APPENDICES

ANNUAL REPORT 2012

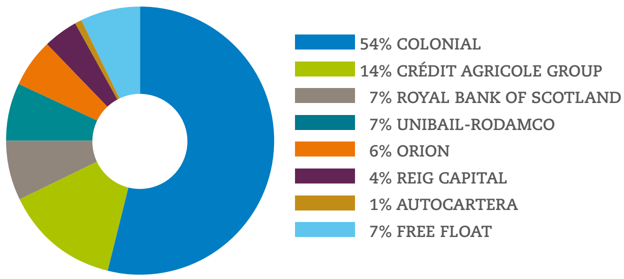
Colonial

Index

Appendix 1
Shareholding and Corporate Governance in Subsidiaries
SFL

The shareholding structure and details of the Board of Directors of the French subsidiary Société Foncière Lyonnaise are shown below:

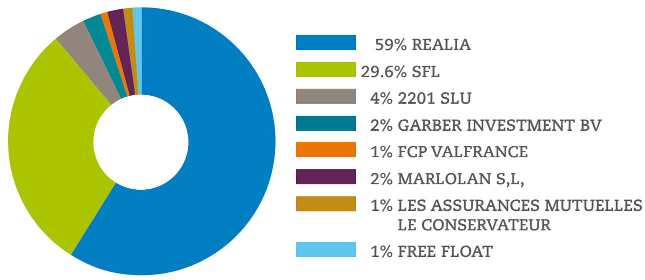
SHARELOLDER STRUCTURE AT 31/12/2012

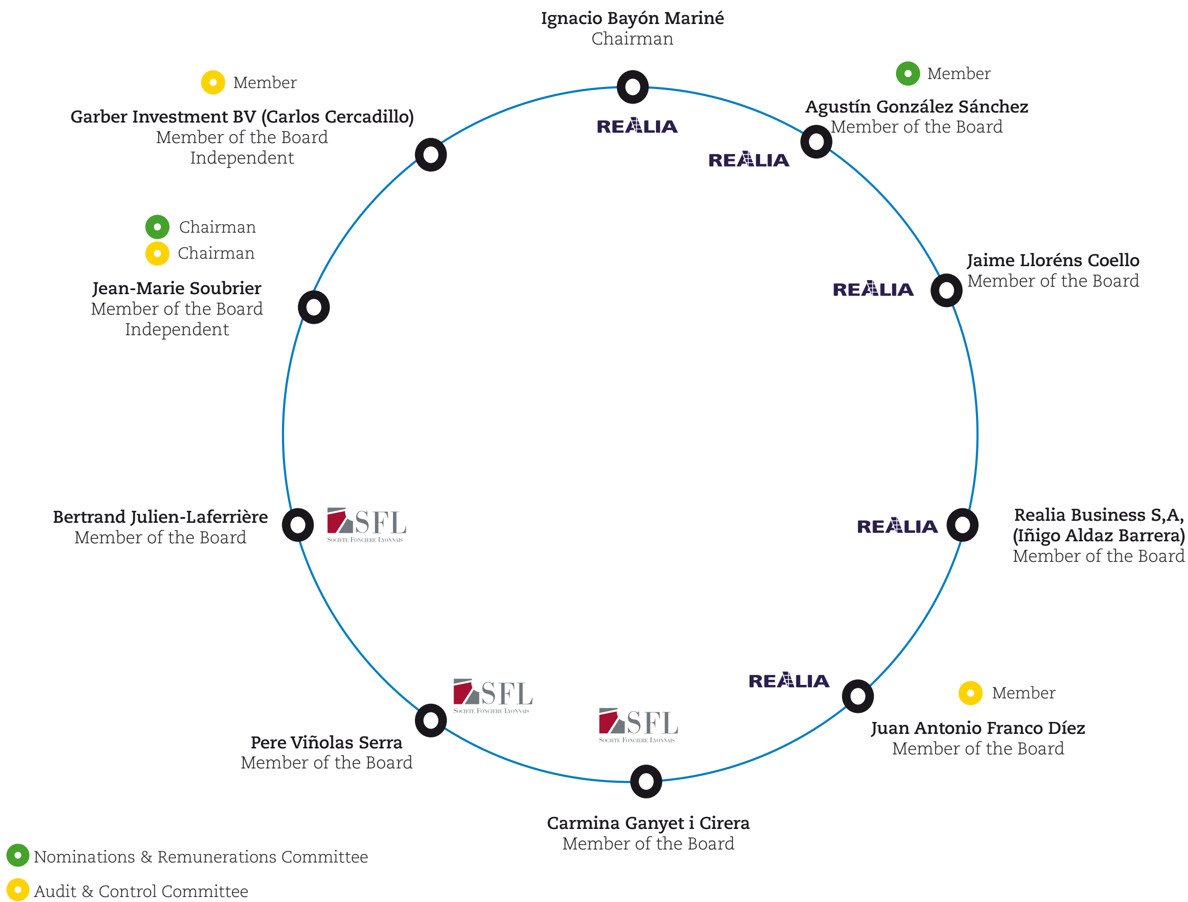


Appendix 2
Shareholding and Corporate Governance in Subsidiaries
SIIC de París

The shareholding structure and details of the Board of Directors of the French subsidiary of Société Foncière Lyonnaise, SIIC Paris, are shown below:

SHARELOLDER STRUCTURE AT 31/12/2012





Appendix 3
Main subsidiary figures

KEY PERFORMANCE INDICATORS

	SFL			SIIC DE PARÍS		
	Dec-12	**Dec-11**	**Var. %**	**Dec-12**	**Dec-11**	**Var. %**
GAV [1]	3,882	3,235	20%	1,463	1,428	2%
No. of Assets	19	19	0%	34	36	(6%)
Office occupancy	94%	92%	2.0 *pp*	-	-	-
Total occupancy	95%	94%	1.6 *pp*	95%	94%	0.9 *pp*
Rental revenues	150	152	(1%)	74	74	0%
EBITDA rents	138	141	(2%)	67	67	0%
EBITDA / rental revenues	*92%*	*93%*	*(1.4 pp)*	*91%*	*91%*	*(0.1 pp)*
EBITDA recurring property business	123	126	(2%)	63	63	(0%)
EBITDA asset sales	(0)	8	-	9	14	(37%)
EBITDA Total	**123**	**133**	**(7%)**	**72**	**77**	**(6%)**
Profit attributable to Group	283	181	57%	46	43	8%
Net Debt	1,547	1,243	-	466	492	(5%)
LTV [2]	36%	36%	-	30%	33%	*(2.4 pp)*
NAV EPRA (excluding transfer costs)	2,246	2,078	8%	985	904	9%
Nº of shares (mn)	47	47	0%	43.1	42.6	1%
NAV EPRA (excluding transfer costs) (€/share)	48.3	44.7	8%	22.9	21.2	8%
NNNAV EPRA (excluding transfer costs) (€/share)	45.3	42.8	6%	-	-	-

