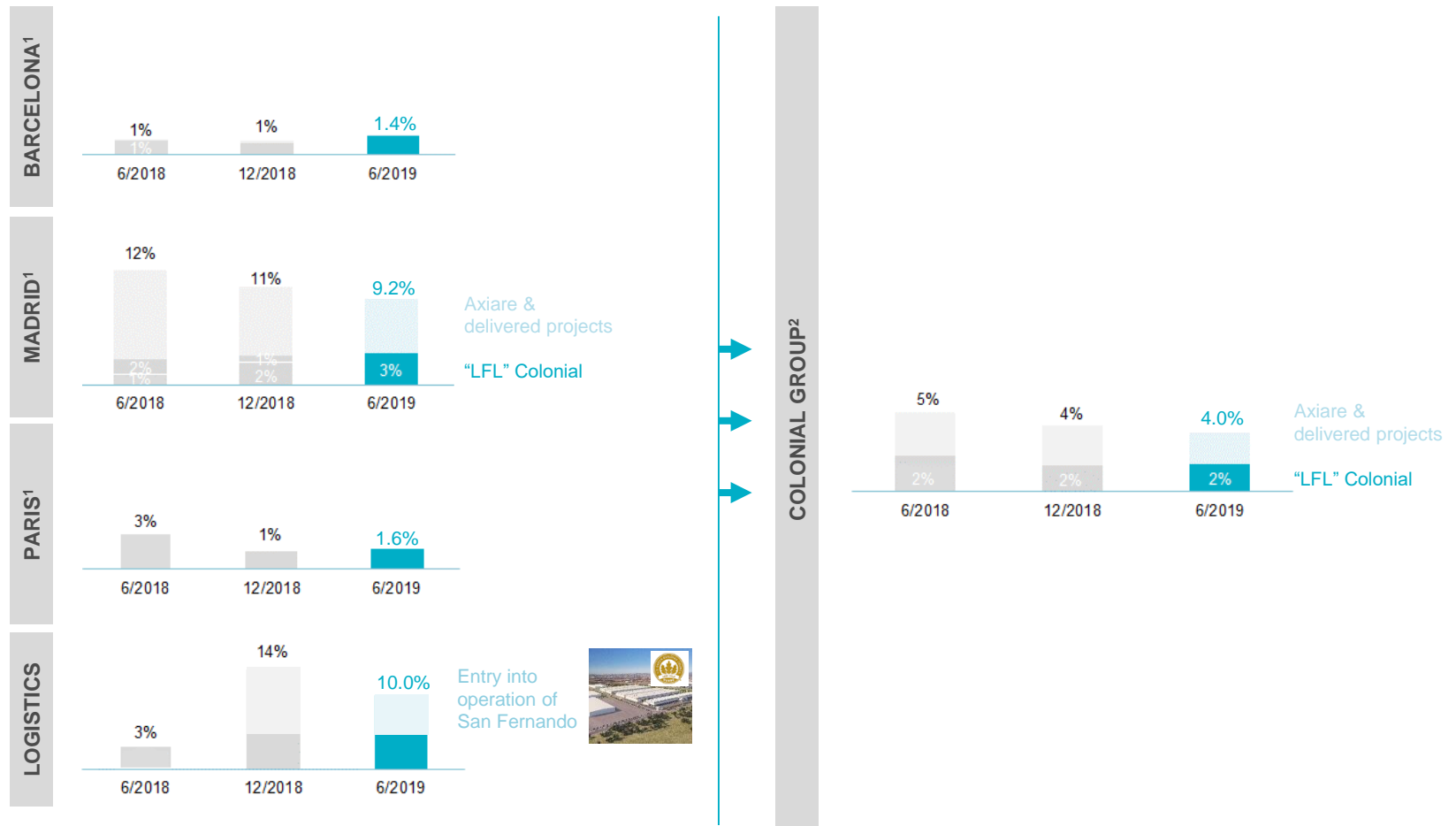


(1) Signed rents vs previous contracts (renewals)

Vacancy remains at healthy levels

- > Colonial Group vacancy at a healthy 4%
- > Barcelona at 1.4% and Paris at 1.6%
- > Madrid traditional portfolio at 3%

EPRA VACANCY

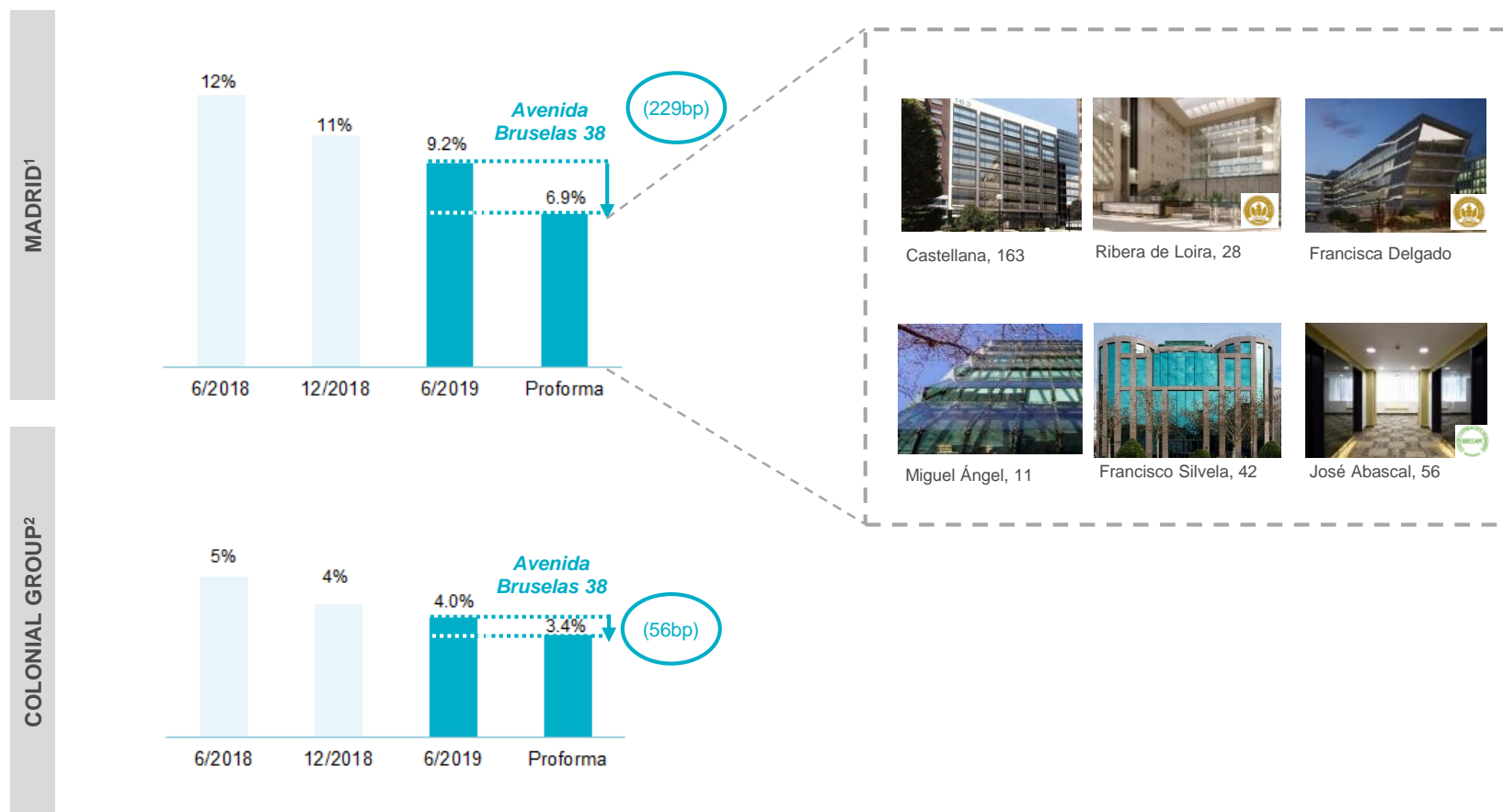


(1) EPRA Vacancy office portfolio
 (2) EPRA Vacancy including all uses

Colonial portfolio outperforming the market on occupancy

- > Strong progress on letting-up Madrid portfolio
- > Madrid pro-forma vacancy at 7%
- > Group pro-forma vacancy at 3.4%

EPRA VACANCY

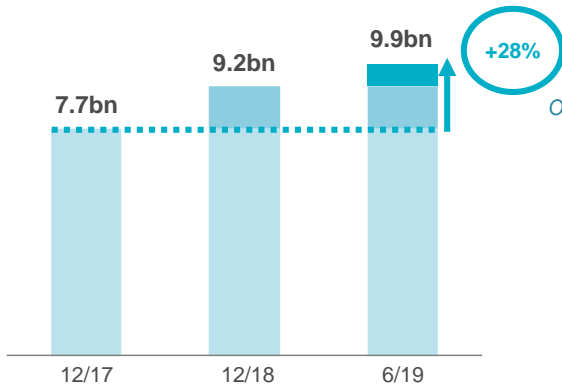


(1) EPRA Vacancy office portfolio
 (2) EPRA Vacancy including all uses

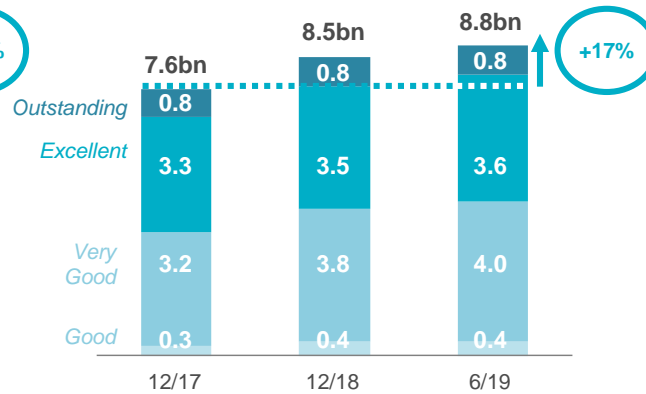
03 Operational performance ESG Strategy and tracks

- > 91% of portfolio with Breeam/Leed certificates
- > Significant quantitative and qualitative improvement in energy efficiency
- > €9bn of assets with Breeam and €2bn with Leed

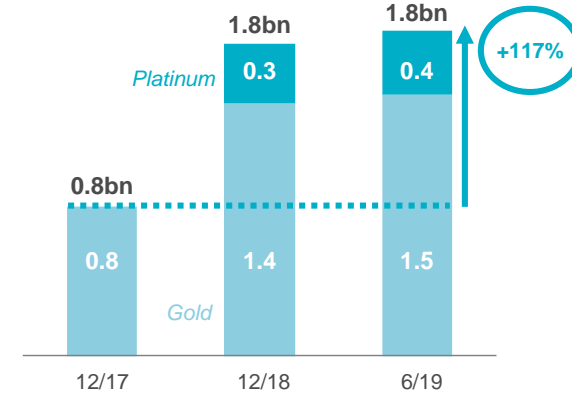
Portfolio with Leed / Breeam¹ - Value



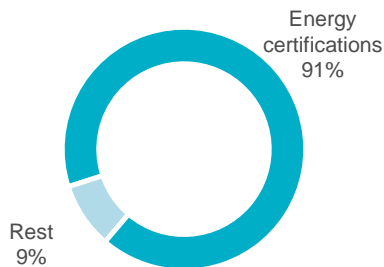
Breeam Certificates - Value



Leed Certificates - Value



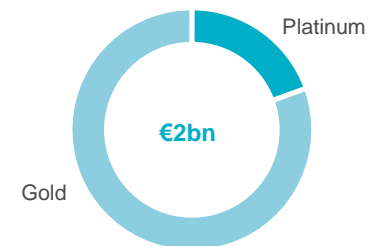
Portfolio with Leed / Breeam¹ - Value



Breeam – Value breakdown



Leed – Value breakdown



(1) Portfolio in operation

03 Operational performance

ESG Strategy on track

- > GRESB / BREEAM 2019 Award for Responsible Real Estate Investment
- > #1 Portfolio for Responsible Real Estate Investment in Europe
- > ESG excellence at the Core of Strategy

BENCHMARK / INDEX

ACHIEVEMENT / RATING



- > **GRESB / BREEAM 2019 Award for Responsible Real Estate Investment**
- > #1 in the Large Portfolio Category (more than €1bn)
- > 91% of portfolio with highest energy standards



- > **AA Rating (up from BBB)**
- > One of the highest ratings in Europe
- > Strong scoring on Governance



- > **Gold 3rd year in a row**
- > Gold since 2016
- > First mover in Spain



- > **Green Star 2nd year in a row**
- > Strong performance on building certificates
- > Gresb member



