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## HECHO RELEVANTE

Como continuación al Hecho Relevante publicado con fecha 13 de noviembre de 2018 con número de registro 271495, Colonial remite documentación de soporte a la presentación a analistas e inversores relativa a los resultados correspondientes al tercer trimestre de 2018, que se celebrará hoy jueves día 15 de noviembre de 2018 a las 18:15 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/1876179-1/F6688B0DE6FB533D7DDCFDA2473C80?partnerref=rss-events>

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

En Madrid, a 15 de noviembre de 2018.



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

PRESENTING MANAGEMENT TEAM

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**Pere Viñolas**  
Chief Executive Officer



**Carmina Ganyet**  
Corporate Managing Director



**Carlos Krohmer**  
Chief Corporate Development Officer

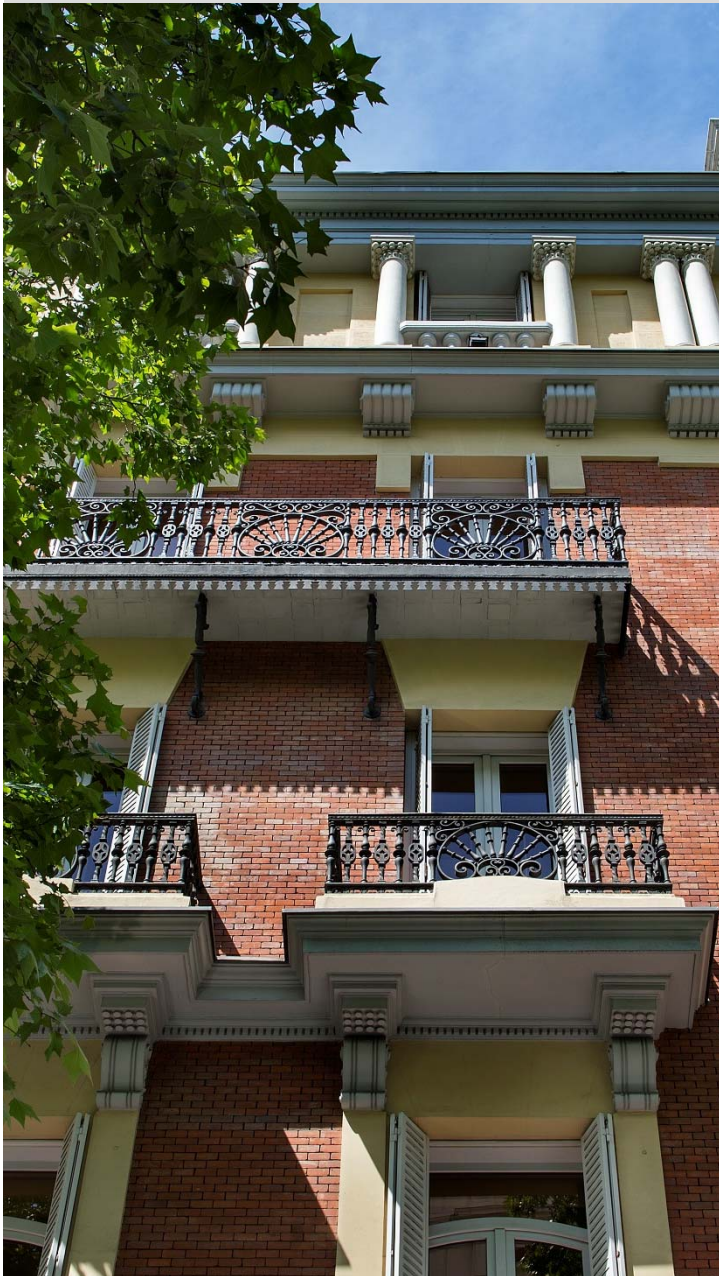


01 Highlights



*Accelerating the Business Plan*





#### OUTSTANDING FINANCIAL RESULTS

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- > Gross Rental Income, +22% and **+5% like-for-like**
- > Recurring EBITDA, +20%
- > Recurring earnings, +15%
- > **FY 18E EPS<sup>1</sup> guidance confirmed: €22cts/ sh.**

#### STRONG OPERATIONAL PERFORMANCE

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- > More than 154,000 sq m let with top tier clients
- > Very healthy vacancy levels at 5%
- > Successful delivery of projects
- > Strong growth in rental prices – double-digit release spreads
  - ✓ Capturing market rental growth
  - ✓ GRI increase price driven
  - ✓ Capital Value Growth price driven

#### PROFITABLE GROWTH ACCELERATING

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- > Solid top line driving bottom-line results
- > Best-positioned portfolio for future growth
- > Confident outlook on real estate markets

(1) Recurring EPS

## 01 Highlights 3Q 2018

### Solid top line growth driving results



- > Significant increase of Recurring Earnings of +15% (+21% in a quarter)
- > Outstanding EPRA Like for Like growth of +5%
- > Solid rental price increases securing forward looking earnings growth

Profit & Loss - €m	3Q 2018	YoY Var
Gross Rental Income	€258m	+22%
EBITDA Recurring	€202m	+20%
<b>Recurring Net Profit</b>	<b>€68m</b>	<b>+15%</b>
<i>Full Year 2018E EPS<sup>1</sup> guidance confirmed: €22cts/ share</i>		

Solid Fundamentals	
# Transactions signed	82
Volume of sq m signed	154,829
EPRA Vacancy	5%

Outstanding GRI like for like	3Q 2018	YoY Var
<b>Group like-for-like<sup>3</sup></b>	<b>€258m</b>	<b>+5%</b>
Madrid like-for-like <sup>3</sup>		+5%
Barcelona like-for-like <sup>3</sup>		+4%
Paris like-for-like <sup>3</sup>		+5%

Capturing Rental Price Increases	
<b>Double-digit release Spread<sup>1</sup></b>	<b>+26%</b>
Barcelona	+32%
Madrid	+32%
Paris	+13%

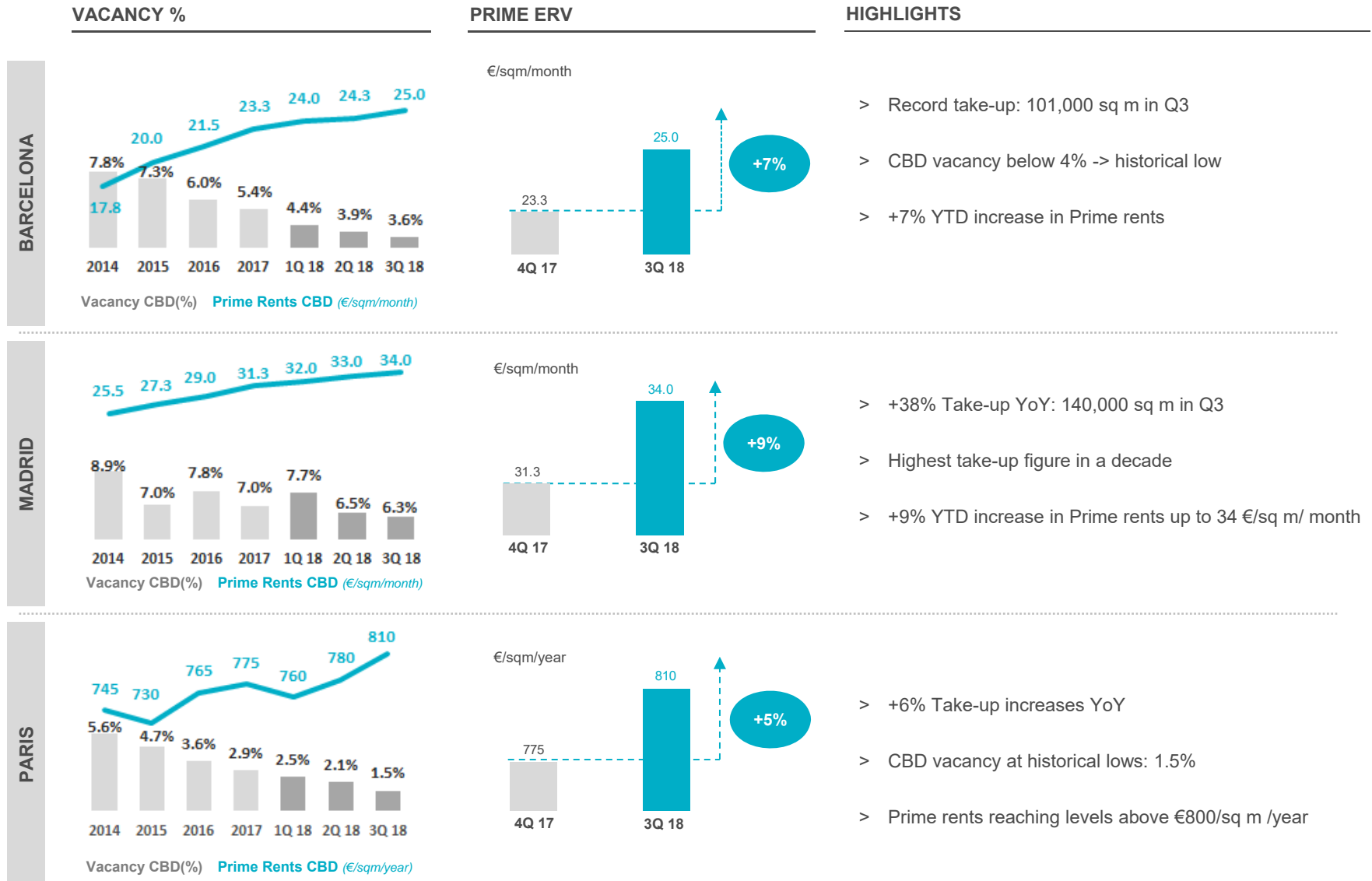
<b>Strong rental growth<sup>2</sup></b>	<b>+10%</b>
Barcelona	+18%
Madrid	+12%
Paris	+4%

