

Colonial



Colonial – Investor Day

PERFORMANCE

Ms. Carmina Ganyet

Corporate Manager Director



MSCI 

European Property
Investment Awards
WINNER 2017

IBEX₃₅



Barcelona 17/10/17

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Excellent financial results with healthy growth

- > Total Annual Shareholder Return + 21%
- > EPRA NAV of 8.07€/share: +11% in 6 months
- > Solid GRI growth: +3% EPRA like for like
- > Recurring EPS: +15%

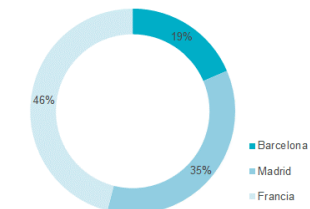
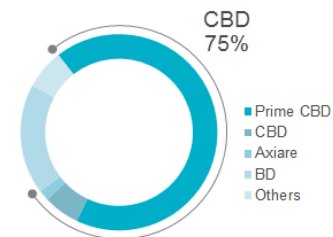
Return - € per share	1H 2017	YoY Var
TOTAL SHAREHOLDER RETURN		+21%
EPRA NAV per share	8.07	+19%
EPS Recurring ¹	0.101	+15%

Performance	1H 2017
EPRA Vacancy	4%
Release spread	+16%

Balance Sheet - €m	1H 2017
Group LTV	36%
Pro-forma Group LTV post IN/OUT disposal	34%

(1) Recurring EPS based on average NOSH
(2) Portfolio in operation

BUSINESS MIX – GAV GROUP



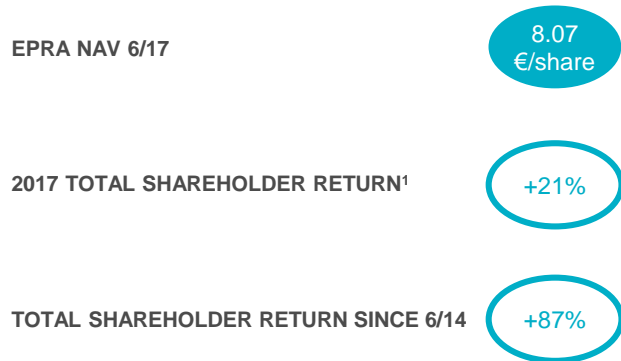
STANDARD & POOR'S Rating Standard & Poor's
BBB Stable Outlook

MOODY'S Rating Moody's
Baa2 Stable Outlook

Colonial with solid delivery on returns

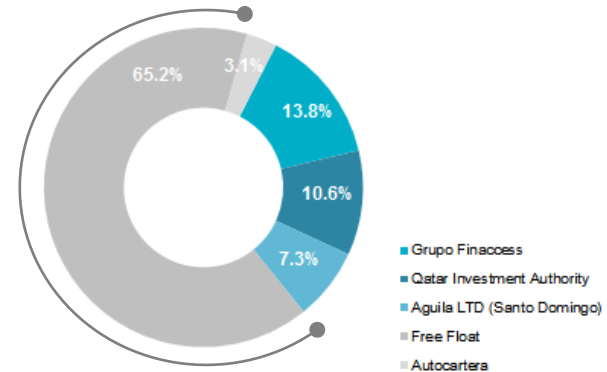
- > Superior total returns outperforming the benchmark
- > Close to +90% total shareholder return since recap of the Spanish sector
- > Strategy backed by long term oriented high quality shareholder base with solid liquidity and free float

TOTAL SHAREHOLDER RETURN



HIGH QUALITY SHAREHOLDER BASE WITH GOOD LIQUIDITY

Free Float



OUTPERFORMANCE OF THE BENCHMARK



Best Performing Specialist Fund for Spain

Highest total return relative to the real estate sector benchmark annualised over 3 years to December 2016



