2/18

First half results January – June 2018
30 July 2018

Total Shareholder Return: +15% year-on-year

- EPRA NAV of €9.11/share, +13% year-on-year (+6% in 6 months)
- Gross rental income: €170m, +21% (+5% like-for-like)
- Gross Asset Value of the Colonial Group: €11,190m, +29% year-on-year (+10% like-for-like)
- Recurring net profit: €41m, +12%
- Group net profit: €254m

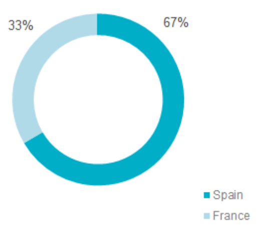
Company KPIs - 1H 2018

Total Shareholder Return (*)			+15%
per share data	**2018**	**2017**	**Variance**
NAV [11]	9.11	8.07	+13%
EPS recurring	0.10	0.10	-5%
EPS recurring adjusted [9]	0.11	0.10	+7%
FFO per share adjusted [1 9]	0.11	0.10	+13%

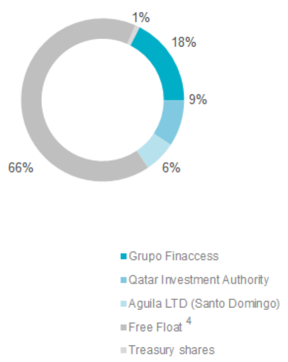
P/L €m data	2018	2017	Variance
Rental revenues	170	141	+21%
EBITDA recurring	131	109	+20%
Recurring Net Profit	41	37	+12%
Attributable Net Profit	254	437	-42%

Capital Structure	2018
GAV Group (€m)	**11,190**
NAV (€m) [11]	4,141
Net debt (€m)	4,633
Cash & undrawn balances (€m)	2,462
Group LTV [3]	39%
Debt maturity (years)	5.7

Geographical diversification [2]



Shareholder structure Colonial



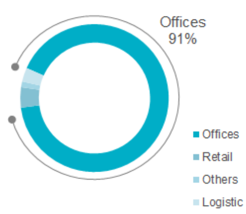
Rating Standard & Poors
BBB stable outlook

Rating Moody's
Baa2 negative outlook

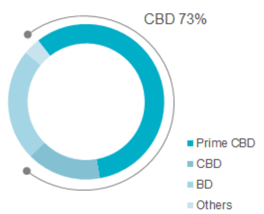
Portfolio KPIs

	2018
GAV Group (€m)	**11,190**
No. of assets Spain	*73*
No. of assets France	*20*
No. of assets Logistic & Others	*15*
Total no of assets [5]	108
Lettable surface	*1,459,248*
Developments underway [6]	*402,712*
Surface above ground (sqm)	1,861,960

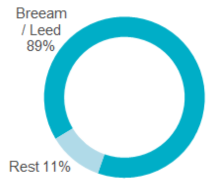
Valuation - by uses



Offices Valuation - by area [10]



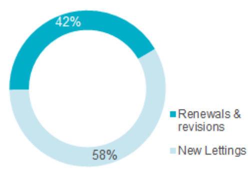
% Buildings with energy certification [7]



Business KPIs

	Total	Barcelona	Madrid	Paris	Log. & others
# contracts signed	55	18	23	11	3
Contracts signed sq m	97,038	12,643	30,492	8,511	45,392
Total EPRA Vacancy [8]	5%	1%	12%	3%	3%
Rental revenues (€m)	170	20	46	96	8
% EPRA Like-for-like var	*5%*	*3%*	*8%*	*5%*	*na*

Breakdown letting performance



(*) Total shareholder return= NAV growth per share + Dividend per share paid in current year
(1) Adjusted recurring net result excluding amortisations and accrual of the incentives plan
(2) GAV Parent Company: Value of assets directly-held + NAV of the 55% stake in the SPV T. Marenostrum + NAV of the 58.6% stake in SFL + Value P. Europa JV.
(3) Net debt Group /GAV Group (incl. Transfer costs) + Treasury shares + JV Plaza Europa.
(4) Free float: shareholders with minority stakes and without representation on the Board of Directors
(5) Excluding small non-core assets
(6) Projects & refurbishments
(7) Buildings in operation with energy certification
(8) Financial vacancy: Financial vacancy according to the calculation recommended by EPRA
(9) Recurring EPS & FFO ps adjusted with liability management and Axiare debt cancellation executed after H1 closing date and including the attributable 87% January recurring result of Axiare
(10) GAV Colonial Offices 30/06/18 (includes Louvre St. Honoré & Pedralbes Centre). CBD Barcelona includes 22@ market
(11) EPRA NAV according to the calculation recommended by EPRA, fully diluted post merger materialized in July 2018

Note: the first half figures include the effects of the global consolidation of Axiare due to the 87% stake reached in the takeover bid as of 1/02/2018.

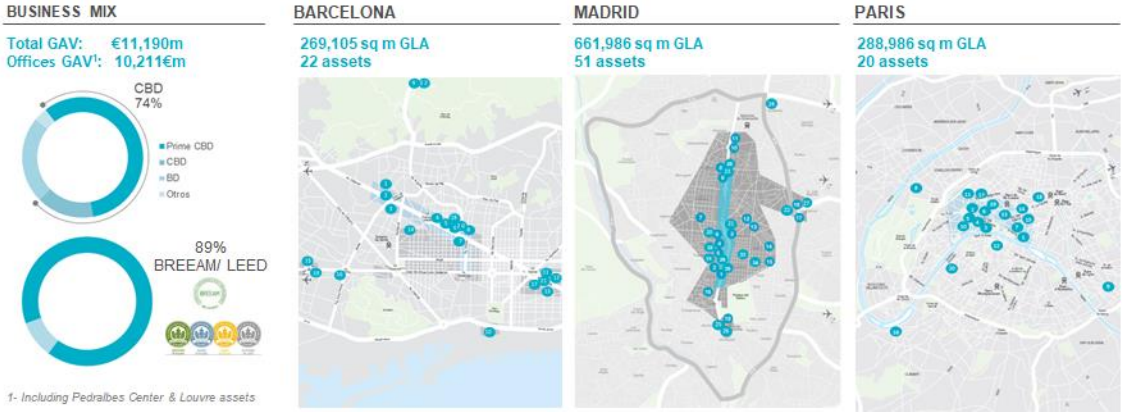
Highlights

First half results 2018

Acceleration in Colonial’s growth after the merger with Axiare with solid results in all business segments of the new Group, based on a quality strategy

The first half of 2018 was outstanding for the Colonial Group with a Total Shareholder Return of +15% based on a +13% Net Asset Value per share YoY increase in combination with a dividend yield of +2%.

On July 2nd, the merger of Colonial with Axiare has been finalized consolidating Colonial as leader in prime offices, offering our clients more than 1.2 million sq m of office space, through 73 assets in the best locations of Madrid, Barcelona and Paris.



The merger of both companies represents a transformational event in the strategic plan, accelerating the Group’s growth with the incorporation of a top quality office portfolio in Spain.

The results of the first half of 2018 clearly reflect the successful growth strategy of the new Group, as seen in the following figures:

> Gross Asset Value: €11,190m, +29% vs. the previous year (+10% like-for-like in 12 months)

> Gross rental income: €170m, +21% vs. the previous year (+5% like-for-like)

> Recurring net profit: €41m, +12% vs. the previous year

> EPRA NAV of €9.11/share, +13% vs. the previous year

> Total Shareholder Return[1]: +15% in one year

The Group resulting from the merger has obtained very solid operating results, capturing high increases in rental prices in all markets

> 55 signed contracts corresponding to more than 97,000 sq m and €19m in annual rental income

> EPRA vacancy at levels of 5%

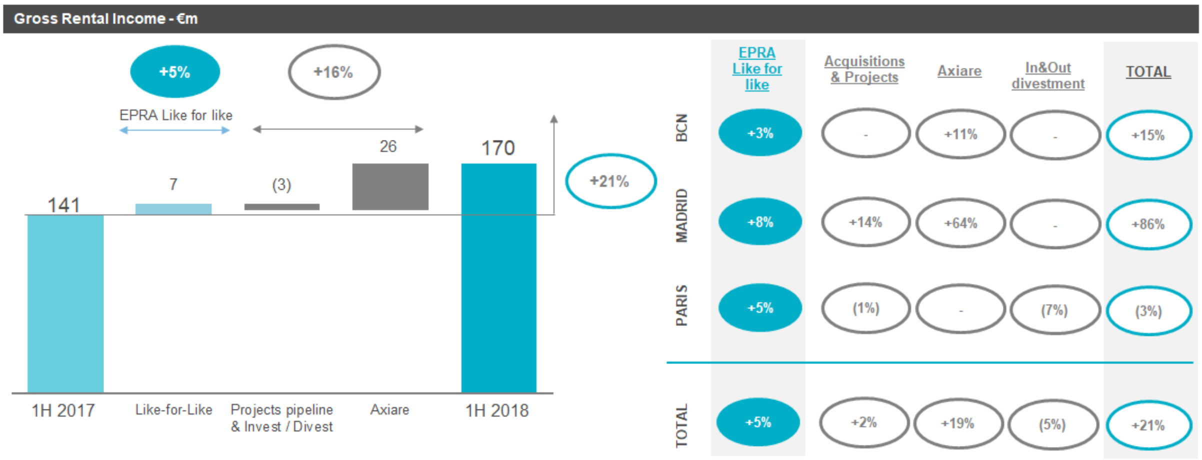
> Capture of rental price increases: +8% vs. market rents (ERV) at December 2017 and +26% in release spreads[2]

(1) Increase of NAV per share + dividend paid

(2) Renewals signed vs. previous rents

Significant growth in rental income

Significant increase of +21% in rental income based on (1) the incorporation of the Axiare business since February, (2) additional income from acquisitions and project delivery and (3) a solid +5% like-for-like increase.



Like-for-like growth in rental income in all the markets in which the Group operates:

> Barcelona +3% due to increases in rental prices in the entire portfolio

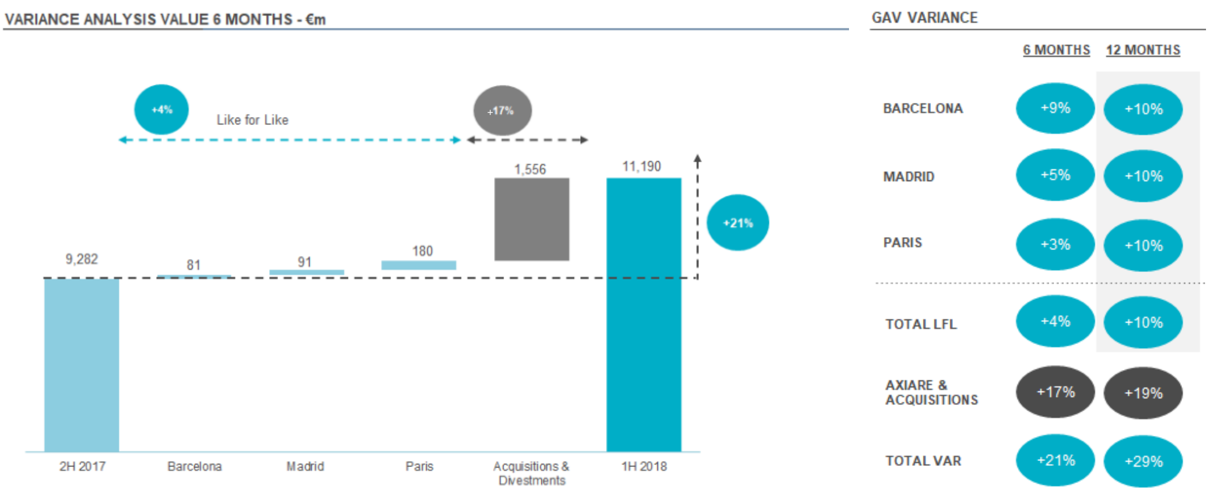
> Madrid +8% mainly boosted by increases in rental prices and new contracts signed in Alfonso XII, Alcalá and José Abascal 45.

> Paris +5% due to increases in rental prices and new contracts signed in Washington Plaza, Cézanne Saint Honoré and103 Grenelle & Percier

These like-for-like growth levels are clearly above the average of the comparable data of our Spanish and European peers.

Real estate value creation

At the end of the first half of 2018, the Group's Gross Asset Value amounted to €11,190m (€11,730m including transfer costs), which represents an increase of +29% vs. previous year (+21% in 6 months).



In like-for-like terms, Colonial's portfolio has been revalued by +10% vs. the previous year (+4% in the first half of 2018).

This increase in value is a consequence of the rental price increases throughout the full asset porfolio, complemented by increases in value obtained through the successful execution of projects in the portfolio.

The Barcelona and Madrid portfolios obtained +10% like-for-like growth year-on-year. It is important to highlight the strong +9% revaluation in the last 6 months in Barcelona.

The Paris portfolio increased +10% like-for-like year-on-year (+3% like-for-like in the first 6 months of 2018) clearly establishing a reference for growth in the Paris market.

Solid fundamentals in all segments

Lettings with significant growth in rental prices

During the first half of 2018, the Colonial Group has signed 55 rental contracts, corresponding to more than 97,000 sq m and an annual rental income of €19m.

More than 51,600sq m of rental contracts were signed in the office portfolio, capturing important increases in rental prices.

# transactions		Surface sqm	GRI €m	Strong prices increase	
				% Var. vs ERV 12/17[1]	Release Spread[2]
Barcelona	18	12,643	€2m	+14%	+14%
Madrid	23	30,492	€8m	+7%	+28%
Paris	11	8,511	€6m	+6%	na
Total	52	51,646	€17m	+8%	+26%

(1) Signed rents vs. market rents at 31/12/2017 (ERV 12/17)
(2) Signed rents on renewals versus previous rents

Compared with the market rent (ERV) at December 2017, the signed rental prices were +8% higher. In Barcelona, signed rental prices were +14% higher than ERVs. In the Madrid portfolio, they were +7% higher, and in the Paris portfolio +6% higher.

In addition, double digits release spread have been signed in Spain: Barcelona +14% and Madrid +28% (in France there were no renewals).

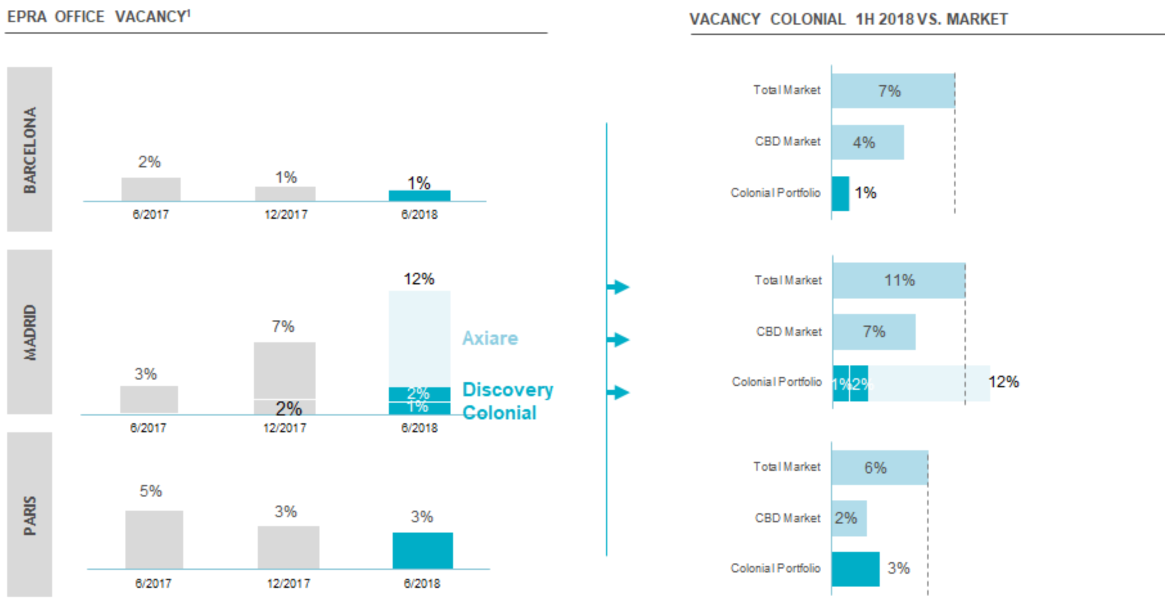
Solid occupancy levels

The total vacancy of the Colonial Group (including all uses: offices, retail and logistics) stood at 5% at the end of the first half of 2018.

The Barcelona and Paris office portfolios stand out with vacancy ratios of 1% and 3%, respectively.

The office portfolio in Madrid has a vacancy rate of 12%: 9.6% corresponds to the Axiare portfolio and 1.6% to the recent delivery of the Discovery Building project in the CBD, which is generating strong interest in the rental market. The rest of the Madrid portfolio has a vacancy rate of 1%.

The total available surface areas of both, Axiare Portfolio and Discovery building, represent a top quality offer for the Madrid market where there is a clear scarcity of Grade A products. Consequently, there is significant potential for additional rental income to be captured in the coming quarters.



(1) ***EPRA vacancy****: financial vacancy according to the calculation recommended by EPRA (1-[Vacant surfaces multiplied by the market prices/surfaces in operation at market prices])*

(2) *Total portfolio including all uses: offices, retail and logistics*

At the end of the first half of 2018, the logistics portfolio of the Colonial Group had an EPRA vacancy rate of 3%.

Growth drivers

The Colonial Group has an attractive growth profile which is based on the following drivers:

A. Merger and Integration of Colonial-Axiare

Colonial is making satisfactory progress on all of the objectives communicated at the launch of the transaction.

1. Consolidation of prime offices leadership in Spain and Europe

   Immediate increase in rents from €302m at December 2017 to €367m in June 2018 with a prime offices portfolio.

2. Reinforced competitive position in the Madrid market

   Colonial is closing rental negotiations that leverage on the complementarity of Colonial's new portfolio to optimize prices and maximize the real estate value creation.

3. Integration of Axiare in Colonial's business model

   The integration of all of Axiare's business processes has started in order to optimize each phase of the real estate value chain through Colonial's internal model.

4. Cost synergies confirmed

   The initial target of cost synergies has been confirmed and additional potential savings have been identified with an accelerated implementation plan for crystallization in the next 12 months.

5. Optimization of the Group's resulting asset portfolio

   - High level of progress in the analysis of value creation in every asset to determine the optimum portfolio resulting from the merger.
   - Confirmation of the Business Plan of the assets with more detailed information.
   - Review and optimization of the schemes in the project portfolio and maximization of synergies with Colonial's pre-transaction portfolio.
   - Analysis of non-strategic assets will be finalized in the coming months.

6. Potential for improvement in the financial structure

   Satisfactory progress in the identification of potential improvements and their subsequent implementation, €177m of Axiare debt cancelled YTD.

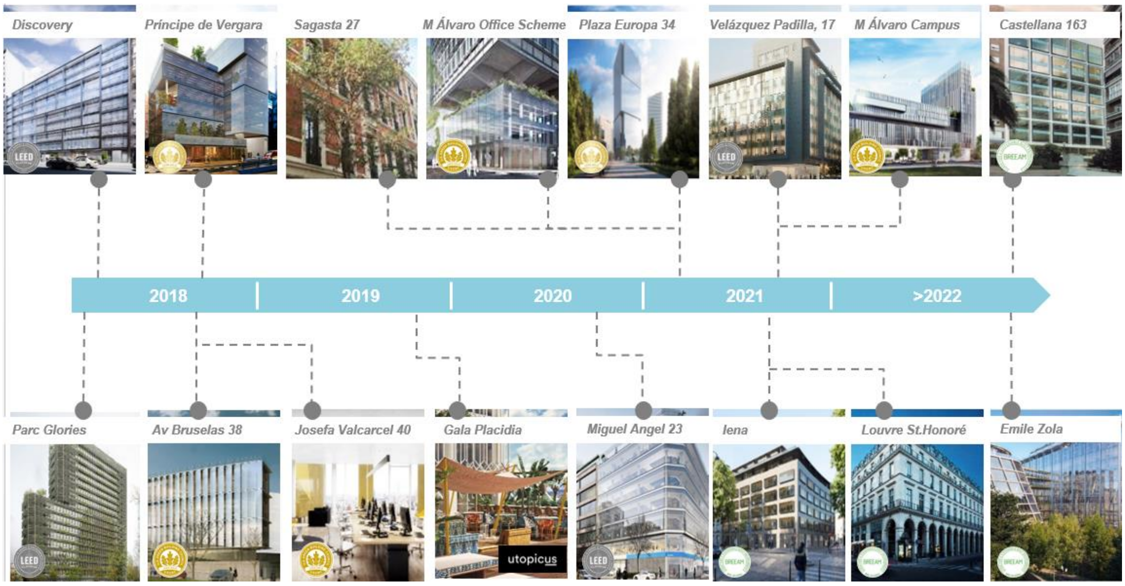
7. Enhanced visibility and liquidity of the resulting Company in the capital markets

   In July, the new Colonial reached a capitalization on the stock market of more than €4.4bn with an elevated free-float volume reaching €2.9bn.

   Consequently, Colonial has been included in the EuroStoxx 600 index, one of the most important indices in Europe for international institutional investors.

B. **A contract portfolio to capture the cycle**: an attractive contract maturity profile to continue capturing significant rental price increases, as shown in the first and second quarter results of 2018.

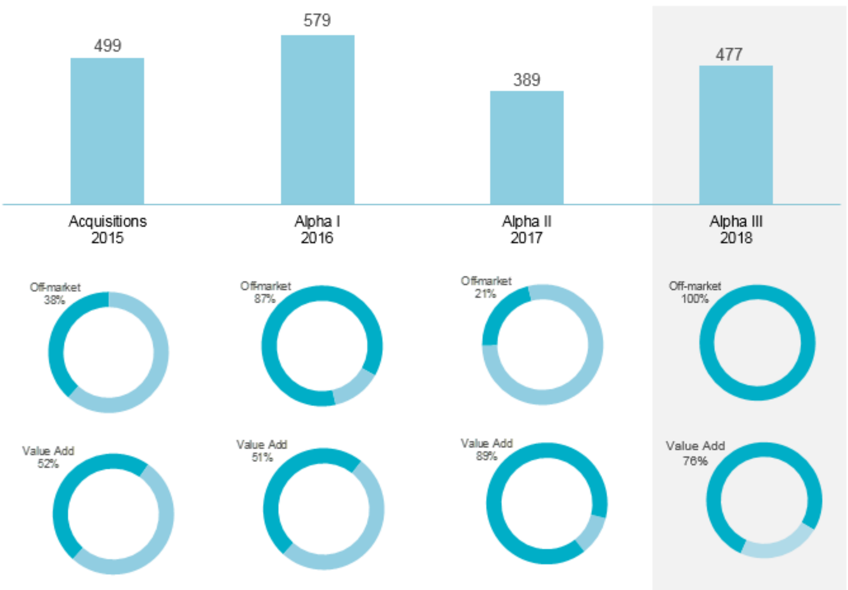
C. **An attractive project pipeline**: Colonial has a project pipeline to develop more than 340,000 sq m of top quality products. The project pipeline will offer attractive returns and value creation underpinned by solid fundamentals.



D. **Acquisition Program – Alpha projects:** Colonial has implemented in the last years the targets of organic investments announced to the capital markets: acquisitions of assets, prioritizing off-market transactions, and identifying assets with value-added potential in market segments with solid fundamentals.

Alpha III Project

With the execution of the Alpha III project at the beginning of 2018, that includes the acquisition of five assets, four in Madrid and one in Barcelona, with a total committed investment volume of €480m, the 2018 target has been delivered in advance at the start of the year



Prime asset acquisition in Barcelona - Diagonal 525

After the closing date of the first half, Colonial has acquired in July an office building with a GLA of 5,710 sq m above ground, located in the prime area of Avenida Diagonal in Barcelona.

