



ANNUAL REPORT

2011

Colonial

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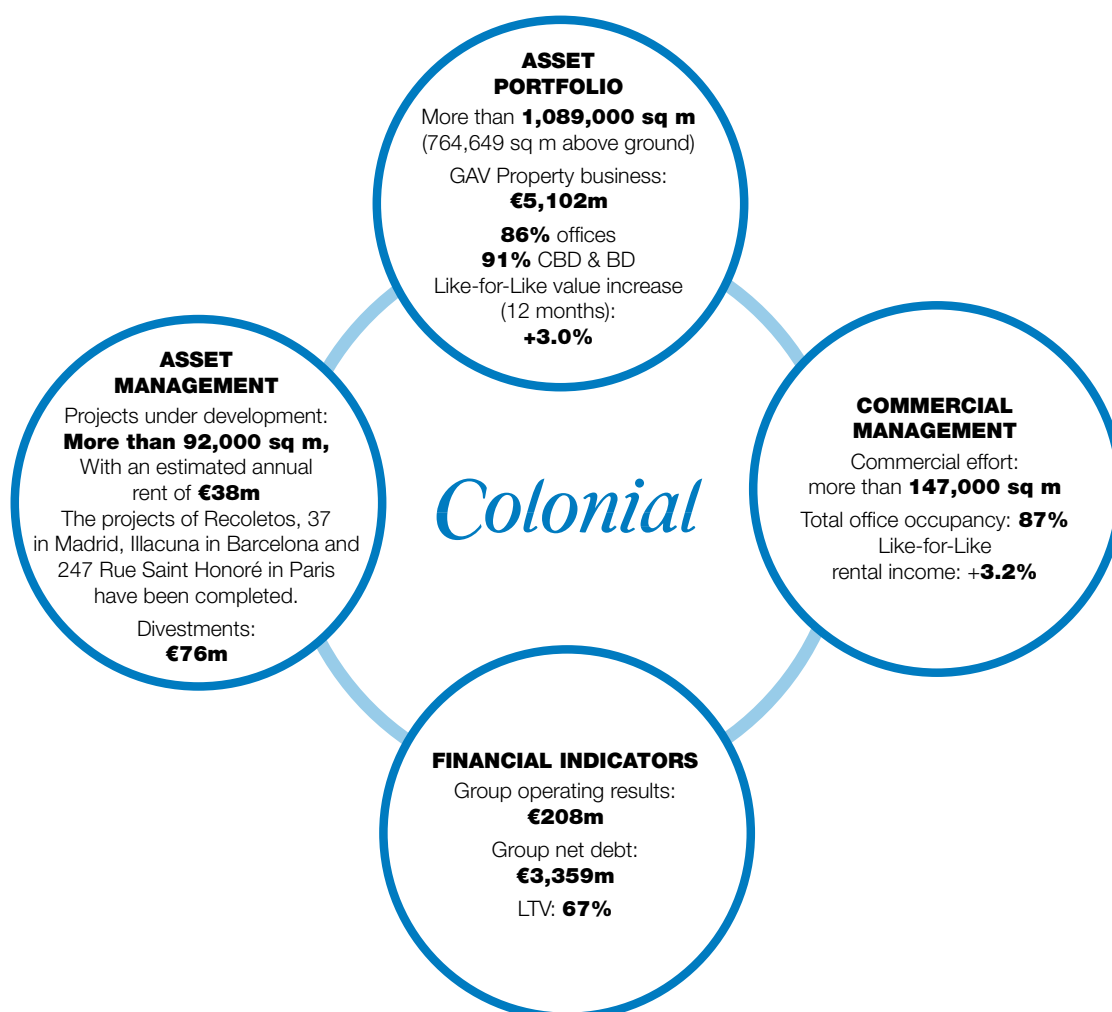
A UNIQUE POSITIONING IN EUROPE

INMOBILIARIA COLONIAL holds a position as one of the strongest operators in the Spanish and European real estate markets. The Group has a real estate portfolio valued at over 5,100 million euros, centred on the exploitation and development of prime offices.

Colonial is preparing the company to move into international markets, based on the following:

- A solid and stable operative real estate business
- A benchmark position in the prime offices segment in Barcelona, Madrid and Paris
- A unique listed platform in the Spanish market at a moment of consolidation in the sector

Colonial is today a business reality, with more than 1 million square metres of rental offices in the best locations in Paris, Madrid and Barcelona, and has consolidated itself as one of the benchmark companies in Europe in the Property sector.



#01 | € M | KEY PERFORMANCE AND FINANCIAL INDICATORS. DECEMBER CUMULATIVE

	2011	2010	Var. %
No. Assets	51	52	(2%)
Rentable surface above ground	622,598	656,630	(5%)
Developments underway surface above ground ⁽⁴⁾	142,052	140,171	1%
Surface underground	324,913	306,263	6%
Total Surface	1,089,563	1,103,064	(1%)
Offices occupancy	87.0%	84.5%	03 pp
Total occupancy	87.9%	86.0%	02 pp
Rental revenues	229	261	(12%)
EBITDA rents	210	240	(13%)
EBITDA/ rental revenues	92%	92%	(00 pp)
EBITDA rents	210	240	(13%)
Equity method SIIC de Paris	19	13	40%
EBITDA administrative expenses and others	(30)	(36)	17%
EBITDA assets sales	9	(50)	117%
Operating Profit Group	208	168	24%
Financial results (without equity method)	(138)	(168)	18%
Recurring result	71	n.a.	n.a.
Profit attributable to the Group	15	(739)	n.a.

#02 | € M | BALANCE SHEET INDICATORS. 31.12

	2011	2010
GAV Property Business ⁽¹⁾	5,102	4,995
GAV Discontinued Operations	1,528	1,660
Net Debt Property Business	3,359	3,315
Net Debt Holding	2,116	2,113
LTV ⁽²⁾	67%	66%
Financial cost %	3.68%	4.30%
Maturity (years)	3	3.7
NNNAV	2,056	1,984
N° of shares (m) ⁽³⁾	226	226
NAV (€/share)	6.26	6.04
NNAV (€/share)	9.28	8.90
NNNAV (€/share)	9.10	8.78
Free float %	10%	10%

(1) Includes NAV of SIIC de Paris

(2) Group Net Debt / GAV Property Business

(3) N° of shares proforma post restructuring and reverse split (1x100)

(4) Projects & refurbishments

Note: The reported NAV 2010 has been adjusted to make it comparable to 2011

LETTER FROM THE CHAIRMAN



Dear Shareholders,

Once again, it is a source of great satisfaction for me to present and submit to your approval, in the name of the Board of Directors of Inmobiliara Colonial, S.A., the Financial Statements and Management Report for 2011, and to tell you about the Company's main lines of action at present and for the immediate future.

During 2011, Colonial concentrated its efforts on repositioning its portfolio of buildings, stabilising the operational business, particularly in Spain, and consequently has been able to close the year with a positive result.

MACROECONOMIC ENVIRONMENT

The year 2011 ended in the midst of real sensation of concern, giving place to a high level of worry as to what the economy would bring for us in 2012. The year end confirmed that the recovery will be slower and more irregular than had been hoped for, due to complications arising in the advanced economies. In the developing economies, on the other hand, activity slowed slightly and this trend will possibly persist until next year.

The future of the Eurozone remains at the mercy of what happens in the sovereign debt crisis, which will soon be two years old and which has put the incipient economic recovery into check.

The gross national product (GNP) of the euro zone for the fourth quarter of 2011 showed an inter-quarter fall of 0.3%, leaving interannual growth at 0.7%.

Juan José Brugera Clavero




In 2011, we were able to stabilise and strengthen the operational business so that we can now be confident in facing the future.

In Spain, the deterioration of growth in GNP was confirmed and, as a result, the Spanish economy slipped back into recession in the first quarter of 2012.

THE OFFICE MARKET

In this difficult macroeconomic environment, movements in the office market in Barcelona and Madrid were marked by a continuing downward trend in rental prices together with growing vacancy rates.

In Barcelona, the office contracts during 2011 reached a volume of 267,003 sq m, showing some stabilisation in spite of the poor macroeconomic conditions. In addition the average vacancy rate reduced to a figure of 13.3%, and 9% in the central business district (CBD).

In Madrid, the contracts signed for the whole of 2011 was 336,000 sq m, which showed a reduction of 20% compared to 2010. However, transactions in the last quarter of 2011 were for 88,708 sq m, slightly above the initial forecasts. One third of the contracts were in the Central Business District. The buildings and type of investment most in demand involved buildings located in the best Prime and CBD locations.

In the region of Paris, 2011 came out as the best year of the last decade. In particular, take-up during 2011 totalled 2,400,000 sq m, meaning a rise of 14% over the previous year and exceeding the 2,200,000 sq m recorded in 2008. This good level of activity was mainly due to the completion of

various large transactions of more than 20,000 sq m each. In consequence, the vacancy rate in the CBD zone fell to 4.6%.

With regard to movements in the investment market in which Colonial is active, the profitability of offices in Barcelona was maintained, mainly due to the lack of transactions. In the Madrid investment market, profitability rose by half a point and so matched Barcelona, being situated at 6%.

In Paris, the overall volume of investment during 2011 reached €11,250m, which was an increase of 30% on the volume of investment in the previous year. Profitability remained at around 5% in prime zone assets and some transactions were completed with profitability at below 5%.

RETURN TO PROFITS AND STABILISATION IN OPERATIONAL BUSINESS

In 2011, the Colonial Group concentrated on stabilising the operational business, a fact which has enabled it, for the first time since the start of the crisis, to record an attributable positive net profit amounting to €15m.

In addition to the figures shown in the Financial Statements, I would like to emphasise the following milestones reached in operational business:

During 2011 the Colonial Group formalized rental contracts for more than 147,000 sq m of its offices. This was due to an historic sales effort, particularly in Spain, where contracts

LETTER FROM THE CHAIRMAN



Today Colonial is one of the leading companies in prime offices in Europe with a very clearly defined business and sufficient critical mass.

were signed for more than 117,000 sq m, corresponding to approximately 30% of the contract portfolio. This sales effort was carried out in spite of a very complicated market environment.

These achievements in the contract portfolio have enabled us to improve the occupancy rate in the Colonial Group office portfolio, which ended December 2011 at 87%.

In 2011 Colonial improved the occupancy rate in its Madrid and Paris offices with respect to the figure for the previous year, reaching a rate of over 90% in both markets. In Barcelona the occupancy rate remained stable at 78%.

Consequently, the like-for-like rental income (income in comparable terms, adjusting the effects of divestment and variations in the portfolio of projects), rose by 3.2% (-3.1% in Spain and +6.6% in France).

This fact has allowed the valuations of assets made by independent experts to rise by 3.0% in homogeneous terms (+6.0% in Spain and -3.0% in France).

Finally, to complete the most significant aspects of the year, it must be said that during 2011 the Colonial Group made specific divestments in non-strategic assets which had achieved their maximum value, achieving prices of 14% above the last valuation.

The sales of assets form part of an active policy of rotation of buildings, divesting mature assets and investing in projects with prospects of a future rise in value.

At 31 December 2011, the Colonial Group had a portfolio of projects with over 92,000 sq m above ground.

MOVEMENTS ON THE STOCK MARKET

The share price performance was marked by the difficult situation in capital markets, particularly due to the European sovereign debt crisis and possible risks of recession in Europe and particularly in Spain. As a result, the Colonial share ended the year at 2.3 €/share.

Since mid-2010 Colonial has been included in the European Public Real Estate Association (EPRA) index, the benchmark real estate index for international listed companies, and the Investment Property Databank (IPD) index, the benchmark index for real estate profitability on a global level.

STRATEGY

In the context of designing the restructuring of Colonial in mid-2008, the corporate strategy of the Group was reviewed, and the focus became the prime office business diversified in three markets: Barcelona, Madrid and Paris.

Viewing the events of the last three and a half years in perspective, we see that this has been a correct strategy.

In spite of the fact that 2011 was a year marked both by macroeconomic difficulties and those of the capital markets, we have achieved satisfactory results, due to a solid and stabilised business.

Today Colonial is one of the leading companies in prime offices in Europe with a very clearly defined business and sufficient critical mass. It is also recognised as an active manager, which has enabled it to consolidate one of the finest quality portfolios in the rental market.

For the future, we have set ourselves ambitious targets which the management team is already working on very hard.

We want to take on a consolidator role in the office market and take advantage of all the opportunities for future growth. Achieving this target involves optimising the degree of leverage, in order to maximise value, together with business growth, for the Colonial shareholders.

To do this, we are studying all kinds of transactions with which to reinforce the capital structure, for example the SIIC transaction in Paris, carried out at the end of 2010.

We are also working hard to prepare the company to go to the national and international capital markets when the opportunities arise.

In any case, all the initiatives mentioned will always form part of the main goal of all of us who work in the Colonial Group, which is none other than the creation of value in the long term for all our shareholders.

CONCLUSION

In 2011 we were able to stabilise and strengthen the operational business so that we can now be confident in facing the future, which for the year in progress again presents important challenges.

In this context, I would like to thank everyone: shareholders, creditors, advisers and the entire Colonial team, on the one hand for their high level of commitment and, on the other, for their continuing confidence in the Company.

We shall continue working to strengthen the bases of our operational business even further and to reinforce the capital structure.

Dear shareholders, I have tried in these pages to summarise the most notable aspects and events that occurred in the Company in 2011, our current strategy and our prospects for future growth. I wish to express once more my sincere thanks for keeping up your confidence in Colonial, in these times which are so important for the future of the Company. I also extend this gratitude to the employees of the Colonial Group who, with their professionalism and daily efforts, have made possible the accomplishment of the ambitious aims of the plan which we have set for ourselves.

INTERVIEW WITH PERE VIÑOLAS, CHIEF EXECUTIVE OFFICER



“ Colonial has complied rigorously with the company’s Business Plan and has shown excellent performance in the management of its property.

What milestones would highlight in the overall management in 2011?

As is well-known, during 2011 the market was very tough. In general, real estate transactions reduced radically, prices were fragile and the vacancy rate remained unchanged. The financial markets were closed or with a significant downward trend. In this context, Colonial concentrated on making maximum efforts to keep up the recognised quality of its property in Spain and France. The results have been very satisfactory. For example, in a year in which approximately a third of the contracts in Spain came to an end, the company has successfully completed renegotiations affecting more than 120,000 sq m and, with the additional excellent contribution of the French market, has consequently maintained the rents, occupation and valuations in moderately upward terms. In the environment in which we move, this is very remarkable data, making very clear the excellent work done by the Colonial teams and the quality of the company’s property.

Four years have gone by since you joined the Colonial project. What appraisal would you make today of what has been done in these four years?

During 2008 the financial crisis began to emerge in the capital markets with the beginning of the real estate crisis in Spain. In the specific case of Colonial, we had a company with debts of €9,000m and an asset portfolio of €13,214m, of which only 58% generated a meaningful cash flow. The aim of the Colonial project was to reduce the company's leverage and reposition it for the future. In particular, the company had to be restructured to give it long-term viability. In this sense, the new Board of Directors carried out a series of actions:

First, an industrial strategy had to be developed with potential for future growth. Therefore, we decided to concentrate our business on prime offices. We isolated the business of promotions and land into another company in order to segregate it from the strategic business.

Second, we decided to carry out a significant restructuring of the asset values, applying criteria of maximum caution. This resulted in the recording of high losses in the years 2008-2010.

Third, we proceeded to reduce leverage through the disinvestment of non-strategic assets.

Finally, we offered an entry to new shareholders who would support the strategy and allow us to work on potential future development.

Today, we are satisfied in having fulfilled the Strategic Plan which we had prepared in mid-2008 and in having stabilised the operational business.

Can it be considered that the process of restructuring Colonial's financial debt has ended? What would be the appropriate level of leverage for Colonial with a view to the future of its business?

As we have seen, Colonial has rigorously fulfilled the Business Plan for the company, and has done very well in its property management. However, the process is not finished and

the threats are still there. On the one hand, the company's indebtedness remains too high for a property company, and the markets will not allow us to reduce it without great sacrifices. On the other hand, the economic cycle has shown a fresh fall and a new recession, which will not fail to affect the real estate market. In this context, Colonial will be facing a new challenge in achieving an optimum capital structure in the medium term. In consequence we are studying all kinds of transactions which would reinforce the capital structure, while permanently preparing the company for access to the capital markets, although at present they are not open.

From your experience and viewpoint, what are the prospects for the markets in which Colonial is active and, as a result, what is Colonial's strategy for the coming years?

In Europe and particularly in Spain, 2012 faces us with substantial challenges and possible falls in the growth of GNP. The office rental business is correlated with growth in the economy, so that it is probable that during 2012 rents will still be exposed to downward pressures.

Nevertheless, prices in Spain are at minimal levels and there is a demand for AAA products, that is to say, offices located in the centre and which meet the maximum demands of quality and efficiency. As an example, we can say that today the rents are at levels similar to those of 25 years ago and therefore much lower in real terms. Therefore, the long-term route is clear.

In the current situation of the office market, it is not enough to have the best locations, since potential tenants also expect sustainable buildings and optimum conditions in terms of energy.

Luckily, Colonial has always looked for maximum quality for its portfolio of buildings, which has allowed it to retain and attract top quality clients.

In addition, Colonial strengthens the development of new projects to meet current market needs, being a point of reference in the segment. On the other hand, it undertakes active portfolio management, rotating mature products.



BUSINESS PERFORMANCE

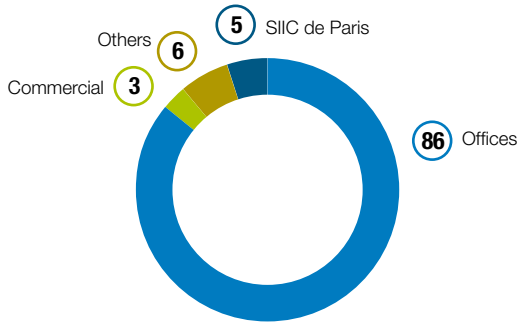
A solid business which has helped in to face a difficult year



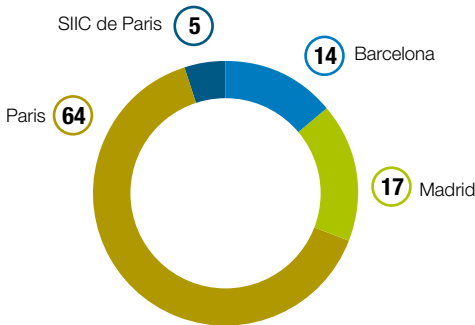
PEDRALBES CENTRE

THE EURO AREA'S BENCHMARK COMPANY IN THE OFFICE MARKET

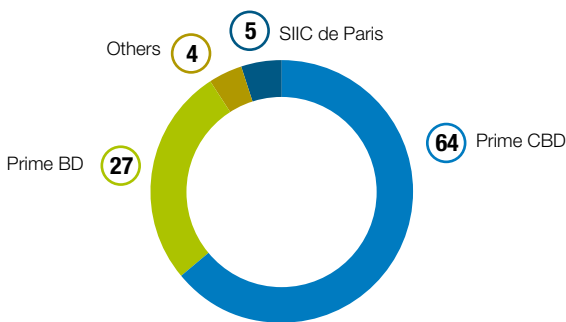
#02 | % | VALUATION BY USE



#03 | % | VALUATION BY MARKET



#04 | % | VALUATION BY AREA



SIIC de Paris: value of the stake of 29.9999%

“With a rental portfolio amounting to 5,102 million euros, the Colonial Group has one of the most important real estate portfolios in Europe.

A portfolio of high quality, which includes large modern office buildings rented to leading firms representing the most varied financial sectors.

Strategic locations: our property extends throughout the business centres of three of the most important cities in Europe: Paris, Madrid and Barcelona.

Proven experience in the promotion and rehabilitation of buildings, with a portfolio of projects underway and under study of more than 92,000 sq m.

OFFICE MARKET SITUATION

RENTAL MARKET

1) Sources: Reports by Jones Lang Lasalle, Aguirre Newman, Cushman & Wakefield, CBRE at December 2011

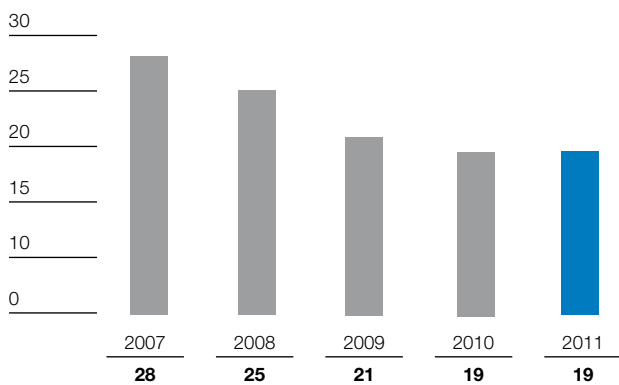
Barcelona

- In the last quarter of 2011, take up in Barcelona reached a volume of 66,620 sq m. For the full year, the take up stood at 267,003 sq m, 1% more than in 2010. Therefore, the take up in Barcelona remained stable, in spite of the macroeconomic conditions.
- In 2011, there were a total of 493 operations. If we analyze the operations signed, 58% of the transactions were less than 300 sq m, 22% were 300 sq m to 600 sq m, 11% were 600 sq m to 1,000 sq m and 9% were more than 1,000 sq m.
- The average vacancy rate in Barcelona went down to 13.3%. In the CBD area, the vacancy rate reached 9%. Currently, the demand for the prime areas requires high quality and efficient buildings. In case of low qualities, tenants prefer assets with lower prices in secondary locations.
- The rental revenues for offices in Barcelona continued to decrease in the last quarter of 2011, after a very stable summer period. Currently, the rent for prime assets is around €18.50/sq m/month, which means a 32% drop since 2007.

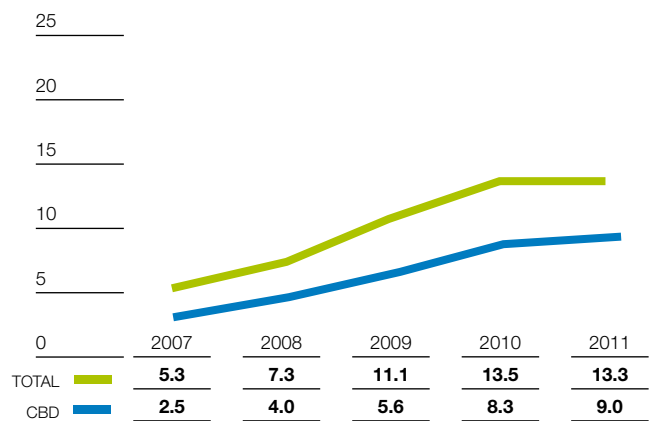


TOWER BARCELONA, BARCELONA

#05 | €/SQ M/MONTH | CBD PRICES



#06 | % | VACANCY



OFFICE MARKET SITUATION RENTAL MARKET

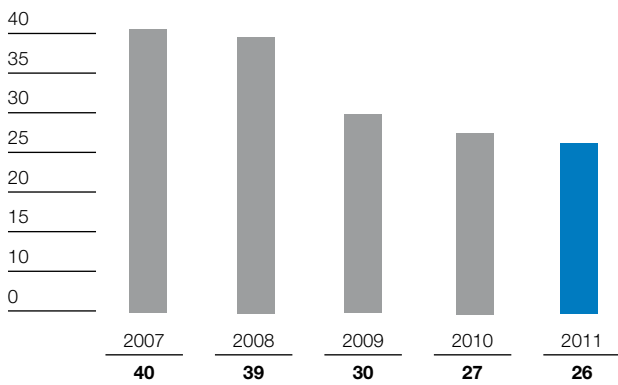
Madrid

- The transactions of the fourth quarter remained at more than 88,000 sq m, which slightly exceeded the initial forecast. One third of the contracts were signed in the Central Business District, (while the A-1 and A-2 markets achieved around 20% each). The buildings and types of investment that are in most demand are buildings located in the best Prime and CBD locations. In terms of secondary areas, there is demand for areas within the M-30 zone and for the Las Rozas business park.
- In the fourth quarter of the year, 2 million sq m of available Offices and High-Tech were exceeded, reaching a vacancy rate of 10.8%. The CBD area increased its vacancy rate slightly to 8.4% at December 2011, due to the gradual vacancies that have not been replaced with new occupancies.
- The rents stayed in line with the trend initiated at the end of 2010, although there was a moderate decrease. The Prime rent is at €25.75/sq m/month, which means a 35% drop since 2007.