FTSE4Good

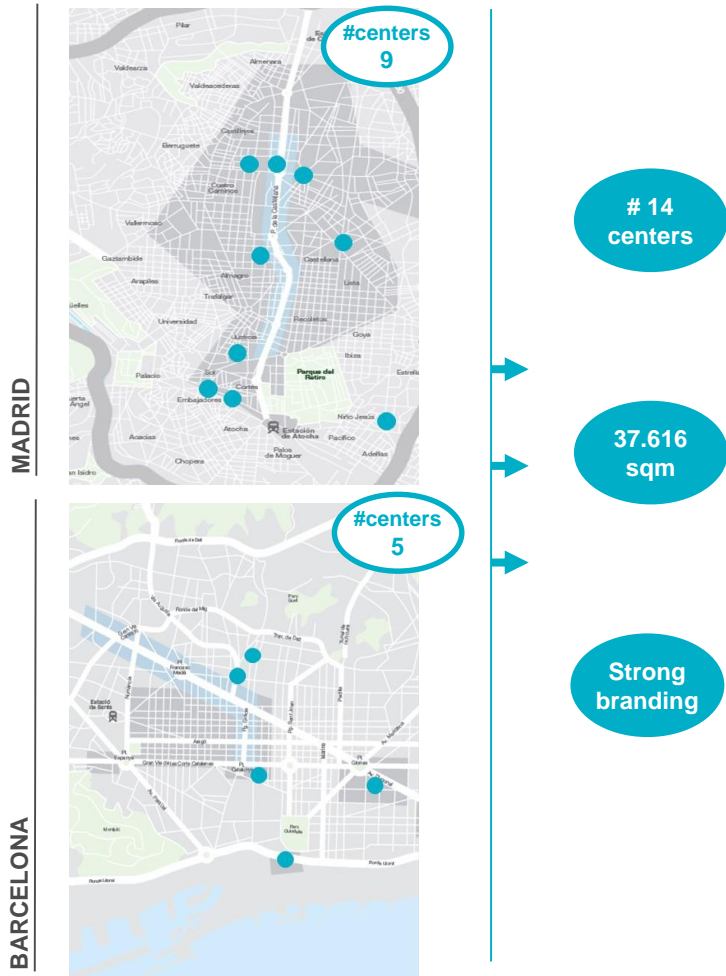
- > **“Good practice” rating**
- > Index inclusion 2018
- > Strong performance on Governance & Supply Chain

03 Operational performance Update on CoWorking – UtopicUs

- > Utopicus with consolidated leadership in Spain
- > Strong brand recognition with well positioning in key locations
- > Quick expansion with 14 centers and c.40,000 sq m under operation

CONSOLIDATION OF A COWORKING PLATFORM IN SPAIN

NEW OPENINGS 1H19



Gran Via - Madrid




McKinsey&Company

Hanwha Energy

LF Channel
PR AND CONTENT MARKETING

Parc Glories - Barcelona



PHILIPS Lighting

PARSER

WIND

SISVEL

Clementina - Barcelona




Unilever

AESA CONSTRUCCIONES

GesNext
an IBM Company

Gala Placidia - Barcelona



welocalize
doing things differently

NOKIA

03 Operational performance

Update on CoWorking – UtopicUs

2019 – A year of optimization and occupancy

- > Rump-up phase with 14 centers entering into operation
- > Reaching higher occupancy levels than expected
- > Break even reached at c.60% occupancy rate

Occupancy
as of June 2019

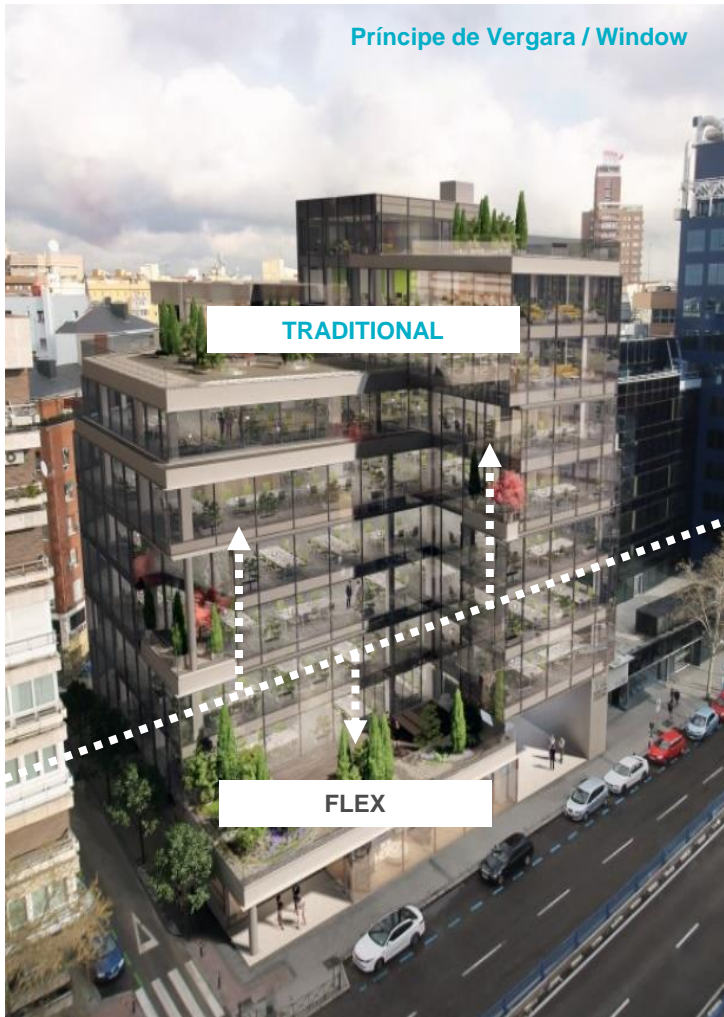


03 Operational performance
Update on CoWorking – UtopicUs

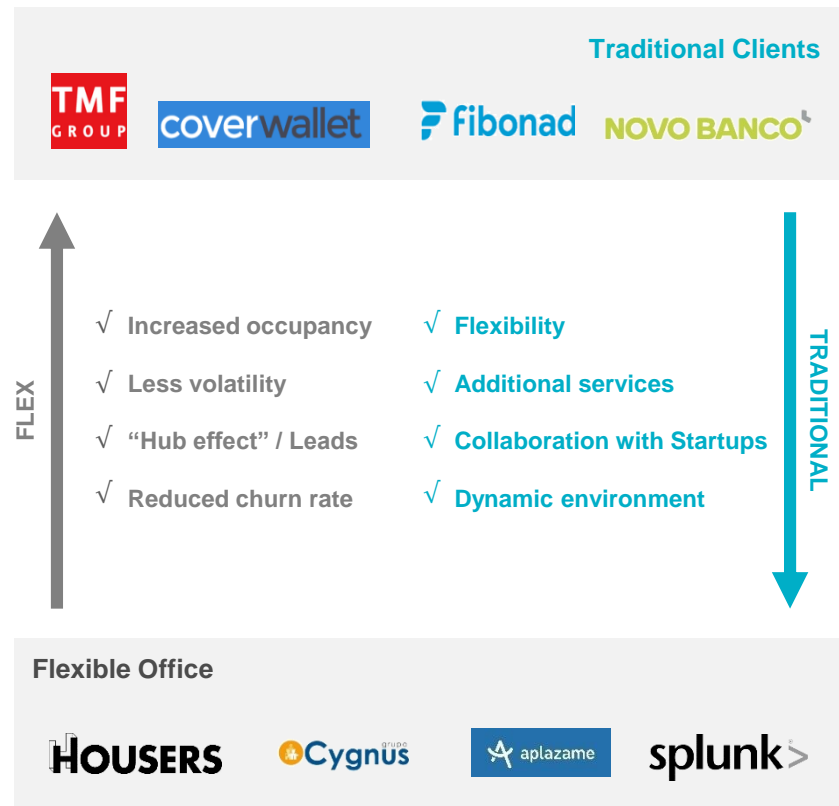
- Optimization of the concept through the combination of traditional and flexible office
- > Traditional clients gain flexibility
- > Flexible space increases occupancy and reduces volatility

Colonial

utopicus



Benefits for traditional and flex to combine both uses:





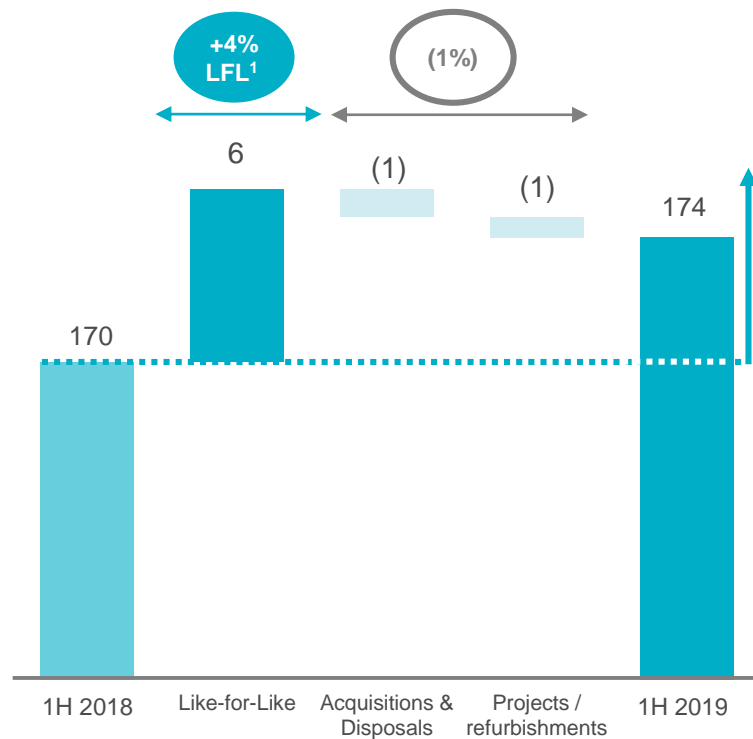
Profitable Growth improving the quality of returns

04 Financial performance

Strong top line growth

- > Outstanding +4% like for like
- > Madrid with highest LFL of +5%
- > Paris & Barcelona remain strong with 4% each

GROSS RENTAL INCOME - €M



	TOTAL	EPRA like-for-like ¹	Acquisitions & disposals	Projects & refurbishments
GROUP	+2%	+4%	(1%)	(1%)
BCN	+16%	+4%	+5%	+7%
MADRID	(6%)	+5%	(8%)	(3%)
PARIS	+2%	+4%	0%	(2%)
OTHERS	+23%	(1%)	+24%	0%

(1) Like-for-like calculated following EPRA BPR recommendations

Like-for-like rental growth price driven

- > Like-for-like growth largely driven by rental price increases
- > Barcelona and Paris almost fully price driven
- > Madrid growth driven by a combination of price and volume

GROSS RENTAL INCOME - €M

STRONG EPRA LIKE-FOR-LIKE GROWTH

GRI LIKE-FOR-LIKE OF +4%

- > Barcelona with +4% like-for-like
Strong rental price increases the main driver
- > Madrid with +5% like-for-like
Important rental price increases combined with solid letting up of vacant spaces
- > Paris with +4% like-for-like
Strong rental price increases the main driver

	<u>EPRA like-for-like¹</u>	<u>Price</u>	<u>Volume</u>
GROUP	+4%	2.4%	1.4%
BCN	+4%	2.6%	1.1%
MADRID	+5%	2.6%	2.6%
PARIS	+4%	2.4%	1.2%