- (1) Rental prices signed vs previous rents in Q3  
 (2) Rental prices signed vs ERV 12/17 in Q3  
 (3) EPRA like-for-like variance base on EPRA BPR methodology – Q3 cumulative  
 (4) Recurring EPS – Q3 cumulative





## 02 Market Fundamentals accelerating in every market



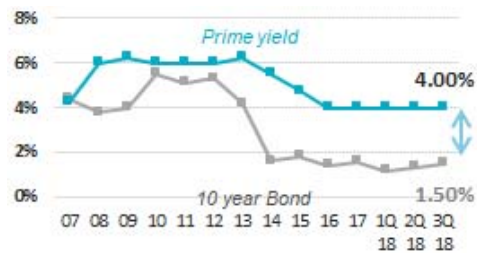


## 02 Market Investment Markets remain strong

- > Scarcity of Grade A product
- > Accelerating market momentum in every city
- > Spreads vs reference rates remain attractive

PRIME YIELDS <sup>(1)</sup>

BARCELONA



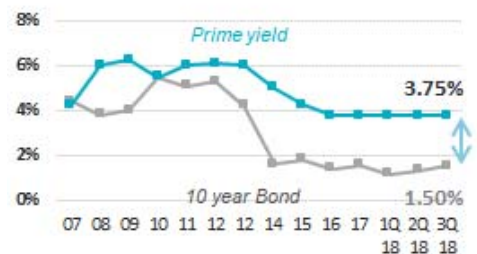
SPREAD VS 10Y BOND



HIGHLIGHTS

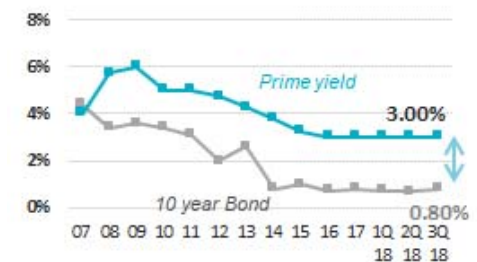
- > Strong Investment volume: €445m YTD
- > Increasing investor interest faces scarce supply
- > Prime yields at 4%: healthy spread of 250 bp

MADRID



- > Investment volume of €559m
- > Acceleration of transaction activity in 2H
- > Prime yields at 3.75%

PARIS



- > Investment volume of €12.8bn
- > +33% YoY increase
- > 2x long-term average
- > 35 transactions above €100m
- > Healthy spread at 220 bp

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



03 Operational performance



*Offering the better site*

03 Operational performance  
Grade A product ensures strong letting performance

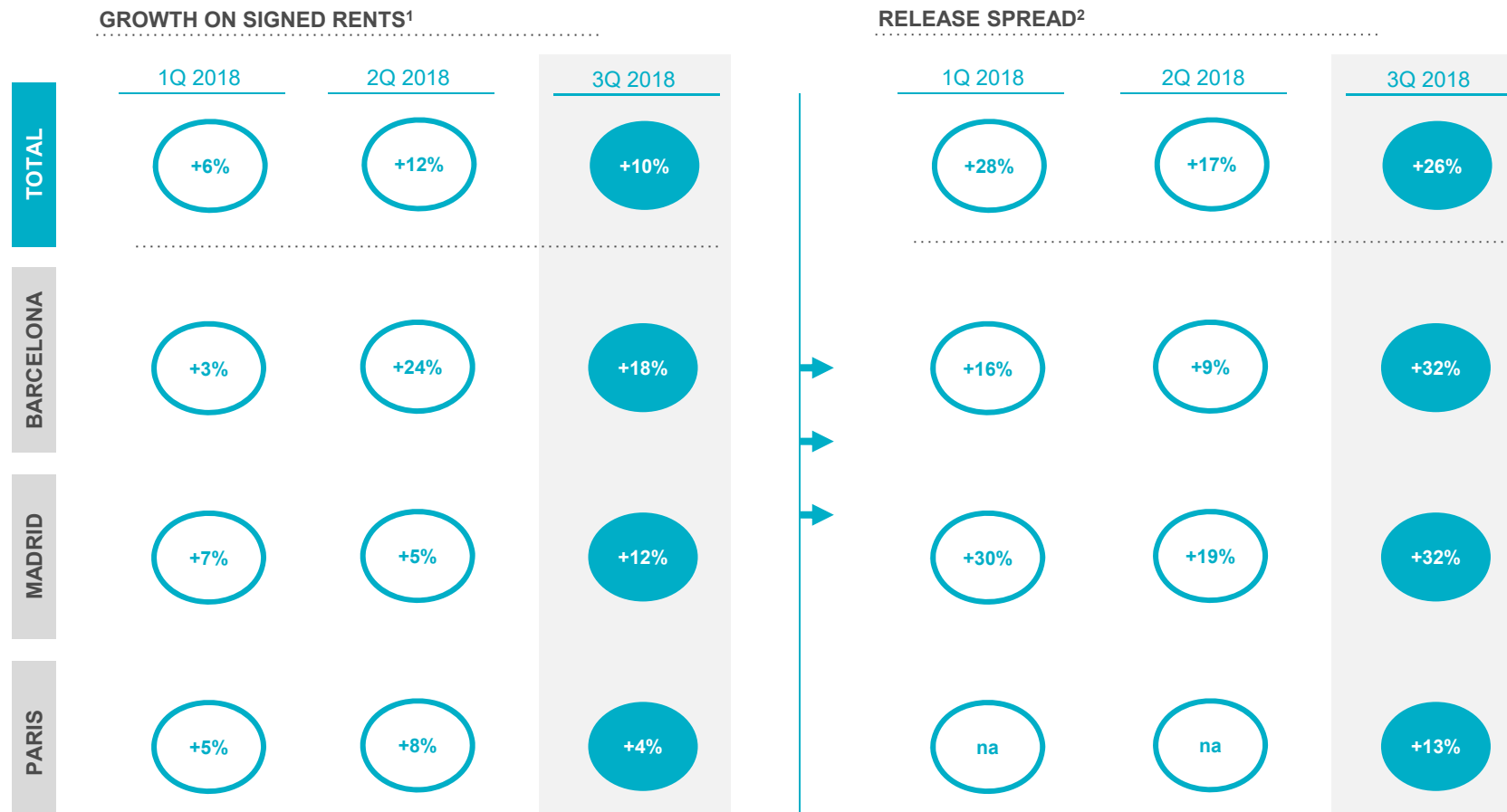
	# CONTRACTS	SQM SIGNED	GRI SECURED <sup>1</sup>	INCENTIVES <sup>2</sup>	EPRA VACANCY <sup>3</sup>
<b>BARCELONA</b> 	20	16,249	€3m	7%	1%
<b>MADRID</b> 	37	60,853	€16m	4%	12%
<b>PARIS</b> 	22	19,922	€14m	13%	2%
<b>LOGISTIC</b> 	3	57,805	€4m	1%	5%
<b>TOTAL</b> 	82	154,829	€37m	8%	5%

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

**03 Operational performance**  
**Strong delivery on rental price increases**

- > Third quarter in a row with strong price increases in every segment
- > Outstanding rental growth in every market, Spain double digit
- > Double digit release-spread in every market, Paris + 13%

**SOLID INCREASE IN RENTAL PRICES**



(1) Signed rents vs 12/17 ERV (new lettings & renewals)  
 (2) Signed rents vs previous contracts (renewals)



### 03 Operational performance

Strong delivery on rental price increases across the entire portfolio

#### GROWTH ON SIGNED RENTS<sup>1</sup>

The Window



+26%

NOVO BANCO<sup>4</sup>

IÉNA



+36%

#### RELEASE SPREAD<sup>2</sup>

Castellana, 52



+40%

ecix  
L.M.T.T.