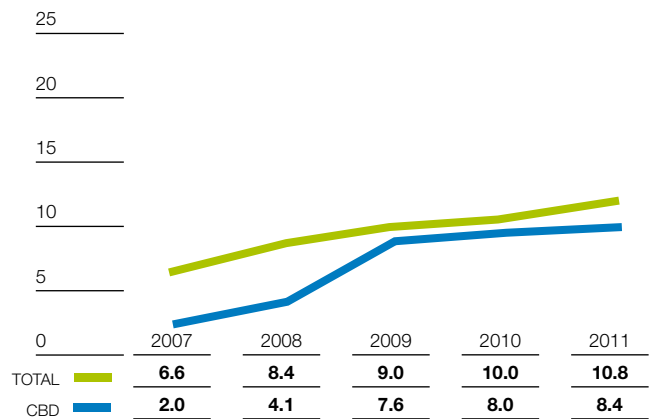


CAPITÁN HAYA 53, MADRID

#07 | €/SQ M/MONTH | CBD PRICES



#08 | % | VACANCY



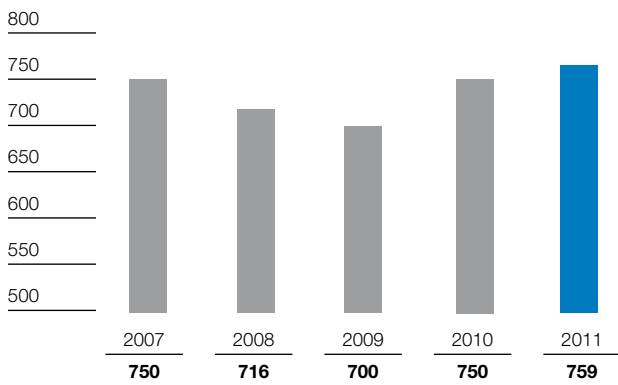
Paris

- The take-up during 2011 was 2,400,000 sq m in the Paris region, which means an increase of 14% compared to the year before. The year 2011 has been the best year in the last decade, exceeding the 2,200,000 sq m that were registered in 2008. This high level of activity is mainly due to the closing of various large transactions, specifically 13 operations of more than 20,000 sq m.
- The most dynamic surfaces were the small and medium-sized segments, especially those smaller than 1,000 sq m, which attracted a 6% higher demand compared to the year before. The demand for medium-sized surfaces, from between 1,000 and 5,000 sq m, remained stable compared to the year before with a take-up of 1,400,000 sq m.
- The vacancy rate is at 6.9 % in the Paris region, with an immediate offer of 3,609,000 sq m which has practically not varied compared to the year before, while in the CBD area, the vacancy decreased to 4.6% with an immediate offer of 311,000 sq m.
- The average rental prices in the CBD area in Paris remained stable. In the last quarter of 2011 they were at €759/sq m/year and they even reached €775/sq m/year in the Golden Triangle.

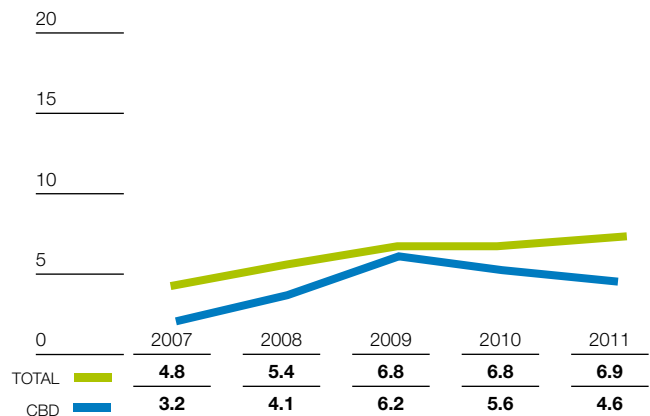


CENTRE D'AFFAIRES LE LOUVRE, PARIS

#09 | €/SQ M/YEAR | CBD PRICES



#10 | % | VACANCY



OFFICE MARKET SITUATION INVESTMENT MARKET

Sources: Reports by Jones Lang
Lasalle, Aguirre Newman, Cushman &
Wakefield at December 2011

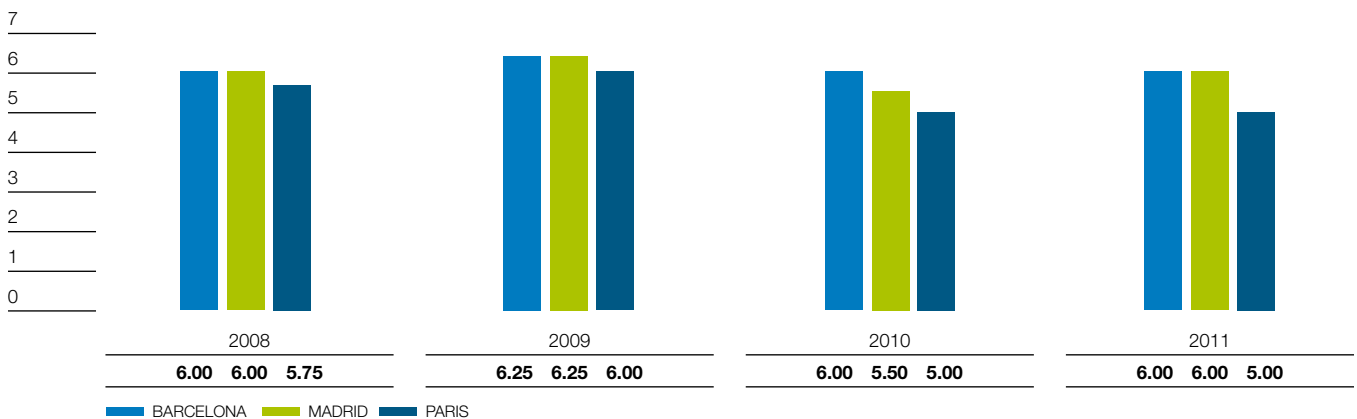


• **Barcelona:** The yields remained stable for another quarter, partly due to the lack of transactions that could produce increases in yields. The evolution of the financial conditions offered by the financial institutions will determine the trend for the coming quarters. The minimum yields for the best buildings in Barcelona's prime locations remained stable at 6%.

• **Madrid:** The yields rose half a point to 6%, in line with Barcelona. Although prime location yields remained stable at 5.5% during the first nine months of the year, they increased in the last quarter of the year. This variation is explained in part by the lack of transactions in 2011, especially the higher investment volumes and the pricing effect of the Torre Picasso transaction (€400m). The lack of financing for higher investment volumes continues to affect the market. In the case of transactions under €50m, there could be transactions with yields below 6%.

• **Paris:** Investment during 2011 totalled €11,250m, which means a 30% increase on the previous year. The yield remains at 5% for the assets in the prime locations, and some transactions were carried out for below 5%. The market continues to be dominated by French investors who account for 60% of the total transactions. In addition, it is worth noting the 10% from German investors and the remaining contribution coming from Norwegian, American and Asian investors.

#11 | % | PRIME YIELDS - PARIS, MADRID, BARCELONA



BUSINESS HIGHLIGHTS

- Full year rental revenues amounted to €229.2m, a 12.1% drop on the total revenues from the previous year. Rental revenues increased by 3.2% like-for-like, this means adjusted for disposals, changes in the projects portfolio & refurbishment as well as extraordinary indemnities. In Paris, rental revenues increased 6.6% like-for-like.

In Spain, like-for-like rental revenues decreased by 3.1%, mainly due to the portfolio in Barcelona, since the portfolio in Madrid remained stable.

- The rental EBITDA increased 4% like-for-like, which is in line with the rental revenues. This effect is due to the fact that the EBITDA margin for rentals remained stable at 92%, especially in Paris and Madrid.

#12 | € M | RENTS (2011 VS. 10)

	Barcelona	Madrid	Paris	Total
Rental Income 2010R	39	47	175	261
<i>Like-for-Like</i>	(2)	(0)	8	6
<i>Projects & Refurbishments</i>	(4)	3	1	0
<i>Disposals</i>	(1)	(4)	(20)	(25)
<i>Indemnities & Others</i>	(0)	0	(13)	(13)
Rental Income 2011R	32	45	152	229
<i>Total Variance (%)</i>	(17.9%)	(2.4%)	(13.3%)	(12.1%)
<i>Like-for-Like Variance (%)</i>	(5.7%)	(0.7%)	6.6%	3.2%

#13 | € M | PROPERTY BUSINESS - DECEMBER CUMULATIVE

	2011	2010	Var. %	like-for-like %
Rental revenues - Barcelona	32	39	(18%)	(6%)
Rental revenues - Madrid	45	47	(2%)	(1%)
Rental revenues - Paris	152	175	(13%)	7%
Rental revenues	229	261	(12%)	3%
Costs invoiced	40	43	(7%)	
Invoiceable costs	(47)	(46)	(2%)	
Other operating costs ¹	(12)	(17)	31%	
EBITDA rents	210	240	(13%)	4%
<i>EBITDA/ Rental revenues - Barcelona</i>	88%	94%	(06 pp)	
<i>EBITDA/ Rental revenues - Madrid</i>	90%	90%	00 pp	
<i>EBITDA/ Rental revenues - Paris</i>	93%	93%	00 pp	
EBITDA/ Rental revenues	92%	92%	(00 pp)	

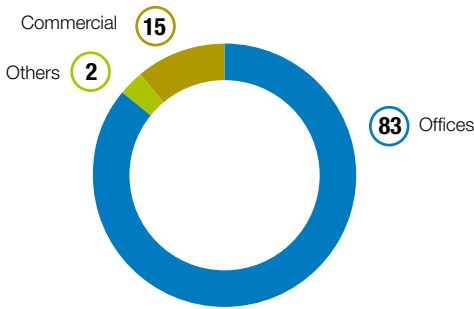
1. Includes expenses related directly to property, without taking into account overheads, such as personnel expenses
pp: percentage points

BUSINESS HIGHLIGHTS

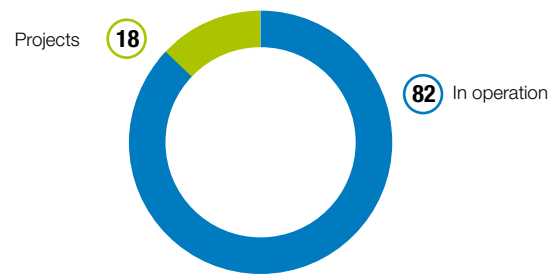
- Most of the Group's revenue, 83%, is generated by office buildings. The Group also maintains its high exposure to prime markets. Two thirds of the rental revenues (€151.6m) come from the subsidiary in Paris and one third from properties in Spain. In attributable terms, 50% of the cash flow is generated in France and the rest in Spain.

- **Surface area:** At the end of 2011, the Colonial Group's portfolio totalled 1,089,564 sq m (764,649 sq m above ground), most of which was office space. 82% of the portfolio was in operation on December 31st, 2011, and the remaining 18% corresponds to an attractive portfolio of projects and renovations.

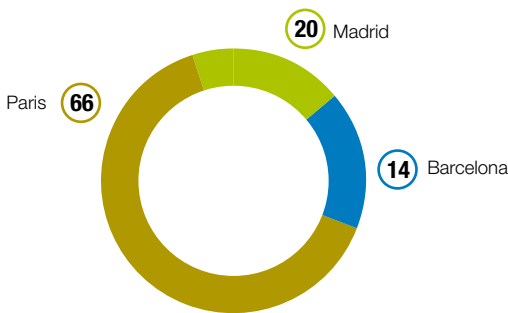
#14 | % | REVENUES BY USE



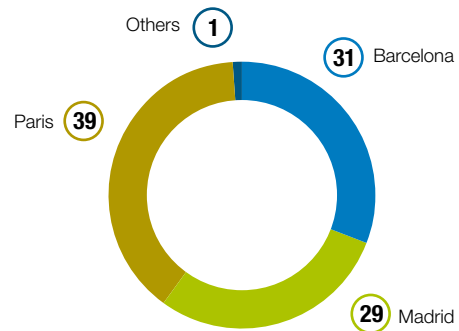
#17 | % | SURFACE BY CONDITION



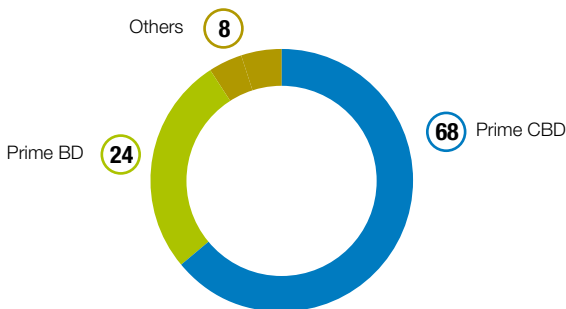
#15 | % | REVENUES BY MARKET



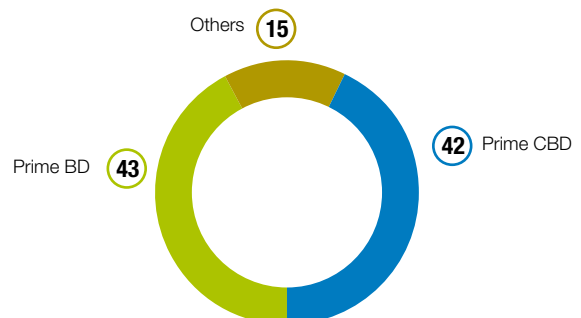
#18 | % | SURFACE BY MARKET



#16 | % | REVENUES BY AREA



#19 | % | SURFACE - BY AREA



- **Letting performance:** In 2011, the Group signed a total of 147,972 sq m of new rentals (rental renewals and revisions at market prices). 79% of these were in Spain and 21% in France. The new rentals set in these agreements were 14% below previous rents.

The new rentals agreed in Spain are 18% below previous levels, which were signed at the peak of the market. In France, the agreed rentals are 4.2% below the previous ones.

Over the last two years, the commercial effort carried out in Spain has put an important part of the Spanish rental portfolio at market levels in terms of rental prices.



ALFONSO XII, 62, MADRID

#20 | sq m | CONTRACT MANAGEMENT - DECEMBER CUMULATIVE

	2011	% new rents vs. prev	Average maturity
Registrations and renovations - Barcelona	64,492	(17%)	4
Registrations and renovations - Madrid	26,486	(19%)	7
Registrations and renovations - Paris	20,093	(4%)	5
Total registrations and renovations	111,071	(14%)	5
New Contracts - Barcelona	8,270		2
New Contracts - Madrid	18,267		7
New Contracts - Paris	10,364		5
Total New Surface Areas	36,901	na	5
Total commercial input	147,972	na	5

Average maturity to the first break option

BUSINESS HIGHLIGHTS

- As for the new contracts signed in Spain, it is worth highlighting the 22,750 sq m at the Marenostrum Tower (Gas Natural head office), more than 23,000 sq m at the Centro Norte complex, more than 11,000 sq m at the Sant Joan building in Sant Cugat and 9,500 sq m at Avenida Diagonal, 609-615. This significant commercial effort was carried out in spite of a highly complicated market environment (high vacancy rates and downward pressure on rentals).

It is also worth highlighting the contract on Recoletos 37 in Madrid with Celgene (1,910 sq m) and the contract with Thomson Reuters (1,910 sq m). This building came into exploitation in the first half of last year and is now 83% occupied. In addition, it is important to point out the contracts signed at Tower Barcelona with Fujitsu Technology Solutions (2,039 sq m), at Centro Norte with Zurich (4,608 sq m) and at Castellana 43 with Abengoa (5,998 sq m).

In Paris, highlights include the contract with Zurich of 3,600 sq m at 108-112 Wagram, a building that came into opera-

tion at the end of 2010. The Group also signed a contract with Lagardere Ressources on almost 5,000 sq m in the Washington Plaza building as well as the contracts signed on the Edouard VII property with CBRE Global Investors (2,187 sq m) and with Olympia (5,969 sq m).

The charts below show the breakdown of the commercial lease expiry dates for the next four years for the Spanish and French contract portfolios, until their break options and the end of contract dates.

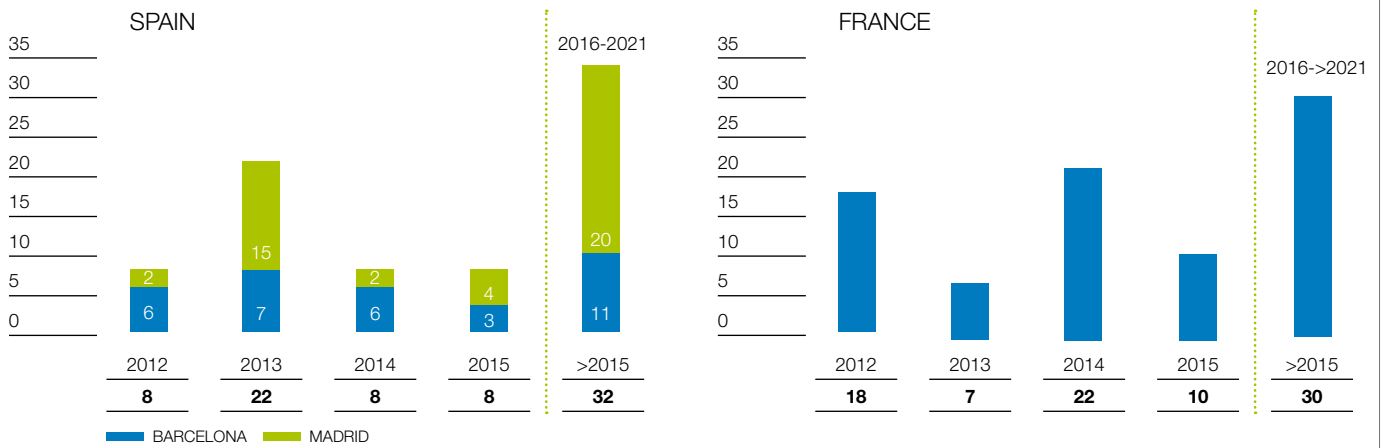
During 2011, Colonial made a commercial effort in Spain, signing more than 117,000 sq m, which in terms of value represents 29% of the rentals in the portfolio. Moreover, in the two previous years, approximately 177,000 sq m of the portfolio were renovated in Spain.

This commercial effort allowed to significantly reduce the short term commercial risk of the Spanish contract portfolio, as shown in the charts below:



RECOLETOS 37, MADRID

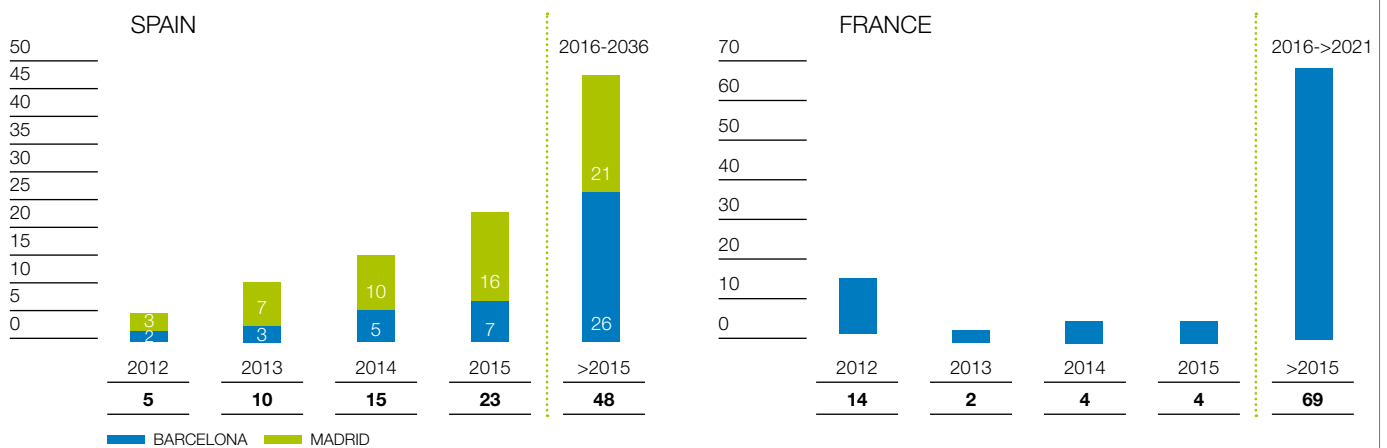
#21 | % | COMMERCIAL LEASE EXPIRY DATES IN ECONOMIC TERMS¹ - BREAK OPTION²
(% PASSING RENT OF SURFACES TO BE LEASED)



(1) % = surface to rent x current rents / current rental portfolio BREAK OPTION

(2) Renewal dates based on break option of the current contracts based on the rent roll data on December 31st, 2011 (% passing rent of surfaces to be leased)
Not all the contracts have a break option. Therefore, the sum of percentages could be below 100%

#22 | % | COMMERCIAL LEASE EXPIRY DATES IN ECONOMIC TERMS - EXPIRY DATE³
(% PASSING RENT OF SURFACES TO BE LEASED)



(3) Renewal dates based on the expiry date of the current contracts as of December 31st, 2011

BUSINESS HIGHLIGHTS

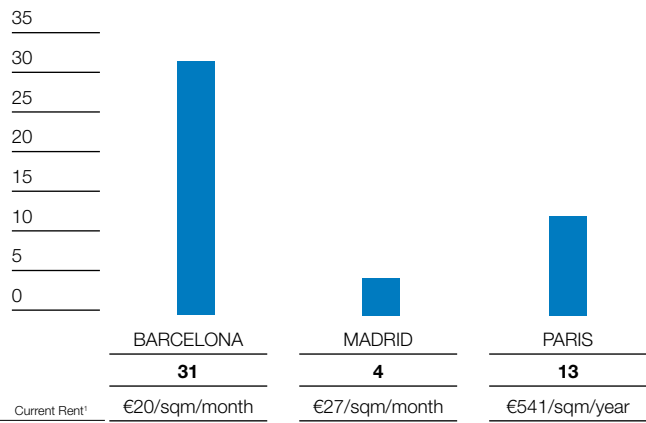
The organic growth potential of the Group's rental portfolio at the close of the financial year was at 31% in Barcelona, 4% in Madrid and 13% in Paris. This growth potential figure is calculated by comparing rental incomes of current contracts (contracts with current occupancy and current rents in place) with the potential rental revenue that would result from 100% occupancy at the market prices estimated by independent appraisers as of December 2011 (not including potential rents from projects in the pipeline and refurbishments).

At December, the growth potential represented approximately €25m in additional annual rental revenues (€11m corresponding to Spain and €14m to France).



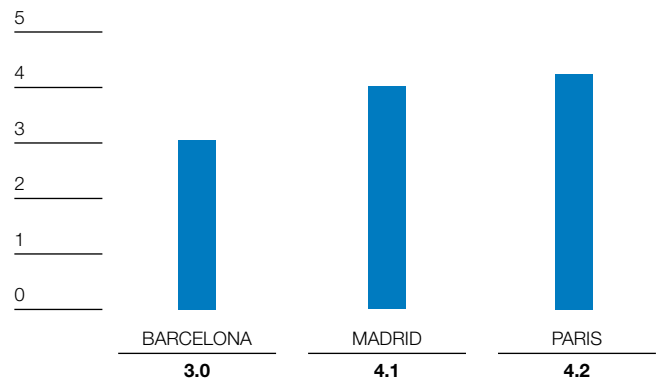
WASHINGTON PLAZA, PARIS

#23 | % | GROWTH POTENTIAL-RENTAL INCOME FIGURES AT DECEMBER 2011



(1) Current rent of occupied surfaces

#24 | YEARS | AVERAGE MATURITY OF THE CONTRACTS²



(2) Average maturity until first break option

• **Occupancy:** At the end of the year, Colonial's office occupancy stood at 87.0%, a figure above the previous year. Including the other uses of the portfolio, occupancy reached 87.9%.

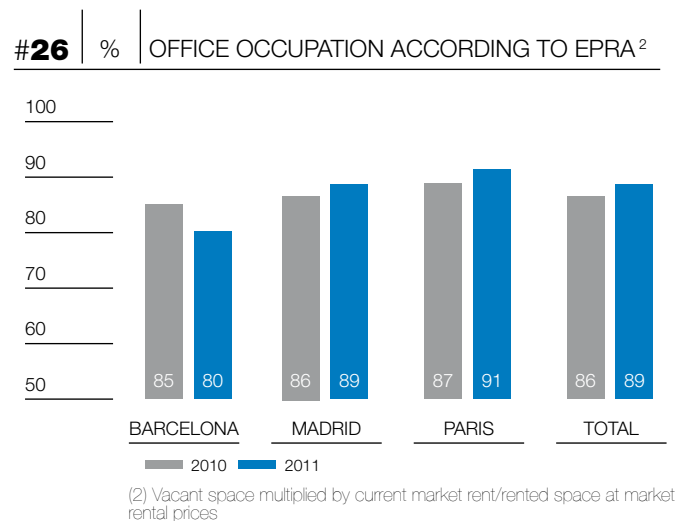
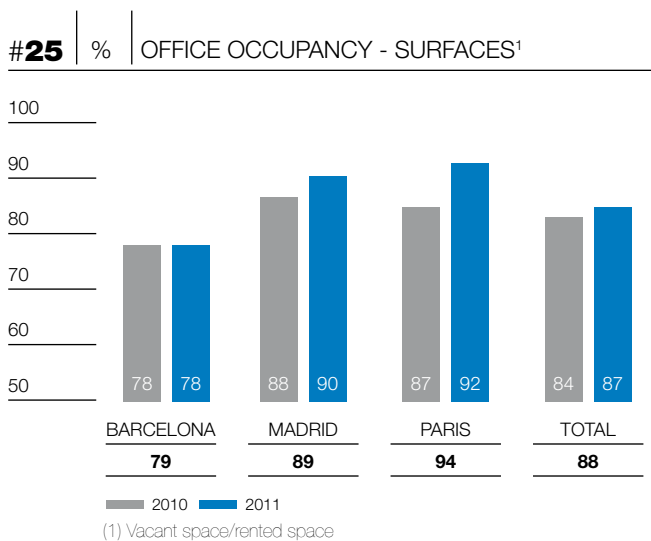
The Colonial Group improved the occupancy rate of offices in Madrid and Paris, in comparison to the previous year, attaining a rate of more than 90% in both markets (90% in Madrid and 92% in Paris). In Barcelona, the company managed to maintain a stable rate of 78% due to the reduced demand which has characterised this market.

In Barcelona, the occupancy rate is still significantly below normalized levels ($\geq 90\%$). This is mainly due to the new Illacuna project, with more than 20,000 sq m above ground, as well as to non-strategic properties. Excluding these impacts, the occupancy rate in Barcelona would be around 90%.

In Paris, occupancy exceeded 90% and is currently at 93.5%. Nevertheless, this rate is a long way from the average rate held in the years before the crisis (around 98%).