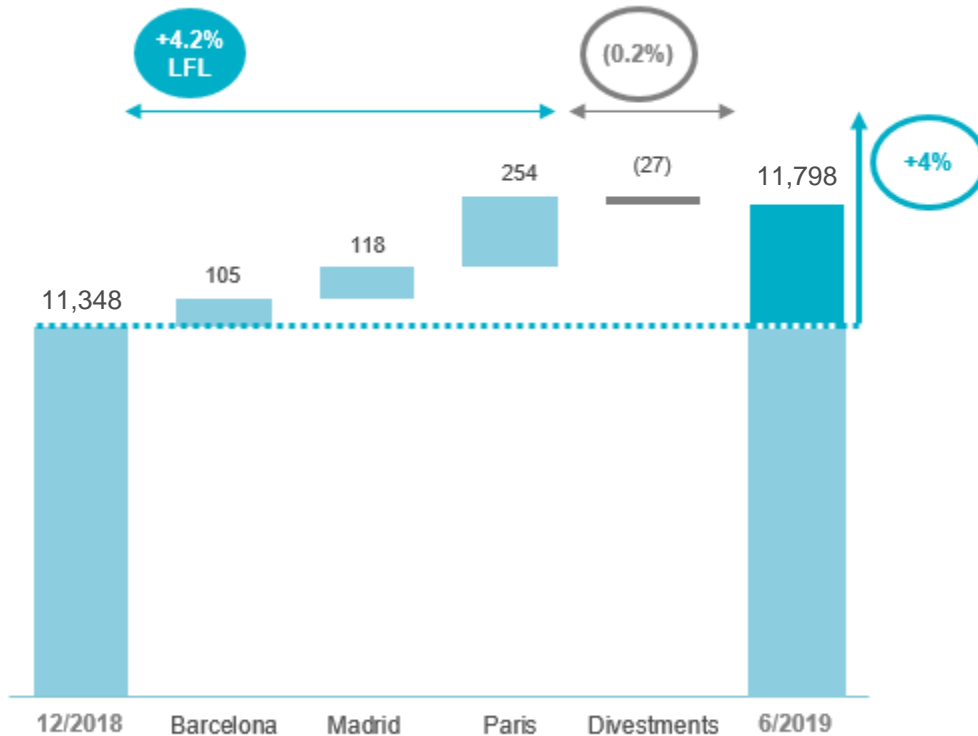
(1) like-for-like calculated following EPRA BPR recommendation

Strong underlying growth in Asset Values

Gross Asset Value of €11,798m (€12,390m including transfer costs)

- > +9% like for like YoY growth (+4.2% in 6 months)
- > Solid growth rates in every segment

GAV 1H 2019 GROWTH



GAV VARIANCE

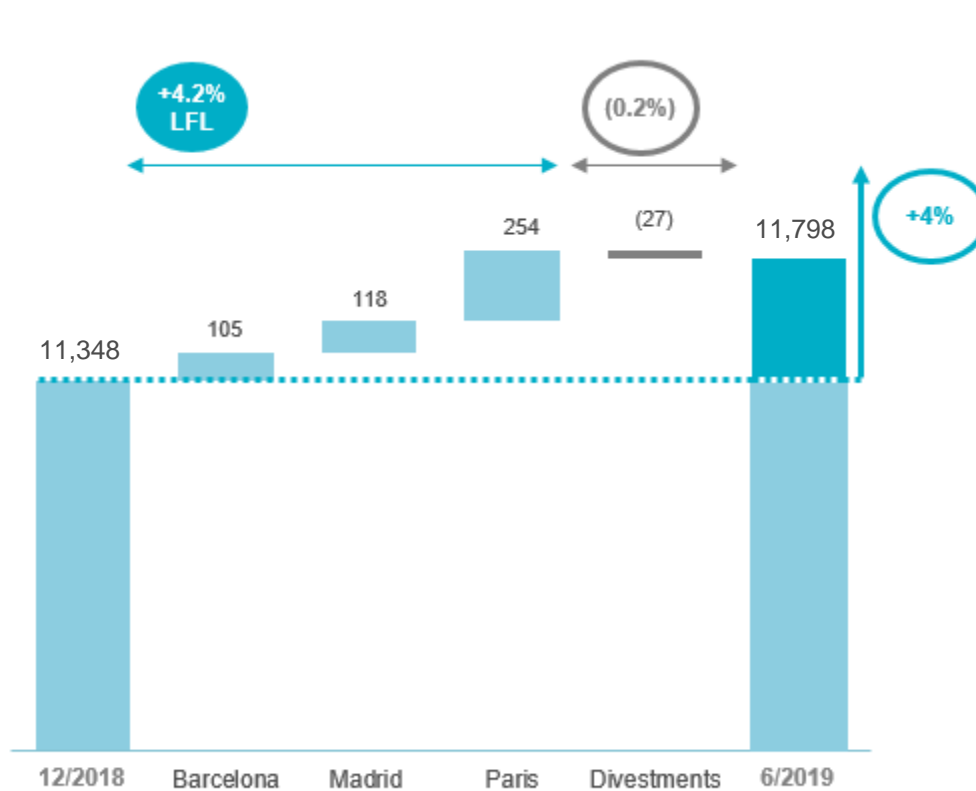
	6 months	12 months
BARCELONA	+8%	+19%
MADRID	+4%	+9%
PARIS	+4%	+6%
GROUP LFL	+4%	+9%
DIVESTMENTS	(0.2%)	(3%)
GROUP TOTAL	+4%	+5%

04 Financial performance

Strong underlying growth in Asset Values

- > +4% like for like Capital Value Growth in 6 months
- > Strong Alpha: +3.3% growth out of +4% through project delivery and rental price increases
- > Scarcity factor of prime portfolio adding +0.8% growth through yield compression

GAV 1H 2019 GROWTH



LIKE FOR LIKE VARIANCE 6 MONTHS

	Total	Price	Project delivery	Yield
BARCELONA	+8%	+2.7%	+2.4%	+3.2%
MADRID	+4%	+2.1%	+1.2%	+0.3%
PARIS	+4%	+1.2%	+2.0%	+0.7%
GROUP LFL	+4%	+1.6%	+1.7%	+0.8%
DIVESTMENTS	(0.2%)			
GROUP TOTAL	+4%			

04 Financial performance

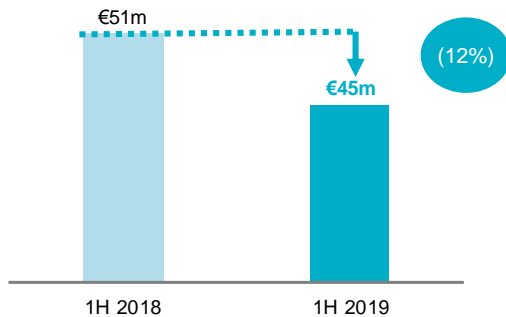
A strong credit profile

- > Highest Corporate Rating in Spanish Real Estate
- > LTV reduction to 37.9% in line with financial policy
- > Attractive cost of debt of 1.6% and more than €2bn of liquidity²

ACTIVE LIABILITY MANAGEMENT ...

- 1 Refinancing of €151m of Axiare bilaterals
- 2 First sustainable loan granted to a real estate company in Spain
- 3 Tactical ECP program launched - €500m in Spain and €500m in France

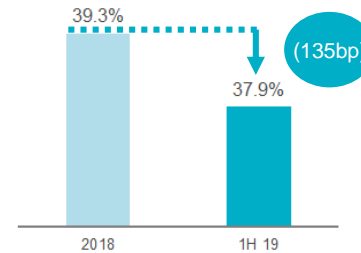
- 4 Savings on financial cost in P/L of 12% YoY



... ENHANCING THE BALANCE SHEET

Prime Collateral

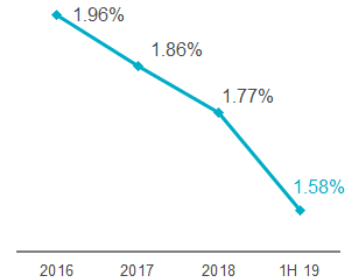
LTV (%)



Financial Policy

<i>Investment Grade Rating</i>	
LTV range	36-40%
ICR	> 2.5x

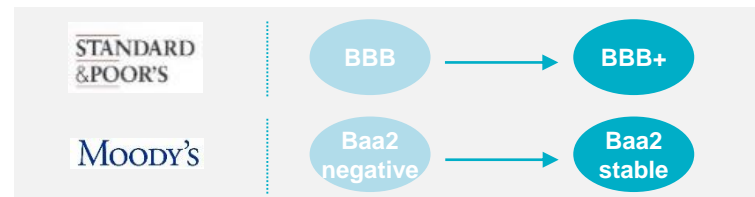
Spot cost of debt ¹



Liquidity ²

Cash	€330m
Undrawn balances	€1,865m
Total	€2,195m

Rating improvements YoY



(1) Cost of debt spot including ECP Program

(2) Cash and undraw balances

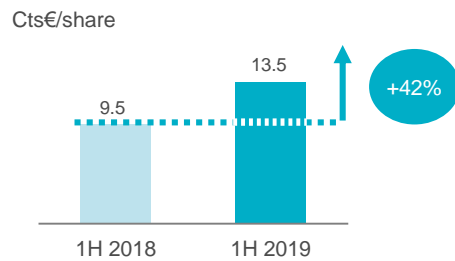
04 Financial performance

Profitable growth with enhanced quality

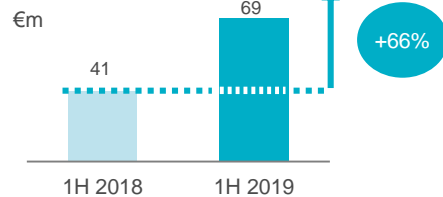
- > High double digit EPS growth
- > High double digit recurring earnings growth
- > Non-Core Disposals enhancing the quality of returns

STRONG EPS GROWTH

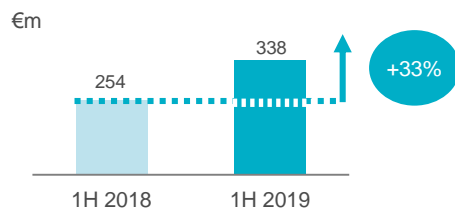
RECURRING EPS



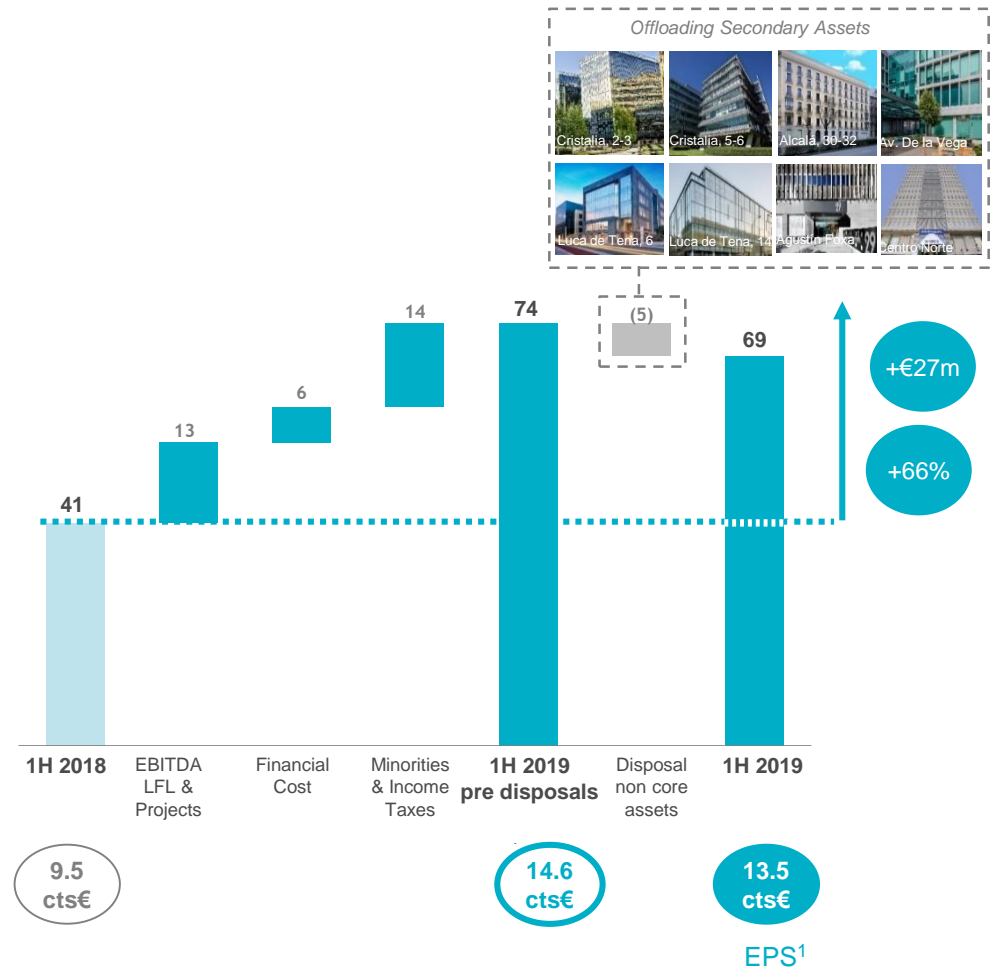
RECURRING RESULT



GROUP NET RESULT



RECURRING EARNINGS – VARIANCE ANALYSIS



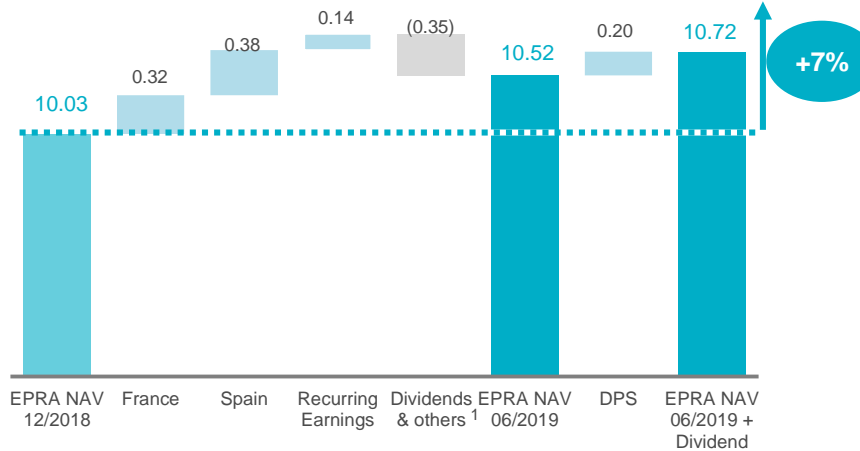
(1) Recurring EPS

Solid Total Shareholder Return

- > 18% Total Annual Shareholder Return (7% Total Shareholder Return in 6 months)
- > EPRA NAV of 10.52 €/share, +16% YoY (+5% in 6 months)
- > Goodwill fully absorbed just one year after merger with Axiare