Average daily trading volume YTD €12m

Free float market cap €2.0bn

(1) Annualized Return as of June 2017

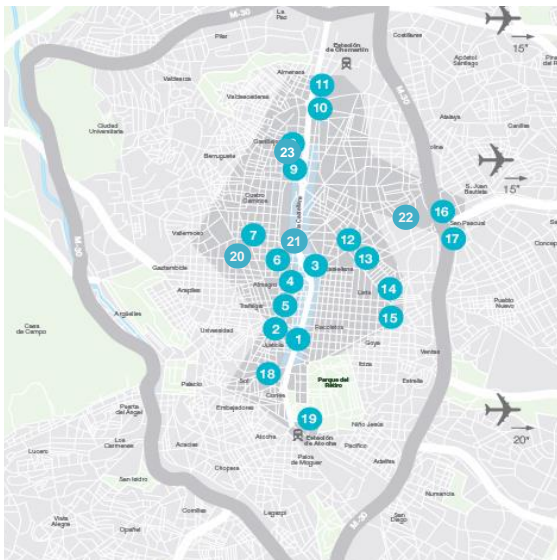
02 Operational outperformance through prime positioning

Unparalleled leadership in the city center

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

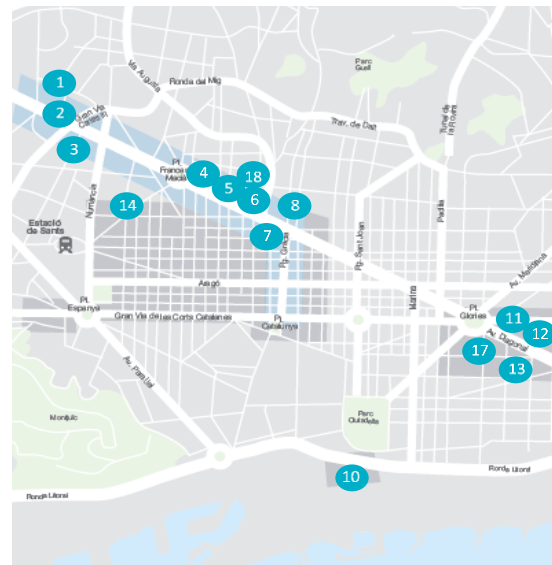
Madrid City Center (inside M30)



Top Property owners inside M30

	Assets	GLA (sq m)
Colonial	23	253,713
Peer 1	13	269,737
Peer 2	11	252,743
Peer 3	18	245,251
Peer 4	15	185,434
Peer 5	16	136,346

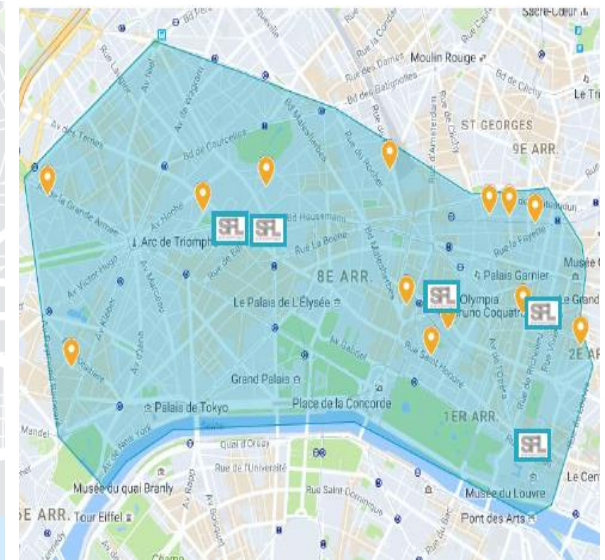
Barcelona City Center



Top Property owners in city center

	Assets	GLA (sq m)
Colonial	16	186,127
Peer 1	8	127,274
Peer 2	4	28,418
Peer 3	1	15,351

Paris CBD



Major business centres in Paris CBD

Edouard VII		Opéra Victorie
Washington Plaza		Solstys
Capital 8		Vendome Saint - Honoré
Paris Trocadéro		PSA headquarters
Louvre Saint - Honoré		Cézanne Saint - Honoré
Centorial		Le Madeleine
Paris Bourse		Cambon Capucines
#Cloud.Paris		Le Lafayette
Paris Victorie		Eloite St Honoré