TORRE MARENOSTRUM, BARCELONA



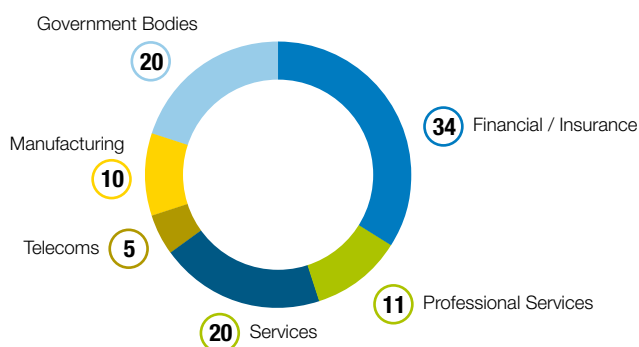
BUSINESS HIGHLIGHTS

- **Tenant portfolio:** At the end of 2011, Colonial had both a solvent and diverse client base. The top twenty clients constitute 51% of the total turnover of the Group.

By sector, the clients who stand out are those who require high quality offices located in central business areas due to the type of business they carry out. For example, the banking/insurance and service sectors made up 65% of the Group's revenue at December 2011.

It is worth noting Colonial's ability to retain its portfolio of clients which is reflected in their long-standing relationships with their main clients.

#27 | % | TOP TENANTS - BREAKDOWN BY ECONOMIC SECTOR



#28 | RANKING OF THE MOST IMPORTANT TENANTS (51% OF RENTAL INCOME)

RK	Tenant	City	% total income	% cumul.	Age
1	CREDIT LYONNAIS	Paris	7%	7%	9
2	NATIXIS IMMO EXPLOITATION	Paris	6%	13%	3
3	MOHG HOTEL	Paris	4%	17%	1
4	FRESHFIELDS BRUCKHAUS DERINGER	Paris	4%	20%	2
5	MINISTERIO DE ASUNTOS EXTERIORES	Madrid	3%	24%	7
6	GAS NATURAL SDG. S,A,	Barcelona	3%	27%	5
7	TV5 MONDE SA	Paris	3%	29%	6
8	MINISTERIO DE MEDIO AMBIENTE	Madrid	3%	32%	8
9	LA MONDIALE GROUPE	Paris	2%	34%	5
10	GRUPO CAIXA	Barcelona	2%	36%	19
11	COMUNIDAD DE MADRID	Madrid	2%	38%	15
12	LOTERIAS DEL ESTADO	Madrid	2%	40%	6
13	CITIBANK INTERNATIONAL PLC	Paris	2%	42%	2
14	ASHURST LLP	Paris	1%	43%	7
15	BANCA CÍMCA. S,A,	Madrid	1%	45%	2
16	CONSEIL D'ETAT	Paris	1%	46%	16
17	AYUNTAMIENTO DE MADRID	Madrid	1%	47%	8
18	AJUNTAMENT DE BARCELONA	Barcelona	1%	49%	11
19	ZURICH INSURANCE PLC	Paris	1%	50%	1
20	GAMESA CORPORACIÓN TECNOLÓGICA	Madrid	1%	51%	5

- **Disposals:** During 2011, the Colonial Group carried out asset disposals amounting to €75.7m (€25.7m in Spain and €50m in France). The sales prices represents a 14.4% premium on the latest appraisal values.

The disposals are part of an active management of the asset portfolio, divesting mature assets in order to reinvest proceeds in strategic assets with value creation potential.

#29 | ASSET SALES

Disposals 2011 €m	Use	Market	Date	Price	Capital Gain	Premium on Appr. Value
Camelias, 48-50	Retail	-	2Q 11	0.7		
Centro Norte - Agustín de Foxa 31	Offices	Madrid	4Q 11	25.0		
Spain				25.7	1.0	6.9%
12. Capucines	Retail	Paris	4Q 11	50.0		
France				50.0	7.7	18.7%
Total				75.7	8.7	14.4%



CENTRO NORTE - AGUSTÍN DE FOXA 31, MADRID



CAPUCINES 12, PARIS

BUSINESS HIGHLIGHTS

- **Investments:** In terms of the investments, it is important to point out that the Company holds a portfolio of more than 92,000 sq m above ground, which is scheduled to come into operation between 2012 and 2015, and will represent additional annual rental revenues of around €38m¹.

The Colonial Group's current pipeline is made up of the following projects:

In addition to the projects in the pipeline, the Colonial Group is carrying out substantial refurbishment projects in specific buildings in order to optimize the positioning of these assets in the market. It is especially important to highlight Ausias Marc and Torres Barcelona in the Barcelona market, as well as Edouard VII and Louvre des Antiquaires in Paris.

#30 | PROJECTS IN THE PIPELINE

Projects	Come into Operation	% Group	Market	Use	Surface above ground (sq m) ¹
Martinez Villergas, 49	1S 2012	100%	Madrid	Offices	24,135
Travessera de Gràcia	2S 2012	100%	Barcelona	Offices	8,202
Castellana, 43	1S 2013	100%	Madrid	Offices	5,998
Parc Central 22@ A.1.6 - A.1.7 - A.1.2	1S 2015	100%	Barcelona	Offices	14,737
Spain					53,072
Champs Élysées 92	2S 2012	100%	Paris	Offices	7,163
Quai Le Gallo	1S 2013	100%	Paris	Offices	32,710
France					39,873
Total					92,945
Yield on cost²					6.6%

(1) Floor area of completed project

(2) Yield on cost: Market rent 100% rented/market value at start of project net of impairment in value + capex

(1) Rent Estimated on the basis of current market prices

Martínez Villergas. 49 - Madrid

The building is located at the junction between the M-30 and Avenida América, a well-established area just minutes away from the airport and city centre. This building has more than 24,000 sq m of open plan space, meeting the needs of any business and boasting top-quality facilities and services. Its layout and location make the building ideal for a corporate headquarters. It also has its own car park. The building is currently at the premarketing stage.

**Travessera de Gràcia / Amigó**

New project involving two office buildings with a total of 8,202 sq m above ground, located in Travessera de Gracia, where it meets Calle Amigó, no more than a few meters from Avenida Diagonal, in a busy and wellconnected shopping area. A project with individually designed state-of-the-art façades. Office space ranging from 200 to 540 sq m per floor. High-quality and energy-efficient buildings and facilities that will enable the company to apply for LEEDS.



BUSINESS HIGHLIGHTS

Castellana, 43

A new office development project of 5,998 sq m above ground, which will be one of the first buildings with a LEEDS certification (a green building), situated in the prime area of Madrid. Its 697 sq m of light and airy space are flexible and functional allowing for a very efficient distribution of space. The building will offer high quality features, and it will also be energy efficient. Consequently, it has already been fully let in advance to a top tier tenant.

**Parc Central 22@ - Barcelona**

An office complex project opposite Avenida Diagonal in the heart of the 22@ business district, one of the most up-and-coming areas in the city, which includes an integrated 15,000 sq m office building within a complex.

However, the project is not expected to start before 2013. The materials and finishings will be top quality and the design philosophy is to perfectly integrate the complex into its surroundings. There will be 136 parking spaces, all located in one building.



Ozone-Champs Élysées, 92

One of the best located buildings on the Champs Élysées, on the sunny corner of la Rue Berri and with the Arc de Triomphe on the horizon. The building has vacancy for high end businesses on the ground floor and offices on the upper floors. The refurbishment will turn the property into a building with ample, airy spaces with natural light, finished with fine materials, light colour tones and high quality acoustics. Ozone has been designed to provide comfort and well-being to even the most demanding of professionals. The commercial part has recently been pre-rented to Zara.



Quai Le Gallo

Located on the outskirts of Paris, this building is found within the Vallée de la Culture Community Revival Project.

The renovation project will convert the building into a brand new top-end office complex. The main building is to be used for offices, but a new extension will house a services centre, a restaurant, a cafeteria, a doorman's office, an amphitheatre, modular conference rooms, and fitness facilities. Incorporating innovative technical solutions, the project has been designed with optimum functionality and total flexibility in mind. At the same time, it keeps in line with sustainable development and it complies with the demands of environmental responsibility. The combination of these characteristics makes Quai Le Gallo one of the most sought-after addresses in the current Parisian rental and investment market.



PROPERTY
PORTFOLIO

A portfolio of AAA offices in prime locations





A PROPERTY PORTFOLIO OF THE HIGHEST QUALITY

#31 | sq m | RENTAL PORTFOLIO - CLASSIFIED BY AREA - 2011

SURFACE IN EXPLOITATION										
	Office Buildings		Shopping Centers		Business and Logistic Parks		Others		Total Rental Portfolio	
Paris	283,269	26%	27,290	3%	-	-	35,625	3%	346,185	32%
Barcelona	266,868	24%	7,309	1%	-	-	-	-	274,177	25%
Madrid	253,022	23%	12,880	1%	-	-	8,073	1%	273,975	25%
Rest of Spain	-	-	836	0%	-	-	-	-	836	0%
TOTAL	803,159	74%	48,316	4%	-	-	43,698	4%	895,173	82%

#32 | (MILLION €) | RENTAL PORTFOLIO - CLASSIFICATION BY MARKET VALUE - 2011

SURFACE IN EXPLOITATION										
	Office Buildings		Shopping Centers		Business and Logistic Parks		Others		Total Rental Portfolio	
Paris	2,512	52%	120	2%	-	-	-	-	2,632	54%
Barcelona	552	11%	33	1%	-	-	-	-	585	12%
Madrid	629	13%	0	0%	-	-	28	1%	656	14%
Rest of Spain	-	-	1	0%	-	-	15	0%	16	0%
TOTAL BUSINESS	3,693	76%	154	3%	-	-	42	1%	3,889	81%

#33 | RENTAL PORTFOLIO

€5,102 M
total asset value

1,089,563 sq m
total floor space

82%
rental floor space

89%
office buildings

87.9%
total percentage rented

PROJECTS IN PROGRESS

	Office Buildings		Shopping Centers		Business and Logistic Parks		Others		Total Rental Portfolio	
Paris	70,537	6%	7,229	1%	-	-	1,336	0%	425,287	39%
Barcelona	59,726	5%	53	0%	3,905	0%	-	-	337,860	31%
Madrid	40,086	4%	-	-	-	-	-	-	314,061	29%
Rest of Spain	-	-	-	-	-	-	11,519	1%	12,355	1%
TOTAL	170,348	16%	7,282	1%	3,905	0%	12,855	1%	1,089,563	100%

PROJECTS IN PROGRESS

	Office Buildings		Shopping Centers		Business and Logistic Parks		Others		Total Rental Portfolio	
Paris	359	7%	-	-	-	-	244	5%	3,235	67%
Barcelona	112	2%	-	-	-	-	-	-	697	14%
Madrid	227	5%	-	-	-	-	-	-	883	18%
Rest of Spain	-	-	-	-	-	-	-	-	16	0%
TOTAL BUSINESS	697	14%	-	-	-	-	244	5%	4,831	100%

SIIC Holding in Paris

271

TOTAL BUSINESS Including SIIC de Paris**5,102**

ALCALÁ 30-32, MADRID



ILLACUNA, BARCELONA

BARCELONA

LOCATION OF THE MAIN OFFICE PROPERTIES





BARCELONA

RENTAL PORTFOLIO

#34 | RENTAL PORTFOLIO BARCELONA

	Floor space above ground					Floor space above ground	Floor space under ground	Total surface
	Offices	Retail	Resid.	Logíst.	Hotel			
Av. Diagonal. 409	4,531					4,531		4,531
Av. Diagonal. 530	11,151					11,151	1,689	12,840
Av. Diagonal. 609-615 (Dau)	21,996					21,996	18,989	40,985
Av. Diagonal. 682	8,622					8,622	600	9,222
Pedralbes Centre		6,766				6,766		6,766
Ausias Marc/Lepant						0	1,792	1,792
Berlin, 38-48/Numancia. 46	11,625					11,625	1,704	13,329
Glòries - Diagonal	11,672					11,672	536	12,208
Illacuna	20,451					20,451	13,620	34,071
Tilos	5,143					5,143	3,081	8,224
Via Augusta. 21-23	4,838					4,838		4,838
Torre Bcn	9,035					9,035	3,398	12,433
Torre Del Gas (1)	22,750					22,750	19,370	42,120
Sant Cugat Nord	27,904					27,904	21,061	48,965
Samonta 21	11,464					11,464	9,846	21,309
Singular Buildings	171,182	6,766				177,948	95,686	273,634
Premises in Barcelona		543				543		543
Rental Floor Space	171,182	7,309				178,490	95,686	274,177
Parc Central	14,737					14,737	14,737	29,474
Travessera de Gracia. 11	4,101					4,101	2,810	6,911
Amigó	4,101					4,101	2,178	6,279
Samonta 19				3,905		3,905		3,905
Berlin, 38-48/Numancia. 46	1,192					1,192		1,192
Torre Bcn	800					800		800
Av. Diagonal, 530	631					631		631
Pedralbes Centre		53				53		53
Ausias Marc/Lepant	6,379					6,379		6,379
Samonta 21	5,404					5,404	2,655	8,060
Projects underway	37,345	53		3,905		41,303	22,380	63,684
Total Barcelona	208,527	7,362		3,905		219,794	118,067	337,860

BARCELONA

DETAILS OF THE MAIN ASSETS

Diagonal, 609-615 - El Dau

This urban group of two office buildings, shopping mall and ample parking is located in one of the main focus points of service and commercial activity in the structure of modern Barcelona, resulting from the westward extension of the Avenida Diagonal, the true backbone of the city. The cubic volumes of the offices, with their simple rotund forms, constitute the most outstanding visual feature of the building, to the point that it is known popularly as "el dau" - the dice. The positioning of the various bodies and the porticoed character of the ground floor produces a lively and agreeable public area around the building, suitable as a meeting point and for all kinds of social relations. The system of spatial organisation and movements is conceived to follow simple, clear principles. The result is a very versatile layout with a great capacity for adaptation to various uses and arrangements. Everything is designed to encourage the creation of a comfortable and agreeable working place.

Total floor space: 40,985 sq m



Diagonal, 682

This spectacular office tower 13 floors high is the result of comprehensive renovation of a pre-existing building, of which only the structure has been preserved. The operation carried out, which enabled the building to be provided with the most up-to-date equipment and facilities, has also meant a radical change in its internal and external image. The volume, of restrained and elegant lines, has façades in the form of a curtain wall of great transparency and chromatic richness, with greenish and steely tones predominating. The setting among landscaped gardens and the ample free surrounding areas mean that the silhouette of the building can be seen from far off and enjoyed from ample perspectives. The general treatment for three of the façades is altered for the façade which gives onto Avenida Diagonal, incorporating a motif formed by a succession of inclined glass planes, which orientate the building and emphasise the tower's relationship with the great urban artery.

Total floor space: 9,222 sq m



BARCELONA

DETAILS OF THE MAIN ASSETS



Diagonal, 409

An office building located where Avenida Diagonal meets the streets of Balmes and Paris. The structure is made up of eight storeys with all areas in direct contact with the exterior and enjoying optimum conditions of natural light. The façade is greatly in keeping with the work of the master builders who left such a profound mark on the Barcelona Eixample district, with its vertical windows set out in regular pattern and a series of sober but elegant decorative elements repeated with small variations. The traditional nature of the architecture does not exclude a modern component, related to the notions of regularity, repetition and decorative austerity that form an essential part of its character. The building is ideal for those wanting work areas that combine the prestige of age with the comfort and convenience of the modern.

Total floor space: 4,531 sq m



Diagonal, 530

Elegant office building which occupies a privileged position in the central section of Avenida Diagonal, at a point of great concentration of financial and commercial activities. It stands out for the brilliant conception of its façade, the outermost face being formed by a system of adjustable vertical slats in smoked glass which act as a brise-soleil but retain the effect of transparency. The variable orientation of the glass slats introduces great dynamism and a surprising vivacity and richness of shading. The ground floor, protected by a large continuous canopy, allows for the location of very sought-after shop units. The building, on nine floors, is arranged so that all the commercial units have excellent natural light. The modular form of the construction system simplifies adaptability in distribution and variety in the size of the commercial units. The internal finishes, of top quality, reinforce the impression of richness without ostentation which is offered by the building as a whole.

Total floor space: 13,472 sq m



Pg, Til-lers, 2-6

This building in Pedralbes, one of the most elegant districts of the city, combines large scale glazing with classical iconography, enshrined by pilasters, cornices and tympanums. The result is a spectacular and beautiful construction which adds the prestige of the symbolic to the idea of functionality proper to a modern corporate headquarters, represented in this case by the fragments of classical architecture which make its façades outstanding. All this is strengthened by the ample landscaped spaces around the building, giving it a high level of environmental quality.

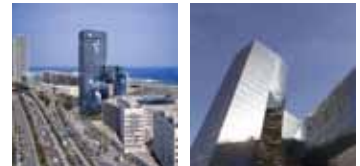
Total floor space: 8,224 sq m



Marenostrum Tower

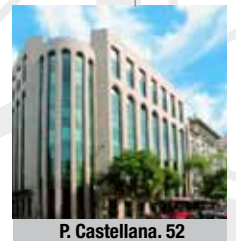
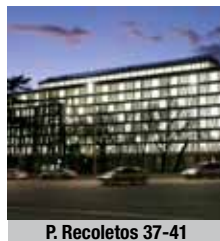
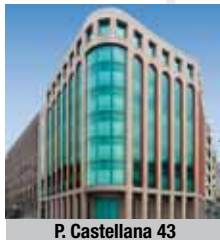
The Marenostrum Tower is one of the most outstanding and important buildings to have been erected in the city. It is a very spectacular office building, both for its location on the city seafront and for its conception in sinuous and modern architecture, inspired as a rocky and glassy form beaten by wind and water, on the edge of the Mediterranean. All this makes it a clear point of reference on the Barcelona skyline. The tower, 100 metres high, consists of two independent buildings, with open plan floors all looking outwards to the exterior, equipped with finishes and facilities of excellent quality.

Total floor space: 42,120 sq m

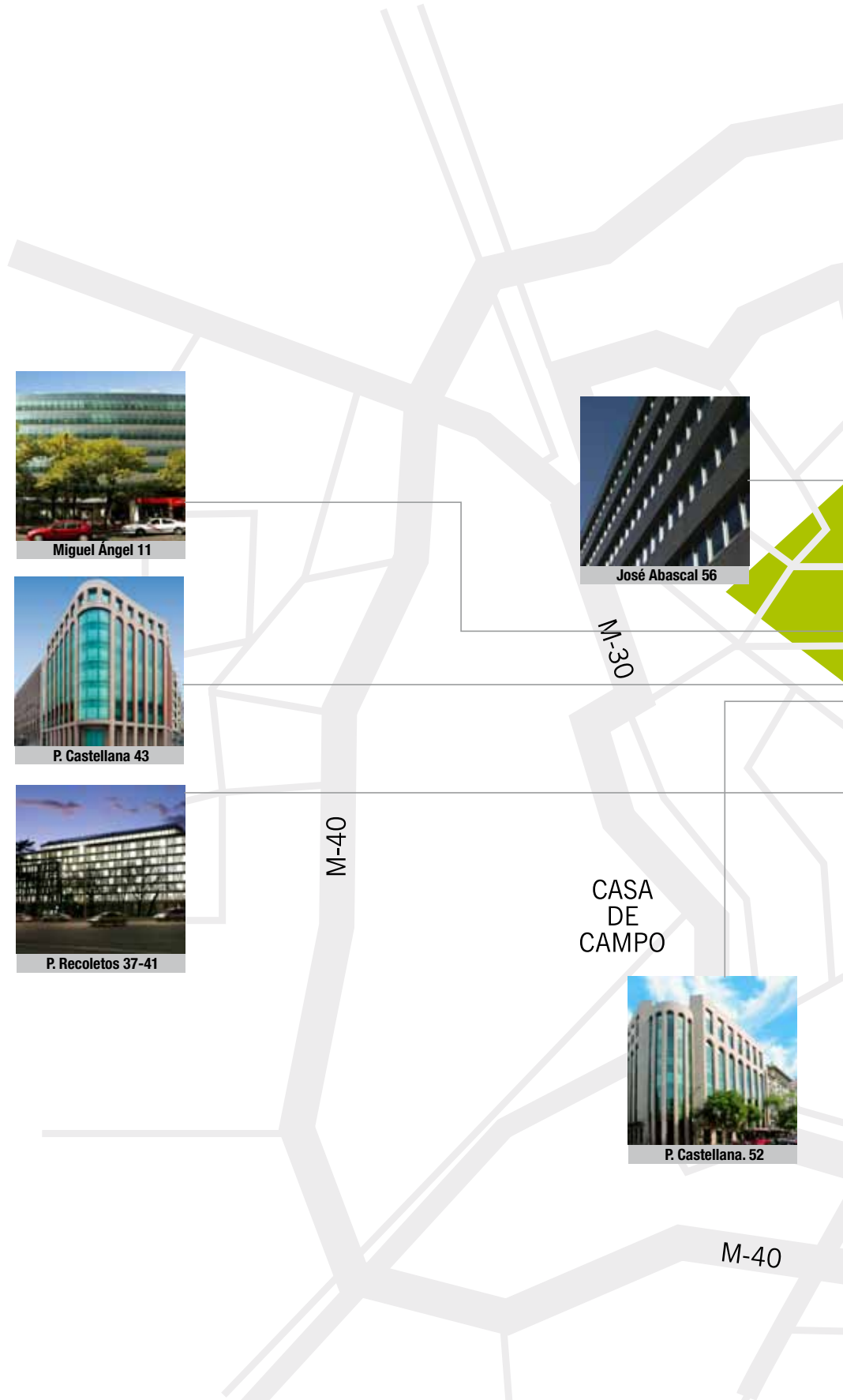


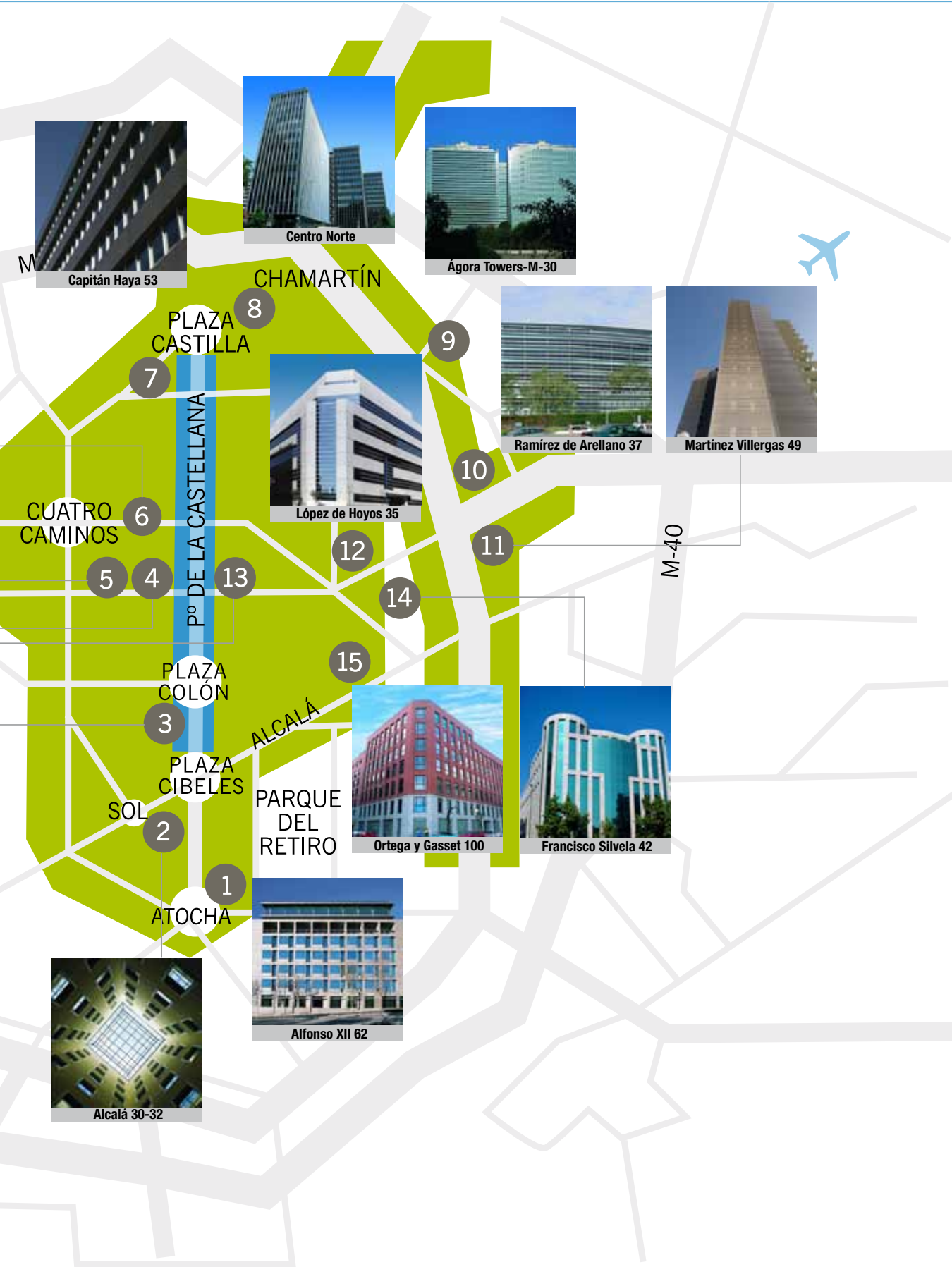
MADRID

LOCATION OF THE MAIN OFFICE PROPERTIES



- Prime Central Business District
- Business District





Capitán Haya 53



Centro Norte



Ágora Towers-M-30



Ramírez de Arellano 37



Martínez Villergas 49



López de Hoyos 35



Ortega y Gasset 100



Francisco Silvela 42



Alfonso XII 62



Alcalá 30-32

CUATRO CAMINOS

PLAZA CASTILLA

PLAZA COLÓN

PLAZA CIBELES

PARQUE DEL RETIRO

ATOCHA

ALCALÁ

M-40

CHAMARTÍN

M



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1

MADRID

RENTAL PORTFOLIO

#35 | RENTAL PORTFOLIO MADRID

	Floor space above ground					Floor space above ground	Floor space under ground	Total surface
	Offices	Retail	Resid.	Logíst.	Hotel			
P. Castellana, 52	7,523					7,523	588	8,111
Recoletos, 37	17,202					17,202	5,340	22,542
Miguel Ángel, 11	6,300					6,300	3,049	9,349
José Abascal, 56	12,349					12,349	6,425	18,774
Alcala, 30-32	9,088					9,088	1,700	10,788
Alfonso XII, 62	13,135					13,135	2,287	15,422
Francisco Silvela, 42	5,725					5,725	3,654	9,379
Ortega y Gasset 100	7,792					7,792	2,563	10,355
Capitán Haya	16,015					16,015	9,668	25,683
Serrano Galvache	30,650					30,650	15,689	46,339
Lopez de Hoyos, 35	7,140					7,140	4,105	11,245
Centro Norte	12,212	4,832			8,073	25,117	41,912	67,029
Ramírez de Arellano, 37	5,988					5,988	4,923	10,911
Singular Buildings	151,118	4,832			8,073	164,023	101,904	265,927
Locales Madrid		8,048						
Locales Others Spain		836						
Rental Floor Space	151,118	13,717			8,073	172,908	101,904	274,812
Hotel Marina de la Torre					11,519	11,519		11,519
Martínez Villergas, 49	24,135					24,135	6,934	31,069
Centro Norte	576					576		576
Castellana, 43	5,998					5,998	2,442	8,440
Projects underway	30,709				11,519	42,228	9,377	51,605
Total Madrid and Rest of Spain	181,827	13,717			19,592	215,136	111,280	326,416

MADRID

DETAILS OF THE MAIN ASSETS

Martínez Villergas, 49 – MV49 Business Park

Located on Calle Martínez Villergas, in Madrid, close to the junction of the M-30 and Avenida de América.