The building is located at 525 Avenida Diagonal and intersects with Avenida de Sarriá. The area is considered the Prime Central Business District of Barcelona and has traditionally been occupied by financial institutions, law firms and other service companies. The building also benefits from numerous nearby services and public transportation that provides accessibility to all areas of the city.

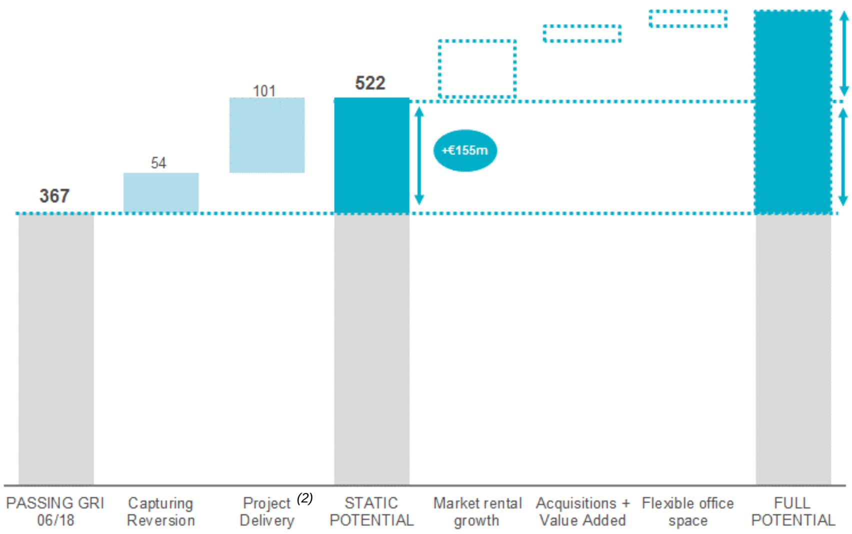
The building is currently 100% occupied by a sole tenant, however Colonial will carry out a full refurbishment of the building in order to create an emblematic property in the heart of Barcelona's business district. The total cost of the project, including future capex, will be €37m, representing a capital value of 6.460 €/sq m. This total cost is substantially below prices of recent comparable transactions in this area of the Diagonal.

It should be noted that currently there are no new office projects in the Central Business District of Barcelona and that the vacancy rates of Grade A buildings are at historical lows of 1%.

With this acquisition, Colonial once again proves its capacity to create value for its shareholders through the sourcing of off-market transactions with potential for real estate transformation.

Reversionary potential of the current portfolio

The portfolio of the Colonial Group has a reversionary potential to reach a rental income of €522m. This represents a +42% increase compared to the current annual rents of €367m ("topped-up[1]" rents as of 06/2018).



(1) Topped-up passing rental income: annualized cash GRI adjusted for the expiration of rent free periods as per EPRA BPR
(2) Includes Diagonal 525 acquisition

Active management of the capital structure

Active management of the balance sheet

In the first half of 2018, the Colonial Group successfully executed two bond issuances for a total of €1,150m:

1. €650m bond issuance in Spain with an 8 year maturity (maturing on 17 April 2026) and an annual coupon of 2%
2. €500m bond issuance for the SFL subsidiary in France with a 7 year maturiy (maturing on 29 May 2025) and an annual coupon of 1.5%

Both issues were subscribed by top tier institutional investors and the demand considerably exceeded the issue volume. Both transactions led to an increase in the liquidity of the Group, improving the maturity profile of the debt with very competitive financial costs.

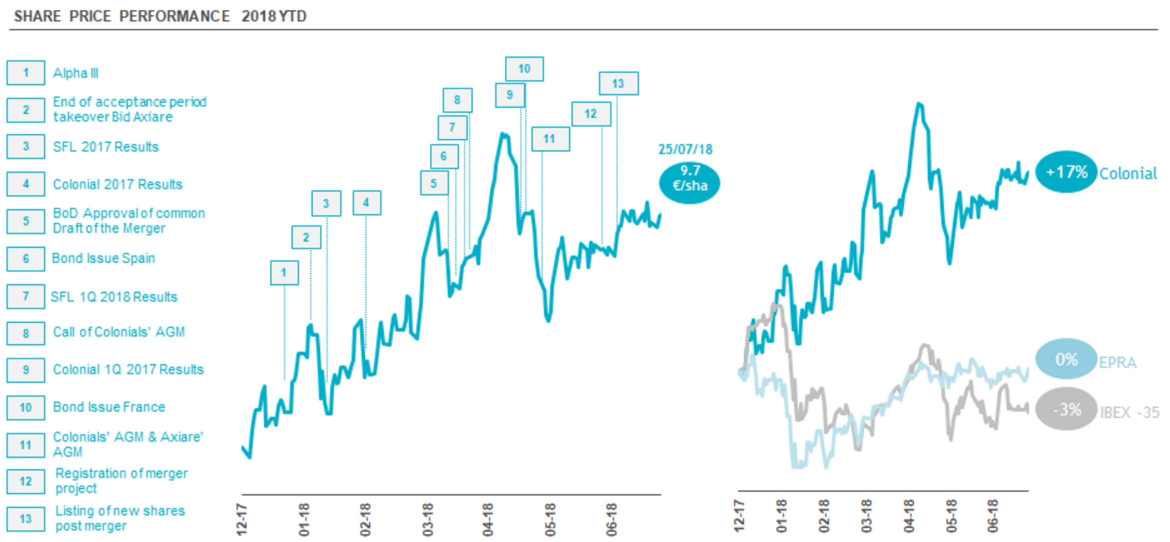
In addition, in the month of July, Colonial materialized an early buy back of the totality of the bond issue maturing in 2019 for a nominal amount of €375m. This transaction enabled the extension of the average maturity of Colonial's debt in an interest rate environment at historic lows, as well as a reduction in financials costs, substantially improving the recurring net profit.

At the end of the first half of 2018, the Colonial Group had a robust capital structure with a solid Investment Grade rating. The LTV of the company stood at 39% at June 2018.

Solid share price performance

Colonial's shares closed the first half of 2018 with a revaluation of 14%, 17% as of report date, outperforming its peers in Spain and France as well as the benchmark indices EPRA and IBEX 35.

The share price performance is strongly correlated with the achievement of milestones on Colonial's Business Plan, reflecting the Capital Market's support of the Colonial Group's strategy.



With respect to analyst coverage, there are currently 25 analysts, both national and international, covering the company. It is worth highlighting the new reports by JP Morgan and BPI, with a target price of €11.2/share, as well as Renta4 and Barclays with a target price of €11.1/share and €11.0/share respectively.

It is worth highlighting that during the past few months, 4 research firms (Natixis, JP Morgan, Barclays & Renta4Banco) initiated coverage on Colonial and 19 analyst have revised upwards their target price.

Contents

1. Analysis of the Profit and Loss Account

Analysis of the Consolidated Profit and Loss Account

June cumulative - €m	2018	2017	Var.	Var. %
Rental revenues	170	141	30	21%
Net operating expenses [2]	(16)	(13)	(3)	(23%)
Net Rental Income	154	127	26	21%
Other income	(0)	0	(1)	(159%)
Overheads	(23)	(19)	(4)	(22%)
EBITDA recurring business	131	109	22	20%
EBITDA - asset sales	1	0	0	-
Exceptional items	(4)	(1)	(5)	(301%)
Operating profit before revaluation, amortizations and provisions and interests	127	108	19	17%
Change in fair value of assets	324	523	(199)	-
Amortizations & provisions	(23)	0	(23)	-
Financial results	(56)	(38)	(18)	(47%)
Profit before taxes & minorities	372	593	(221)	(37%)
Income tax	(16)	43	(59)	136%
Minority Interests	(103)	(199)	97	49%
Profit attributable to the Group	254	437	(183)	(42%)

Results analysis - €m	2018	2017	Var.	Var. %
Rental revenues	170	141	30	21%
Net operating expenses [2] & other income	(17)	(13)	(4)	(30%)
Overheads	(23)	(19)	(4)	(22%)
Recurring EBITDA	131	109	22	20%
Recurring financial result	(51)	(38)	(13)	(33%)
Income tax expense & others - recurring result	(7)	(5)	(2)	(51%)
Minority interest - recurring result	(31)	(29)	(2)	(7%)
Recurring net profit - post company-specific adjustments [3]	41	37	5	12%

[1] Sign according to the profit impact
[2] Invoiceable costs net of invoiced costs + non invoiceable operating costs
[3] Recurring net profit = EPRA Earnings - post company-specific adjustments.

For details on the reconciliation between the recurring results and the total results, see Appendix 6.1.

Note: the first half figures include the effects of the global consolidation of Axiare due to the 87% stake reached in the takeover bid as of 1/02/2018.

Analysis of the Consolidated Profit and Loss Account

- Rental revenues of the Colonial Group amounted to €170m at the end of the first half of 2018, +21% higher than the same period of the previous year. In like-for-like terms, the increase stood at +5%.

- Recurring EBITDA of the Group reached €131m, +20% higher than the same period of the previous year.

- Operating result before net revaluations, amortizations, provisions and interest at the end of the first half was €127m +17% higher than the same period of the previous year.

- At 30 June 2018, the impact on the Consolidated Profit and Loss Account of the revaluation of investment properties amounted to €324m. This revaluation, which was registered in France as well as Spain, is a consequence of the increase in the appraisal value of the assets.

- The net financial results amounted to €(56)m, 47% higher than the same period of the previous year. The recurring financial results of the Group amounted to €(51)m, an increase of +33% compared to the same period of the previous year.
  Both increases due to the new debt for the Axiare acquisition.

- Profit before taxes and minority interests at the end of the first half of 2018 amounted to €372m.

- The corporate tax expense increased to €(16)m and is mostly due to the recording of deferred taxes associated with the revaluation of the assets of companies without SIIC regime; in particular, Parholding. It should be noted that this amount does not imply a cash outflow.

- Finally, after deducting the minority interest of €103m, the net profit attributable to the Group amounted to €254m.

Note: the first half figures include the effects of the global consolidation of Axiare due to the 87% stake reached in the takeover bid as of 1/02/2018.

2. Office markets

Macroeconomic context (1)

The first half of 2018 ended with a ca. 3.8% growth, the same figure reached in 2017. However certain continuity is expected regarding the growth acceleration of the **global economy**. The growth forecast by analysts increased to 3.9% in 2018. Even so, global growth is susceptible to downside risks, particularly those related to the geopolitical environment and trade; as a result of the new economic sanctions imposed by the USA on Russia and Iran and the threatening trade war by the US government with China, the EU, Mexico and Canada. There could be serious consequences if they end up affecting investor sentiment and consumer confidence. Fears of a protectionist shift, a decrease in monetary stimulus at a global level and new populist politics in Europe have unleashed a surge in volatility, with stock market corrections and rising risk premiums.

The **Eurozone** consolidates its position in the expansionary phase of the cycle. Unlike the USA, the Eurozone is in a less mature phase of the business cycle and continues to have a positive outlook despite a somewhat less dynamic start to the year. In particular, temporary factors (adverse weather conditions, strikes, etc.) as well as the volatility of the foreign sector, played a key role in the slowdown of the indicators during the first few months of the year. However, domestic demand exhibited stronger growth, which supports the view that the Eurozone has consolidated its position in the expansionary phase of the cycle. In particular, on the basis of this view, in June, the European Central Bank (ECB) announced that it will bring its net purchases of assets to an end in December 2018. As a result of this decision, the ECB has begun to take steps towards the normalization of the monetary policy.

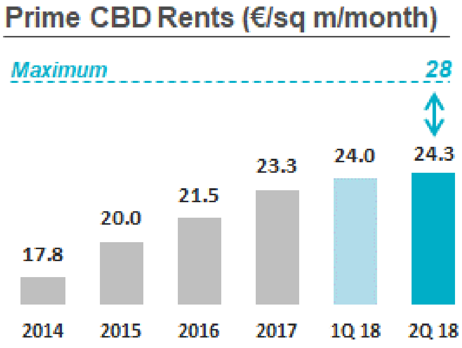
Although growth is easing off in Europe, the **Spanish economy** continues to progress strongly in the second quarter (0.66% quarter-on-quarter, an increase of 0.7%). Analysts forecast that growth in the second half of 2018 will continue to increase, although more slowly. Forecasts for the Spanish economy are one of the most positive within the Eurozone and strong job creation and greater international competitiveness will continue to underpin robust growth.

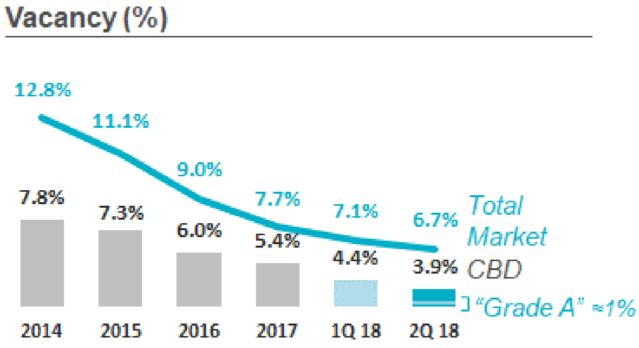
In **France**, growth expectations remain positive. The GDP is expected to increase 2.0% in 2018 and 2.0% in 2019. After more than 12 months since Macron became president, business and economic sentiment indicators remain high. For example, the PMI index stood at levels above 50 points, proof of the robustness of economic growth and the confidence in the French Markets.

(1) Sources: "la Caixa" monthly report & Jones Lang Lasalle report

Rental market situation - offices (1)

Barcelona - Rental Market





- During the second half of 2018, a total of 115,000 sq m of offices were signed in Barcelona, an increase of +42% compared to the previous quarter and above the quarterly average registered since the beginning of the economic recovery in 2014. Take-up in the first half of 2018 was in line with the same period of the previous year, with the latter being an exceptional year. All sub-markets have performed well and it is particularly worth mentioning the city centre and the 22@ district with the highest take-up, with pre-lets in the latter continuing to be standard.

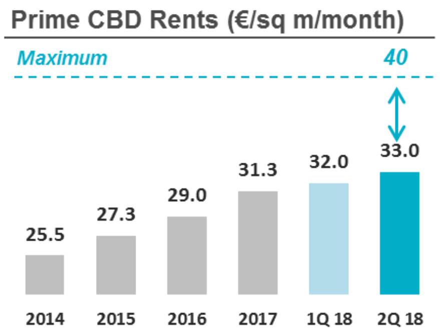
- The average vacancy rate in Barcelona during the second quarter of 2018 decreased to 6.7%, continuing the downward trend which commenced in 2014. In the CBD, the vacancy rate was below 4%, at historically low levels. In the Diagonal-Paseo de Gracia area the vacancy rate reached 2.4%.

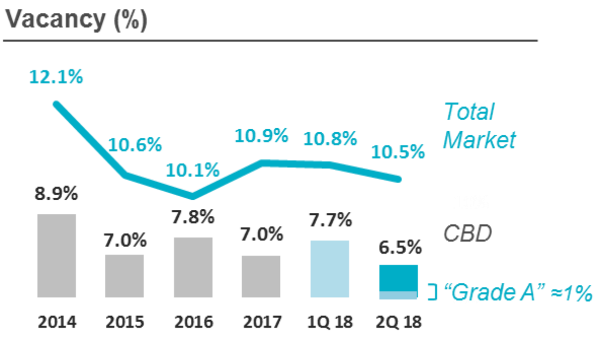
- It is important to point out that, due to the lack of large quality spaces in some areas of the city, there has been an increase in the number of pre-let transactions, which is quite unusual in the office market in Spain. Despite the fact that in recent months a number of buildings have entered into operation, especially in the 22@ area, these have not brought new supply, due to the fact that they were already pre-let. Forecasts continue along the same lines, as many projects due to be delivered are already partially or totally pre-let.

- As a consequence, maximum rents in the CBD during the second quarter of 2018 continued the positive trend which commenced in 2013, reaching rental levels of €24.25/sq m/month, which represents an increase over the last year of +8%. Over the coming months, analysts forecast that both prime rents as well as average rents will continue to increase. Barcelona is positioned as the fifth European city with the greatest expected rental growth over the next five years.

(1) Sources: Reports by Jones Lang Lasalle, Cushman & Wakefield, CBRE & Savills

Madrid – Rental Market [(1)]





- During the second quarter of 2018, the take-up in Madrid was 108,000 sq m, which represents an increase of +16% with respect to the average of the same period over the last five years, where the take-up volume was 93,000 sq m. Take-up in this half of the year was slightly lower than the first half of the previous year, mainly due to a lack of Grade A products on the market.

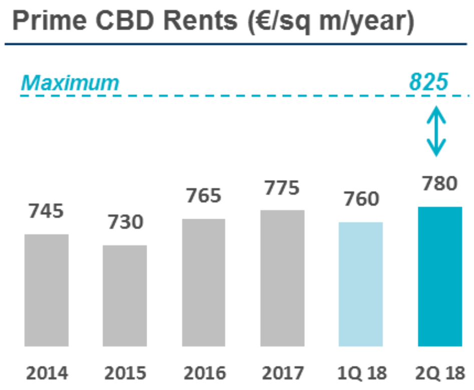
- From a demand point of view there is a clear trend of tenants relocating to better quality spaces, abandoning obsolete spaces. The most active sectors in the market continue to be technological companies and professional services companies, giving increasingly more importance to spaces dedicated to co-working.

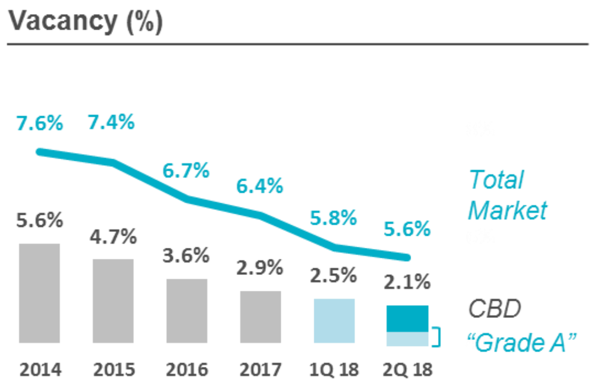
- Regarding office supply in Madrid, there have been no substantial changes. During this second quarter of the year, no projects have been delivered within the M30. Only the work that was being carried out on two properties in the A1 area has been completed, providing a total of 32.000 sq m of Grade A, of which 10,000 sq m have already been pre-let. As a consequence, the vacancy rate continued to gradually reduce to stand at 10.5%. In the CBD, the vacancy rate reached 6.5%, with available Grade A space considerably lower than this figure.

- Due to the lack of quality product, together with solid demand, pressure is being put on prime rents, which are already in the range of €33/sq m/month. This represents a quarterly increase of +3% and a yearly increase of +10%. According to broker reports, Madrid is positioned as the European city with the greatest expected rental growth over the next five years.

(1) Sources: Reports by Jones Lang Lasalle, Cushman & Wakefield, CBRE & Savills

Paris – Rental Market [(1)]





- During the first half of 2018, take-up in the Paris region (Île-de-France) was close to 1,333,000 sq m, an increase of +15% compared to the previous year and much higher than the average over the last ten years (1,100,000 sq m).

- In terms of the transactions carried out, of special mention are the number of medium-sized transactions (between 1,000 sq m and 5,000 sq m), reaching a total of 67 transactions in the first half of 2018, registering an increase of +24% compared to the previous year. Also worth mentioning is the +7% increase in surface areas below 1,000 sq m. During the first half of 2018, four large transactions were signed: the future headquarters of VINCI (62,600 sq m), the rental of 48,500 sq m by TECHNIP, the regrouping of NESTLE in France (46,800 sq m) and the creation of the new headquarters of DANONE (25,100 sq m).

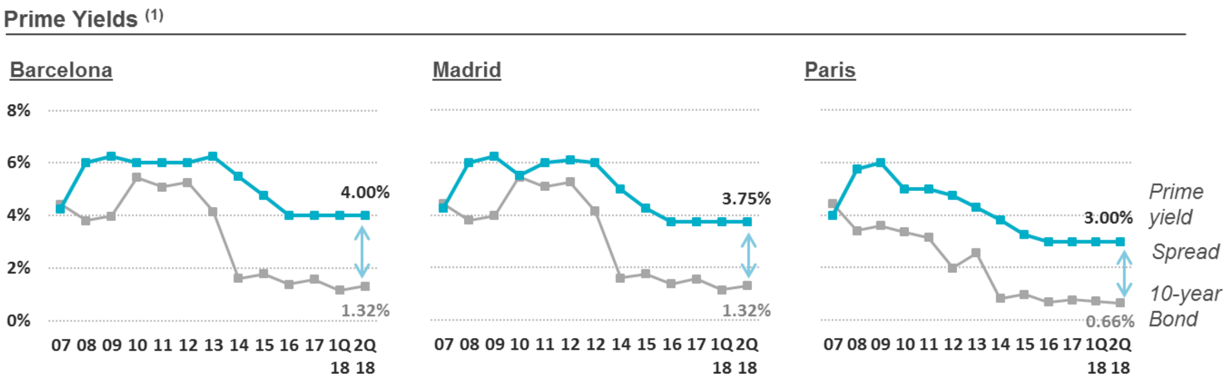
- Available office space fell below 3.1 million sq m, resulting in a vacancy rate below 5.6%. This decrease in the available office space reached levels below those of 2009. The availability of new and/or quality spaces in the Paris city centre remains low (14% of available space).

- Immediate supply in the centre of Paris decreased by 12% compared to the previous year. The vacancy rate in the CBD stood at 2.1%, an historical low. As a consequence, there are tenants who are trying to position themselves in projects which are still under development.

- Prime rental prices in the Paris CBD reached €780/sq m/year at the end of the second quarter of 2018, with several leases signed above €770/sq m/year and with various transactions above €800/sq m/year.

(1) Sources: Reports by Jones Lang Lasalle, Cushman & Wakefield, CBRE & Savills

Investment market situation – offices



(1) Market analysts in Spain report gross yields and in France net yields (see definition in the glossary in appendix 6.11)

- **Barcelona:** The positive outlook for rental take-up as well as for growth perspectives continue to generate interest from local and international investors, although the scarcity of quality product means the number of transactions is increasingly lower. Over the coming months, additional transactions are expected to be carried out which confirms that prime yields remain stable at 4%.

- **Madrid:** The investment volume during the second quarter of 2018 reached €259m. High rental growth forecasts mean interest from institutional investors continues to increase, although due to a scarcity of product the volume could start to decrease. Prime yields remained stable and stood at 3.75% in the CBD.

- **Paris**: Investment market in Paris maintain an excellent dynamic in the second quarter, closing with an investment volume of ca. €6.1bn. Total investment volume for first half of the year was €9.2bn, representing a yearly increase of +69% and almost doubling the long-term average. This extraordinary performance is underpinned by large transactions. Regarding the type of product, it is worth mentioning that offices continue to be the most popular assets. Foreign investors have remained very active over the last three months. Prime yields stood at 3% in the CBD with even lower yields for trophy assets.

It is important to highlight that in the three markets, the spread between the prime yields and the 10-year bonds remains high.

Sources: Reports by Jones Lang Lasalle, CBRE, BNP Paribas Real Estate, Cushman Wakefield & Savills

3. Business performance

Rental income and EBITDA of the portfolio

- Rental income reached **€170m, +21% higher than that achieved the previous year.**

  In **like-for-like basis**, adjusting investments, disposals and variations in the project and refurbishment pipeline and other extraordinary items, **rental revenues of the Group increased by +5% like-for-like.**

  In **Spain, like-for-like rental revenues increased by +6%,** especially due to the **Madrid** portfolio, which increased **+8% like-for-like**.