02 Operational outperformance through prime positioning
 Letting activity with strong momentum

Prime positioning ensures strong letting performance

- > More than 69,000 sq m signed in 55 transactions
- > Incentives far below market average
- > Solid structure vacancy levels across all segments

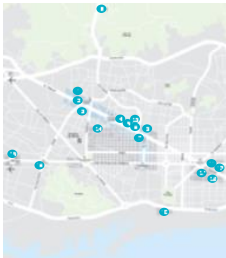





		# CONTRACTS	SQM SIGNED	GRI SECURED ¹	INCENTIVES ²	EPRA VACANCY ³
BARCELONA		21	36,728	€8m	2%	2%
MADRID		19	21,069	€6m	5%	3%
PARIS		15	11,625	€11m	14%	4%
TOTAL		55	69,422	€25m	9%	4%

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

02 Operational outperformance through prime positioning
Letting activity with strong momentum

Prime positioning captures top tier clients paying maximum rents

- > High quality premises attract and retain top tier tenants
- > Colonial captures rental prices at the top of the market
- > Colonial portfolio as the reference for prime rents

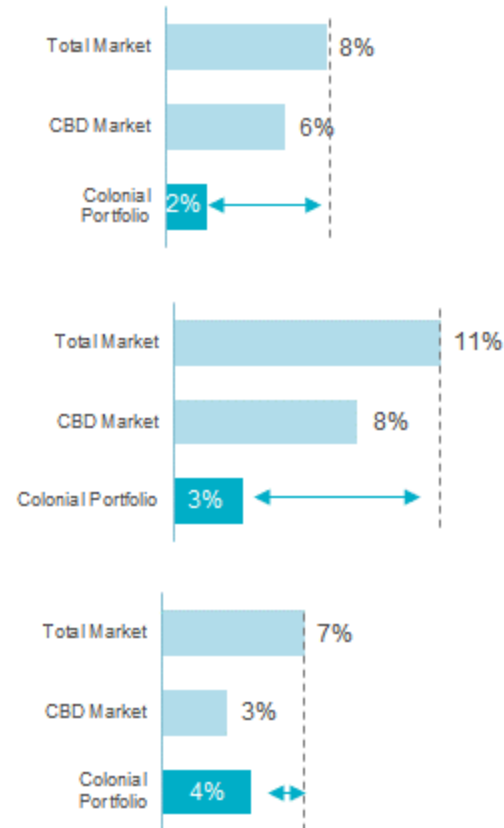
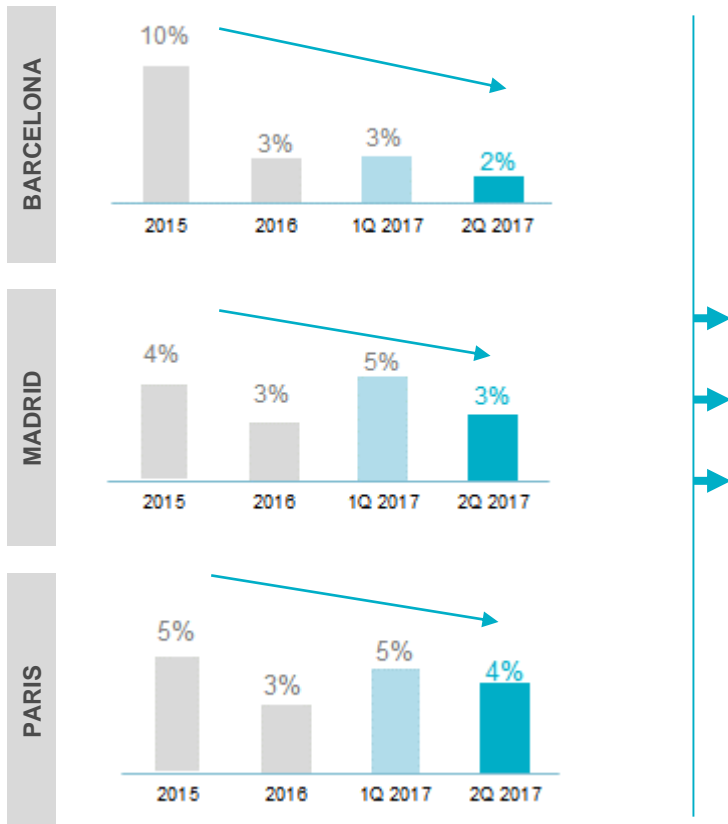
	# CONTRACTS	MAX. RENT SIGNED COLONIAL 1H 17	PRIME RENTS MARKET	CAPTURING & RETAINING TOP TIER CLIENTS
<p>BARCELONA</p> 	21	23.5 €/sqm/ month	22.5 €/sqm/ month	
<p>MADRID</p> 	19	28.7 €/sqm/month	30 €/sqm/month	
<p>PARIS</p> 	15	774 €/sqm/year	760 €/sqm/year	