Calculated considering the consolidation criteria

(1) GAV following consolidation criteria excluding transfer costs (not including SIIC de Paris)
(2) LTV: net debt /(attributable GAV including transfer costs + stake in SIIC de Paris)

Appendix 4
Valuation of the property business

At the close of 2012, the rental business of the Colonial Group was valued at €5,535m by Jones Lang LaSalle, CB Richard Ellis, and BNP Paribas Real Estate. The valuation figures are updated half-yearly, following the best market practices.

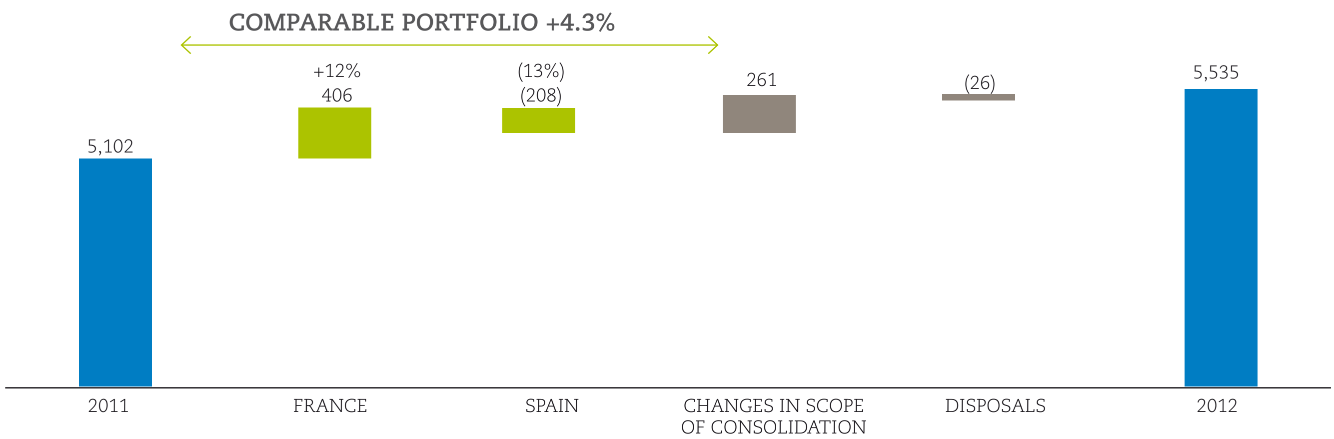
ASSET VALUATION - €M

	31-dec-12	30-jun-12	31-dec-11	Dec 12 vs Jun 12		Dec 12 vs Dec 11	
				Total	Like-for-like (1)	Total	Like-for-like (1)
Barcelona	579	622	642	(6.9%)	(8.8%)	(9.8%)	(11.6%)
Madrid	705	787	766	(10.4%)	(7.9%)	(8.0%)	(13.9%)
París	3,240	3,075	2,944	5.4%	2.6%	10.1%	7.6%
Cartera in operation (2)	**4,525**	**4,484**	**4,353**	**0.9%**	**(0.8%)**	**3.9%**	**0.8%**
Projects	**708**	**444**	**462**	**59.4%**	**18.2%**	**53.2%**	**30.1%**
Others	11	15	16	(25.5%)	(25.5%)	(28.5%)	(28.5%)
Property business	**5,244**	**4,943**	**4,831**	**6.1%**	**1.5%**	**8.6%**	**4.1%**
SIIC de París	292	279	271	4.4%	4.4%	7.5%	7.5%
Colonial Group	**5,535**	**5,222**	**5,102**	**6.0%**	**1.7%**	**8.5%**	**4.3%**
Spain	1,362	1,516	1,595	(10.2%)	(8.7%)	(14.6%)	(13.0%)
France	4,173	3,706	3,507	12.6%	5.6%	19.0%	11.6%

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

The valuation of the Colonial Group's assets at December 2012 rose by 4.3% like-for-like compared to the previous year (1.7% vs. June 2012).

VARIANCE ANALYSIS VALUE (€M)



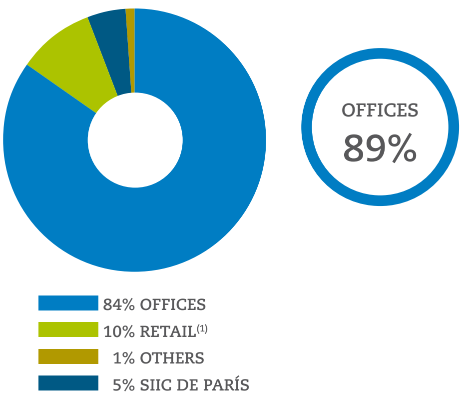
The value of the French portfolio rose in the last 12 months by 12% like-for-like (6% vs. June 2012), which compensated for the decrease in the value of the portfolio in Spain.

The portfolio in Spain was affected by the decrease in rental prices in 2012 combined with an increase in yields, and the disposal in the Centro Norte complex.

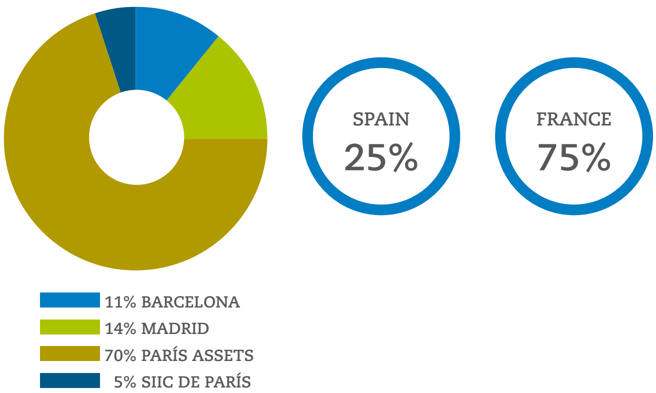
In France, the increase in the value of the portfolio demonstrates the investors' high interest in prime offices in the largest market in the Eurozone. Additionally, at December 31st, 2012, SFL became the controlling shareholder in its "Parholding" joint ventures. As a result, the GAV of the Group takes into account 100% of the value of the corresponding properties.