Percier



+17%

EDF

Torre BCN



+22%

Washington Plaza



+14%

Liberty  
Specialty Markets

Martinez Villergas, 49



+33%

IBERIA

Washington Plaza



+17%

Aberdeen

Martinez Villergas, 49



+20%

IBERIA

Washington Plaza



+12%

Aberdeen

Sant Cugat



+32%

accenture

Génova, 17



+10%

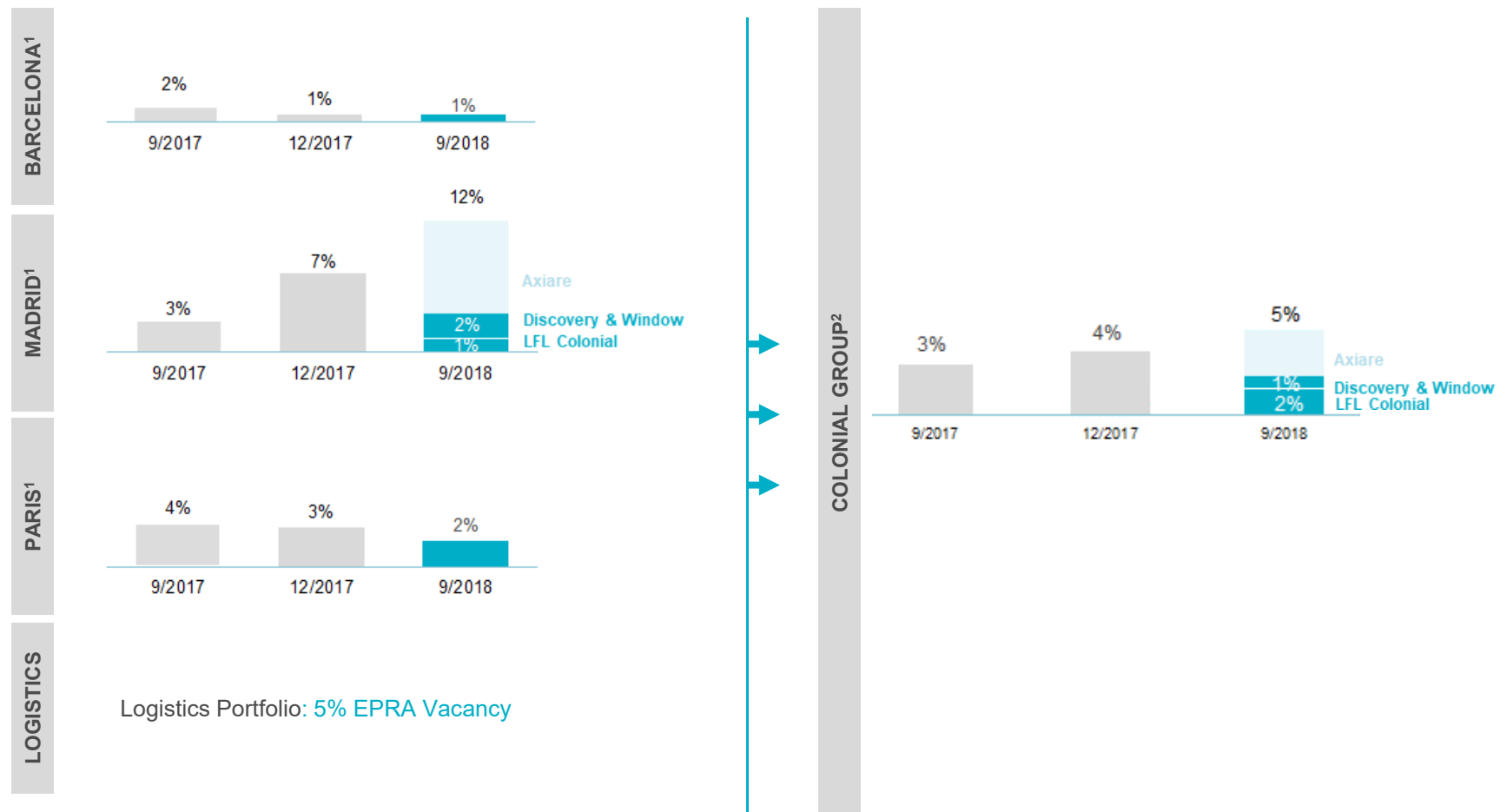
(1) Signed rents vs 12/17 ERV (new lettings & renewals)  
(2) Signed rents vs previous contracts (renewals)

### 03 Operational performance

#### Vacancy remains at healthy levels

- > Colonial vacancy at a healthy 5%
- > Barcelona and Paris at or below 2%
- > Madrid like-for-like at 1% - Discovery, Window & Axiare providing reversionary potential

#### EPRA VACANCY



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

### 03 Operational performance

#### Short-term projects on track to crystalize value

- > Successful delivery of projects initiated in 2015/2016
- > Rents signed well ahead of initial underwriting
- > Full value creation still to be crystallized in NAV



Average ERV signed<sup>1</sup>

26  
€/sqm/m

+24%<sup>2</sup>

Yield on Cost<sup>3</sup>

7.8%

Total Product Cost<sup>4</sup>

4,267  
€/sqm



Average ERV signed<sup>1</sup>

24  
€/sqm/m

+22%<sup>2</sup>

Yield on Cost<sup>3</sup>

7.6%

Total Product Cost<sup>4</sup>

4,027  
€/sqm



Average ERV signed<sup>1</sup>

20  
€/sqm/m

+30%<sup>2</sup>

Yield on Cost<sup>3</sup>

7.9%

Total Product Cost<sup>4</sup>

3,130  
€/sqm

<sup>1</sup> Average ERV signed excluding rent of parking spaces

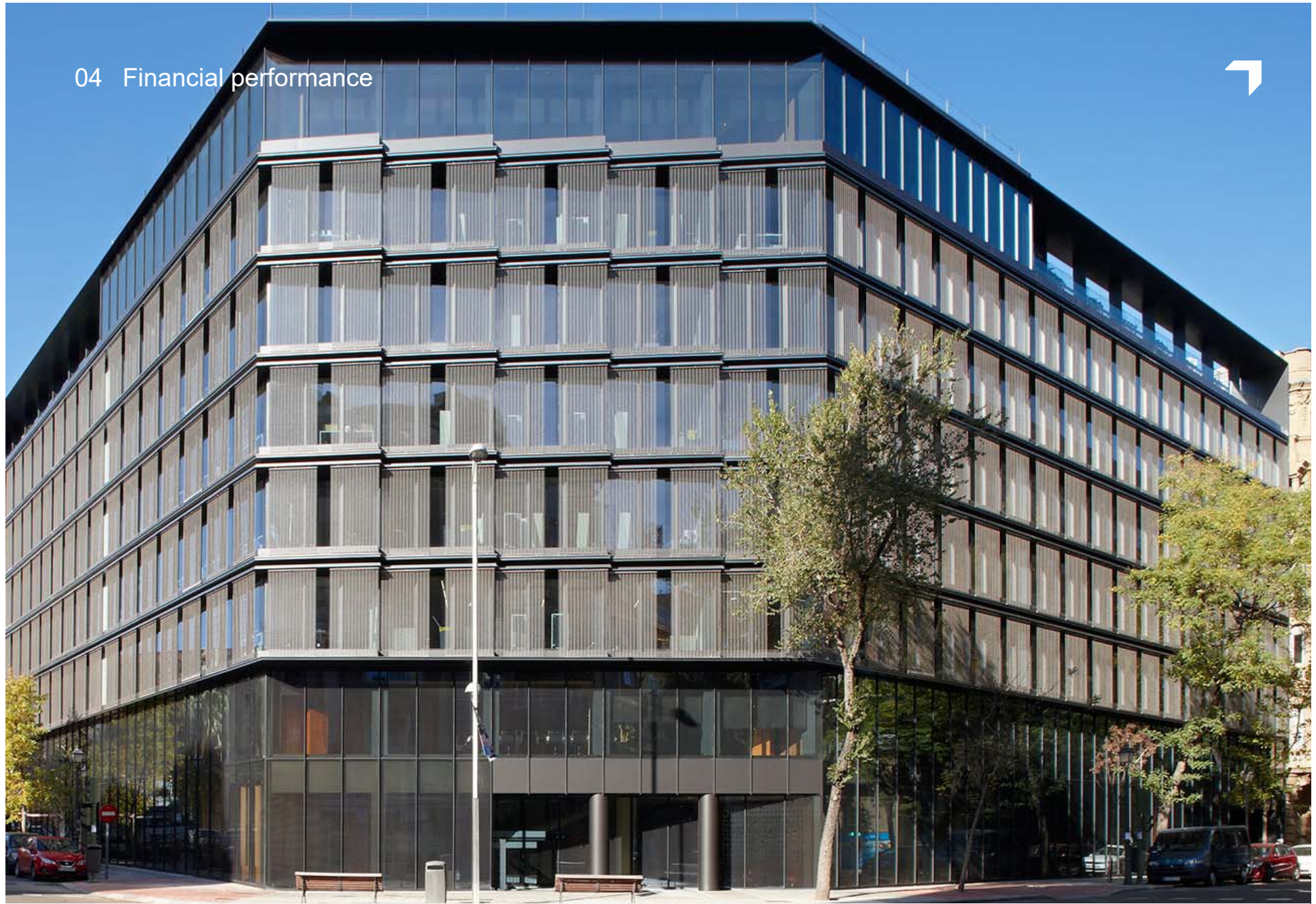
<sup>2</sup> ERV signed vs ERV at acquisition date (excludes rent of parking spaces)

<sup>3</sup> Gross Yield based on contracts signed YTD and assuming 100% occupancy at average ERV signed

