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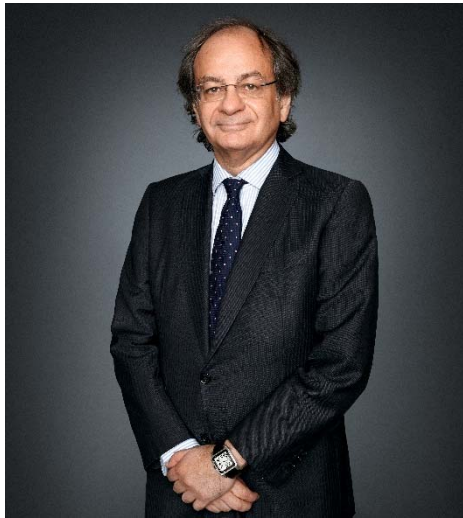
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- 01 Highlights
- 02 Market
- 03 Operational performance
- 04 Financial performance
- 05 Growth drivers
- 06 Conclusion

**PRESENTING MANAGEMENT TEAM**

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**Pere Viñolas**  
Chief Executive Officer



**Carmina Ganyet**  
Corporate Managing Director



**Carlos Krohmer**  
Chief Corporate Development Officer



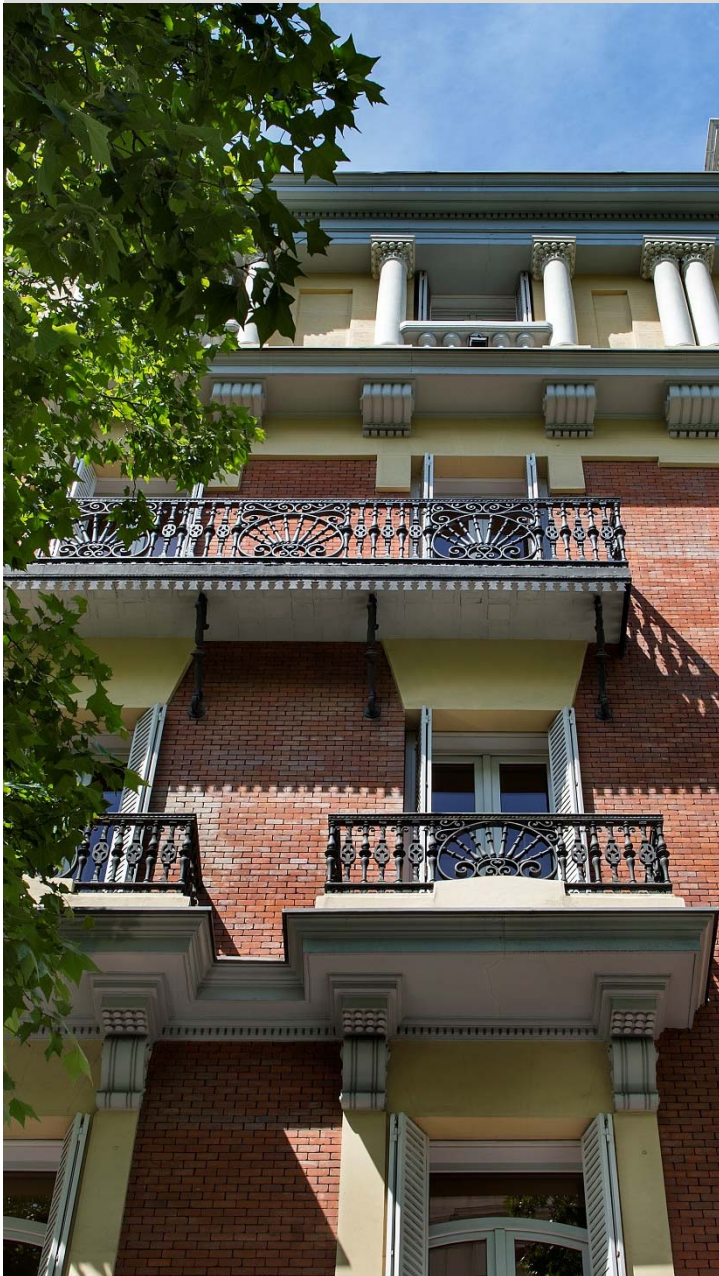




- I. Axiare Acquisition & Integration in record time
- II. Immediate capital recycling – Alpha IV
  - > Disposal of €441m non core assets with premium to GAV
  - > 100% reinvestment in Prime CBD
- III. Creation of a €1.3bn Project Pipeline of Prime CBD
- IV. Active Liability Management with upgrade to BBB+



**Creation of a stronger platform for growth**



#### OUTSTANDING FINANCIAL RESULTS

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- > Total Shareholder Return 2018 of 19%
- > EPRA NAV of €10.03€ per share: +17% YoY
- > Gross Asset Value of €11.3bn, +8% like-for-like
- > Net Rental Income of €347m, +5% like-for-like
- > Recurring earnings of €101m, +22% YoY
- > Recurring EPS of €22.3 Cts. per share
- > EPS of €1.16 per share

#### STRONG OPERATIONAL PERFORMANCE

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- > More than 175,000 sq m let with top tier clients
- > Very healthy vacancy levels at 4%
- > Successful delivery of projects
- > Strong growth in rental prices
  - ✓ Capturing market rental growth
  - ✓ Double Digit Release Spreads
  - ✓ Capital Value Growth price driven

#### PROFITABLE GROWTH ACCELERATING

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- > Solid top line driving bottom-line results
- > CBD outperforming Secondary
- > Confident outlook - Best-positioned portfolio for future growth

## 01 Highlights 2018

### Solid top line growth driving results



- > Total Annual Shareholder Return 19%
- > Net Asset Value of 10.03€/share +17%
- > Recurring Earnings of €101m, +22%

Total Annual Return - € per share	2018	Return
<b>TOTAL SHAREHOLDER RETURN</b>		<b>19%</b>
EPRA NAV - €/share	10.03	17%
Dividend paid in 2018	0.18	2%

Strong Capital Value Growth (GAV)	2018	YoY Var
<b>Group like-for-like</b>	€11,348m	<b>+8%</b>
Madrid like-for-like		+12%
Barcelona like-for-like		+19%
Paris like-for-like		+5%

Profit & Loss - €m	2018	YoY Var
Gross Rental Income	€347m	+23%
EBITDA Recurring	€280m	+22%
Recurring Net Profit	€101m	+22%
<b>Recurring EPS</b>	<b>0.223€/share</b>	<b>+4%</b>
<b>Proposed DPS<sup>1</sup></b>	<b>0.20€/share<sup>1</sup></b>	<b>+11%</b>

Balance sheet - €m	2018	YoY Var
GAV Group	€11,348m	+22%
EPRA NAV	€5,098m	+36%

<b>A solid capital structure</b>	<b>12/18</b>
LTV	39%
Liquidity	€1,793m
Rating S&P	BBB+

(1) DPS subject to AGM approval



## 01 Highlights 2018

### Solid top line growth driving results

- > Outstanding GRI Like for Like growth of +5%
- > Double digit Release Spread & Superior Rental Growth
- > Low vacancy of 4% with strong fundamentals

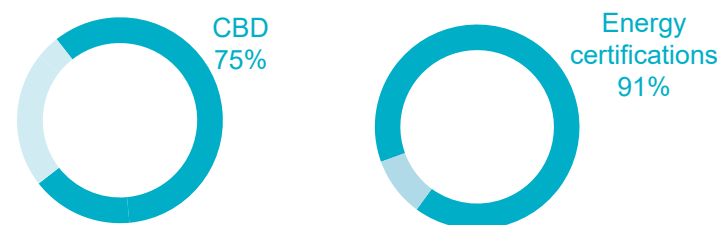
#### Solid Fundamentals 2018

<b>EPRA Vacancy</b>	<b>4%</b>
Volume of sq m signed	175,054
# transactions signed	103

#### Outstanding GRI like for like 2018 YoY Var

<b>Group like-for-like<sup>3</sup></b>	<b>€347m</b>	<b>+5%</b>
Madrid like-for-like <sup>3</sup>		+4%
Barcelona like-for-like <sup>3</sup>		+4%
Paris like-for-like <sup>3</sup>		+5%

#### Unparalleled Prime Positioning



#### Capturing Rental Price Increases

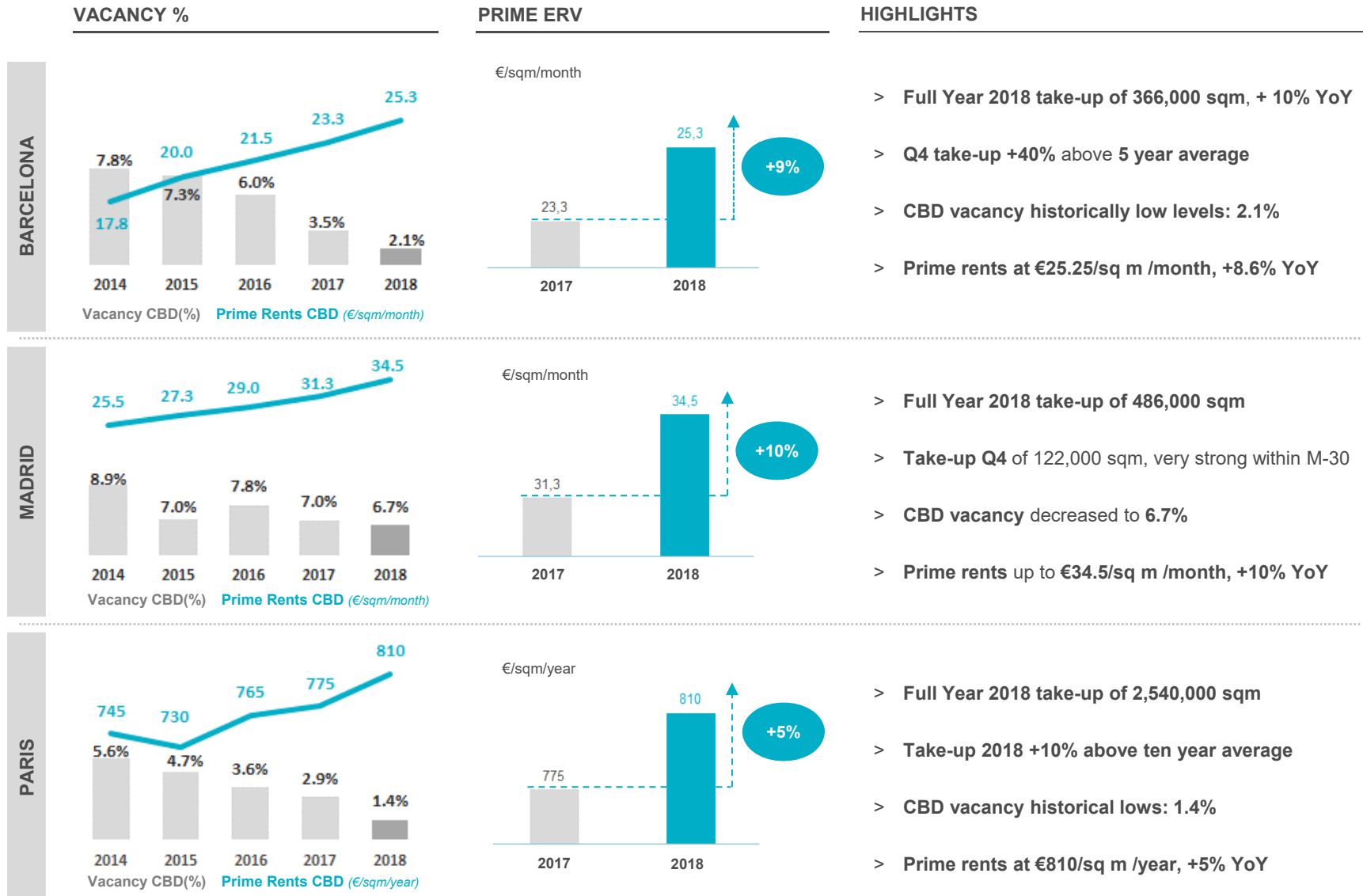
<b>Double-digit release Spread<sup>1</sup></b>	<b>+26%</b>
Barcelona	+23%
Madrid	+29%
Paris	+14%
<b>Strong rental growth<sup>2</sup></b>	<b>+8%</b>
Barcelona	+10%
Madrid	+8%
Paris	+5%

(1) Rental prices signed vs previous rents  
 (2) Rental prices signed vs ERV 12/17  
 (3) EPRA like-for-like variance base on EPRA BPR methodology



*Scarcity in Grade A*

## 02 Market CBD outperforming the market



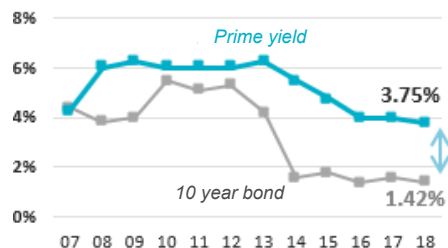


## 02 Market Investment Markets remain strong

- > Scarcity of Grade A product
- > Strong investor interest for CBD
- > Spreads vs reference rates remain attractive

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

BARCELONA



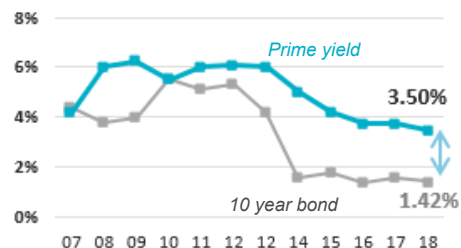
SPREAD VS 10Y BOND



HIGHLIGHTS

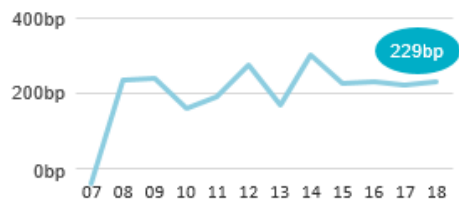
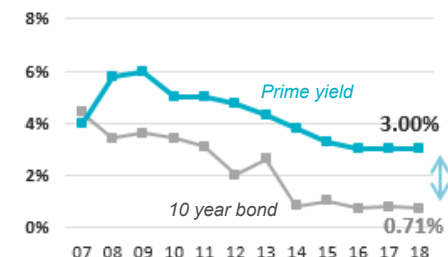
- > Strong Investment volume
- > Increasing investor interest faces scarce supply
- > Prime yields at 3.75%: healthy spread of 233 bp

MADRID



- > Investment volume exceeded expectations, reaching a figure close to €2bn in 2018
- > Acceleration of transaction activity in 2H
- > Prime yields at 3.5%

PARIS



- > 2018 with more than €23bn in commercial real estate
- > Investment volumes +17% YoY and +70% above long term average
- > Prime yield stable at 3%