Out of the total valuation of the property business, €5,244m corresponds to the asset portfolio directly owned by the Colonial Group and €292m is the value which corresponds to the stake of SFL in SIIC de Paris (attributable NAV at 31/12/2012), a property company listed on the Paris market with a portfolio of offices worth more than €1,400m.

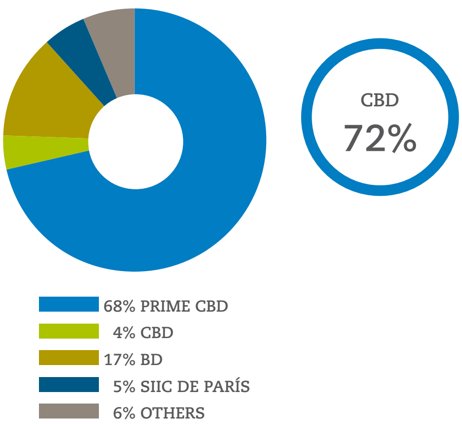
VALUATION BY USE



VALUATION BY MARKET



VALUATION BY AREA[2]



(1) Includes Saint Honoré Hotel in París,

(2) As of 31/12/2012 the classification of areas was updated, in time with the methodology of real estate consultants (JLLS. CBRE & others).

SIIC de París: value of the stake of SFL in SIIC de París

Regarding the valuation of the portfolio in operation, the value per sq m and the valuation yields are as follows:

ASSET VALUATION

	Value (€/sq m)			Valuation Yield		
	31-dec-12	**30-jun-12**	**31-dec-11**	**31-dec-12**	**30-jun-12**	**31-dec-11**
Barcelona	2,970	3,298	3,403	6.4%	6.1%	6.1%
Madrid	3,835	4,059	4,359	6.3%	6.1%	6.0%
París	10,317	9,214	8,824	5.0%	5.1%	5.3%
Portfolio in operation(1)	**6,385**	**6,260**	**6,187**	**5.4%**	**5.4%**	**5.5%**
Total property portfolio	**6,551**	**6,180**	**6,039**	**5.4%**	**5.5%**	**5.6%**

(1) The portfolio in operation: includes the current rental portfolio, as well as new entries into operation of completed projects

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Inmobiliaria Colonial Real Estate Portfolio (Investment Business + SFL)

31st December 2012

BOARD OF DIRECTORS
INMOBILIARIA COLONIAL S.A.
Av. Diagonal 532
08006 Barcelona

Madrid, 10th January 2013

Dear Sirs:

VALUATION OF INMOBILIARIA COLONIAL S.A. REAL ESTATE PORTFOLIO (Investment Business + SFL)

In accordance with your instruction, we have carried out a valuation of the freehold interest of the above properties and have based our calculations on the information supplied by Inmobiliaria Colonial as at 30th of June 2012.

Taking into consideration the characteristics of the properties that conform the real estate portfolio, we are of the opinion that the total Market Value of Inmobiliaria Colonial's portfolio, as at 31st of December 2012, is of **5.243.698.614 Euros** (Five Thousand Two Hundred and Forty Three Million Six Hundred and Ninety Eight Thousand Six Hundred and Fourteen Euros) and the share value of Inmobiliaria Colonial, as at 31st of December 2012, is of **4.818.894.138 Euros** (Four Thousand Eight Hundred and Eighteen Million Eight Hundred and Ninety Four Thousand One Hundred and Thirty Eight Euros).

	Market Value	Share Value
Negocio Patrimonial	1.362.007.200 €	1.362.007.200 €
SFL	3.881.691.414 €	3.456.886.938 €
Total	**5.243.698.614 €**	**4.818.894.138 €**

BASIS OF VALUATION

You have asked us to establish the Market Value of the property, as at the date of valuation, defined by the Royal Institution of Chartered Surveyors, as:

'The estimated amount for which a property should exchange on the date of valuation between a willing buyer and a willing seller in an arm's-length trans-action after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion'.

This definition is not materially different to that adopted by both TEGOVA (The European Group of Valuers Associations) and the IVSC (The International Valuation Standards Committee).

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. We enclose a copy as Appendix.

We have assumed all properties are held under the equivalent of a Freehold title (except those specifically mentioned else wise). No allowance has been made of any expenses of realisation, or for taxation (including VAT) which might arise in the event of a disposal and the property has been considered free and clear of all mortgages or other charges.

VALUATION METHODOLOGY

The valuation of each property is based on our experience and knowledge of the market; with the help of the financial analysis of each property in a way that will allow the investor/developer to obtain a reasonable return on investment. We have also taken into account evidence of various financial transactions taking place throughout the market, which reflect the tendency of investor behaviour. In order to determine the market value, we have used the following methods, depending on the type of property:

INVESTMENT ASSETS AND SHOPPING CENTERS

This valuation is the result of combining different valuation methods, which allows us to verify the consistency of the values. The valuation method used in this case is the Income Capitalization method through “Term & Revision” contrasted with the comparative method.

a) Income Capitalisation approach

This is the traditional method of valuing investment properties. The market value is derived by capitalising the estimated net income from the property on a term and reversion basis. It involves the capitalisation of the present income over the period of its duration together with the valuation of each subsequent different rent likely to be received following market rent reviews or following reletting for their separate estimated durations, each discounted to a present value. The yield or yields applied to the different income categories reflect all the prospects and risks attached to the income flow and the investment. The yields are derived from a combination of analysis of completed comparable investment transactions and general experience and market knowledge. The most important yield is the equivalent yield (see definitions below), although regard must be had to the yield profile of the investment over time, particularly the initial yield at the date of the valuation.

b) Discounted Cashflow technique (DCF)

Unless specific characteristics of an investment suggest otherwise, we undertake a DCF appraisal over a 10 year investment horizon in line with general market practice. The income flow is developed over the period of the cashflow on a monthly basis to take account of CPI increases and the timing of market rent reviews, lease expiries etc.