  The rental income of the **Barcelona** portfolio increased +**3% like-for-like**, mainly due to rental price increases in the entire portfolio.

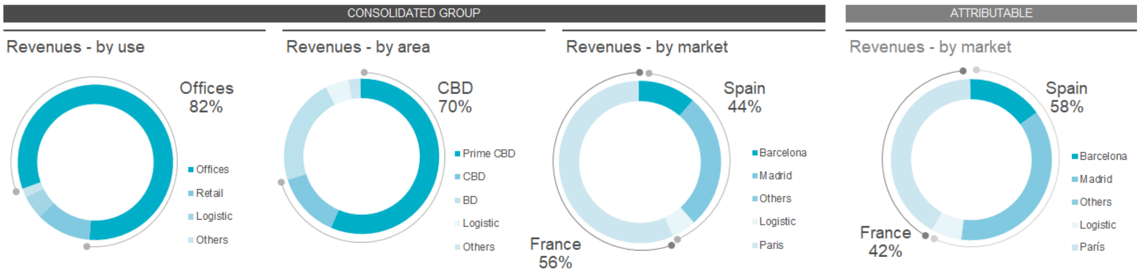
  In **Paris, like-for-like rental revenues rose by 5%**, mainly driven by contracts signed on the Washington Plaza, Cézanne Saint Honoré, 103 Grenelle & Percier buildings.

Variance in rents (2018 vs. 2017) €m	Barcelona	Madrid	París	Logistic & others	Total
Rental revenues 2017R	17.2	24.9	98.6	0.0	140.7
EPRA Like-for-Like (1)	0.6	1.8	4.2	0.0	6.6
Projects & refurbishments	0.0	1.4	(0.1)	0.0	1.3
Acquisitions & Disposals	0.0	2.2	(6.5)	0.0	(4.3)
Axiare	1.9	16.0	0.0	8.3	26.3
Indemnities & others	(0.0)	(0.1)	(0.2)	0.0	(0.3)
Rental revenues 2018R	19.7	46.2	96.1	8.3	170.3
Total variance (%)	*15%*	*86%*	*(3%)*	*n.a.*	*21%*
Like-for-like variance (%)	3%	8%	5%	n.a.	5%

In **Paris**, it is worth mentioning the reduction in rental income due to the disposal of the In&Out asset. This effect was offset by the additional rental income obtained from the new acquisitions carried out in Spain, as well as by the integration of Axiare.

(1) ***EPRA like-for-like:*** *Like-for-like calculated according to EPRA recommendations.*

- **Rental revenues breakdown:** The majority of the Group's rental revenues (82%) comes from the office portfolio. Likewise, the Group maintains its high exposure to CBD markets.
  In consolidated terms, 56% of the rental income (€96m) came from the subsidiary in Paris and 44% were generated by properties in Spain. In attributable terms, 58% of the rents were generated in Spain and the rest in France.



- **At the end of the first half of 2018, EBITDA rents reached €154m, representing a +7% like-for-like terms increase.**

Property portfolio

June cumulative - €m	2018	2017	Var. %	EPRA Like-for-like [1] €m	EPRA Like-for-like [1] %
Rental revenues - Barcelona	20	17	15%	0.6	3%
Rental revenues - Madrid	46	25	86%	1.8	8%
Rental revenues - Paris	96	99	(3%)	4.2	5%
Rental revenues - Logistic & others	8	0	n.a.	n.a.	n.a.
Rental revenues	**170**	**141**	**21%**	**6.6**	**5%**
EBITDA rents Barcelona	18	16	14%	0.7	5%
EBITDA rents Madrid	38	20	92%	1.8	10%
EBITDA rents Paris	90	92	(1%)	4.9	6%
EBITDA rents Logistic & others	7	0	n.a.	n.a.	n.a.
EBITDA rents	**154**	**127**	**21%**	**7.5**	**7%**
EBITDA rents/Rental revenues - Barcelona	*91%*	*92%*	*(0.7 pp)*		
EBITDA rents/Rental revenues - Madrid	*82%*	*80%*	*2.5 pp*		
EBITDA rents/Rental revenues - Paris	*94%*	*93%*	*1.2 pp*		
EBITDA rents/Rental revenues - Logistic & others	*90%*	*n.a.*	*n.a.*		

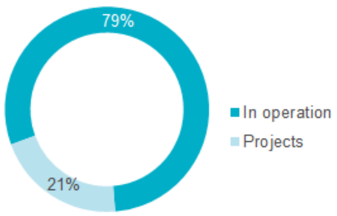
Pp: percentage points

*(1) **EPRA like-for-like:** Like-for-like calculated according to EPRA recommendations.*

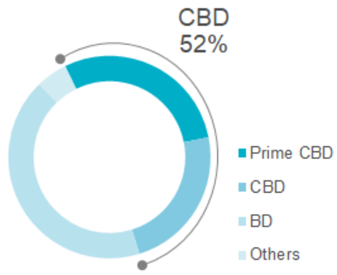
Portfolio letting performance

- **Breakdown of the current portfolio by surface area:** At the end of the first half of 2018, the Colonial Group's portfolio totalled 2,220,758 sq m (1,861,960 sq m above ground), concentrated mainly in office buildings, which corresponded to 1,576,888 sq m.
  At the end of the first half of 2018, 79% of the offices portfolio was in operation and the remaining corresponded to an attractive portfolio of projects and refurbishments, the Parc Central plot of land in Barcelona and the Port Somport plot of land in Madrid las Tablas.

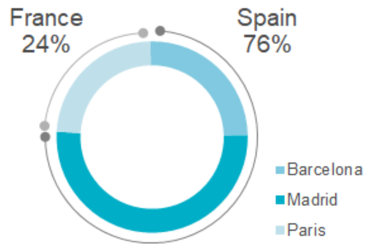
Offices Surface - by condition



Offices Surface - by area



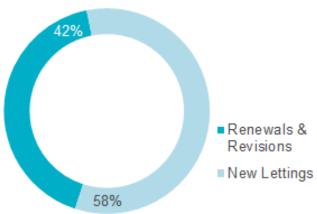
Offices Surface - by market

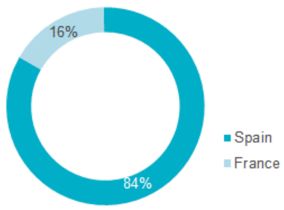


- **Signed contracts - offices:** During the first half of 2018, the Colonial Group signed contracts for a **total of 51,646m sq m of offices.** 84% (43,135 sq m) were signed in Barcelona and Madrid and the remaining (8,511 sq m) in Paris.

  New lettings: Out of the total commercial effort for offices, 58% (30,033 sq m) related to new contracts, spread over the three markets in which the group operates**.**

  Renewals: Contract renewals were carried out for 21,613 sq m, of which almost 18,000 sq m were renewed in Madrid**.**





Letting Performance

June cumulative - sq m	2018	Average maturity	% New rents vs. previous
Renewals & revisions - Barcelona	3,507	2	*14%*
Renewals & revisions - Madrid	18,106	3	*28%*
Renewals & revisions - Paris	0	0	-
Total renewals & revisions	**21,613**	3	**26%**
New lettings Barcelona	9,136	4	
New lettings Madrid	12,386	4	
New lettings Paris	8,511	8	
New lettings	**30,033**	5	**na**
Total commercial effort	**51,646**	**4**	**na**

Release spreads were +26%, release spreads in Barcelona were up +14% and in Madrid they were up +28%. In France, there were no renewals.

In addition, three rental contracts were signed in the logistics portfolio, corresponding to more than 45,000 sq m.

Colonial's total commercial effort is spread over the three markets in which the company operates, highlighting the following actions:

Main actions

	Building	Tenants	Surface (sq m)
BCN	Park Cugat	Cargill & Markem	5,058
	Berlín 38-48/Numancia 46	Servei Meteorològic de Catalunya, Vilynx Spain & others	2,383
MADRID	Sagasta, 31-33	Mckinsey	6,036
	Discovery Building	Nuclear industry & Habitat Inmobiliaria	4,155
	Poeta Joan Maragall, 53	Public institution	3,945
	Francisca Delgado, 11	Neinver	2,786
PARIS	Louvre Saint Honoré	Swiss Life Reim & others	3,375
	Washington Plaza	Louis Capital Markets, Enr'cert & others	2,554
	Cezanne Saint-Honoré	Leader in manufacturing & performance eyewear & others	2,070
LOGISTIC	Miralcampo	Kühne + Nagel	35,780
	Rivas Vaciamadrid	Grupo Severiano Servicio Movil	9,612

In Spain, during the first half of 2018, 43,135 sq m were signed, corresponding to 41 contracts.

In **Barcelona**, more than 12,600 sq m were signed, corresponding to 18 contracts. It is worth mentioning the renewal of almost 1,200 sq m by Servei Meterològic de Catalunya, and new contracts of 1,200 sq m with various tenants on the Berlín/Numancia building, as well as the new contracts with Cargill and Markem on the Park Cugat building totaling more than 5,000 sq m.

In the **Madrid** office market, more than 30,400 sq m were signed, corresponding to 23 contracts. It is worth mentioning the signing of more than 4,000 sq m on the recently delivered Discovery Building project with various tenants. Likewise, it is worth highlighting is the renewal of more than 6,000 sq m with Mckinsey on the Sagasta 31-33 building, as well as the renewal of almost 4,000 sq m with a public entity on Poeta Joan Maragall 53 and the renewal of almost 3,000 sq m with Neinver on the Francisca Delgado 11 building.

In **Paris**, more than 8,500 sq m were signed, corresponding to 11 contracts. Of special mention is the signing of more than 3,300 sq m on the Louvre Saint Honoré building, more than 2,500 sq m on the Washington Plaza building, as well as the signing of more than 2,000 sq m on the Cézanne Saint Honoré building.

The transactions described above were closed with rental prices at the high end of the market.

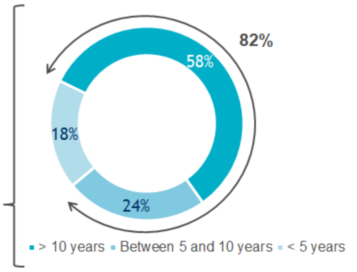
Analysis of the tenant portfolio

Regarding the volume of rental renewals in the contract portfolio, 21,613 sq m of renewals were signed, all in Spain.

This high volume of renewals shows the capacity of the Colonial Group to retain tenants. This fact is also reflected in the length of time the tenants stay, as 82% of the main tenants have been clients of the Group for more than 5 years.

Ranking of the most important tenants (36% of rental income)

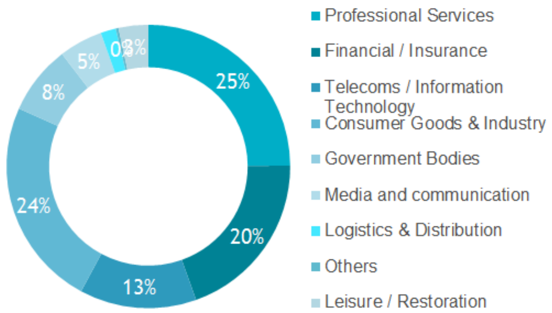
RK	Tenant	City	% total income	% cumul.	Age - Years
1	GRDF	Paris	3%	3%	150
2	NATIXIS IMMO EXPLOITATION	Paris	3%	7%	14
3	INTERNATIONAL BUSSINES MACHINES	Madrid	3%	10%	6
4	LA MONDIALE GROUPE	Paris	3%	12%	11
5	EXANE	Paris	2%	15%	3
6	HENNES & MAURITZ / H & M	Paris	2%	17%	8
7	ZARA FRANCE	Paris	2%	19%	8
8	FRESHFIELDS BRUCKHAUS DERINGER	Paris	2%	21%	14
9	GRUPO CAIXA	Barcelona / Madrid	2%	23%	26
10	GAS NATURAL	Barcelona	2%	24%	12
11	COMUTO	Paris	2%	26%	4
12	CUATRECASAS GONÇALVES PEREIRA	Madrid	2%	27%	9
13	KLEPIERRE MANAGEMENT	Paris	1%	29%	4
14	FACEBOOK FRANCE	Paris	1%	30%	3
15	GRUPO COMUNIDAD DE MADRID	Madrid	1%	32%	22
16	WERKHAUS	Barcelona / Madrid	1%	33%	14
17	SOCIEDAD ESTATAL LOTERIAS Y APUESTAS DEL ESTADO	Madrid	1%	34%	13
18	PSAG AUTOMOVILES COMERCIAL ESPAÑA	Madrid	1%	35%	10
19	INGENIERIA Y ECON. DEL TRANSPORTE	Madrid	1%	36%	17
20	ALCAMPO	Madrid	1%	36%	17
Average					18



It is important to point out that Colonial has a solvent and diversified client base.

The sectors that stand out are those which, due to their type of business, require quality offices located in central business areas.

Top Tenants - Breakdown by economic sector (1)



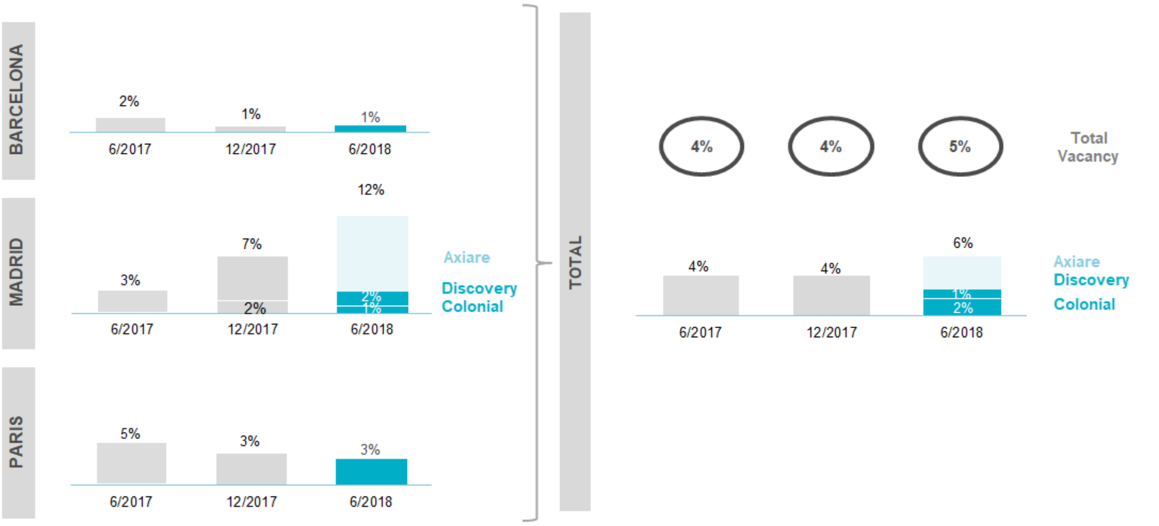
(1) *Calculated based on the entire portfolio*

A portfolio with solid occupancy levels

- **At the end of the first half of 2018, the Colonial Group's total EPRA vacancy(2) reached 5%.** In particular, it is worth mentioning the Barcelona and Paris offices portfolios with ratios of 1% and 3%, respectively.

EPRA VACANCY(1)

Office & Total Vacancy – Evolution of Colonial's Portfolio



(1) ***Financial vacancy***: *financial vacancy according to the calculation recommended by EPRA (vacant surfaces multiplied by the market prices/surfaces in operation at market prices).*

(2) *Total portfolio including all uses: offices, retail and logistics*

The office portfolio in Madrid has a vacancy rate of 12%: 9.6% corresponds to the Axiare portfolio, 1.6% to the recent delivery of the Discovery Building project in the CBD, which is generating strong interest in the rental market, and the rest of the Madrid portfolio has a vacancy rate of 1%.

Both the available square metres in the Axiare portfolio as well as the Discovery Building represent top quality supply in the Madrid market where there is a clear scarcity of Grade A product. As a consequence, there is significant potential to capture additional rental income over the coming quarters.

At the end of the first half of 2018, the logistics portfolio of the Colonial Group had an EPRA vacancy of 3%.

Currently, the Colonial Group has more than 60,000 sq m of available office GLA which corresponds to 6% of EPRA vacancy over the total office portfolio.

Vacancy surface of offices

Surface above ground (sq m)	Entries into operation (1)	BD area and others	CBD area	2018	EPRA Vacancy Offices
Barcelona	0	1,933	766	2,699	1%
Madrid	23,528	20,422	12,958	56,908	12%
París	0	6,026	3,286	9,312	3%
TOTAL	23,528	28,380	17,010	68,919	6%

(1) Projects and refurbishments that have entered into operation

The vacant surfaces correspond to a supply of top quality spaces, specifically highlighting the following assets:

"Discovery Building"

Torre BCN

Cézanne Saint Honoré

Travessera Gracia/Amigó

Washington Plaza

Ribera de Loira 28

Luca de Tena 6

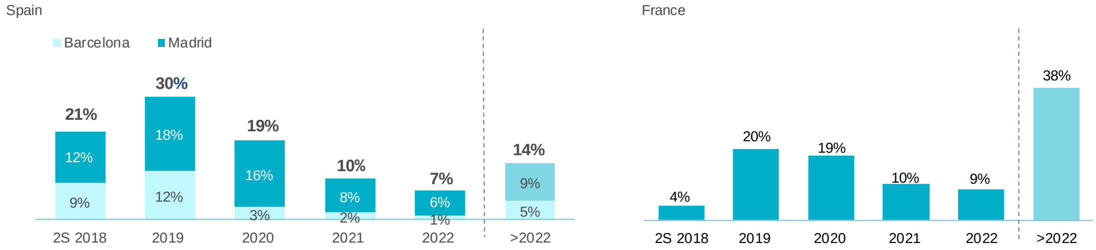
Commercial lease expiry and reversionary potential

- **Commercial lease expiry**: The following graphs show the contractual rent roll for the coming years in the office portfolios in Spain and France.

The **first graph** shows the commercial lease expiry dates if the tenants choose to end the contract at the first possible date (break option or end of contract).

FIRST POTENTIAL EXIT

Commercial lease expiry dates in economic terms [(1)] - First Potential Exit [(2)]
(% passing rent of surfaces to be leased)



(1) % = surface to rent x current rents / current rental revenues
(2) Renewal dates based on first potential exit of the current contracts

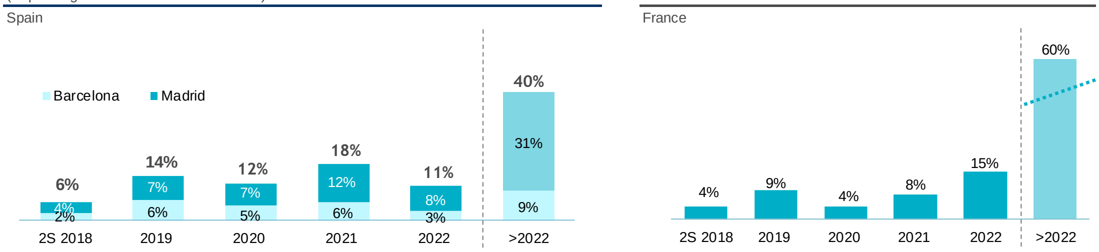
In this context, in the **Spanish** portfolio, approximately 70% of office contracts could be renewed in the next 36 months, which will enable the company to capture the rental growth cycle with one of the best products available in the market.

In **France**, the contract structure is longer term, in line with the behaviour of the players in that market.

The **second graph** shows the rent roll of the portfolio if the tenants remain until the contract expires. The contract structure in Spain is more short-term than in France.

EXPIRY DATE

Commercial lease expiry dates in economic terms - Expiry date [(3)]
(% passing rent of surfaces to be leased)



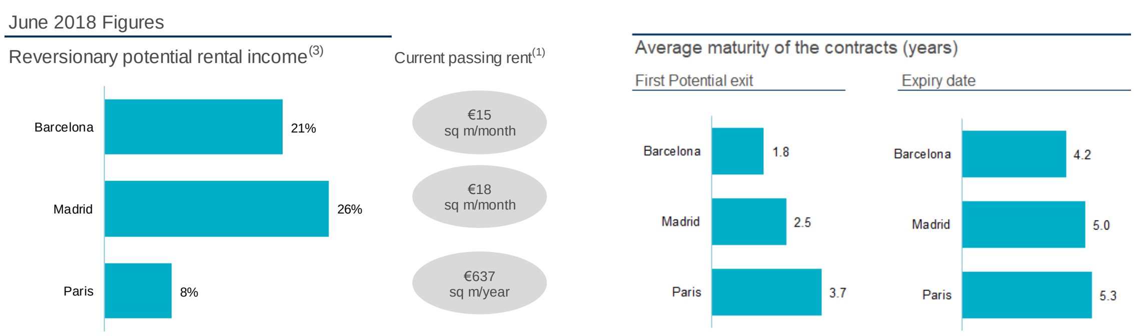
(1) % = surface to rent x current rents / current rental revenues
(3) Renewal dates based on the expiry date of the current contracts

- **Reversionary Potential of the rental portfolio**

The Colonial Group's contract portfolio has significant reversionary potential.

This reversionary potential is the result of comparing the rental revenues of the current contracts (contracts with current occupancy and current rents) with the rental revenues that would result from letting the total surface at the market prices estimated by independent appraisers at 30 June 2018 (not including the potential rents from the substantial projects and refurbishments underway).

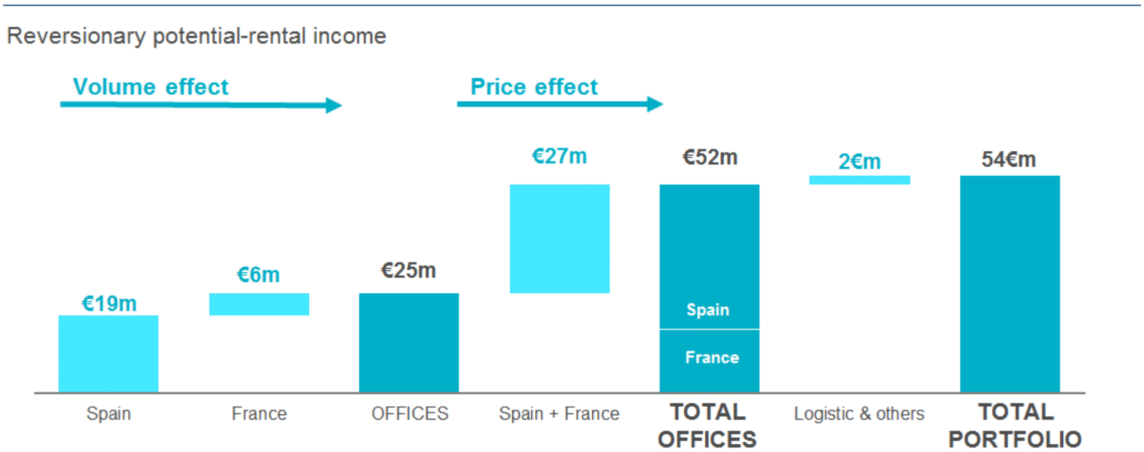
At the close of the first half of 2018, the static reversionary potential(2) of the rental revenues of the offices portfolio (considering current rental prices without future impacts from a recovery in the cycle) in operation stood at +21% in Barcelona, +26% in Madrid and +8% in Paris.



(1) Current office rent of occupied surfaces

The maturity of the logistics portfolio is 3 years until the first risk and 5 years until the end of the contracts.

Specifically, the static reversionary potential(2) in the current portfolio would result in approximately €54m of additional annual rental income.