STRONG MOMENTUM IN NAV GROWTH

€/share



EPRA NAV	€10.03/share	€10.52/share
Goodwill	€0.12/share	€0/share
Adj. NAV	€9.91/share	€10.52/share

€5,098m
NAV 12/18

€5,348m
NAV 6/19

TOTAL SHAREHOLDER RETURN

	6 MONTHS	12 MONTHS
NAV Growth per share	+5%	+16%
Dividend paid per share	+2%	+2%
Total Return per share	+7%	+18%

Total Shareholder Return= NAV growth per share + dividends

1- Dividends paid, Goodwill absorption (0.12 €/share) & others

04 Financial performance

“Alpha” as significant driver in value creation

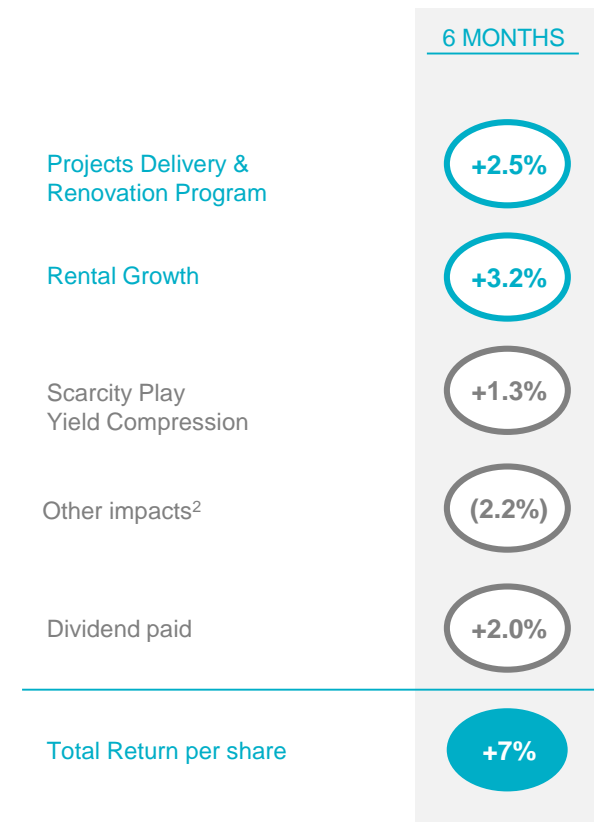
- > Total Shareholder Return relies on “Alpha”
- > More than half of the NAV growth per share through “Alpha” strategies
- > NAV growth driven by price increases and successful project deliveries

TOTAL SHAREHOLDER RETURN

€/share



TOTAL SHAREHOLDER RETURN



1- Dividends paid, Goodwill absorption (0.12 €/share) & others

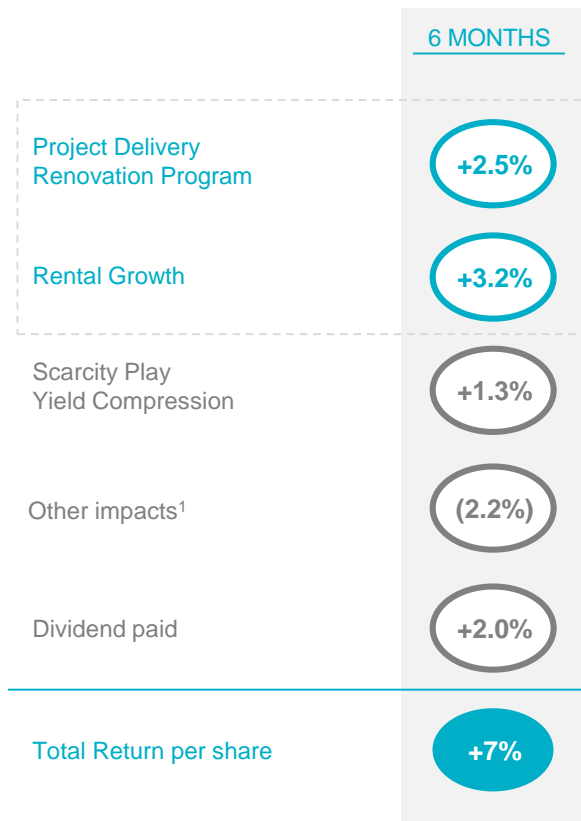
2- EPS net of dividend paid & goodwill absorption

04 Financial performance

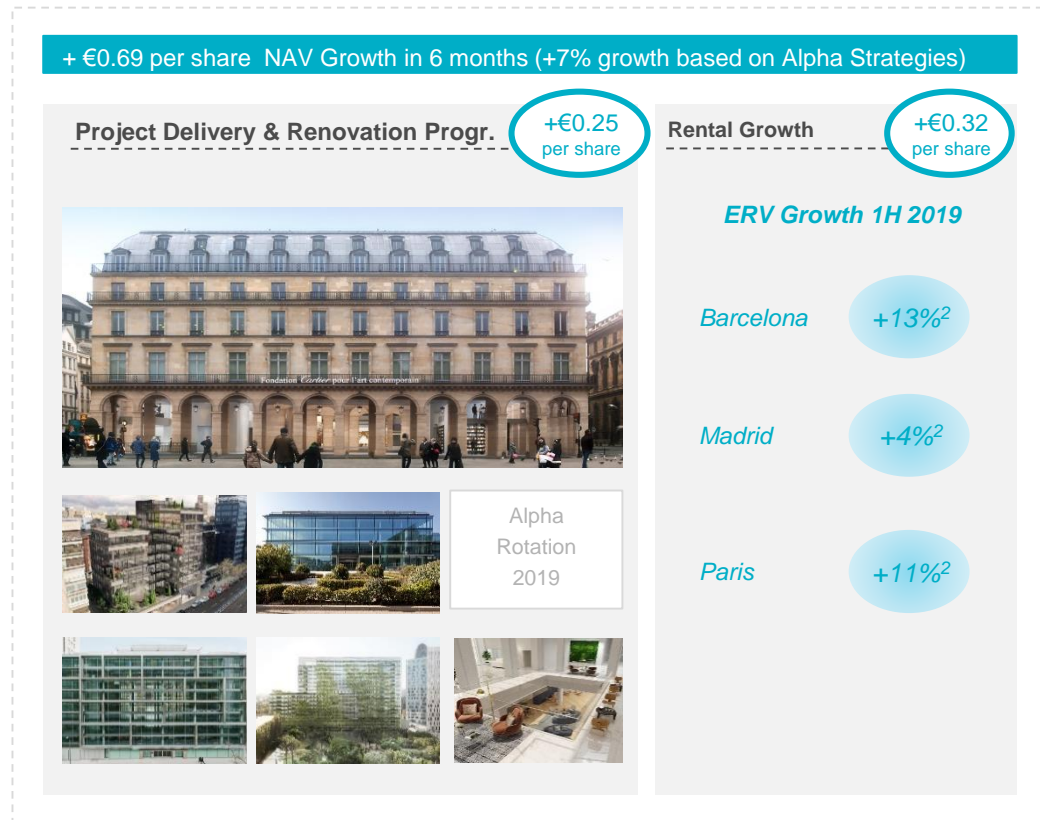
“Alpha” as significant driver in value creation

- > Total Shareholder Return relies on “Alpha”
- > More than half of the NAV growth per share through “Alpha” strategies
- > NAV growth driven by price increases and successful project deliveries

TOTAL SHAREHOLDER RETURN



TOTAL RETURN WITH STRONG “ALPHA” COMPONENT



1- EPS net of dividend paid & goodwill absorption of 0.12 €/share

2- Signed rents vs 12/18 ERV (new lettings & renewals)



A strong platform for future value creation



FUTURE VALUE CREATION

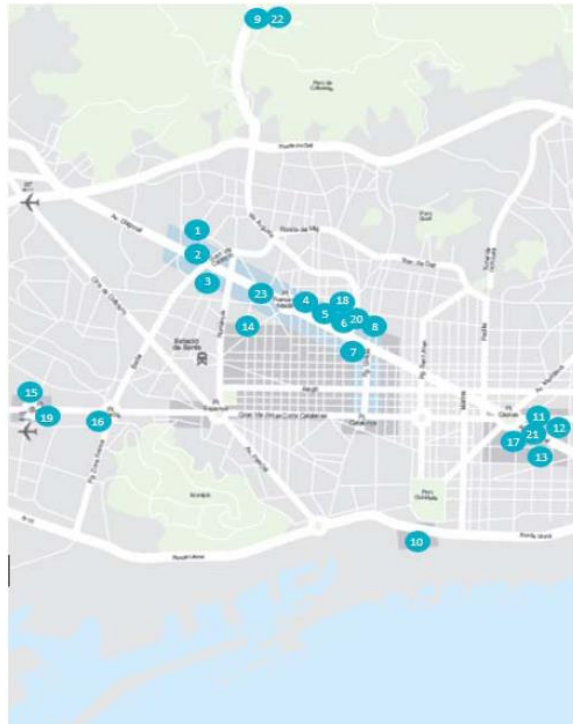
- 1 Leadership in Prime Offices
- 2 €1.3bn of project pipeline
- 3 Capturing reversion in rents
- 4 Strong investment market
- 5 Disciplined capital allocation

1 Leadership in Prime Offices

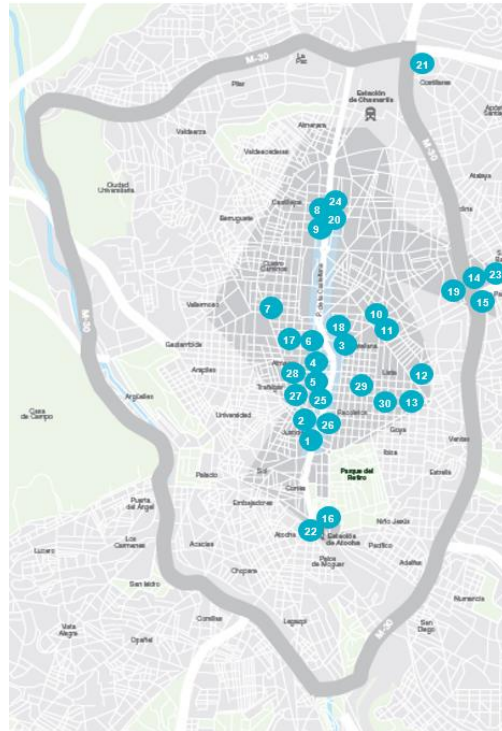
Colonial as largest property owner in offices in the City Center of Madrid, Barcelona and Paris

- > Strong market share increases negotiation power
- > Colonial best positioned to capture the rental cycle in its markets

BARCELONA



MADRID



PARIS



05 Growth drivers

2 €1.3bn of CBD Project Pipeline with strong visibility

- > 4 out of 12 projects pre-let YTD
- > Enhanced visibility on cash flow and value creation
- > Important value creation to be captured