For CPI, increases we generally adopt consensus forecasts. Rental growth forecasts are based on Jones Lang LaSalle econometric forecasts of prime rents in Madrid, adjusted for each individual property to reflect our commercial view of rental growth prospects.

We make adjustments to the gross projected income flows as appropriate to reflect:

- Any non- recoverable outgoings such as the Yearly Property Tax.
- Service charge shortfalls.
- An allowance for management fees if not recoverable.
- An allowance for structural repairs, normally around 1% of income.
- Void costs – including:
    - Service charge costs.
    - Yearly Property Tax costs.
    - Letting fees.
    - Refurbishment costs if appropriate.

Due to the uncertainty of the occurrence or duration of future voids, we form a judgement based on the quality of the building and location and generally adopt an average letting period in the absence of any information on the future intentions of individual tenants. Specific assumptions as to voids and other factors are explained for each individual valuation.

c) Capital Value per m²

This comprises an assessment of the Capital value of the property based on an analysis of investment transactions and market information relating to current pricing on an overall value per square meter basis. It is an unsophisticated form of valuation technique which if not adjusted, fails to having regarded the present and near future income flow derived from the existing lease structure. However, it is fairly common practise in the market place and since the purpose of our valuation is to arrive at an assessment of the open market value of the property, we have regard to this basis as one of the basis of valuation.

All of our valuations reflect the price that we would expect to appear in the (notional) sales contract and is therefore the net value ignoring any cost of disposal. In accordance with normal practise, we deduct from the gross valuation figure an allowance for usual purchaser's costs and VAT holding costs to arrive at a net valuation price.

We have based our valuations on the lease summaries and lease pre-agreements as supplied by Inmobiliaria Colonial.

Market Yields adopted for each valuation take into account the current state of the building, market rental expectations and general improvements. As a guideline, the yields considered for the different areas of Madrid and Barcelona are as follows:

Offices – Prime Net Yield	
Madrid	
CBD	5.75%
BD	6.10%
M – 30	6.50%
Barcelona	
CBD	5.80%
BD	6.00%
New areas	6.75%
Periphery	7.50%

Land, Plots and Current Developments

When valuing the land and plots portfolio, we have applied the Residual Method as the best approximation of value. This approach has been complemented with the Capital Value per m² method in order to prove the consistency of the unitary value of the resulting repercussion.

d) Residual Method

The Residual Method of Valuation has been adopted for the land bank, ongoing development projects and office development portfolios. This approach has been supported by the Capital Value per Square Metre method in order to verify the resulting values on a repercussion basis (price per buildable m²).

This technique takes as a starting point the value of the completed and let development, or final sales value, depending on whether the property comprises an office development or residential project, from which is deducted all costs of development including urbanisation costs, construction costs, demolition costs, professional fees, licence fees, marketing costs, finance costs, developer's profit etc. to arrive at the price a developer could afford to pay for the site.

The method is therefore appropriate for the analysis of the approach of an investor – developer to sites of these characteristics. We therefore consider that the project would be undertaken on the most profitable basis possible in accordance with the anticipated future market demand, and in accordance with the relevant planning and building legislation in order to obtain the highest possible rents achievable in the market taking into account the location and limitations of the general area. The adopted methodology as explained in the previous paragraph reflects the price that a developer/investor would be prepared to pay for the site in its current condition.

All of our valuations reflect the price that we would expect to appear in the (notional) sales contract and are therefore the net values ignoring any cost of disposal. In accordance with normal practise, we deduct from the gross valuation figure an allowance for usual purchasers' costs and VAT holding costs totalling 2.9% to arrive at a net valuation price.

This certificate is part of and should be read together with our full valuation report.

Sincerely,

Evan Lester, MRICS	**Rocío Valverde, MRICS**
Head of Valuations	Associate Director
Valuation Advisory	Valuation Advisory
Jones Lang LaSalle España, S.A.	Jones Lang LaSalle España, S.A.

Annex 1 – General Principles of Valuations

General Principles of Valuations

It is our objective to discuss and agree the terms of our instructions and the purpose and basis of the valuation, at the outset, to ensure that we fully understand and meet our client's requirements. Following are the general principles upon which our Valuations and Reports are normally prepared; they apply unless we have agreed otherwise and specifically mentioned the variation in the body of the report. Where appropriate, we will be pleased to discuss variations to suit any particular circumstances, or to arrange for the execution of structural or site surveys, or any other more detailed enquiries.

RICS Appraisal and Valuation Manual

All work is carried out in accordance with the Practice Statements contained in the RICS Appraisal and Valuation Manual published by the Royal Institution of Chartered Surveyors, by valuers who conform to the requirements thereof.

Valuation Basis

Our reports state the purpose of the valuation and, unless otherwise noted, the basis of valuation is as defined in the Appraisal and Valuation Manual. The full definition of the basis which we have adopted is either set our in our report or appended to these General Principles.

Disposal Costs and Liabilities

No allowances are made for any expenses of realisation, or for taxation which might arise in the event of a disposal. All property is considered as if free and clears of all mortgages or other charges which may be secured thereon.

Valuations are prepared and expressed exclusive of VAT payments, unless otherwise stated.

Subcontractors

There are circumstances where we may wish to instruct subcontractors. It is our normal policy to agree the appointment with you. We have a duty of care to ensure that, in the delivery of services, the subcontractors meet our own standards.

Source of Information

We accept as being complete and correct the information provided to us, by the sources listed, as to details of tenure, tenancies, tenant's improvements, planning consents and other relevant matters, as summarised in our report.

Documentation

We normally read all documents of title and leases from a commercial point of view. We assume, unless informed to the contrary, that each property has a good and marketable title, that all documentation is satisfactorily drawn and that there are no encumbrances, restrictions, easements or other outgoings of an onerous nature, which would have a material effect on the value of the interest under consideration, nor material litigation pending.

Tenants

Although we reflect our general understanding of a tenant's status in our valuations, enquiries as to the financial standing of actual or prospective tenants are not normally made unless specifically requested. Where properties are valued with the benefit of lettings, it is therefore assumed, unless we are informed otherwise, that the tenants are capable of meeting their financial obligations under the lease and that there are no arrears of rent or undisclosed breaches of covenant.

Measurements

Unless we specifically state that we have undertaken a measured survey, or have taken check measurements, we rely completely upon the floor areas notified to us.