<sup>4</sup> Acquisition price + Capex invested



04 Financial performance

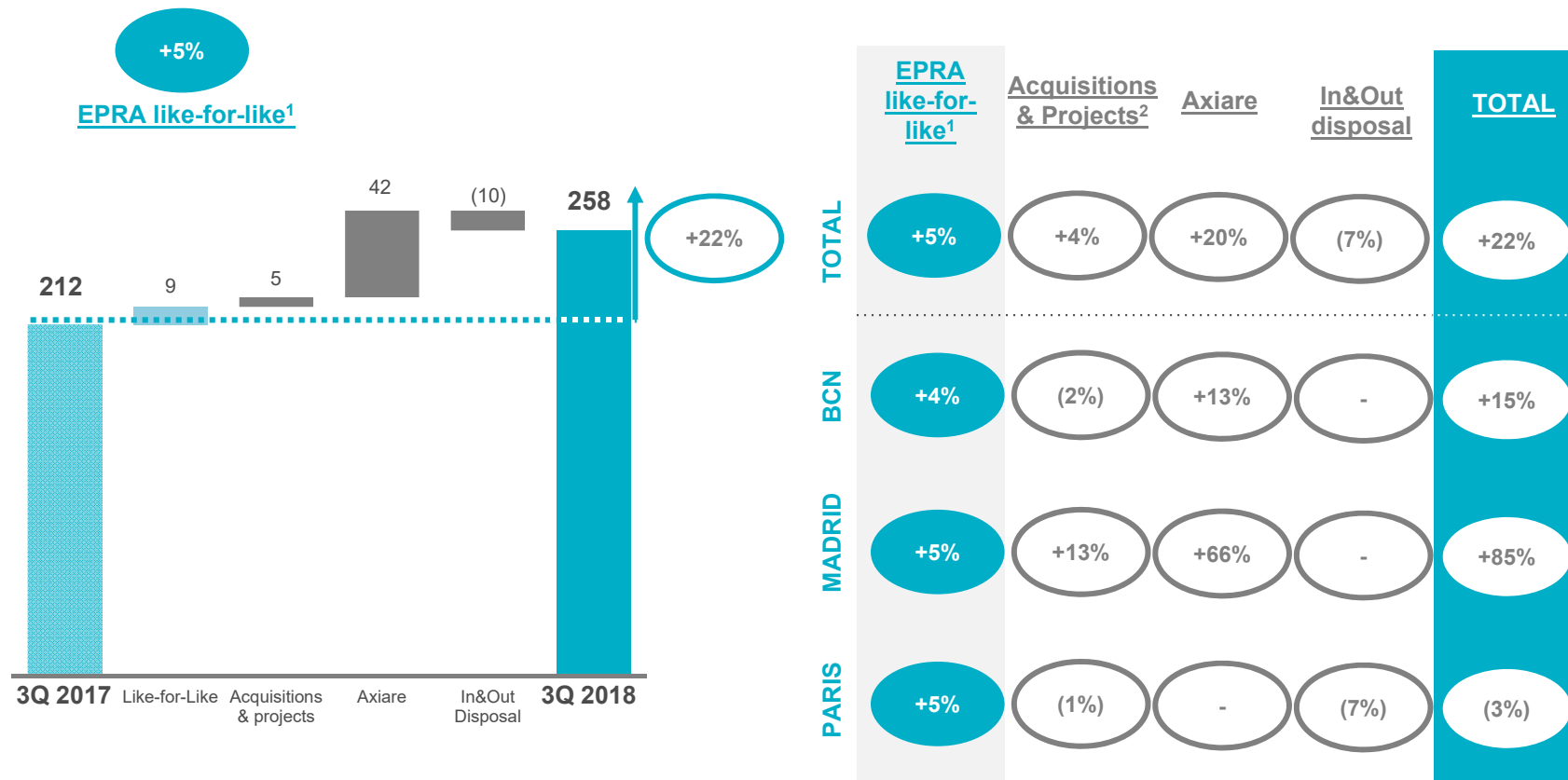


*Solid top line driving profitability*

**04 Financial performance**  
**Double-digit top line growth**

- > GRI growth of +22% enhanced through Axiare
- > GRI like-for-like increase outstanding at +5%
- > High GRI like for like growth in every single market

**GROSS RENTAL INCOME - €M**



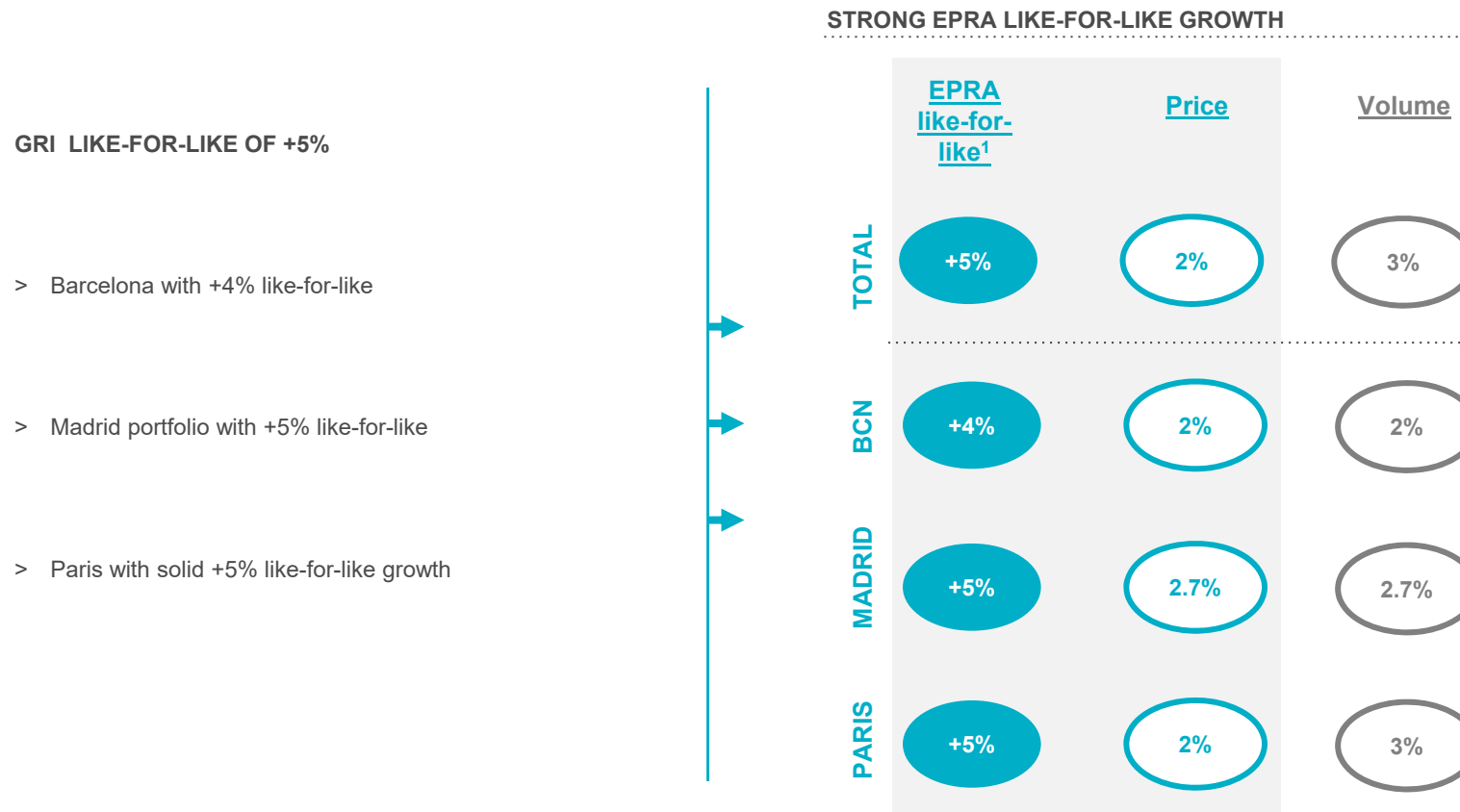
(1) like-for-like calculated following EPRA BPR recommendations  
 (2) Includes indemnities of tenant rotation

## 04 Financial performance

### Like-for-like rental growth price driven

- > Like-for-like growth driven by rental price increases
- > Barcelona and Madrid with strong price effect
- > Paris with +5% like-for-like increase, well above peers

#### GROSS RENTAL INCOME - €M



(1) like-for-like calculated following EPRA BPR recommendations  
 (2) Includes indemnities of tenant rotation



## 04 Financial performance

### Improved credit profile

- > Highest Corporate Rating in Spanish Real Estate
- > Important liability management in 2018
- > A stronger balance sheet

#### ACTIVE LIABILITY MANAGEMENT ...

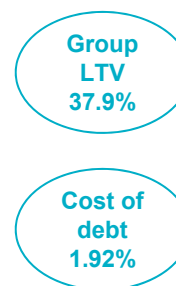
- 1 €663m<sup>1</sup> new equity issued (Axiare merger & Alpha IV)
- 2 €1,150m bonds issuances
  - > €650m Colonial
  - > €500m SFL
- 3 €675m liability management
  - > €375m repurchase Colonial bonds
  - > €300m repurchase SFL bonds
- 4 €393m Axiare bilateral debt cancellation
- 5 €282m Axiare bilateral debt refinancing
- 6 €441m disposals YTD