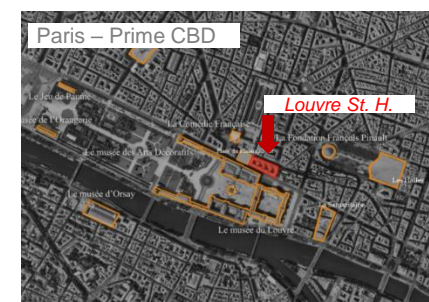
Project	City	% Group	Delivery	GLA (sqm)	Total Cost €m ¹	Total Cost €/sqm ¹	Yield on Cost
1 Pedralbes Center	Barcelona CBD	100%	1H 19	6,917	38	5,502	6.3%
2 Gala Placidia / Utopic_us	Barcelona CBD	100%	1H 19	4,312	17	3,922	7.0%
3 Miguel Angel 23	Madrid CBD	100%	1H 21	8,036	66	8,244	5.6%
4 Castellana, 163	Madrid CBD	100%	2020/ 21	10,910	52	4,803	6.6%
5 Diagonal 525	Barcelona CBD	100%	1H 21	5,710	37	6,460	6.0%
6 Biome	Paris City Center	82%	2H 21	24,500	283	11,551	5.0%
7 83 Marceau	Paris CBD	82%	1H 21	9,600	151	15,755	5.2%
8 Velazquez Padilla 17	Madrid CBD	100%	1H 21	17,239	113	6,532	6.8%
9 Plaza Europa 34	Barcelona	50%	2H 21	14,306	38	2,676	7.0%
10 Mendez Alvaro Campus	Madrid CBD South	100%	2H 22	89,871	287 ²	3,188	7.4%
11 Sagasta 27	Madrid CBD	100%	2H 22	4,481	23	5,044	6.4%
12 Louvré SaintHonoré	Paris CBD	82%	2023	16,000	208	13,029	7.3%
TOTAL OFFICE PIPELINE				211,882	1,313	6,198	6.3%

4 of 12 projects pre-let



¹ Total Cost Finished Product = Acquisition Cost/ Asset Value pre Project + future Capex

² Upper part of the range: €3,032/sq m - €3,188/sq m and €273m - €287m



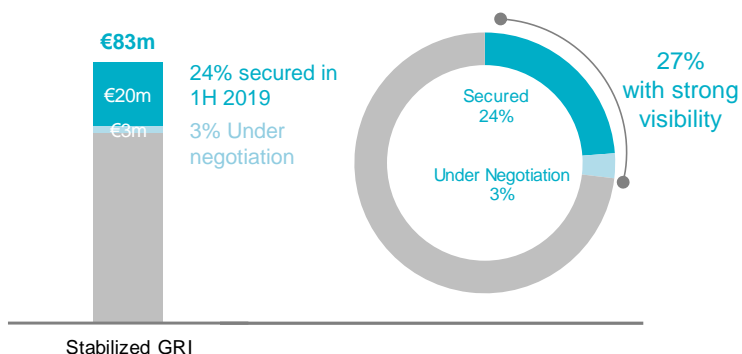
1 CBD, 22 @ Barcelona, South of CBD Madrid, 15ieme Paris
Capex without including indemnities

05 Growth drivers

2 €1.3bn of CBD Project Pipeline with strong visibility

- > 4 out of 12 projects pre-let YTD
- > Enhanced visibility on cash flow and value creation
- > Important value creation to be captured

Strong visibility on rental cash flow



Solid Value Creation Potential

Project Pipeline	Project Pipeline Yield on Cost	Market Reference Prime Yield
Barcelona	6.2%	3.75%
Madrid	6.9%	3.50%
Paris	5.8%	2.75%

Project Pipeline	Project Pipeline Total Cost Final Product	Market Reference Prime Capital Value
Barcelona	4,165 €/sqm	7,500 - 8,500 €/sqm
Madrid	4,139 €/sqm	8,000 - 12,000 €/sqm
Paris	12,906 €/sqm	22,000 - 30,000 €/sqm

Project Pipeline	Total Final Cost €/sh ⁽¹⁾	Total Final Cost ² €m	Annual GRI €m
Barcelona	0.22	130	8
Madrid	1.06	540	37
Paris	1.03	643	38
Total	2.32	1,313	83

1) Total Final Cost per share: Acquisition Cost + Total Capex attributable to Colonial Shareholders/ total Nosh

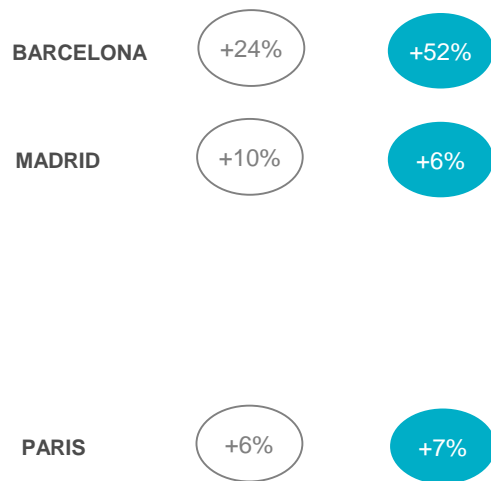
2) Acquisition Cost + Total Capex

3 Capturing reversion - Attractive CBD contract portfolio

- > Delivery of high release spreads ongoing
- > Solid prime positioning in growing markets
- > Renovation programs as rental growth accelerator

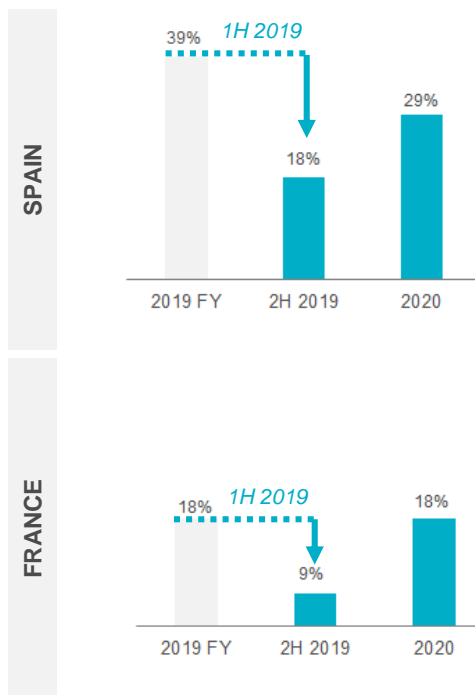
STRONG DELIVERY ON REVERSION

Static upside *Release Spread*
as of 06/19² *captured¹ as of 06/19*

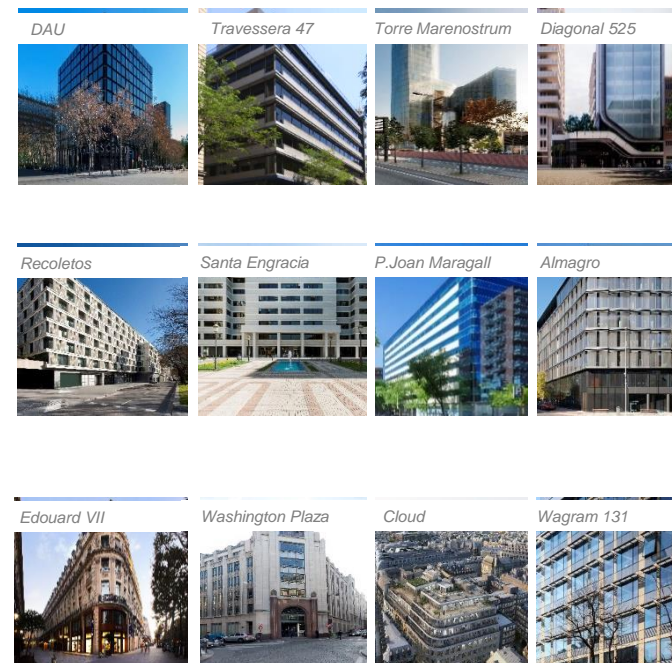


ATTRACTIVE RENT ROLL

COMMERCIAL LEASE EXPIRY DATES (12/18)
 First potential exit



PRIME PORTFOLIO FOR STRONG REVERSION



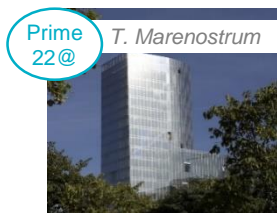
1) New rents signed vs previous

2) Market rents vs current passing rents as of 12/18 without including future rental growth

3 Capturing reversion – Renovation program

- > Renovation programs as rental growth accelerator
- > Tenant rotation to improve rental levels
- > Solid positioning in growing markets

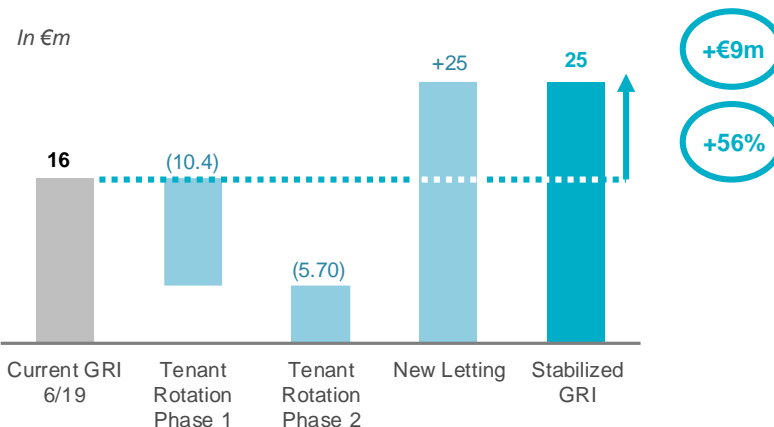
Renovation Program



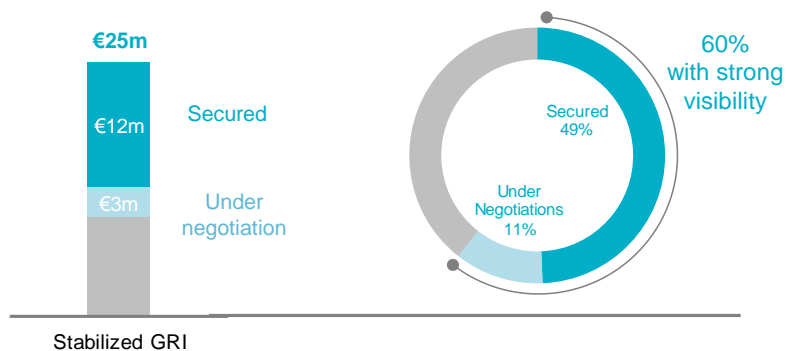
Asset	City	GLA (sq m)	Program executed
José Ortega y Gasset 100	Madrid	7,792	2H 2019
Hausmann	Paris	13,434	2H 2020
Cedro	Madrid	17,203	1H2021
Torre Marenostrum	Paris	22,394	2H2021
Charles de Gaulle	Paris	6,520	2H2021
Renovation Program		67,344	

Annualized GRI ¹

Significant reversion ahead



Strong visibility on GRI reversion



1) New rents signed vs previous

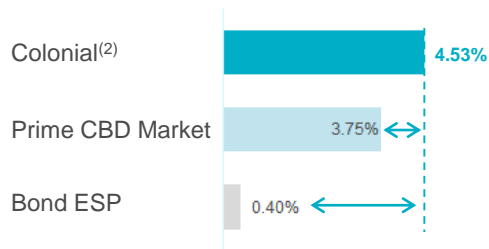
2) Market rents vs current passing rents as of 12/18 without including future rental growth

4 Prime product offers attractive spreads vs reference rates

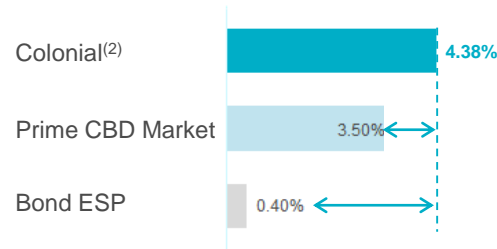
- > Colonial portfolio with additional potential for yield compression
- > Prime market yields & scarcity value as driver
- > Prime Yields at very attractive spreads compared to reference rates