Its privileged location, separated and surrounded by landscaped gardens, its majestic architectural composition and imposing façades on all 4 sides, make it a real architectural point of reference at the entrance to Madrid by Av. América. Nearby are top level multinational companies, attracted by the rapid and convenient access and the high degree of consolidation of the area.

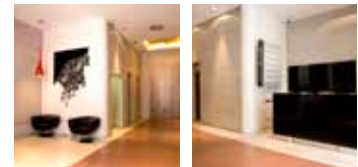
This outstanding office building has 13 floors above ground and four floors below, with a total area of approximately 24,400 square metres and 439 parking places.



Miguel Ángel, 11

Building located in the business district of Madrid, a few metres from the Paseo de la Castellana. This outstanding office building on seven floors occupies a privileged place at the junction of Calle Miguel Ángel with Paseo del General Martínez Campos. To its excellent communications must be added office spaces all facing outwards and open plan, arranged along an imposing double glazed façade and around a central nucleus with three lifts, allowing for areas of up to 795 sq m per floor. The commercial ground floor is divided into three sets of premises, each with independent access from the street. On the floors below ground is a parking area with direct access to the office floors.

Total floor space: 9,349 sq m



MADRID

DETAILS OF THE MAIN ASSETS



Recoletos, 37

This building, with more than 17,000 sq m of offices arranged on floors of up to 1,910 sq m, is located at one of the nerve centres of Madrid. A unique placing, characterised by great financial activity and by a proliferation of buildings of a remarkable character, used for the representative offices of multinational companies, four and five star hotels, and high quality apartments. The exquisite and comprehensive rehabilitation which has been carried out for this building has made it an architectural point of reference in the Recoletos-Prado axis and a privileged place to accommodate offices of the highest quality. A commercial ground floor and 175 parking places complete an exceptional building in a unique setting.

Total floor space: 22,542 sq m



Ramírez Arellano, 37

Building perfectly placed at the junction of the M-30 with Av. América, in a totally consolidated environment, just a few minutes from the airport and from the city centre. For its configuration, architectural design and strategic location it is, without doubt, a point of reference in the urban landscape of Madrid. The building offers totally open plan spaces, functional, all with natural light, answering fully the needs of any company, offering the best facilities and services. For its configuration and location we can consider it an appropriate building for a corporate headquarters. It has its own parking.

Total floor space: 10,911 sq m

Ágora Towers – M-30

Ágora Towers not only combines two different bodies in a fine example of architectural know-how, it also does so with very studied and apparently opposing concepts, such as complexity and simplicity, transparency and opacity, beauty and functionality, which define and give this building the renown that it merits. A special contribution is made by the outstanding Chromascreen façade, totally translucent from within and opaque from the exterior, which emphasises the innovative nature of the whole. The towers are on fourteen office floors and have abundant natural light and magnificent views over the city. The location, close to the M-30 and near Arturo Soria, in one of the more dynamic area of Madrid, allows it to offer excellent communications with the whole city and Barajas Airport. It has its own large parking area. It is, without doubt, a brilliant example of good architecture and a point of reference to take into account for any company seeking top level facilities.

Total floor space: 46,339 sq m



Capitán Haya, 53

Capitán Haya is a street which starts from the Palacio de Congresos, rises parallel to the Paseo Castellana and ends close to the Plaza Castilla. It is in this setting, in the highest part, that this notable building of ten floors stands, characterised by elegant design, with an unostentatious rectangular structure of apparently simple conception. The building breathes comfort and an extremely agreeable atmosphere of balance and distinction which can be appreciated in the various parts of it.

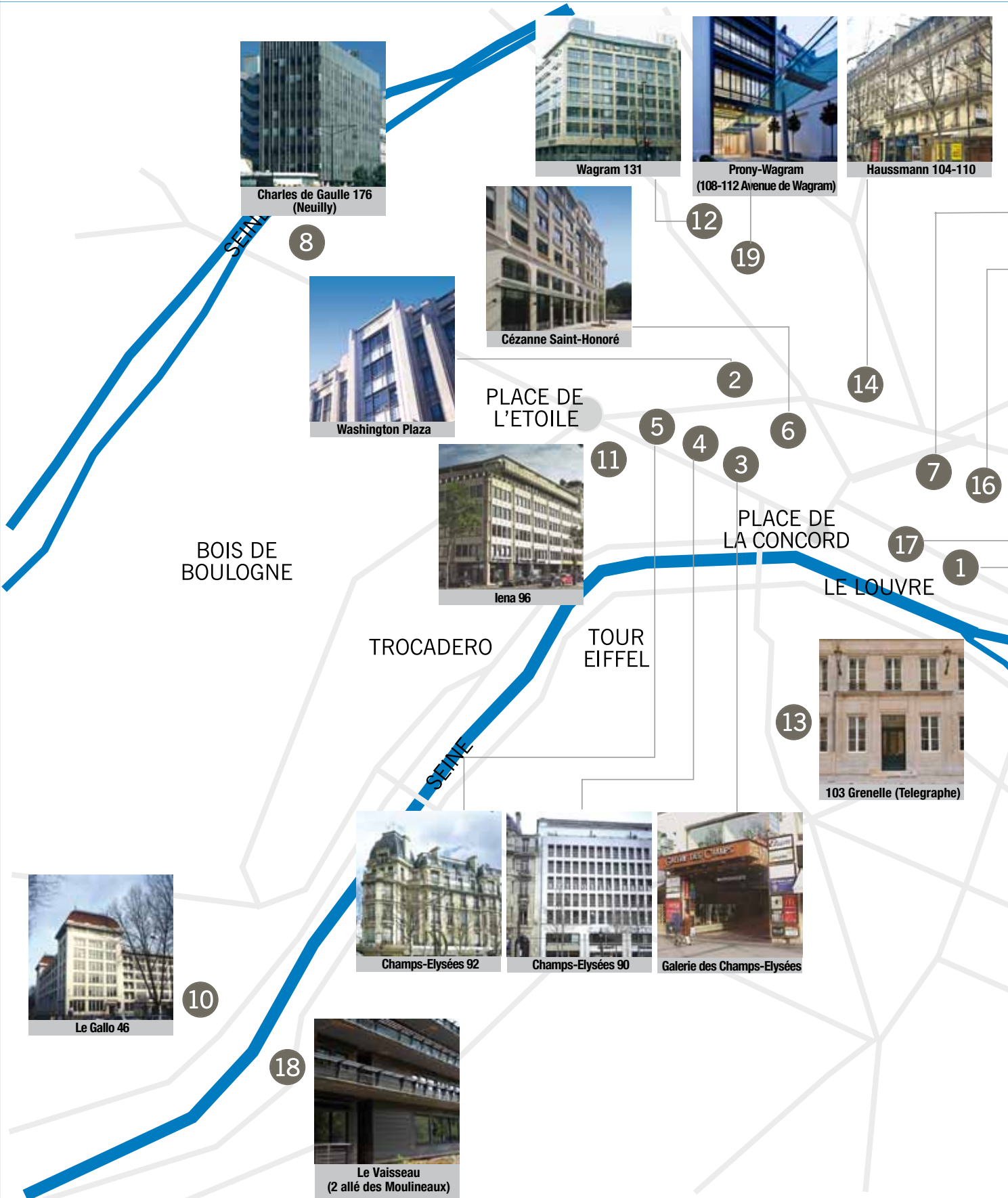
The ample size of the floors, all facing outwards, gives it optimum qualities for any company demanding working space out of the normal. It has excellent infrastructures and communications.

Total floor space: 25,683 sq m



PARIS

LOCATION OF THE MAIN OFFICE PROPERTIES





Edouard VII



Ilot Richelieu



Hanovre 6



247 Rue Saint Honoré

15



Centre d'Affaires
Le Louvre

9



Rives de Seine

NATION

PLACE
D'ITALIE

PARIS

RENTAL PORTFOLIO

#36 | RENTAL PORTFOLIO PARIS

	Floor space above ground					Floor space above ground	Floor space under ground	Total surface
	Offices	Retail	Resid.	Logíst.	Hotel			
Call-Lda	25,804	3,746			2,134	31,685	5,824	37,509
Edouard 7	20,434	15,529	4,509		4,502	44,974	9,934	54,908
247 St Honore		1,332			14,644	15,976	1,396	17,372
l'lot Richelieu	24,392				5,095	29,487	10,247	39,734
C. Elysees 8288		2,259				2,259	1,103	3,362
C. Elysees 90	2,249	491				2,739		2,739
Cezanne Saint Honore	24,180	1,493	231			25,904	3,370	29,274
Prony-Wagram	7,100				449	7,549	3,119	10,668
Saint Augustin							163	163
lena	7,285					7,285	5,463	12,748
108-112 Wagram	4,470	892				5,362	546	5,908
Washington Plaza	39,378	460			2,241	42,079	13,271	55,350
Hauss, 104-110	5,899	338				6,237	1,325	7,562
Neully	5,621	492				6,113	2,737	8,851
Quai Le Gallo							6,923	6,923
Issy Les Moulineaux	6,026					6,026	2,321	8,347
Rives De Seine	20,270				1,760	22,030	6,589	28,619
Rome-Vienne							163	163
103 Grenelle	15,176	258				15,434	1,872	17,306
Saint Denis			60			60	16	76
Rental Floor Space	208,283	27,290	4,800		30,825	271,198	76,383	347,582
Washington Plaza	191					191	2,313	2,504
Call-Lda	2,824	2,935				5,759	8,462	14,221
C. Elysees 8288		39				39	1,930	1,969
C. Elysees 92	4,209	3,396				7,605	36	7,641
Cezanne Saint Honore		357				357	1,504	1,860
C. Elysees 90	1,729					1,729		1,729
Quai Le Gallo	31,003				1,275	32,278	1,511	33,789
Neully							842	842
Prony-Wagram							532	532
lena							360	360
Edouard 7	6,996	503				7,499		7,499
Hanovre Lb	3,003		61			3,065	1,697	4,762
Projects underway	49,956	7,229	61		1,275	58,521	19,185	77,705
Total France	258,239	34,519	4,861		32,100	329,719	95,568	425,287

PARIS

DETAILS OF THE MAIN ASSETS

Centre d’Affaires Le Louvre

This historic building dating from 1852 constitutes a true jewel for its location in the true centre of Paris, most characteristic and with most style, between Rue St. Honoré and Rue de Rivoli, of which it forms part for its design. It is on the side of the Louvre Museum, to which there is access simply by crossing the street, a few steps from the Palais Royal and the Comédie Française and also close to the opera house. Its integration into this artistic-cultural environment is simply perfect. In 1975 a modern business centre was started on the ground floor, Le Louvre des Antiquaires, the most important specialised centre in the world. Since 1978, the building has become the leading business centre in Paris. A quarter of the space of the building is used as commercial premises (basically antique dealers) and the rest is for offices.

Total floor space: 51,639 sq m



Washington Plaza

Building with a solid look and original façade, which has been maintained and converted, after a total and excellent renovation in 1993, into an outstanding office building, positioning it among the leaders in the Parisian market. It has a privileged situation to the side of the Champs Elysées, very close to the Arc de Triomphe, and has a very large area basically devoted to offices, with the amenities and services demanded by the current market for a building of these characteristics.

Total floor space: 57,855 sq m



PARIS

DETAILS OF THE MAIN ASSETS



Cézanne Saint Honoré

The principal characteristic of this real estate group, making it outstanding, is that it is formed by two totally independent buildings, located on both sides of a private street (Paul Cézanne) which crosses the group of which it forms part. It is a solid construction typical of the 1930s for which the absence of load-bearing walls has allowed, as well as complete restoration, the creation of ample and agreeable spaces for adaptation to any kind of work. For the excellence of the restoration work carried out the assembly received the SIMI 2004 Prize as the building of the year.

Total floor space: 31,052 sq m



Edouard VII



This splendid group, occupying a privileged spot near the Ópera Garnier, is a perfect example of the more representative Paris created by Haussmann, the inventor of the large boulevards and, to some degree, of the Paris that we know. In its rehabilitation only the façades were preserved and some elements of character, such as the staircases and lifts, with results that are frankly spectacular. The group is completed by its location in one of the most animated districts of Paris, where there are large department stores, shops, cinemas, restaurants, the opera house and the legendary Olympia of Paris, together with the greatest concentration of companies in the city.

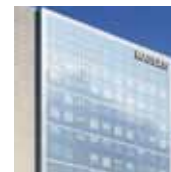
Total floor space: 63,097 sq m



Rives de Seine

This is a building very well conceived as is evidenced by its perfect integration into its setting, basically conditioned by the river and the choice of its name, which suits it so well and defines it. The building, on 16 floors, has a large vestibule which looks over the Seine and has special access through the wharfs of the river. The capacity of dividing its façade into two unequal parts gives it a grace which other similar buildings around it lack. After a thorough and rigorous renovation which was completed in 2001 the building has a completely up-to-date look, so that it is difficult to believe that it dates from 1974. With regard to its location, just behind it is the Gare de Lyon and on the other side of the river is the Gare d'Austerlitz. It is, therefore, very close to the Ministry of Economy and the spectacular French National Library.

Total floor space: 28,619 sq m



Avenue Wagram, 131

Building located between the Parque Monceau and the Place de l'Etoile, in a district where many financial institutions have chosen to make their headquarters. The building is on a corner with Rue Prony where its notable visibility and the strong identity of its façades in eroded stone, glass and metal, make this property an effective tool of modern communication and valuable to the user.

131 Wagram offers 7,800 sq m of offices and facilities and is ideal to house the corporate headquarters of a company. It was totally renovated in 1994 and has 9 floors of offices, with another 4 floors below ground.

Its location in the central business district of Paris places this building in a dynamic financial setting and very popular among large international businesses. It is also a very well situated building for public and private transport. The interior has been totally renovated and equipped with high quality facilities, and this makes the building an excellent opportunity for getting into a historic district of Paris, where there is a great commercial and service offer.

Total floor space: 11,200 sq m



3

VALUATION OF ASSETS

As asset portfolio with stable values



VALUATION OF THE PROPERTY BUSINESS

- At the end of 2011, the rental business of the Colonial Group was valued at €5,102m by Jones Lang LaSalle, CB Richard Ellis and BNP Paribas Real Estate. The valuation figures are updated half-yearly, following the best market practices.

These valuations are always made in accordance with the Royal Institution of Chartered Surveyors (RICS) Professional Standards published in the "Red Book" – Valuations Manual. The market valuations defined by the RICS are internationally recognised by investment advisers and accountants and by real estate corporations, including The European Group of Valuers Associations (TEGoVA) and The International Valuation Standards Council (IVSC). The fees paid to valuers are based on an amount fixed between the Group and the valuers and are independent of the value of the portfolio. A summary of the valuation reports is attached to this chapter.

A total of €4,831m corresponds to the asset portfolio directly owned by the Colonial Group and €271m is the value which corresponds to the 29.999% stake of SFL in SIIC de Paris (NAV attributable at 31/12/2011), a property company listed in the Paris market with a portfolio of offices worth more than €1,400m.

- The valuation of the rented assets at the end of 2011 rose to €5,102m, a figure similar to the June 2011 valuation (+1.4% like-for-like) and a figure 2.1% higher than the December 2010 valuation (+3.0% like-for-like).

The portfolio in Paris experienced an annual growth of 4.7% and a growth of 1.8% in the last six months of the year (+6.0% like-for-like at 12 months and +3.0% like-for-like at 6 months).

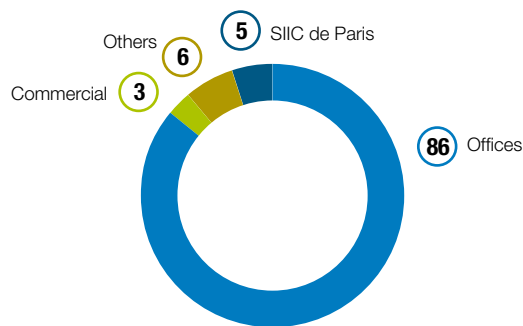
In Spain, there was a decrease in value of 3.0% in the last 12 months and 3.5% in the last 6 months of the year (-3.0% like-for-like at 12 months and -2.1% like-for-like at 6 months).

#37 | €M | PROPERTY BUSINESS - ASSET VALUATION

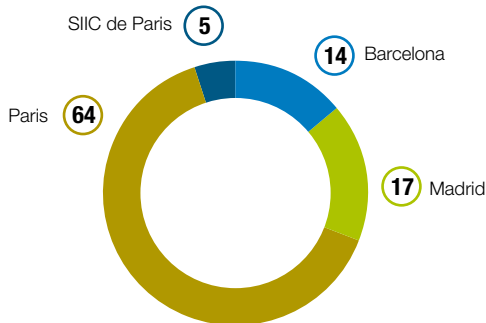
	31- Dec-11	30- Jun-11	31- Dec-10	Dec11 vs Jun11		Dec11 vs Dec10		Yield Valuation		
				Total	Like- for-like	Total	Like- for-like	31- Dec-11	30- Jun-11	31- Dec-10
Barcelona	585	596	606	(1.9%)	(1.9%)	(3.5%)	(3.5%)	6.1%	6.1%	6.1%
Madrid	656	738	729	(11.1%)	(3.6%)	(10.0%)	(5.6%)	6.1%	6.1%	6.2%
Paris	2,632	2,643	2,593	(0.4%)	1.9%	1.5%	3.9%	5.3%	5.5%	5.4%
Income Portfolio	3,873	3,977	3,928	(2.6%)	0.4%	(1.4%)	1.0%	5.6%	5.7%	5.7%
Barcelona	112	113	112	(1.2%)		(0.0%)				
Madrid	227	190	181	19.4%		25.2%				
Paris	604	542	505	11.4%		19.6%				
Projects + New Buildings	942	845	797	11.5%		18.1%		-	-	-
Others	16	16	17	(0.2%)		(9.3%)				
Property Business	4,831	4,838	4,743	(0.1%)	1.2%	1.9%	2.8%	5.6%	5.8%	5.7%
SIIC de Paris	271	261	252	3.9%	3.9%	7.6%	7.6%			
Total Property Business with SIIC de Paris	5,102	5,099	4,995	0.1%	1.4%	2.1%	3.0%			
Spain	1,595	1,653	1,645	(3.5%)	(2.1%)	(3.0%)	(3.0%)			
France	3,507	3,446	3,350	1.8%	3.0%	4.7%	6.0%			

- The classification of valuation by use, market and product type are shown below:

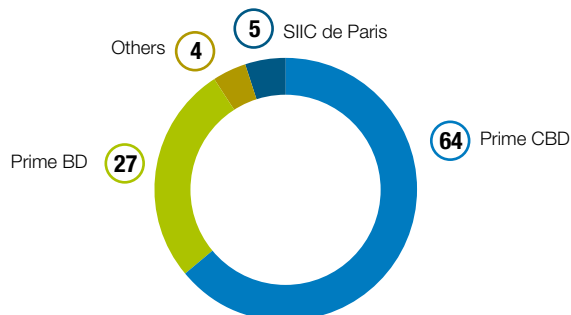
#38 | % | VALUATION BY USE



#39 | % | VALUATION BY MARKET



#40 | % | VALUATION BY AREA



- In terms of value per sq m, the figures from the portfolio currently in operation are as follows:

#41 | (€/SQ M) | VALUE

	31-Dec-11	30-Jun-11	31-Dec-10
Offices Barcelona	3,762	3,839	3,898
Offices Madrid	4,525	4,688	4,835
Offices Paris ⁽¹⁾	8,415	8,255	8,097
Income portfolio	6,400	6,372	6,336
Total portfolio	6,016	6,025	5,904

(1) In Paris, considering all uses
Note: Projects and new leases not included



TRAVESSERA DE GRÀCIA 11, BARCELONA

VALUATION OF THE PROPERTY BUSINESS



PARC CENTRAL, BARCELONA



Real value in a changing world

Certificate of Value

Inmobiliaria Colonial Real Estate Portfolio

31st December 2011

VALUATION OF THE PROPERTY BUSINESS

Colonial

31 December 2011

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

Madrid, 19th January 2012

Dear Sirs:

VALUATION OF INMOBILIARIA COLONIAL S.A. REAL ESTATE PORTFOLIO

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 2011.

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 2011, is of **4.830.816.785 Euros** (Four Thousand Eight Hundred and Thirty Million Eight Hundred and Sixteen Thousand Seven Hundred and Eighty Five Euros) and the share value of Inmobiliaria Colonial, as at 31st of December 2011, is of **4.681.888.475 Euros** (Four Thousand Six Hundred and Eighty One Million Eight Hundred and Eighty Eight Thousand Four Hundred and Seventy Five Euros).

	Market Value	Share Value
Investment Business	1.595.334.300 €	1.595.334.300 €
SFL	3.235.482.485 €	3.086.554.175 €
Total (excluding Asentia Projects, S.L.)	4.830.816.785 €	4.681.888.475 €

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 transaction 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.

VALUATION OF THE PROPERTY BUSINESS

Colonial

31 December 2011

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.

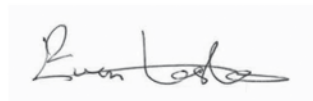
All of our valuations reflect the price that we would expect to appear in the (notional) sales contract and is therefore the net value ignoring any cost of disposal. In accordance with normal practise, we deduct from the gross valuation figure an allowance for usual purchaser's costs and VAT holding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

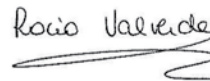
Market Yields adopted for each valuation take into account the current state of the building, market rental expectations and general improvements.

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

Sincerely,



Evan Lester, MRICS
Head of Valuations
Valuation Advisory
Jones Lang LaSalle España, S.A.



Rocío Valverde, MRICS
Associate Director
Valuation Advisory
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 out 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 clear 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.

VALUATION OF THE PROPERTY BUSINESS

Colonial

31 December 2011

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.

VALUATION OF THE PROPERTY BUSINESS

Colonial

31 December 2011

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.