(1) 72,797,424 new shares at EPRA NAV of 9.11€/share

#### ... ENHANCING THE BALANCE SHEET



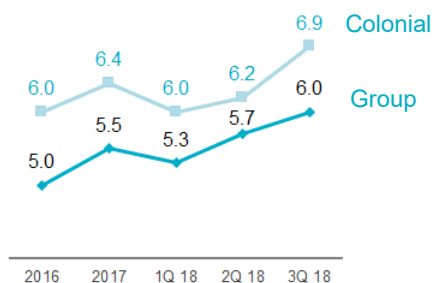
#### LTV & Cost of Debt



Liquidity <sup>2</sup>	
Colonial	€1,144m
SFL	€910m
<b>Total</b>	<b>€2,054m</b>

(2) Cash and undrawn balances

#### Debt maturity - years



Debt Maturity	
Colonial	6.9 years
SFL	4.5 years
<b>Total</b>	<b>6.0 years</b>

## 04 Financial performance

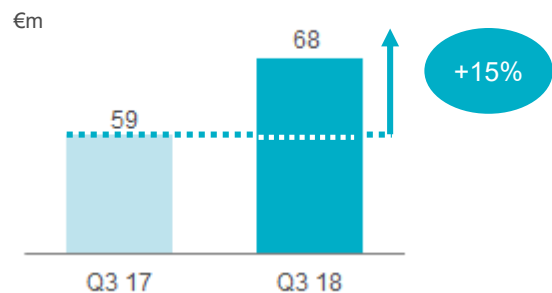
### Acceleration of profitable growth

- > Strong Top Line driving bottom line
- > +15% increase of cumulative recurring profit
- > +21% increase of quarterly recurring profit

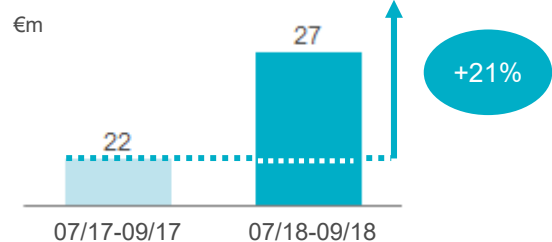
#### STRONG TOP & BOTTOM-LINE PERFORMANCE

EPS Guidance confirmed  
€22cts Full Year 2018E

#### RECURRING RESULT Q3 2018 CUMULATIVE



#### RECURRING RESULT Q3 2018



#### PROFIT & LOSS ACCOUNT

Results analysis - €m	Q3 18	Q3 17	Var.
Gross Rents	258	212	22%
Net operating expenses <sup>(1)</sup>	(21)	(15)	
Overheads	(35)	(28)	
Recurring EBITDA	202	169	
Recurring financial result	(77)	(58)	
Income tax expense & others - recurring	(10)	(8)	
Minority interests - recurring	(47)	(44)	
<b>Recurring Earnings</b>	<b>68</b>	<b>59</b>	<b>15%</b>
Asset revaluation	304	523	
Non-recurring financial result & MTM	(19)	(1)	
Income tax & others - non-recurring	(2)	39	
Minority interests - non-recurring	(71)	(166)	
<b>Profit attributable to the Group</b>	<b>281</b>	<b>454</b>	

(1) Includes other income



05 Growth drivers



*A stronger platform for future growth*





## FUTURE VALUE CREATION

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- 1 €1.5bn of project pipeline
- 2 Capturing reversion in rents
- 3 Strong investment market
- 4 Acquisitions with investment discipline

## 05 Growth drivers

### 1 €1.5bn of Project Pipeline

- > Successful delivery of projects initiated in 2015/2016
- > Important future value creation to be crystalized
- > Very attractive Yield on Cost

Project	City	Delivery	GLA (sqm)	Total Cost <sup>1</sup> €m	Total Cost €/ sqm	Yield on Cost
1 Discovery	Madrid	Delivered	10.152	43	4.267	7,8%
2 The Window/ PV	Madrid	Delivered	11.368	46	4.027	7,6%
3 Parc Glories	Barcelona	Delivered	24.551	77	3.130	7,9%
4 Josefa Valcarcel 40bis	Madrid	Turnkey Acqu	8.824	30	3.366	6,0%
5 Avenida Bruselas	Madrid	2H 18	14.340	40	2.817	7,0%
6 Pedralbes Center	Barcelona	1H 19	5.562	38	6.843	6,3%
7 Gala Placidia / Utopic_us	Barcelona	1H 19	4.312	17	3.922	7,0%
8 Miguel Angel 23	Madrid	2H 20	8.036	64	7.999	5,8%
9 Castellana, 163	Madrid	2020/ 21	10.910	52	4.803	6,5%
10 Diagonal 525	Barcelona	1H 21	5.710	37	6.460	6,0%
11 Emile Zola / Destination XV	Paris	1H 21	24.500	280	11.428	~ 5%
12 Iena 96	Paris	1H 21	9.300	147	15.801	~ 5%
13 Velazquez Padilla 17	Madrid	1H 21	17.239	113	6.532	6,5%
14 Plaza Europa 34	Barcelona	2H 21	14.306	32	2.257	7,0%
15 Mendez Alvaro Campus	Madrid	2H 22	89.871	273	3.038	7,5%
16 Sagasta 27	Madrid	2H 22	4.481	23	5.044	6,5%
17 Louvré SaintHonoré	Paris	2023	16.000	205	12.831	~ 7%
<b>TOTAL PIPELINE - OFFICE &amp; PRIME COMMERCIAL</b>			<b>279.462</b>	<b>1.517</b>		<b>6,5%</b>
Thereof delivered			54.895	196		7,5%
Thereof Pipeline going forward			<b>224.567</b>	<b>1.322</b>		<b>6,4%</b>

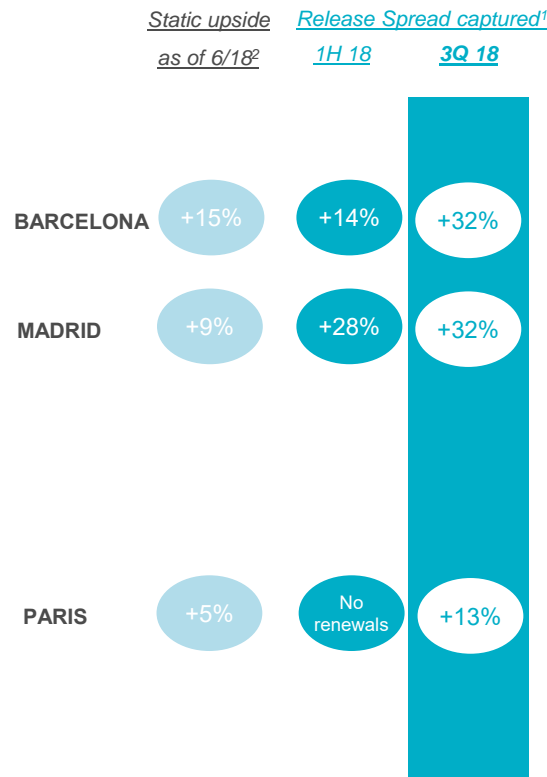
<sup>1</sup> Total Cost Finished Product = Acquisition Cost/ Asset Value pre Project + future Capex

05 Growth drivers

2 Colonial well-positioned to capture reversion

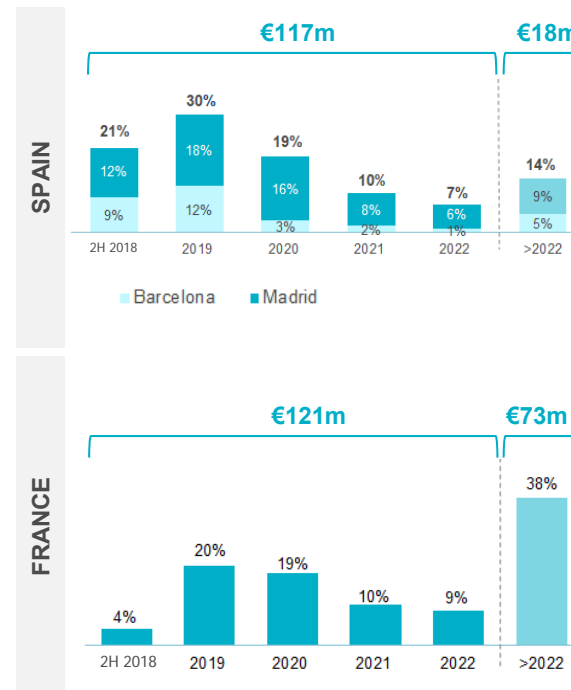
- > Strong delivery on reversion
- > Attractive rent roll profile
- > Solid positioning in growing markets