(2) Excluding the positive impacts of the rental recovery cycle
(3) Reversionary potential: maximum potential of the surfaces portfolio in operation

Portfolio of projects and refurbishments

Project portfolio

- At the end of the first half of 2018, Colonial has a project portfolio of more than 340,000 sq m to create top quality assets, offering high returns and therefore future value creation with solid fundamentals.

- The projects are progressing on schedule and delivery is expected during the next five years

Projects	Entry into operation	% Group	% Prelet	Market	Use	Surface above ground (sq m) (1)
Príncipe de Vergara, 112	2018	100%	13%	Madrid	Oficinas	11,368
Parc Glòries	2018	100%	80%	Barcelona	Oficinas	24,551
Avenida Bruselas, 38	2018	100%		Madrid	Oficinas	14,340
Josefa Valcárcel,40 bis	2018	100%		Madrid	Oficinas	8,652 (4)
Gal.la Placídia 1-3	2019	100%		Barcelona	Oficinas	4,312
Castellana, 163	> 2019	100%		Madrid	Oficinas	10,910 (4)
Miguel Ángel, 23	2020	100%		Madrid	Oficinas	7,202 (4)
Méndez Alvaro 1	>2020	100%		Madrid	Campus	89,871
Méndez Alvaro 2	>2020	100%		Madrid	Oficinas	20,275
Plaza Europa,34	>2020	50%		Barcelona	Oficinas	14,306
Sagasta, 27	>2021	100%		Madrid	Oficinas	4,481
Velázquez - Padilla, 17	>2020	100%		Madrid	Oficinas	16,816 (2)
112-122 Avenue Emile Zola	>2020	100%		Paris	Oficinas	24,000
Iéna, 96	2021	100%		Paris	Oficinas	9,300 (4)
Louvre Saint Honoré	2021	100%		Paris	Retail	16,000
Projects under development						**276,384**
Yield on cost[3]						**7%**
Edouard VII	2018/2019	100%				2,511
Washington Plaza	2018/2019	100%				827
Rest of portfolio						25,229
Surfaces under refurbishment						**28,568**
Puerto de Somport, 10-18	na	100%		Madrid	Oficinas	22,849
Parc Central 22@	na	100%				14,737
Solar						**37,586**
TOTAL PROJECTS & REFURBISHMENTS						342,538

(1) Surface area of completed project
(2) Final surface of the project
(3) Yield on cost: market rent 100% rented/market value at start of project net of impairment in value + capex
(4) Future projects currently in operation, not included in the calculatio of the yield on cost

- In **Barcelona**, it is worth highlighting the Parc Glories, Plaza Europa 34 and Gal·la Placídia projects. These initiatives will result in the creation of more than 43,000 sq m of office space with the highest market standards.

Parc Glories

Plaza Europa 34

Gal·la Placidia

- In **Madrid**, it is worth highlighting the two projects which will be carried out on the plots of land acquired in Méndez Álvaro, in the south of the Madrid CBD, as well as two other projects: Príncipe de Vergara 112 and Castellana 163 in the CBD.


Méndez Alvaro


Príncipe de Vergara 112


Paseo Castellana 163

Following the acquisition of Axiare, Colonial has incorporated various high quality projects in the Colonial Group's portfolio. In particular, in the prime CBD, it is worth mentioning the future projects of Velázquez/Padilla and Miguel Angel, which, once completed, will add 25,000 sq m of offices located in the best areas of Madrid.

In addition, three projects underway are progressing in Madrid: Josefa Valcárel 40, Sagasta 27 and Avenida de Bruselas. In the Josefa Valcárcel 40 project, the acquisition was signed as a turnkey project and is expected to enter into operation in the medium term.


Miguel Ángel, 23


Velázquez-Padilla, 17


Josefa Valcárcel 40


Sagasta 27


Avenida de Bruselas

During the first quarter of 2018, the following projects entered into operation: Ribeira de Loira and Luca de Tena 6, both located in Madrid and situated in high growth potential markets.


Ribeira de Loira


Luca de Tena 6

- In the **Paris** portfolio, it is important to mention three large projects: Emile Zola, Louvre St. Honoré and Iéna. All of them are located in the best areas of the French capital and together make up more than 49,000 sq m of new spaces with enormous value creation potential in the coming years.

112-122 Emile Zola

Louvre Saint Honoré

96 Iéna

- In the **logistics** portfolio, a 131,000 sq m project is being developed in San Fernando de Henares, the location closest to Madrid in the Corredor de Henares, one of the most important logistics hubs in Spain. Currently, 87,000 sq m are in development stage and is expected to be completed in 2018 with the LEED Gold CS certificate. Additionally, this second quarter, 43,000 sq m have been completed and are already leased.

San Fernando

- In addition to these development projects, the Colonial Group is currently carrying out substantial refurbishments, with the aim of optimizing the positioning of these assets in the market. Likewise, Colonial owns a plot of land of more than 14,000 sq m above ground in the 22@ submarket in Barcelona and a plot of land of 22,000 sq m in Puerto de Somport (Las Tablas Madrid).

Prime asset acquisition in Barcelona - Diagonal 525

After the closing date of the first half, Colonial has acquired in July an office building with a GLA of 5,710 sq m above ground, located in the prime area of Avenida Diagonal in Barcelona.

The building is located at 525 Avenida Diagonal and intersects with Avenida de Sarriá. The area is considered the Prime Central Business District of Barcelona and has traditionally been occupied by financial institutions, law firms and other service companies. The building also benefits from numerous nearby services and public transportation that provides accessibility to all areas of the city.

The building is currently 100% occupied by a sole tenant, however Colonial will carry on a full refurbishment of the building in order to create an emblematic property in the heart of Barcelona's business district. The total cost of the project, including future capex, will be €37m, with a capital value of 6.460 €/sq m. This total cost is substantially less than recent comparable transactions in this area of the Diagonal.

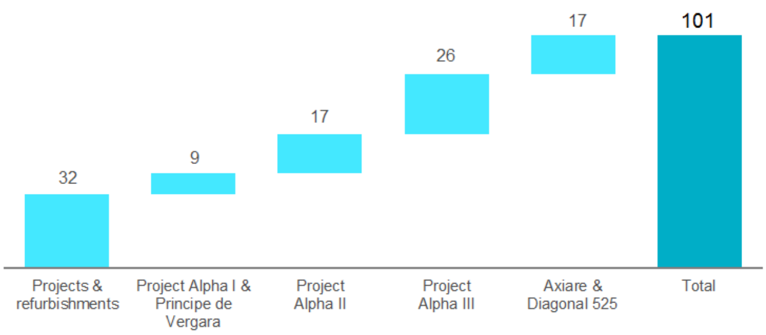
It should be noted that currently there are no new office projects in the Central Business District of Barcelona and that the vacancy rates of Grade A buildings are at historical lows of 1%.

With this acquisition, Colonial once again proves its capacity to create value for its shareholders through the sourcing of off-market transactions with potential for real estate transformation.

Additional rental income from projects and acquisitions

- The portfolio of projects, as well as the new acquisitions will result in additional annual rents of approximately €101m.

Additional rental income from projects and significant refurbishments - €m



Corporate Social Responsibility and Reporting (CSR)

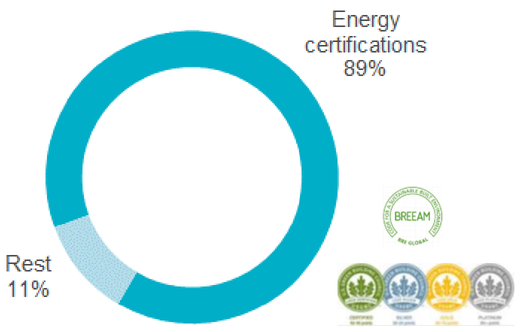
- The Colonial Group's MSCI sustainability rating has significantly improved, being upgraded from "BBB" to "A". This rating is among the highest in the real estate sector in Europe.

- The Colonial Group is the only Spanish company with the EPRA Gold Award in sustainability reporting and the French subsidiary received the Corporate Investment in Responsible Real Estate Award at the BREEAM Awards 2017.

- The Colonial Group has a "Green Star" certification by GRESB (Global Real Estate Sustainability Board), the organization that certifies the best practices in CSR.

- Colonial is a clear leader in energy efficiency and sustainability with their office portfolio. Currently 89% of the Group's real estate assets are certified with top energy ratings (BREEAM & LEED), which is a very high percentage compared to the sector average. This fact places the Colonial Group in a differential competitive position to attract quality demand and maximise the value creation of the portfolio.

% Buildings with energy certification (1)



1 Buildings in operation with energy certifications

Portfolio valuation

- At the end of the first half of 2018, the assets of the Colonial Group were appraised at €11,190m (€11,730m including transfer costs).

- The assets in Spain and France have been appraised by Jones Lang LaSalle, Cushman & Wakefield and CB Richard Ellis. The appraisal figures are updated half-yearly, following the best market practices, in compliance with the Regulation Standards of the Royal Institution of Chartered Surveyors (RICS) comprised in the Red Book valuation manual.

- The valuations of the market defined by the RICS are internationally recognized by advisors and accountants of investors and corporations that own real estate assets, as well as The European Group of Valuers (TEGoVA) and the International Valuation Standards Committee (IVSC). The appraisers' fees are determined by the volume for the specific workout of each assignment.

Gross Asset Values - Excluding transfer costs

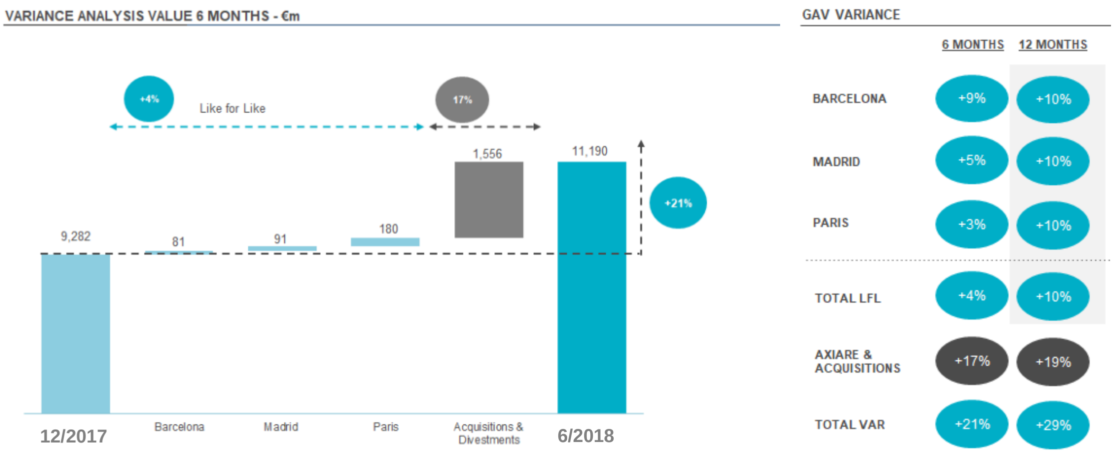
Asset valuation (€m)	30-jun-18	31-dic-17	30-jun-17	Dec 17 vs Jun 16		Dec 17 vs Dec 16	
				Total	LfL (1)	Total	LfL (1)
Barcelona	973	836	827	16%	3%	18%	4%
Madrid	2,760	1,497	1,339	84%	4%	106%	9%
París	6,242	6,064	6,144	3%	3%	2%	10%
Portfolio in operation (2)	**9,974**	**8,398**	**8,311**	**19%**	**3%**	**20%**	**9%**
Projects	**762**	**519**	**174**	**47%**	**16%**	**338%**	**62%**
Logistics & others	454	16	12	2738%	0%	3825%	3%
Property business	**11,190**	**8,933**	**8,497**	**25%**	**4%**	**32%**	**10%**
Axiare stake	**na**	**349**	**169**	**(100%)**		**(100%)**	
Colonial group	**11,190**	**9,282**	**8,666**	**21%**	**4%**	**29%**	**10%**
Spain	4,781	**3,053**	**2,522**	57%	6%	90%	10%
France	6,409	**6,229**	**6,144**	3%	3%	4%	10%

Gross Asset Values - Including transfer costs

	30-jun-18	31-dic-17	30-jun-17	Dec 17 vs Jun 16 Total	Dec 17 vs Jun 16 LfL (1)	Dec 17 vs Dec 16 Total	Dec 17 vs Dec 16 LfL (1)
Colonial group	**11,730**	**9,741**	**9,103**	**20%**	**4%**	**29%**	**10%**
Spain	4,919	3,121	2,580	58%	6%	91%	11%
France	6,811	6,619	6,523	3%	3%	4%	9%

(1) Portfolio in comparable terms
(2) Portfolio in operation: current rental portfolio as well as new entries into operation of completed projects

- The **Colonial Group's** Gross Asset Value at the close of the first half of 2018 increased +29% (+21% in 6 months), mainly due to the integration of Axiare's entire portfolio into our portfolio.



In like-for-like terms, Colonial's portfolio has been revalued by +10% vs. the previous year (+4% corresponding to the first half of 2018).

This increase in value is a consequence of the rental price increases throughout the portfolio, complemented by increases in value obtained through the successful execution of projects.

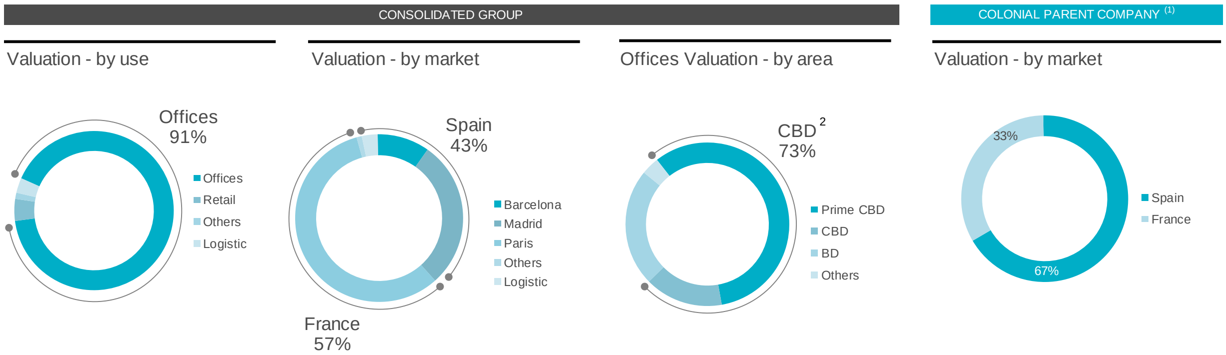
By segment, the Barcelona and Madrid portfolios stand out, both with +10% like-for-like growth year-on-year. It is important to specifically highlight the strong revaluation of +9% in the last 6 months in Barcelona.

The Paris portfolio increased +10% like-for-like year-on-year (+3% like-for-like in the first 6 months of 2018) clearly establishing a reference for growth in the Paris market.

In general terms, the increase in asset values is a consequence of three factors:

1. Rental price increases captured in recent quarters by the Colonial Group's portfolio in the three markets
2. The Group's industrial approach that enables superior value creation through portfolio repositioning and Prime Factory projects.
3. A growing interest by investors in prime assets, driving down yields, especially in the Paris CBD market, which is one of the core markets that attracts the most investors on a global level

- The breakdown of the valuation of the Group's rental portfolio by use, market and type of product is shown below:



(1) *France = SFL shares valued at NAV. Spain = GAV assets directly held + NAV stake SPV TMN + Value JV Plaza Europa 34*
(2) *Barcelona CBD, includes the assets in the 22@ market segment*

- Regarding the valuation of the portfolio in operation, the main value parameters are as follows:

Portfolio in operation	€m	sq m above ground (*)	€/sq m (*)	Valuation Yield	
Barcelona	973	216,788	4,487	4.91%	Gross Yields
Madrid	2,760	500,524	5,514	4.61%	Gross Yields
Paris	6,242	368,932	16,918	3.24%	Net Yields

When **comparing the valuation parameters of Colonial's appraisal values with market data**, the following must be taken into consideration:

1. In Spain, consultants publish *gross yields* in their market reports
(Gross yield = gross rent/value excluding transfer costs).

2. In France, consultants publish *net yields* in their market reports
(Net yield = net rent/value including transfer costs)

(*) In Barcelona the sq m for the calculation of the capital value correspond to the surface above ground of all the assets in Barcelona, excluding the Parc Central, Parc Glories, Plaza Europa and Gala Placídia projects and the surface area of non-core retail assets.
In Madrid, the sq m correspond to the surface above ground of all assets in Madrid, excluding the Príncipe de Vergara project, the Méndez Álvaro complexes, the Puerto Somport 10-18, Avenida Bruselas 38, Josefa Valcárcel 40 and Sagasta 27 projects, as well as the surface area of non-core retail assets.
In France, the sq m correspond to the surface above ground of the entire portfolio, excluding the Emile Zola project and including certain rentable surfaces below ground in the portfolio not corresponding to parking units.

4. Financial structure

Main debt figures

Colonial Group	1H 2018	Var. Vs 12/2017
Gross financial debt	5,378	*29%*
Net financial debt	4,633	*51%*
Undrawn balances	2,462	*1%*
% debt fixed or hedged	97%	*8%*
Average maturity of the debt	5.7	*0.2*
Average maturity post- repay. debt July	6.2	-
Cost of current debt	1.90%	*4 p.b.*
Rating Colonial	BBB	*no changes*
Rating SFL	BBB+	*no changes*
LTV Group	39.4%	*804 .b.p*

In the first quarter of 2018, Colonial formalized the acquisition of 58.07% of the share capital of Axiare Patrimonio as a result of the voluntary takeover bid on this company. On 2 July 2018, following approval at the respective shareholders' meetings, the merger between both companies was formalised, upon which Colonial assumed Axiare's entire debt.

The inclusion of Axiare's debt in the Colonial Group, has resulted in an increase in the gross financial debt of the Group (+29% compared to December 2017) and the net financial debt (+51% compared to December 2017).

In addition, during this quarter, the Colonial Group has formalised the following operations:

- A bond issue by Colonial, under the European Medium-Term Note (EMTN) program, for a total nominal amount of €650m, maturing in April 2026, with an annual coupon of 2% and an issue price of 99,481% of its nominal value.
  The issue was well received on the market with more than 150 accounts and a demand of more than €2bn.
- A bond issue for SFL for the nominal amount of €500m, maturing in May 2025, with an annual coupon of 1.5% and an issue price of 99,199% of its nominal value.
- Refinancing of Colonial's syndicate loan, signed in November 2015, for €350m and maturing in November 2021. The nominal amount was increased to €500m, extending the maturity to December 2023 and reducing the financing spread by 30 bps.
- After the close of the quarter, Colonial proceeded to advance the total amortization of the bonds maturing in June 2019, for the nominal amount of €375m.

- Additionally, as a consequence of the merger with Axiare, Colonial has subrogated 19 bilateral loans with mortgage guarantees for €617m, with an average maturity of 4.8 years and an average financial cost of 2.12% (including commissions and hedges). After the close of the quarter, 3 loans were totally cancelled and another was partially cancelled, for the total amount of €119m which are added to the 3 loans cancelled in the first half for the total amount of €58m.

All of these operations have enabled the optimization of the financial costs and have improved the average maturity of the Group's debt, maintaining an important volume of liquidity available to execute the investments expected in the Strategic Plan.

The net financial debt of the Group at 30 June 2018 stood at €4,633m, the breakdown of which is as follows:

Breakdown of the consolidated net financial debt	June 2018			December 2017			Var.
	COL	SFL	Total	COL	SFL	Total	Total
Syndicated loans	0	0	0	163	0	163	(163)
Mortgage debt/leases	650	202	852	35	203	238	614
Unsecured debt and others	0	50	50	0	443	444	(393)
Bonds	2,975	1,500	4,475	2,325	1,000	3,325	1,150
Total gross debt	**3,625**	**1,752**	**5,378**	**2,523**	**1,647**	**4,170**	**1,207**
Cash & cash equivalents	**(691)**	**(54)**	**(745)**	**(1,089)**	**(16)**	**(1,105)**	360
Group Net Debt	**2,934**	**1,698**	**4,633**	**1,435**	**1,631**	**3,066**	**1,567**
Average maturity of drawn debt (years)	**6.2**	**4.7**	**5.7**	**6.4**	**4.1**	**5.5**	**0.2**
Cost of debt % (without arrangement fees)	**1.94%**	**1.73%**	**1.90%**	**1.98%**	**1.68%**	**1.86%**	**(4 pb)**

The increase in mortgage debt is due exclusively to the integration of Axiare Patrimonio's debt, made up of bilateral mortgage loans.

Main leverage ratios and liquidity

The LTV (Loan to Value) of the Group, calculated as the ratio of total net debt divided by the total GAV of the Group, stood at 39%. The LTV of the parent company, calculated as the net debt of the parent company and its 100% subsidiaries divided by the GAV of the parent company and the NAV of its 100% subsidiaries, plus the NAV of the rest of its subsidiaries and affiliated companies was 39% (27% as of June 2017).