Colonial portfolio outperforming the market on occupancy

- > Colonial with solid structural vacancy levels in every city
- > Colonial vacancy clearly beats market average
- > Levels around 5% provide a solid base to capture rental growth

EPRA VACANCY

VACANCY COLONIAL VS. MARKET



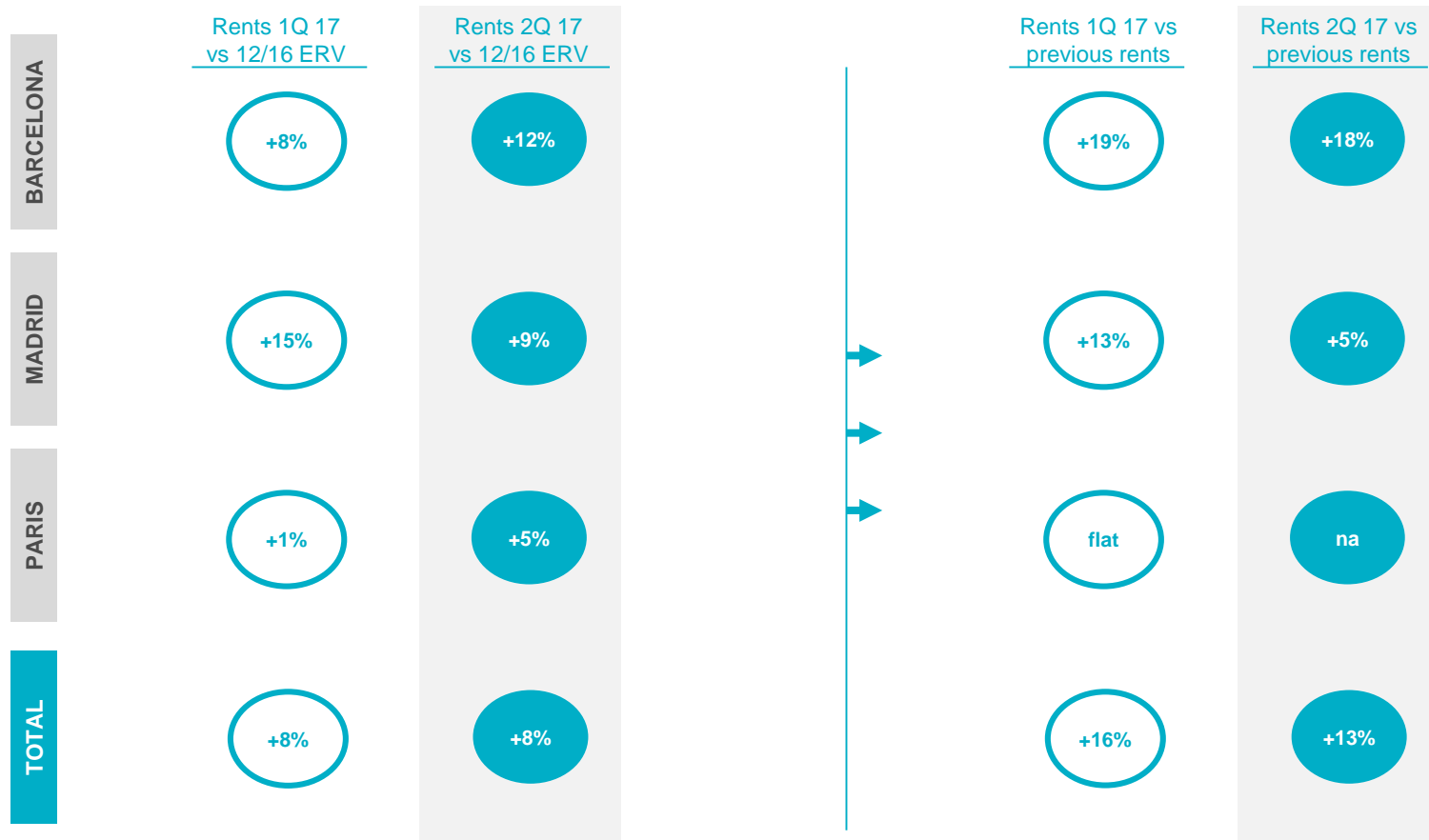
Colonial as leading market indicator for rental price recovery