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

03 Operational performance



*Unparalleled exposure to CBD*

03 Operational performance  
 CBD focus ensures strong letting performance

	# CONTRACTS	SQM SIGNED	GRI SECURED <sup>1</sup>	INCENTIVES <sup>2</sup>	EPRA VACANCY <sup>3</sup>
<b>BARCELONA</b> 	30	25,635	€5m	7%	1%
<b>MADRID</b> 	43	70,541	€18m	5%	11%
<b>PARIS</b> 	27	21,072	€15m	13%	1%
<b>LOGISTIC</b> 	3	57,805	€4m	1%	14%
<b>TOTAL</b> 	103	175,054	€43m	8%	4%

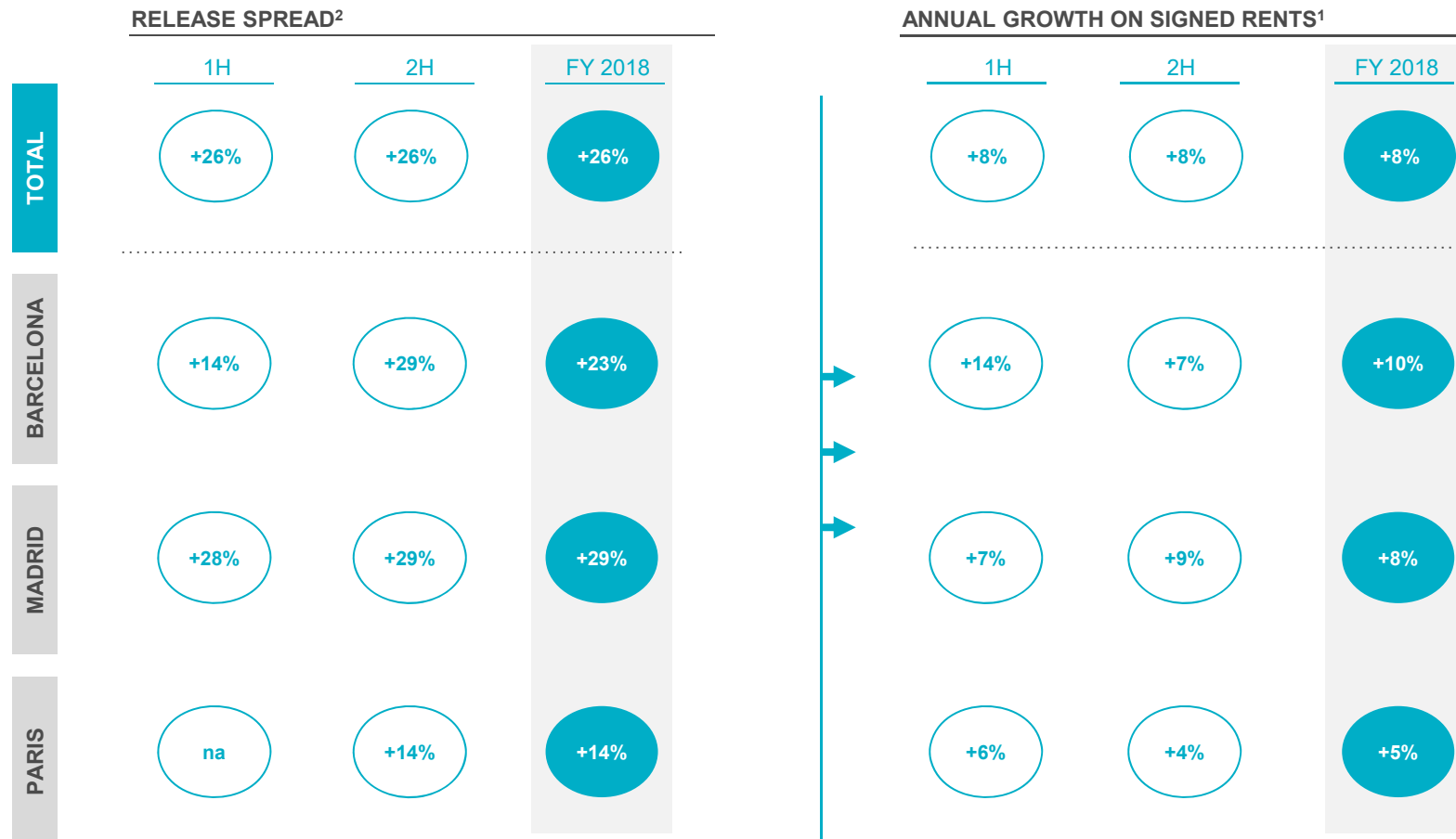
(1) Annualized figures of signed contracts  
 (2) Incentive ratio = economic rents/ facial rents -1  
 (3) Financial vacancy calculated according to EPRA vacancy methodology



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

- > 2018 with strong price increases in every segment
- > Double-digit release spread in every market
- > Outstanding rental growth in every market

**SOLID INCREASE IN RENTAL PRICES**



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

### 03 Operational performance

Strong delivery on rental price increases across the entire portfolio

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

Park Cugat



Torre BCN



Génova, 17



IÉNA



Cézanne Saint-Honoré



Amigó



Castellana 52



Diagonal 609-615



Lopez de Hoyos, 35



Washington Plaza



The Window



Sant Cugat



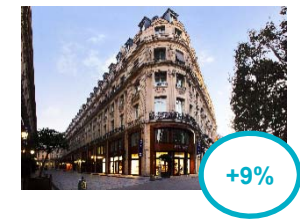
Discovery Building



Louvre des Affaires



Edouard VII



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

### 03 Operational performance

Strong delivery on rental price increases across the entire portfolio



#### RELEASE SPREAD<sup>1</sup>

Via Augusta 21-23



Castellana, 52



Sant Cugat



Egeo



Cézanne Saint-Honoré



Castellana 52



Diagonal 682



Jose Abascal, 45



Miguel Ángel 11



Percier



Sagasta 31-33



Martinez Villergas, 49



Diagonal 609-615



Lopez de Hoyos, 35



Washington Plaza



(1) Signed rents vs previous contracts (renewals)

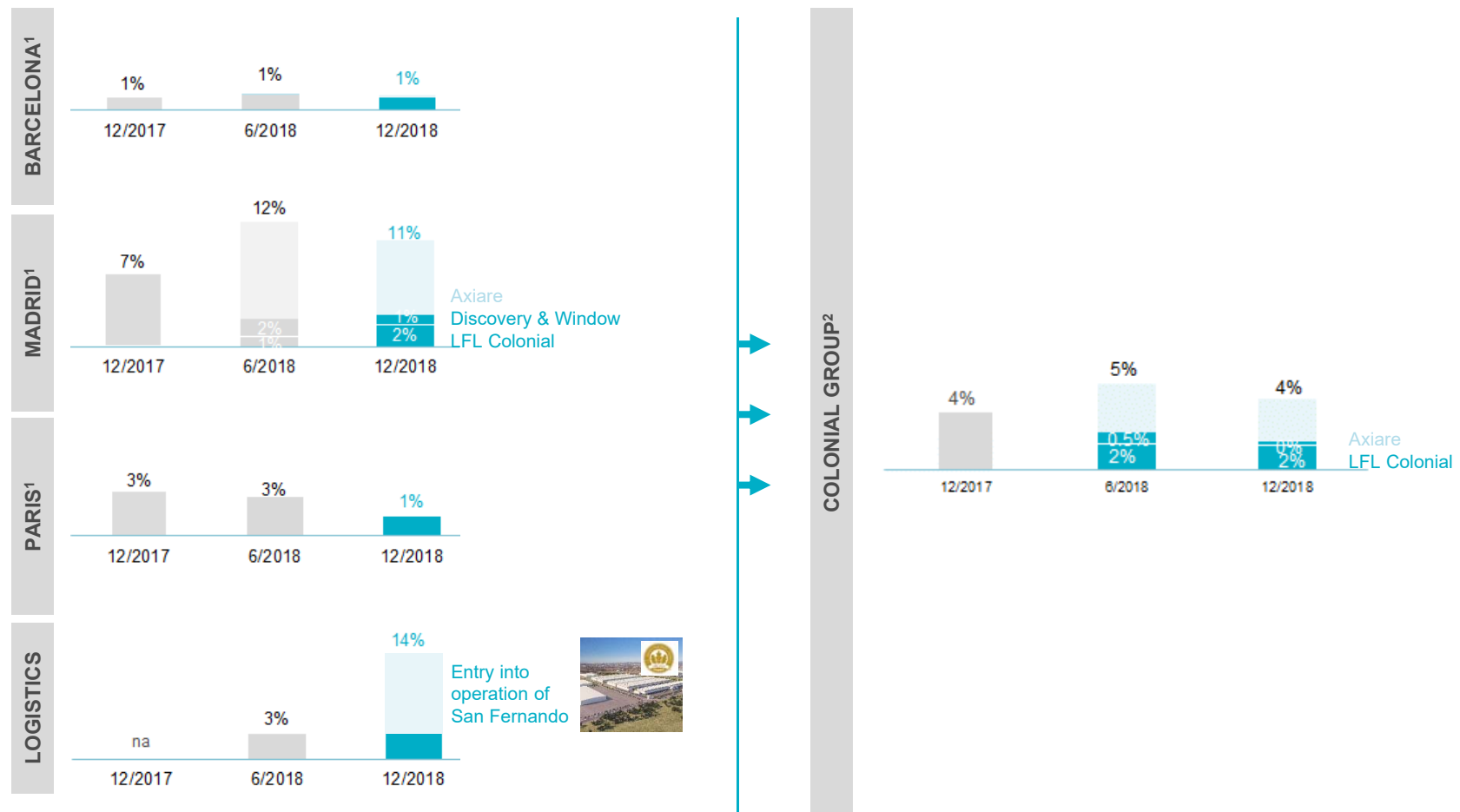


### 03 Operational performance

#### Vacancy remains at healthy levels

- > Colonial vacancy at a healthy 4%
- > Barcelona and Paris at or below 1%
- > Madrid like-for-like at 2% - Discovery, Window & Axiare providing reversionary potential

#### EPRA VACANCY



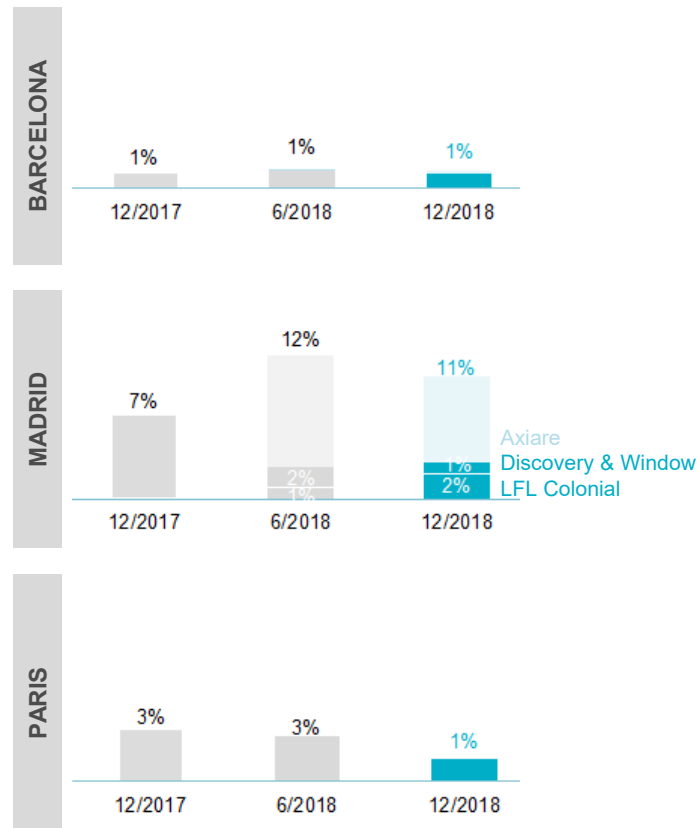
(1) EPRA Vacancy office portfolio  
 (2) EPRA Vacancy including all uses

### 03 Operational performance

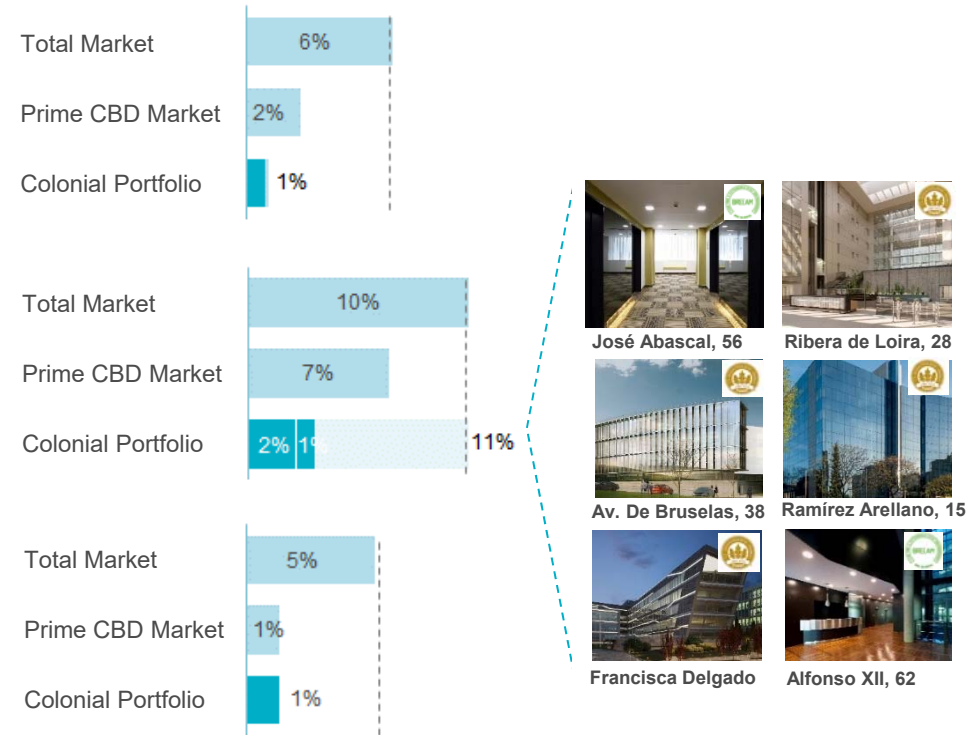
## Colonial portfolio outperforming the market on occupancy

