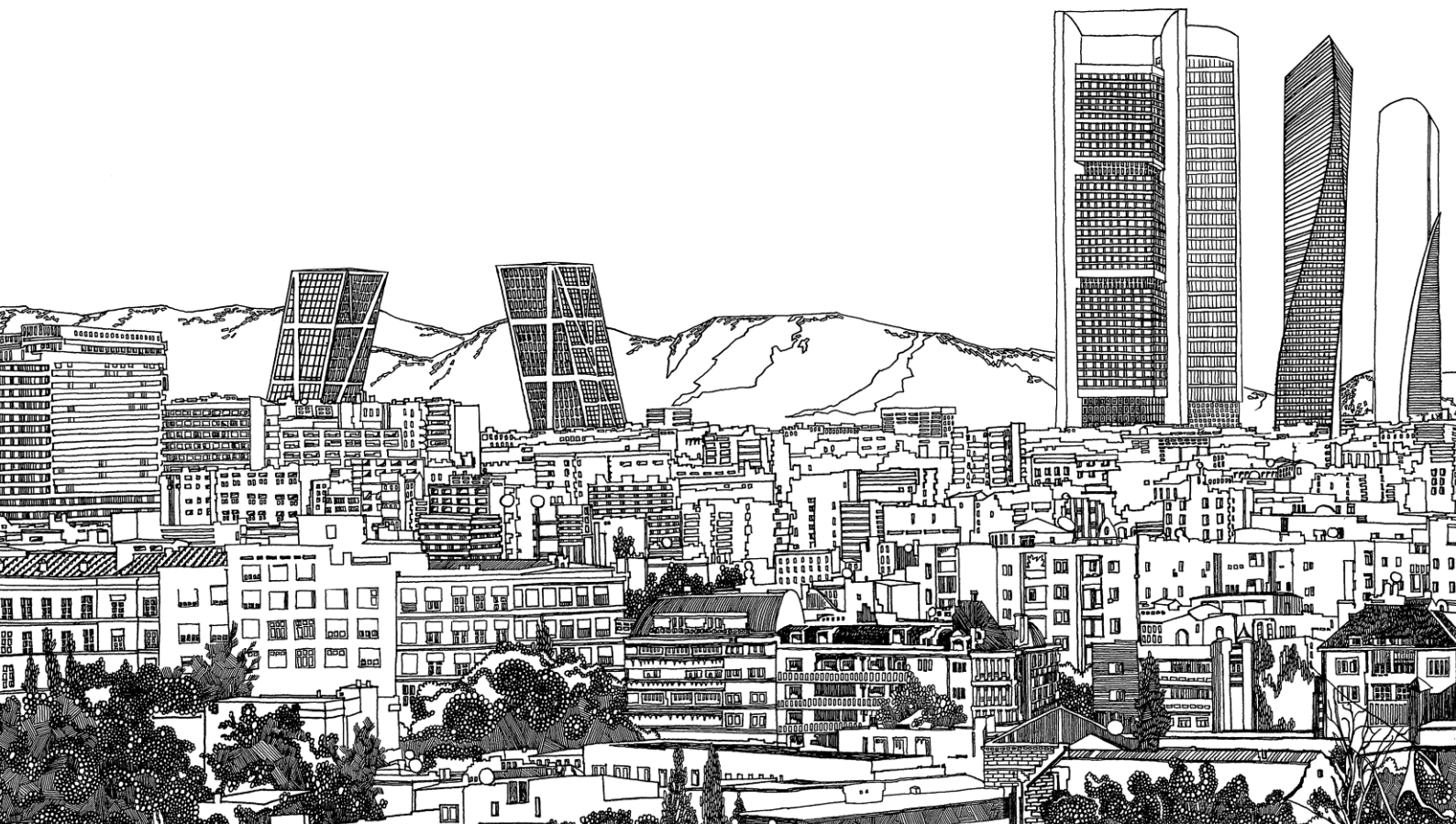




Valuation Certificate

Valuation of Inmobiliaria Colonial (Spain & France)

31st December 2015



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

JLL Valoraciones, S.A.
 Pº Castellana, 130 - 1ª Plta.
 28046 Madrid
 C.I.F.: A-28806222

Madrid, 11st March 2016

To the attention of: Mr. Carlos Krohmer.