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Real value in a changing world

Evan Lester, MRICS
Head of Valuations
Valuation Advisory
Pº de la Castellana 51, Madrid
evan.lester@eu.jll.com

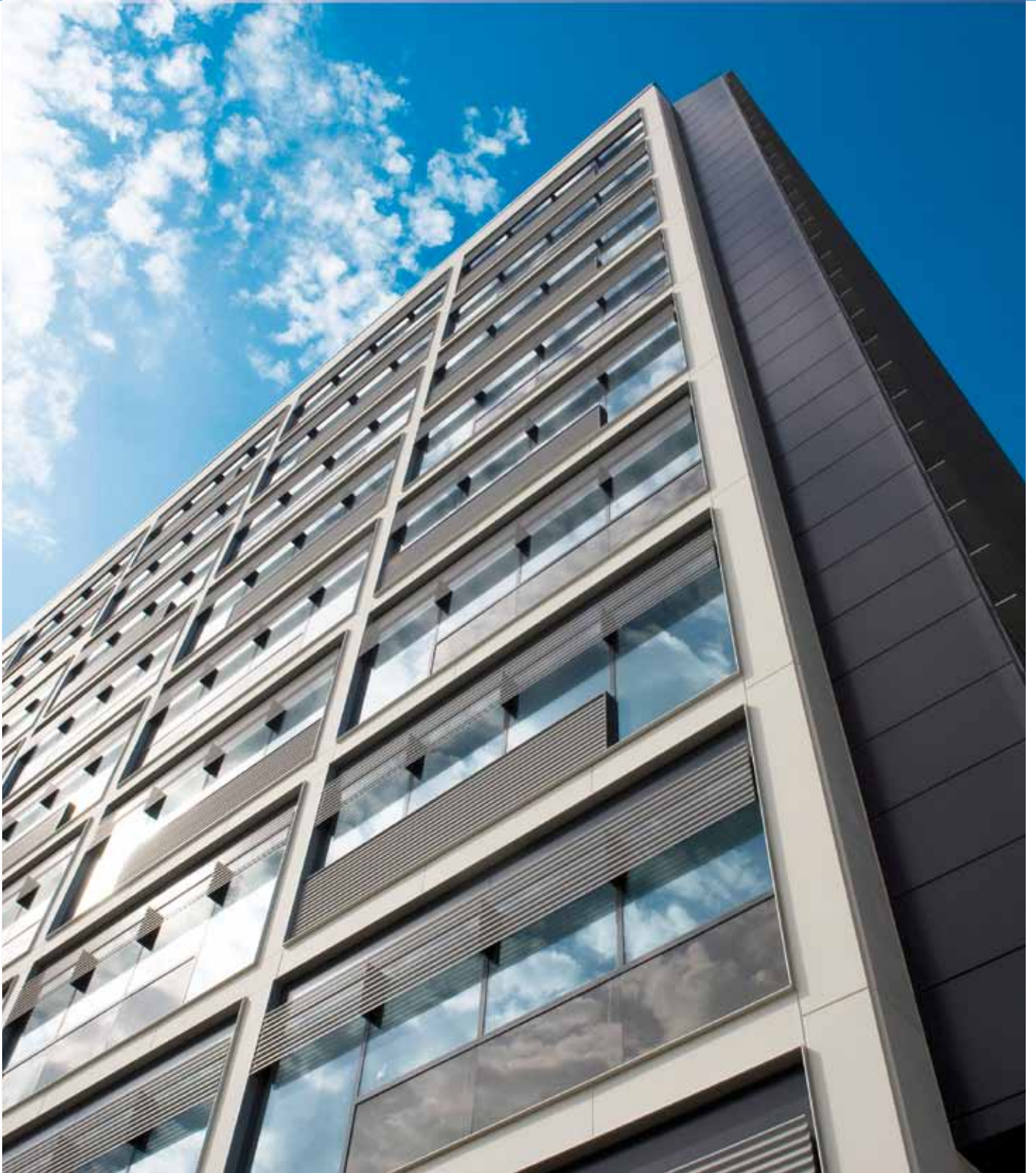
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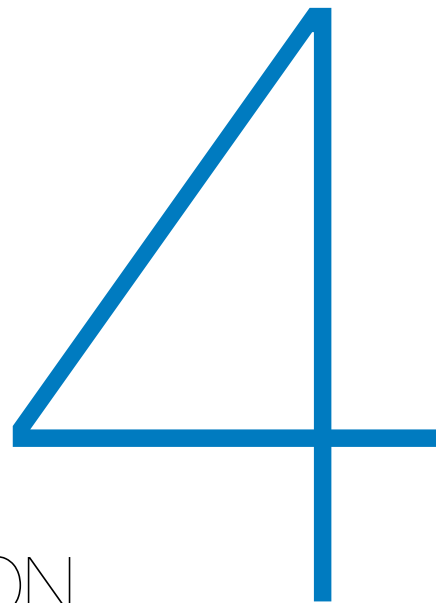
VALUATION OF THE PROPERTY BUSINESS



ILLACUNA, BARCELONA

FINANCIAL AND ECONOMIC SITUATION

Stable operational results





CONSOLIDATED RESULTS

#42 | €M | CONSOLIDATED RESULTS DECEMBER CUMULATIVE

	2011	2010	Var.	Var. % ⁽¹⁾
Rental revenues	229	261	(31)	(12%)
Costs invoiced	40	43	(3)	(7%)
Invoiceable costs	(47)	(46)	(1)	(2%)
Other operating costs	(12)	(17)	5	31%
EBITDA rents	210	240	(30)	(13%)
Other income	3	5	(2)	(38%)
Overheads	(33)	(41)	8	20%
EBITDA recurring business	180	205	(24)	(12%)
Like-for-like EBITDA	144	129	14.1	11%
Equity method SIIC de Paris	19	13	5	40%
Disposal proceeds	76	412	(336)	(82%)
Cost of sales	(67)	(462)	395	85%
EBITDA - asset sales	9	(50)	59	117%
Operating profit before revaluation, amortizations and provisions and interest	208	168	40	24%
Valuation movements	93	19	74	-
Amortizations & Provisions	(117)	(279)	162	-
Financial results	(138)	(168)	30	18%
Profit before tax	46	(261)	306	-
Income tax	65	(17)	81	-
Gain/ loss on discontinued operations ⁽²⁾	(1)	(378)	378	100%
Minority Interest	(95)	(84)	(11)	(14%)
Profit attributable to the Group	15	(739)	754	-

(1) Sign according to the profit impact

(2) The impact of discontinued operations in the consolidated accounts is 0. In this line consolidation adjustments of -€0.5m have been included

#43 ANALYSIS OF RESULT FOR 2011

	€m	BPA - € ⁽³⁾
Recurring EBITDA	180	
SIC Paris by equity method	19	
Recurring financial result (excl. equity method)	(128)	
Recurring result	71	0.31
EBITDA - Sales of assets	9	
Variation in value of assets & depreciation and provisions	(24)	
Variations in value of financial instruments	(10)	
Discontinued activities ⁽²⁾	(1)	
Non-recurring result	(26)	(0.11)
Tax and minorities	(30)	(0.13)
Result attributable to the Group	15	0.07

(2) The impact of discontinued business on the consolidated accounts is zero. In addition, in this line adjustments for consolidation have been recognised for €0.5m

(3) No. shares - full dilution and after reverse stocksplit: 225,991,141



RECOLETOS 37, MADRID

RECURRING OPERATING RESULTS

- In 2011, the Group reached a cumulative EBITDA of €180m. Adjusting for disposals, changes in the project portfolio, as well as exceptional items, the like-for-like EBITDA was €144m, 11% higher than the previous year.
- The operating result of the property portfolio (EBITDA rents) increased by 4% in like-for-like terms. The increase in EBITDA from rents was mainly due to the variation in rental revenues, which is analysed in detail in the 'Business performance' section of the report.
- On the other hand, the Colonial Group also significantly reduced overhead costs.
- The stake of 29.999% in SIIC de Paris contributed an attributable profit of €19m.

#44 | €M | OPERATING RESULTS DECEMBER CUMULATIVE

	2011	2010	Var. %
EBITDA rents like-for-like	174	168	4%
EBITDA - Overheads	(33)	(41)	20%
EBITDA - Other like-for-like income	2	3	(17%)
EBITDA - recurring like-for-like	144	129	11%
Non-comparable EBITDA	37	75	(51%)
EBITDA - recurring	180	205	(12%)

NON-RECURRING OPERATING RESULTS

- During 2011, a positive result of €93m was obtained due to the increase of the asset values of the rental portfolio.

Additionally, the Colonial Group carried out asset disposals for a total amount of €76m, which resulted in a capital gain of €9m (EBITDA from asset sales).
- In the line of amortizations and provisions, an expense of €117m was registered, which mainly corresponds to the provision of the goodwill impairment for the amount of €69m.

CONSOLIDATED BALANCE SHEET

#45 | €M | CONSOLIDATED BALANCE SHEET

ASSETS	2011	2010
Consolidated goodwill	178	247
Investment property - In operation	4,297	3,946
Investment property - Work in progress, advances and provisions	321	559
Investments Property	4,618	4,505
Equity method	266	252
Other non-current assets	854	781
Non-current assets	5,916	5,785
Debtors and other receivables	59	48
Other current assets	97	106
Assets available for sale	1,865	1,924
Current assets	2,021	2,078
TOTAL ASSETS	7,937	7,863
LIABILITIES		
<i>Share capital</i>	226	2,711
<i>Other reserves</i>	1,110	(614)
<i>Profit (loss) for the period</i>	15	(739)
<i>Other instruments for equity</i>	2	2
<i>Treasury shares</i>	(60)	(59)
Equity	1,293	1,300
Minority interests	1,038	993
Net equity	2,331	2,293
Debts with credit entities and other non-current financial liabilities	497	0
Non-current financial debt	2,439	3,308
Deferred tax	172	180
Other non-current liabilities	188	135
Non-current liabilities	3,296	3,623
Debts with credit entities and other current financial liabilities	13	0
Current financial debt	457	50
Creditors and other payables	72	70
Other current liabilities	61	114
Liabilities associated to assets available for sale	1,706	1,712
Current liabilities	2,310	1,947
TOTAL LIABILITIES	7,937	7,863

FINANCIAL RESULTS

- The financial expense at December 31st, 2011, amounted to -€144.5m, compared to the same period in 2010 when it totalled -€167.7m. This decrease is mainly due to a lower financial cost resulting from the changes in the hedging instruments from Swaps to CAPs, which allowed the Group to benefit from lower interest rates.
- The average interest rate during 2011 was 3.68% (3.76% including the impact of accrued commissions), with an average financing spread of 1.58%. The average interest rate during the same period in 2010 was 4.30% (4.34% including accrued commissions), with an average financing spread of 1.58%.
- The financial income at December 31st, 2011, rose to €7.1m, mainly corresponding to the income from derivative hedges (€2.9m) and to the dividend for the stake in FCC (€1.7m).
- The capitalization of financial expenses amounts to €9.3m and corresponds to the financing of the property projects in process, with a duration of over a year.
- The impact on the profit and loss account due to the variance in the mark-to-market value (MTM) of the interest rate hedges was -€9.5m (-€4.7m in France and -€4.8m in Spain).

#46 | €M | FINANCIAL RESULTS DECEMBER CUMULATIVE

	2011	2010	Var. %
Recurring Financial Income	7	5	33%
Recurring Financial Expenses	(145)	(168)	14%
Capitalised interest expenses	9	15	(40%)
Cost of debt %	3.68%	4.30%	-
Recurring Financial Result (without equity method)	(128)	(147)	13%
Non-recurring financial expenses	-	(11)	-
Movement in fair value of financial instruments	(10)	(10)	3%
Financial Result (without equity method)	(138)	(168)	18%

FINANCIAL STRUCTURE

MAIN DEBT FIGURES

Net group debt of the property business stood at €3,359 m at December 31st, 2011 (€3,315m at 31/12/2010). Both figures exclude the debt of Asentia, the subgroup, which is classified as a Discontinued Operation.

The breakdown of debt at the close of the year is the following:

#47 | €M | STRUCTURE OF THE FINANCIAL DEBT

	2011			2010			Variation 2011 vs 2010		
	COL	SFL	Total	COL	SFL	Total	COL	SFL	Total
Syndicated loan	1,738	240	1,978	1,738	645	2,383	0	(405)	(405)
Mortgage debt/leases	382	180	561	388	255	643	(6)	(76)	(81)
Subordinated debt	39	0	39	37	0	37	2	0	2
Non-mortgage debt and others	12	335	347	15	315	330	(3)	20	17
Total Gross Debt	2,170	755	2,925	2,177	1,215	3,392	(7)	(460)	(467)
Bones	0	500	500	0	0	0	0	500	500
Total Gross Debt	2,170	1,255	3,425	2,177	1,215	3,392	(7)	40	33
Cash	(54)	(11)	(66)	(64)	(14)	(77)	9	2	12
Consolidated Net Debt	2,116	1,243	3,359	2,113	1,202	3,315	2	42	44
Average life calculated according to balances drawn down	3.3	2.6	3.0	4.2	2.7	3.7	(0.9)	(0.1)	(0.7)
Average life calculated according to balances available	3.3	3.7	3.5	4.2	2.7	3.7	(0.9)	1.0	(0.2)

FINANCIAL STRUCTURE

MAIN DEBT FIGURES

The Loan to Value (LTV) ratio that reflects the debt level over the market value of the assets amounted to 67.5% at December 31st, 2011, in line with the year before.

The gross debt was €3,425€m at December 31st, 2011, and mainly breaks down as the following:

1. A syndicate debt in Colonial holding of €1,738m was refinanced on February 19th, 2010, and subscribed for by a group of financial institutions led by Calyon Sucursal en España, Eurohypo Sucursal en España, Coral Partners and The Royal Bank of Scotland. The collateral securing Colonial's syndicated loan includes the shares held in the French subsidiary SFL, in Marenostrom Tower, S.L., and in FCC. as well as a mortgage on certain rental buildings in Spain worth €1,432m. The debt matures on December 31st, 2014, and the applicable spread is 175 bp.

The syndicated loan considers incentives for the company to reach an LTV of 50%. Therefore, it foresees partial amortizations of the loan as of 2011. If this does not take place, it will generate additional capitalized interests of 300 bp (accumulation of capital), not producing any cash outflow.

2. SFL currently has three syndicated loan arrangements, drawn down for a total amount of €240m.

a. A syndicated loan for the nominal amount of €200m was signed on January 28th, 2005, maturing in January 2012, and was drawn down for its entirety in December 2011. The applicable margin is 40 bp. At the current date, this loan is totally amortized.

b. A syndicated loan for the nominal amount of €300m was signed, with the bank agent "BNP PARIBAS", on October 8th, 2009, maturing in December 2014, and not drawn down at the closing date. The applicable margin is 270 bp.

c. At December 17th, 2010, a new syndicated loan was signed for the nominal amount of €350m, with the bank agent "Natixis Banques Populaires", maturing in December 2015, and drawn down for €40m. The applicable margin is 215 bp.

3. SFL carried out a bond issue for €500m on May 17th, 2011, with an annual fixed coupon of 4.625%, and maturing on May 25th, 2016.

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

4. Bilateral loans with mortgage security:

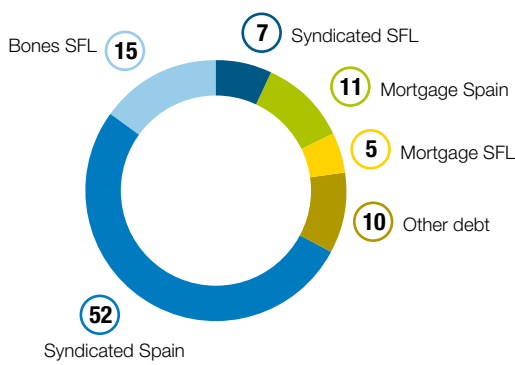
a. Colonial has a total of €382m in bilateral loans with various credit entities, with mortgage securities on property assets. The average lifespan of these loans is 4.35 years and the average financing spread is 153 bp.

b. SFL has a total of €180 in bilateral loans with various credit entities, with mortgage securities on property assets. The average lifespan of these loans is 1.81 years and the average financing spread is 176 bp.

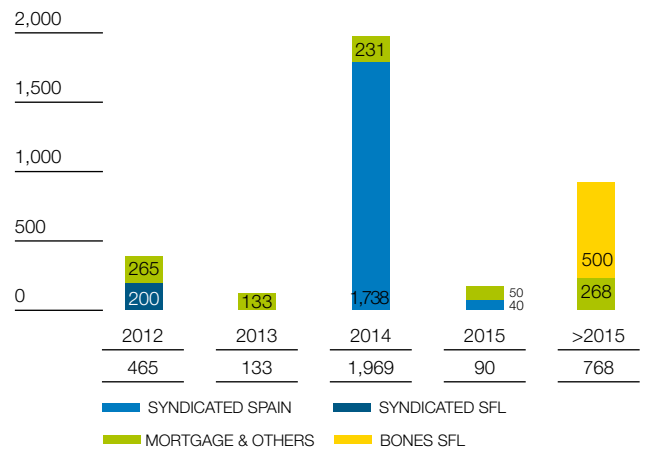
- The liquidity available at December 31st amounted to €739m (current accounts and deposits for €66m and debt not drawn down for €673m), of which €112m correspond to Colonial, €621m to SFL, and €6m to the rest the companies of the Group.

The debt breakdown by type, company and maturity is the following:

#48 | % | ARRANGED DEBT STRUCTURE



#49 | €M | ARRANGED DEBT MATURITY



	2012	2013	2014	2015	>2015
Colonial	30	36	1,816	47	240
SFL	435	97	153	43	527
Total	465	133	1,969	90	768



CÉZANNE SAINT HONORÉ, PARIS

FINANCIAL STRUCTURE

HEDGES

- The objective of the Group's hedging policy on interest rate risk is to reduce the volatility in financial costs resulting from fluctuations in the Euribor market by at least 50%. The current portfolio of derivatives and fixed-rate bonds issued by SFL has allowed to reduce the volatility of financial costs in 2011 by 71% in scenarios of interest rate increases of up to 400 basis points.
- In order to maintain the hedging ratio above 80% between 2011 and 2014, and taking advantage of low interest rates, in 2011 the Group contracted hedging instruments from floating to fixed (CAPs and Swaps) for an amount of €1,200m, of which €300m were taken on by Colonial and €900m by SFL. During the same period, instruments matured at the nominal amount of €827m.
- At December 31st, 2011, the total volume of hedging instruments and debt at fixed rate amounted to €3,524m,

of which €300m will be effective as of 2012, and €400m as of July 2012.

- 62% of the hedges taken on during the year (44% of the total) are fixed rate Swaps, while 38% have a CAP structure, which limits the maximum interest rate to be paid, but at the same time, takes advantage of the decrease in interest rate curves.

Additionally, the SFL bonds for €500m are at a fixed rate, although a derivative was taken on at a floating rate for €100m.

Therefore, the hedging ratio effective at December 2011 (hedges/debt at variable rate) was at 96.6%. The total percentage of non-risk debt (debt at fixed rate or hedged over total debt) is 94.2%

- The current structure of the derivatives portfolio is the following:

#50 | €M | FINANCIAL INSTRUMENT

	Description	SFL	Colonial	Total	%	MTM
SWAP	Fixed rate	414	432	845	24%	(34)
SWAP FORWARD STARTING	Fixed rate	700	0	700	20%	(19)
COLLAR	Variable rate between a maximum and a minimum	400	25	425	12%	(24)
CAP	Variable rate with a maximum	200	1,354	1,554	44%	3
Total Hedging portfolio variable - Fixed		1,714	1,811	3,524	100%	(74)
SWAP	Fixed rate	100	0	100	100%	6
Maturity (years)		1,814	1,811	3,624		(68)
Total Hedging portfolio		2.7	2.7	2.7		

- 68% of the hedges taken on meet the requirements established under the IFRS 39. In terms of Mark to Market (MTM), 98.6% of these instruments are efficient. Therefore, the changes in valuation between periods are shown in equity.
- The change in valuations of the hedging instruments (MTM, not including accrued interest) amounted to -€17.42m, -€9.54m of which were registered in the income statement and the rest in equity.
- According to the current outlook for interest rates, the current hedging portfolio implies the following interest rate levels (Euribor) for hedged debt:



RAMÍREZ ARELLANO, MADRID

#51 INTEREST RATE SIMULATION BASED ON CURRENT HEDGING PORTFOLIO

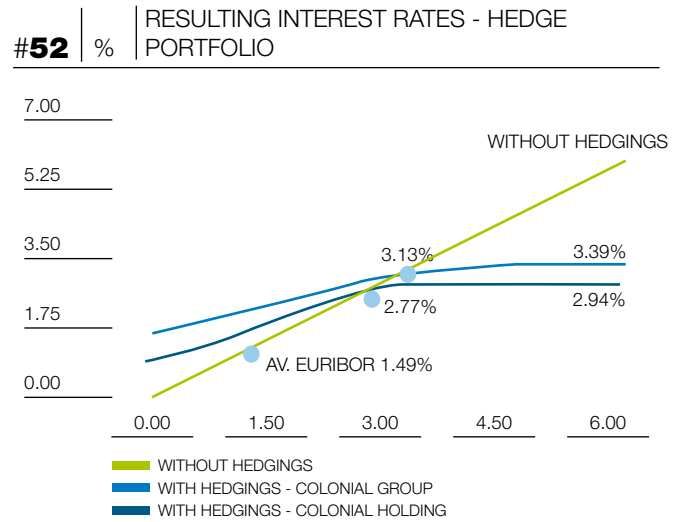
	2011	2012	2013	2014
Nominal coverage Dec - €m	3,082	3,549	3,471	2,536
% Annual coverage	91.17%	98.68%	92.07%	65.15%
Euribor Maximum Colonial	2.94%	2.92%	2.90%	2.64%
Euribor Maximum Group Colonial ⁽¹⁾	3.39%	3.18%	3.17%	2.60%
Euribor average rate Colonial	1.94%	1.95%	1.79%	1.52%
Euribor average rate Group Colonial ⁽²⁾	2.33%	2.32%	2.27%	2.00%

(1) Maximum Euribor resulting from hedge portfolio

(2) Euribor average resulting from hedge portfolio

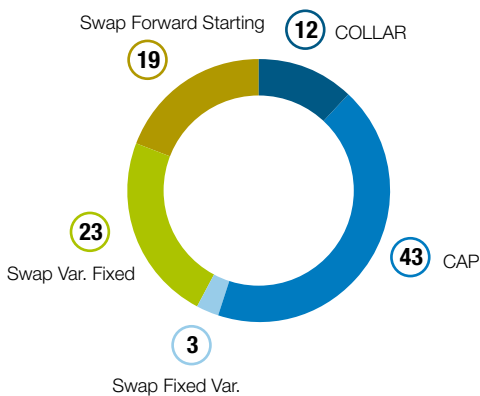
FINANCIAL STRUCTURE HEDGES

- The chart below shows the sensitivity of the hedging portfolio to changes in the Euribor in 2011. The break-even levels are 2.77% for the Colonial Holding and 3.13% for the Colonial Group. This break even is the point as of which the financial cost of the hedged debt is less than the financial cost of the same debt at floating rates.

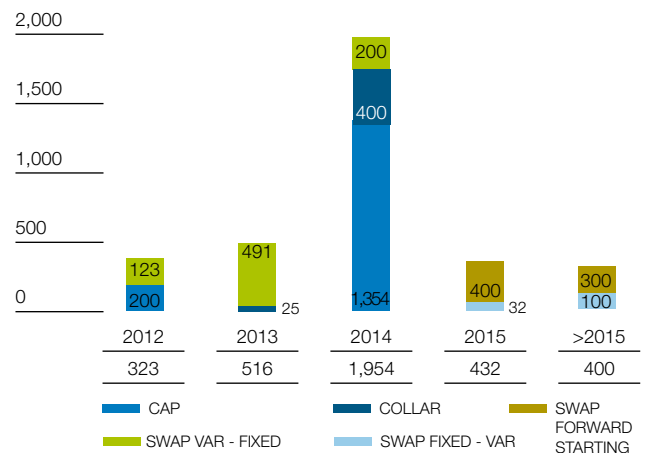


The current structure of the derivatives portfolio and its breakdown per product and company is the following:

#53 | % | STRUCTURE COVERAGE



#54 | €M | MATURITY COVERAGE

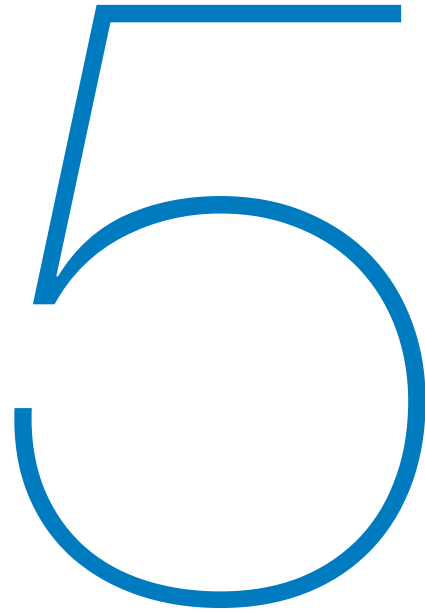


	2012	2013	2014	2015	>2015
Colonial	0	425	1,354	32	0
SFL	323	91	600	400	400
Total	323	516	1,954	432	400



RIVES DE SEINE, PARIS

INFORMATION ON
SHARES





NET ASSET VALUE (NAV)

The Net Asset Value (NAV) at December 31st, 2011, amounted to €6.26/share, which represents an increase of 3.6% compared to the previous year. This positive variance is mainly due to the increase in asset values.

#55 | €M | NET ASSET VALUE (NAV) - EXCLUDING TRANSFER COSTS

	31-Dec-11	31-Dec-10 ¹	Var.	%
Shareholders' equity	1,293	1,300	(7)	(0.5%)
+ Unrealised Gross Capital Gains	20	12	na	na
- Add back deferred taxes on balance sheet & MTM	101	102	na	na
- Adjustment (comparable basis)	na	(50)	na	na
NAV	1,414	1,365	49	3.6%
+/- Deferred and latent taxes	683	657	na	na
- Adjustment (comparable basis)	na	(10)	na	na
NNAV	2,098	2,012	86	4.3%
- MTM	(41)	(33)	na	na
- Adjustment (comparable basis)	na	5	na	na
NNNAV	2,056	1,984	73	3.7%

#56 | NAV PER SHARE

	31-Dec-11	31-Dec-10 ²	Var.	%
NAV excluding transfer costs ⁽²⁾				
NAV - €/share	6.26	6.04	0.22	3.6%
NNAV - €/share	9.28	8.90	0.38	4.3%
NNNAV - €/share	9.10	8.78	0.32	3.7%
NAV excluding transfer costs ⁽²⁾				
NAV - €/share	6.94	6.67	0.27	4.0%
NNAV - €/share	10.15	9.47	0.68	7.2%
NNNAV - €/share	9.97	9.35	0.62	6.6%
N° of shares (m) ⁽³⁾	226	226	-	-

(1) In June 2012 certain adjustments were made due to the final settlement of items related with the reclassification of discontinued operations in order to have 2010 NAV comparable with 2011 figures.

