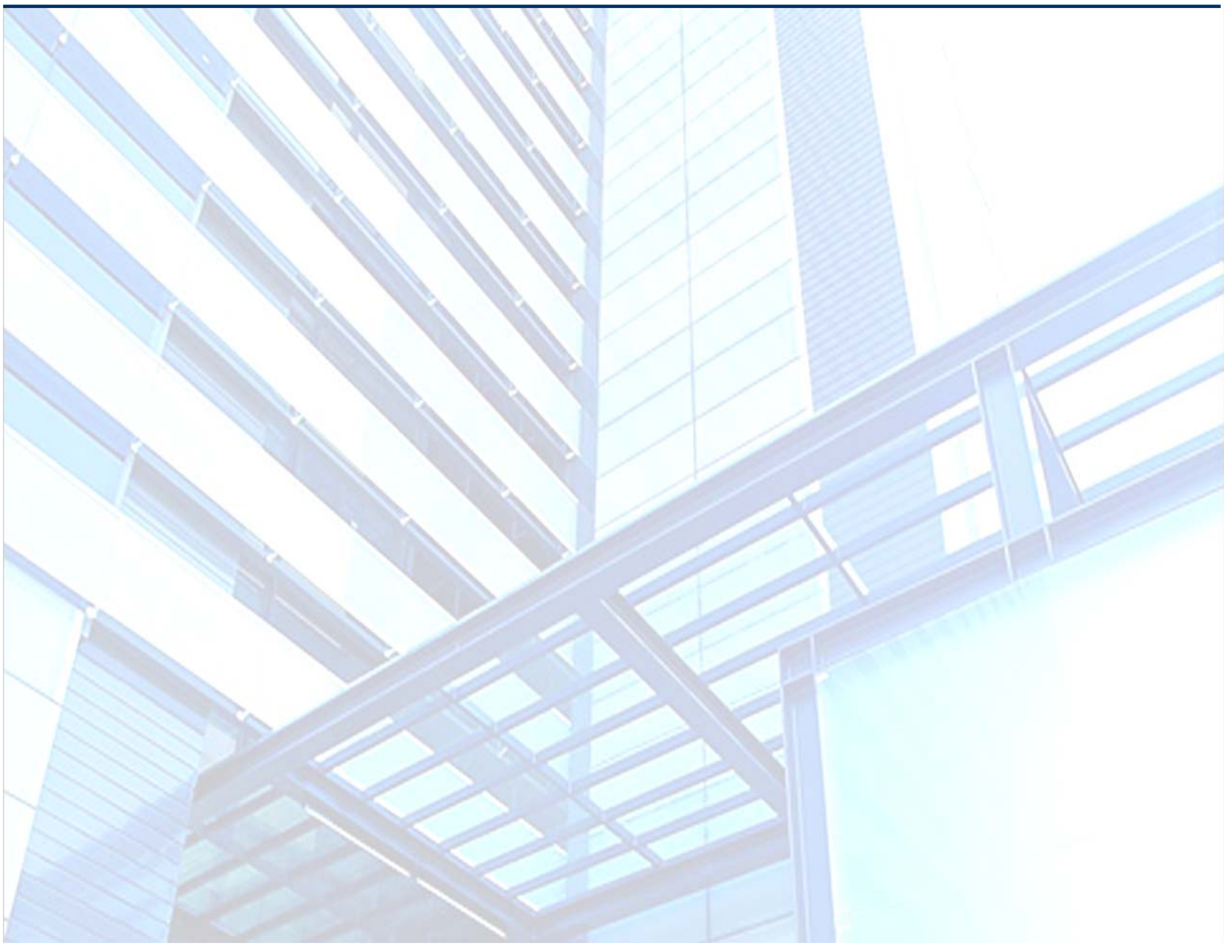
Colonial

Annual results 2011

February 29, 2012



Colonial obtained a recurring result of €71m and posted a net profit of €15m, confirming 2011 as the first year of recovery.