VALUATION OF INMOBILIARIA COLONIAL S.A. (Spain & France).

In accordance with your instruction, we have carried out a valuation of the freehold interest of the portfolio of properties of Inmobiliaria Colonial as at 31st of December 2015 and have based our calculations on the information supplied by Inmobiliaria Colonial. The subject properties were inspected both internally and externally.

In accordance with your instruction, we are of the opinion that the Gross Value of Inmobiliaria Colonial S.A., subject to the comments, qualifications and financial data contained within our report, and assuming the property is free of encumbrances, restrictions or other impediments of an onerous nature which would affect value, as of the 31st of December 2015 is **7,238,771,546* Euros** (Seven Thousand Two Hundred and Thirty Eight Million Seven Hundred and Seventy One Thousand Five Hundred and Forty Six Euros), and the Market Value of Inmobiliaria Colonial S.A. as of the 31st of December 2015 is **6,912,522,333* Euros** (Six Thousand Nine Hundred and Twelve Million Five Hundred and Twenty Two Thousand Three Hundred and Thirty Three Euros). The breakdown is as follows:

Unit	Market Value (excl. Transfer costs)	Gross Value (incl. Transfer costs)
Madrid	975,034,800 €	1,004,821,998 €
Barcelona	688,890,200 €	709,017,003 €
Rest of Spain	6,187,400 €	6,400,653 €
Total Colonial Spain	1,670,112,400 €	1,720,239,654 €
Total SFL (París)*	5,242,409,933 €	5,518,531,892 €
Total Colonial + SFL*	6,912,522,333 €	7,238,771,546 €

*The values presented in this report for SFL Paris originate from the valuations carried out by JLL France, CBRE France and BNP Paribas Real Estate Valuation France, who have valued all the properties in France. The data that JLL Spain has included in this summary valuation report has been provided by Inmobiliaria Colonial, S.A. and is considered valid and truthful in all aspects, without JLL Spain taking any responsibility for errors or omissions as consequence of this data. The data for France is merely provided for informational purposes. For further details the reports produced by SFL's valuers in France should be reviewed.

1.1 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 an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's length transaction after proper marketing and where 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.

In our analysis we assume that a reasonable level of financing will be available at commercially viable rates in order to facilitate the closure of transactions.

1.2 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

This valuation is the result of combining different valuation methods, which allows us to verify the consistency of the values. The principal method of valuation is the Discounted Cashflow Approach (DCF).

a) 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.

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.

b) 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.

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.

c) Residual Method

For the work in progress assets the valuation method will be Residual Method. 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.

1.3 Confidentiality and Third Party Liability

Our Valuations and Reports are confidential to the party to whom they are addressed for the specific purpose to which they refer, and no responsibility whatsoever is accepted to any third parties. Neither the whole, nor any part, nor reference thereto, any be published in any document, statement or circular, or in any communication with third parties, without our prior written approval of the form and context in which it will appear. In the event that JLL Valoraciones, S.A. grants its prior written approval, and this specific Valuation Report is published or made available to the general public, it will be only for information purposes and under the full responsibility of the publisher. So JLL Valoraciones, S.A. will not be liable for any consequence, action, omission, or interpretation taken by the publisher or any third party related to this Valuation Report and its publication.

Sincerely,



Annex 1 – General Principles of Valuation

General Principles adopted in the Preparation of Valuations and Reports

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.

1. 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.

2. 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 in our report or appended to these General Principles.

3. 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 clear of all mortgages or other charges which may be secured thereon.

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

4. 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.

5. 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.

6. Documentation

We do not normally read leases of documents of title. 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 outgoing of an onerous nature which would have a material effect on the value of the interest under consideration, nor material litigation pending. Where we have been provided with documentation, we recommend that reliance should not be placed on our interpretation without verification by your lawyers.

7. 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.