Town Planning and Other Statutory Regulations

Information on town planning is, wherever possible, obtained verbally from the local planning authority and, if confirmation is required, we recommend that verification be obtained from lawyers that:

(a) The position is correctly stated in our report;

(b) The property is not adversely affected by any other decisions made, or conditions prescribed, by public authorities;

(c) There are no outstanding statutory notices.

Our valuations are prepared on the basis that the premises (and any works thereto) comply with all relevant statutory and EC regulations, including enactments relating to fire regulations.

Structural Surveys

Unless expressly instructed, we do not carry out a structural survey, nor do we test the services and we therefore do not give any assurance that any property is free from defects. We seek to reflect in our valuations and readily apparent defects or items of disrepair which we note during our inspection or costs of repair which are brought to our attention.

Deleterious Materials

We do not normally carry out investigations on site to ascertain whether any building was constructed or altered using deleterious materials or techniques (including, by way of example, high alumina cement concrete, wood wool as permanent shuttering, calcium chloride or asbestos). Unless we are otherwise informed, our valuations are on the basis that no such materials or techniques have been used.

Site Conditions

We do not normally carry out investigations on site in order to determine the suitability of ground conditions and services for the purposes for which they are, or are intended to be, put; nor do we undertake archaeological, ecological or environmental surveys. Unless we are otherwise informed, our valuations are on the basis that these aspects are satisfactory and that, where development is contemplated, no extraordinary expenses or delays will be incurred during the construction period due to these matters.

Environmental Contamination

Unless expressly instructed, we do not carry out site surveys or environmental assessments, or investigate historical records, to establish whether any land or premises are, or have been, contaminated. Therefore, unless advised to the contrary, our valuations are carried out on the basis that properties are not affected by environmental contamination. However, should our site inspection and further reasonable enquiries during the preparation of the valuation lead us to believe that the land is likely to be contaminated we will discuss our concerns with you.

Outstanding Debts

In the case of property where construction works are in hand, or have recently been completed, we do not normally make allowance for any liability already incurred, but not yet discharged, in respect of completed works, or obligations in favour of contractors, sub-contractors or any members of the professional or design team.

Confidentiality and Third Party Liability

This report is addressed to Barclays Bank PLC in its capacity as Lender and to Barclays Capital Mortgage Servicing Limited as Security Agent under a Facility Agreement in relation to the properties mentioned in this letter and made between the Security Agent, the Lender and the Borrower (each as defined in the Facility Agreement) and any of its assignees or successors in title to the Facility Agreement from time to time permitted under the Facility Agreement. This report may be disclosed to, and relied upon by the issuer in connection with a securitisation of the loan. This report may also be disclosed to but not relied upon by any rating agency or investor in connection with the securitisation.

Definitions

Market Value (MV) The estimated amount for which an asset should exchange on the date of valuation between a willing buyer and a willing seller in an arm's-length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion.

Market Rent (MR) The estimated amount for which a property, or space within a property, should lease (let) on the date of valuation between a willing lesser and a willing lessee on appropriate lease terms in an arm's-length transaction after proper marketing wherein the parties had acted knowledgeably, prudently and without compulsion.

Limiting Conditions

1. As in all studies of this type, the estimated results are based upon competent and efficient management and presume no significant changes in the economic environment from that as set forth in this report. Since our forecasts are based on estimates and assumptions which are subject to uncertainty and variation, we do not represent them as results which will actually be achieved.

2. Responsible ownership and competent property management are assumed.

3. The information furnished by others is believed to be reliable, but no warranty is given for its accuracy.

4. It is assumed that there are no hidden or unapparent conditions of the property, subsoil or structures.

5. It is assumed that the property will be in full compliance with all applicable federal, state, and local environmental regulations and laws unless the lack of compliance is stated, described, and considered in the report.

6. It is assumed that the property will conform to all applicable zoning and use regulations and restrictions.

7. Possession of this report, or a copy thereof, does not carry with it the right of publication.

8. The consultant, by reason of this report, is not required to give further consultation or testimony or to be in attendance in court with reference to the property in question unless arrangements have been previously made.

9. Neither all nor any part of the contents of this report (especially any conclusions as to value, the identity of the consultant, or the firm with which the consultant is connected) shall be disseminated to the public through advertising, public relations, news, sales, or other media without the prior written consent and approval of the consultant.

JONES LANG LASALLE®

Real value in a changing world

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Appendix 5
Asentia

Highlights
Discontinued operations

The Colonial Group carries out its land residential business, as well as the sale of residential units through the subgroup Asentia, whose parent company is Asentia Project, with Riofisa as its main subsidiary.

The land bank at the close of 2012 stood at 1.7 million sq m, with 53% located in Andalusia and the remaining 47% between Madrid and the eastern part of Spain (Catalonia/Levante/Mallorca).

In 2012, the sales of housing units amounted to €23.6m, duplicating the sales figures from the same period of the year before. In addition, the revenue from the Riofisa subsidiary reached €14.1m.

In the residential housing portfolio, the Group continues with a strategy of reducing its exposure, and its stock of residential units decreased 54% compared to the same period of the previous year.

The current stock of finished housing amounts to 94 units (vs. 204 units at the end of 2011). Of these 94 units in stock, pre-sale contracts have been signed on 1 of them, and the rest (93 housing units) are in the process of being sold.

DISCONTINUED OPERATIONS - KEY PERFORMANCE INDICATORS - DECEMBER CUMULATIVE €M

	2012	2011	Var. %
Operating indicators			
Land bank surface	1,685,062	1,683,874	0%
Riofisa surface (1)	1,544,989	1,520,397	2%
# of finished units	94	204	(54%)
Financial results			
Residential sales - commercial sales (units)	108	47	130%
Residential sales - booked sales (units)	110	48	129%
Revenues from homebuilding sales	23.6	11.4	106%
Revenues from land bank sales	0.2	-	-
Other income	0.4	1.7	(76%)
Revenues from Riofisa	14.1	53.8	(74%)

(1) Includes residential land bank

Valuation of the discontinued business

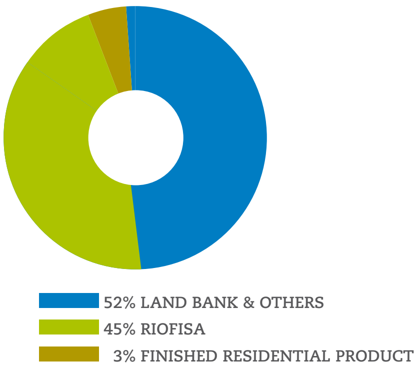
The residential and commercial business of the Asentia Group was valued by Jones Lang LaSalle at €1,159m at the close of 2012.