- > Solid consolidation of rental price increases
- > Rents above 12/16 ERV in every city
- > Highly positive release spreads

SOLID INCREASE IN RENTAL PRICES

SIGNED RENTS VS ERV (NEW LETTINGS & RENEWALS)

SIGNED RENTS VS PREVIOUS CONTRACTS (RENEWALS)



03 Financial discipline and value creation

Capital Structure & Share Buy-Back Programme

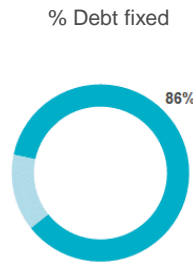
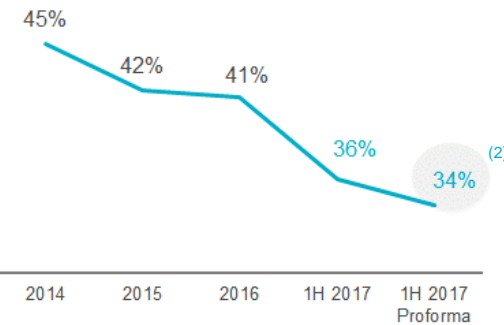
A high quality collateral underpinned with a solid financial structure

- > An unparalleled high quality collateral diversified in three cities
- > A strong credit profile with high flexibility
- > Solid LTV levels compared to peers

A FIRST CLASS COLATERAL WITH...

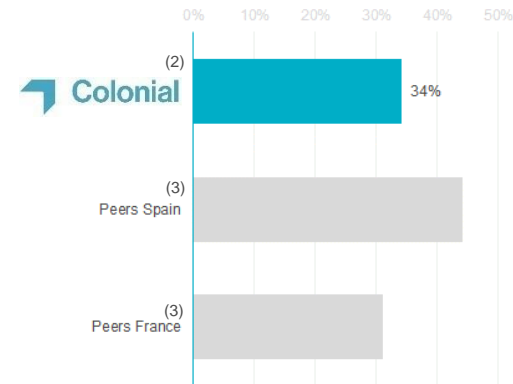
€9bn high quality assets well diversified

Loan-to-Value



... A SOLID CAPITAL STRUCTURE

Loan-to-Value



SHARE BUYBACK PROGRAMME

1. Objective of the program:

- Corporate purposes – e.g. treasury stock as currency for potential asset acquisitions
- Other uses of corporate interest approved by the Board of Directors

2. Maximum Amount and shares assigned to the program:

- Maximum amount: €100m / 12mm of shares
- Stake: 3.0%

3. Timing: 6 months

BBB Stable Outlook

Available cash & undrawn balances¹

Spain €820m

France €985m

Total €1,805m

Baa2 Stable Outlook

(1) Peers with office exposure (2) After IN/OUT disposal (3) Weighted average Loan – to – Value