8. Measurements

All measurement is carried out in accordance with the Code of Measuring Practice issued by the Royal Institution of Chartered Surveyors, except where we specifically state that we have relied on another source.

9. 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:-

- i. the position is correctly stated in our report;
- ii. the property is not adversely affected by any other decisions made, or conditions prescribed, by public authorities;
- iii. that 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.

10. 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.

11. 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.

12. 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.

13. 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.

14. 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, subcontractors or any members of the professional or design team.

15. Confidentiality and Third Party Liability

Our Valuations and Reports are confidential to the party to whom they are addressed for the specific purpose to which they refer, and no responsibility whatsoever is accepted to any third parties. Neither the whole, nor any part, nor reference thereto, any be published in any document, statement or circular, or in any communication with third parties, without our prior written approval of the form and context in which it will appear. In the event that JLL Valoraciones, S.A. grants its prior written approval, and this specific Valuation Report is published or made available to the general public, it will be only for information purposes and under the full responsibility of the publisher. So JLL Valoraciones, S.A. will not be liable for any consequence, action, omission, or interpretation taken by the publisher or any third party related to this Valuation Report and its publication.

Annex 2 – General Terms and Conditions of Business

1. Introduction:

These General Terms and Conditions of Business shall apply to all dealings between JLL companies (hereinafter “JLL”) and the Client and, for the avoidance of doubt, shall be treated as applying separately to each instruction given by the Client to JLL.

These General Terms and Conditions of Business apply where JLL Valoraciones, S.A. (hereinafter “JLL”) provides services to a Client and there is no written agreement for the provision of these services or, if there is, to the extent that these General Terms and Conditions of Business do not conflict with the terms of that written agreement. Reference in these General Terms and Conditions to the agreement means the written or informal agreement that is subject to these General Terms and Conditions of Business.

2. Services:

JLL is to provide all services to the specification and performance level stated in writing or, if none is stated, to the specification and performance levels that it ordinarily provides. JLL has no responsibility for anything that is beyond the scope of the services so defined. JLL performs all services through properly licensed agents.

3. Time:

JLL is to use reasonable endeavours to comply with the Client's timetable, but is not responsible for non-compliance unless the consequences of non-compliance have been agreed in writing. Even then, JLL is not liable for delay that is beyond its control.

4. E-mail and on-line services:

The Client agrees that JLL may where appropriate use the available electronic communication and systems in providing services, making available to the Client any software required that is not generally available.

5. Duty of care to the Client:

JLL owes to the Client a duty to act with reasonable skill and care in providing services, complying with the Client's instructions where those instructions do not conflict with (a) these General Terms and Conditions of Business, (b) the agreement or (c) applicable law and professional rules, including the code of ethics.

JLL has no liability for the consequences of any failure by the Client or any agent of the Client promptly to provide information or other material that JLL reasonably requires, or where that information or material is inaccurate or incomplete.

6. Duty of care to third parties:

JLL owes a duty of care to no one but its Client. No third party has any rights unless there is specific written agreement to the contrary.

7. Liability for third parties:

JLL has no liability for products or services that it reasonably needs to obtain from others in order to provide services. JLL may delegate to a third party the provision of any part of services, but if it does so:

- without the Client's approval, JLL is responsible for what that third party does;
- with the Client's approval or at the Client's request, JLL is not responsible for what that third party does.

8. Liability to the Client:

The liability of JLL to the Client for its own negligence causing death or personal injury is unlimited, but otherwise its liability is:

- in any event is limited to the fees effectively paid to JLL by the Client under this Agreement.
- excluded to the extent that the Client is responsible, or someone on the Client's behalf for whom JLL is not responsible under these General Terms and Conditions of Business,
- limited to direct and reasonably foreseeable loss or damage with no liability for indirect or consequential loss,
- (where JLL is but one of the parties liable) limited to the share of loss reasonably attributable to JLL on the assumption that all other parties pay the share of loss attributable to them (whether or not they do),
- not (so far as permitted by law) increased by any implied condition or warranty.

JLL shall not be liable for any hidden defects in the real property sold, bought or leased, unless JLL was aware of these defects.