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

#### EPRA VACANCY



#### VACANCY COLONIAL VS. MARKET



José Abascal, 56



Ribera de Loira, 28



Av. De Bruselas, 38



Ramírez Arellano, 15



Francisca Delgado

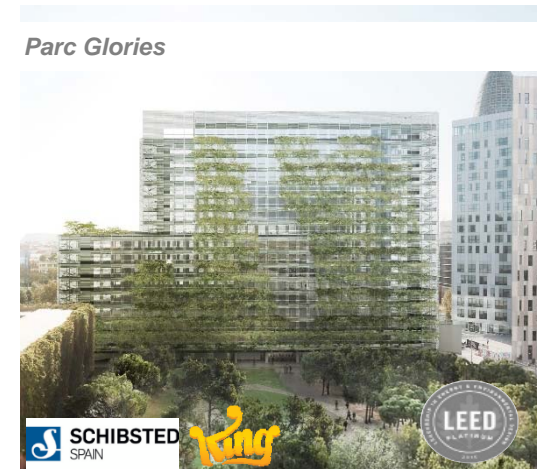
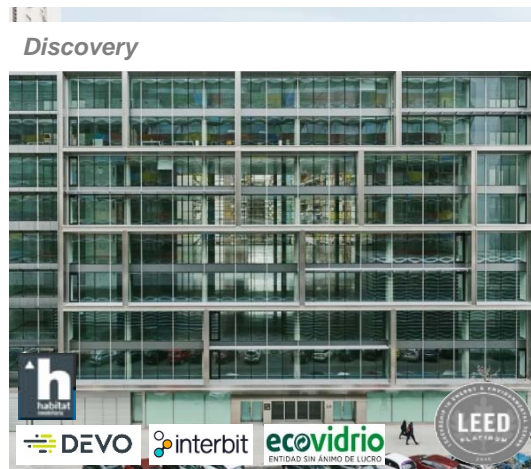


Alfonso XII, 62

### 03 Operational performance

#### Solid value creation through project delivery

- > Successful delivery of projects initiated in 2015/2016
- > Rents signed well above of initial underwriting
- > Significant capital value creation



Average ERV signed

26  
€/sqm/m

vs underwriting

+24%

Yield on Cost<sup>1</sup>

7.8%

Capital Value Growth<sup>2</sup>

77%

Average ERV signed

24  
€/sqm/m

vs underwriting

+22%

Yield on Cost<sup>1</sup>

7.6%

Capital Value Growth<sup>2</sup>

76%

Average ERV signed

20  
€/sqm/m

vs underwriting

+30%

Yield on Cost<sup>1</sup>

7.9%

Capital Value Growth<sup>2</sup>

99%

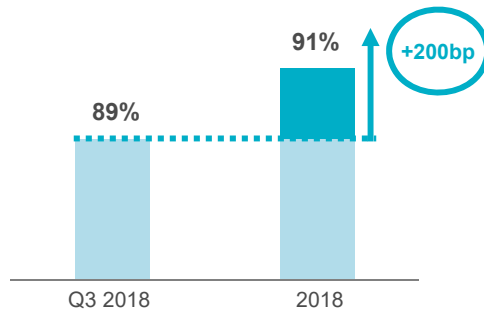
(1) Passing Rent 100% occupied/ Total Cost (Acquisition price + capex invested)  
 (2) Gross Asset Value 12/18 vs Total cost (Acquisition price + capex invested)



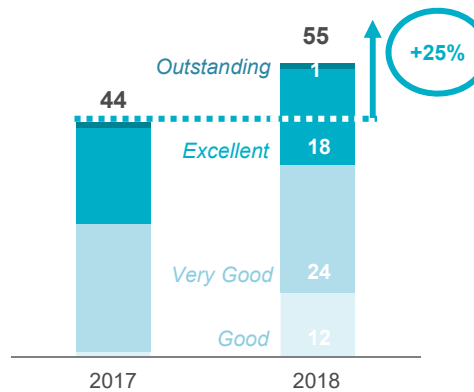
### 03 Operational performance ESG Strategy and tracks

- > 91% of portfolio with Breeam/Leed certificates, +200bp in a quarter
- > Significant quantitative and qualitative improvement in energy efficiency
- > €8bn of assets with Breeam and €2bn with Leed

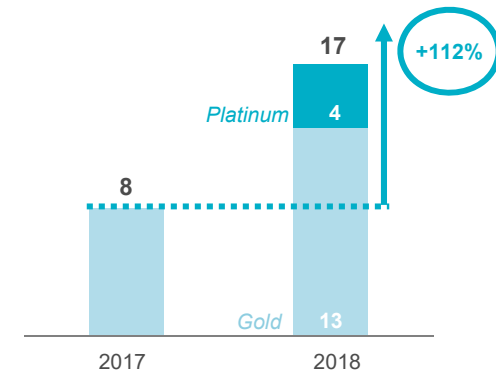
Portfolio with Leed / Breeam<sup>1</sup> - Value



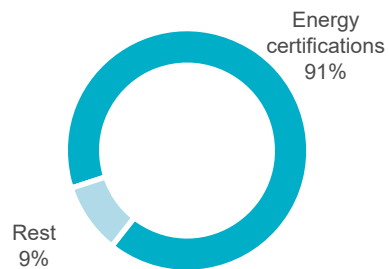
# Breeam Certificates



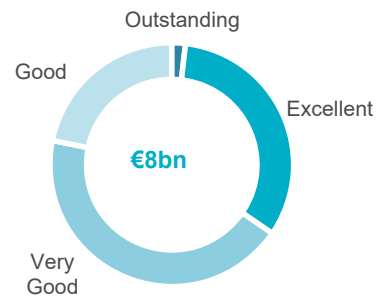
# Leed Certificates



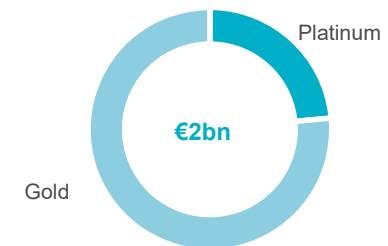
Portfolio with Leed / Breeam<sup>1</sup> - Value



Breeam – Value breakdown



Leed – Value breakdown



(1) Portfolio in operation

### 03 Operational performance ESG Strategy on track

- > ESG excellence at the Core of Strategy
- > Significant improvement on several Benchmarks
- > Strong performance on Governance & Building Certificates

#### BENCHMARK / INDEX

#### ACHIEVEMENT / RATING



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



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



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



FTSE4Good

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

03 Operational performance  
Digital transformation & Proptech

- > Implementation of an internal Proptech Strategy on track
- > Colonial monitoring the digital transformation of the Real Estate sector
- > Partnerships with accelerator and digital consultants

Short Term deliveries



SMART BUILDING MANAGEMENT SYSTEM

- > Building management software (BMS) developed by Colonial
- > Significant increase of customer response
- > BMS awarded by NetExploChange, observatory of innovation in Propetch



utopicus

- > Leading platform in Spain
- > 35,000 sqm of GLA
- > 13 centers underway

Mid Term action: Proptech / Colonial Lab

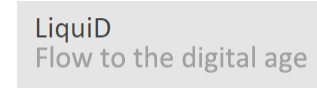


NEW YORK CITY



- > Leading Proptech **accelerator** in the US
- > Agreement with Columbia University
- > Colonial the 1st European Sponsor
- > **Global access** to more than 25 companies per annum

BARCELONA



- > Leading digital consultant in Barcelona
- > Strategic knowledge of digital transformation
- > Open innovation platform
- > **European Outreach** to Proptech StartUps



**03 Operational performance**  
**UtopicUs – Strong FlexOffice Positioning in Spain**

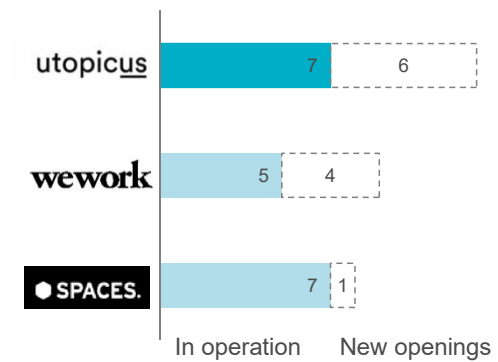


- > 13 centers in Madrid & Barcelona
- > 35,000 sq m of GLA
- > More than 4,200 potential users

Center	City	Entry into operation	Surface	Users MAX
1 Duque de Rivas	Madrid	Since 2010	976	130
2 Colegiata	Madrid	Since 2010	1,222	93
3 Conde Casal	Madrid	Since 2017	1,089	136
4 Plaça Catalunya	Barcelona	Since Jun 2018	1,400	156
5 Orense	Madrid	Since Oct 2018	1,827	207
6 Príncipe Vergara	Madrid	Since Nov 2018	3,852	507
7 Clementina	Barcelona	Since Jan 2019	600	70
8 Gran Vía	Madrid	1H 2019	4,990	465
9 Parc Glòries	Barcelona	1H 2019	2,002	232
10 Gal·la Placidia	Barcelona	1H 2019	4,000	507
11 Castellana, 163	Madrid	2H 2019	3,660	448
12 Jose Abascal, 56	Madrid	2H 2019	3,594	453
13 Habana	Madrid	1H 2020	5,745	800
<b>Total</b>			<b>34,957</b>	<b>4,204</b>

**# CENTERS BARCELONA & MADRID**

> Leadership in Spain with WeWork and Spaces



### 03 Operational performance

## UtopicUs – Strong FlexOffice Positioning in Spain

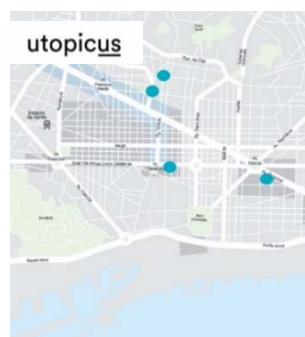
- > 13 centers in Madrid & Barcelona
- > More than 35,000 sq m of GLA
- > More than 4,200 potential users

#### # CENTERS UTOPICUS

##### MADRID – 9 Centers



##### Barcelona – 4 Centers



#### OPERATING CENTERS

*Duque de Rivas (Madrid)*

73% Occupancy

976 sqm

*Colegiata (Madrid)*

93%

1,222 sqm

*Conde de Casal (Madrid)*

77%

1,089 sqm

*Orense (Madrid)*

52%

1,827 sqm

*Principe Vergara (Madrid)*

57%

3,852 sqm

*Pl. Catalunya (Barcelona)*

92%

1,400 sqm

#### OPENINGS - 2019

*Clementina (Barcelona)*

63%

600 sqm

*Gran Vía 4 (Madrid)*

9%<sup>1</sup>

4,990 sqm

*Parc Glòries (Barcelona)*

15%<sup>1</sup>

2,002 sqm

*Gal·la Placidia (Barcelona)*

26%<sup>1</sup>

4,000 sqm

*Castellana, 163 (Madrid)*

3,660 sqm

*Jose Abascal, 56 (Madrid)*

3594 sqm

*Habana (Madrid)*

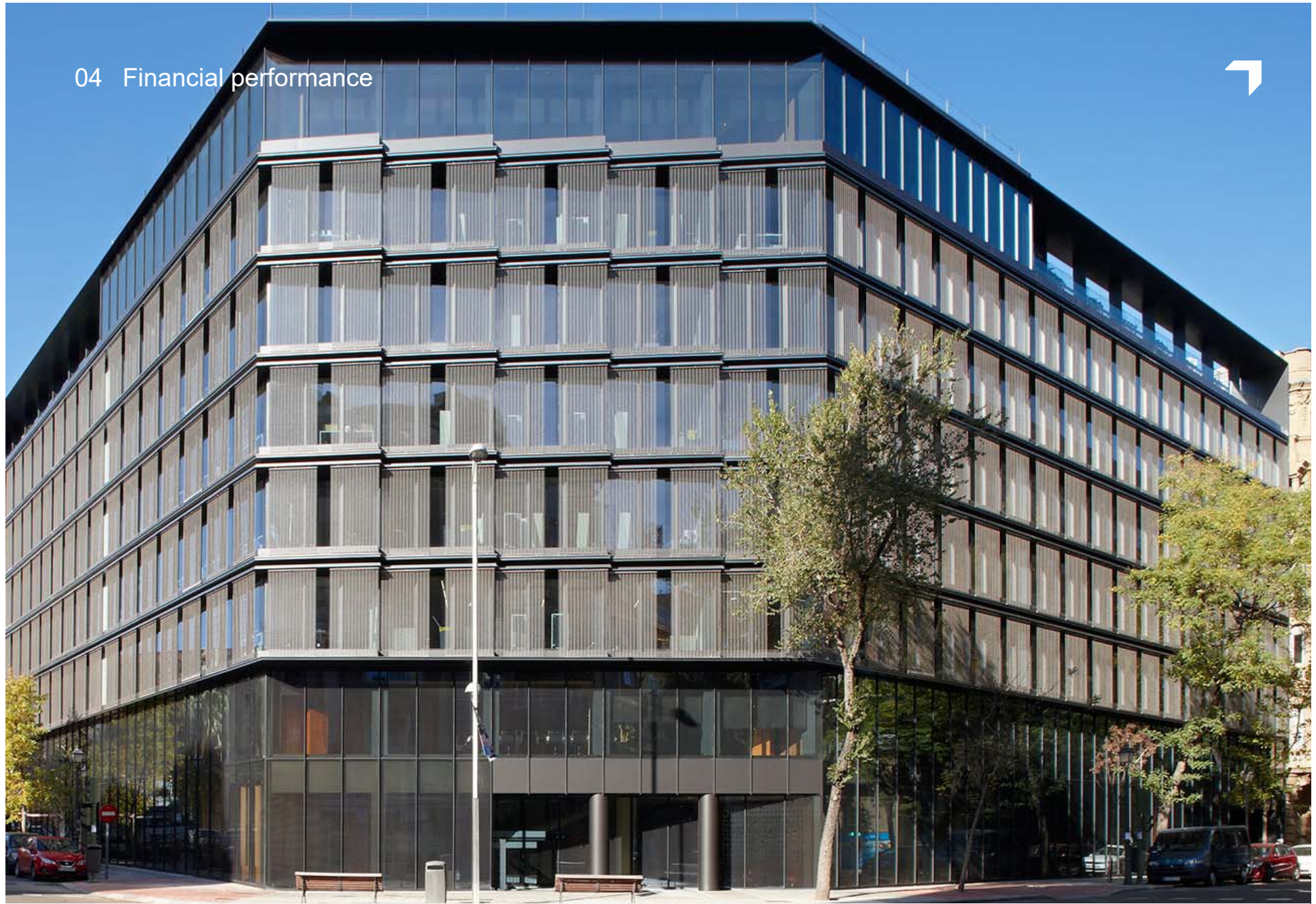
utopic\_US

5,745 sqm

<sup>(1)</sup> Pre-let occupancy



04 Financial performance



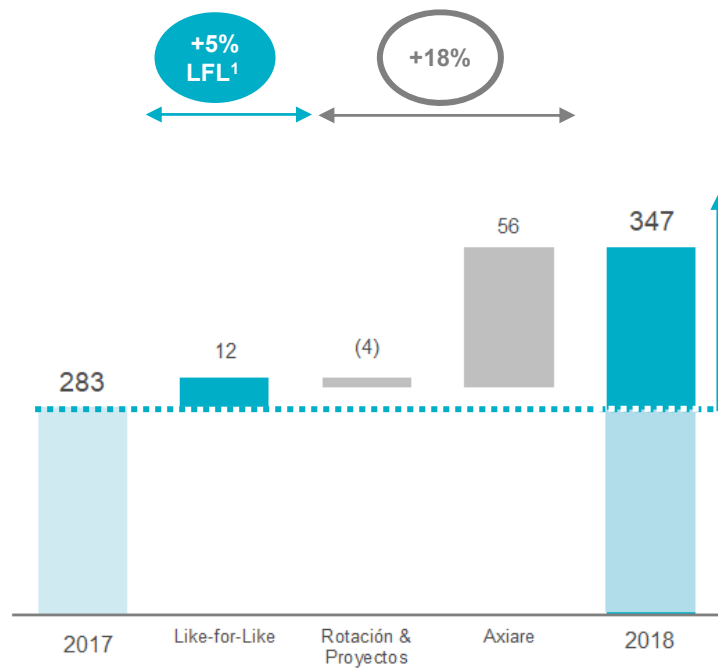
*Solid growth in value & cash flow*



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

- > GRI growth of +23% enhanced through Axiare
- > GRI like-for-like increase outstanding at +5%
- > High GRI like for like growth in every single market