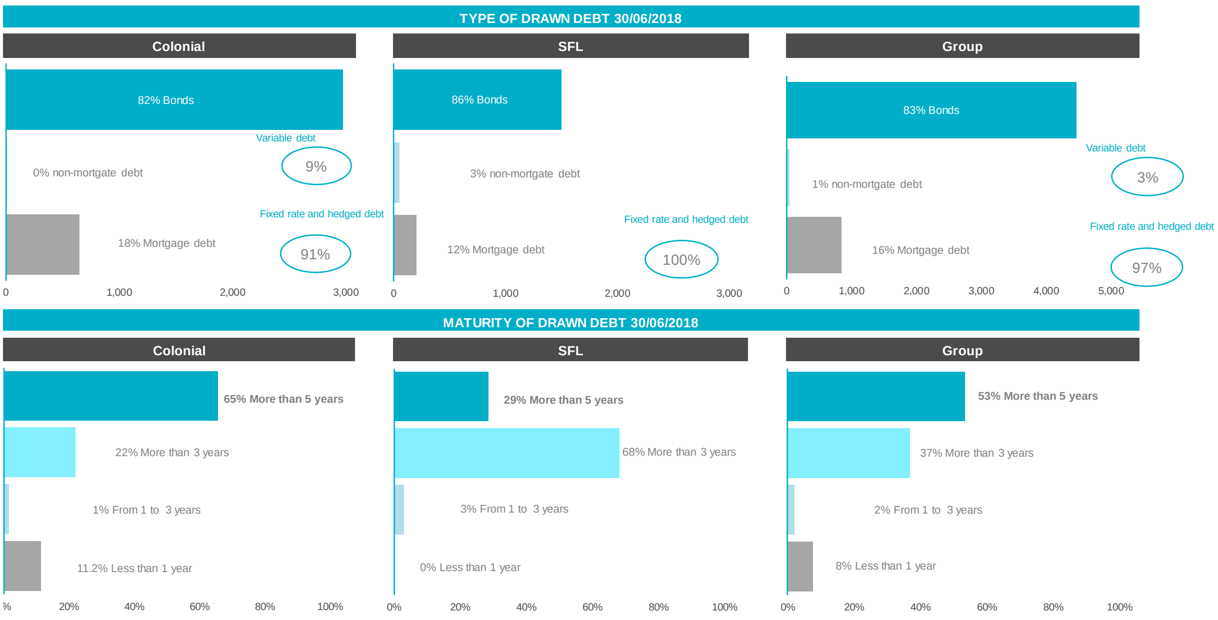
Cash & undrawn balances of the Colonial Group at 30 June 2018 amounted to €2,462m, distributed as shown in the graph below:

CASH & UNDRAWN BALANCES - €M	COLONIAL	SFL	GROUP
Current accounts	691	54	745
Credit lines available	875	820	1,695
Other debt available	22	-	22
TOTAL	1,588	874	2,462

LTV 30/06/2018 - €m	Holding	Group
Gross Asset Value (*)	7,420	11,767
Net Debt	2,903	4,633
LTV	39%	39%

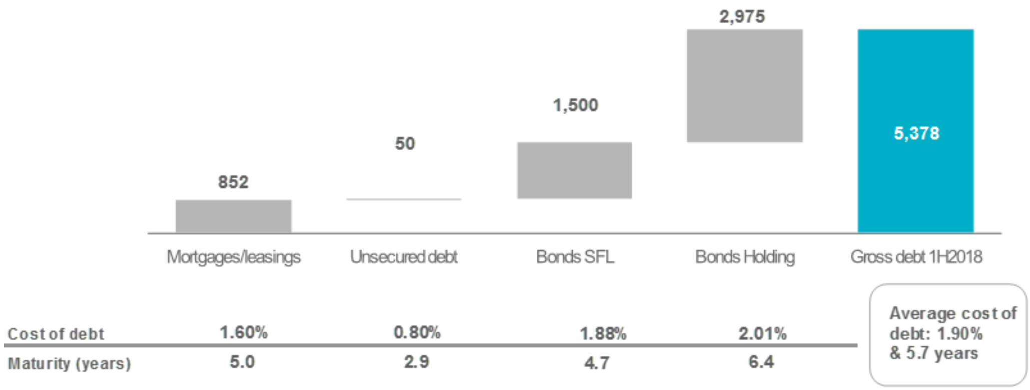
(*) **Holding**: GAV at 30/06/2018 holding including transfer costs and 100% subsidiaries (including 100% of Axiare) + NAV SFL, TMN, Inmocol + treasury shares
Group: GAV Group at 30/06/2018 including transfer costs (considering Axiare at 100%) + treasury shares

The main characteristics of the Group's debt are shown below:

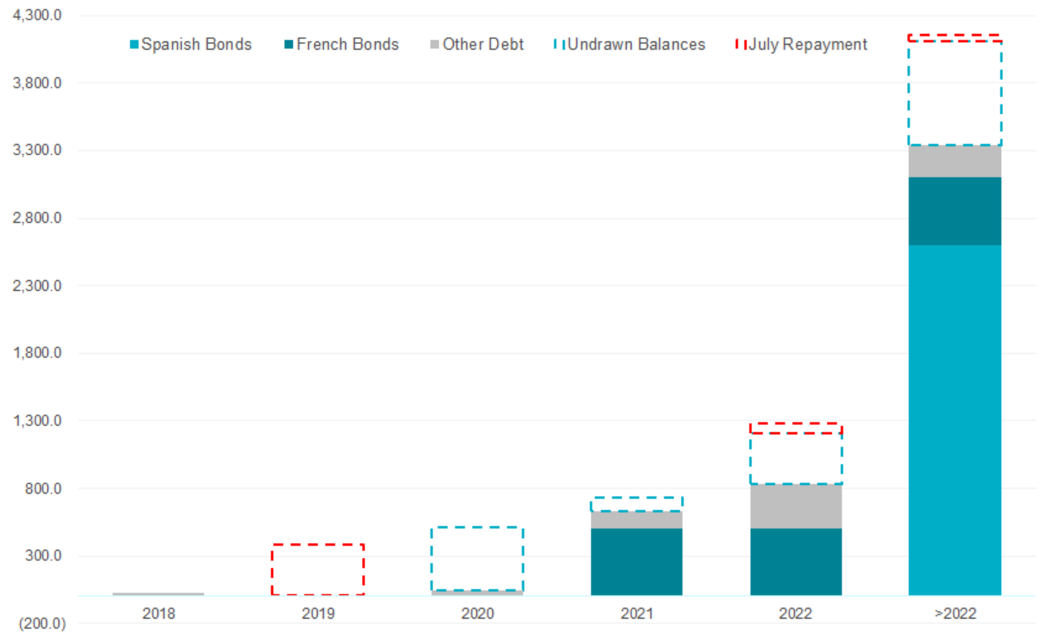


97% of the Group's debt is at a fixed rate.

The composition of the Group's debt is as follows:



The breakdown of the debt in terms of maturity is as follows:



At the end of the first half of 2018, the average maturity of the drawn debt of the Colonial Group was 5.7 years (compared to 4.6 years in June 2017) and the average cost was 1.90% (compared to 1.86% in December 2017). With the amortization of the 2019 bond, and the repayment of Axiare's bilateral loans carried out in July, the average life has increased to 6.2 years, with the first maturity relating to the debt in 2021. The average cost remains at 1.90%.

Financial results

- The main figures of the financial results of the Group are found in the following table:

Financial results

June cumulative - €m	COL	SFL	2018	2017	Var. %
Recurring financial expenses - Spain	*(37)*	*0*	*(37)*	*(19)*	*(93%)*
Recurring financial expenses - France	*0*	*(17)*	*(17)*	*(22)*	*22%*
Recurring Financial Expenses	(37)	(17)	(54)	(41)	(32%)
Recurring Financial Income	1	0	1	2	(66%)
Capitalized interest expenses	1	2	3	1	155%
Recurring Financial Result	**(36)**	**(15)**	**(51)**	**(38)**	**(34%)**
Non-recurring financial expenses	(3)	0	(3)	0	0%
Change in fair value of financial instruments	(2)	(1)	(2)	0	0%
Financial Result	**(40)**	**(17)**	**(56)**	**(38)**	**(49%)**

- The recurring financial expenses of the Group were 32% higher compared to the same period of the previous year due to an increase in Colonial's gross debt (due to the acquisition of Axiare and the integration of its debt into the Group).

- The average financial cost of the drawn debt at 30 June 2018 (without including accrual commissions and other costs) was 1.90% compared to 1.97% in the same period of the previous year, mainly due to the reduction of the average credit spread which amounted to 141 bps (versus 157 bps in the same period of the previous year). This improvement is mainly due to the maturity in November 2017 of an SFL bond (for an amount of €301m, with a spread of 275 bps) and the formalization of new debt at a spread lower than the one in the first half of 2017.

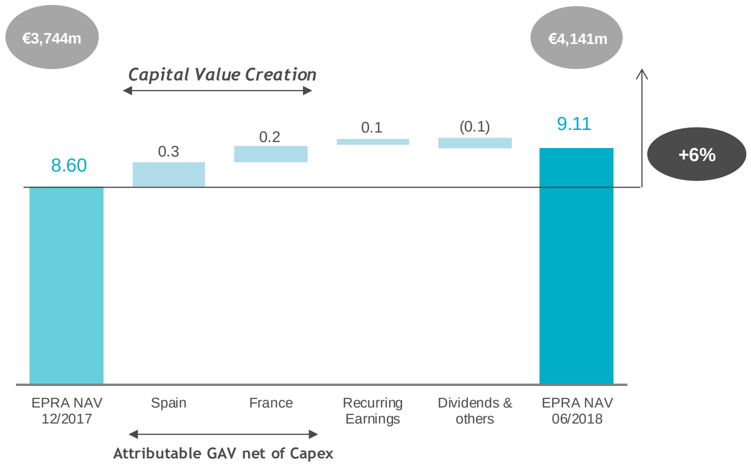
5. EPRA Net Asset Value & Share price performance

EPRA Net Asset Value (NAV)

At the close of the first half of 2018, the EPRA NAV of the Colonial Group amounted to €9.11/share, an increase of +13% year-on-year.

The total shareholder return, understood as the increase of NAV per share plus the dividend paid, amounted to 15%[1] year on year.

EPRA NAV €/share



Total Shareholder Return [1]

	6 months	*12 months*
NAV Growth per share	+6%	+13%
Dividend paid per share	+2%	+2%
Total Return per share	+8%	+15%

(1) Total return understood as increase of NAV per share + dividends

The **EPRA Net Asset Value (EPRA NAV)** is calculated based on the Group's consolidated equity and adjustments of specific items following EPRA recommendations.

EPRA Net Asset value - €m	06/2018	12/2017
NAV per the Consolidated financial statements	**3,865** (1)	**3,592**
Include:		
(i.a) Revaluation of investment properties (if IAS 40 cost option is used)	16	13
(i.b) Revaluation of investment property under construction (IPUC) (if IAS 40 cost option is used)	na	na
(i.c) Revaluation of other non-current investment	52	(58)
(ii) Revaluation of tenant leases held as finance leases	na	na
(iii) Revaluation of trading properties	na	na
Exclude:		
(iv) Fair value of financial instruments	7	(1)
(v.a) Deferred tax	201	198
(v.b) Goodwill as a result of deferred tax	-	-
Include/exclude:		
Adjustments (i) to (v) above in respect of joint ventures interests	na	na
EPRA NAV - €m	**4,141**	**3,744**
Goodwill	*(145)*	*na*
Adjusted EPRA NAV - €m	**3,996**	**na**
Nº of shares (m)	***454.6***	***435.3***
EPRA NAV - Euros per share	***9.11*** (2)	***8.60***
Adjusted EPRA NAV - Euros per share	***8.79***	***na***

(1) Equity as of 6/18 including the impacts of the merger with Axiare executed in July.
(2) Value per share fully diluted including the impacts of the merger with Axiare executed in July.

Calculation of the EPRA NAV: Following the EPRA recommendations and starting from the consolidated equity of €3,865m, the following adjustments were carried out:

1. Revaluation of investment assets: corresponding to latent capital gains (not accounted for on the balance sheet) of specific assets registered at acquisition cost, mainly own use assets.
2. Revaluation of other investments: register at fair value of several investments of the Group registered in the balance sheet at acquisition cost, mainly treasury shares.
3. Adjustment of deferred taxes: adjustment of the amount of deferred taxes associated with the revaluation of the property assets (+€201m), registered on the balance sheet.
4. Market value of financial instruments: adjustment of the market value (markt to market) of derivative instruments

EPRA NNNAV(*) amounted to €3,838m, which corresponds to **€8.44/share**.

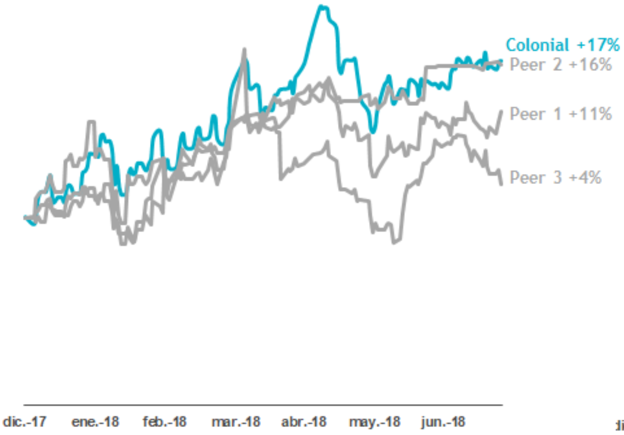
EPRA Triple Net Asset value (NNNAV) - €m	06/2018	12/2017
EPRA NAV	4,141	3,744
Include:		
(i) Fair value of financial instruments	(7)	1
(ii) Fair value of debt	(95)	(117)
(iii) Deferred tax	(201)	(200)
EPRA NNNAV - €m	**3,838**	**3,428**
Goodwill	*(145)*	*na*
Adjusted EPRA NNNAV - €m	**3,694**	**na**
Nº of shares (m)	***454.6***	***435.3***
EPRA NNNAV - Euros per share	***8.44*** (2)	***7.88***
Adjusted EPRA NAV - Euros per share	***8.13***	***na***

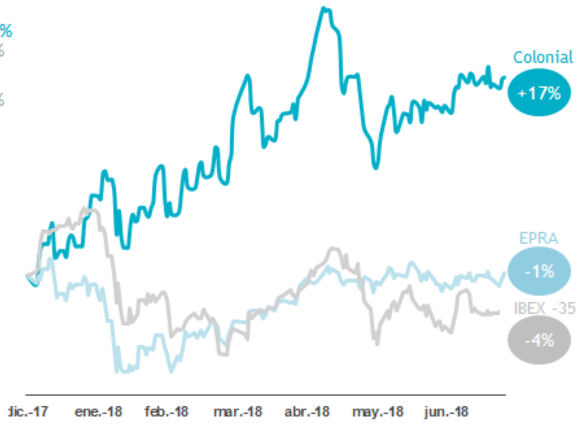
(2) Value per share fully diluted including the impacts of the merger with Axiare executed in July.

For its calculation, the following items have been adjusted in the EPRA NAV: the fair market value of the financial instruments, the fair market value of the debt (-€95m), and the taxes that would be accrued in case of the disposal of the assets at their market value.

Share price performance

Colonial's shares closed the first half of 2018 with a revaluation of 14% (17% at the date of the results presentation), outperforming the benchmark indices (EPRA and IBEX 35). Regarding its main peers in Spain, Colonial is positioned at the top end of the sector.





With respect to analyst coverage, there are currently 25 analysts, both national and international, covering the company. It is worth highlighting the reports issued by JP Morgan and BPI, with a target price of €11.2/share, as well as Renta4 and Barclays with a target price of €11.1/share and €11.0/share respectively. The consensus target price of the analysts that have updated their forecasts has reached €9.9/share.

It is worth highlighting that during the past few months, 4 research firms (Natixis, JP Morgan, Barclays & Renta4Banco) initiated coverage on Colonial and 19 analyst have revised upwards their target price.

The target prices and recommendations are as follows:

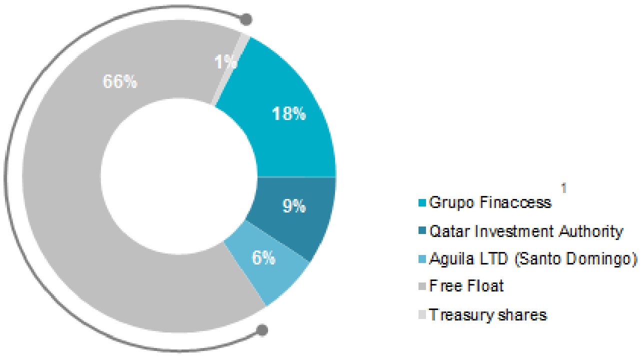
	Institution	Analyst	Date	Recommendation	Target Price actual	Rental Income		Recurring Net		NAV/ share (€)	
						2018	2019	2018	2019	2018	2019
1	JP Morgan	Neil Green	11/07/2018	Overweight	11.2	365	412	na	na	9.6	11.0
2	Renta4Banco	Pablo Fernández	05/07/2018	Buy	11.1	368	394	na	na	9.8	10.8
3	Green Street Advisors	Peter Papadakos	04/07/2018	Restricted	Restricted	379	412	na	na	na	na
4	Barclays	Celine Huynh	02/07/2018	Overweight	11.0	359	413	113	162	9.3	10.2
5	BPI	Flora Trindade	13/06/2018	Buy	11.2	369	423	122	160	na	na
6	JB Capital	Daniel Gandoy	11/06/2018	Neutral	10.0	378	418	na	na	10.0	11.3
7	Banco Sabadell	Ignacio Romero	07/06/2018	Sell	9.6	355	394	na	na	na	na
8	Bankinter	Jesús Amador	06/06/2018	Neutral	10.1	392	436	na	na	na	10.1
9	Alantra Equities	Fernando Abril-Martorell García	01/06/2018	Neutral	9.5	353	381	116	151	9.3	10.1
10	Alpha Value	Zeineb Sahnoun	16/05/2018	Sell	9.9	405	467	na	na	12.6	14.0
11	Kempen & Co	Max Mimmo	15/05/2018	Buy	10.2	318	338	101	114	10.0	11.1
12	Societe Generale	Alvaro Soriano De Miguel	14/05/2018	Buy	10.0	324	407	na	na	na	na
13	Kepler Cheuvreux	Mariano Miguel	14/05/2018	Sell	8.4	334	398	na	na	8.8	9.6
14	ING	Jaap Kuin	14/05/2018	Maintain	9.0	300	314	93	104	8.7	9.3
15	Deutsche Bank	Markus Scheufler	14/05/2018	Hold	9.7	367	392	119	129	9.7	10.7
16	Morgan Stanley	Bart Gysens	29/03/2018	Overweight	10.5	318	339	na	na	9.5	10.4
17	Natixis	Pierre-Edouard Boudot	27/03/2018	Buy	10.1	344	366	127	132	9.5	10.1
18	Goldman Sachs	Jonathan Kownator	01/03/2018	Neutral	9.2	361	382	155	179	9.5	9.8
19	Merrill Lynch	Samuel Warwood	27/02/2018	Neutral	9.0	307	344	178	200	9.1	9.5
20	Bankinter Securities	Juan Moreno Martínez de Lecea	19/01/2018	Sell	7.8	281	372	na	na	na	na
	Analists consensus with updated report				**9.9**	**349**	**390**	**125**	**148**	**9.7**	**10.5**
21	Mirabaud	Ignacio Méndez Terroso	14/11/2017	Sell	na	na	na	na	na	na	na
22	Haitong	Juan Carlos Calvo	13/07/2017	Neutral	na	na	na	na	na	na	na
23	Intermoney Valores	Esther Martín	05/05/2017	Maintain	na	na	na	na	na	na	na
24	Fidentiis	Ignacio Martinez	23/02/2017	Buy	na	na	na	na	na	na	na
25	Banco Santander	Jose Alfonso Garcia	17/10/2016	Buy	na	na	na	na	na	na	na
	Non updated reports										

Source: Bloomberg & reports of analysts

Company shareholder structure

Colonial's shareholder structure is as follows:

Shareholder structure at 9/07/2018 (*)



(*) According to reports in the CNMV and notifications received by the company
(1) Through Hofinac BV, Finaccess Capital, S.A. de C.V. and Finaccess Capital Inversores, S.L.
(2) Free float: shareholders with minority stakes and without representation on the Board of Directors

Board of Directors

Name of Director			Executive Committee	Nominations & Remunerations Committee	Audit & Control Committee
Juan José Brugera Clavero	Chairman	Colonial	Chairman		
Pere Viñolas Serra	Chief Executive Officer	Colonial	Member		
Sheikh Ali Jassim M. J. Al-Thani	Director	QIA			
Adnane Moussanif	Director	QIA	Member	Member	
Juan Carlos García Cañizares	Director	Aguila LTD (Santo Domingo)	Member	Member	
Carlos Fernández González	Director	finaccess	Member		
Javier López Casado	Director	finaccess			
Ana Sainz de Vicuña	Independent Director				Chairman
Carlos Fernández-Lerga Garralda	Independent Director		Member	Chairman	Member
Javier Iglesias de Ussel Ordís	Independent Director			Member	Member
Luis Maluquer Trepat	Independent Director			Member	Member
Francisco Palá Laguna	Secretary - Non-Director		Secretary	Secretary	Secretary
Nuria Oferil Coll	Vice-secretary - Non-Director		Vice-secretary	Vice-secretary	Vice-secretary

6. Appendices

6.1 Appendix – EPRA ratios

1) EPRA Earnings

EPRA Earnings - €m	1H 2018	1H 2017
Earnings per IFRS Income statement	**254**	**437**
Earnings per IFRS Income statement - €/share	*0.58*	*1.19*
Adjustments to calculate EPRA Earnings, exclude:		
(i) Changes in value of investment properties, development properties held for investment and other interests	(325)	(521)
(ii) Profits or losses on disposal of investment, development properties held for investment and other interests	(1)	(0)
(iii) Profits or losses on sales of trading properties including impairment changes in respect of trading properties	0	0
(iv) Tax on profits or losses on disposals	0	0
(v) Negative goodwill / goodwill impairment	26	0
(vi) Changes in fair value of financial instruments and associated close-out costs	6	0
(vii) Acquisition costs on share deals and non controlling joint venture interests	0	0
(viii) Deferred tax in respect of EPRA adjustments	4	(49)
(ix) Adjustments (i) to (viii) above in respect of joint ventures (unless already included under proportional consolidation	0	0
(x) Minority interests in respect of the above	72	170
EPRA Earnings	**36**	**37**
Average Nº of shares (m)	*435.3*	*367.3*
EPRA Earnings per Share (EPS) - €/share	*0.08*	*0.10*
Company specific adjustments:		
(a) Extraordinary expenses	(0)	(0)
(b) Non recurring financial result	0	(0)
(c) Tax credits	7	0
(d) Minority interests in respect of the above	(1)	0
Company specific adjusted EPRA Earnings	**41**	**37**
Average Nº of shares (m)	*435.3*	*367.3*
Company adjusted EPRA Earnings per Share (EPS) - €/share	*0.10*	*0.10*

6.1 Appendix – EPRA ratios (cont.)

2) EPRA NAV

EPRA Net Asset value - €m	06/2018	12/2017
NAV per the Consolidated financial statements	**3,865** (1)	**3,592**
Include:		
(i.a) Revaluation of investment properties (if IAS 40 cost option is used)	16	13
(i.b) Revaluation of investment property under construction (IPUC) (if IAS 40 cost option is used)	na	na
(i.c) Revaluation of other non-current investment	52	(58)
(ii) Revaluation of tenant leases held as finance leases	na	na
(iii) Revaluation of trading properties	na	na
Exclude:		
(iv) Fair value of financial instruments	7	(1)
(v.a) Deferred tax	201	198
(v.b) Goodwill as a result of deferred tax	-	-
Include/exclude:		
Adjustments (i) to (v) above in respect of joint ventures interests	na	na
EPRA NAV - €m	**4,141**	**3,744**
Goodwill	*(145)*	*na*
Adjusted EPRA NAV - €m	**3,996**	**na**
Nº of shares (m)	***454.6***	***435.3***
EPRA NAV - Euros per share	***9.11*** (2)	***8.60***
Adjusted EPRA NAV - Euros per share	***8.79***	***na***

(1) Equity as of 6/18 including the impacts of the merger with Axiare executed in July.
(2) Value per share fully diluted including the impacts of the merger with Axiare executed in July.

3) EPRA NNNAV

EPRA Triple Net Asset value (NNNAV) - €m	06/2018	12/2017
EPRA NAV	**4,141**	**3,744**
Include:		
(i) Fair value of financial instruments	(7)	1
(ii) Fair value of debt	(95)	(117)
(iii) Deferred tax	(201)	(200)
EPRA NNNAV - €m	**3,838**	**3,428**
Goodwill	*(145)*	*na*
Adjusted EPRA NNNAV - €m	**3,694**	**na**
Nº of shares (m)	***454.6***	***435.3***
EPRA NNNAV - Euros per share	***8.44*** (2)	***7.88***
Adjusted EPRA NAV - Euros per share	***8.13***	***na***

(2) Value per share fully diluted including the impacts of the merger with Axiare executed in July.