(2) The NAV including transfer costs considers the asset appraisal values before deducting transaction costs (including transfer costs).

(3) No. of shares - fully diluted and adjusted reverse split (pre-execution warrants). No. of shares (execution of warrants): 251 m.

Following the example of other listed property companies in Europe, the Company has also calculated the Net Asset Value including transfer costs. This considers the value of the assets before deducting the transaction costs, for example, the transfer tax.

The NAV including transfer costs, before deduction of the transaction costs, was €6.94/share at December 31st, 2011.

NAV: the Net Asset Value of the Colonial Group at December 31st, 2011, stood at €1,414m, equivalent to €6.26/share. The NAV is calculated based on the following figures:

- Consolidated equity: €1,293m.
- Unrealised capital gains: the unrealised gains (i.e. not accounted for on the balance sheet) considered in the calculation of NAV totalled €20m.
- Adjustments: For the calculation of NAV, the amount of deferred taxes related to unrealised gains or losses accounted for in the balance sheet has been adjusted in line

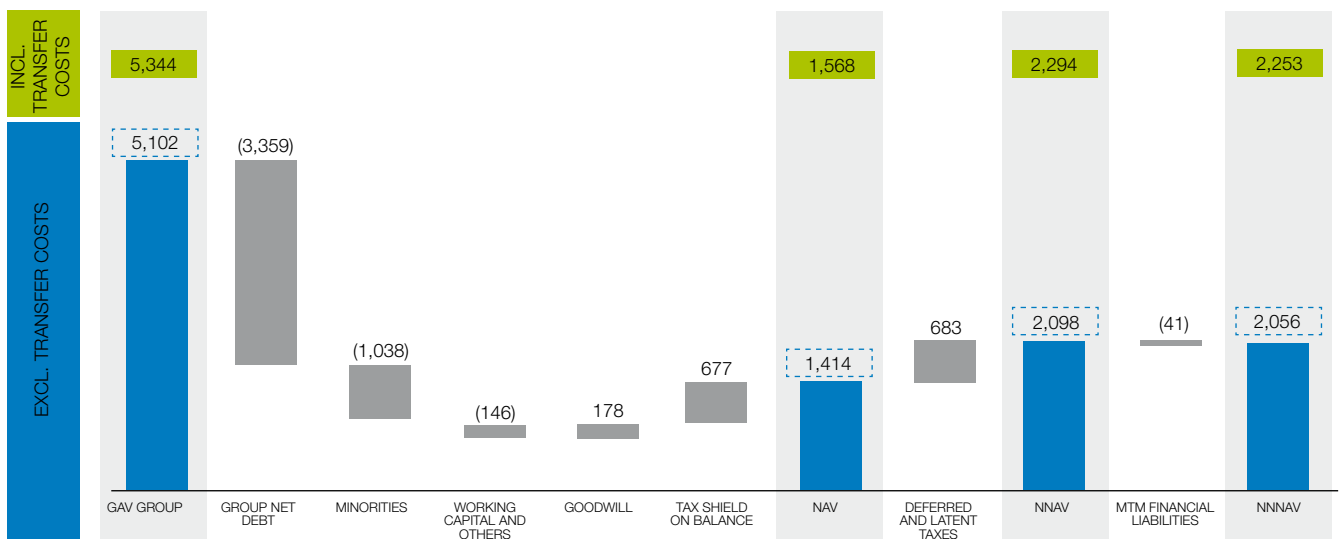
with international financial reporting standards (IFRS), this amount is related to the revaluation of the property assets, and the debt and financial instruments, as well as to the gross MTM (mark-to-market) of the hedging instruments (€101m).

NNAV: the NNAV at the end of 2011 stood at €2,098m (€9.28/share). The NNAV is calculated by adjusting the NAV with €683m corresponding to deferred taxes for the sale of assets at market value and to the latent tax credit, considering, in both cases, a going concern assumption that allows the application of tax benefits for reinvestments.

NNNAV: the triple net NAV or NNNAV, which reflects the fair market value of Colonial Group's debt and the net financial instruments after taxes, amounted to €9.10/share.

The breakdown of the NAV from the perspective of the main balance sheet items is shown below:

#57 | €M | NAV COLONIAL - BUILDING BLOCKS



The position of working capital and other assets corresponds to €37m of the stake in FCC, and the treasury stock of SFL and Colonial. The rest corresponds to specific commercial assets and liabilities.

The goodwill and the tax shield on balance correspond to the figures resulting from the updated impairment test.

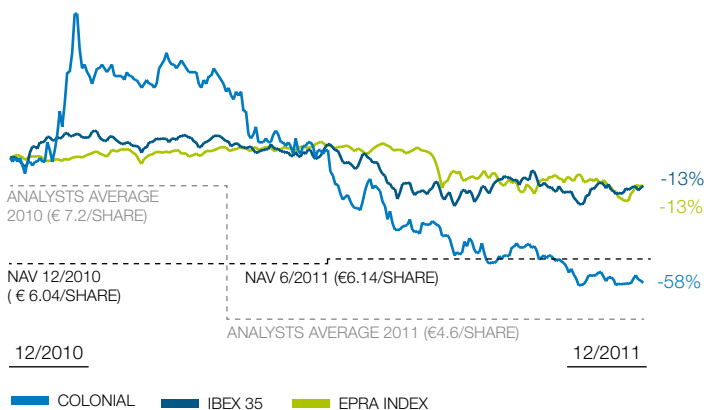
STOCK MARKET PERFORMANCE

The share price performance has been affected by the difficult situation in the capital markets, particularly due to the European sovereign debt crisis and the possible risks of a recession in Europe, and particularly in Spain. Consequently, Colonial's share price has decreased, and stood at €2.3/share at the close of 2011.

#58 | SHARE PRICE PERFORMANCE

Colonial shares	Dec-11	Dec-10
Closing market capitalisation (€m)	517	1,243
Closing price (€/share)	2.3	5.5
Average daily volume (million securities)	0.42	0.11
Average daily turnover (€m)	2.0	1.2
Number of shares - fully diluted post reverse split	225.9	-

#59 | €/SHARE | SHARE PRICE PERFORMANCE



Since mid 2010, Colonial has been a member of the European Public Real Estate Association Index (EPRA) are benchmark property market indices for international listed companies.

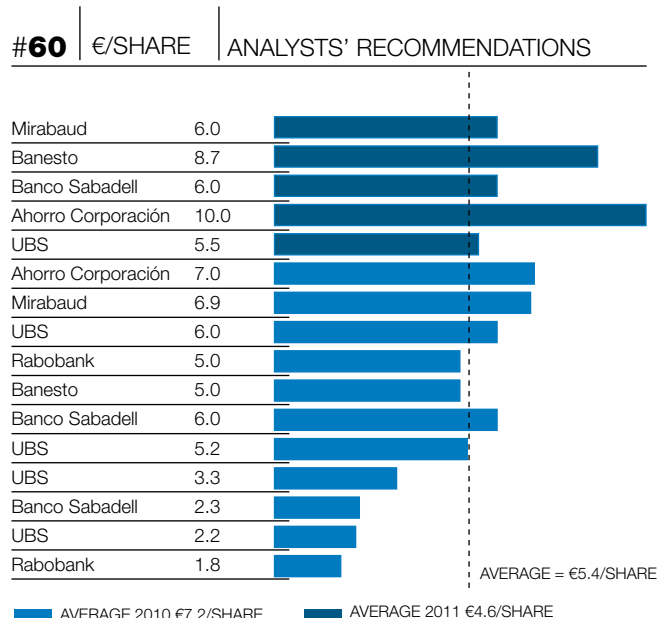


In addition, as of 2012, Colonial will become part of the Investment Property Databank (IPD) index, a real estate profitability index with global reference. This index measures the average performance of the property portfolio compared to the main peers in the listed market.

Several Spanish and international financial analysts cover the company, and therefore carry out a regular monitoring and analysis of the share price performance.

Their target prices and recommendations are as follows:

Institution	Analyst	Date	Recommendation	Target Price
Mirabaud	Juan Moreno	23/08/10	Sell	6.0
Banesto	Marta Gómez	14/09/10	Sell	8.7
Banco Sabadell	Ignacio Romero	01/10/10	Sell	6.0
Ahorro Corporación	Javier Hombría	23/11/10	Sell	10.0
UBS	Ignacio Carvajal	29/11/10	Neutral	5.5
Ahorro Corporación	Javier Hombría	04/03/11	Sell	7.0
Mirabaud	Juan Moreno	15/03/11	Sell	6.9
UBS	Ignacio Carvajal	16/03/11	Sell	6.0
Rabobank	Martijn van den Eijnden	15/06/11	Reduce	5.0
Banesto	Marta Gómez	20/06/11	Sell	5.0
Banco Sabadell	Ignacio Romero	22/06/11	Sell	6.0
UBS	Ignacio Carvajal	11/07/11	Neutral	5.2
UBS	Ignacio Carvajal	23/09/11	Neutral	3.3
Banco Sabadell	Ignacio Romero	13/01/12	Sell	2.3
UBS	Ignacio Carvajal	16/01/12	Sell	2.2
Rabobank	Martijn van den Eijnden	24/01/12	Sell	1.8



SHARE CAPITAL AND COMPANY SHAREHOLDER STRUCTURE

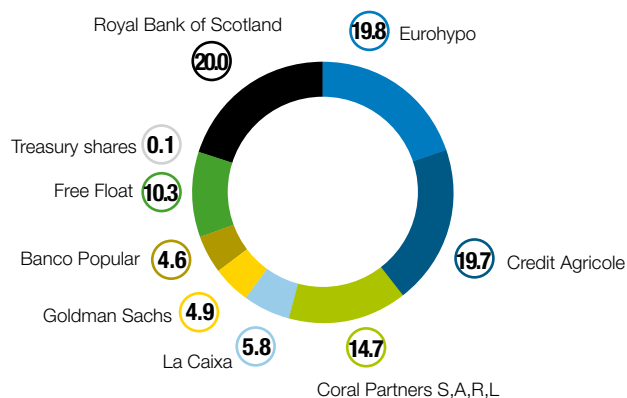
Having carried out the capital increases, and after the bond conversions which took place during 2011, the share capital of Colonial stands at €226m, divided into 226m shares of 1 euro nominal value.

#61 | COLONIAL - SHARE CAPITAL PERFORMANCE

Date	Operation	No. Shares Issued	Final No. shares	Nominal per Share (€)	New Share Capital (thousand €)
Dec-06			1,355,098,349	0.12	162,611,802
Apr-07	Increase of capital Merger Inmocaral - Colonial	52,468,840	1,407,567,189	0.12	168,908,063
Aug-07	Increase of capital Acquisition Riofisa	228,885,124	1,636,452,313	0.12	196,374,278
June-08	Increase of capital Issuer	109,096,820	1,745,549,133	0.12	209,465,896
oct-09	Increase of capital Bond Conversion	10,645,318	1,756,194,451	0.12	210,743,334
Jan-10	Increase of capital Bond Conversion	885,544	1,757,079,995	0.12	210,849,599
mar-10	Increase of capital Bond Conversion	5,655,124,837	7,412,204,832	0.12	889,464,580
June-10	Increase of capital	141,728,910	7,553,933,742	0.12	906,472,049
jun-10	Increase of capital No cash	15,036,501,707	22,590,435,449	0.12	2,710,852,254
Aug-10	Increase of capital Bond Conversion	779,213	22,591,214,662	0.12	2,710,945,759
oct-10	Increase of capital Bond Conversion	169,963	22,591,384,625	0.12	2,710,966,155
Jan-11	Increase of capital Bond Conversion	19,879	22,591,404,504	0.12	2,710,968,540
Apr-11	Increase of capital Bond Conversion	3,206	22,591,407,710	0.12	2,710,968,925
July-11	Reverse Stocksplit		225,914,077	5.57	1,258,341,409
July-11	Increase of capital Bond Conversion	1,044	225,915,121	5.57	1,258,347,224
sep-11	Change of Nominal Value		225,915,121	1.00	225,915,121
oct-11	Increase of capital Bond Conversion	2,888	225,918,009	1.00	225,918,009

The shareholding structure of Colonial, after all the increases and according to the public information available, is the following:

#62 | % CURRENT SHAREHOLDER STRUCTURE 31/12/2011 (CNMV)



INFORMATION TO THE SHAREHOLDER

It is Colonial's objective to provide continuous information to shareholders and other market agents potentially interested in the Company. This contributes to a better perception of the value and, consequently, a better formation of the share price.

In order to create a direct channel of information through which to respond to minority investors, who normally have more difficulty in accessing financial news, Inmobiliaria Colonial has an information line for shareholders (93 404 79 10), an email address (accionistas@inmocolonial.com) and a postal address (Shareholder Attention Office, Avda.Diagonal 532, 5ª pl., 08006 Barcelona).

Shareholders can also obtain information about the company from the company's web page (www.inmocolonial.com), where the most significant data on Colonial will be continuously updated, including information on the company's corporate government, quarterly and annual reports, press releases, a description of the company's property, the presentations which are regularly made to the analysts and media and any other relevant information which could be of interest to the financial community as a whole.



DIAGONAL, 609-615, BARCELONA

CORPORATE
ADMINISTRATION

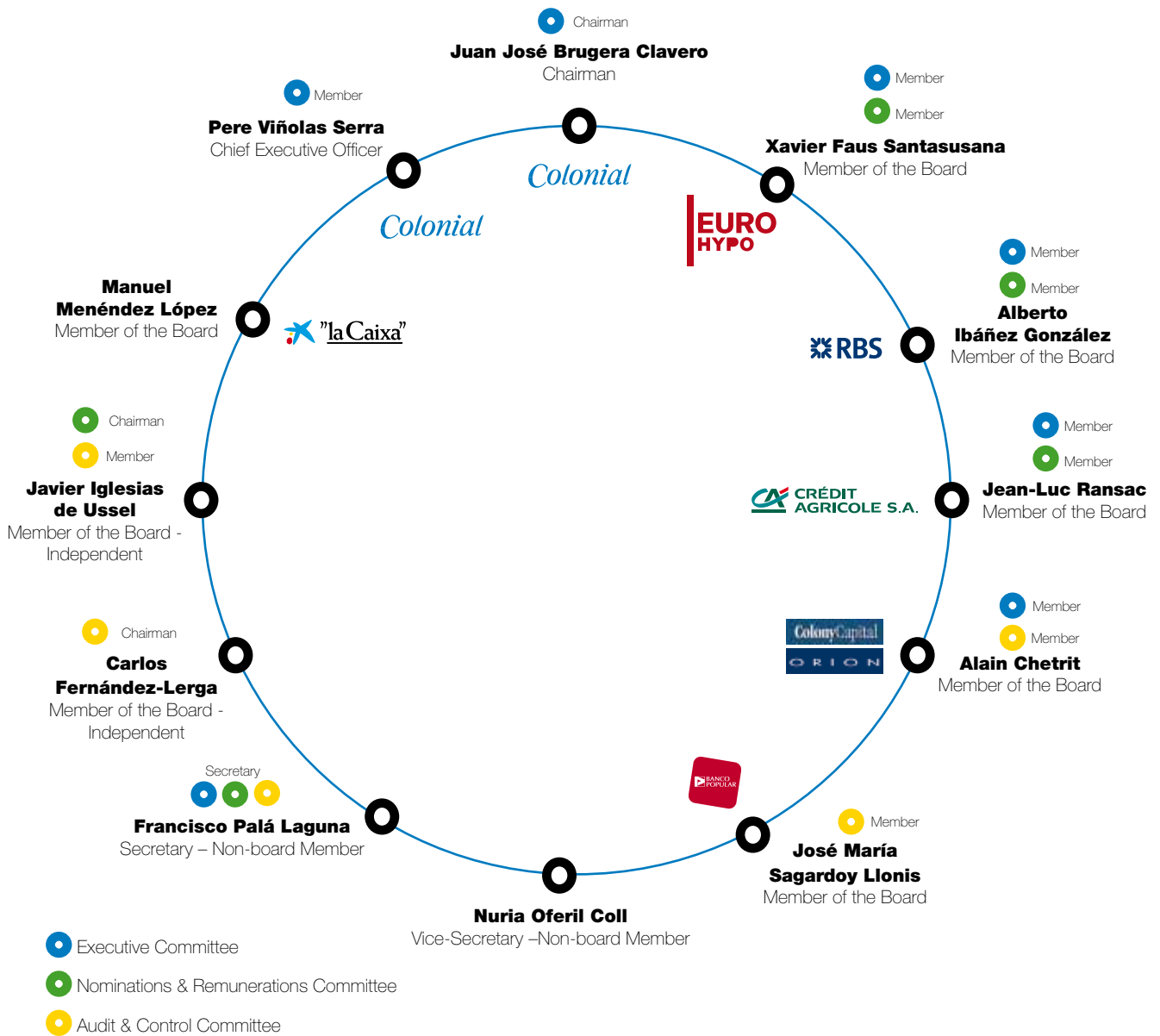




BOARD OF DIRECTORS

The Board of Directors is composed of the members listed in the table below, indicating the nature of their posts in accordance with the terminology adopted by the 1998 Code of Good Administration of Quoted Companies, the group that they represent and the posts that they occupy on the Board committees.

The classification of the directors as executive, representative or independent is adjusted to the categories referred to the Board of Directors Regulation, in line with the recommendations contained in reports on Corporate Government.



EXECUTIVE COMMITTEE

#63 | EXECUTIVE COMMITTEE

Pedro Viñolas Serra	Chief Executive Officer
Carmina Ganyet Cirera	Corporate General Manager
Juan Ceñal Gonzalez-Fierro	Deputy to the Chief Executive Officer
Alberto Alcober Teixido	Chief Operating Officer
Miguel Llugany Paredes	General Manager - Asentia
Àngels Arderiu Ibars	Chief Financial Officer
Carlos Krohmer	Chief Corporate Development Officer
José Martínez Flor	Chief Human Resources Officer
Nuria Oferil Coll	Chief Legal Officer



FROM LEFT TO RIGHT: MIGUEL LLUGANY PAREDES, NURIA OFERIL COLL, JUAN CEÑAL GONZALEZ-FIERRO, ÀNGELS ARDERIU IBARS, JUAN JOSÉ BRUGERA CLAVERO, PEDRO VIÑOLAS SERRA, JOSÉ MARTÍNEZ FLOR, CARMINA GANYET CIRERA, CARLOS KROHMER, ALBERTO ALCOBER TEIXIDO

EXECUTIVE COMMITTEE

**Pere VIÑOLAS SERRA****Chief Executive Officer of Colonial since September 2008 and member of the Executive Committee**

Pere Viñolas joined the Barcelona Stock Exchange in 1990 as its Director of Research Services and later on served as its Deputy Managing Director, remaining there until 1997. He then became Managing Director at FILO, S.A., a publicly-traded real estate company where he stayed until 2001. Subsequently and until July 2008 he was a partner and CEO at the Riva y García Financial Group. He has been president of the Urban Land Institute in Spain and a member of the Board of Directors of the Riva y García Financial Group. He was also president of the Spanish Institute of Financial Analysts in Catalonia from 1994 to 2000.

Currently he is on the Board of Directors of Société Foncière Lyonnaise and is a member of its Executive Committee. He is also a member of the Board of Directors of SIIC de Paris. He is a lecturer in the Department of Finance at ESADE business school and a member of the Board of Directors of Electro-Stocks, S.A. and Bluespace, S.A.

Graduate in Business Sciences and MBA from ESADE and the Polytechnic University of Catalonia, he has a Diploma in Business Sciences from the University of Barcelona, where he also studied Law.

**Carmina GANYET i CIRERA****Member of the Executive Committee of Colonial since July 2000, when she joined the committee as Financial Manager, and where she is now Corporate General Manager**

Carmina Ganyet began her professional career in the financial sector of Caixa de Catalunya. In 1991 she joined the audit firm Arthur Andersen in Barcelona, specialising in auditing in the financial sector. In 1995 she became part of the "La Caixa" group, in charge of Management Control of the Financial, Real Estate and Insurance Group of Caixa Holding (now Criteria). In 2000 she was appointed Manager of the Operative and Financial Area of Colonial. In January 2009 she took on the functions of Corporate General Manager of Colonial and she is a Board Member of the subsidiaries Société Foncière Lyonnaise and SIIC Paris.

Carmina Ganyet also has teaching experience as professor at Ramon Llull University in the Faculty of Business Administration, she is a member of the Management Board of the Círculo de Economía, a founder of the Espai Vicens Vives, member of the Ramon Llull-Ethics and Business Ethos Council.

Graduate in Economic Sciences and Business Administration from the Autonomous University of Barcelona, with postgraduate studies at ESADE

Juan CEÑAL GONZÁLEZ-FIERRO

Member of the Executive Committee of Colonial since September 2006, as Assistant to the Chief Executive

Juan Ceñal began his professional career in 1979 in Constructora Internacional, S.A., first as a works engineer and later in charge of the Management Control department. From 1988 to 1990 he worked in the Barcelona Bankers Syndicate (Sindibank, S.A.).

He joined Grupo Fosforera, S.A. as Financial Manager in 1990. In 2001 Grupo Fosforera, S.A. changed its name to Grupo Inmocaral, S.A., a company which later, in 2007, merged with Inmobiliaria Colonial. At the time of the merger, Juan Ceñal was General Manager of Inmocaral and after the merger he continued as Assistant to the Chief Executive.

Civil Engineer from the Higher Technical School of Civil Engineering of the Polytechnic University of Madrid. Postgraduate studies in Financial and Budgetary Control at the Business Institute.



Albert ALCOBER TEIXIDO

Member of the Executive Committee of Colonial since January 2009, as Real Estate Business Manager

His professional career began in CB Richard Ellis, where he stayed from 1990 to 1993 as senior consultant. Later he joined BP Oil as Manager of Investments, Development and Real Estate, where he remained from 1993 to 1996.

Albert Alcober joined Colonial in 1996 as Sales Manager in the real estate department. Since January 2009 he has been Manager of Colonial's Real Estate Business.

Diploma in Marketing, Management and Business Administration from the Higher School of Marketing and Business Administration (ESMA) in Barcelona. Postgraduate in advertising. Member of the Royal Institute of Chartered Surveyors (MRICS).



EXECUTIVE COMMITTEE

**Miquel LLUGANY PAREDES**

Member of the Executive Committee of Colonial since January 2009, when he joined as Manager of the Land and Promotions Department of Colonial. Today he is in charge of the subsidiary Asentia Project

Miquel Llugany was Mayor of the town of Rubí (Barcelona) from 1979 to 1992. From 1986 to 1994 he was also Vice-President of the Catalan Federation of Municipalities and member of the Spanish Federation of Municipalities. He also took part in the Catalan Local Government Commission from 1990 to 1994. From 1994 to 2000 he was a town planning consultant, working for companies in the Sector and the Public Authorities, collaborating during this period with Inmobiliaria Colonial.

In 2000 he joined Colonial as Land Manager, a post which he held until 2006, being a member of the Executive Committee during these years. Since that date he has continued his collaboration with Colonial as an external professional, combining this work with professional advice on town planning to other companies.

In October 2008 he rejoined Colonial and was appointed Land and Promotions Department Manager.

Architect from the Higher Technical School of Architecture of Barcelona, specialising in Town Planning, where he held the post of professor of town planning during the period 1976-1981.

**Angels ARDERIU IBARS**

Member of the Executive Committee of Colonial since January 2009, as Financial Manager

Angels Arderiu began her professional career in the field of auditing accounts where she worked for nine years. She joined Inmobiliaria Colonial in March 1999 as Accounts Manager, being promoted in January 2009 to the post of Financial Manager.

Graduate in Business Sciences from Barcelona University. Postgraduate in Auditing Accounts and Masters in Finance from ESADE.

Carlos KROHMER

Member of the Executive Committee of Colonial since January 2009, as Manager of Corporate Development, Management Control and Investor Relations

Carlos Krohmer began his professional career in the Unilever Group in Hamburg in various posts of responsibility in the Controlling and Finance departments. In 1999 he was appointed Head of Management Control of Unilever Bestfoods Germany. In 2001 he joined CaixaHolding (now Criteria), a subsidiary of "La Caixa Group", in the Corporate Development department as Manager of Real Estate Holdings and Senior Project Manager in the process of floating Criteria on the stock market. Until mid-2008 he was a director of Holret, S.A., a French real estate subsidiary of Criteria. He joined Colonial in January 2009.

Carlos Krohmer has teaching experience as professor of Corporate Finance at the La Salle Business Engineering School. He is also a member of the Investor Relations Committee of the European Public Real Estate Association (EPRA).

Graduate in Business Administration and Management from the Mannheim Business School (Germany), studies in the framework of the Multiregional International Business Programme at the Autonomous University of Barcelona & Swansea University and postgraduate studies at IESE and Harvard Business School.



José MARTÍNEZ FLOR

Member of the Executive Committee of Colonial since January 2009, as Human Resources Manager

José Martínez started his professional career in Inmobiliaria Colonial, S.A. in 1968 doing various tasks in the accounting department. In 1993 he became manager of the tax and insurance department. From January 2009 he took on the post of Human Resources, Taxes and General Services Manager.

Mercantile Expert. Postgraduate courses in real estate taxation, insurance and human resources.



Nuria OFERIL COLL

Member of the Executive Committee of Colonial since May 2010, as Legal Department Manager

She began her career at Roca Junyent where she was an associate attorney and joined Colonial's legal services in 2004. In 2010 she took over as Director of the Legal Department and Assistant Secretary of Colonial's Board of Directors.

Graduate in Law from Barcelona University. Lawyer in practice, member of the Barcelona Bar since 1999. Course of specialization in Real Estate and Town Planning Law from ESADE.