CAPTURING REVERSION

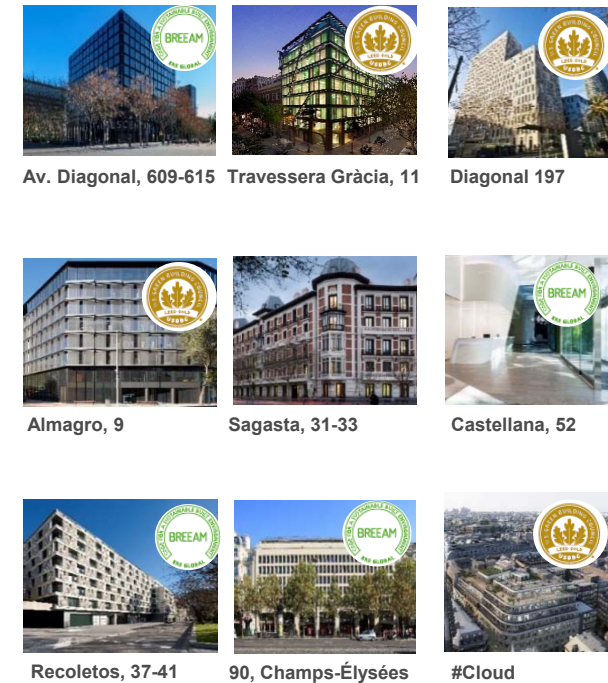


ATTRACTIVE RENT ROLL

COMMERCIAL LEASE EXPIRY DATES (6/18)  
First potential exit



SOLID POSITIONING IN GROWING MARKETS



1) New rents signed vs previous

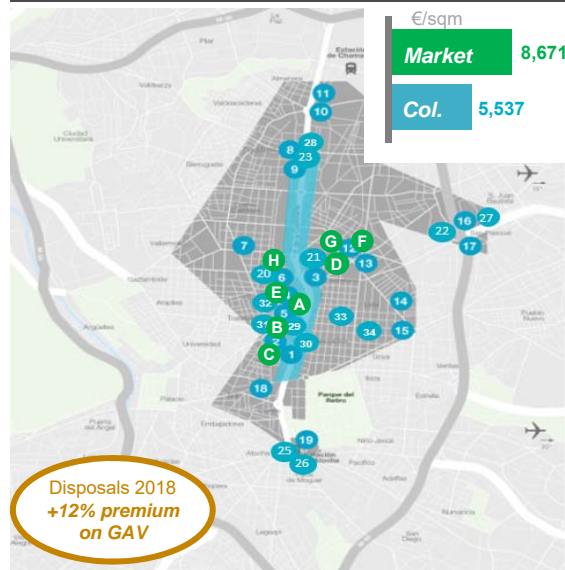
2) Market rents vs current passing rents as of 06/18 without including future rental growth



05 Growth drivers  
 3 Investment Market

- > Investor interest for prime product remains strong
- > Significant capital value increases in recent quarters
- > Colonial's assets with prudent appraisal values

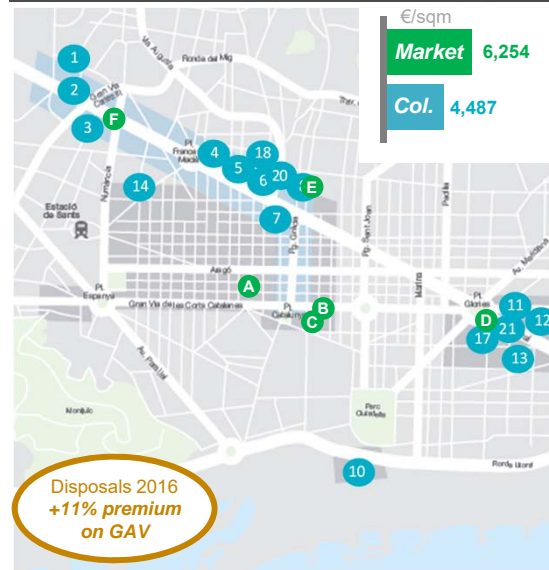
Madrid City Center (inside M30)



Latest investment transactions inside M30

	Price <sup>(2)</sup>	Cap. Value <sup>(3)</sup>
A Paseo de Recoletos, 5 <sup>(1)</sup>	33	9,863
B Gran Vía, 18 <sup>(1)</sup>	44	9,430
C Carrera de San Jerónimo, 15	60	8,602
D Velázquez, 108	30	7,143
E Fernando el Santo, 15	30	9,219
F Suero de Quiñones, 40-42 <sup>(1)</sup>	38	8,209
G Velázquez, 123 <sup>(1)</sup>	21	9,545
H Ríos Rosas, 24 <sup>(1)</sup>	24	7,357
<b>CBD Transactions - Average</b>	<b>279</b>	<b>8,671</b>
<b>Colonial Average (06/18 appraisal)</b>		<b>5,537</b>

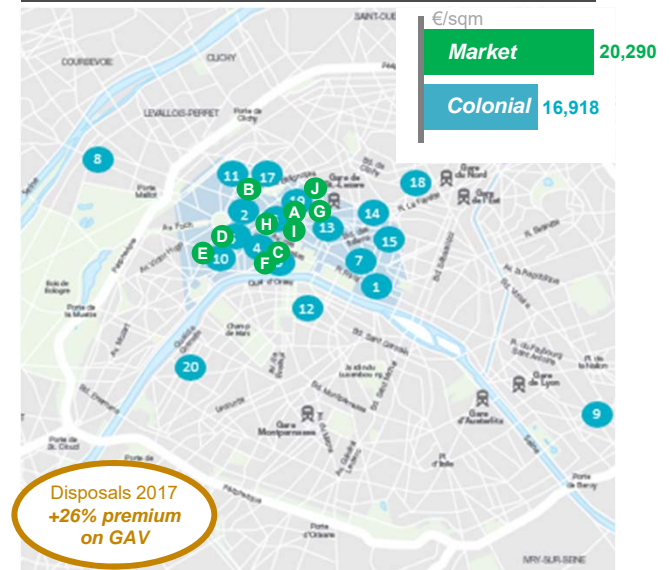
Barcelona City Center



Latest investment transactions in city center

	Price <sup>(2)</sup>	Cap Value <sup>(3)</sup>
A Enric Granados, 84	12	5,838
B Carrer de Fontanella, 9	20	6,030
C Carrer de Fontanella, 6-8	65	8,414
D Carrer Tanger, 66	90	5,294
E Avda. Diagonal, 595	30	5,254
F Ciutat de Granada, 121	20	4,545
G Avinguda Diagonal, 662 <sup>(1)</sup>	210	8,400
<b>CBD Transactions - Average</b>	<b>446</b>	<b>6,254</b>
<b>Colonial Average (06/18 appraisal)</b>		<b>4,487</b>

Paris CBD



Latest investment transactions in Paris CBD

	Price <sup>(2)</sup>	Cap Value <sup>(3)</sup>
A Rue La Boetie, 83	63	19,319
B Rue Mederic, 12-14	112	18,463
C Rue Francois 1Er, 26 Bis	252	22,909
D Avenue Kleber, 10	31	21,500
E Avenue Kleber, 30	75	21,500
F Rue Jean Goujon, 19-21	134	15,765
G Rue La Boetie, 49-51	222	20,182
H Rue Pierre Charron, 68	62	20,667
I Place De Rio De Janeiro, 2	125	17,857
J Boulevard Haussmann, 91	50	24,740
<b>CBD Transactions - Average</b>	<b>1,126</b>	<b>20,290</b>
<b>Colonial Average (06/18 appraisal)</b>		<b>16,918</b>

<sup>(1)</sup> Assets with significant Capex to be implemented

<sup>(2)</sup> €m

<sup>(3)</sup> €/sqm

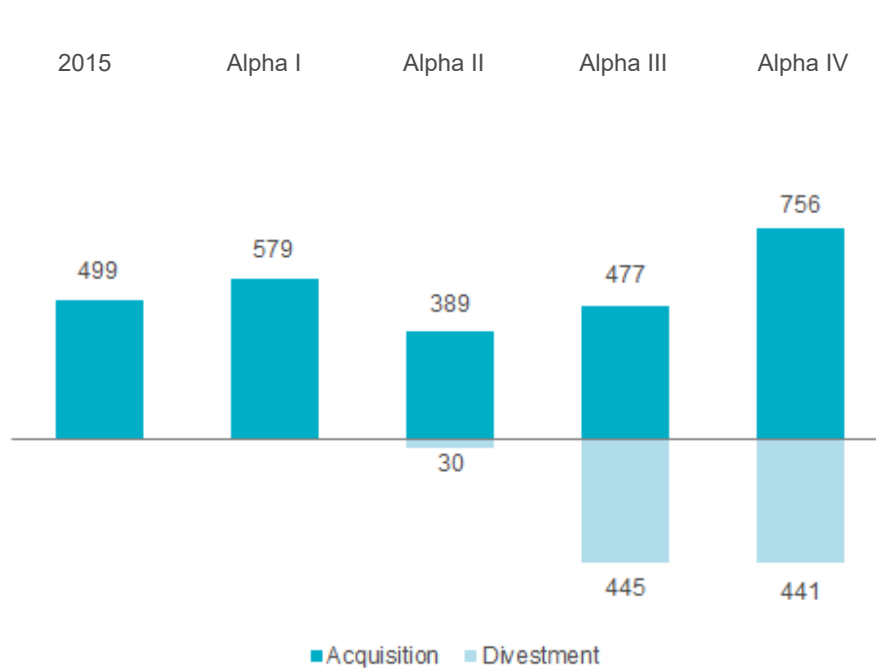
Source: Savills-Aguirre Newman and public information

## 05 Growth drivers

### 4 Acquisitions – a solid track record in investment discipline

- > Mainly off-market transactions
- > High value-added components
- > City Center locations with strong fundamentals