There was a 24.1% decrease in the value of the portfolio compared to the previous year (16.5% in the last six months).

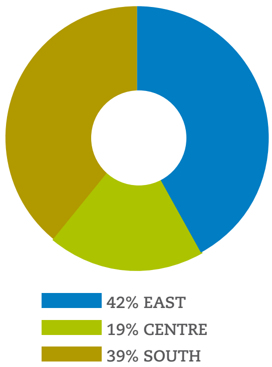
RESIDENTIAL BUSINESS & OTHERS

Asset Valuation (€m)	31-dec-12	30-jun-12	31-dec-11	Dec 12 vs Jun 12		Dec 12 vs Dec 11	
				Total	Like-for-like	Total	Like-for-like
Residential business	35	59	70	(40.4%)	-	(49.8%)	-
Land bank	606	742	823	(18.4%)	(18.4%)	(26.4%)	(26.4%)
Commercial	518	587	635	(11.7%)	(11.5%)	(18.3%)	(17.8%)
Residential business & others	**1,159**	**1,388**	**1,528**	**(16.5%)**	**(15.4%)**	**(24.1%)**	**(22.7%)**

VALORATION BY PRODUCT TYPE



VALORATION LAND BANK



Financial structure of discontinued activities

The breakdown of the Asentia Group's financial debt at December 31st, 2012, is as follows:

December 31st, 2012 - €m	Asentia Project S.L.	Riofisa Group	Other subsidiaries	Total	%
Syndicate loan	836	0	0	836	56%
Syndicate loan	61	0	0	61	4%
Mortgage debt/leases	45	322	152	519	35%
Non-mortgage debt and others	0	71	0	71	5%
Total gross debt	**942**	**393**	**152**	**1,487**	**100%**
Cash & cash equivalents	(23)	(12)	(9)	(44)	
Consolidated net debt	**919**	**381**	**143**	**1,443**	
Average maturity (years)	**1.9**	**1.9**	**5.2**	**2.6**	
Financial cost (excl. commissions)	**4.53%**	**4.32%**	**4.44%**	**4.58%**	
Financial cost	**(42)**	**(20)**	**(0)**	**(62)**	

Asentia's syndicate loan was originated in the restructuring of Colonial's syndicate loan formalised on February 19th, 2010. The applicable spread of Asentia's syndicate loan is 400 bp, generated as cumulative PIK interest, and payable at maturity on December 31st, 2014. At December 31st, the amount of capitalised interest rose to €121m, of which €61m was converted into a profit participative loan.

This loan has a €275m tranche guaranteed with a warrant, convertible under certain circumstances into Colonial shares, at a minimum conversion price of €12/share, which implies a maximum dilution of Colonial's equity below 10%.

The syndicate loan provides a mechanism through which, should the Company find itself in a mercantile situation of dissolution, the capitalised interests and the convertible tranche will be converted into a participative loan for the amount necessary to restore the Company's equity. At December 31st, €61m had been converted into a participative loan. The fixed rate of this loan is 6.5%.

At the closing date, it is foreseen to request an additional conversion of €133m into a participative loan, in order to restore the Company's equity on that date.

In addition, providing a certain leverage ratio (LTV) is reached, the syndicate loan facility provides for the voluntary conversion of the profit participative loans into new shares of the company (at the election of Asentia's lenders).

Additionally, Asentia has a mortgage of €45m, on which the interests are capitalised. At December 31st, 2012, the accumulated amount of these interests amounted to €6.5m, payable at maturity.

The Riofisa Group has a mortgage debt of €322m, maturing in December 2014, extendable for additional 24 months and with an average financing spread of 270 bp.

At the close of 2012, an interest rate swap amounting to €161m was taken on, totally assigned to the debt of "Other Subsidiaries".

The financial cost of the entities reclassified as discontinued operations was (€62m), of which (€42m) correspond to the capitalised financial expenses of Asentia and (€20m) corresponded to Riofisa's financial cost.

The financial cost of the debt assigned to other subsidiaries amounted to (€6m), which has been entirely capitalized as it is a project in the development process.

The mortgage debt of €152m included under the heading "Other Subsidiaries" corresponds to a loan facility to finance an urban development project on a plot of land in Seville. This loan assumes compliance of a business plan (which includes a sales plan). The agreement with the financing bank of the project states that, in the case of additional needs to the initial business plan, Colonial will be obliged to contribute new funds to cover these needs. If the expected sales do not take place, Colonial's contributions to comply with the business plan would rise to approximately €89m. Failure to comply with the compliance with these obligations would entitle the financing bank to early terminate its credits, resulting in a recourse to Colonial of €164m under all the concepts.

Currently, a new urban planning agreement has been agreed with the local city hall, as well as a new deferred urban planning calendar in line with the current reality of the residential market, pending definitive approval.

Jones Lang LaSalle®

Real value in a changing world

Certificate of Value

Asentia Project, S.L. Real Estate Portfolio (Commercial and Residential Business)

31st December 2012

BOARD OF DIRECTORS
INMOBILIARIA COLONIAL S.A.
Av. Diagonal 532
08006 Barcelona

Madrid, 18th January 2013

Dear Sirs:

VALUATION OF ASENTIA PROJECT, S.A. REAL ESTATE PORTFOLIO (Commercial and Residential Business)

In accordance with your instruction, we have carried out a valuation of the freehold interest of the above properties and have based our calculations on the information supplied by Inmobiliaria Colonial as at 31st of December 2012.

Taking into consideration the characteristics of the properties that conform the real estate portfolio, we are of the opinion that the total Market Value of Inmobiliaria Colonial's portfolio, as at 31st of December 2012, is of **1,167,515,916 Euros** (One Thousand One Hundred and Sixty Seven Million Five Hundred and Fifteen Thousand Nine Hundred and Sixteen Euros) and the share value of Inmobiliaria Colonial, as at 31st of December 2012, is of **1,072,008,790 Euros** (One Thousand Seventy Two Million Eight Thousand Seven Hundred and Ninety Euros).