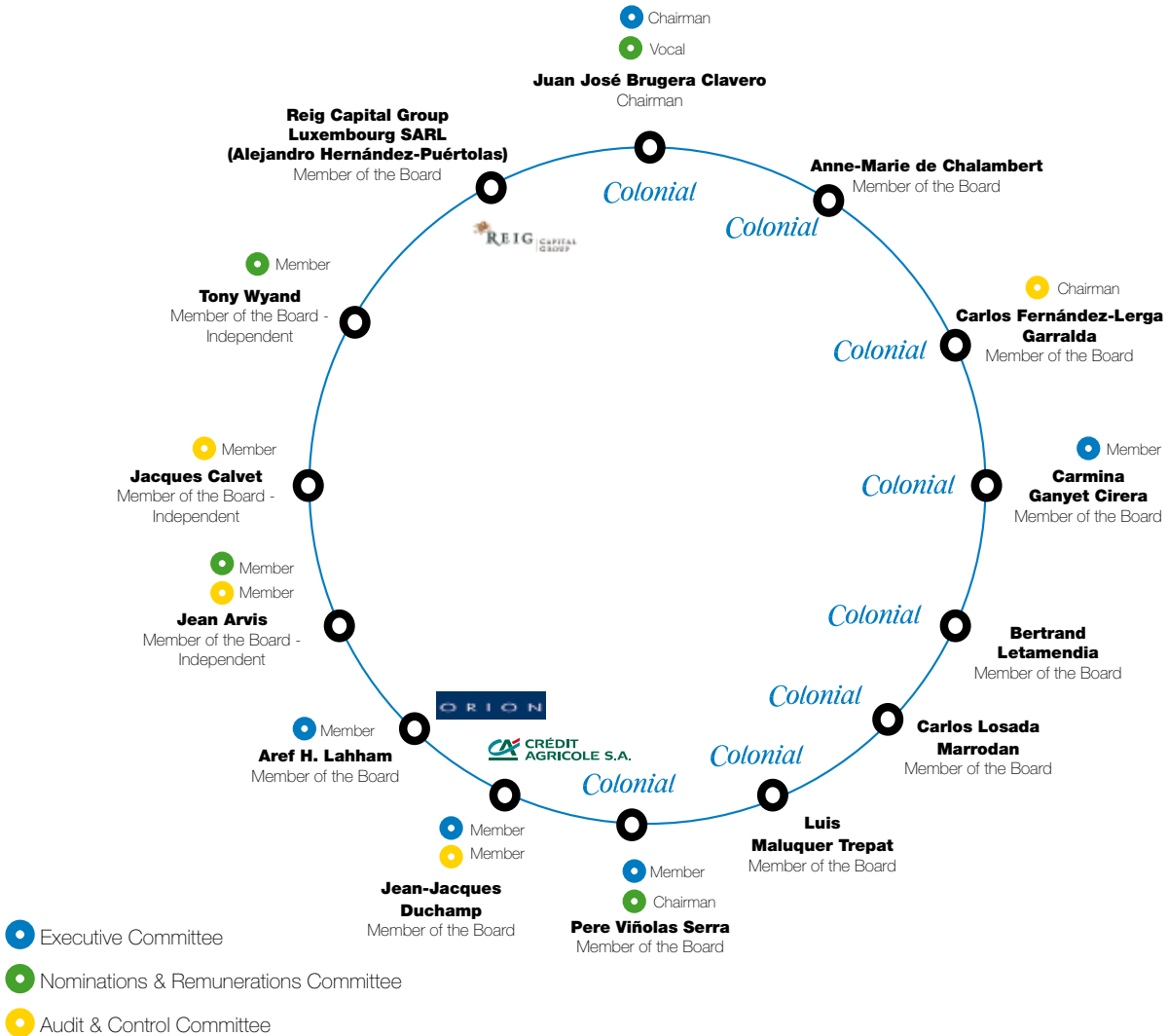
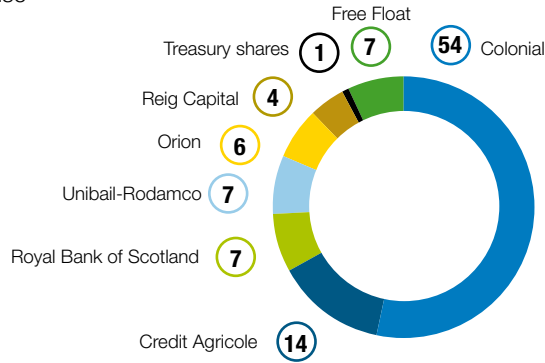


SHAREHOLDING AND CORPORATE GOVERNANCE IN SUBSIDIARIES

SFL

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

#64 | % | SFL - CURRENT SHAREHOLDER STRUCTURE 31/12/2011

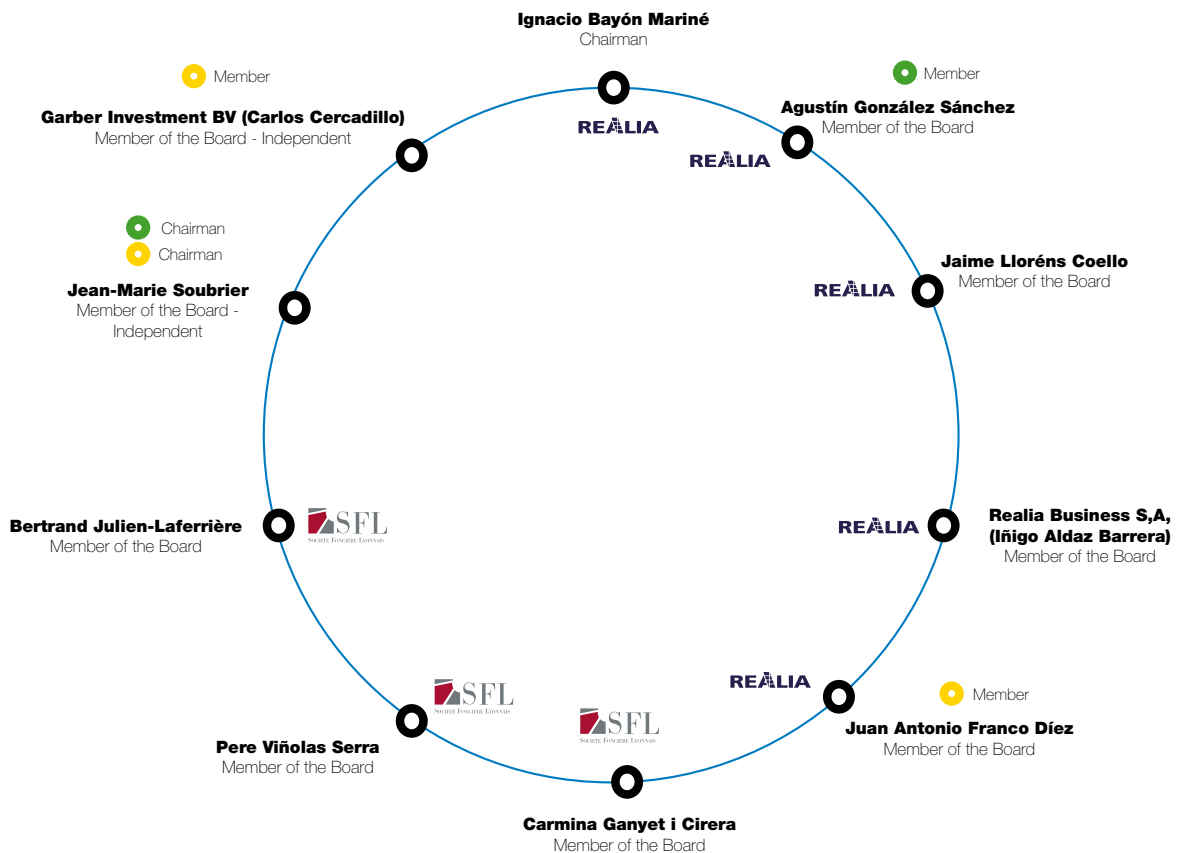
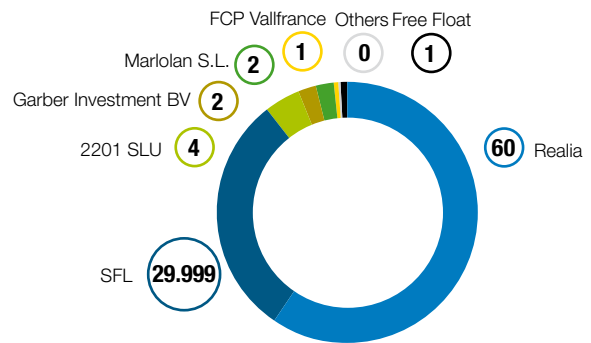


SHAREHOLDING AND CORPORATE GOVERNANCE IN SUBSIDIARIES

SIIC DE PARIS

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

#65 | % | SIIC DE PARÍS - CURRENT SHAREHOLDER STRUCTURE 31/12/2011



- Nominations & Remunerations Committee
- Audit & Control Committee

MEDIA





INFORMATION SYSTEMS

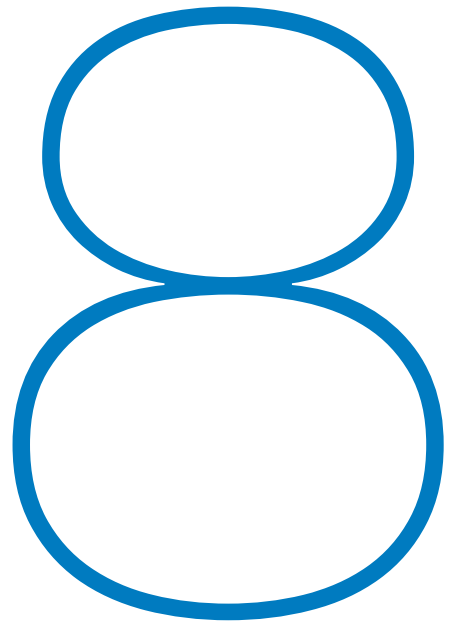
During the year 2011, with the aim of improving efficiency and reducing costs in the Colonial Group, the most important tasks carried out in the ambit of Information Systems were the following:

- Consolidation of the process started at the end of 2010 for the integration of 18 Colonial Group subsidiaries into a single broad management system, which has enabled processes to be simplified and procedures unified, as well as reducing the Group's structural costs.
- Centralisation of information systems in the Colonial Group in the parent company, eliminating the duplication of tasks and unifying the information processes for all the group companies resident in the national ambit.
- Functional improvements in software designed to optimise administrative and accounting processes in the Colonial Group and improve efficiency.
- Simplification of the Information Technology infrastructure in Colonial by reorganising services, with the consequent saving of the structural costs associated with Information Systems.



103 GRENELLE, PARIS

CORPORATE SOCIAL
RESPONSIBILITY





PRINCIPLES AND VALUES

The **vision of the Company**, of fully applicable to the Group, is the following:

"We pursue the creation of long-term value for our shareholders and the consolidation of Inmobiliaria Colonial, S.A. as the foremost benchmark Company in the European real estate sector, maintaining a firm and constant commitment to the well-being and development of employees, customers, shareholders and partners at a global level, as well as to society as a whole".

Colonial demonstrates its commitment with a series of principles and values:

- **Corporate ethics and responsibility:** Colonial is committed to the recommendations of good governance generally recognised in international markets, to the principles of business ethics and to transparency in all its fields of action.

Colonial pursues the company interest, understood as the common interest of all the shareholders of an independent limited company orientated to the exploitation of its object, in accordance with current legislation and the rules of Corporate Governance. This must not be an obstacle to the consideration of the other legitimate interests, public and private, which come together in the development of any business activity.

Colonial accepts the reality of the regions where it is active and is beginning to see which way the future is going for its sector.

Responsible behaviour by all those who form part of the company in Colonial is an inalienable guideline for action which is one of the most enduring features of its personality.

- **Financial results:** Colonial's commitment to compliance with the objectives of growth and profitability is the way to guarantee the success of the business project and satisfy the demands and expectations of all the groups involved in the Company's present and future.

- **The environment and the employees:** Colonial works to establish firm and permanent links with its interest groups. Through permanent dialogue, Colonial seeks to be a company able to generate confidence among all those who participate in it and are related with it.

Colonial believes in attracting and retaining an experienced, dynamic and creative human team; it works to understand the needs and expectations of its customers, trying always to improve their satisfaction and loyalty.

The commitments expressed by Colonial go much further than a mere declaration of intent, they extend into its daily routines and are integrated into the day-to-day management of the Group in all its areas of activity.



MARTÍNEZ VILLERGAS 49, MADRID

INTEREST GROUPS

Inmobiliaria Colonial comprises not only the company itself and its subsidiaries, but also all those people who have contributed to the Company's progress. This is why the Company considers that the shareholders and investors, the customers, employees and suppliers are all vital to it and become integrated into it.

SHAREHOLDERS AND INVESTORS

The fundamental objectives of Colonial in relation with shareholders and investors are:

- Developing professional management directed to ensuring the creation of value for the shareholders and investors while preserving, protecting and efficiently using the company's assets.
- Establishing a continuous dialogue through the Investor Relations Department and the Shareholder Attention Office, as well as through the publication of all relevant information, both on the webpage and through the National Stock Market Commission.
- Delivering transparent, true, clear and complete information, in order to guarantee the satisfaction of investors and shareholders, complying with the conditions of the markets in which the Company shares are listed.

CUSTOMERS

Colonial figures as one of the principal operators in the Spanish and European real estate markets, holding a position of leadership in the real estate market for offices due to the confidence of its customers.

The Company places value on each of its customers, offering personalised attention adapted to their different needs and requirements. Colonial's buildings are adapted for use by the disabled in accordance with the regulations in force.

EMPLOYEES

The creation of an attractive working environment which ensures the personal and professional development of its employees is one of the basic values of Colonial.

The Human Resources Policy Objective has been to encourage human and professional potential through the development of the people who form part of the organisation, in order to achieve the objectives set in the Group's strategic plan.

SUPPLIERS

The selection of suppliers is carried out according to basic standards, highlighting the past experience with regular suppliers, in order to obtain the best quality in the final product and a stable relationship over time.



DIAGONAL 609-615, BARCELONA

INTEREST GROUPS

#66 | Nº | AVERAGE WORKFORCE 2011

	Colonial	Sfl	Asentia	Riofisa	Inmocaral	Group
Average workforce during 2011	72.75	83.08	22.75	32.92	2.92	214.42
Workforce 31/12/2011	74.00	82.00	22.00	30.00	1.00	209.00

(in the following tables Asentia includes the personnel of Asentia itself together with its subsidiaries Riofisa and Inmocaral Servicios)

#67 | Nº | HUMAN CAPITAL

Colonial	Sfl	Asentia	Group
74	82.00	53	209

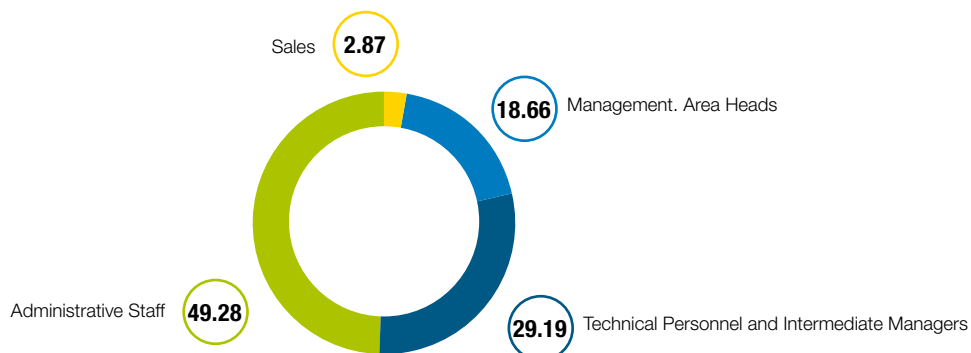
#68 | M€ | TOTAL SALARY EXPENSES

Colonial	Sfl	Asentia	Group
6.22	11.52	4.74	22.48

#69 | Nº | DISTRIBUTION BY CATEGORIES

	Colonial		Sfl		Asentia		Group	
Management. Area Heads	11	14.86%	19	23.17%	9	16.98%	39	18.66%
Technical Personnel and Intermediate Managers	17	22.97%	28	34.15%	16	30.19%	61	29.19%
Administrative Staff	46	62.16%	33	40.24%	24	45.28%	103	49.28%
Sales	0	0.00%	2	2.44%	4	7.55%	6	2.87%
	74		82		53		209	

#70 | % | GROUP WORKFORCE CATEGORIES



INTEREST GROUPS

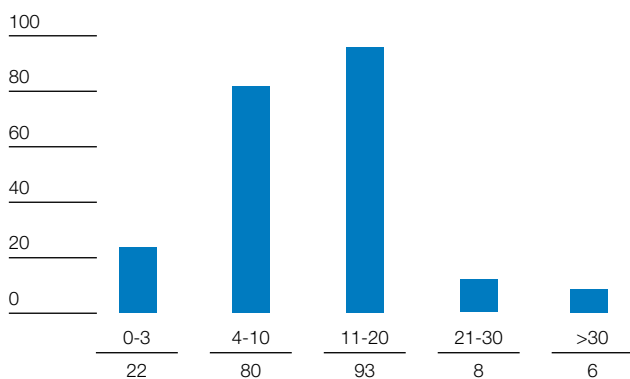
#71 | YEARS | LENGTH OF SERVICE

Average length of service	Colonial		Sfl		Asentia		Group	
	11.98	Years	10.46	Years	26.99	Years	9.79	Years
Years								
From 0 to 3	9	12.16%	9	10.98%	4	7.55%	22	10.53%
4 to 10	17	22.97%	41	50.00%	22	41.51%	80	38.28%
de 11 a 20	44	59.46%	25	30.49%	24	45.28%	93	44.50%
11 to 20	1	1.35%	5	6.10%	2	3.77%	8	3.83%
Over 30	3	4.05%	2	2.44%	1	1.89%	6	2.87%
	74		82		53		209	

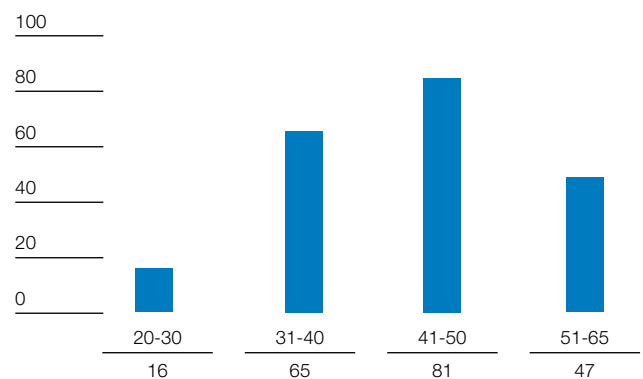
#72 | YEARS | AVERAGE AGE

Average Age	Colonial		Sfl		Asentia		Group	
	42.32	Years	45.49	Years	43.05	Years	43.45	Years
20 to 30	6	8.11%	5	6.10%	5	9.43%	16	7.66%
31 to 40	27	36.49%	20	24.39%	18	33.96%	65	31.10%
41 to 50	28	37.84%	30	36.59%	23	43.40%	81	38.76%
51 to 60	13	17.57%	27	32.93%	7	13.21%	47	22.49%
	74		82		53		209	

#73 | YEARS/WORKFORCE | GROUP WORKFORCE LENGTH OF SERVICE



#74 | YEARS/WORKFORCE | GROUP WORKFORCE AVERAGE AGE



INTEREST GROUPS

#75 | No | DISTRIBUTION BY GENDER

	Colonial		Sfl		Asentia		Group	
Men	30	40.54%	31	37.80%	33	62.26%	94	44.98%
Women	44	59.46%	51	62.20%	20	37.74%	115	55.02%

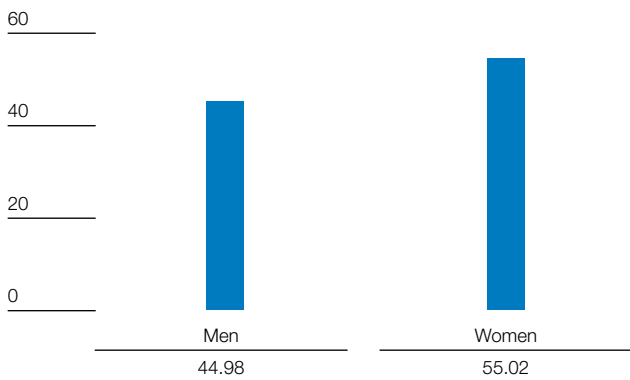
#76 | % | INDEX OF ROTATION

	Colonial	Sfl	Asentia	Group
	1.37	0.06	-29.02	-8.39

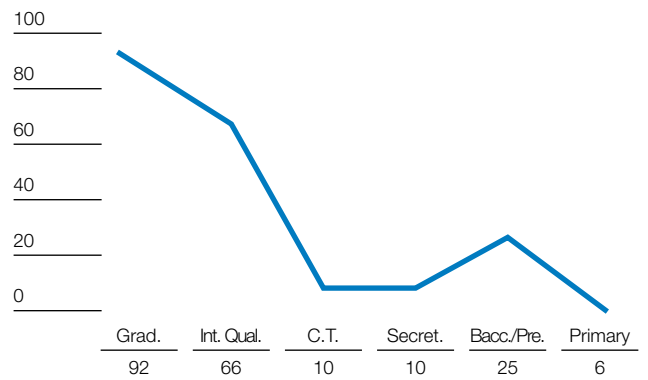
#77 | No | PERSONNEL QUALIFICATIONS

	Colonial	Sfl	Asentia	Group
Graduates	24	37	31	92
Intermediate Qualification	31	25	10	66
Career Training	7	0	3	10
Secretarial:	2	8	0	10
Baccalaureate & Pre-University	9	12	4	25
Primary:	1	0	5	6

#78 | % | GROUP WORKFORCE DISTRIBUTION BY GENDER



#79 | % | GROUP WORKFORCE LEVEL OF STUDIES



ENVIRONMENTAL MANAGEMENT

Colonial accepts a commitment to the greatest respect for the environment in the development of its activities, and to minimising the negative effects which these could possibly cause. It establishes the best practices and promotes the necessary training for its employees to preserve the environment. Colonial contributes to the preservation of natural resources and those spaces which are of ecological, landscape, scientific or cultural interest.

Colonial is committed to strict compliance with the environmental legislation of application and in its relations with contractors, suppliers and outside collaborating companies it transmits these principles and requires compliance with them.

Since 2002, Colonial has developed and combined with all its activities a policy of sensitivity and responsibility with the environment and sustainable development. The guidelines and general environmental objectives which govern its actions are directed to:

- Ensuring that the Environmental Policy is known, understood, implemented and updated at all levels in the Company and that compliance with it is formally recorded.
- Encouraging a commitment by the executive personnel to the Environmental Management System, through the participation of all the personnel in the organization.
- Continuous improvement of the environmental management system, through the achievement of environmental objectives, the results of audits, corrective and preventative actions and the annual review by management.
- Training, motivating and involving all the personnel concerned in the development of the Environmental System introduced and in all key aspects of the process (regulations and legislation, waste management, energy efficiency and renewable energy).
- Compliance with the environmental legislation and regulations applicable and with the requirements subscribed to by Colonial.

- Identifying environmental aspects of our activity, product and service, with the aim of preventing pollution and minimising environmental impact.

Colonial creates and offers an environmentally-friendly product, both in the impact of its design and in the techniques and quality of the materials used in its construction.

With reference to the maintenance of its asset portfolio, the Company works on using the most correct environmentally-friendly techniques, replacing, altering and transforming those elements which are most damaging to the environment.

Selective demolition

- Selection and treatment of materials by specialised authorised managers, depending on their pollution characteristics.
- Selection of materials from deconstruction for subsequent use.
- The use in the construction process of materials selected and subsequently treated "in situ".

ENVIRONMENTAL MANAGEMENT

Project and Construction

- Construction materials and systems:
 - Analysis and study of construction processes, systems and materials which speed up the deconstruction and facilitate recycling and reuse, with the aim of reducing environmental impact.
 - Construction systems which reduce energy consumption and improve acoustic insulation.
 - Construction systems which boost the durability of materials, reducing the maintenance period and waste production.
- Water and waste:
 - Internal drainage networks for the separate management of wastewater.
 - Hydraulic and plumbing systems which reduce water consumption.
 - Pneumatic rubbish collection systems to simplify the segregation of waste.

Energy

- Water heating installations based on renewable energy.
- Thermal insulation of buildings to reduce energy consumption.
- Thermal insulation of cold and hot water conduits.
- Optimisation of energy consumption in all the buildings through monthly analyses and proposals for the minimisation of consumption and the expenses arising, such as:
 - installation of reactive energy capacitor batteries.
 - adaptation to optimum tariffs.

- controlled switching off for large air conditioning machinery in situations of low need.
- thermographic studies of high voltage transformers to detect and correct energy over-consumption.
- generalised installation of installation management systems which save consumption.
- Obtaining “Energy level classification B” for all newly constructed buildings and large-scale refurbishments.
- Implementation of an Energy Management System according to ISO 50.001.
- Energy certificate in existing buildings, introducing the corrective measures necessary to obtain “Energy level classification B” for all Colonial's buildings.

Environment

- Carrying out continued environmental quality audits for the Group's whole asset portfolio.
- Certificate of homologation of companies carrying out the DDD service (disinfecting, de-insecting and de-ratting) and the products they use.
- Delivery of solid waste from buildings, such as fluorescent tubes and others, to a company homologated for their delivery to the appropriate place and homologated for their recycling.
- Implementation of an Environmental Management System and subsequent obtaining of certificate ISO 14.001.
- Introduction of the LEED SILVER energy certification for new buildings and large-scale refurbishments.