VALUATION YIELDS ⁽¹⁾

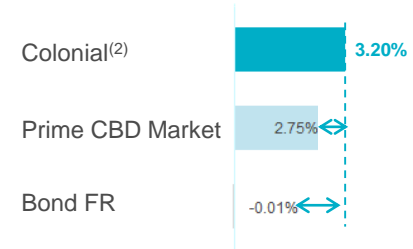
BARCELONA



MADRID

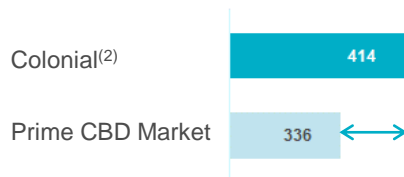


PARIS

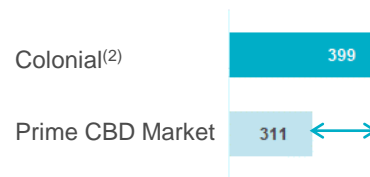


SPREAD VALUATION YIELDS ⁽¹⁾

BARCELONA



MADRID



PARIS



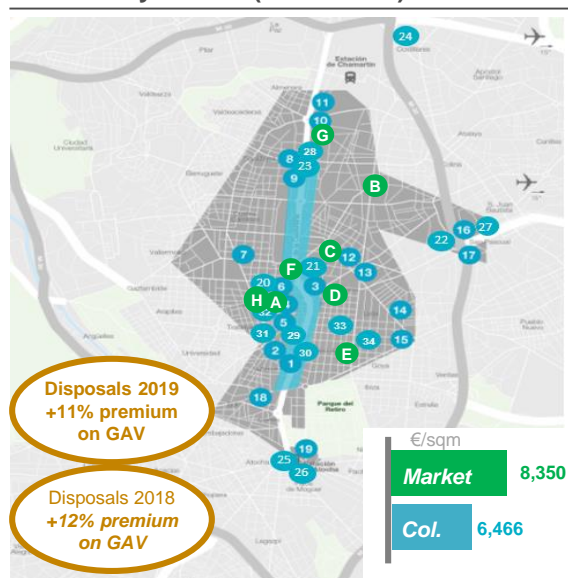
(1) Market consultants in Spain report gross yields and in France they report net yields

(2) Portfolio in operation

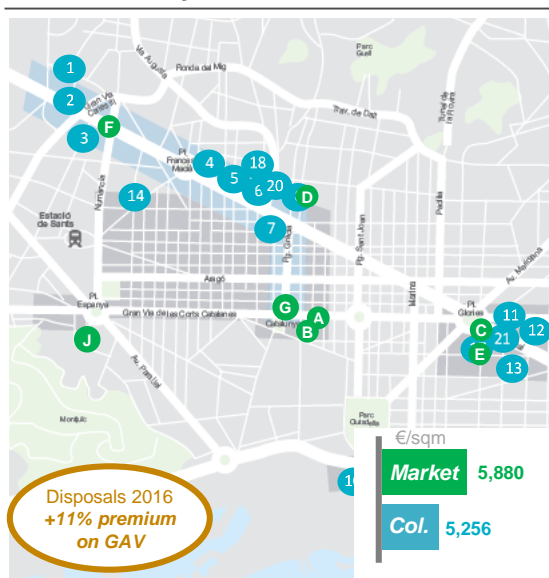
4 Investment Market with ongoing strong support for Prime

- > Investor interest for prime product remains strong
- > Quarterly capital value increases ongoing
- > Colonial's assets with prudent appraisal values

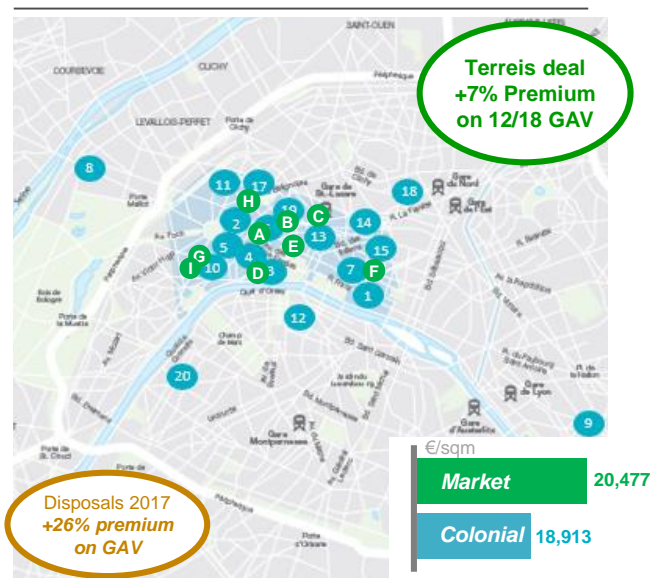
Madrid City Center (inside M30)



Barcelona City Center



Paris CBD



Latest investment transactions inside M30

	Price ⁽²⁾	Cap Value ⁽³⁾
A Fernando el Santo, 15	30	9,219
B Suero de Quiñones, 40-42 ⁽¹⁾	38	8,209
C Velázquez, 123 ⁽¹⁾	21	9,545
D Velázquez, 94	46	8,498
E Goya, 36	30	8,472
F Paseo de la Castellana, 19	44	7,500
G Paseo de la Castellana, 200	180	9,000
H Eloy Gonzalo, 27	40	6,354
CBD Transactions - Average	429	8,350
Colonial Average (06/19 appraisal)		6,466

Latest investment transactions in city center

	Price ⁽²⁾	Cap Value ⁽³⁾
A Carrer de Fontanella, 9	20	6,030
B Carrer de Fontanella, 6-8	65	8,414
C Carrer de Tanger, 66	90	5,294
D Avda. Diagonal, 595	30	5,254
E Ciutat de Granada, 121	20	4,545
F Avinguda Diagonal, 662	210	8,400
G Plaza de Cataluña, 9	10	5,765
H Àvila, 117	50	5,000
I Plaza Ernest Lluch, 5	147	5,820
J Passeig de la Zona Franca, 111	98	4,280
CBD Transactions - Average	739,5	5,880
Colonial Average (06/19 appraisal)		5,256

Latest investment transactions in Paris CBD

	Price ⁽²⁾	Cap Value ⁽³⁾
A Rue Pierre Charron, 64-66	187	23,111
B Rue La Boetie, 54-56	416	20,918
C Rue Du Trudaine ⁽¹⁾	150	20,548
D Rue Jean Goujon, 27	71	20,882
E Rue De Teheran, 7-7BIS	149	22,164
F Rue Du Louvre, 40	190	20,000
G Rue Lauriston, 94-96	120	20,690
H Avenue Hoche, 2	40	17,982
I Rue Lauriston, 46-48	45	18,000
CBD Transactions - Average	1366,56	20,477
Colonial Average (06/19 appraisal)		18,913

⁽¹⁾ Assets with significant Capex to be implemented

⁽²⁾ €m

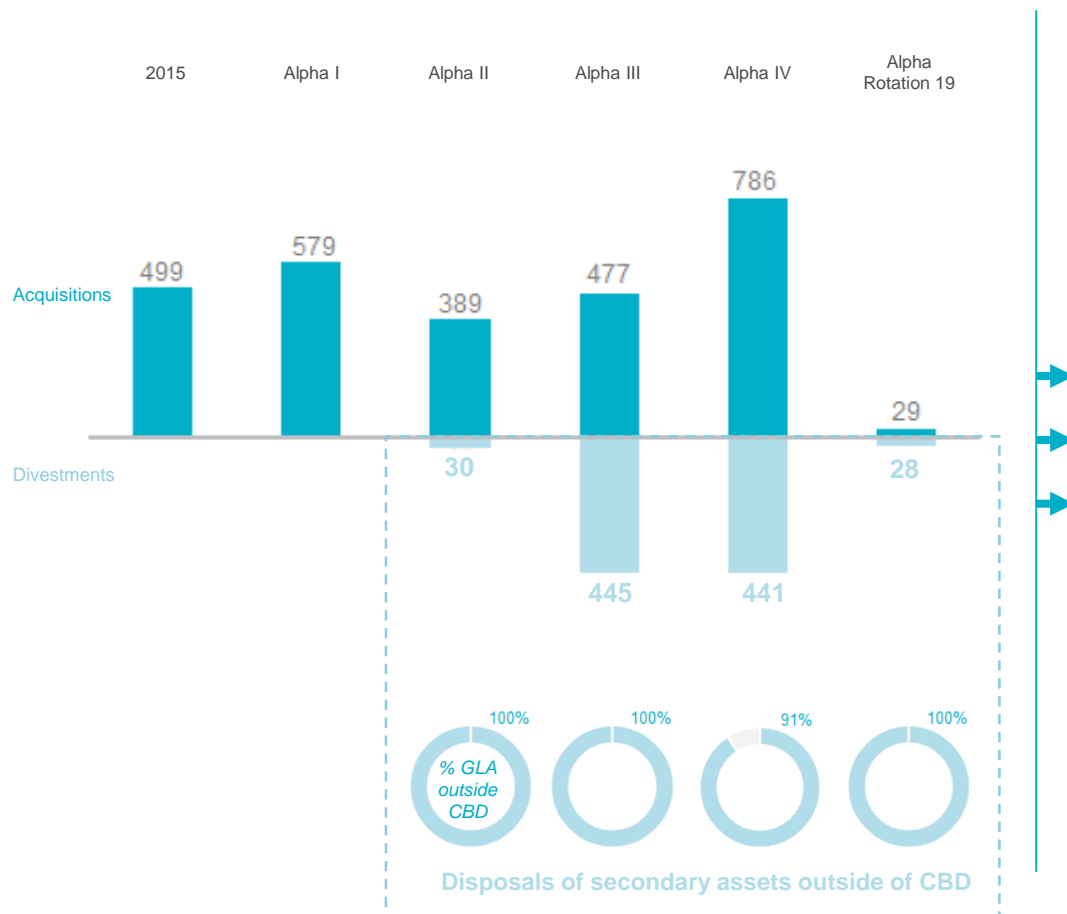
⁽³⁾ €/sqm

Source: Savills-Aguirre Newman and public information

5 Discipline on Capital Allocation

- > Ongoing flight to quality through disciplined capital allocation
- > Disposal of secondary assets for €0.9bn in 2017 & 2018
- > Alpha Rotation 2019 enhancing business focus & prime exposure

INVESTMENTS & DIPOSALS SINCE 2015 - €m



CAPITAL ALLOCATION PRINCIPLES

1. Prioritize value-added opportunities in prime
2. Enhance exposure to high quality offices
3. Maintain capital allocation discipline

European Property Investment Awards
WINNER 2019

European Property Investment Awards
WINNER 2018

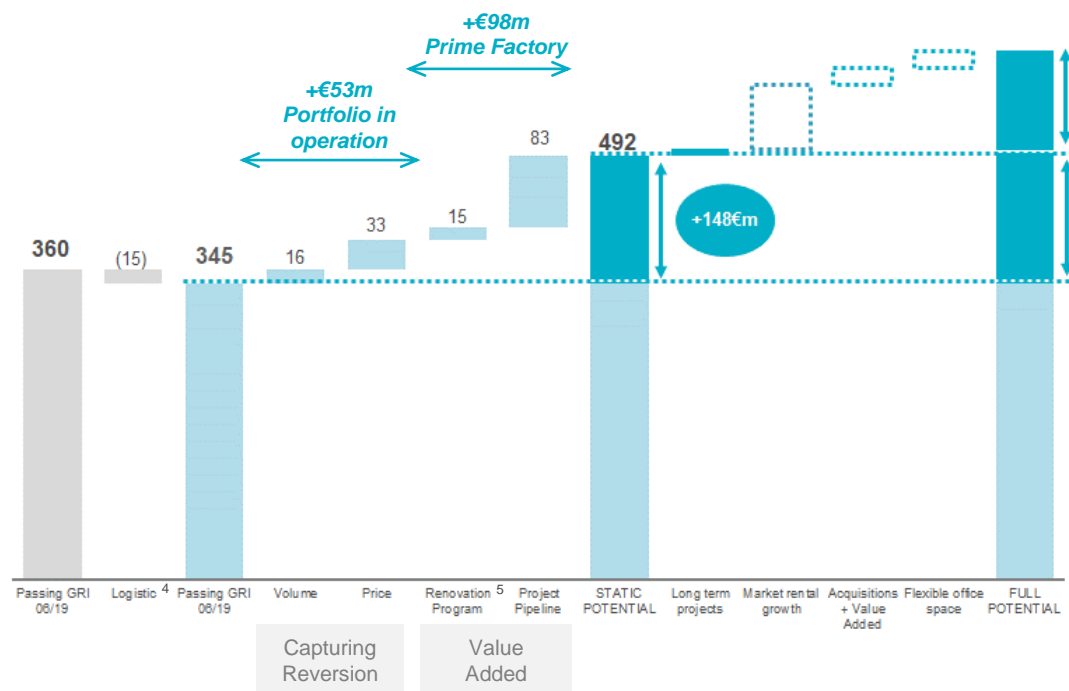
European Property Investment Awards
WINNER 2017