**GROSS RENTAL INCOME - €M**



	TOTAL	EPRA like-for-like <sup>1</sup>	Projects & refurbishments <sup>2</sup>	Acquisitions & Disposals	Axiare
GROUP	+23%	+5%	+0%	(2%)	+20%
BCN	+19%	+4%	(1%)	+2%	+14%
MADRID	+78%	+4%	+6%	+6%	+62%
PARIS	(1%)	+5%	(1%)	(6%)	-

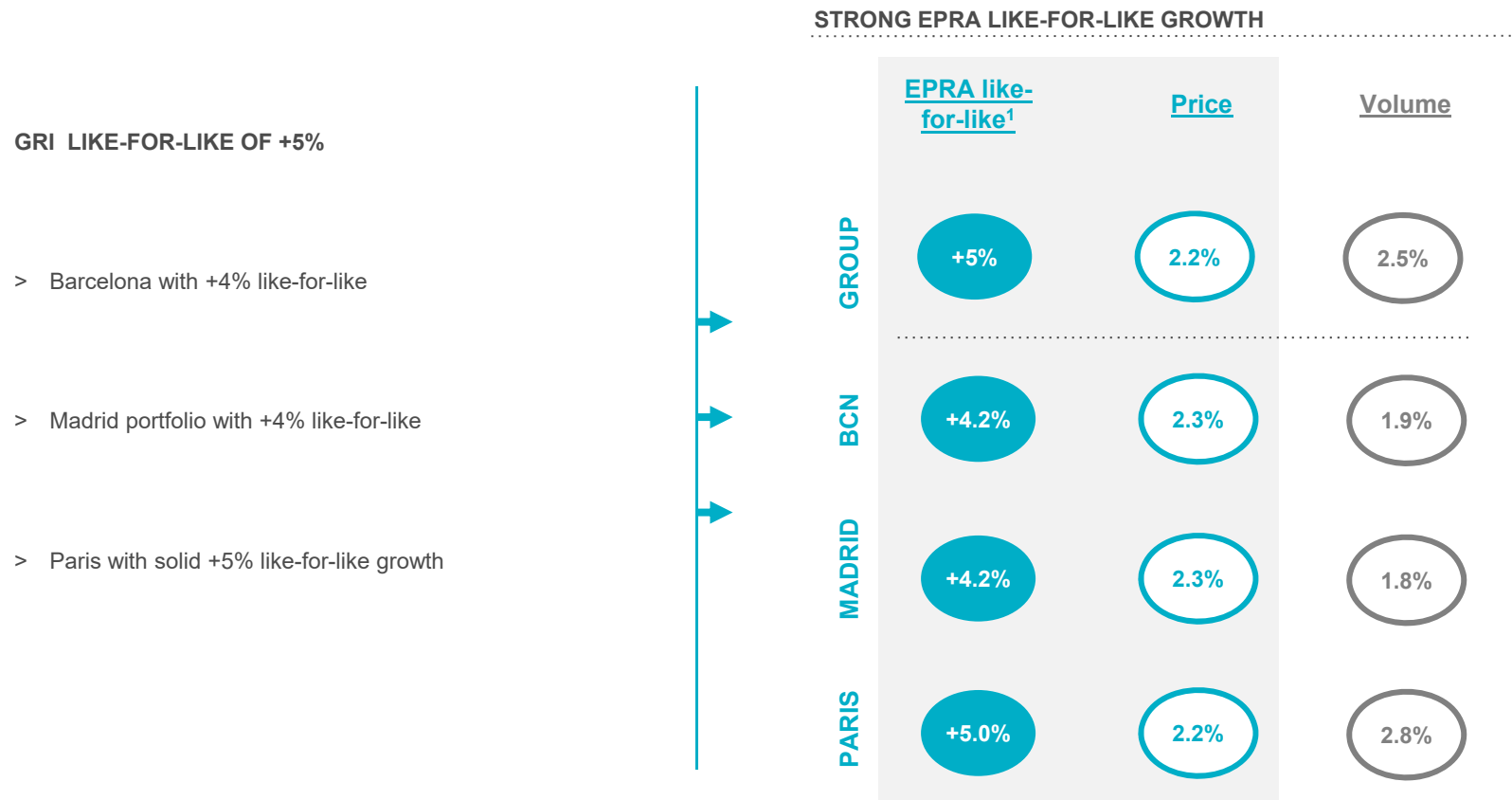
(1) like-for-like calculated following EPRA BPR recommendations  
 (2) Includes indemnities of tenant rotation

## 04 Financial performance

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

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

#### GROSS RENTAL INCOME - €M

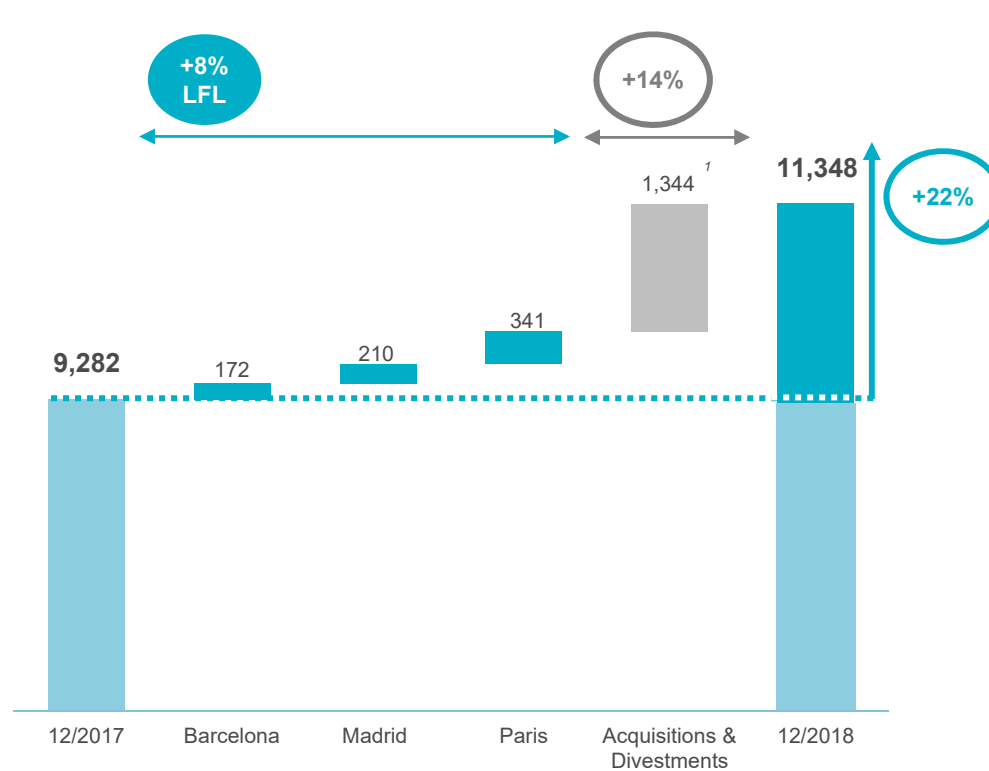


(1) like-for-like calculated following EPRA BPR recommendations  
 (2) Includes indemnities of tenant rotation

**04 Financial performance**  
**Strong underlying growth in Asset Values**

- > Gross Asset Value of €11,348m (€11,915m including transfer costs)
- > +8% like-for-like YoY growth in every segment
- > Solid growth rates in every segment

**GAV GROWTH – YoY**



**GAV GROWTH - YoY**

	Total	Price	Project Pipeline	Yield
BARCELONA	+19%	+10%	+9%	+0%
MADRID	+12%	+6%	+5%	+1%
PARIS	+5%	+3%	+2%	+0%
GROUP LFL	+8%	+5%	+3%	+0%
ACQUISITIONS & DIVESTMENTS	+14%			
GROUP TOTAL	+22%			

<sup>1</sup> Net of 29% of Axiare stake included in 12/2017 GAV

## 04 Financial performance

### Improved credit profile through active liability management



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

#### ACTIVE LIABILITY MANAGEMENT ...

- 1 €663m<sup>1</sup> new equity issued (Axiare merger & Alpha IV)
- 2 €1,150m bonds issuances
  - > €650m Colonial
  - > €500m SFL
- 3 €675m liability management
  - > €375m repurchase Colonial bonds
  - > €300m repurchase SFL bonds
- 4 €602m<sup>3</sup> Axiare bilateral debt cancellation & €76m refinanced with improved margins
- 5 €441m disposals in 2018

(1) 72,797,424 new shares at EPRA NAV of 9.11€/share  
 (2) Cash and undrawn balances  
 (3) €396m cancelled in 2018 & €206m cancelled in first quarter 2019.

#### ... ENHANCING THE BALANCE SHEET

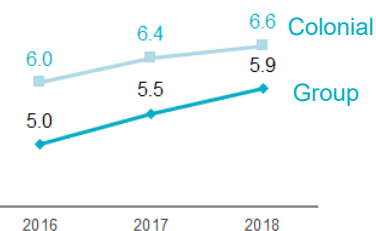


#### LTV & Cost of Debt



Liquidity <sup>2</sup>	
Cash	€68m
Undrawn balances	€1,725m
<b>Total</b>	<b>€1,793m</b>

#### Debt maturity - years



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

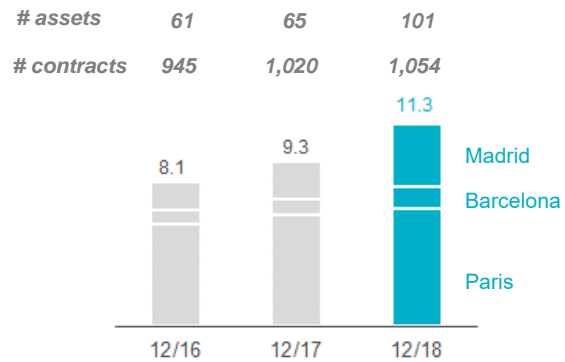


## 04 Financial performance

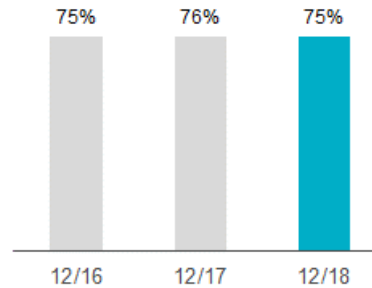
### The best S&P Rating in Spanish Real Estate - competitive cost of debt

- > A strong, diversified asset portfolio of more than €11bn
- > Unparalleled CBD exposure of 75%
- > Short term debt maturities at very low levels

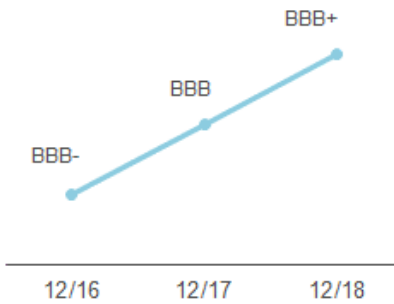
PORTFOLIO – GAV €bn



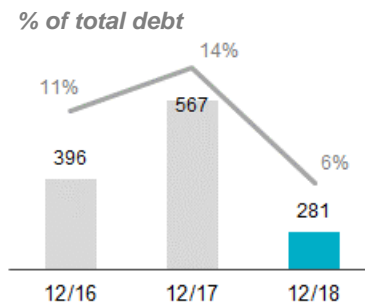
CBD EXPOSURE - %



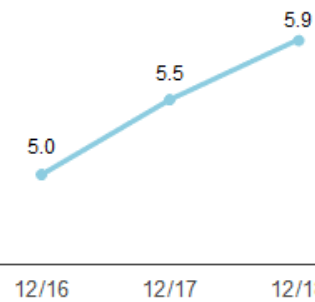
S&P RATING



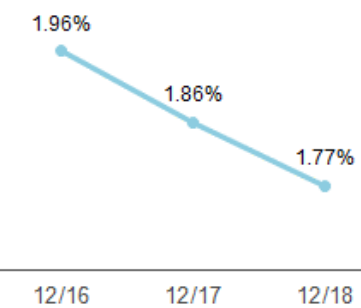
DEBT DUE IN 24 MONTHS - €m



DEBT MATURITY (YEARS)



COST OF DEBT - %



## 04 Financial performance

### Acceleration of profitable growth



- > Strong Top Line driving bottom line
- > +22% increase of recurring profit
- > +11% of DPS<sup>1</sup> up to €20Cts. per share

#### PROFIT & LOSS ACCOUNT

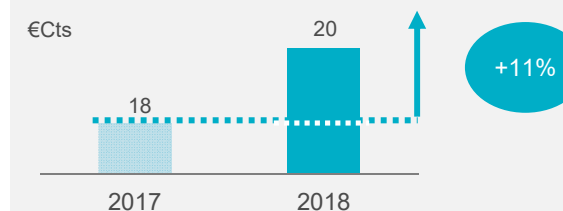
Results analysis - €m	2018	2017	Var.
<b>Gross Rents</b>	<b>347</b>	<b>283</b>	<b>23%</b>
Net operating expenses <sup>(1)</sup>	(21)	(16)	
Overheads	(46)	(37)	
Recurring EBITDA	280	229	
Recurring financial result	(101)	(77)	
Income tax expense & others - recurring	(19)	(10)	
Minority interests - recurring	(59)	(59)	
<b>Recurring Earnings</b>	<b>101</b>	<b>83</b>	<b>22%</b>
Asset revaluation	580	921	
Non-recurring financial result & MTM	(40)	(2)	
Income tax & others - non-recurring	(22)	20	
Minority interests - non-recurring	(94)	(338)	
<b>Profit attributable to the Group</b>	<b>525</b>	<b>633</b>	<b>na</b>