9. Insurance:

JLL agrees to purchase and maintain appropriate insurance policies, in particular professional indemnity insurance.

10. Indemnity from the Client:

The Client agrees to indemnify JLL against all liability (including without limitation all actions, claims, proceedings, loss, damages, costs and expenses) that relates in any way to the provision of services, except a liability that a court of competent jurisdiction decides (or JLL agrees) was caused by the fraud, wilful default or negligence of JLL or of a delegate for whom JLL is responsible under the agreement.

11. Protection of employees:

The Client agrees that (except for fraud or a criminal offence) no employee of the JLL group of companies has any personal liability to the Client and that neither the Client nor anyone representing the Client will make a claim or bring proceedings against an employee personally.

12. Complaints resolution procedure:

The Client agrees that it will not take any action or commence any proceedings against JLL before it has first referred its complaint to JLL in accordance with JLL's complaints procedure, details of which are available upon request from the relevant Compliance Officer, JLL Paseo de la Castellana Nº 79 Madrid (Spain).

13. Conflict of interest:

If JLL becomes aware of a conflict of interest it is to advise the Client promptly and recommend an appropriate course of action.

14. Commissions:

JLL may retain any commissions that it earns in the usual course of business without disclosure to the Client. In particular, JLL may receive a commission from more than one party to the transaction.

15. Confidential information:

JLL must keep confidential all information of commercial value to the Client of which it becomes aware solely as a result of providing services, but it may:

- use it to the extent reasonably required in providing services,
- disclose it if the Client agrees,
- disclose it if required to do so by law, regulation or other competent authority.

JLL will comply with personal data protection regulation.

16. Publicity:

Neither JLL nor its Client may publicize or issue any specific information to the media about services or its subject matter without the consent of the other.

17. Intellectual property:

Copyrights, patents, trademarks, design and other intellectual property rights in any material supplied by the Client, or in any material prepared by JLL exclusively for the Client, belong to the Client. Such rights in any other material prepared by JLL in providing services belong to JLL, but the Client has a non-exclusive right to use it for the purposes for which it was prepared.

18. Remuneration:

Where the fees and expenses payable for services are not specified in writing, JLL is entitled to:

- the fee specified by the relevant Regional Association of Real Property Intermediaries or other applicable professional body or, if none is specified, to a fair and reasonable fee by reference to time spent, and
- reimbursement of expenses properly incurred on the Client's behalf.

Where services are not performed in full, JLL is entitled to a reasonable fee proportionate to services provided as estimated by JLL.

The Client must pay VAT at the rate then current on the date of issuance of a VAT invoice. If an invoice is not paid in full within 30 (thirty) days from the date of issuance, JLL may charge the legal interest applicable plus on the balance due.

19. Assignment:

The Client may assign rights and obligations arising from the agreement, but must first get the written consent of JLL, which will not be unreasonably withheld.

20. Termination:

The Client or JLL may terminate the agreement immediately by written notice to the other, if the other has not satisfactorily rectified a substantial or persistent breach of the agreement within the reasonable period specified in an earlier notice to rectify it.

Termination of the agreement does not affect any claims that arise before termination or the entitlement of JLL to its proper fees or to be reimbursed its expenses up to the date of termination.

On termination JLL must return to the Client or, if the Client so wishes, destroy all Client information that is to be kept confidential, but JLL may keep (and must continue to keep confidential) one copy of that information to comply with legal, regulatory or professional requirements.

21. Notices:

A notice is valid if in writing addressed to the last known address of the addressee and is to be treated as served:

- when delivered, if delivered by hand during normal business hours (where business hours next commence – if delivered after),
- when actually received, if posted by recorded delivery,
- when actually received, if sent by ordinary mail, fax or electronic mail.

22. Governing Law:

These General Terms and Conditions of Business and the terms of the instruction shall be governed and construed in accordance with the laws of Spain. The parties submit to the jurisdiction of the Courts and Tribunals of Madrid, to settle any lawsuit which may be derived from the interpretation or fulfilment of this Agreement, and expressly waive any other jurisdiction they may be entitled to.



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