#### NET INVESTMENTS SINCE 2015 - €m



#### ACQUISITION TARGETS

1. Prioritize value add Opportunities
2. Create high quality offices
3. Maintain investment discipline

#### Investment parameters: Organic growth

- ✓ €250m per annum
- ✓ Ungeared 10 year IRR target

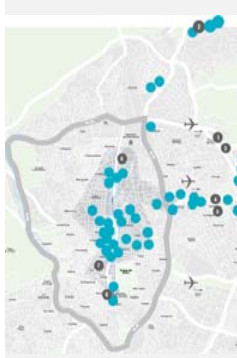





Value Add Spain 7 - 8%

Value Add France 6 - 8%

Core Investments 5 - 6%

4 Alpha IV Acquisition - Smart Capital Recycling to Prime

- > Disposals of €441m with +12% premium on last reported GAV<sup>1</sup>
- > Acquisition of 22% stake in SFL at 19% discount on NAV
- > Acquisition of 1 Prime Factory project in Barcelona CBD

DISPOSALS	<p>1 Disposals</p>  <p>MADRID</p>		<p><b>Non Core &amp; mature assets</b></p> <ul style="list-style-type: none"> <li>✓ GLA – 106,574 sq m</li> <li>✓ 7 operating office assets</li> <li>✓ 1 project in Madrid</li> </ul>	<p><b>Total disposals: €441m</b></p> <p>+12% premium on GAV<sup>1</sup></p>	
	ACQUISITIONS	<p>2 22% of SFL</p>  <p>PARIS</p>		<p><b>Opportunistic acquisition</b></p> <ul style="list-style-type: none"> <li>✓ Paris Prime CBD</li> <li>✓ Enhanced exposure flagship projects in Paris</li> </ul>	<p><b>Total investment: €718m</b></p> <p>19% discount on NAV</p>
		<p>3 Diagonal 525</p>  <p>BCN</p>		<p><b>Value Added – Prime Factory</b></p> <ul style="list-style-type: none"> <li>✓ GLA – 5,710 sqm</li> <li>✓ Redevelopment project</li> <li>✓ Prime CBD - Diagonal</li> </ul>	<p><b>Total investment: €37m<sup>2</sup></b></p> <p>Yield on Cost &gt; 6%</p> <p>IRR 7-8%<sup>3</sup></p>

(1) Last reported GAV and project at acquisition price + future capex  
 (2) Acquisition price + future capex  
 (3) 10-year ungeared IRR



4 Alpha IV Acquisition - Attractive investment for Colonial

**Attractive returns increasing exposure to prime**

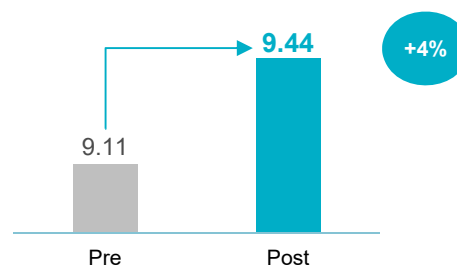
- > +4% accretion in EPRA NAV<sup>1</sup>
- > +10% accretion in recurring EPS<sup>2</sup>

**ATTRACTIVE RETURNS**

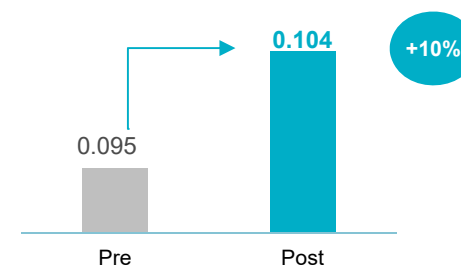
- > NAV pro-forma of €9.44 per share post deal
- > +4% accretion<sup>1</sup> on EPRA NAV per share
- > +10% accretion<sup>2</sup> on June recurring EPS

**ACCRETIVE TRANSACTION FROM DAY ONE**

**Proforma EPRA NAV<sup>1</sup> p.s. (€)**



**EPS pro-forma 1H18<sup>2</sup> (€/sh)**

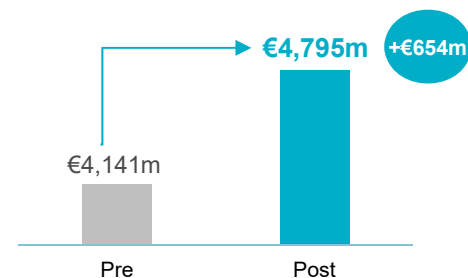


**DEAL CONSIDERATIONS**

- > Reorganization of shareholders' structure increasing Colonial equity
- > Optimized transaction through use of treasury shares
- > Enhancement of Colonial's visibility in public market

Approved at 11/18 EGM with 99.99% votes in a favour

**INCREASE IN EQUITY VOLUME WITH HIGH QUALITY**



(1) NAV pro-forma vs Jun-18 reported EPRA NAV (details in appendix)

(2) Half year EPS proforma based on 1H 18 reported recurring EPS (details in appendix)

06 Conclusion







#### DELIVERY OF BUSINESS PLAN ON TRACK

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- > **Guidance 2018 confirmed**
  - ✓ EPS recurring 2018E: €22cts
- > **Strong operational performance**
  - ✓ Very healthy vacancy levels
  - ✓ Strong growth in rental prices in every city
  - ✓ Successful delivery of projects
- > **Solid top line driving bottom-line results**
  - ✓ Outstanding GRI like-for-like increase in every market
  - ✓ Axiare integration accelerating profitable growth

#### A STRONGER PLATFORM FOR FUTURE GROWTH

---

- > An attractive project pipeline of prime product
- > Colonial best positioned to capture rental growth
- > A proven track record on acquisitions and capital recycling
- > Highest S&P Rating in Spanish Real Estate
- > Confident outlook on real estate markets



Q&A



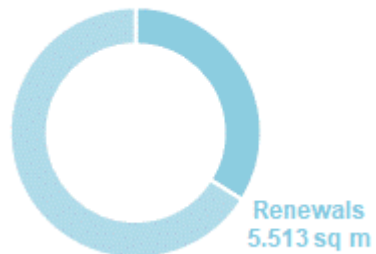
BARCELONA – LETTING PERFORMANCE

Solid Performance

16,249 sq m let

- > Max. rent signed **24.0** €/sqm/month
- > ERV growth **+15%** <sup>(1)</sup>
- > Release spread<sup>2</sup> **+18%**

New Lettings  
10.736 sq m



Strong rental growth - Highlights

Park Cugat



**Cargill** markem-imaje

**+28%**  
vs ERV<sup>1</sup>

Sant Cugat



**ERNI**

**+19%**  
vs ERV<sup>1</sup>

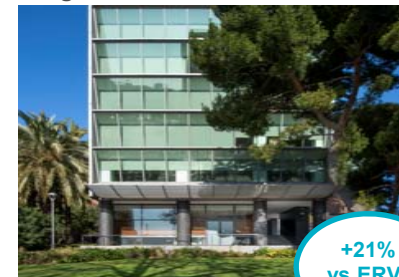
Amigó



**sdg** group

**+26%**  
vs ERV<sup>1</sup>

Diagonal 682



**CISCO**

**+21%**  
vs ERV<sup>1</sup>

(1) Signed rents vs 12/17 ERV (new lettings & renewals) – Q3 cumulative  
(2) Signed rents vs previous contracts (renewals) – Q3 cumulative



MADRID – LETTING PERFORMANCE

Solid Performance

60,853 sq m let

> Max. rent signed

29.9  
€/sqm/month

> ERV growth

+9% (1)

> Release spread<sup>2</sup>

+30%

New Lettings  
24.955 sq m



Renewals  
35.898 sq m

Strong Rental Growth - Highlights

De La Vega Business Park



Mölnlycke

+21%  
release  
spread

Miguel Ángel 11



Simmons & Simmons

+15%  
release  
spread

Génova 17



GROSVENOR

+10%  
vs ERV<sup>1</sup>

J. I. Luca de Tena 14



Chèque Déjeuner

+7%  
vs ERV<sup>1</sup>

Príncipe de Vergara 112-114



fibonad

+9%  
vs ERV<sup>1</sup>

Discovery Building



habitat

+1%  
vs ERV<sup>1</sup>

(1) Signed rents vs 12/17 ERV (new lettings & renewals) – Q3 cumulative  
(2) Signed rents vs previous contracts (renewals) – Q3 cumulative



PARIS – LETTING PERFORMANCE

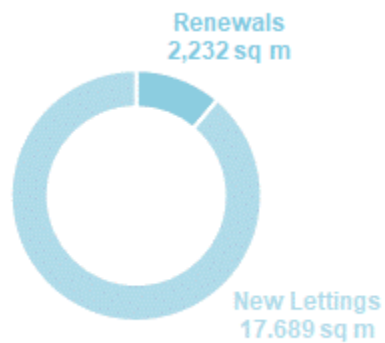
Solid Performance

19,922 sq m let

> Max. rent signed **787**  
€/sqm/year

> ERV growth **+5%** (1)

> Release spread<sup>2</sup> **+13%**



Strong Rental Growth - Highlights

Louvre Saint-Honoré



SwissLife

Iéna



"la Caixa"

Washington Plaza



LCM enR'cert  
LOUIS CAPITAL MARKETS PRODUCTEUR D'ÉCONOMIES D'ÉNERGIE

Louvre Saint-Honoré



Financial institution

(1) Signed rents 1H 18 vs 12/17 ERV (new lettings & renewals) – Q3 cumulative  
(2) Signed rents vs previous contracts (renewals) – Q3 cumulative