- **NAV: €6.26/share, a variation of 3.6% compared to December 2010**
- **Gross Asset Value Property Business: €5,102m, a 12-month like-for-like variation of 3%**
- **Rental revenues: €229m, a like-for-like variation of 3% on previous year**
- **Operating result of the Group: €208m, up 24% compared to the year before**
- **Net profit of the Group: €15m**

Key performance and financial indicators

December cumulative - €m	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 under ground	324,913	306,263	6%
Total Surface (sq m)	**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.**

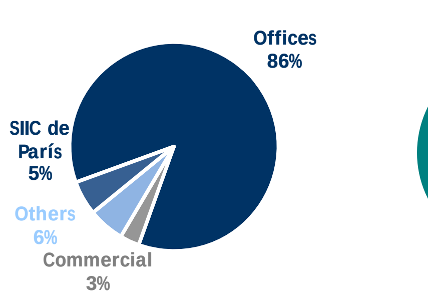
Balance sheet indicators

December 31st - €m	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)	3.0	3.7
NNNAV	2,056	1,984
Nº 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] Nº 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

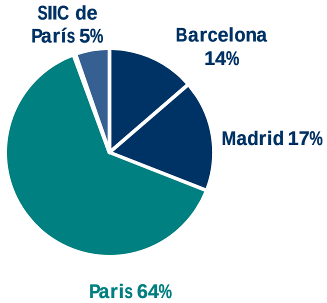
The GAV amounted to €5,102m at December 31st, 2011.

Valuation - by use

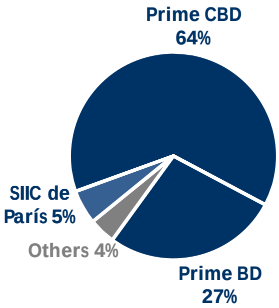


SIIC de París: value of the stake of 29.999%

Valuation - by market



Valuation - by area



Highlights

In 2011, the Colonial Group obtained a positive net profit, for the first time since the beginning of the crisis, amounting to €15m.

- At December, the Colonial Group obtained a cumulative recurring result of €71m, consolidating the positive trend of previous quarters.
- The net attributable profit of the Group, including exceptional items, is €15m.

The year 2011 was a year of inflection, with the stabilisation of the operating business, and consequently, a return to profits. The main highlights of the year are the following:

Stabilisation of the operating business

During 2011, the Colonial Group signed rental contracts for more than 147,000 sq m (117,516 sq m in Spain and 30,457 sq m in France).

This represents a substantial commercial effort, particularly in Spain, where more than 117,000 sq m were formalised, corresponding to approximately 30% of the contracts portfolio in value. This commercial effort was carried out, despite a very complicated market environment (low demand and downward pressure on rents).

The commercial effort of 78,746 sq m was concentrated in 10 operations with more than 4,000 sq m per transaction, with top tier international clients, as shown in the table below:

New main contracts

Building	Tenant	Surface (sq m)
Torre Marenostrum	Gas Natural	22,750
Centro Norte	Sol Melià	9,254
Centro Norte	O.A. Servicio Regional Bienestar	7,852
Ortega y Gasset, 100	Ayuntamiento de Madrid	7,792
Castellana, 43	Abengoa	5,998
Edouard VII	Theatre de L'Olympia	5,969
Paseo de los Tilos, 2-6	Arbora & Ausonia	5,125
Washington Plaza	Lagardere Ressources	4,992
Centro Norte	Zurich Insurance PLC, Suc España	4,608
Sant Cugat	Anuntis Segundamano España	4,406
NEW MAIN CONTRACTS		**78,746**

In France, it is worth emphasising that in May the 247 building, St. Honoré, in Paris came into operation, rented to the Mandarin hotel chain. This building is already a reference in the luxury hotel sector in the French capital.

The rental prices of the new contracts are 14% below the previous rents, 18% below previous rents in Spain, and 4% below previous rents in France.

It is important to keep in mind that the majority of the contracts were signed at the peak of the market cycle. Therefore, the 18% drop in rental prices in Colonial's portfolio in Spain should be compared with significantly higher decreases in the markets (between 30% and 40% since the peak of the cycle).

The occupancy rate for the Colonial Group's office portfolio stands at 87% (88% for the portfolio, including other uses), which is higher than the 84% of December 2010.

The Colonial Group has improved its occupancy rates for offices in Madrid and Paris, compared to the previous year, reaching a rate in both markets above 90% (90% in Madrid and 92% in Paris). In Barcelona, the company managed to maintain the rate stable at 78%, despite the reduced demand in this market.

During 2011, the Colonial Group carried out asset disposals for a volume of €76m, €50m in France and €26m in Spain. The sale prices represent a premium of 14% on the latest appraisal values, leading to capital gains of €9m.

The disposals carried out 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. It is important to highlight that at December 31st, 2011, Colonial held a project pipeline of more than 92,000 sq m above ground, corresponding to 4 projects in Spain and 2 projects in France, which are scheduled to come into operation between 2012 and 2015, as well as other substantial refurbishments.