(1) Includes other income

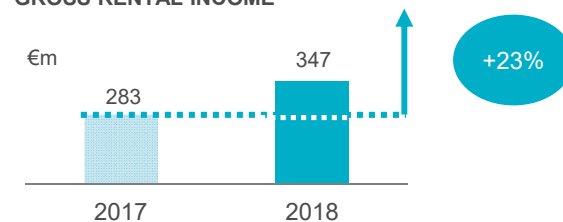
Recurring EPS 2018	€Cts 22.3 per share	<i>Guidance fulfilled</i>
EPS 2018	€1.16 per share	

#### STRONG TOP & BOTTOM-LINE PERFORMANCE

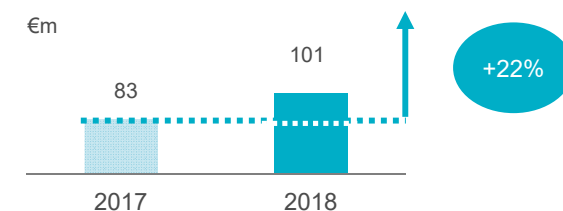
##### DIVIDEND PROPOSAL 2018<sup>1</sup>



##### GROSS RENTAL INCOME



##### RECURRING RESULT 2018



(1) Subject to AGM approval

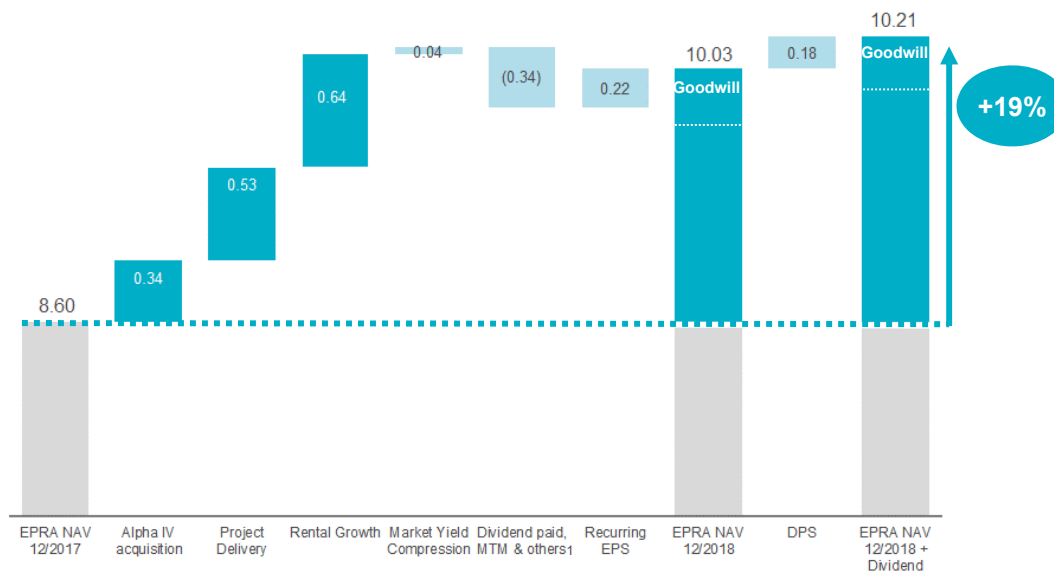
## 04 Financial performance

### “Alpha” as significant driver in value creation

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

#### TOTAL SHAREHOLDER RETURN

€/share



EPRA NAV 12/2018 €10.03/share

Adjusted EPRA NAV 12/2018 (deducting Goodwill) €9.91/share

€3,744m

NAV 12/17

€5,098m

NAV 12/18

#### TOTAL SHAREHOLDER RETURN

FY 2018

Alpha IV Deal

+4%

Project Pipeline

+6%

Rental Growth

+7%

Yield Compression

+0.4%

Others impacts<sup>1</sup>

(1%)

Dividend paid

+2%

Total Return per share

+19%

<sup>1</sup>- Includes SFL dividend payment to minority shareholders in France; MTMs Liability management, Exceptional items, One-off tax optimization costs, net of EPS

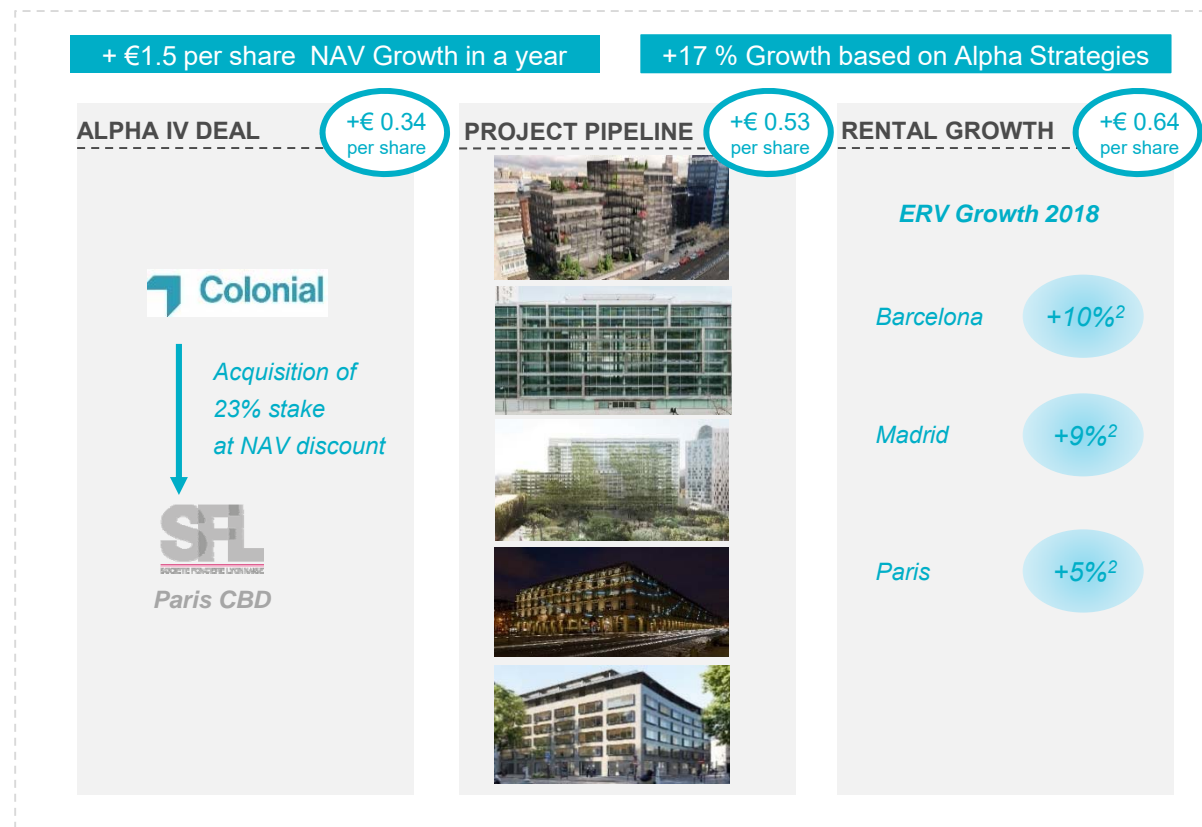
**04 Financial performance**  
 “Alpha” as significant driver in value creation

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

**TOTAL SHAREHOLDER RETURN**

	FY 2018
Alpha IV Deal	+4%
Project Pipeline	+6%
Rental Growth	+7%
Yield Compression	+0.4%
Other impacts <sup>1</sup>	(1%)
Dividend paid	+2%
<b>Total Return per share</b>	<b>+19%</b>

**TOTAL RETURN WITH STRONG “ALPHA” COMPONENT**



1- Includes SFL dividend payment to minority shareholders in France; MTMs Liability management, Exceptional items, One-off tax optimization costs, net of EPS  
 2- Signed rents vs 12/17 ERV (new lettings & renewals)



05 Growth drivers



*A stronger platform for future growth*





## FUTURE VALUE CREATION

---

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

## 05 Growth drivers

### 1 Leadership in Prime Offices through merger with Axiare

- > Successful M&A execution
- > Merger and integration in record time
- > Strong Prime leadership through transformational deal

#### CONSOLIDATION OF PRIME OFFICE LEADERSHIP

- > More than €347m of GRI 2018 & Potential GRI above €500m
- > More than €11,300m of Gross Asset Value
- > Creation of a €1.3bn Project Pipeline of Prime CBD
- > Unparalleled 75% Exposure to CBD

#### RAPID M&A EXECUTION AND INTEGRATION

- > 11/2017 Launch of take-over bid
- > 02/2018 Settlement take-over bid -> 87% stake in Axiare
- > 07/2018 Merger completed
- > 12/2018 Full integration finalized

Almagro 9



Miguel Ángel 23



Sagasta 31-33



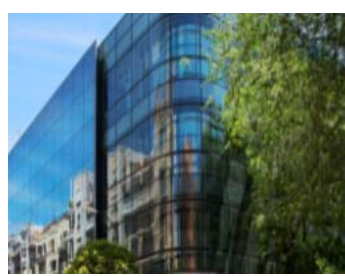
Velazquez 88



Castellana 43



D. Ramon De La Cruz



Serrano 73



Castellana 163



McKinsey&Company

CUATRECASAS

ALLEN & OVERY

ALANTRA

BCG  
THE BOSTON CONSULTING GROUP

ebay™

## 05 Growth drivers

### 1 Leadership in Prime Offices through merger with Axiare

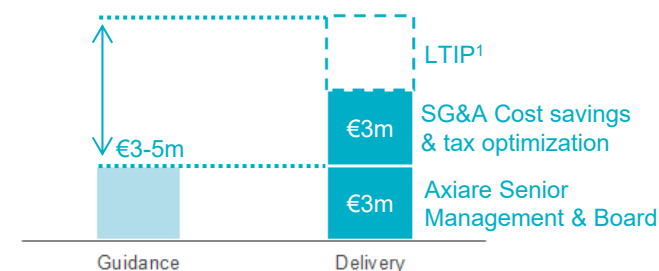
- > Integration completed in record time
- > Synergies confirmed and executed
- > Financial milestones achieved

#### INTEGRATION COMPLETED

1. Merger of the companies	→	✓
2. Integration in Colonial's real estate value chain	→	✓
3. Combined organization implemented	→	✓
4. IT systems integration	→	✓
5. Synergies identified & executed	→	✓
6. Axiare debt cancellation and optimization	→	✓
7. Business Plan of merged entity	→	✓
8. Review of development projects	→	✓
9. Non core asset disposals	→	✓ €441m YTD
10. Capital Allocation	→	Ongoing

#### FINANCIAL MILESTONES ACHIEVED

##### Operational Synergies exceeding guidance



##### TSR & NAV

- > Total Shareholder Return accelerating
  - > NAV accretion earlier than expected
- Remaining Goodwill of 0.12 €/sh as of 12/18

##### EPS & DPS

- > DPS post merger +11%
- > Recurring earnings with strong accretion
  - 2018 a transition year with LM and Alpha IV
  - EPS double digit accretion confirmed



## 05 Growth drivers

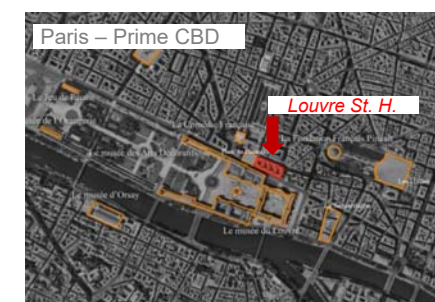
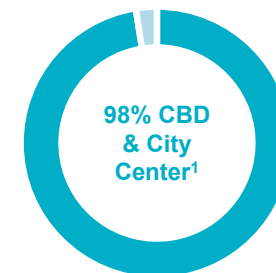
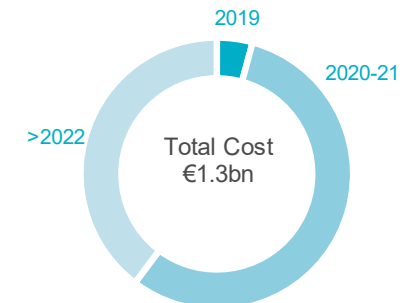
### 2 €1.3bn of CBD Project Pipeline

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

Project	City	% Group	Delivery	GLA (sqm)	Total Cost €m <sup>1</sup>	Total Cost €/ sqm <sup>1</sup>	Yield on Cost
1 Pedralbes Center <span style="border: 1px solid orange; border-radius: 50%; padding: 2px;">Prime Commercial</span>	Barcelona CBD	100%	1H 19	6.917	38	5.502	6,3%
2 Gala Placidia / Utopic_us	Barcelona CBD	100%	1H 19	4.312	17	3.922	7,0%
3 Miguel Angel 23	Madrid CBD	100%	2H 20	8.036	64	7.999	5,8%
4 Castellana, 163	Madrid CBD	100%	2020 / 21	10.910	52	4.803	6,5%
5 Diagonal 525	Barcelona CBD	100%	1H 21	5.710	37	6.460	6,0%
6 Emile Zola / Destination XV	Paris City Center	82%	2H 21	24.500	280	11.428	5,0%
7 Iena 96	Paris CBD	82%	1H 21	9.300	147	15.801	5,0%
8 Velazquez Padilla 17	Madrid CBD	100%	1H 21	17.239	113	6.532	6,5%
9 Plaza Europa 34	Barcelona	50%	2H 21	14.306	32	2.257	7,0%
10 Mendez Alvaro Campus	Madrid CBD South	100%	2H 22	89.871	287 <sup>2</sup>	3.188	7,5%
11 Sagasta 27	Madrid CBD	100%	2H 22	4.481	23	5.044	6,5%
12 Louvré SaintHonoré <span style="border: 1px solid orange; border-radius: 50%; padding: 2px;">Prime Commercial</span>	Paris CBD	82%	2023	16.000	205	12.831	7,3%
<b>TOTAL OFFICE PIPELINE</b>				<b>211.582</b>	<b>1.295</b>	<b>6.119</b>	<b>6,3%</b>

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

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



1 CBD, 22@ Barcelona, South of CBD Madrid, 15ieme Paris

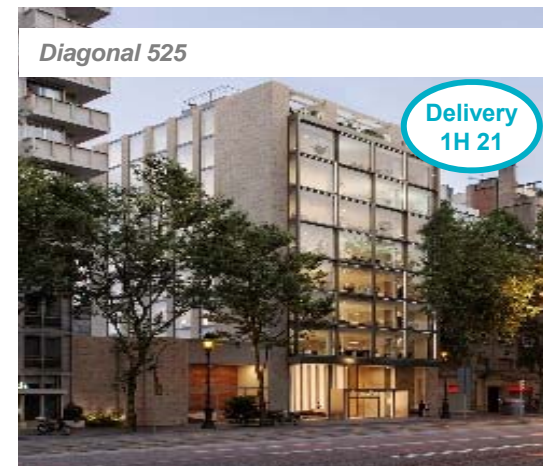
05 Growth drivers

2 €1.3bn of CBD Project Pipeline

Barcelona Projects

Total Cost - Final Product of €0.24/share

Total Cost €124m (GLA of 31,245 sq m)