6.1 Appendix – EPRA ratios (cont.)

4) EPRA Net initial Yield & Topped-up Net Initial Yield

D. EPRA Net Initial yield & "Topped-Up" Net Initial Yield		Barcelona	Madrid	Paris	Logístico	Total 2018	Total 2017
Figures in €m							
Investment property – wholly owned		1,112	3,216	6,409	438	11,175	8,933
Investment property – share of JVs/Funds		15	na	na	na	15	0
Trading property (including share of JVs)		na	na	na	na	na	na
Less: developments		(154)	(465)	(564)	(51)	(1,234)	(793)
Completed property portfolio	E	**973**	**2,751**	**5,845**	**387**	**9,956**	**8,140**
Allowance for estimated purchasers' costs		30	76	375	13	494	428
Gross up completed property portfolio valuation	B	**1,003**	**2,828**	**6,219**	**400**	**10,450**	**8,568**
Annualised cash passing rental income		40	99	182	18	339	269
Property outgoings		(2)	(14)	(3)	(0)	(20)	(11)
Annualised net rents	A	**37**	**85**	**179**	**18**	**319**	**258**
Add: notional rent expiration of rent free periods or other lease incentives		2	5	18	2	28	29
"Topped-up" net annualised rent	C	**39**	**90**	**197**	**20**	**347**	**287**
EPRA Net Initial Yield	A/B	**3.7%**	**3.0%**	**2.9%**	**4.4%**	**3.1%**	**3.0%**
EPRA "Topped-Up" Net Initial Yield	C/B	**3.9%**	**3.2%**	**3.2%**	**5.0%**	**3.3%**	**3.4%**
Gross Rents 100% Occupancy	F	44	123	207	24	398	315
Property outgoings 100% Occupancy		(2)	(12)	(3)	(1)	(18)	(10)
Annualised net rents 100% Occupancy	D	**42**	**111**	**204**	**23**	**380**	**305**
Net Initial Yield 100% Occupancy	D/B	**4.1%**	**3.9%**	**3.3%**	**5.8%**	**3.6%**	**3.6%**
Gross Initial Yield 100% Occupancy	F/E	**4.5%**	**4.5%**	**3.5%**	**6.2%**	**4.0%**	**3.9%**

5) EPRA Vacancy Rate

EPRA Vacancy Rate - Offices Portfolio

€m	1S 2018	1S 2017	Var. %
BARCELONA			
Vacant space ERV	0	1	
Portfolio ERV	43	35	
EPRA Vacancy Rate Barcelona	**1%**	**2%**	*(1 pp)*
MADRID			
Vacant space ERV	14	2	
Portfolio ERV	114	53	
EPRA Vacancy Rate Madrid	**12%**	**3%**	*9 pp*
PARIS			
Vacant space ERV	5	9	
Portfolio ERV	177	192	
EPRA Vacancy Rate Paris	**3%**	**5%**	*(2 pp)*
TOTAL PORTFOLIO			
Vacant space ERV	20	11	
Portfolio ERV	334	279	
EPRA Vacancy Rate Total Office Portfolio	**6%**	**4%**	*2 pp*

EPRA Vacancy Rate - Total Portfolio

€m	1S 2018	1S 2017	Var. %
BARCELONA			
Vacant space ERV	1	1	
Portfolio ERV	45	36	
EPRA Vacancy Rate Barcelona	**1%**	**2%**	*(1 pp)*
MADRID			
Vacant space ERV	14	2	
Portfolio ERV	116	54	
EPRA Vacancy Rate Madrid	**12%**	**3%**	*9 pp*
PARIS			
Vacant space ERV	6	9	
Portfolio ERV	216	230	
EPRA Vacancy Rate Paris	**3%**	**4%**	*(1 pp)*
LOGISTIC & OTHERS			
Vacant space ERV	1	-	
Portfolio ERV	24	-	
EPRA Vacancy Rate Total Portfolio	**3%**	-	-
TOTAL PORTFOLIO			
Vacant space ERV	21	12	
Portfolio ERV	401	321	
EPRA Vacancy Rate Total Portfolio	**5%**	**4%**	*2 pp*

Annualized figures

6.1 Appendix – EPRA ratios (cont.)

6) EPRA Capex disclosure

€m

Property-related CAPEX	06/2018	12/2017
Acquisitions (1)	42	429
Development (ground-up/green field/brown field)	39	57
Like-for-like portfolio	28	12
Other (2)	3	6
Capital Expenditure	**113**	**503**

(1) Does not include contribution of assets in exchange of shares

(2) Includes capitalised interest relating to projects, tenant incentives, letting fees and other capitalised expenses

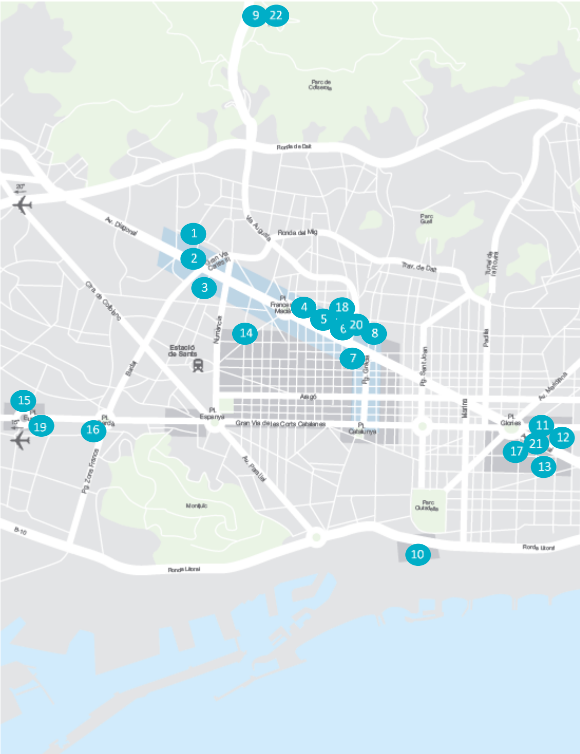
6.2 Appendix – Consolidated balance sheet

Consolidated balance sheet

€m	1S 2018	2017
ASSETS		
Consolidated goodwill	145	0
Property investments	10,976	8,792
Other non-current assets	80	487
Non-current assets	11,201	9,280
Debtors and other receivables	110	103
Other current assets	763	1,125
Assets available for sale	0	0
Current assets	873	1,228
TOTAL ASSETS	12,074	10,508
LIABILITIES		
Equity	3,708	3,592
Minority interests	2,295	2,088
Net equity	6,003	5,680
Bond issues and other non-current issues	4,074	3,308
Non-current financial debt	918	857
Deferred tax	355	350
Other non-current liabilities	88	77
Non-current liabilities	5,435	4,592
Bond issues and other current issues	403	14
Current financial debt	36	39
Creditors and other payables	128	128
Other current liabilities	70	55
Current liabilities	636	236
TOTAL EQUITY & LIABILITIES	12,074	10,508

6.3 Appendix – Asset portfolio – Locations

Barcelona



1. Paseo de los Tilos, 2-6
2. Av. Diagonal, 682
3. Av. Diagonal, 609-615
4. Travessera de Gràcia, 11
5. Amigó, 11-17
6. Av. Diagonal, 530-532
7. Av. Diagonal, 409
8. Via Augusta, 21-23
9. Complejo de oficinas Sant Cugat Nord
10. Torre Marenostrum
11. Diagonal Glories
12. Complejo de oficinas Parc Central 22@
13. Complejo de oficinas Illacuna
14. Berlin, 38-48 / Numància, 46
15. Plaza Europa, 42-44
16. Torre BCN
17. Parc Glories
18. Travessera de Gràcia, 47-49
19. Plaza Europa, 34
20. Gal·la Placidia
21. Diagonal, 197
22. Sant Cugat


1- Paseo de los Tilos, 2-6


2- Av. Diagonal, 682


3- Av. Diagonal, 609-615


4- Travessera de Gràcia, 11


5- Amigo, 11-17


6- Av. Diagonal, 530-532


7- Av. Diagonal, 409


8- Vía Augusta, 21-23


9- Sant Cugat Nord


10- Torre Marenostrum


11- Diagonal Glories


12- Parc Central 22@


13- Complejo Oficinas Illacuna


14- Berlín 38-48/Numancia 46


15.- Plaça Europa, 42-44


16- Torre Bcn


17- Parc Glories


18- Travessera Gràcia, 47-49


19- Plaza Europa 34

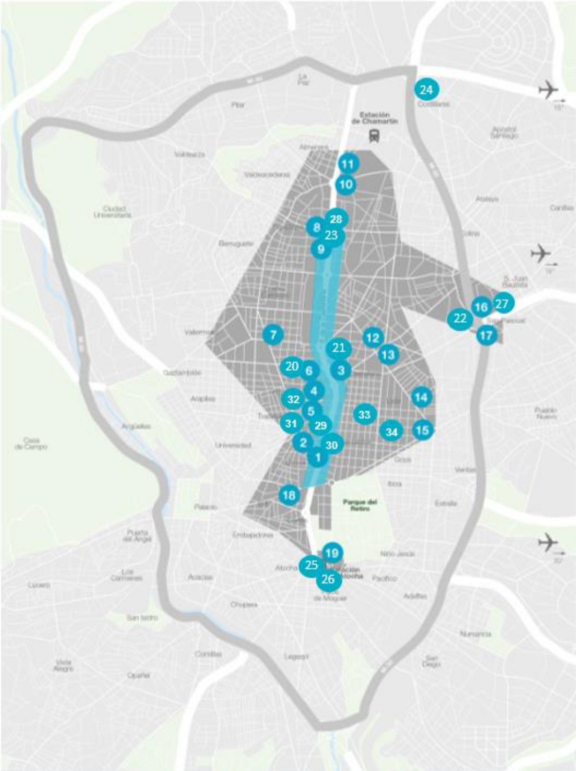

20- Gal·la Placidia


21- Diagonal 197


22- Sant Cugat

6.3 Appendix – Asset portfolio – Locations (cont.)

Madrid City Centre & CBD



1. Paseo de Recoletos, 37-41
2. Génova, 17
3. Paseo de la Castellana, 52
4. Paseo de la Castellana, 43
5. Miguel Ángel, 11
6. José Abascal, 56
7. Santa Engracia
8. Poeta Joan Maragall, 53
9. Discovery Building
10. Agustín Foxá, 29
11. Hotel Tryp Chamartín
12. López de Hoyos, 35
13. Príncipe de Vergara, 112
14. Francisco Silvela, 42
15. Ortega y Gasset, 100
16. Ramírez de Arellano, 37
17. MV 49 Business Park
18. Alcalá, 30-32
19. Alfonso XII, 62
20. José Abascal, 45
21. Serrano, 73
22. Santa Hortensia, 26-28
23. Paseo de la Castellana, 163
24. Arturo Soria, 336
25. Campus Méndez Álvaro
26. Méndez Álvaro II
27. Ramírez de Arellano, 15
28. Manuel Falla, 7
29. Sagasta, 27
30. Sagasta, 31-33
31. Almagro, 9
32. Miguel Ángel, 23
33. Velázquez-Padilla, 17
34. Don Ramón de la Cruz, 82


1- Paseo Recoletos, 37-41


2- Génova, 17


3- Castellana, 52


4- Castellana, 43


5- Miguel Angel, 11


6- José Abascal, 56


7- Santa Engracia


8- Poeta Joan Maragall, 53


9- Discovery Building


10- Agustín Foxá, 29


11- Hotel Tryp Chamartín


12- López de Hoyos, 35


13- Príncipe de Vergara, 112


14- Francisco Silvela, 42


15- Ortega y Gasset, 100


16- Ramírez Arellano, 37


17- MV 49 Business Park


18- Alcalá, 30-32


19- Alfonso XII, 62


20- José Abascal,45


21- Serrano, 73


22- Santa Hortensia, 26-28


23- Paseo Castellana, 163


24- Arturo Soria, 336


25- Campus Méndez Álvaro


26- Méndez Álvaro II


27- Ramírez Arellano, 15


28- Manuel Falla, 7


29- Sagasta, 27


30- Sagasta, 31-33


31- Almagro, 9


32- Miguel Ángel, 23


33- Velázquez-Padilla, 17


34- Don Ramón de la Cruz, 82

6.3 Appendix – Asset portfolio – Locations (cont.)

North Madrid – Arroyo de la Vega & Las Tablas

35. Francisca Delgado, 11
36. Av. De la Vega, 15
37. Cedro – Anabel Segura 14
38. Av. De Bruselas, 38
39. Puerto de Somport, 8
40. Puerto de Somport, 10-18


35- Francisca Delgado, 11


36- Av. De la Vega, 15


37- Cedro-Anabel Segura, 14


38- Av. De Bruselas, 38


39- Puerto Somport, 8


40- Puerto Somport, 10-18

East Madrid – Campo de las Naciones & A2

41. Ribera de Loira, 28
42. Tucumán
43. Cristalia, 2-3
44. Cristalia, 5-6
45. EGEO - Campo de las Naciones
46. Josefa Valcárcel, 40
47. Josefa Valcárcel, 24
48. Luca de Tena, 6
49. Luca de Tena, 7
50. Luca de Tena, 14
51. Alcalá, 506


41- Ribera de Loira, 28


42- Tucumán


43- Cristalia, 2-3


44- Cristalia, 5-6


45- EGEO


46- Josefa Valcárcel, 40


47- Josefa Valcárcel, 24


48- Luca de Tena, 6

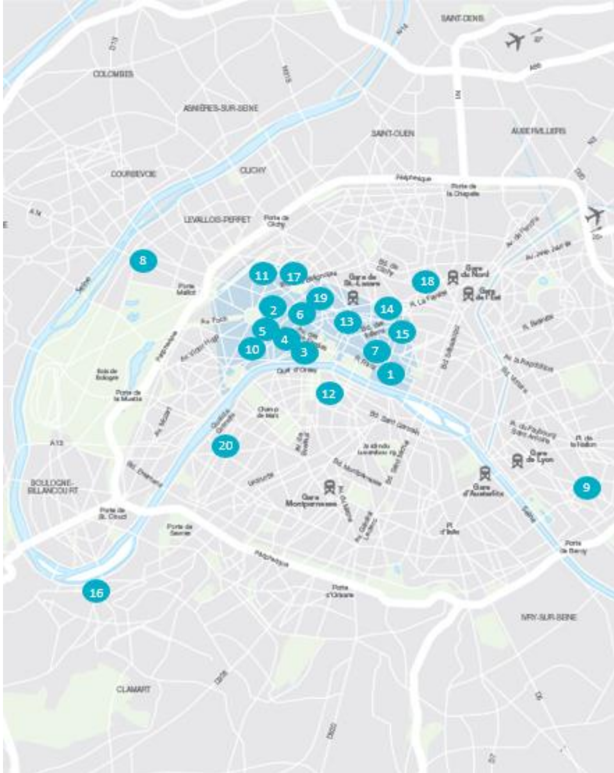
49- Luca de Tena, 7


50- Luca de Tena, 14


51- Alcalá, 506

6.3 Appendix – Asset portfolio – Locations (cont.)

Paris



1. Louvre Saint-Honoré
2. Washington Plaza
3. Galerie des Champs-Élysées
4. 90 Champs-Élysées
5. 92 Champs-Élysées Ozone
6. Cézanne Saint-Honoré
7. Édouard VII
8. 176 Charles de-Gaulle
9. Rives de Seine
10. 96 Iéna
11. 131 Wagram
12. 103 Grenelle
13. 104-110 Haussmann Saint-Augustin
14. 6 Hanovre
15. #Cloud
16. Le Vaisseau
17. 112 Wagram
18. 4-8 Rue Condorcet
19. 9 Avenue Percier
20. 112-122 Av. Emile Zola


1- Louvre-Saint-Honoré


2- Washington Plaza


3- Galerie de Champs-Élysées


4- 90, Champs-Élysées


5- 92, Champs-Élysées


6- Cézanne Saint-Honoré


7- Édouard VII


8- 176, Charles de Gaulle


9- Rives de Seine


10- 96, Iéna


11- 131, Wagram


12- 103, Grenelle


13- 104 Haussmann St-Agustin


14- 6, Hanovre


15- #Cloud


16- Le Vaisseau


17- 112, Wagram

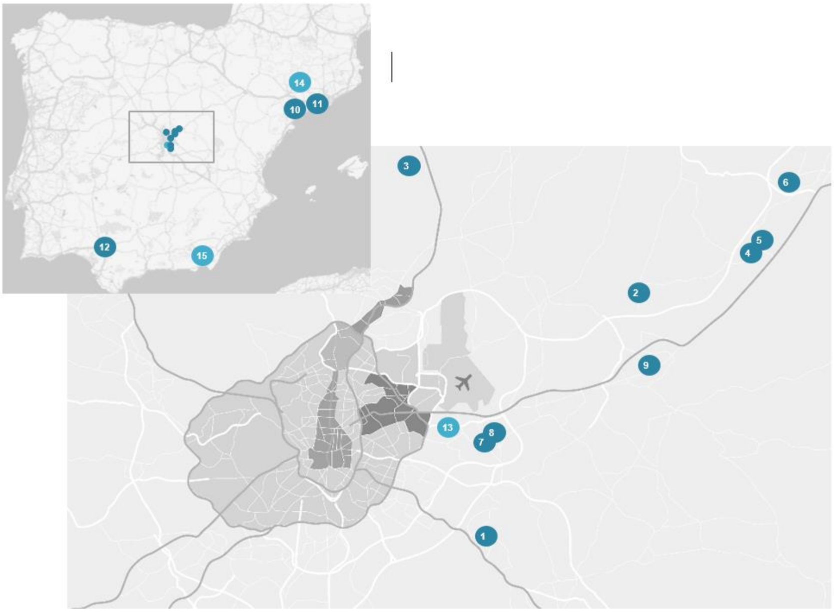

18- 4-8, Rue Condorcet


19- 9, Avenue Percier


20- Emile Zola

6.3 Appendix – Asset portfolio – Locations (cont.)

Logistics & others



1. Rivas Vaciamadrid
2. Camarma de Esteruelas
3. San Agustín de Guadalix
4. Azuqueca I
5. Azuqueca II
6. Cabanillas
7. San Fernando I
8. San Fernando II
9. Alcalá de Henares
10. Valls
11. Constantí
12. Dos Hermanas
13. Las Mercedes Open Park
14. Les Gavarres
15. Viapark


1- Rivas Vaciamadrid


2- Camarma de Esteruelas


3- San Agustín de Guadalix


4- Azuqueca I


5- Azuqueca II


6- Cabanillas


7- San Fernando I


8- San Fernando II


9- Alcalá de Henares


10- Valls


11- Constantí


12- Dos Hermanas

13- Las Mercedes Open Park


14- Les Gavarres

15- Viapark

6.4 Appendix – Asset portfolio - Details

Barcelona

RENTAL PORTFOLIO BARCELONA	Acquisition year	Floor space above ground					Floor space above ground	Floor space below ground	Total surface	Parking units
		Offices	Retail	Resid.	Logistic	Hotel				
DIAGONAL, 409	2001	3,680	851				4,531	0	4,531	
DIAGONAL, 530	1992	9,226	2,555				11,781	4,708	16,489	99
DIAGONAL, 609-615 - DAU/PRISMA	1997	21,624					21,624	18,839	40,463	438
AV. DIAGONAL, 682	1997	8,372	250				8,622	1,795	10,417	50
PEDRALBES CENTRE	1997	0	5,558				5,558	1,312	6,870	
BERLIN, 38-48/NUMANCIA, 46	1997	9,644	3,173				12,817	3,659	16,476	99
DIAGONAL 220-240, GLORIES	2000	11,672					11,672	536	12,208	40
ILLACUNA	2006	19,639	812				20,451	13,606	34,057	481
Pº TILOS, 2-6	2000	5,143					5,143	3,081	8,224	79
TRAVESSERA, 47-49	2016	8,939					8,939	1,705	10,644	6
VIA AUGUSTA, 21-23	1999	4,620	218				4,838	0	4,838	
TRAVESSERA, 11	1994	4,105	410				4,515	1,994	6,509	61
AMIGÓ, 11-17	1994	2,960	608				3,568	1,778	5,346	88
PLZ. EUROPA 42-44	2014	4,869					4,869	2,808	7,677	68
TORRE BCN	2000	9,600	235				9,835	3,226	13,061	88
TORRE MARENOSTRUM	2003	22,394					22,394	19,370	41,764	616
SANT CUGAT	1999	27,904					27,904	20,555	48,459	690
GALA PLACIDIA	2018	0					0	110	110	14
DIAGONAL 197	2014	14,966	385				15,351	0	15,351	227
SANT CUGAT	2017	12,000					12,000	0	12,000	374
OTHER SMALL RETAIL UNITS			103				103	0	103	
PORTFOLIO IN OPERATION		**201,357**	**15,158**	**0**	**0**	**0**	**216,516**	**99,082**	**315,597**	**3,518**
PARC GLORIES	2016	24,551					24,551	5,343	29,894	141
PARC CENTRAL 22@	2010	14,737					14,737	14,737	29,474	184
PLAZA EUROPA, 34	2017	14,306					14,306	4,500	18,806	151
GALA PLACIDIA	2018	4,285					4,285	298	4,582	
REST OF ASSETS		372					372	1,811	2,183	
PROJECTS UNDERWAY		**58,251**	**0**	**0**	**0**	**0**	**58,251**	**26,688**	**84,939**	**476**
TOTAL BARCELONA		**259,608**	**15,158**	**0**	**0**	**0**	**274,766**	**125,770**	**400,536**	**3,994**

Note: In order to facilitate the analysis of the portfolio, part of the office buildings have been specified to be dedicated to retail/commercial use (generally on the ground floors).
The assets in the Barcelona rental portfolio are 100% owned by Colonial, with the exception of Torre Marenostrum of which Colonial has a 55% stake and the plot of land at Plaza Europa 34 which is held through a joint venture with Inmo, S.L.
The assets in the Madrid rental portfolio and the rest of Spain are 100% owned by Colonial.