## APPENDICES

### A solid capital structure

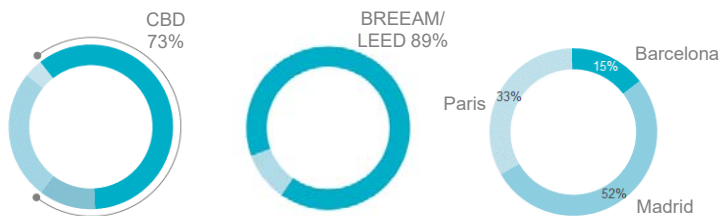


- > An unparalleled high-quality collateral diversified in three cities
- > A solid financial structure with competitive financing costs
- > A strong credit profile

#### 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**

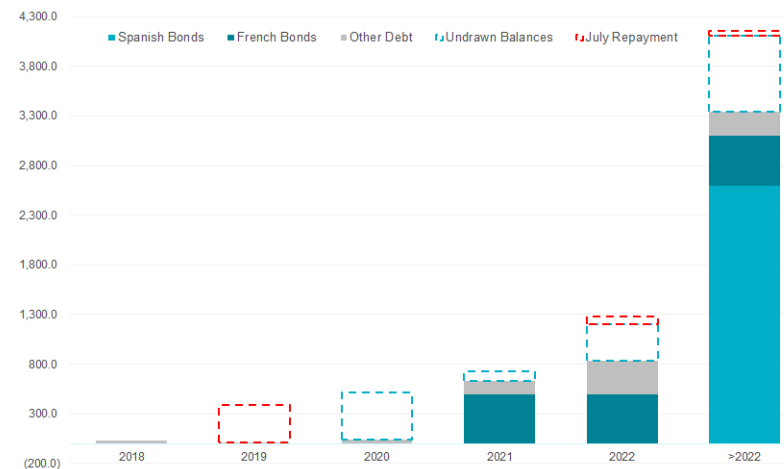


Rating Standard & Poor's  
**BBB+ Stable Outlook**

#### A SOLID FINANCIAL STRUCTURE

##### Capital Structure

	31/12/2017	30/09/2018
Cost of Debt Spain	1.98%	1.97%
Cost of Debt Group	1.86%	1.92%
Maturity Spain	6.4 years	6.9 years
Maturity Group	5.5 years	6.0 years
Net Debt	€3,066m	€4,344m
Cash	€1,105m	€338m
Undrawn balances	€1,322m	€1,716m
Group LTV	31%	38%
% Debt fixed or hedged	90%	100%

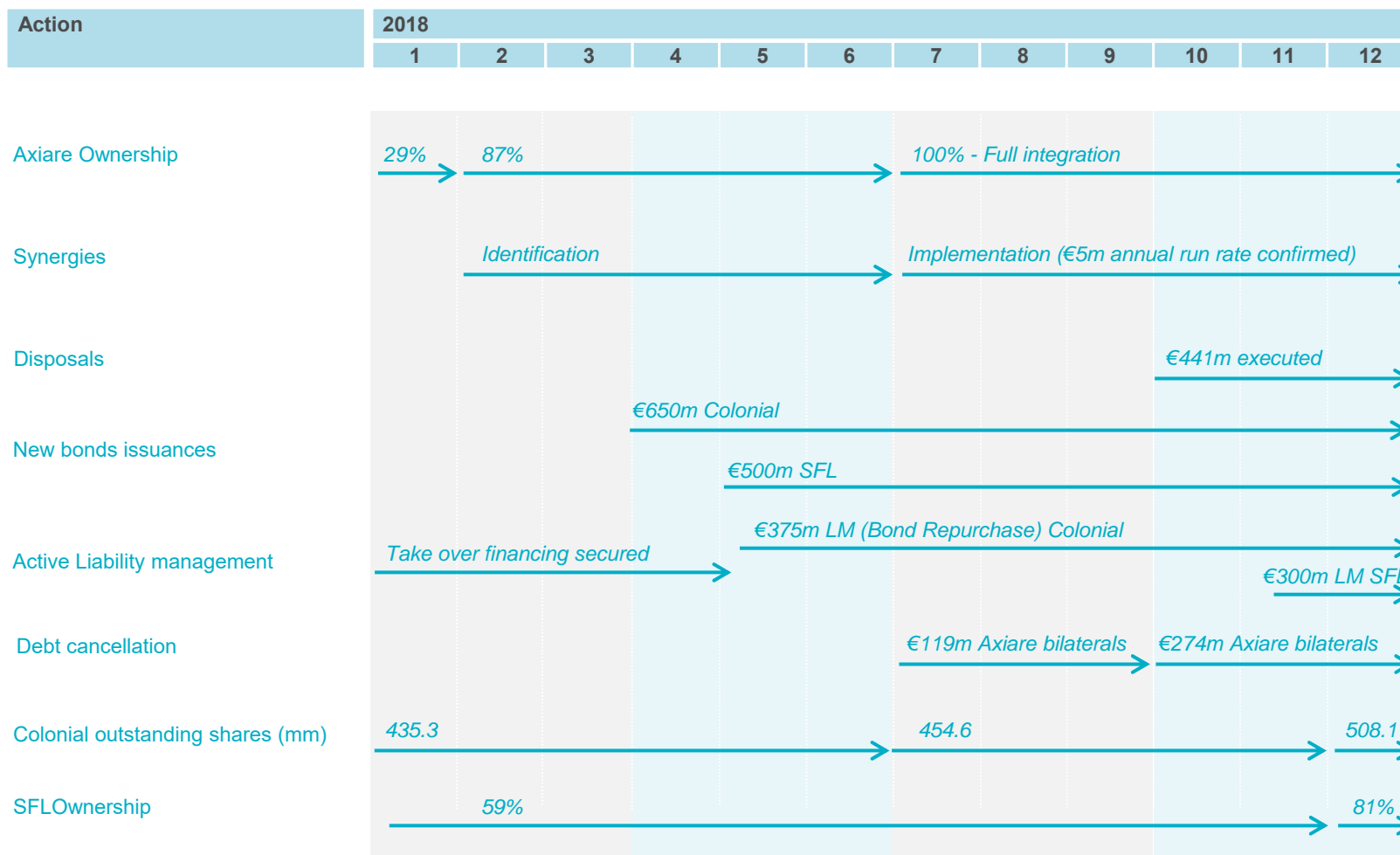


APPENDICES

2018 - Creation of a stronger platform for growth



- > Creation of a stronger platform for growth
- > 2018 a year of transition with many “moving parts”
- > Full positive impacts from 2019 onwards





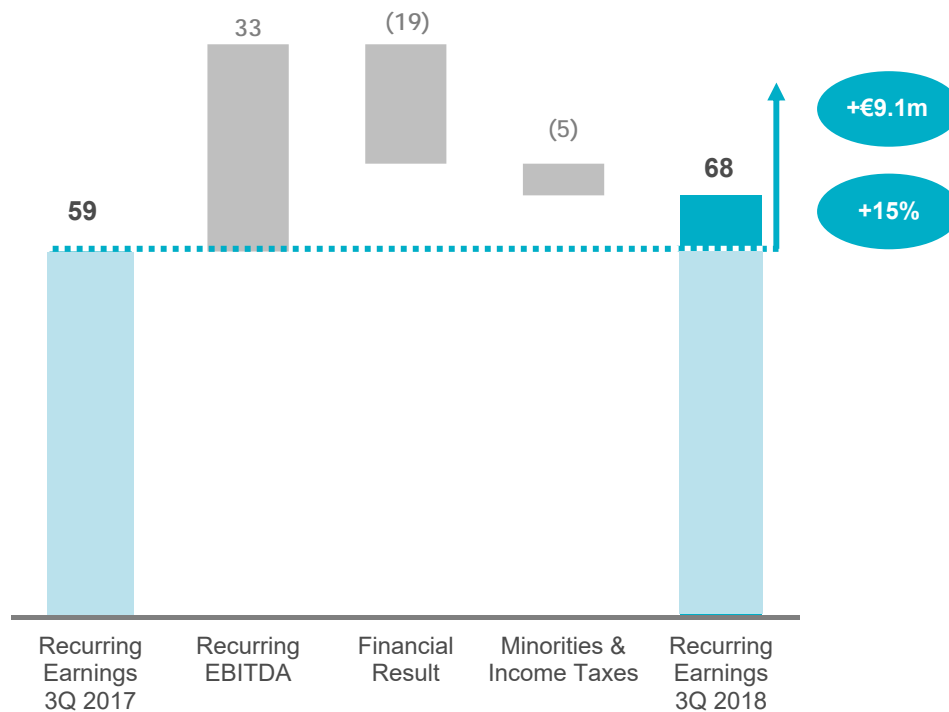
## APPENDICES

### Acceleration of profitable growth



- > +15% increase in Recurring Earnings
- > Earnings driven by solid top-line growth
- > Axiare acquisition enhancing results

#### PROFIT & LOSS ACCOUNT



#### RESULTS TOP LINE DRIVEN

- > Solid 5% like-for-like net rental income growth
- > Results enhancement through Axiare
  - ✓ High double-digit increase of recurring earnings
  - ✓ +21% increase recurring result in Q3

EPS Guidance confirmed  
€22cts Full Year 2018E

Colonial



[www.inmocolonial.com](http://www.inmocolonial.com)

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