**FINAL PRODUCTS - KPIs**

---

<b>Total Cost<sup>1</sup></b>	3,973 €/sqm
<b>Yield on Cost</b>	6-7%

**MARKET REFERENCE**

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<b>Capital Value</b>	7,500 - 8,000 €/sqm
<b>Prime Yield</b>	3.75%

(1) Acquisition cost + Capex



05 Growth drivers

2 €1.3bn of CBD Project Pipeline

Madrid Projects

Total Cost - Final Product of €1.06/share

Total Cost €538m ( GLA of 130,537 sq m)

Miguel Ángel 23



Castellana 163



Velázquez 88



Méndez Álvaro Campus



Sagasta 27



FINAL PRODUCTS - KPIs

Total Cost<sup>1</sup>

4,124  
€/sqm

Yield on Cost

>7%

MARKET REFERENCE

Capital Value

8,000-  
11,800  
€/sqm

Prime Yield

3.5%

(1) Acquisition cost + Capex

05 Growth drivers

2 €1.3bn of CBD Project Pipeline

Paris Projects

Total Cost - Final Product of €1.02/share

Total Cost €632m ( GLA of 49,800 sq m)

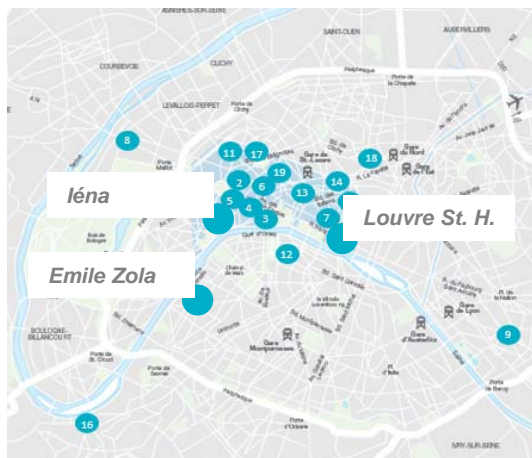
*léna*



*Emile Zola*



*Louvre St. Honoré*



FINAL PRODUCTS - KPIs

Total Cost<sup>1</sup>

12,696  
€/sqm

Yield on Cost

5-6%

MARKET REFERENCE

Capital Value

22,000-  
27,000  
€/sqm

Prime Yield

3.0%

(1) Acquisition cost or GAV at start of the project + Capex



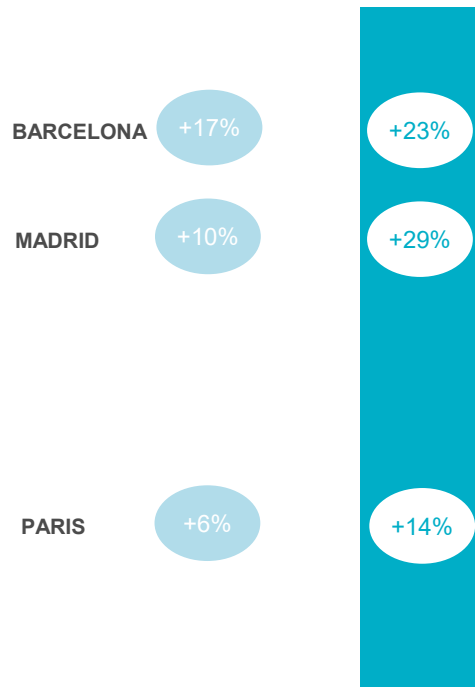
05 Growth drivers

3 Attractive CBD contract portfolio to capture reversion

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

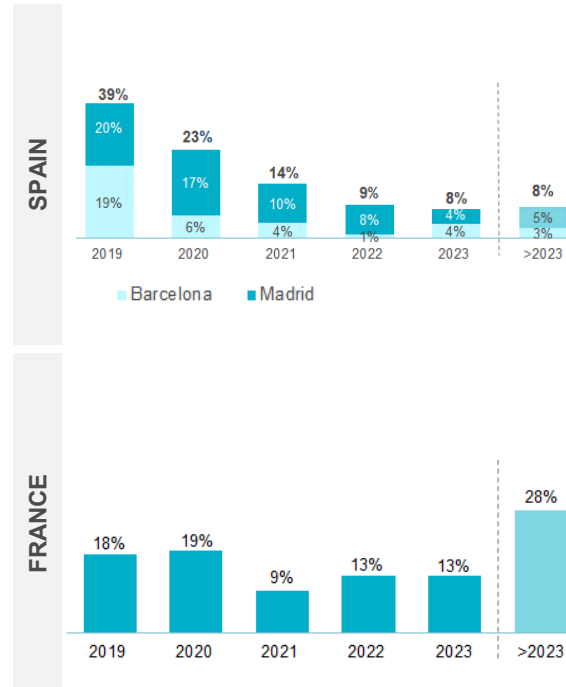
CAPTURING REVERSION

Static upside as of 12/18<sup>2</sup>      Release Spread captured<sup>1</sup> 2018

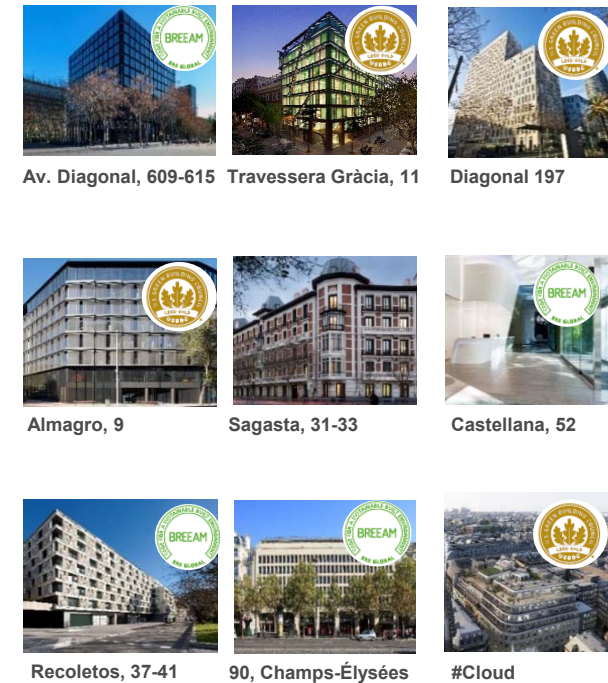


ATTRACTIVE RENT ROLL

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



SOLID POSITIONING IN GROWING MARKETS



1) New rents signed vs previous

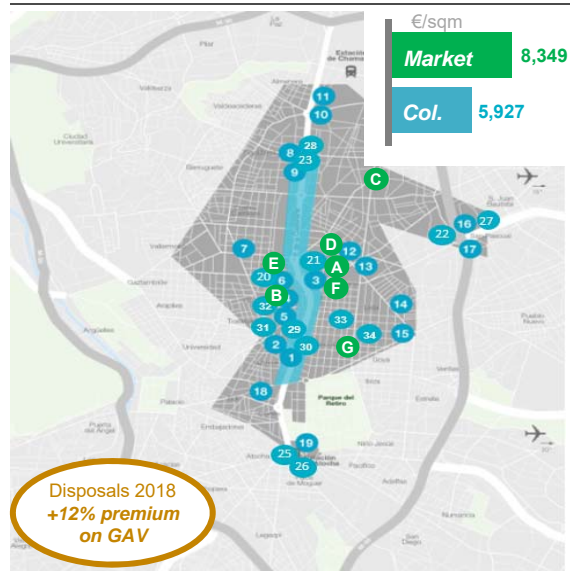
2) Market rents vs current passing rents as of 12/18 without including future rental growth

## 05 Growth drivers

### 4 Investment Market with strong support for Prime

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

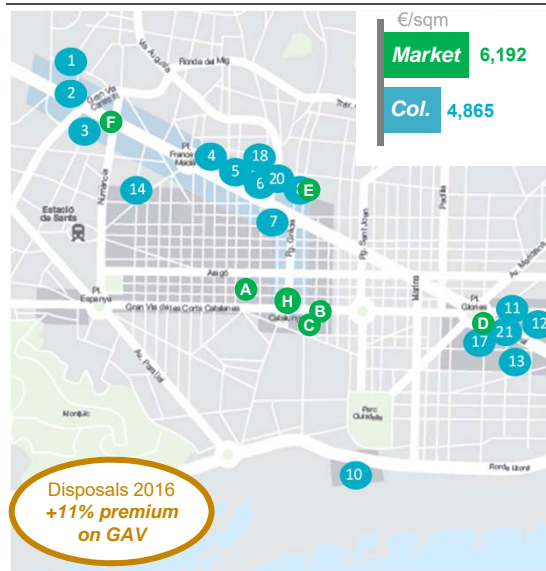
#### Madrid City Center (inside M30)



Latest investment transactions inside M30

	Price <sup>(2)</sup>	Cap Value <sup>(3)</sup>
<b>A</b> Velázquez, 108	30	7.143
<b>B</b> Fernando el Santo, 15	30	9.219
<b>C</b> Suero de Quiñones, 40-42 <sup>(1)</sup>	38	8.209
<b>D</b> Velázquez, 123 <sup>(1)</sup>	21	9.545
<b>E</b> Ríos Rosas, 24 <sup>(1)</sup>	24	7.357
<b>F</b> Velázquez, 94	46	8.498
<b>G</b> Goya, 36	30	8.472
<b>CBD Transactions - Average</b>	<b>219</b>	<b>8.349</b>
<b>Colonial Average (12/18 appraisal)</b>		<b>5,927</b>

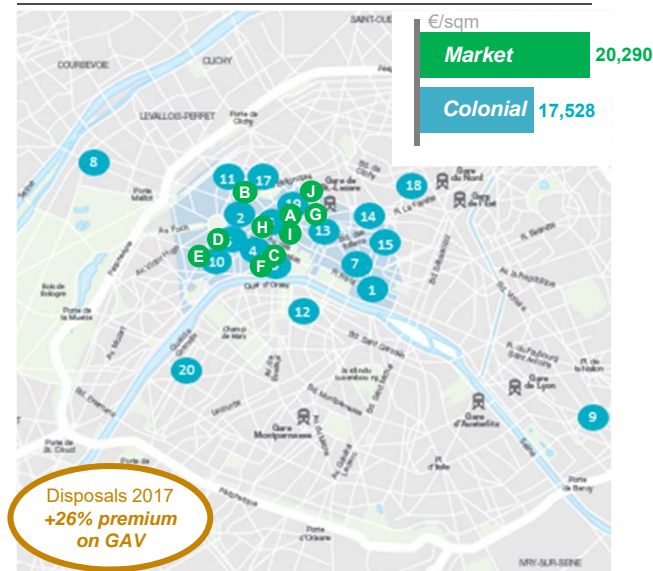
#### Barcelona City Center



Latest investment transactions in city center

	Price <sup>(2)</sup>	Cap Value <sup>(3)</sup>
<b>A</b> Enric Granados, 84	12	5.838
<b>B</b> Carrer de Fontanella, 9	20	6.030
<b>C</b> Carrer de Fontanella, 6-8	65	8.414
<b>D</b> Carrer Tanger, 66	90	5.294
<b>E</b> Avda. Diagonal, 595	30	5.254
<b>F</b> Ciutat de Granada, 121	20	4.545
<b>G</b> Avinguda Diagonal, 662 <sup>(1)</sup>	210	8.400
<b>H</b> Plaza de Cataluña, 9	9,5	5.765
<b>CBD Transactions - Average</b>	<b>456</b>	<b>6.192</b>
<b>Colonial Average (12/18 appraisal)</b>		<b>4,865</b>

#### Paris CBD



Latest investment transactions in Paris CBD

	Price <sup>(2)</sup>	Cap Value <sup>(3)</sup>
<b>A</b> Rue La Boetie, 83	63	19,319
<b>B</b> Rue Mederic, 12-14	112	18,463
<b>C</b> Rue Francois 1Er, 26 Bis	252	22,909
<b>D</b> Avenue Kleber, 10	31	21,500
<b>E</b> Avenue Kleber, 30	75	21,500
<b>F</b> Rue Jean Goujon, 19-21	134	15,765
<b>G</b> Rue La Boetie, 49-51	222	20,182
<b>H</b> Rue Pierre Charron, 68	62	20,667
<b>I</b> Place De Rio De Janeiro, 2	125	17,857
<b>J</b> Boulevard Haussmann, 91	50	24,740
<b>CBD Transactions - Average</b>	<b>1,126</b>	<b>20,290</b>
<b>Colonial Average (12/18 appraisal)</b>		<b>17,528</b>

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

<sup>(2)</sup> €m

<sup>(3)</sup> €/sqm

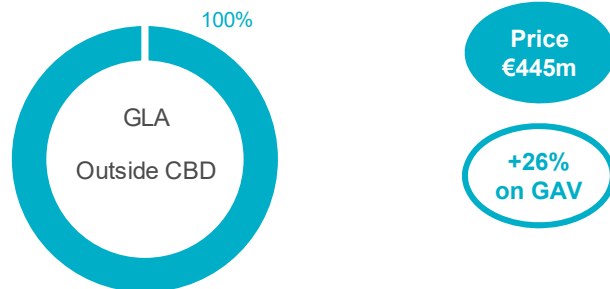
Source: Savills-Aguirre Newman and public information

5 Discipline on Capital Allocation – Attractive Risk Adjusted Returns

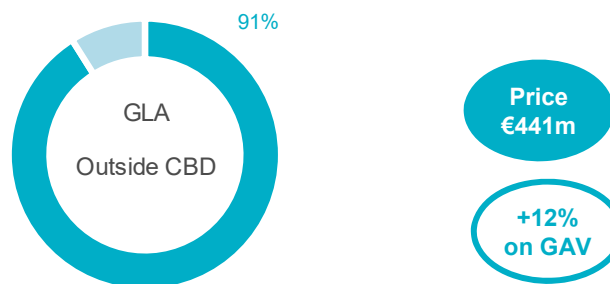
- > Rapid execution on capital allocation
- > Disposals of close to €1bn of secondary product with premium to GAV
- > Redeployment of capital to CBD acquisitions at attractive pricing