6.4 Appendix – Asset portfolio - Details (cont.)

Madrid

RENTAL PORTFOLIO MADRID	Acquisition year	Floor space above ground					Floor space above ground	Floor space below ground	Total surface	Parking units
		Offices	Retail	Resid.	Logistic	Hotel				
CASTELLANA, 52	1998	6,496	1,027				7,523	2,615	10,138	49
P. CASTELLANA, 163	2016	6,725	360				7,085	1,855	8,940	52
RECOLETOS, 37-41	2005	13,642	3,560				17,202	5,340	22,542	175
CASTELLANA, 43	2005	5,455	543				5,998	2,441	8,439	81
MIGUEL ANGEL, 11	2005	5,370	930				6,300	2,200	8,500	81
JOSE ABASCAL, 56	2005	10,857	1,468				12,325	6,408	18,733	219
GÉNOVA, 17	2015	3,638	1,038				4,676	2,601	7,277	70
JOSE ABASCAL, 45	2016	5,324					5,324	1,929	7,253	54
SERRANO,73	2016	4,242					4,242	3,176	7,418	104
ALCALA, 30-32	1994	8,573	515				9,088	1,700	10,788	52
ALFONSO XII, 62	2002	13,135					13,135	2,287	15,422	78
SANTA ENGRACIA	2015	13,444	220				13,664	5,562	19,226	180
FRANCISCO SILVELA, 42	1999	5,393					5,393	3,926	9,319	105
JOSÉ ORTEGA Y GASSET 100	2000	6,870	922				7,792	2,563	10,355	96
POETA JOAN MARAGALL, 53	2001	13,685	2,330				16,015	9,668	25,683	295
ESTÉBANEZ CALDERÓN, 3-5	2015	9,496	656				10,152	4,751	14,903	100
LÓPEZ DE HOYOS, 35	2005	7,140					7,140	4,105	11,245	111
AGUSTÍN DE FOXÁ, 29	2003	6,402	873				7,275	2,515	9,789	158
HOTEL CENTRO NORTE	2003	0	385			8,073	8,458	11,089	19,547	
ARTURO SORIA, 336	2017	8,363	300				8,663	5,655	14,318	191
MARTÍNEZ VILLERGAS, 49	2006	24,135					24,135	14,746	38,881	437
RAMIREZ DE ARELLANO, 37	1999	5,988					5,988	4,923	10,911	160
SANTA HORTENSIA, 26-28	2016	46,928					46,928	25,668	72,596	946
EGEO	2018	18,255					18,255	9,774	28,028	
MANUEL FALLA 27	2015	6,252					6,252	0	6,252	41
SAGASTA31-33	2016	7,054					7,054	0	7,054	93
ALMAGRO 9	2016	15,094					15,094	0	15,094	201
MIGUEL ANGEL 23	2017	2,300	834				3,134	0	3,134	97
VELÁZQUEZ-PADILLA 17	2015	13,233	3,583				16,816	0	16,816	155
DON RAMÓN DE LA CRUZ 82	2015	9,339					9,339	0	9,339	91
FRA NCISCA DELGADO 11	2014	14,883					14,883	2,150	17,033	395
AVENIDA DE LA VEGA 15	2014	22,578					22,578	0	22,578	418
CEDRO - ANABEL SEGURA 14	2017	17,138					17,138	0	17,138	381
PUERTO DE SOMPORT 8	2017	9,280					9,280	0	9,280	370
RIBERA DE LOIRA 28	2014	12,971					12,971	0	12,971	370
TUCUMÁN	2015	5,086	1,241				6,327	0	6,327	170
CRISTALIA 2-3	2014	17,338					17,338	0	17,338	391
CRISTALIA 5-6	2015	17,587					17,587	0	17,587	381
RAMÍREZ DE ARELLANO 15	2015	6,832					6,832	0	6,832	112
JOSEFA VALCÁRCEL 24	2016	5,652					5,652	0	5,652	90
LUCA DE TENA 6	2015	4,560					4,560	0	4,560	203
LUCA DE TENA 7	2016	10,147					10,147	0	10,147	260
LUCA DE TENA 14	2015	7,264	608				7,872	0	7,872	185
ALCALÁ 506	2015	5,664	596				6,260	0	6,260	205
LOCALES RESTO			1,167				1,167	379	1,546	
PORTFOLIO IN OPERATION		459,807	23,156	0	0	8,073	491,035	140,025	631,060	8,403
CAMPUS MÉNDEZ ALVARO	2017	89,871					89,871	0	89,871	
MÉNDEZ ALVARO II	2017	20,276					20,276	0	20,276	
AUTOVÍA TOLEDO	2017	0			23,557		23,557	0	23,557	
PRÍNCIPE DE VERGARA, 112-114	2015	11,368					11,368	4,530	15,898	113
PUERTO DE SOMPORT 10-18	2015	22,849					22,849	0	22,849	
AVENIDA DE BRUSELAS 38	2015	14,340					14,340	0	14,340	
JOSEFA VALCÁRCEL 40	2017	8,652					8,652	0	8,652	276
SAGASTA 27	nd	4,481					4,481	0	4,481	
	2017	4,902					4,902	0	4,902	
P. CASTELLANA, 163	2016	3,585	240				3,825	0	3,825	
REST OF ASSETS		12	246				258	1,533	1,791	13
PROJECTS UNDERWAY		180,336	486	0	23,557	0	204,379	6,063	210,442	402
TOTAL MADRID		640,143	23,642	0	23,557	8,073	695,414	146,088	841,502	8,805

Note: In order to facilitate the analysis of the portfolio, part of the office buildings have been specified to be dedicated to retail/commercial use (generally on the ground floors).
The assets in the Barcelona rental portfolio are 100% owned by Colonial, with the exception of Torre Marenostrum of which Colonial has a 55% stake and the plot of land at Plaza Europa 34 which is held through a joint venture with Inmo, S.L.
The assets in the Madrid rental portfolio and the rest of Spain are 100% owned by Colonial.

6.4 Appendix – Asset portfolio - Details (cont.)

Logistics & Others

RENTAL PORTFOLIO REST OF SPAIN	Acquisition year	Floor space above ground					Floor space above ground	Floor space below ground	Total surface	Parking units
		Offices	Retail	Resid.	Logistic	Hotel				
HOTEL MOJACAR	2006					11,519	11,519		11,519	
VALLS	2014				26,026		26,026		26,026	
CONSTANTÍ	2015				42,253		42,253		42,253	
CABANILLAS	2014				37,879		37,879		37,879	
MIRALCAMPO	2014				35,781		35,781		35,781	
RIVAS	2014				35,248		35,248		35,248	342
GUADALIX	2014				14,945		14,945		14,945	
CAMARMA	2014				70,296		70,296		70,296	
SAN FERNANDO (PHASE I)	2016				42,999		42,999		42,999	
ALCALÁ DE HENARES	2016				8,971		8,971		8,971	
AZUQUECA II	2016				19,064		19,064		19,064	
DOS HERMANAS	2014				51,666		51,666		51,666	
LES GAVARRES	2014				12,413		12,413		12,413	352
LAS MERCEDES OPEN PARK	2015				24,649		24,649		24,649	1,500
VÍAPARK	2016				15,744		15,744		15,744	
PORTFOLIO IN OPERATION		0	0	0	437,934	11,519	449,453	0	449,453	2,194
SAN FERNANDO (PHASE I)	2016				28,132		28,132	0	28,132	
SAN FERNANDO (PHASE II)	2017				59,842		59,842	0	59,842	
PROJECTS UNDERWAY		0	0	0	87,974	0	87,974	0	87,974	0
TOTAL LOGSTIC & OTHERS		0	0	0	525,908	11,519	537,427	0	537,427	2,194
TOTAL SPAIN		899,751	38,800	0	549,465	19,592	1,507,608	271,858	1,779,466	14,993

Note: In order to facilitate the analysis of the portfolio, part of the office buildings have been specified to be dedicated to retail/commercial use (generally on the ground floors).
The assets in the Barcelona rental portfolio are 100% owned by Colonial, with the exception of Torre Marenostrum of which Colonial has a 55% stake and the plot of land at Plaza Europa 34 which is held through a joint venture with Inmo, S.L.
The assets in the Madrid rental portfolio and the rest of Spain are 100% owned by Colonial.

6.4 Appendix – Asset portfolio - Details (cont.)

France

RENTAL PORTFOLIO FRANCE	Acquisition year	Floor space above ground					Floor space above ground	Floor space below ground	Total surface	Parking units
		Offices	Retail	Resid.	Logistic	Hotel & others				
LOUVRE SAINT-HONORE	1995	23,313	82			753	24,148	4,110	28,259	236
EDOUARD VII	1999	25,900	15,350	4,510		4,202	49,962	10,145	60,107	523
6 HANOVRE	1958	3,325					3,325	1,246	4,571	0
#CLOUD.PARIS	2004	28,192				1,860	30,051	3,164	33,216	99
CONDORCET	2014	20,376		1,562		1,301	23,239	2,457	25,696	50
GALERIE CHAMPS-ELYSEES	2002	0	4,141				4,141	3,849	7,990	125
90 CHAMPS-ELYSEES	2002 / 2009	7,912	932				8,844	0	8,844	
92 CHAMPS-ELYSEES	2000	4,110	3,089				7,199	0	7,199	
CEZANNE SAINT-HONORE	2001 / 2007	24,437	1,849	0			26,287	3,337	29,624	128
131 WAGRAM	1999	7,100				449	7,549	3,119	10,668	124
96 IENA	2001 / 2007	1,609					1,609	3,724	5,333	264
112 WAGRAM	2008	4,470	892				5,362	546	5,908	29
WASHINGTON PLAZA	2000	39,201	416			1,849	41,467	13,279	54,746	662
HAUSSMANN SAINT-AUGUSTIN	2002 / 2004	11,683	608				12,291	2,650	14,942	104
9 PERCIER	2015	5,663					5,663	427	6,089	14
176 CHARLES DE GAULLE	1997	5,749	389				6,138	2,739	8,876	145
LE VAISSEAU	2006	6,026					6,026	2,321	8,347	124
RIVES DE SEINE	2004	20,270				1,760	22,030	6,589	28,619	366
103 GRENELLE	2006	15,585	258			1,011	16,854	1,932	18,786	100
SAINT DENIS		0		60			60	16	76	1
PORTFOLIO IN OPERATION FRANCE		254,921	28,007	6,132		13,184	302,245	65,651	367,895	3,094
EMILE ZOLA	2017	23,000		1,000			24,000	0	24,000	
LOUVRE SAINT-HONORE	1995	1,912	15,918			0	17,830	5,422	23,252	
96 IENA	2001 / 2007	5,896					5,896	1,918	7,814	
EDOUARD VII	1,999	2,511					2,511	0	2,511	
WASHINGTON PLAZA	2000	462				365	827	2,177	3,004	
CEZANNE SAINT-HONORE	2001 / 2007	0					0	1,504	1,504	
131 WAGRAM	1999	0					0	532	532	
103 GRENELLE	2006	0					0	1,704	1,704	
#CLOUD.PARIS	2004	0					0	3,397	3,397	
REST OF ASSETS		283	760				1,042	4,638	5,680	
PROJECTS UNDERWAY FRANCE		34,064	16,678	1,000	0	366	52,107	21,290	73,397	0
TOTAL FRANCE		288,986	44,684	7,132	0	13,550	354,352	86,940	441,292	3,094
TOTAL PROPERTY COLONIAL		1,188,737	83,484	7,132	549,465	33,141	1,861,960	358,798	2,220,758	18,087

Colonial has 58.6% of the share capital of SFL. SFL has 100% ownership of the totality of its rental portfolio with the exception of Washington Plaza of which it owns 66%, as well as the assets of Champs Élysées 90, Galerie Champs Élysées 82-88 and Haussmann 104-110 of which it owns 50%.

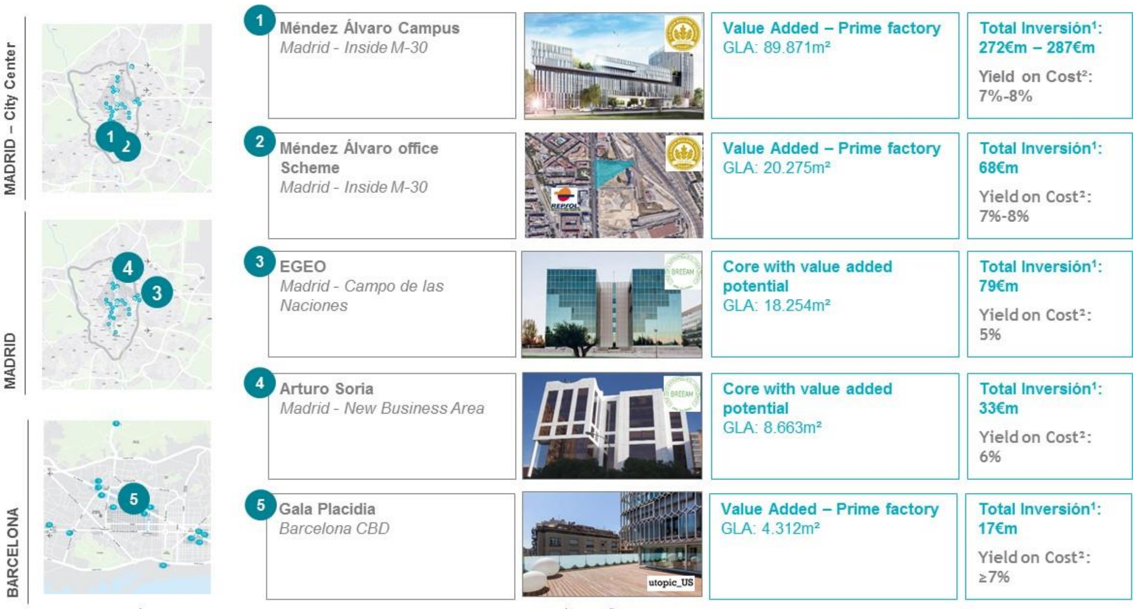
6.5 Appendix – Asset portfolio – Alpha III Acquisitions

- **Alpha III acquisitions**

Colonial commenced 2018 with the execution of the Alpha III project. This project includes the acquisition of five assets, four in Madrid and one in Barcelona, with a total expected investment volume of €480m. With Alpha III, the Colonial Group has already achieved its investment objective for 2018.

Under the framework of Alpha III, four assets were acquired in Madrid: the two plots of land in Méndez Álvaro located in the south of the CBD where the development of more than 110,000 sq m of offices, distributed across several office complexes, will be carried out, as well as the acquisition of two top quality assets in new business areas in the capital: Arturo Soria and EGEO -Campo de las Naciones. In addition, Colonial acquired an asset in Gal·la Placídia, located in the CBD of Barcelona, where a complete refurbishment will be carried out with the objective of strengthening co-working initiatives.

The Arturo Soria and Méndez Álvaro properties were purchased in 2017, while the EGEO and Gal·la Placídia assets were purchased in the first quarter of 2018.



1 Precio de adquisición + capex total estimado del proyecto 2 Potential running yields on cost para los próximos años

6.5 Appendix – Asset portfolio – Alpha III Acquisitions (cont.)

The main characteristics of the **Alpha III** acquisitions are as follows:

- **Méndez Álvaro.** Colonial has bet on the south of the CBD in Madrid with the acquisition of more than 110,000 sq m of office space above ground. The two acquired plots of land are located in the Méndez Álvaro market, just south of the Madrid CBD, very close to Atocha station. The area counts on excellent communication links for public as well as private transport, with easy access on foot from the centre of Madrid. There are also various train and bus lines as well as quick access from the M-30. The Méndez Álvaro market has grown exponentially in the last years, with the establishment of various multinationals such as Repsol, Amazon, Ericsson and Mahou, among others.

  Colonial plans to develop two office complexes in Méndez Álvaro:

  ✓ Mendez Álvaro Campus. This plot of 90,000 sq m of surface area above ground for office and/or residential use will enable the development of a new unique campus in the centre of the capital, incorporating the latest trends in the real estate market in the areas of energy efficiency, space distribution, use combinations and Proptech initiatives. Construction is expected to start at the end of 2019 and the total cost of the project, once completed, will be in a range between €3,000 and €3,200/sq m (including the acquisition cost of the land).

  ✓ Méndez Álvaro – 2. This plot of 20,000 sq m of surface area above ground for office use will allow for the development of a unique high quality office building just a few metres from Atocha station. The start of construction is expected in the next months and the total cost of the project, once completed, will be around €3,375/sq m (including the acquisition cost of the land).

- **EGEO.** Building of 18,254 sq m above ground placed in phase 1 of Campo de las Naciones, Madrid. The asset has an unbeatable location, with easy access to public transport to the CBD and airport. The acquisition enables Colonial to incorporate a high quality building to its portfolio, with floors of 3,000 sq m divisible into up to 8 modules, allowing for higher flexibility for renting. Currently, it is 93% occupied by various tenants and has high reversionary potential. The acquisition cost is €4,300/sq m.

- **Arturo Soria.** High quality 8,663 sq m asset located in the Arturo Soria area in the North of Madrid. The asset stands out due to its location with excellent communication links, positioning the building in an optimum location to capture tenants who want to be located in the North of Madrid. It also counts on easy accesses of public transport to the city centre and airport. It is currently 98% occupied by various tenants and it has high reversionary potential. The acquisition cost is €3,300/sq m, a very attractive entry price that enables high potential for value generation for the Company's shareholders.

6.5 Appendix – Asset portfolio – Alpha III Acquisitions (cont.)

- **Gal·la Placídia.** This building has an unbeatable location in the Barcelona CBD, just in front of the Gracia metro station and a few metres away from Colonial's headquarters. The asset has 4,312 sq m of surface area above ground with floors of up to 1,600 sq m and large terraces, a unique characteristic in the centre of Barcelona. Colonial will carry out a complete refurbishment of the building with the objective to boost co-working initiatives and increase the cash flow generation as well as the value creation potential. Accordingly, the building will be fully rented to Utopic_US, a leader in the management of flexible spaces and co-working contents in Spain, recently acquired by Colonial. The total price of the project once completed will be below €4,000/sq m.

The Alpha III project is within the framework of the organic acquisitions program of the Colonial Group. All of the assets acquired offer a substantial upside potential of real estate value creation based on: (1) the property transformation of the buildings into top quality products and (2) the location in market segments with solid fundamentals that capture the high end of the rental prices.

6.6 Appendix – Project portfolio & new acquisitions

Projects underway, future projects and Alpha III acquisitions

BARCELONA

Parc Glòries – Barcelona 22@ *(Project underway)*

A new project of an emblematic office building in the most prime area of 22@ with extremely high quality finishes, technical specifications and sustainability with delivery expected in 2018. Parc Glòries is a project destined to become an imminent symbol of the city. The project will have more than 24,000 sq m designed by Batlle & Roig, distributed over 17 floors. The building will be one of the first properties to obtain the LEED Platinum certificate in the Barcelona office market.

Plaza Europa, 34 *(Project underway)*

At the beginning of 2017, Colonial strengthened its position in Plaza Europa, one of the business areas with the most development in recent years in Barcelona, with a new project to build a 21-storey office building with 14,000 sq m above ground and 150 parking spaces. This project is being developed in a joint venture with the Inmo Company, a subsidiary of the Puig family, the land owner, whose current corporate headquarters is located in the adjacent plot. The building will obtain the LEED Gold energy certificate.

Gal·la Placídia (Future project)

Acquired at the beginning of 2018 under the framework of the Alpha III project, this is an office building located in the CBD of Barcelona with a surface area above ground of 4,300 sq m. The building is in an unbeatable location, sought after by co-working companies due to its excellent communication links. The space will be refurbished and will be completely rented by the co-working company of Colonial, Utopic_US.

6.6 Appendix – Project portfolio & new acquisitions (cont.)

Projects underway, future projects and Alpha III acquisitions

MADRID

Príncipe de Vergara *(Project underway)*

Property acquired in July 2015, located at Príncipe de Vergara, 112, Madrid. The former property has been demolished to build a unique new building, which will incorporate the latest technologies and hold the most prestigious environmental and sustainability certificates. The new office building will provide a total of 11,400 sq m of rentable surface area, with optimal space efficiency on all floors, enabling it to obtain the LEED Gold energy certificate.

Paseo de la Castellana, 163 *(Future project)*

An office building acquired in the Alpha II project, located in the CBD in Madrid. The asset has a surface area above ground of 10,900 sq m, divided among 11 floors of office space and a ground floor allocated for commercial premises. The flexible floors are approximately 900 sq m with an efficient design and high luminosity. The building has two entrances: one in Paseo de la Castellana and the other in Poeta Joan Maragall 50. Over the coming years, the property will be refurbished to obtain the BREEAM Very Good certificate.

Campus Méndez Álvaro *(Future project)*

Plot of land acquired under the framework of the Alpha III project where an emblematic campus of 90,000 sq m will be created in the centre of Madrid (Méndez Álvaro area). The work will commence in mid-2019 and will be completed by the end of 2021. It will be a macro project which will create an innovative campus with a mixed use of offices and top of the range residential buildings. The campus will include large communal areas of green zones and services for tenants of the campus. The project will obtain the top energy certificates.

6.6 Appendix – Project portfolio & new acquisitions (cont.)

Projects underway, future projects and Alpha III acquisitions

MADRID – cont.

Méndez Álvaro II *(Future project)*

Plot of land acquired under the framework of the Alpha III project and complementary to the acquisition of the Campus Méndez Álvaro. A new office building of 20,275 sq m will be developed south of the centre of Madrid (Méndez Álvaro area). The building will have 16 floors of offices and 270 parking spaces. The floors will be flexible and approximately 1,300 sq m with an efficient design, which will enable it to obtain the top energy certificates. The construction work will commence in 2018 and the assets will be delivered in the second half of 2020 (one year before the Campus Méndez Álvaro).

Sagasta, 27 *(Project underway)*

This asset was acquired through various transactions in 2017 and 2018. It is located in one of the best areas of the Madrid CBD, next to the Alonso Martínez roundabout and just a 9-minute walk from Plaza Colón and Paseo de la Castellana. The building will undergo a significant refurbishment in 2020, to create a three-storey office complex with a total GLA of 5,300 sq m, and with a clear height of four metres, providing excellent levels of natural light, mainly thanks to its façade configuration overlooking three streets and two large interior patios. Class A building in a location sought-after by international law firms, private banks and embassies.

Avenida de Bruselas (Project underway)

A free-standing office building acquired in September 2015, located in the South part of the Arroyo de la Vega market in Madrid, adjacent to the exclusive residential area of Moraleja.

A full refurbishment is being carried out on the building, replacing the old façade with a glass façade, increasing the levels of natural light. In addition, latest generation systems and installations will replace those currently installed in the building. After the refurbishment, the building will have floors spanning over 2,500 sq m, in addition to 323 underground parking spaces, 41 outdoor parking spaces and LEED Gold certification.

6.6 Appendix – Project portfolio & new acquisitions (cont.)

Projects underway, future projects and Alpha III acquisitions

MADRID – cont.

Puerto Somport, 10-18 *(Project underway)*

A project is underway for the construction of an office building of almost 24,000 sq m. The building is located in the business district of Las Tablas, very close to the A1 motorway. In the surrounding areas, there is a variety of residential buildings and business parks. It will house a wide range of tenants, from financial entities to professional services companies. An unbeatable location close to the M30 ring road.

Josefa Valcárcel, 40 *(Project underway))*

A turnkey project of an independent office building located in the A2/M30 office sub-market, a strategic location due to its proximity to the Central Business District and the airport. The property, which is an advanced construction phase with delivery expected in the second half of 2018, has a GLA of 9,082 sq m distributed across 6 floors with a standard floor size of 1,400 sq m, as well as 259 parking spaces.

Velázquez – Padilla 17 *(Future project)*

A prime office building of more than 16,000 sq m, acquired in various phases from different owners between 2014 and 2016. It is located in a prominent corner in the heart of this exclusive Salamanca neighbourhood in the central business district of Madrid. The building provides tenants with more than 2,000 sq m floor plates, which is very uncommon for the area, as well as a large retail area and underground car park with approximately 155 parking spaces. A full refurbishment will be carried out on the property, with improvements in communal areas and installations, as well as replacements of the façade and reception.

6.6 Appendix – Project portfolio & new acquisitions (cont.)

Projects underway, future projects and Alpha III acquisitions

MADRID – cont.

Miguel Ángel 23 *(Future project)*

A prime office building located in the central business district of Madrid, acquired in February 2017 from various owners. The property has a GLA of 8,036 sq m distributed over seven floors with a standard surface area of approximately 1,050 sq m. It has 100 parking spaces and commercial premises of more than 800 sq m. A full refurbishment will be carried out on the property, with improvements in common areas and installations, as well as a replacement of the façade.

Arturo Soria, 336 – Madrid BD *(Acq. Alpha III)*

Purchase under the framework of the Alpha III project of an office building at 336 Arturo Soria in Madrid, which has a surface area of 8,663 sq m above ground and almost 200 parking spaces. The asset is currently almost 100% occupied. Highlighted is the potential the building has due to its location, quality and size, as well as the flexibility of the space.

EGEO - Campo de las Naciones – Madrid BD *(Acq. Alpha III)*

At the beginning of 2018, under the framework of the Alpha III project, this office building was acquired located in Campo de las Naciones, which has a surface area of 18,000 sq m distributed over 6 floors and 350 parking spaces. The building has two independent wings, with an attractive entrance hall crowned with a skylight, which offers good natural light to the interior spaces. The floors are flexible with 3,000 sq m divisible into up to 8 modules, allowing the possibility to accommodate various tenants. The asset is located in the best area of Campo de la Naciones and has excellent connections to public transport.

6.6 Appendix – Project portfolio & new acquisitions (cont.)

Projects underway, future projects and Alpha III acquisitions

PARIS

112-122 Avenue Emile Zola *(Proyecto en curso)*

At the beginning of 2017, the Colonial Group completed a transaction for €165m, though its French subsidiary, to acquire the historical headquarters of the SMA Group. This building stands at a prime location at 112-122 Avenue Emile Zola, in the centre of district 15 in Paris. The building has a surface area of approximately 21,000 sq m. SMA moved to a new headquarters in the fourth quarter of 2017, at which time the Colonial Group will restructure the building to transform it into one of the largest office complexes in the South of the French capital. The project will have 1,400 sq m of office space with great luminosity and efficient functionality. There will be a double entrance, optimizing the divisibility and a wooded garden surrounding the building.