05 Growth drivers

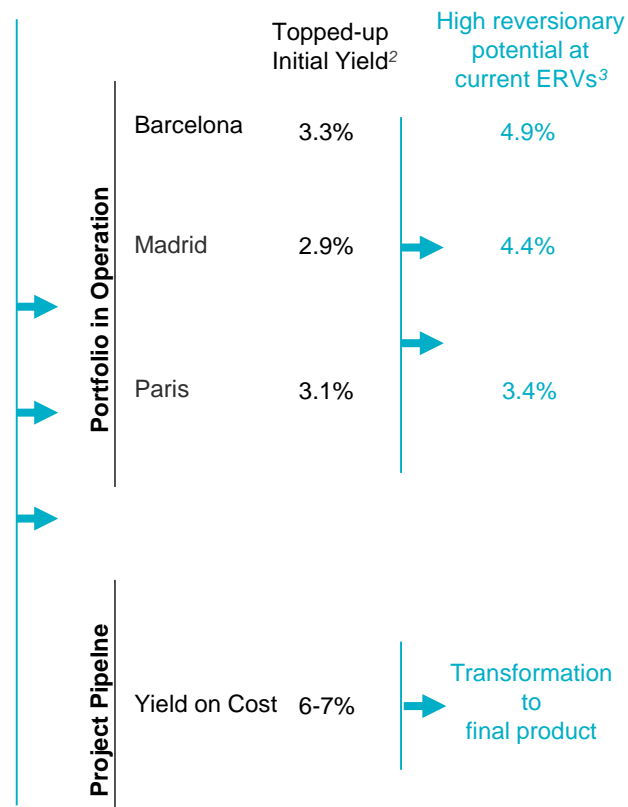
A solid platform to capture future growth

- > Solid intrinsic growth profile of CBD portfolio
- > Colonial well-positioned to capture reversion
- > Significant future value creation through CBD Project pipeline

Current Uplift Potential Passing GRI¹ – (€m)



Potential for Yield compression & reversion



¹Topped-up passing GRI

²Topped-up Initial Gross Yield for Spain & Net Yield for Paris

³12/18 ERV Gross Yield for Spain & Net Yield for Paris with full reversion (100% occupied and at current market rent)

⁴Logistics portfolio available for sell

⁵Renovation program & GLI under repositioning





DELIVERY OF BUSINESS PLAN ON TRACK

Financials

- > Total Shareholder Return 1H 2019 of 18%
- > Gross Asset Value of €11.8bn, +9% like-for-like YoY
- > Gross Rental Income of €174m, +4% like-for-like
- > Recurring EPS of €13.5 Cts. per share, +42% YoY

Operations

- > Very healthy vacancy levels at 4%
- > Strong letting up of Madrid portfolio
- > Successful pre-let of 4 out of 12 projects
- > Strong growth in rental prices
 - ✓ Capturing market rental growth
 - ✓ Double Digit Release Spreads
 - ✓ Solid Capital Value Growth

COLONIAL BEST POSITIONED FOR FUTURE GROWTH

- > Prime office leadership in every market
- > CBD outperforming Secondary, supporting further rental growth
- > Enhanced visibility on project pipeline value path
- > Further Asset Value Growth underpinned by prime scarcity
- > Capital allocation program ongoing

Q&A



“SAVE THE DATE”

Don't miss our next events

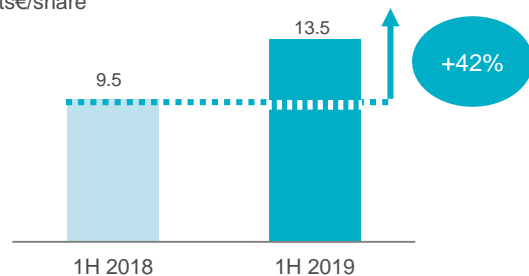
> **Oct 15: Capital Markets Day - Madrid**

- > High double digit EPS growth delivered
- > High double digit recurring earnings growth
- > Business Plan delivery on track

STRONG EPS GROWTH

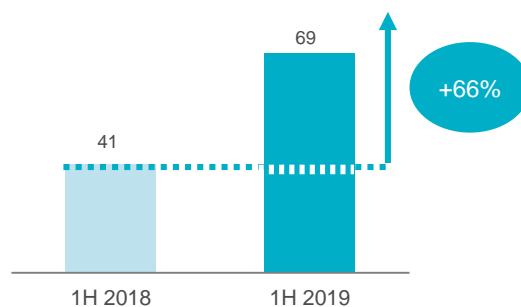
RECURRING EPS

Cts€/share



RECURRING RESULT

€m



PROFIT & LOSS ACCOUNT

Results analysis - €m

	1H 2019	1H 2018	Var.
Gross Rents	174	170	2%
Recurring EBITDA ⁽¹⁾	138	131	
Recurring financial result	(45)	(51)	
Income tax expense & others - recurring	(6)	(7)	
Minority interests - recurring	(19)	(31)	
Recurring Earnings	69	41	66%
Asset revaluation	361	304	
Non-recurring financial result & MTM	(8)	(6)	
Income tax & others - non-recurring	(25)	(14)	
Minority interests - non-recurring	(59)	(71)	
Profit attributable to the Group	338	254	33%

(1) Temporary adjustment Property Tax

Recurring Earnings - €m	69	41	+66%
Nosh (mm)	508	435	+17%
EPS recurring - Cts€/share	13.5	9.5	+42%

MSCI European Property Investment Award

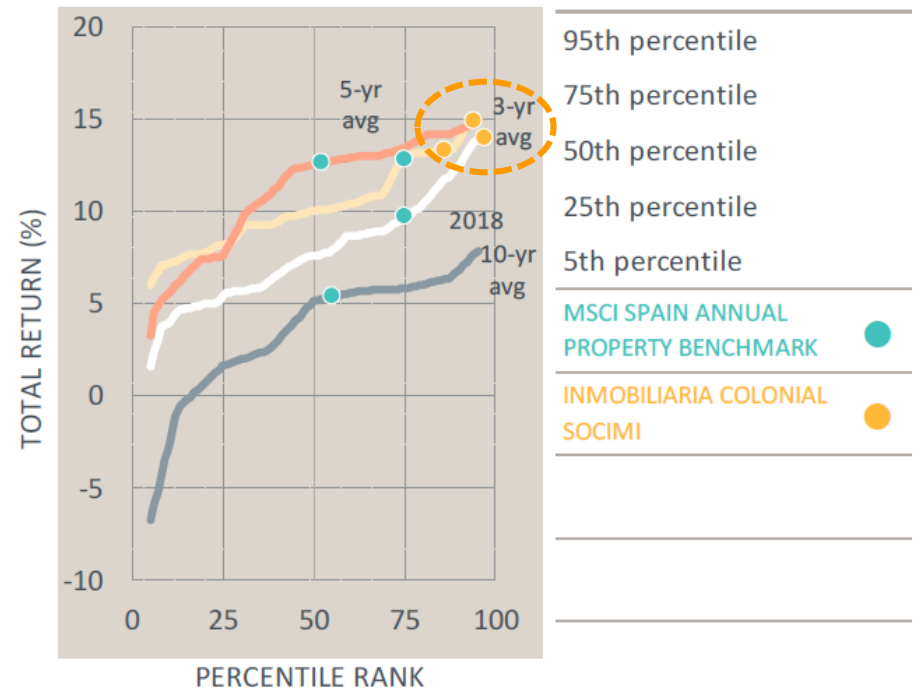
- > Colonial awarded again by MSCI as best performing portfolio in Spain
- > Colonial outperformed the Benchmark in 2018 and over last 3 and 5 years
- > Spanish index benchmark made of 48 participants and 432 assets worth €17Bn

MSCI European Property Investment Award – Best Performer Spanish market 2019

- > Colonial has been awarded as **Best Performing specialist portfolio in the Spanish market in 2019**
- > Colonial outperformed the Benchmark in 2018 and over last 3 and 5 years
- > Spanish index benchmark made of 48 participants and 432 assets worth €17Bn

DISTRIBUTION OF PORTFOLIO ANNUAL RETURNS

ALL ASSETS - THE PAST YEAR VS 3,5 AND 10 YEARS AGO



Source: MSCI



Total Shareholder Return since June 2014

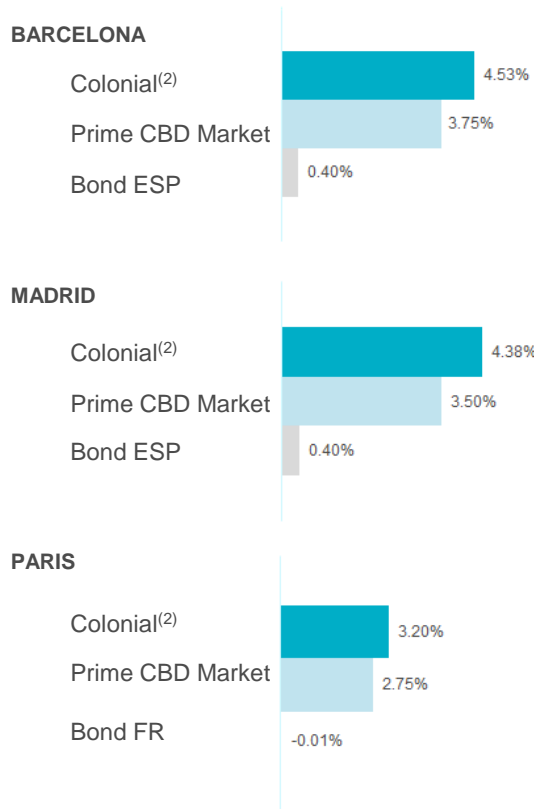
Total Shareholder Return - Colonial (since June 2014)

Date	€/share			Return per share			Group LTV
	NAV	Dividend	NAV+ Div.	NAV Growth	Dividend	Total Return	
06-14	4,49	0	4,49	-	-	-	43%
12-14	4,77	0	4,77	6%	-	6%	43%
12-15	6,16	0	6,16	29%	-	29%	42%
12-16	7,25	0,150	7,40	18%	2%	20%	41%
12-17	8,60	0,165	8,77	19%	2%	21%	31%
12-18	10,03	0,180	10,21	17%	2%	19%	39%
06-19	10,52	0,200	10,72	5%	2%	7%	38%
Total Return since 6/14 (NAV per share growth + dividends)						150%	
Dividend Return						15%	
NAV growth						134%	

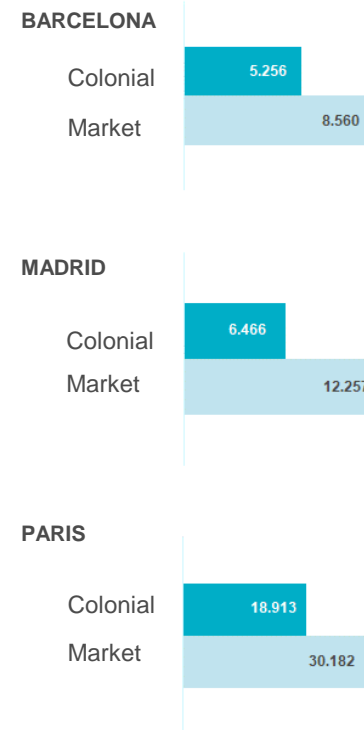
Solid valuation levels in healthy market

- > Colonial appraisal with very solid valuation yields
- > Colonial capital values below recent transactions evidence
- > Rental growth and “scarcity factor” main future growth driver

VALUATION YIELDS (1)