Highest standards in Financial Reporting

- > Colonial maintains maximum standards in Financial Reporting for the third year in a row
- > First mover in the Spanish landscape

		<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
SPAIN	Colonial	No Award			
	Peer A	X			
	Peer B	X	No Award	No Award	
	Peer C	X			
	Peer D	X	No Award		
FRANCE	Peer E				
	Peer F				
	Peer G				

Note: Spanish and French Peers of EPRA index

Strong commitment to highest Sustainability standards

Solid Leadership in Sustainability Reporting

- > Colonial maintains maximum standards in Sustainability Reporting for second year in a row
- > Leading company Spanish REIT on Sustainability

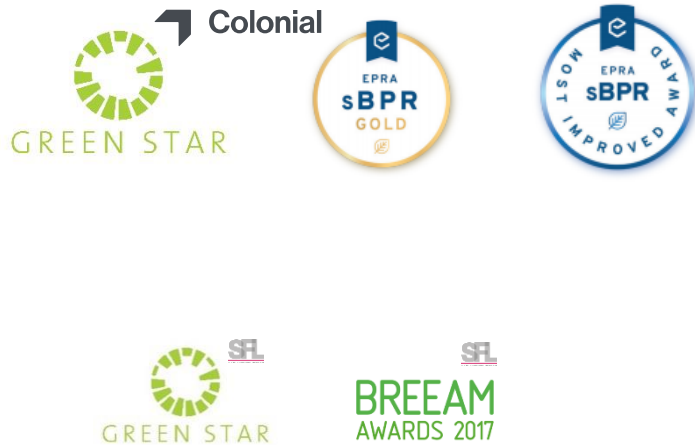
		<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
SPAIN	Colonial	X	No Award		
	Peer A	—	X	No Award	No Award
	Peer B	—	—	X	No Award
	Peer C	—	—	No Award	
	Peer D	—	—	X	No Award
FRANCE	Peer E				
	Peer F	No Award			
	Peer G				

Note: Spanish and French Peers of EPRA index

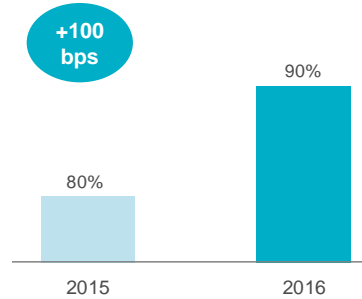
Sustainability and energy efficiency: a “must” for prime product

- > Clear leadership in the sector
- > Relevant competitive advantage in a selective market

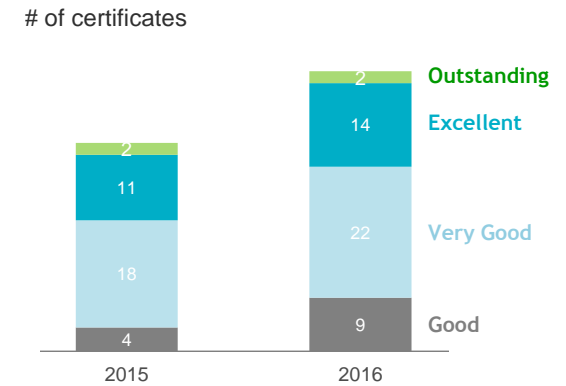
SIGNIFICANT YoY PROGRESS



PORTFOLIO WITH LEED/ BREEAM CERTIFICATE



SIGNIFICANT INCREASE FOR BREEAM IN USE





COLONIAL – SUSTAINABLE LONG TERM RETURNS

- A** **Colonials prime positioning delivers superior returns**
 - > Strong operational momentum in all segments
 - > A healthy structural vacancy beating the market
 - > Leading market indicator for rental price increases
 - > Superior risk adjusted returns

- B** **A solid capital structure that enhances flexibility**

- C** **Commitment to highest standards in Capital Market Reporting**

- D** **Corporate Social Responsibility an important element in the Group's Strategy**

Colonial



www.inmocolonial.com

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