

According to article 228 of the Legislative Royal Decree 4/2015 of October 23 approving the revised text of the Securities Market Act, Inmobiliaria Colonial, S.A. ("Colonial" or the "Company") hereby reports the following:

REGULATORY ANNOUNCEMENT

As a continuation of the regulatory announcement published on 13 July 2016, with registration number 240761, it is reported that the consolidation and cancelation of the 3,568,233,990 shares wherein Colonial's current share capital (the "Old Shares") will be divided to be exchanged for 356,823,399 new shares (the "New Shares") in the proportion of 1 New Share for every 10 Old Shares (the "Share Exchange Ratio"), without modifying the value of the share capital which remains set at €892,058,497.50 (the "Reverse Share Split"). The New Shares will begin trading on the stock exchange on the 26th of July, 2016, (the "Effective Date"). In this regard, the public document related to the Reverse Share Split was registered in the Mercantile Registry on the 14th of July, 2016.

The shareholders of the Company have the right to 1 New Share for each 10 Old Shares, and are defined as those who appear as such at the close of the markets on the 25th of July, 2016 (the "Reference Date"), the first trading day immediately before the Effective Date.

BNP Paribas Securities Services, Subsidiary in Spain, the agent entity of the Reverse Share Split (the "Agent Entity"), will manage the acquisition of the cited fractions of shares on behalf of Colonial, for those shareholders which, at the close of the markets on the Reference Date, owned a number of Old Shares that are not a multiple of that established in the Share Exchange Ratio (10). The acquisition price of Colonial's shares have been set at €0.67 euros (share price at the close on the Reference Date), which will be paid between the Effective Date and the fifth following trading day, and the payment will be coordinated by the Agent Entity.

Barcelona, the 25th of July, 2016.