SOCIAL COMMITMENT

Colonial's social commitment takes the form of promoting general welfare through achieving its corporate purpose and the creation of value for its shareholders, investors and employees, as well as through collaboration in certain social projects.

Reconciliation of employment and family life

In Colonial's social policy and in the establishment of management plans for the reconciliation of employment and the professional life, the Group has introduced flexible hours both for starting work and for going home, for all the Company employees.

#80 | No. | WORKING HOURS

Colonial		Sfl		Asentia	
1,738	40 h/week	1,508	35 h/week	1,738	40 h/week

#81 | SOCIAL ADVANTAGES

	Colonial	Sfl	Asentia
Medical Insurance	Yes	Yes	Yes
Accident Insurance and Life Assurance	Yes	Yes	Yes

#82 | % | PERCENTAGE OF WOMEN IN SENIOR EXECUTIVE POSTS AND 2ND LEVEL/TECHNICAL POSTS

	Colonial	Sfl	Asentia	Group
Senior Executives:	36.36%	28.92%	11.11%	25.64%
2nd level/technical posts	41.18%	31.33%	31.25%	40.98%

SOCIAL COMMITMENT

Training

The budget for training is an investment in Human Capital, directed to the professional development of the people who form part of the Group, also supporting initiatives from the employees which arise with the same objective, as well as improving their abilities and motivation.

#83 TRAINING

	Colonial	Sfl	Asentia	Group
	72,322.32	148,000.00	20,341.16	240,663.48
Personnel Expenses	6,223.94	11,517.00	4,740.83	22,481.78
Training expenses	72.32	148.00	20.34	240.66
% Training/Personnel Expenses	1.16%	1.29%	0.43%	1.07%
No. training courses	42	100	19	161
Total training hours:	2,540	1,300	926	4,766
No. attending	52 70.27%	58 70.73%	64 120.75%	174 83.25%

Convention with Universities:

Colonial collaborates actively in Educational Cooperation Programmes for the training of students in their last years in a degree course. The fundamental objective of this participation in University-Company Programmes is to take part in the comprehensive training of the university student through an educational programme in which theory and practice are combined, thus facilitating the student's incorporation into the employment world.

Collaboration Programmes with:

- Autonomous University of Barcelona. (Faculty of Economic Sciences)
- Pompeu-Fabra University. (Faculty of Economic Sciences)
- University of Barcelona. (Faculty of Economic Sciences)

Company committee:

Both Inmobiliaria Colonial and its subsidiaries have their respective company committees. The following table shows the number of members of each one.

#84 No COMPANY COMMITTEE

Colonial	Sfl	Asentia	Group
5	17	4	26

Safety and Health at work:

The Group Companies have set up a Safety and Health Committee, to watch over the protection of Health and Safety for the employees.

#85 | N° | ACCIDENTS AT WORK

Colonial	Sfl	Asentia	Grupo
0	0	0	0

During 2011, none of the Group Companies recorded Accidents at Work.

Control over subcontracted companies

It is Colonial Group policy to subcontract only companies which fully comply with the social and labour obligations in force and this is why a monthly check is carried out on compliance with these sections in companies which supply services in our buildings.

Act on Social Integration

Colonial, for compliance with the Act on Social Integration of the Disabled, has a Certificate of Exception under which it takes up the option of making donations.

#86 | € | DONATIONS

Multiple Sclerosis Foundation (2011)	11,182.71
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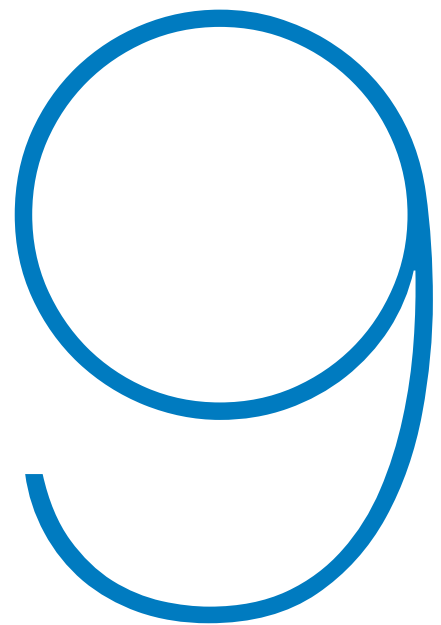
The other Group Companies have no obligation of compliance with this Act, through having less than 75 employees.

The subsidiary SFL also collaborates with the following companies for the professional integration of disabled employees:

- Institute of Financial and Legal Studies applied to Housing Construction.
- Institute of Economic and Commercial Sciences.
- Association for the social and professional integration of the disabled.

ASENTIA

Isolation of non-strategic business in a subsidiary





RELEVANT HIGHLIGHTS

DISCONTINUED OPERATIONS

The value of the stake in the subgroup Asentia, accounted for as discontinued operations, was fully written off at the end of 2010.

The application of this provision implies that the impact of this business in the net consolidated profit of the Group is zero.

#87 | €M | DISCONTINUED OPERATIONS - KEY PERFORMANCE DECEMBER CUMULATIVE

	2011	2010	% Var.
Operating indicators			
Land Bank surface	1,683,874	1,718,581	(2%)
Riofisa surface	1,417,131	1,409,037	1%
Finished units	204	252	(19%)
Financial results			
Residential sales - Commercial sales (units)	47	118	(60%)
Residential sales - Booked sales (units)	48	130	(63%)
Revenues from homebuilding sales	11.4	35.3	(68%)
Revenues from land bank sales	-	55.7	-
Other income	1.7	1.0	72%
Revenues from Riofisa	53.8	42.1	28%

- The land bank reserve at the end of the year 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).
- Regarding the residential housing portfolio, the Colonial Group continues to pursue a strategy of lowering its exposure, and its stock of residential units decreased 19% compared to the previous year. Colonial's current stock of finished housing amounts to 204 units (vs. 252 units at the end of 2010). Of these 204 units in stock, pre-sale contracts have been signed on 3 of them, and the rest (201 housing units) are in the process of being sold, which means that at the end of the year, the housing stock pending sales stood at €0.7m.
- During 2011, the sales of housing units amounted to €11.4m. However, there were no land bank sales during the year.
- Commercial sales of residential units and commercial premises through the end of 2011 amounted to €11.0m, a figure lower than the €31.0m registered in 2010.

VALUATION OF THE DISCONTINUED BUSINESS

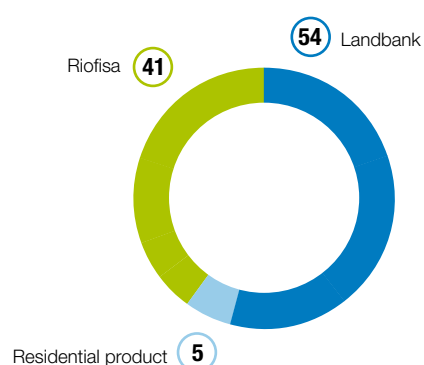
- The residential and commercial business of the Asentia Group was valued by Jones Lang LaSalle at €1,528m at the close of 2011.

There was a 4.9% decrease in value of the portfolio compared to June 2011, and in like-for like terms, it decreased by 3.5%.

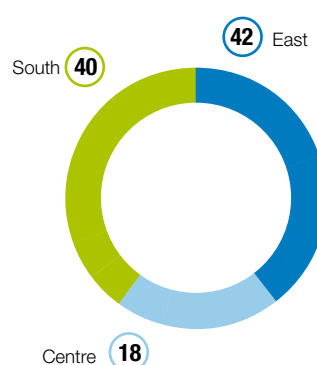
#88 | €M | RESIDENTIAL BUSINESS & OTHERS

Asset Valuation	31-Dec-11	30-Jun-11	31-Dec-10	Dec 11 vs Jun 11		Dec 11 vs Dec 10	
				Total	Like for like	Total	Like for like
Residential Business	70	87	93	(19.4%)	-	(24.2%)	-
Land Bank	823	847	867	(2.9%)	(2.9%)	(5.1%)	(5.1%)
Commercial	635	672	700	(5.6%)	(4.2%)	(9.4%)	(8.6%)
Residential Business & Others	1,528	1,607	1,660	(4.9%)	(3.5%)	(8.0%)	(6.7%)

#89 | % | VALUATION BY PRODUCT TYPE



#90 | % | VALUATION - LANDBANK



CAPITAL STRUCTURE OF DISCONTINUED OPERATIONS

The breakdown of the Asentia Group's financial debt at December 31st, 2011, is as follows:

#91 | €M | STRUCTURE OF THE FINANCIAL DEBT

31 December 2011 - €m	Asentia Project S.L	Riofisa Group	Other subsidiaries	Total	%
Syndicated loan	857	0	0	857	59%
Mortgage debt/leases	45	378	150	573	40%
Non-mortgage debt and others	0	11	0	11	1%
Total Gross Debt	903	389	150	1,441	100%
Cash	(18)	(23)	(21)	(62)	
Consolidated Net Debt	885	365	129	1,379	
Average maturity (years)	3.0	2.4	6.3	3.2	
Financial cost %	5.28%	3.48%	3.95%	4.65%	
Financial cost €m	46	16	0	62	

- The syndicated loan derived from the restructuring of the Colonial Group was formalised on February 19th, 2010. The applicable spread of Asentia's syndicated loan was 400 bp, added to the principle and payable at maturity on December 31st, 2014. The amount of the capitalized interest amounted to €81.3m at December 31st.

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

- At December 31st, 2011, an interest rate swap amounting to €173m was taken on, totally attached to the debt of "Other Subsidiaries".
- The financial cost after deducting the companies reclassified as discontinued operations was -€61.8m, of which -€43.6m corresponded to capitalised financial costs on the syndicated loan (PIK maturing on December 31st, 2014) and -€15.9m corresponded to Riofisa's financial cost.

The financial cost of the debt assigned to other subsidiaries amounted to -€4.9m, which has been entirely capitalized as it is attached to a project in process.

- At the end of December, Riofisa SAU, a company 100% owned by Colonial through its subsidiary Asentia Project SL, signed a framework agreement to refinance its debt which was successfully completed in January 2012.

The refinancing has affected €355m, converting the debt to long term with maturity at December 30th, 2014. The agreement considers the possibility to extend the deadline by 24 additional months for more than 90% of the debt, subject to the fulfilment of specific urban milestones.

The company will not carry out any amortizations nor pay accrued interests during the 36 months as of the agreement date.

The Group's debt with the financial institutions is guaranteed with mortgages on the company's different assets.



URBANIZACIÓN VALDEBEBAS, MADRID



Real value in a changing world

Certificate of Value

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

31st December 2011

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

Madrid, 15th March 2012

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 2011.

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 2011, is of **1,542,571,505 Euros** (One Thousand Five Hundred and Forty Two Million Five Hundred and Seventy One Thousand Five Hundred and Five Euros) and the share value of Inmobiliaria Colonial, as at 31st of December 2011, is of **1,428,952,486 Euros** (One Thousand Four Hundred and Twenty Eight Million Nine Hundred and Fifty Two Thousand Four Hundred and Eighty Six 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.

Colonial

31 December 2011

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 3.2% to arrive at a net valuation price.

PURCHASE RIGHTS (opciones de compra)

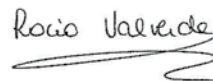
The purchase rights of land have been valued by adding (or in this case, subtracting), from the quantity paid by Asentia-Riofisa, the capital gain or capital loss that has occurred to the value of the property since the beginning of the option up to the date of valuation (difference between the value of the buying option and the actual value of the property).

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

Sincerely,



Evan Lester, MRICS
Head of Valuations
Valuation Advisory
Jones Lang LaSalle España, S.A.



Rocio Valverde, MRICS
Associate Director
Valuation Advisory
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 out 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 clear 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.



Real value in a changing world

Evan Lester, MRICS
Head of Valuations
Valuation Advisory
Pº de la Castellana 51, Madrid
evan.lester@eu.jll.com

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The information contained in this publication has been obtained from sources generally regarded to be reliable. However, no representation is made, or warranty given, in respect of the accuracy of this information. We would like to be informed of any inaccuracies so that we may correct them.

Jones Lang LaSalle does not accept any liability in negligence or otherwise for any loss or damage suffered by any party resulting from reliance on this publication.



URBANIZACIÓN SITGES, BARCELONA

10

ANNEXES



ANNEX 1

CONSOLIDATED BALANCE SHEET

#92 | €M | MARKET VALUE RECONCILIATION

Value accounted for in the Report	4,794
Tangible fixed assets - own use	31
Real estate investment (w /o advances on fixed assets)	4,618
Non-current assets held for sale - Investment properties	145
Adjustments	37
Unrealised capital gains - own use	7
Rent free periods	30
Appraisal value according to external appraisers	4,831

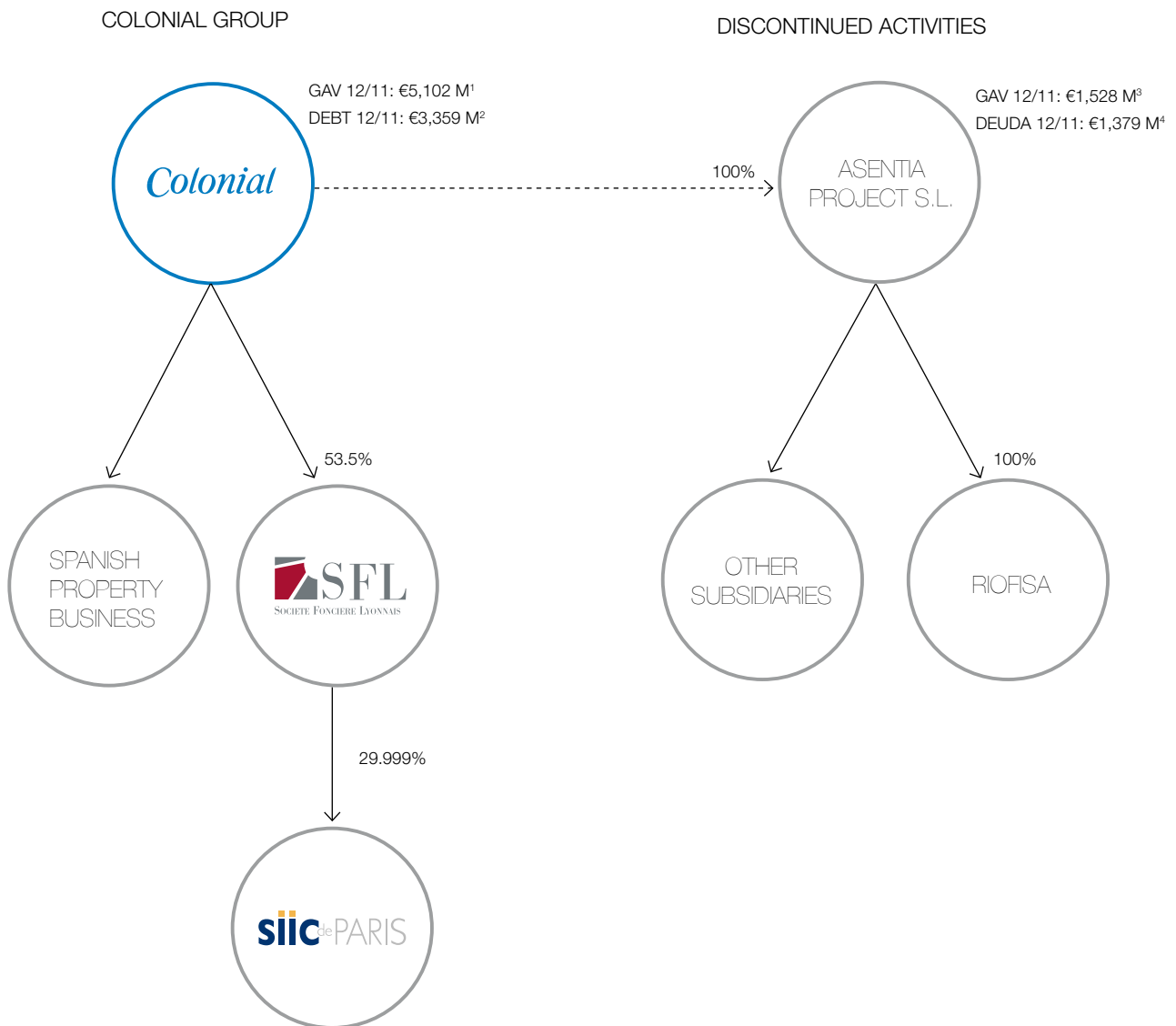
#93 | €M | NET ASSET VALUE (NAV)

Net Asset Value (NAV)	31-Dec-10 reported	Adjustment for restatement ¹	31-Dec-10 comparable ¹
Shareholders' equity	1,300		1,300
+ Unrealised Gross Capital Gains	12		12
- Add back deferred taxes on balance sheet & MTM	102		102
- Adjustment (comparable basis)		(50)	(50)
NAV	1,415	(50)	1,365
+/- Deferred and latent taxes	657		657
- Adjustment (comparable basis)		(10)	(10)
NNAV	2,072	(60)	2,012
- MTM	(33)		(33)
- Adjustment (comparable basis)		5	5
NNNAV	2,039	(55)	1,984
N° of shares (m)²	226	226	226
NAV - €/share	6.26	(0.22)	6.04
NNAV - €/share	9.17	(0.27)	8.90
NNNAV - €/share	9.02	(0.24)	8.78

(1) In order to have a NAV December 2010 comparable to 2011, certain adjustments were made due to the final settlement of items related with the reclassification of discontinued operations.

(2) No. of shares - fully diluted and adjusted with reverse split

ANNEX 2 LEGAL STRUCTURE



(1) GAV of assets owned directly + GAV other subsidiaries + 100% GAV SFL + % Siic de Paris
 (2) Debt of Holding + Debt of JVs Spain + 100% Debt of SFL
 (3) GAV of assets owned directly+ GAV of other subsidiaries + GAV of Riofisa
 (4) Debt of Asentia Holding + Debt of other subsidiaries + Debt of Riofisa

ANNEX 3

DETAILS OF SUBSIDIARIES

#94 | €M | MAIN SUBSIDIARY FIGURES

	SFL			SIIC DE PARIS		
	Dec-11	Dec-10	Var. %	Dec-11	Dec-10	Var. %
N° Assets	19	20	(5%)	36	37	(3%)
Total Surface (sq m)	425,287	431,886	(2%)	188,163	193,188	(3%)
Offices occupancy	92%	87%	(6.4 pp)	93.9%	96.6%	(2.8 pp)
Total occupancy	94%	89%	(5 pp)	93.9%	96.6%	(2.8 pp)
Rental revenues	152	175	(13%)	74	63	18%
EBITDA rents	141	162	(13%)	67	57	17%
EBITDA / rental revenues	93%	93%	(1 pp)	91%	92%	(1 pp)
EBITDA recurring property business	126	148	(15%)	63	54	18%
EBITDA asset sales	8	(34)	123%	14	2	na
EBITDA Total	133	114	17%	77	56	38%
Financial results	(54)	(48)	(12%)	(22)	(22)	(2%)
Profit attributable to Group	181	165	10%	43	12	265%
GAV (excluding rights) ⁽¹⁾	3,086	2,960	4%	1,428	1,428	(0%)
Net Debt	1,244	1,202	4%	492	525	(6%)
LTV ⁽²⁾	35.5%	35.6%	1.6 pp	34.4%	36.8%	(2.3 pp)
NAV	2,147	2,050	5%	904	851	6%
N° of shares (m)	47	47	0%	43	43	0%
NAV (including transfer costs) (€/share)	46.1	44.1	5%	21.2	20.0	6%
NAV (excluding transfer costs) (€/share)	42.8	40.6	5%	23.2	21.9	6%

Calculated considering the consolidation criteria (imputation of 100% if the Group shows a participation higher than 50% and proportional imputation to the participation if this is equal or lower than 50%)

(1) GAV attributable excluding transfer costs

(2) LTV: Net Debt / (GAV attributable including transfer costs + NAV % SIIC de Paris)

ANNEX 4

HISTORICAL FIGURES

#95 | % & €M | HISTORIC SERIES

	2004	2005	2006	2007	2008	2009	2010	2011
Barcelona	97%	100%	99%	94%	95%	91%	78%	78%
Madrid	93%	98%	99%	99%	94%	89%	88%	91%
Paris	96%	96%	97%	97%	98%	94%	87%	92%
OFFICE OCCUPATION (%)	96%	98%	98%	97%	96%	92%	85%	87%
Barcelona	66	63	57	60	51	49	39	32
Madrid	41	49	68	70	56	50	47	45
Paris	97	185	162	170	182	183	175	152
RENTAL INCOME (€m)	204	297	286	301	289	282	261	229
EAT (€m)	105	266	680	85	-3981	-474	-739	15

The figures for 2004-2006 refer to the Colonial Group before its merger with Inmocaral
 The figures for 2007-2012 refer to the Colonial Group resulting from the merger with Inmocaral

ANNEX 5

GLOSSARY

Profits per share (EPS)

Result of the year attributable to the shareholders divided among the number of shares

BD

Business District (business area)

Stock market capitalisation

The capital value of the company obtained from its stock exchange quotation. It is obtained by multiplying the share quotation price by the number of shares en circulation

CBD

Central Business District (prime business district)

Company property

Real estate fixed assets with buildings in rental

Portfolio (area) in exploitation

Buildings with capacity to generate rents at the closure date

EBITDA

Operational result before net revalorizations, depreciation, provisions, interest and taxes

Free float

That part of the share capital which is listed freely on the stock market and is not controlled by shareholders in a permanent form

GAV

Gross Asset Value (value of the portfolio of assets deducting transfer costs, according to the external valuers of the Group)

Holding

Company which keeps in its portfolio shares in a certain number of corporate subsidiaries

IFRS

International Financial Reporting Standards. Corresponding to the International Regulations on Financial Information (NIIF)

JV

Joint Venture (association between two or more companies)

Like for Like Rents

Data comparable between two periods, excluding: 1)

investments & disinvestments, 2) movements in the project portfolio, 3) other non-typical adjustments such as, for example, compensation in the event of the early departure of tenants

Like-for-Like Valuation

Data comparable between one period and others (excluding investments and disinvestments)

LTV

Loan to Value (net financial debt / GAV)

NAV

Net Asset Value, corresponding to the net value of the assets

NNAV

Corresponds to NAV, adjusted for taxes which may be due on the sale of assets at their market value and the latent tax credit

NNNAV

Corresponds to NNAV including the market value of financial liabilities (Mark-to-Market)

Occupation - areas

Percentage of square metres occupied of the portfolio at the year-end date/ area in exploitation of the portfolio

Financial occupation

Vacant areas multiplied by the market rent / areas in exploitation at market rent

Potential growth of rents

Result of comparing the income from rents of current contracts (contracts with current occupation and rents) with the income from rents which would result from letting the total area at market prices estimated by the independent valuers. Not including projects

Projects in progress

Buildings under development at the year-end date

RICS

Royal Institution of Chartered Surveyors

Yield on cost

100% let at market rent / market value at start of project, net of impairment of value plus capex

ANNEX 6

EPRA RECOMMENDATIONS

Occupancy rate	page 25 (Business Performance)
Accounting for buildings based on market value	page 56 (Valuation of assets)
Use of external valuers twice a year and details of their names	page 56 (Valuation of assets)
Valuations are made in accordance with international valuation standards	page 56 (Valuation of assets)
Estimate of commissions to valuers	page 56 (Valuation of assets)
Summary of the valuation made by the external valuers and reconciliation with the values published in the Notes	page 56-67 (Valuation of assets)
Information on sub-portfolios	page 24 (Business Performance) page 35 and 50 (Property portfolio)
Details of assets owned	page 36-53 (Property portfolio)
Details of like-for-like increase in rents for each geographical area and significant portfolio twice a year	page 19 (Business Performance)
Publication of absolute increases, increases published twice a year	page 19 (Valuation of assets)
Size, in value, of the whole portfolio on which the like-for-like increase of rents is based	page 56 and 57 (Valuation of assets)
Assumptions used in the like-for-like information	page 19 (Business Performance)
Information on rents	page 19-20 (Business Performance) and page 72 (Financial and economic situation)
Information on valuation	page 14 (Business Performance) and page 56 i 57 (Valuation of assets)
Information on projects	page 28, 29, 30 and 31 (Business Performance)
Information on falls in contracts	page 21, 22, 23 and 24 (Business Performance)

DIRECTORY

HEAD OFFICES

Av. Diagonal. 532
08006 Barcelona
Tel. 00 34 93 404 79 00
Fax 00 34 93 404 85 40
www.inmocolonial.com

General information
informacio@inmocolonial.com

Rental information
patrimoni@inmocolonial.com

Investor relations
Tel. 00 34 404 78 98
inversores@inmocolonial.com

Shareholder inquiries
Tel. 00 34 404 79 10
accionistas@inmocolonial.com

MADRID OFFICE

Pº de la Castellana, 52
28046 Madrid
Tel. 00 34 91 782 08 80
Fax 00 34 91 561 29 61

SOCIÉTÉ FONCIÈRE LYONNAISE

40, rue Washington- 75008 Paris
Tel. +33 (0)1 42 97 27 00
Fax +33 (0) 1 42 97 27 26
www.fonciere-lyonnaise.com

ASENTIA

Av. Diagonal, 532
08006 Barcelona
Tel. 00 34 93 404 79 00
Fax 00 34 93 404 85 40
www.asentiagrupo colonial.com

RIOFISA

Arbea Campus Empresarial, Building 5
Ctra. de Fuencarral a Alcobendas
M-603, km 3.800
28108 Alcobendas (Madrid)
Tel. 00 34 91 661 22 50
Fax 00 34 91 661 95 10
www.riofisa.com

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