BASIS OF VALUATION

You have asked us to establish the Market Value of the property, as at the date of valuation, defined by the Royal Institution of Chartered Surveyors, as:

'The estimated amount for which a property should exchange on the date of valuation between a willing buyer and a willing seller in an arm's-length trans-action after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion'.

This definition is not materially different to that adopted by both TEGOVA (The European Group of Valuers Associations) and the IVSC (The International Valuation Standards Committee).

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. We enclose a copy as Appendix.

We have assumed all properties are held under the equivalent of a Freehold title (except those specifically mentioned else wise). No allowance has been made of any expenses of realisation, or for taxation (including VAT) which might arise in the event of a disposal and the property has been considered free and clear of all mortgages or other charges.

VALUATION METHODOLOGY

The valuation of each property is based on our experience and knowledge of the market; with the help of the financial analysis of each property in a way that will allow the investor/developer to obtain a reasonable return on investment. We have also taken into account evidence of various financial transactions taking place throughout the market, which reflect the tendency of investor behaviour. In order to determine the market value, we have used the following methods, depending on the type of property:

INVESTMENT ASSETS AND SHOPPING CENTERS

This valuation is the result of combining different valuation methods, which allows us to verify the consistency of the values. The valuation method used in this case is the Income Capitalization method through "Term & Revision" contrasted with the comparative method.

a) Income Capitalisation approach

This is the traditional method of valuing investment properties. The market value is derived by capitalising the estimated net income from the property on a term and reversion basis. It involves the capitalisation of the present income over the period of its duration together with the valuation of each subsequent different rent likely to be received following market rent reviews or following reletting for their separate estimated durations, each discounted to a present value. The yield or yields applied to the different income categories reflect all the prospects and risks attached to the income flow and the investment. The yields are derived from a combination of analysis of completed comparable investment transactions and general experience and market knowledge. The most important yield is the equivalent yield (see definitions below), although regard must be had to the yield profile of the investment over time, particularly the initial yield at the date of the valuation.

b) Discounted Cashflow technique (DCF)

Unless specific characteristics of an investment suggest otherwise, we undertake a DCF appraisal over a 10 year investment horizon in line with general market practice. The income flow is developed over the period of the cashflow on a monthly basis to take account of CPI increases and the timing of market rent reviews, lease expiries etc.

For CPI, increases we generally adopt consensus forecasts. Rental growth forecasts are based on Jones Lang LaSalle econometric forecasts of prime rents, adjusted for each individual property to reflect our commercial view of rental growth prospects.

We make adjustments to the gross projected income flows as appropriate to reflect:

- Any non- recoverable outgoings such as the Yearly Property Tax.
- Service charge shortfalls.
- An allowance for management fees if not recoverable.
- An allowance for structural repairs, normally around 1% of income.
- Void costs – including:
    - Service charge costs.
    - Yearly Property Tax costs.
    - Letting fees.
    - Refurbishment costs if appropriate.

Due to the uncertainty of the occurrence or duration of future voids, we form a judgement based on the quality of the building and location and generally adopt an average letting period in the absence of any information on the future intentions of individual tenants. Specific assumptions as to voids and other factors are explained for each individual valuation.

c) Capital Value per m²

This comprises an assessment of the Capital value of the property based on an analysis of investment transactions and market information relating to current pricing on an overall value per square meter basis. It is an unsophisticated form of valuation technique which if not adjusted, fails to having regarded the present and near future income flow derived from the existing lease structure. However, it is fairly common practise in the market place and since the purpose of our valuation is to arrive at an assessment of the open market value of the property, we have regard to this basis as one of the basis of valuation.

All of our valuations reflect the price that we would expect to appear in the (notional) sales contract and is therefore the net value ignoring any cost of disposal. In accordance with normal practise, we deduct from the gross valuation figure an allowance for usual purchaser's costs and VAT holding costs to arrive at a net valuation price.

We have based our valuations on the lease summaries and lease pre-agreements as supplied by Inmobiliaria Colonial.

Market Yields adopted for each valuation take into account the current state of the building, market rental expectations and general improvements.

Land, Plots and Current Developments

When valuing the land and plots portfolio, we have applied the Residual Method as the best approximation of value. This approach has been complemented with the Capital Value per m² method in order to prove the consistency of the unitary value of the resulting repercussion.

d) Residual Method

The Residual Method of Valuation has been adopted for the land bank, ongoing development projects and office development portfolios. This approach has been supported by the Capital Value per Square Metre method in order to verify the resulting values on a repercussion basis (price per buildable m²).

This technique takes as a starting point the value of the completed and let development, or final sales value, depending on whether the property comprises an office development or residential project, from which is deducted all costs of development including urbanisation costs, construction costs, demolition costs, professional fees, licence fees, marketing costs, finance costs, developer's profit etc. to arrive at the price a developer could afford to pay for the site.

The method is therefore appropriate for the analysis of the approach of an investor – developer to sites of these characteristics. We therefore consider that the project would be undertaken on the most profitable basis possible in accordance with the anticipated future market demand, and in accordance with the relevant planning and building legislation in order to obtain the highest possible rents achievable in the market taking into account the location and limitations of the general area. The adopted methodology as explained in the previous paragraph reflects the price that a developer/investor would be prepared to pay for the site in its current condition.

All of our valuations reflect the price that we would expect to appear in the (notional) sales contract and are therefore the net values ignoring any cost of disposal. In accordance with normal practise, we deduct from the gross valuation figure an allowance for usual purchasers' costs and VAT holding costs totalling 2.9% to arrive at a net valuation price.

This certificate is part of and should be read in combined with our full valuation report.

Sincerely,

Evan Lester, MRICS	**Rocío Valverde, MRICS**
Head of Valuations	Associate Director
Valuation Advisory	Valuation Advisory
Jones Lang LaSalle España, S.A.	Jones Lang LaSalle España, S.A.

Annex 1 – General Principles of Valuations

General Principles of Valuations

It is our objective to discuss and agree the terms of our instructions and the purpose and basis of the valuation, at the outset, to ensure that we fully understand and meet our client's requirements. Following are the general principles upon which our Valuations and Reports are normally prepared; they apply unless we have agreed otherwise and specifically mentioned the variation in the body of the report. Where appropriate, we will be pleased to discuss variations to suit any particular circumstances, or to arrange for the execution of structural or site surveys, or any other more detailed enquiries.