€0.9bn disposed of secondary

Disposal of IN/OUT in Paris 2017

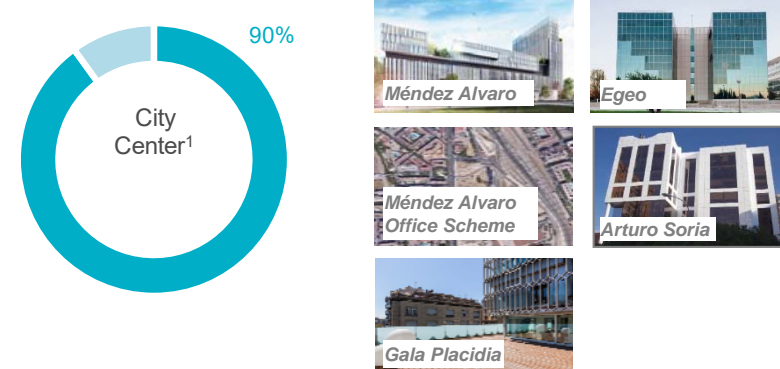


Disposal Alpha IV 2018



€1.3bn of prime Acquisition

Alpha III Acquisition Q1 2018 – €447m Invested



Alpha IV Acquisition Q4 2018 – €785m Invested



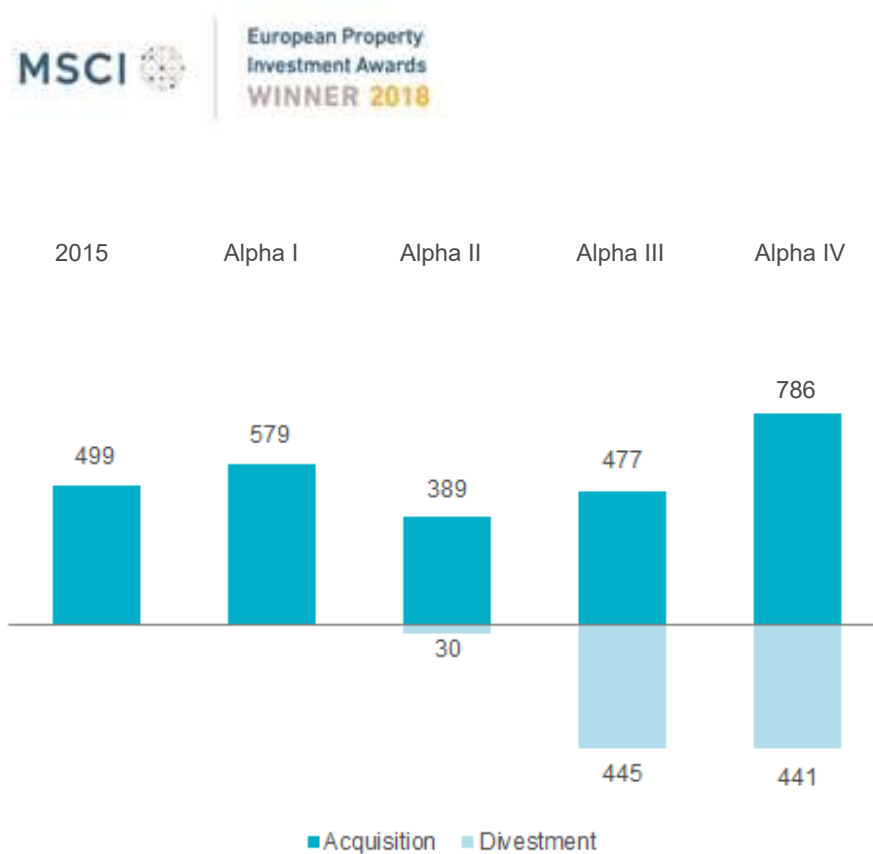
<sup>1</sup> South of CBD Madrid & CBD Barcelona

05 Growth drivers

5 Discipline on Capital Allocation - Solid track record on Return

- > Solid track record with more than €2.7bn invested in 5 years
- > Disposal of secondary assets for €0.9bn in the last 24 months
- > Colonial recognized by MSCI as investor with the highest 3 Year rolling Total Return in Spain

NET INVESTMENTS SINCE 2015 - €m



ACQUISITION TARGETS

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

Investment parameters: Organic growth

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

Value Add Spain 7 - 8%

Value Add France 6 - 8%

Core Investments 5 - 6%

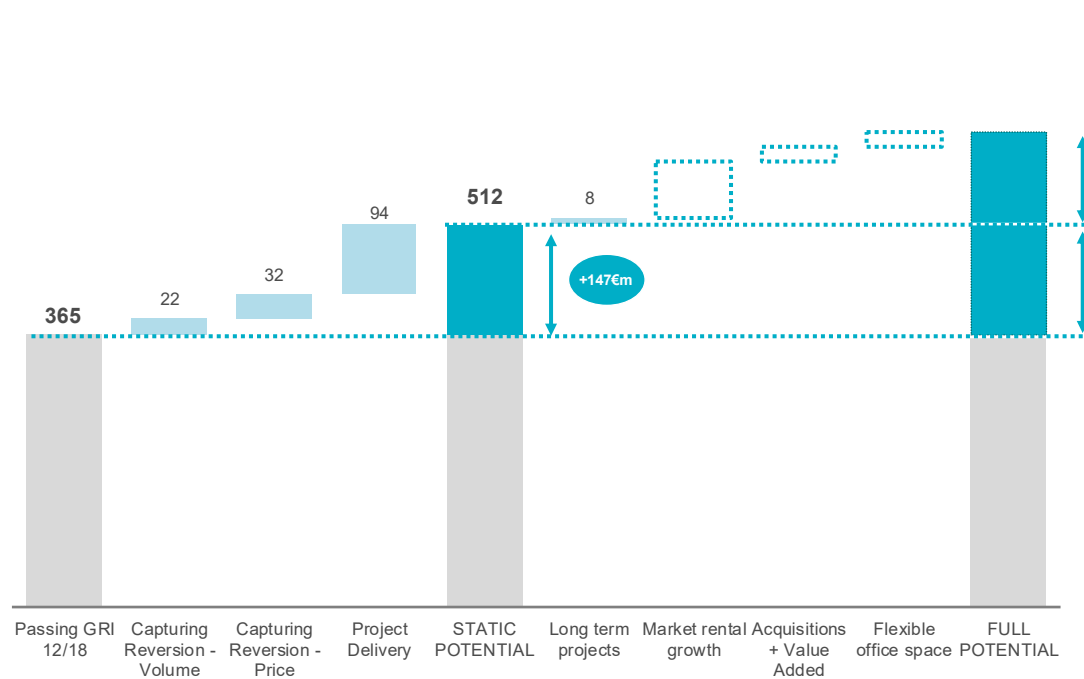


## 05 Growth drivers

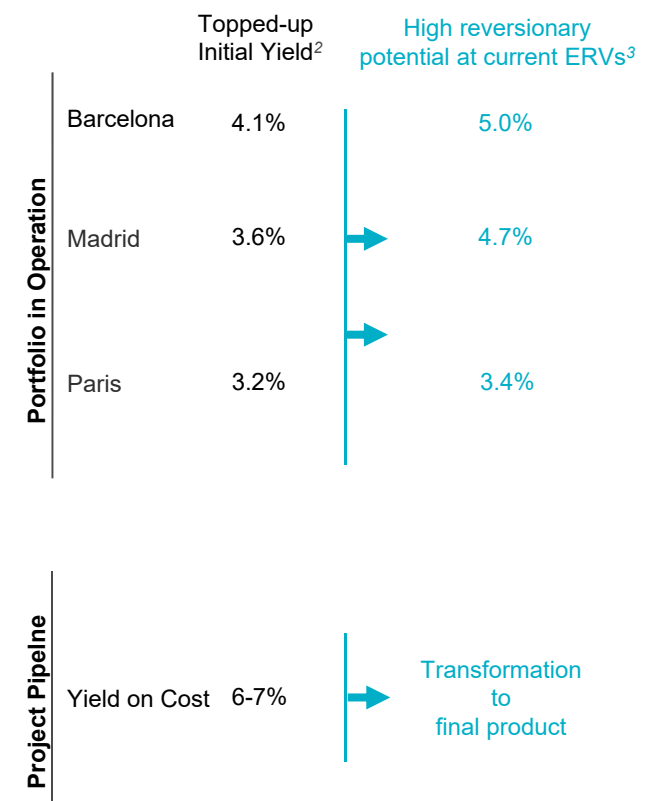
### A solid platform to capture future growth

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

Current Uplift Potential Passing GRI<sup>1</sup> – (€m)



Potential for Yield compression & reversion



<sup>1</sup>Topped-up passing GRI

<sup>2</sup>Topped-up Initial Gross Yield for Spain & Net Yield for Paris

<sup>3</sup> 12/18 ERV Gross Yield for Spain & Net Yield for Paris with full reversion (100% occupied and at current market rent)

06 Conclusion







#### OUTSTANDING FINANCIAL RESULTS

---

- > Total Shareholder Return 2018 of 19%
- > EPRA NAV of €10.03€ per share: +17% YoY
- > Gross Asset Value of €11.3bn, +8% like-for-like
- > Net Rental Income of €347m, +5% like-for-like
- > Recurring earnings of €101m, +22% YoY
- > Recurring EPS of €22.3 Cts. per share
- > **DPS<sup>1</sup> of €20 Cts. per share, +11%**

#### STRONG OPERATIONAL PERFORMANCE

---

- > Very healthy vacancy levels at 4%
- > Successful delivery of projects
- > Strong growth in rental prices
  - ✓ Capturing market rental growth
  - ✓ Double Digit Release Spreads
  - ✓ Capital Value Growth price driven

#### A STRONGER PLATFORM FOR FUTURE GROWTH

---

- > Prine Office Leadership through merger with Axiare
- > A €1.3bn project pipeline of prime CBD product
- > Colonial best positioned to capture rental growth
- > Confident outlook for Prime CBD assets
- > A proven track record on acquisitions and capital recycling
- > Capital allocation program ongoing

(1) Subject to AGM approval



Q&A





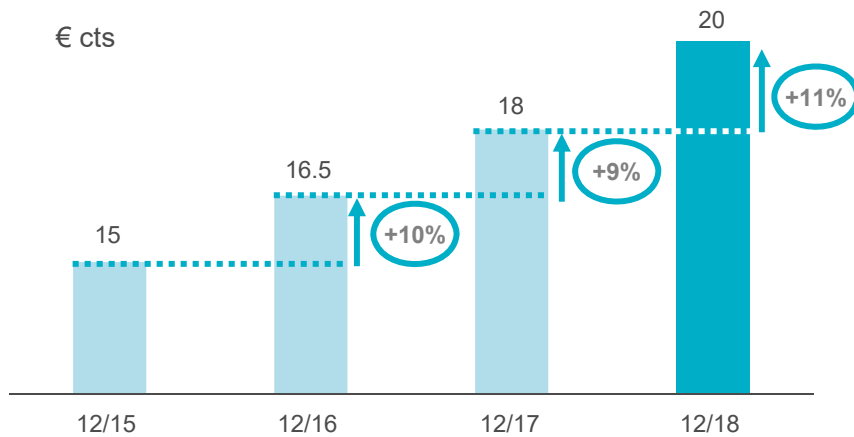
## APPENDICES

### Strong growth profile in DPS & NAV

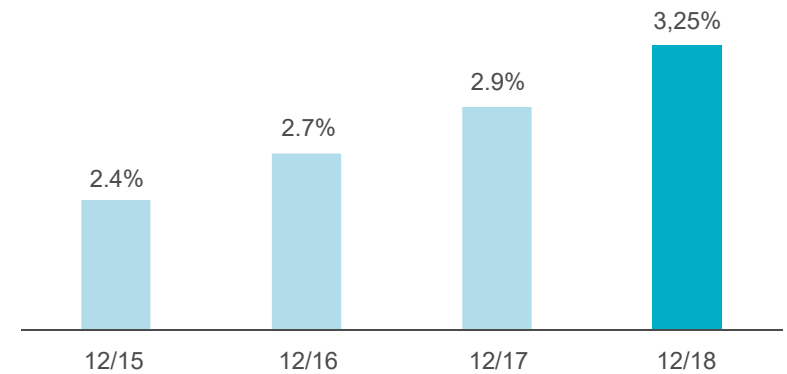
Outstanding Total Shareholder Return with strong growth in NAV and DPS

- > Strong DPS growth 3 years in a row - Dividend yield on cost accelerating
- > Four years with double-digit NAV growth

