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Pursuant to Section 228 of the restated Spanish Securities Market Act (*Ley del Mercado de Valores*) approved by *Real Decreto Legislativo 4/2015, de 23 de octubre*, Inmobiliaria Colonial, SOCIMI, S.A. ("**Colonial**" or the "**Company**", and jointly with the companies in its group, the "**Group**") hereby discloses the following:

REGULATORY ANNOUNCEMENT (*HECHO RELEVANTE*)

Colonial informs that, following completion of a book-building process, it has approved an issuance of senior unsecured notes (the "**Notes**") under its € 3bn Euro Medium Term Note Programme, for an aggregate principal amount of € 650,000,000, represented by 6,500 Notes, at a nominal value of € 100,000 each, due April 2026, at a rate of 2% per annum and an issue price of 99.481% of its aggregate principal amount (the **"Issuance"**). The Notes are expected to be listed on the Irish Stock Exchange.

The subscription and payment of the Notes is expected to take place on April 17, 2018, subject to the satisfaction of customary conditions precedent for this type of transaction.

The Company expects to use the net proceeds of the Issuance for the general corporate purposes of the Group, including the repayment of existing indebtedness of the Group.

In Madrid, on April 11, 2018.

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INFORMATION FOR DISTRIBUTORS

SOLELY FOR THE PURPOSES OF THE PRODUCT GOVERNANCE REQUIREMENTS CONTAINED WITHIN: (A) MIFID II (DIRECTIVE 2014/65/EU); (B) ARTICLES 9 AND 10 OF COMMISSION DELEGATED DIRECTIVE (EU) 2017/593 SUPPLEMENTING MIFID II; (TOGETHER, THE "**MIFID II PRODUCT GOVERNANCE REQUIREMENTS**"), THE TARGET MARKET ASSESSMENT IN RESPECT OF THE NOTES HAS LED TO THE CONCLUSION THAT: (I) THE TARGET MARKET FOR THE NOTES IS ELIGIBLE COUNTERPARTIES AND PROFESSIONAL CLIENTS, EACH AS DEFINED IN MIFID II; AND (II) ALL CHANNELS FOR DISTRIBUTION OF THE NOTES TO ELIGIBLE COUNTERPARTIES AND PROFESSIONAL CLIENTS ARE APPROPRIATE, SUBJECT TO COMPLIANCE WITH APPLICABLE SECURITIES LAWS AND REGULATIONS IN THE JURISDICTION OF THE DISTRIBUTION. ANY PERSON SUBSEQUENTLY OFFERING, SELLING OR RECOMMENDING THE NOTES (A "DISTRIBUTOR") SHOULD TAKE INTO CONSIDERATION SUCH TARGET MARKET ASSESSMENT; HOWEVER, A DISTRIBUTOR SUBJECT TO MIFID II IS RESPONSIBLE FOR UNDERTAKING ITS OWN TARGET MARKET ASSESSMENT IN RESPECT OF THE NOTES AND DETERMINING APPROPRIATE DISTRIBUTION CHANNELS, WITH ALL SALES SUBJECT TO THE DISTRIBUTOR'S SUITABILITY AND APPROPRIATENESS OBLIGATIONS UNDER APPLICABLE SECURITIES LAWS AND REGULATIONS IN THE JURISDICTION OF THE DISTRIBUTION.

FOR THE AVOIDANCE OF DOUBT, THE TARGET MARKET ASSESSMENT DOES NOT CONSTITUTE: (A) AN ASSESSMENT OF SUITABILITY OR APPROPRIATENESS FOR THE PURPOSES OF MIFID II; OR (B) A RECOMMENDATION TO ANY INVESTOR OR GROUP OF INVESTORS TO INVEST IN, OR PURCHASE, OR TAKE ANY OTHER ACTION WHATSOEVER WITH RESPECT TO THE NOTES.

NO KEY INFORMATION DOCUMENT REQUIRED BY REGULATION (EU) NO 1286/2014 (THE "**PRIIPS REGULATION**") FOR OFFERING OR SELLING THE NOTES OR OTHERWISE MAKING THEM AVAILABLE TO RETAIL INVESTORS IN THE EEA HAS BEEN PREPARED AND THEREFORE OFFERING OR SELLING THE NOTES OR OTHERWISE MAKING THEM AVAILABLE TO ANY RETAIL INVESTOR IN THE EEA MAY BE UNLAWFUL UNDER THE PRIIPS REGULATION.