Louvre Saint Honoré *(Project underway)*

A new retail development project in the Louvre Saint Honoré building which will count on approximately 15,000 sq m. It is the development of a retail space on the underground floors, ground floor and the first floor of the building. This Prime Factory project will be carried out with top quality finishes and technical specifications and is expected to be completed by 2021, with the capacity to attract top tier tenants.

96 Iéna *(Future project)*

A future project for the creation of a prime office complex located in the heart of the CBD in Paris, close to "l'Arc de Triomphe". The project will be designed by the famous French architect Dominique Perrault, creating an iconic building with high quality finishes and technical specifications. Common spaces will be optimized on the offices floors and green spaces will be created in the interior patio, as well as an internal atrium that will allow for natural light to reach the underground basement up to two floors down. The property will have the best energy certificates and construction is expected to begin in 2018 and be completed by 2020.

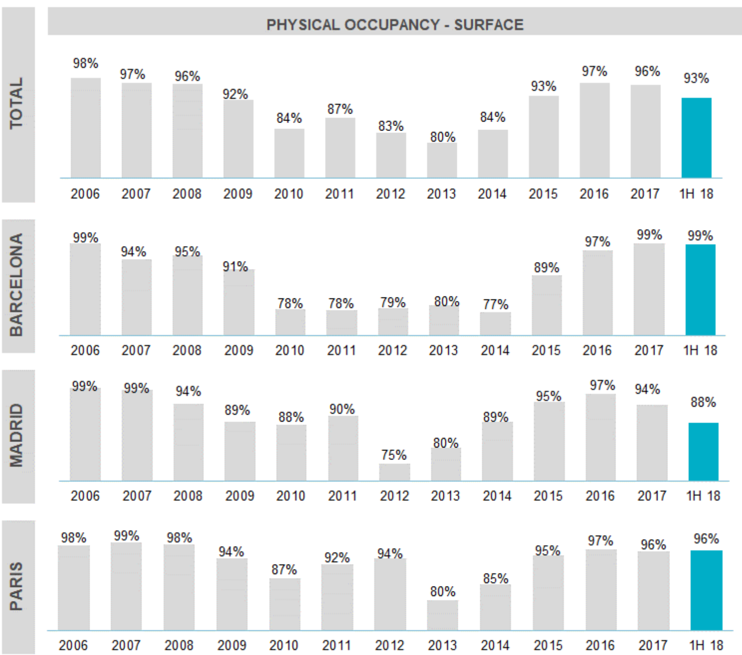
6.7 Appendix – Historical series

Historical series breakdown

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Barcelona														
Physical Offices Occupancy (%)	97%	100%	99%	94%	95%	91%	78%	78%	79%	80%	77%	89%	97%	99%
Rental revenues (€m)	55	53	56	60	51	49	39	32	31	28	28	27	30	35
Net Rental Income (€m)	53	51	55	58	49	47	37	28	27	25	23	23	28	34
NRI / Rental revenues (%)	95%	96%	97%	97%	96%	97%	93%	88%	89%	89%	85%	85%	92%	96%
Madrid														
Physical Offices Occupancy (%)	93%	98%	99%	99%	94%	89%	88%	90%	75%	80%	89%	95%	97%	94%
Rental revenues (€m)	37	44	68	70	56	50	47	45	44	35	32	35	43	52
Net Rental Income (€m)	34	42	66	66	52	46	42	41	40	30	28	31	38	46
NRI / Rental revenues (%)	93%	94%	96%	95%	92%	92%	90%	90%	90%	86%	85%	88%	88%	88%
Paris														
Physical Offices Occupancy (%)	97%	96%	98%	99%	98%	94%	87%	92%	94%	80%	85%	95%	97%	96%
Rental revenues (€m)	157	153	162	170	182	183	175	152	150	149	152	169	198	196
Net Rental Income (€m)	147	145	153	162	171	173	162	141	138	137	139	155	188	185
NRI / Rental revenues (%)	94%	95%	95%	95%	94%	94%	93%	93%	92%	92%	92%	92%	95%	94%

Evolution of physical office occupancy

Office Occupancy[1] – Evolution of Colonial's Portfolio



(1) *Occupied surfaces/Surfaces in operation*

6.8 Appendix – Appraisal Certificate

CONSEJO DE ADMINISTRACIÓN
INMOBILIARIA COLONIAL, SOCIMI S.A.
Av. Diagonal 532
08006 Barcelona

Madrid, 25th July 2018

Dear Sirs,

In accordance with your instruction, JLL Valoraciones; S.A. and CBRE, as valuers of the Colonial portfolio in Spain, and Jones Lang LaSalle Expertise and Cushman & Wakefield, as SFL valuers in France; have carried out the valuation reports of the freehold interest of the portfolio of properties of Inmobiliaria Colonial (Spain and France) as at 30th of June 2018 for internal use of the company.

According to the aforementioned reports, the Net Market Value of the company's portfolio is:

11,189,995,052 EUROS

(Eleven Thousand One Hundred and Eighty Nine Million
Nine Hundred and Ninety Five Thousand and Fifty Two Euros)

The breakdown is as follows:

Unit	Market Value (excl. Transfer costs)	Gross Value (incl. Transfer costs)
Madrid	3,504,203,773 €	3,601,783,526 €
Barcelona	1,126,704,000 €	1,162,011,292 €
Rest of Spain	150,030,346 €	155,228,257 €
Total Colonial (Spain)	**4,780,938,119 €**	**4,919,023,075 €**
Total SFL (París)	**6,409,056,933 €**	**6,811,087,897 €**
Total Colonial + SFL	**11,189,995,052 €**	**11,730,110,972 €**

The valuation has been carried out in accordance with the Practice Statement and the relevant Guidance Notes in the RICS Appraisals and Valuations Manual prepared by the Royal Institution of Chartered Surveyors and with the General Principles adopted in the Preparation of Valuations and Reports.

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Société anonyme au capital de 160 000 €
RC Siret 332 111 574 00049
N° TVA intracommunautaire FR 100 332 111 574

CBRE VALUATION ADVISORY S.A.
Paseo de la Castellana, 202
Planta 8ª - 28046 Madrid
EDIFICIO CASTELLANA 200

6.9 Appendix – Financial structure – Details

The main characteristics of the Colonial Group's debt are as follows:

1. Bonds issued in two tranches in June 2015 for a total amount of €875m according to the following breakdown:
   a) Initial issuance of €750m, with a pending amount of €375 after the buybacks carried out in October 2016, and maturing in June 2019 with an annual fixed coupon of 1.863%. After the close of the first half, the total pending amount was amortized.
   b) Issuance of €500m, maturing in June 2023 with an annual fixed coupon of 2.728%.

2. Four bond issuances for a total of €1,450m, carried out under the EMTN program:
   a) Issuance of €600m, maturing in October 2024, with a fixed annual coupon of 1.45%.
   b) Private bond issuance for €50m, maturing in November 2026, with an annual fixed coupon of 1.875%.
   c) Issuance of unsecured bonds of €800m structured in two tranches:
      I. One tranche of €500m, maturing on 28 November 2025 with a fixed annual coupon of 1.625%.
      II. One tranche of €300m, maturing on 28 November 2029, with a fixed coupon of 2.5%, payable annually in arrears.
   d) A bond issue for €650m, maturing on 17 April 2026, with an annual fixed coupon of 2%

   These bonds are unsubordinated and non-preferential between them, and have been accepted for listing on the Main Securities Market of the Irish Stock Exchange.

3. Three SFL bond issuances for €1,000m according to the following breakdown:
   a) Issuance in November 2014 for €500m, maturing in November 2021, with an annual fixed coupon of 1.875%.
   b) Issuance in November 2015 for €500m with an annual fixed coupon of 2.25%, maturing in November 2022.
   c) Issuance in May 2018 for €500m, with an annual fixed coupon of 1.5%, maturing in May 2025.

   These bonds are unsubordinated and non-preferential between them and have been accepted for listing on the regulated market of Euronext Paris.

4. Colonial's two syndicate loans:
   a) Syndicate loan for a nominal value of €500m, of which the agent bank is "Natixis S.A. Sucursal en España, S.A." maturing in December 2023, to cover Colonial's corporate needs. The interest rate of the loan has been fixed at Euribor plus the market spread and the only guarantees provided have been corporate.
   b) Syndicate loan for a nominal value of €375m, of which the agent bank is "Credit Agricole Corporate and Investment Bank Sucursal en España, S.A." maturing in March 2022, the objective of which is to cover general corporate needs. The interest rate of the loan has been fixed at Euribor plus the market spread. The only guarantees provided have been corporate.

   Both loans are subject to the fulfilment of certain financial ratios. At 30 June 2018, these loans were undrawn.

6.9 Appendix – Financial structure – Details (cont.)

5. SFL's two syndicate loans:
   a) A syndicate loan for a nominal amount of €400m, the agent bank of which is "BNP PARIBAS", maturing in July 2020 with an applicable spread, subject to the LTV level. At 30 June 2018 this loan was undrawn.
   b) The syndicate loan for a nominal amount of €150m, the agent bank of which is "Natixis Banques Populaires", maturing in October 2019, was cancelled in June 2018

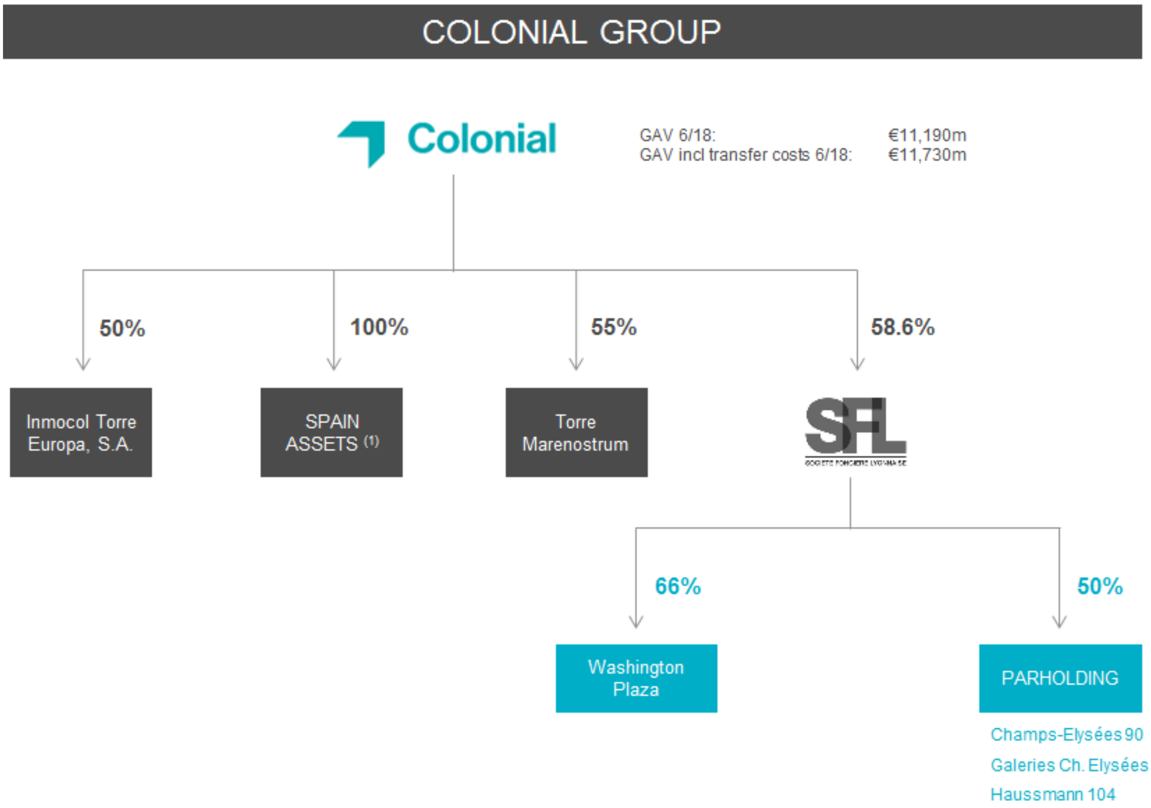
6. Bilateral loans with mortgage securities:
   a) The Colonial Group in Spain, through one of its subsidiaries, holds €34m in a bilateral loan, with a mortgage security on a property asset. The average maturity of this loan is 7.4 years and the average financing spread is 150 bps.
   b) As a consequence of the merger with Axiare, Colonial has subrogated 19 bilateral loans with mortgage guarantees for €617m, with an average maturity of 4.8 years and an average financial cost of 2.12% (including commissions and hedges). After the close of the quarter, 3 loans were totally cancelled and another was partially cancelled, for the total amount of €177m.

   c) SFL, through various subsidiaries, holds a total of €202m in loans with various financial institutions, with mortgage securities on property assets. The average maturity of these loans is 3.9 years.

7. Bilateral loans without mortgage securities:

   SFL holds various loans for the amount of €50m, at a variable interest rate, with an average maturity of 4.7 years.

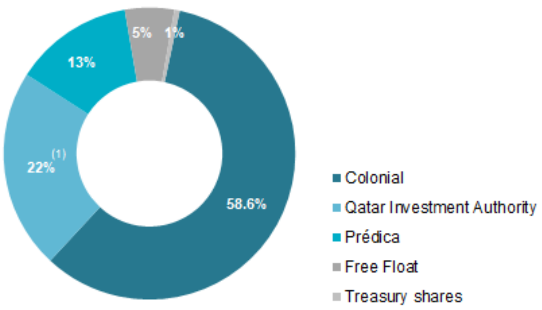
6.10 Appendix – Group Structure



6.11 Appendix – Subsidiaries - Details

Shareholder structure and Board of Directors of SFL

SFL ***- Shareholder structure at 30/06/2018***



(1) Stake held through Qatar Investment Authority (13.7%) and DIC Holding (8.6%)

Board of Directors SFL

Name of Director			Executive Committee	Nominations & Remunerations Committee	Audit & Control Committee	Independent Directors Committee
Juan José Brugera Clavero	Chairman	Colonial	Chairman			
Pere Viñolas Serra	Vice-Chairman - Director	Colonial	Member	Member		
Carlos Fernández-Lerga Garralda	Director	Colonial			Chairman	
Carmina Ganyet Cirera	Director	Colonial	Member		Member	
Angels Arderiu Ibars	Director	Colonial				
Carlos Krohmer	Director	Colonial				
Luis Maluquer Trepat	Director	Colonial				
Nuria Oferill Coll	Director	Colonial				
Ali Bin Jassim Al Thani	Director	QIA				
Adnane Moussanif	Director	QIA				
Jean-Jacques Duchamp	Director	CRÉDIT AGRICOLE ASSURANCES	Member		Member	
Chantal du Rivau	Director	CRÉDIT AGRICOLE ASSURANCES				
Sylvia Desazars de Montgailhard	Independent Director					Member
Arielle Malard de Rothschild	Independent Director					
Anthony Wyand	Independent Director			Chairman		Member

6.12 Appendix - Glossary

Earnings per share (EPS)	Profit from the year attributable to the shareholders divided by the basic number of shares
BD	Business District
Market capitalisation	The value of the company's capital obtained from its stock market value. It is obtained by multiplying the market value of its shares by the number of shares in circulation
CBD	Central Business District (prime business area)
Property company	Company with rental property assets
Portfolio (surface area) in operation	Property/surfaces with the capacity to generate rents at the closing date of the report
EBIT	Calculated as the operating profit plus variance in fair value of property assets as well as variance in fair value of other assets and provisions.
EBITDA	Operating result before net revaluations, amortizations, provisions, interests and taxes
EPRA	European Public Real Estate Association: Association of listed European property companies that sets best market practices for the sector
Free float	The part of share capital that is freely traded on the stock market and not controlled in any stable way by shareholders
GAV excl. transfer costs	Gross Asset Value of the portfolio according to external appraisers of the Group, after deducting transfer costs
GAV incl. transfer costs	Gross Asset Value of the portfolio according to external appraisers of the Group, before deducting transfer costs
GAV Parent Company	Gross Asset Value of directly-held assets + NAV of the 55% stake in the Torre Marenostrum SPV + Value JV Plaza Europa + NAV of 58.6% stake in SFL. + NAV stake in Axiare value of the portfolio.

6.12 Appendix – Glossary (cont.)

Holding	A company whose portfolio contains shares from a certain number of corporate subsidiaries.
IFRS	International Financial Reporting Standards.
JV	Joint Venture (association between two or more companies).
Like-for-like valuation	Data that can be compared between one period and another (excluding investments and disposals).
LTV	Loan to Value (Net financial debt/GAV of the business).
EPRA Like-for-like rents	Data that can be compared between one period and another, excluding the following: 1) investments and disposals, 2) changes in the project and refurbishment portfolio, and 3) other extraordinary items, for example, indemnities from tenants in case of anticipated leave. Calculation based on EPRA Best Practices guidelines.
EPRA NAV	EPRA Net Asset Value (EPRA NAV) is calculated based on the consolidated equity of the company and adjusting some items following the EPRA recommendations.
EPRA NNNAV	The EPRA NNNAV is calculated adjusting the following items in the EPRA NAV: the fair market value of the financial instruments, the fair market value of the debt, the taxes that would be accrued with the sale of the assets at their market value applying tax benefits for reinvestments and the tax credit on balance, considering a going concern assumption.
EPRA Cost Ratio	Administrative & operating costs (including & excluding costs of direct vacancy) divided by gross rental income.
Physical Occupancy	Percentage: occupied square metres of the portfolio at the closing date of the report/surfaces in operation of the portfolio
Financial Occupancy	Financial occupancy according to the calculation recommended by the EPRA (occupied surface areas multiplied by the market rental prices/surfaces in operation at market rental prices.

6.12 Appendix – Glossary (cont.)

EPRA Vacancy	Vacant surface multiplied by the market rental prices/surfaces in operation at market rental prices. Calculation based on EPRA Best Practices guidelines.
Reversionary potential	This is the result of comparing the rental revenues from current contracts (contracts with current occupancy and current rents in place) with the rental revenues that would result from 100% occupancy at market prices, estimated by independent appraisers. Projects and refurbishments are excluded.
Projects underway	Property under development at the closing date of the report
RICS	Royal Institution of Chartered Surveyors
SFL	Société Foncière Lyonnaisse
Take-up	Materialized demand in the rental market, defined as new contracts signed
TMN	SPV of Colonial (55%) and Gas Natural (45%) related to the Torre Marenostrum building
Valuation Yield	Capitalization rate applied by the independent appraisers in the valuation
Yield on cost	Market rent 100% occupied/Market value at the start of the project net of impairment of value + invested capital expenditure.
Yield occupancy 100%	Passing rents + vacant spaces rented at the market prices/market value
EPRA net initial yield (NIY)	Annualised rental income based on passing rents as at the balance sheet date, reduced by the non-recoverable expenses, divided by the market value, including transfer costs (estimated purchasing costs)
EPRA Topped-Up Net Initial Yield	EPRA Net Initial Yield adjusted in respect of the expiration of rent-free periods
Gross Yield	Gross rents/market value excluding transfer costs
Net Yield	Net rents/market value including transfer costs
€m	In millions of euros

6.13 Appendix – Alternative performance measures

Alternative performance measure	Method of calculation	Definition/Relevance
EBIT ***(Earnings before interest and taxes)***	Calculated as the "Operating profit" plus "Changes in the value of property investments" and the "Profit/(loss) due to changes in the value of assets"	Indicates the Group's capacity to generate profits, only taking into consideration its economic activity, less the effect of debt and taxes.
EBITDA **(*Earnings Before Interest, Taxes, Depreciation and Amortization*)**	Calculated as the "Operating profit" adjusted by "Depreciation/Amortization" and "Net changes in provisions"	Indicates the Group's capacity to generate profits only taking into account its economic activity, eliminating allocations to depreciation/amortization, and the effect of debt and taxes.
Gross financial debt	Calculated as the total of all items under "Bank borrowings and other and other financial liabilities" and "Issues of debentures and similar securities", excluding "Interest (accrued), "Origination fees" and "Other financial liabilities" from the consolidated statement of financial position.	Relevant figure for analysing the financial situation. .
EPRA[1] NAV **(EPRA Net Asset Value)**	Calculated based on the Company's capital and reserves, adjusting certain items in accordance with EPRA recommendations.	Standard analysis ratio in the real estate sector and recommended by EPRA.
EPRA[1] NNNAV **(EPRA triple net asset value)**	Calculated adjusting the following items in the EPRA NAV: the market value of financial instruments, the market value of financial debt, the taxes that would be accrued with the sale of the assets at their market value, applying the tax benefits for reinvestments and the tax credit recognized in the balance sheet, considering a going concern assumption	Standard analysis ratio in the real estate sector recommended by EPRA
Market value excluding transaction costs or Gross Asset Value (GAV) excluding Transfer costs	Measurement of the totality of the Group's asset portfolio carried out by independent appraisers of the Group, less transaction or transfer costs.	Standard analysis ratio in the real estate sector.
Market value including transaction costs or GAV including Transfer costs	Measurement of the totality of the Group's asset portfolio carried out by external appraisers of the Group, before deducting the transaction or transfer costs.	Standard analysis ratio in the real estate sector.

(1) EPRA (*European Public Real Estate Association*) or European Association of listed property companies which recommend the standards of best practices to be followed in the real estate sector. The method of calculation of these APMs is carried out following the indications established by EPRA.

6.13 Appendix – Alternative performance measures (cont.)

Alternative Performance Measures	Method of calculation	Definition/Significance
Like-for-like rental income	Amount of the rental income included in the item “Revenues” comparable between two periods. To obtain the calculation, the income from investments or disposals carried out in both periods are excluded, as well as the income deriving from assets included in the projects and refurbishments portfolio and other atypical adjustments (for example, penalties for early termination of rental contracts).	It enables a homogeneous comparison of the evolution of rental income of an asset or group of assets.
Like-for-like measurement	Market measurement (valuation) amount, excluding transaction costs, or market valuation, including transaction costs, comparable between two periods. To obtain the calculation, the rental income coming from investments or disposals carried out between both periods is excluded.	It enables a homogenous comparison of the evolution of the market valuation of the portfolio.
Loan to Value, Group or LTV Group	Calculated as the result of dividing the gross financial debt (reduced by the amount in the item “Cash and cash equivalents”) by the market valuation including the transaction costs of the Group’s asset portfolio.	It enables the analysis of the ratio between the net financial debt and the valuation of the Group’s asset portfolio.
LTV Holding or LTV Colonial	Calculated as the result of dividing the gross financial debt (less the amount in the item “Cash and cash equivalents”) by the market valuation total, including transaction costs, of the parent company’s asset portfolio and the EPRA NAV of all financial stakes in subsidiary companies.	It enables the analysis of the ratio between the net financial debt and the valuation of the parent company’s asset portfolio.

6.14 Appendix – Contact details

Investor Relations

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Shareholders Office

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accionistas@inmocolonial.com

Colonial Website

www.inmocolonial.com

Capital Market registry data – Stock market

Bloomberg: COL.SM
ISIN Code: ES0139140042
Indices: MSCI, EPRA (FTSE EPRA/NAREIT Developed Europe y FTSE EPRA/NAREIT Developed Eurozone), IBEX35, Global Property Index 250 (GPR 250 Index) & EUROSTOXX 600

About Colonial

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Madrid office
Pº de la Castellana, 52
28046 Madrid

Paris office
42, rue Washington
75008 Paris

Colonial is a Spanish listed REIT company (SOCIMI), leader in the European Prime office market with presence in the main business areas of Barcelona, Madrid and Paris with a prime office portfolio of more than two million sq m of GLA and assets under management with a value of more than €11bn.

6.15 Appendix – Disclaimer

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