Consolidated result and asset valuation

Rental revenues of the year totalled €229m. Of these revenues, 66% (€152m) are attributable to Société Foncière Lyonnaise (SFL), the Group's French subsidiary, and the remaining €78m were generated in Spain.

Compared to the year before, the rental revenues increased 3.2% like-for-like. The rental portfolio in Spain was affected by a difficult market and the rents decreased by 3.1%. These impacts were compensated by an increase of 6.6% in the French portfolio.

EBITDA from the rental portfolio amounted to €210m, to which €19m must be added from the net attributable profit of the Colonial Group's 29.999% stake in the property company SIIC de Paris.

In 2011, the Colonial Group carried out an important effort to reduce overhead costs (20%), mainly in Spain.

All in all, the operating profit before revaluation, amortizations and provisions and interest amounted to €208m, which represents an increase of 24% compared to the year before. Consequently, the net profit of the Group was €15m.

The valuation of rental assets at December 2011 totalled €5,102m, in line with the valuation at June 2011, and a figure that is 2.1% higher than the valuation at December 2010 (+3.0% like-for-like).

The portfolio in Paris experienced an annual growth of 6%, and a growth of 3% in the last 6 months, both figures in like-for-like terms. In Spain, the property portfolio decreased by 2.1% in the last 6 months, and 3% in the last 12 months, both also in like-for-like terms.

Capital structure

Financial structure / net debt

At December 2011, the Group's net debt stood at €3,359m, representing an LTV ratio of 67.5%, maintaining a stable ratio with the year before.

In the first half of 2011, SFL, the French subsidiary, successfully placed a €500m bond issue with a fixed interest of 4.625%, and maturing on May 25th, 2016.

The deal attracted more than 150 investors, with a demand four times higher than supply, reaching a total demand of €2,000m. This bond issue is part of the financing strategy put in place by the Colonial Group and its subsidiary, SFL, with the objective to diversify the sources of financing, increase the maturity of the debt, and strengthen the company's overall financing capacity.

At December 31st, 2011, contracts were signed for interest rate hedging instruments associated with debt for a nominal value of €3,524m, €700m of which will be effective as of 2012. The hedging ratio at December 2011 (hedges/ debt at variable rates) is 96.6%.

On January 26, 2012, Riofisa, S.A.U., 100%-owned subsidiary of Asentia Project, S.L.U., previously called Colren, S.L.U., successfully completed the refinancing process that affects its total financial debt. Specifically, a debt restructuring and refinancing agreement was signed that amounted to €355m.

This agreement signed between Riofisa and its banks has allowed for an extension of the maturity of the financial debt to December 30th, 2014. The agreement also contemplates the possibility to expand the maturity for 24 additional months (based on the fulfilment of specific urbanistic conditions on the company's assets), which would allow Riofisa to postpone the payment of debt until December 30th, 2016. In addition, the company will not have to pay the accrued interests for the next 36 months.

Equity / Capital Markets

At December 31st, 2011, the NAV amounted to €6.26/share, an increase of €3.6%, compared to December 2010. This positive variance is mainly due to the increase of the value of the assets.

The share price performance has been affected by the difficult situation in the capital markets, especially due to the European sovereign debt crisis, and the high risk of a possible recession in Europe, and particularly in Spain. As a consequence, Colonial's share price decreased and closed the year at €2.3/share.

Colonial belongs to the European Public Real Estate Association (EPRA), as well as to the Global Property Index 250 (GPR 250 Index). In 2012, the company will become part of the Investment Property Databank (IPD) index, a real estate index of global reference.

Index

1. Financial statements

Consolidated results

December cumulative - €m	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**	**-**

Results Analysis 2011	€m	BPA - € [3]
EBITDA recurring business	180	
Equity method SIIC de Paris	19	
Recurring Financial Result	(128)	
Recurring result	**71**	**0.31**
EBITDA - asset sales	9	
Valuation movements & Amortizations & Provisions	(24)	
Movement in fair value of financial instruments	(10)	
Gain/ loss on discontinued operations (2)	(1)	
Exceptional items	**(26)**	**(0.11)**
Income tax expense & minority interest	**(30)**	**(0.13)**
Profit attributable to the Group	**15**	**0.07**

[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

[3] Nº of shares fully diluted and after reverse split: 225,991,141

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.

Operating Results

December cumulative - €m	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%)**

- The stake of 29.999% in SIIC de Paris contributed an attributable profit of €19m.

Non-recurring operating result

- 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.

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.

Financial results

December cumulative - €m	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%**

- 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.