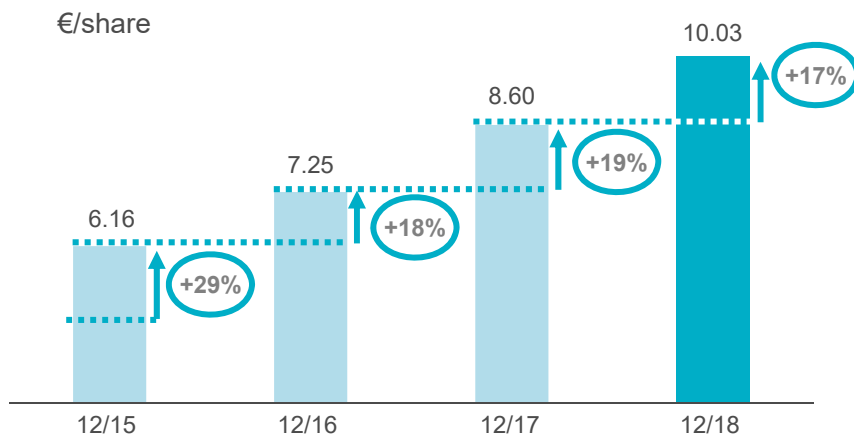
DPS accrued & YOY Growth



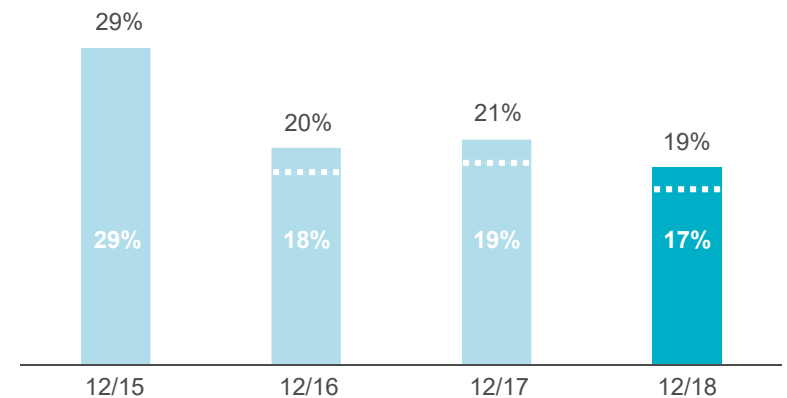
Running Dividend Yield on 12/15 NAV



EPRA NAV YOY Growth



Total Shareholder Return - NAV Growth + Dividend Paid



### Total Shareholder Return - Colonial (since June 2014)

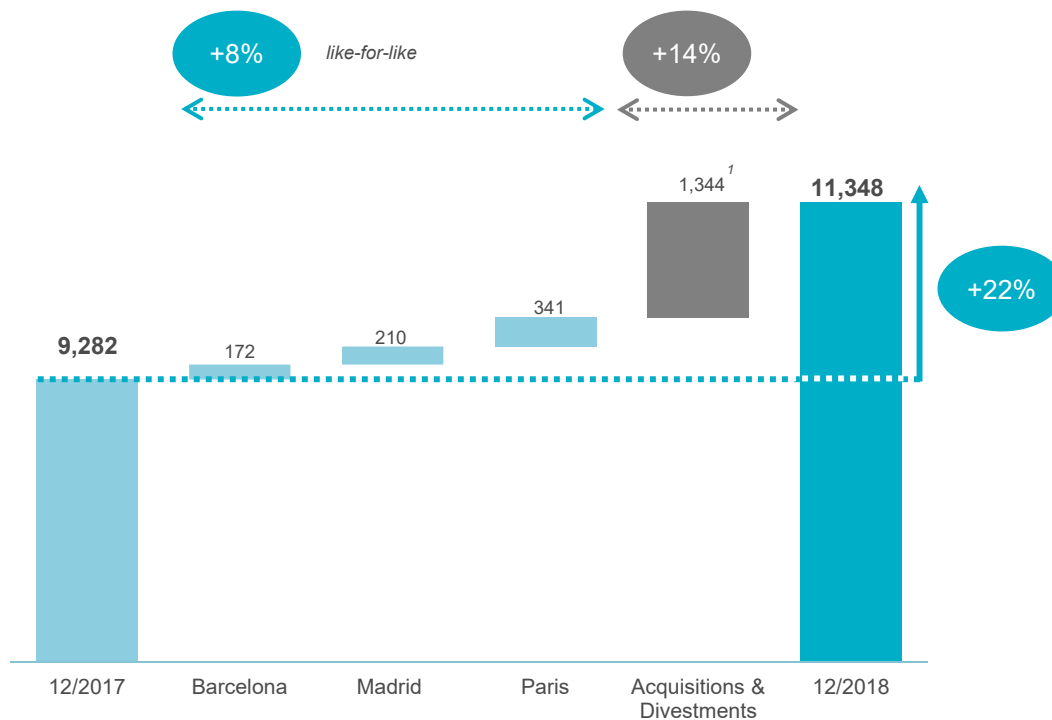
Date	€/share			Return per share			Group LTV
	NAV	Dividend	NAV+ Div.	NAV Growth	Dividend	Total Return	
<b>06-14</b>	<b>4.49</b>	0	4.49	-	-	-	<b>43%</b>
12-14	4.77	0	4.77	6%	-	6%	<b>43%</b>
12-15	6.16	0	6.16	29%	-	29%	<b>42%</b>
12-16	7.25	0.150	7.40	18%	2%	20%	<b>41%</b>
12-17	8.60	0.165	8.77	19%	2%	21%	<b>31%</b>
12-18	10.03	0.180	<b>10.21</b>	17%	2%	19%	<b>39%</b>
<b>Total Return since 6/14 (NAV per share growth + dividends)</b>						<b>134%</b>	
Dividend Return						11%	
NAV growth						123%	

## APPENDICES

### Strong underlying growth in Asset Values

- > Gross Asset Value of €11,348m (€11,915m including transfer costs)
- > +8% like-for-like YoY growth (+4% in 6 months)
- > Capital Value Growth driven by Alpha IV, successful project execution and price increases

#### GAV GROWTH – 12/2018



#### GAV VARIANCE

	2H 2018	Full Year 2018
BARCELONA	+9%	+19%
MADRID	+6%	+12%
PARIS	+3%	+5%
<b>TOTAL LFL</b>	<b>+4%</b>	<b>+8%</b>
ACQUISITIONS & DIVESTMENTS	(3%)	+14%
<b>TOTAL VAR</b>	<b>+1%</b>	<b>+22%</b>

<sup>1</sup> Net of 29% of Axiare stake included in 12/2017 GAV

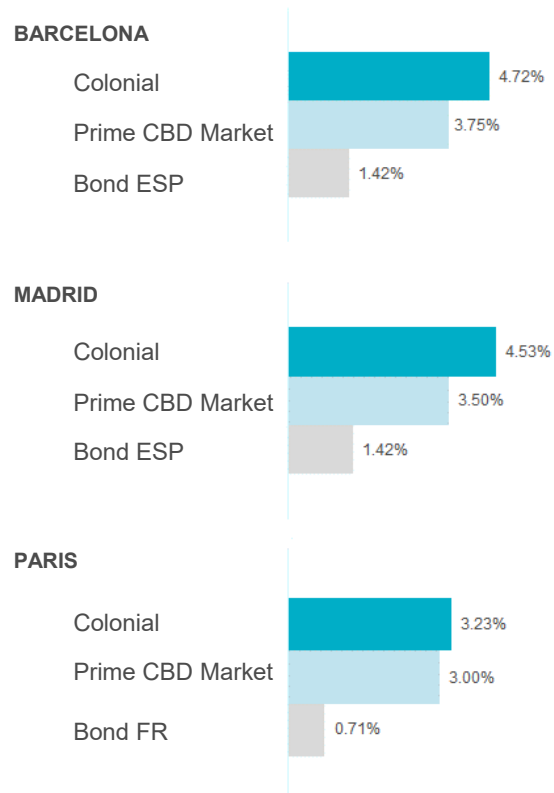
## APPENDICES

### Solid valuation levels in healthy market

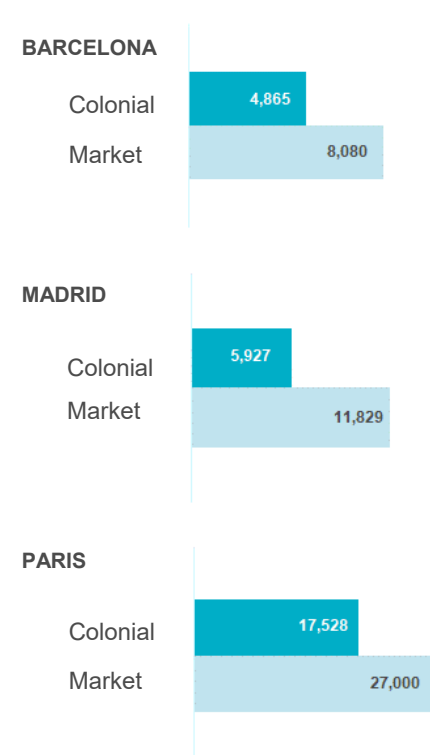


- > Colonial appraisal with very solid valuation yields
- > Colonial capital values below recent transactions evidence
- > Rental growth and “scarcity factor” main future growth driver

#### VALUATION YIELDS <sup>(1)</sup>



#### CAPITAL VALUE 12/2018 - €/sq m



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



BARCELONA – LETTING PERFORMANCE

Solid Performance

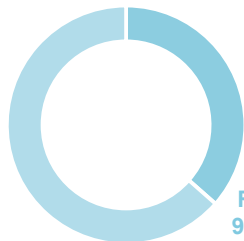
25,635 sq m let

> Max. rent signed **25.0**  
€/sqm/month

> ERV growth **+10%**<sup>(1)</sup>

> Release spread<sup>2</sup> **+23%**

New Lettings  
16.277 sq m



Renewals  
9.358 sq m

Strong rental growth - Highlights

Park Cugat



**+36%**  
vs ERV<sup>1</sup>

Cargill

Torre BCN



**+22%**  
vs ERV<sup>1</sup>

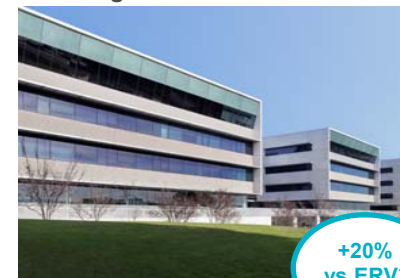
Amigó



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

sdg group

Sant Cugat



**+20%**  
vs ERV<sup>1</sup>

e ERNI

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

MADRID – LETTING PERFORMANCE

Solid Performance

70,541 sq m let

> Max. rent signed

29.9  
€/sqm/month

> ERV growth

+8%<sup>(1)</sup>

> Release spread<sup>2</sup>

+29%

New Lettings  
29.677 sq m



Renewals  
40.864 sq m

Strong Rental Growth - Highlights

Castellana, 52



Comunidad de Madrid

+49%  
release  
spread

Martinez Villergas, 49



IBERIA

+33%  
release  
spread

Miguel Ángel 11



Simmons & Simmons

+15%  
release  
spread

Sagasta 31-33



McKinsey&Company

+40%  
release  
spread

Príncipe de Vergara 112-114



NOVO BANCO

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

Discovery Building



PANDORA

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

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

PARIS – LETTING PERFORMANCE

Solid Performance

21,072 sq m let

> Max. rent signed

787  
€/sqm/year

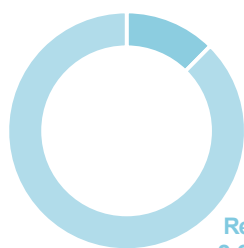
> ERV growth

+5% <sup>(1)</sup>

> Release spread<sup>2</sup>

+14%

New Lettings  
18.462 sq m



Renewals  
2.610 sq m

Strong Rental Growth - Highlights

Iéna



+36%  
vs ERV<sup>1</sup>

Louvre Saint-Honoré



+11%  
vs ERV<sup>1</sup>

Financial  
institution

Washington Plaza



+14%  
vs ERV<sup>1</sup>



Washington Plaza



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



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

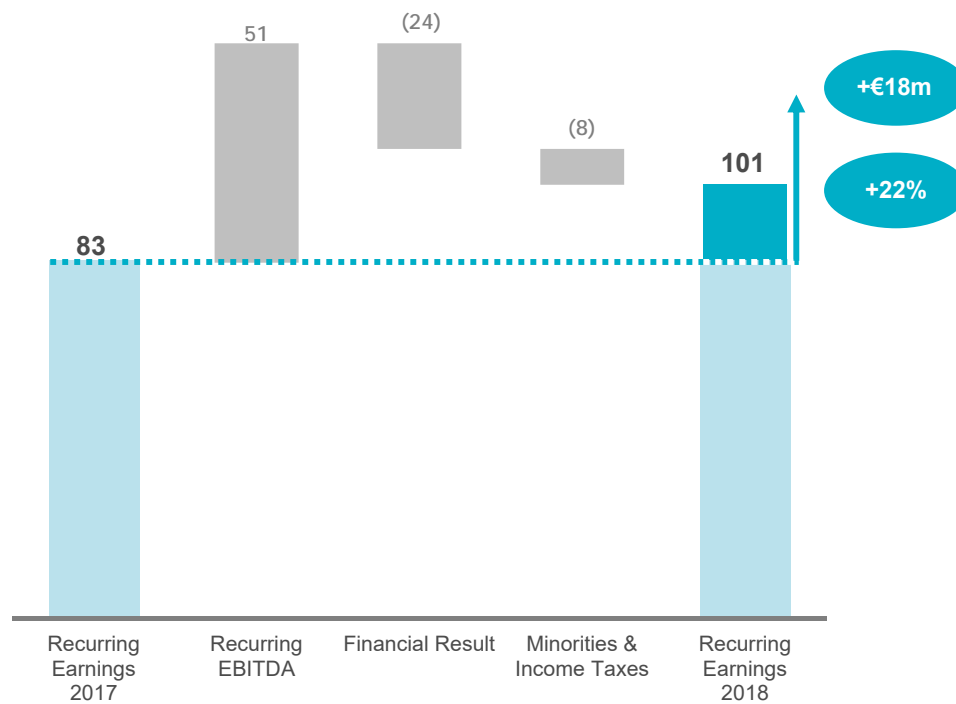
## APPENDICES

### Acceleration of profitable growth



- > +22% increase in Recurring Earnings
- > Earnings driven by solid top-line growth
- > Axiare acquisition enhancing results

#### PROFIT & LOSS ACCOUNT



#### RESULTS TOP LINE DRIVEN

- > Solid 5% like-for-like net rental income growth
- > Results enhancement through Axiare
  - ✓ High double-digit increase of recurring earnings
  - ✓ +22% increase recurring result in 2018

Recurring EPS Guidance fulfilled

€22.3cts Full Year 2018



## APPENDICES

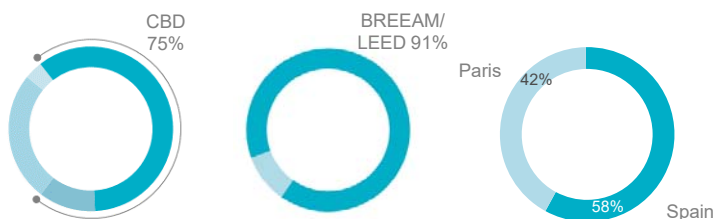
### A solid capital structure

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

#### FIRST CLASS COLATERAL

More than €11bn of high quality assets

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



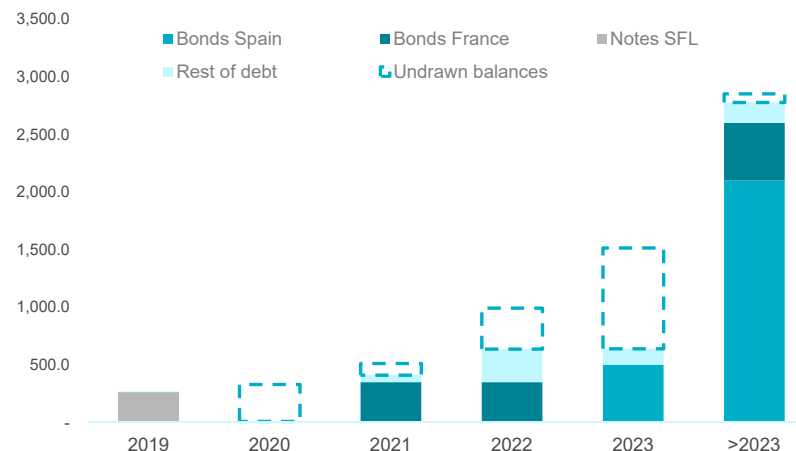
**Strong credit profile with solid investment grade rating**



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

#### A SOLID FINANCIAL STRUCTURE

<u>Capital Structure</u>	<u>31/12/2017</u>	<u>31/12/2018</u>
<b>Net Debt</b>	<b>€3,066m</b>	<b>€4,680m</b>
Group LTV	31%	39%
Cash	€1,105m	€68m
Undrawn balances	€1,322m	€1,725m
Maturity Spain	6.4 years	6.6 years
Maturity Group	5.5 years	5.9 years
Cost of Debt Spain	1.98%	1.95%
Cost of Debt Group	1.86%	1.77%



Colonial



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