CAPITAL VALUE 06/2019 - €/sq m



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

(2) Portfolio in operation

APPENDICES

€1.3bn of CBD Project Pipeline with strong visibility

MADRID

Castellana 163

Delivery 2020/21



Miguel Ángel 23

Delivery 2H 20



Velázquez 88

Delivery 1H 21



Méndez Álvaro Campus

Delivery 2H 22



Sagasta 27

Delivery > 2022



BARCELONA

Pedralbes Centre

Delivery 1H 19

Pre let

UNI QLO

Prime Commercial



Gala Placidia

Delivery 1H 19

Pre let

utopicus



Diagonal 525

Delivery 1H 21

Pre let

Naturgy



Plaza Europa


Delivery 2H 21



PARÍS


83 Marceau

Delivery 1H 21



Biome

Delivery 2H 21



Louvre St. Honoré

Delivery 2023

Pre let

Prime Commercial

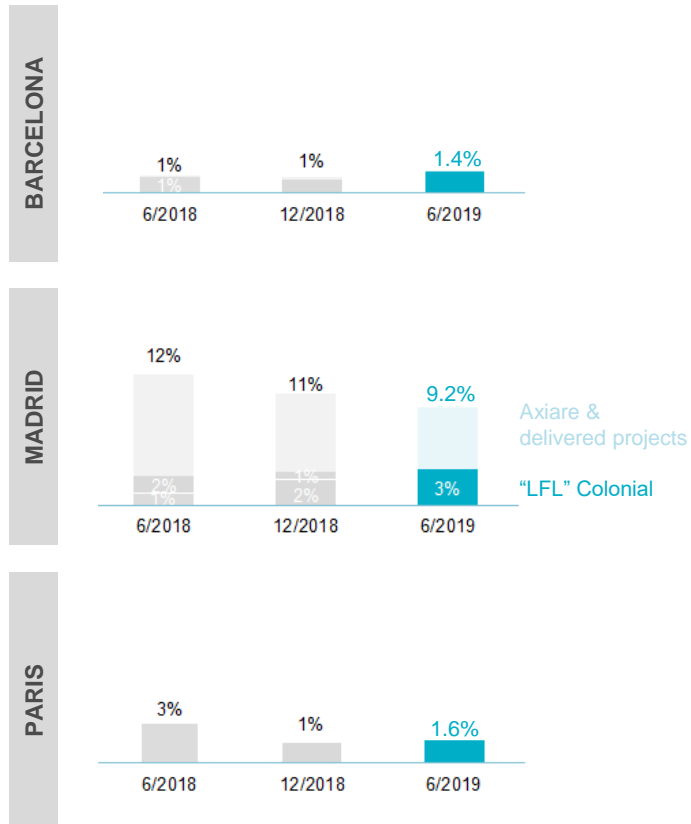
RICHEMONT



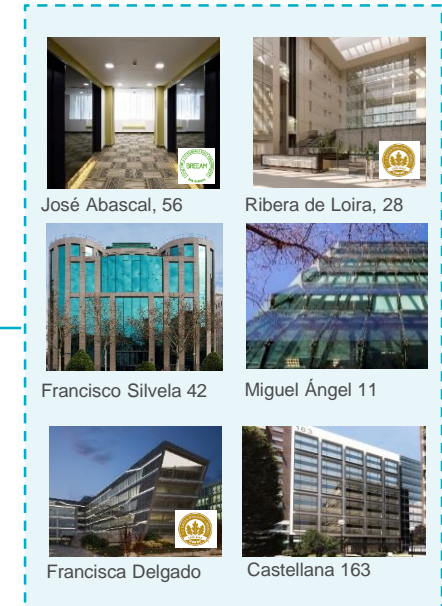
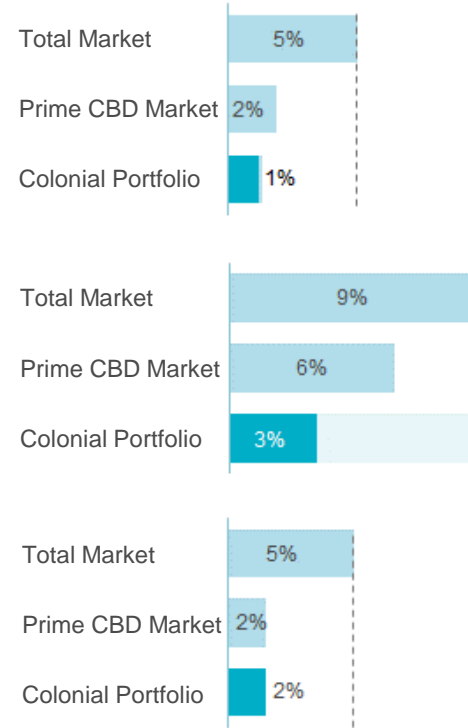
Colonial portfolio outperforming the market on occupancy

- > Colonial with solid vacancy levels in every city
- > Colonial strongly-positioned vs market average
- > Project deliveries in Madrid enhance future reversion potential

EPRA VACANCY



VACANCY COLONIAL VS. MARKET



BARCELONA – LETTING PERFORMANCE

Solid Performance

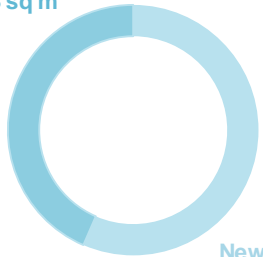
27,188 sq m let

> Max. rent signed **28.5** €/sqm/month

> ERV growth **+13%**⁽¹⁾

> Release spread² **+52%**

Renewals
11.823 sq m



New Lettings
15.365 sq m

Strong rental growth - Highlights

Pedralbes Center



+135%
vs ERV¹

Torre BCN



+52%
release
spread

Via Augusta



+78%
release
spread

Av. Diagonal, 682



+11%
vs ERV¹

(1) Signed rents vs 12/18 ERV (new lettings & renewals)
(2) Signed rents vs previous contracts (renewals)

MADRID – LETTING PERFORMANCE

Solid Performance

78,021 sq m let

> Max. rent signed

31.9
€/sqm/month

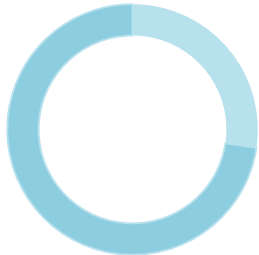
> ERV growth

+4% ⁽¹⁾

> Release spread²

+6%

Renewals
56.691 sq m



New Lettings
21.329 sq m

Strong rental growth - Highlights

Alfonso XII



+25%
release
spread

Tucumán



+24%
release
spread

Francisco Silvela, 42



+19%
vs ERV¹

Miguel Angel, 11



+18%
release
spread

(1) Signed rents vs 12/18 ERV (new lettings & renewals)
(2) Signed rents vs previous contracts (renewals)

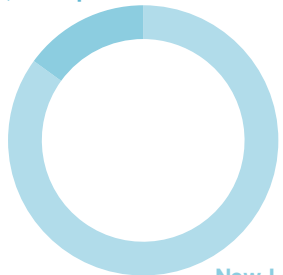
PARIS – LETTING PERFORMANCE

Solid Performance

24,136 sq m let

- > Max. rent signed **> 800 €/sqm/year**
- > ERV growth **+11%⁽¹⁾**
- > Release spread² **+7%**

Renewals
3,623 sq m



New Lettings
20,513 sq m

Strong rental growth - Highlights

Edouard VII



**+21%
vs ERV¹**

Haussman



**+13%
vs ERV¹**

Louvre Saint-Honoré



**+8%
release
spread**

103 Grenelle



**+6%
vs ERV¹**

(1) Signed rents vs 12/18 ERV (new lettings & renewals)
(2) Signed rents vs previous contracts (renewals)

APPENDICES

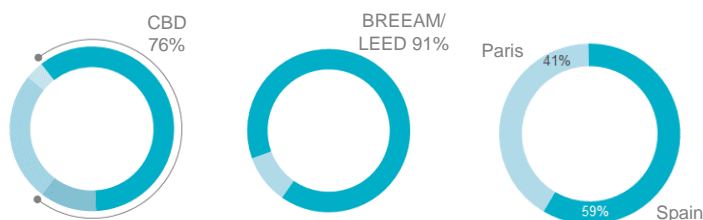
A solid capital structure

- > An unparalleled high-quality collateral diversified in three cities
- > A solid financial structure with competitive financing costs
- > A strong credit profile

FIRST CLASS COLATERAL

More than €11bn of high quality assets

1. Strong CBD exposure with prime product
2. Highest sustainability standards
3. Adequate diversification



Strong credit profile with solid investment grade rating



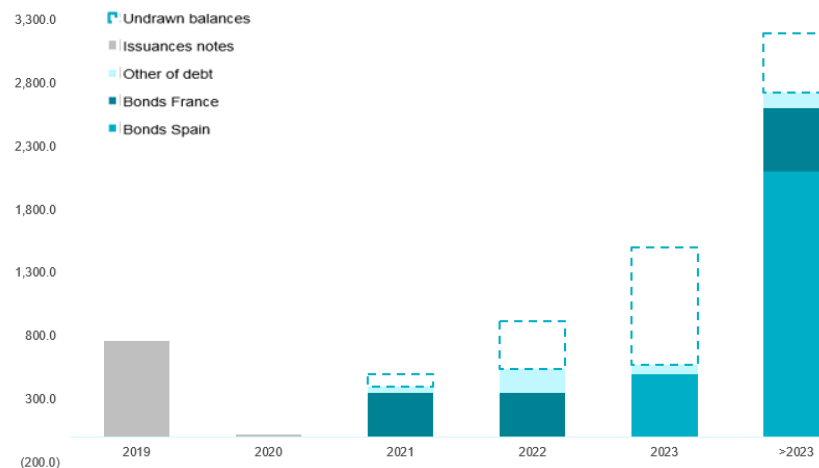
Rating Standard & Poor's
BBB+ Stable Outlook



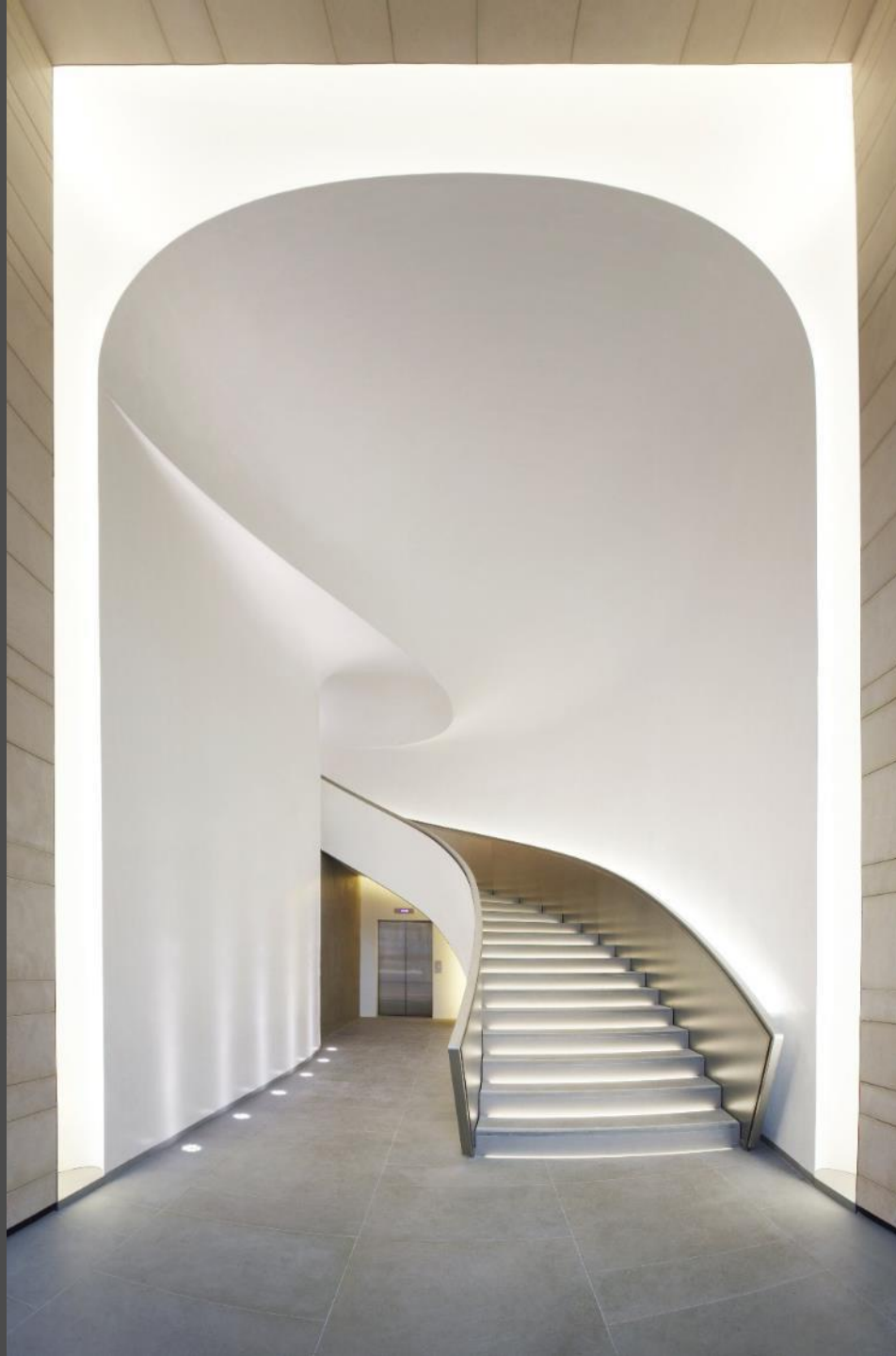
Rating Moody's
Baa2 Stable Outlook

A SOLID FINANCIAL STRUCTURE

<u>Capital Structure</u>	<u>31/12/2018</u>	<u>30/06/2019</u>
Net Debt	€4,680m	€4,700m
Group LTV	39%	37.9%
Cash	€68m	€330m
Undrawn balances	€1,725m	€1,865m
Maturity Spain	6.6 years	6.0 years
Maturity Group	5.9 years	5.3 years
Cost of Debt Spain	1.95%	1.69%
Cost of Debt Group	1.77%	1.58%



Colonial



www.inmocolonial.com

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