RICS Appraisal and Valuation Manual

All work is carried out in accordance with the Practice Statements contained in the RICS Appraisal and Valuation Manual published by the Royal Institution of Chartered Surveyors, by valuers who conform to the requirements thereof.

Valuation Basis

Our reports state the purpose of the valuation and, unless otherwise noted, the basis of valuation is as defined in the Appraisal and Valuation Manual. The full definition of the basis which we have adopted is either set our in our report or appended to these General Principles.

Disposal Costs and Liabilities

No allowances are made for any expenses of realisation, or for taxation which might arise in the event of a disposal. All property is considered as if free and clears of all mortgages or other charges which may be secured thereon.

Valuations are prepared and expressed exclusive of VAT payments, unless otherwise stated.

Subcontractors

There are circumstances where we may wish to instruct subcontractors. It is our normal policy to agree the appointment with you. We have a duty of care to ensure that, in the delivery of services, the subcontractors meet our own standards.

Source of Information

We accept as being complete and correct the information provided to us, by the sources listed, as to details of tenure, tenancies, tenant's improvements, planning consents and other relevant matters, as summarised in our report.

Documentation

We normally read all documents of title and leases from a commercial point of view. We assume, unless informed to the contrary, that each property has a good and marketable title, that all documentation is satisfactorily drawn and that there are no encumbrances, restrictions, easements or other outgoings of an onerous nature, which would have a material effect on the value of the interest under consideration, nor material litigation pending.

Tenants

Although we reflect our general understanding of a tenant's status in our valuations, enquiries as to the financial standing of actual or prospective tenants are not normally made unless specifically requested. Where properties are valued with the benefit of lettings, it is therefore assumed, unless we are informed otherwise, that the tenants are capable of meeting their financial obligations under the lease and that there are no arrears of rent or undisclosed breaches of covenant.

Measurements

Unless we specifically state that we have undertaken a measured survey, or have taken check measurements, we rely completely upon the floor areas notified to us.

Town Planning and Other Statutory Regulations

Information on town planning is, wherever possible, obtained verbally from the local planning authority and, if confirmation is required, we recommend that verification be obtained from lawyers that:

(a) The position is correctly stated in our report;

(b) The property is not adversely affected by any other decisions made, or conditions prescribed, by public authorities;

(c) There are no outstanding statutory notices.

Our valuations are prepared on the basis that the premises (and any works thereto) comply with all relevant statutory and EC regulations, including enactments relating to fire regulations.

Structural Surveys

Unless expressly instructed, we do not carry out a structural survey, nor do we test the services and we therefore do not give any assurance that any property is free from defects. We seek to reflect in our valuations and readily apparent defects or items of disrepair which we note during our inspection or costs of repair which are brought to our attention.

Deleterious Materials	We do not normally carry out investigations on site to ascertain whether any building was constructed or altered using deleterious materials or techniques (including, by way of example, high alumina cement concrete, wood wool as permanent shuttering, calcium chloride or asbestos). Unless we are otherwise informed, our valuations are on the basis that no such materials or techniques have been used.
Site Conditions	We do not normally carry out investigations on site in order to determine the suitability of ground conditions and services for the purposes for which they are, or are intended to be, put; nor do we undertake archaeological, ecological or environmental surveys. Unless we are otherwise informed, our valuations are on the basis that these aspects are satisfactory and that, where development is contemplated, no extraordinary expenses or delays will be incurred during the construction period due to these matters.
Environmental Contamination	Unless expressly instructed, we do not carry out site surveys or environmental assessments, or investigate historical records, to establish whether any land or premises are, or have been, contaminated. Therefore, unless advised to the contrary, our valuations are carried out on the basis that properties are not affected by environmental contamination. However, should our site inspection and further reasonable enquiries during the preparation of the valuation lead us to believe that the land is likely to be contaminated we will discuss our concerns with you.
Outstanding Debts	In the case of property where construction works are in hand, or have recently been completed, we do not normally make allowance for any liability already incurred, but not yet discharged, in respect of completed works, or obligations in favour of contractors, sub-contractors or any members of the professional or design team.
Confidentiality and Third Party Liability	This report is addressed to Barclays Bank PLC in its capacity as Lender and to Barclays Capital Mortgage Servicing Limited as Security Agent under a Facility Agreement in relation to the properties mentioned in this letter and made between the Security Agent, the Lender and the Borrower (each as defined in the Facility Agreement) and any of its assignees or successors in title to the Facility Agreement from time to time permitted under the Facility Agreement. This report may be disclosed to, and relied upon by the issuer in connection with a securitisation of the loan. This report may also be disclosed to but not relied upon by any rating agency or investor in connection with the securitisation.

Definitions

Market Value (MV) The estimated amount for which an asset should exchange on the date of valuation between a willing buyer and a willing seller in an arm's-length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion.

Market Rent (MR) The estimated amount for which a property, or space within a property, should lease (let) on the date of valuation between a willing lesser and a willing lessee on appropriate lease terms in an arm's-length transaction after proper marketing wherein the parties had acted knowledgeably, prudently and without compulsion.

Limiting Conditions

1. As in all studies of this type, the estimated results are based upon competent and efficient management and presume no significant changes in the economic environment from that as set forth in this report. Since our forecasts are based on estimates and assumptions which are subject to uncertainty and variation, we do not represent them as results which will actually be achieved.

2. Responsible ownership and competent property management are assumed.

3. The information furnished by others is believed to be reliable, but no warranty is given for its accuracy.

4. It is assumed that there are no hidden or unapparent conditions of the property, subsoil or structures.

5. It is assumed that the property will be in full compliance with all applicable federal, state, and local environmental regulations and laws unless the lack of compliance is stated, described, and considered in the report.

6. It is assumed that the property will conform to all applicable zoning and use regulations and restrictions.

7. Possession of this report, or a copy thereof, does not carry with it the right of publication.

8. The consultant, by reason of this report, is not required to give further consultation or testimony or to be in attendance in court with reference to the property in question unless arrangements have been previously made.

9. Neither all nor any part of the contents of this report (especially any conclusions as to value, the identity of the consultant, or the firm with which the consultant is connected) shall be disseminated to the public through advertising, public relations, news, sales, or other media without the prior written consent and approval of the consultant.

JONES LANG LASALLE®

Real value in a changing world

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This report is available on the company website: www.inmocolonial.com

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