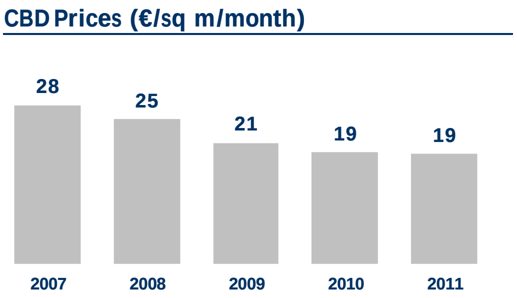
- The impact on the profit and loss account due to the variance in the mark-to-market value (MTM) of the interest rate hedges was -€9.5m (-€4.7m in France and -€4.8m in Spain).

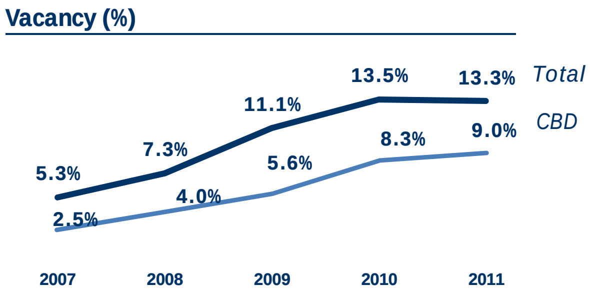
2. Business Performance

Office market situation (1)

Rental market

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.

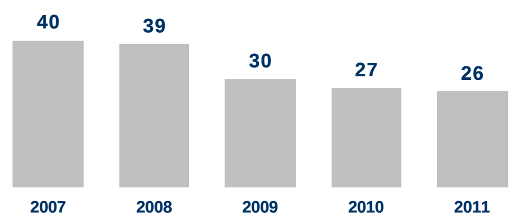
- The average vacancy rate in Barcelona went down to 13.3%. In the CBD area, the vacancy rate reached 9%. Currently, the demand for the prime areas requires high quality and efficient buildings. In case of low qualities, tenants prefer assets with lower prices in secondary locations.

- 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.

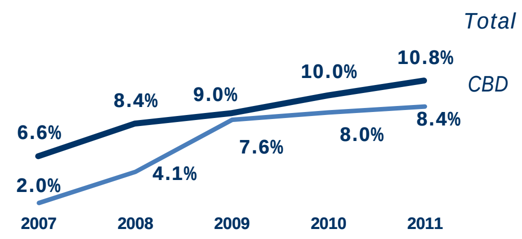
(1) Sources: Reports by Jones Lang Lasalle, Aguirre Newman, Cushman & Wakefield, CBRE at December 2011

Madrid

CBD Prices (€/sq m/month)



Vacancy (%)



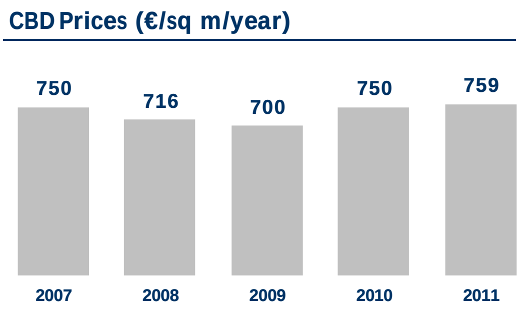
- The transactions of the fourth quarter remained at more than 88,000 sq m, which slightly exceeded the initial forecast. One third of the contracts were signed in the Central Business District, (while the A-1 and A-2 markets achieved around 20% each). The buildings and types of investment that are in 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.

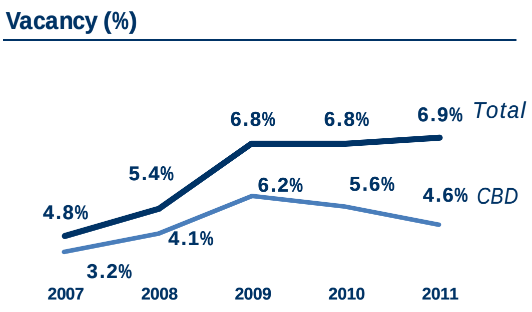
- In the fourth quarter of the year, 2 million sq m of available Offices and High-Tech were exceeded, reaching a vacancy rate of 10.8%. The CBD area increased its vacancy rate slightly to 8.4% at December 2011, due to the gradual vacancies that have not been replaced with new occupancies.

- The rents have stayed in line with the trend initiated at the end of 2010, although there has been a moderate decrease. The Prime rent is at €25.75/sq m/month, which means a 35% drop since 2007.

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

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.

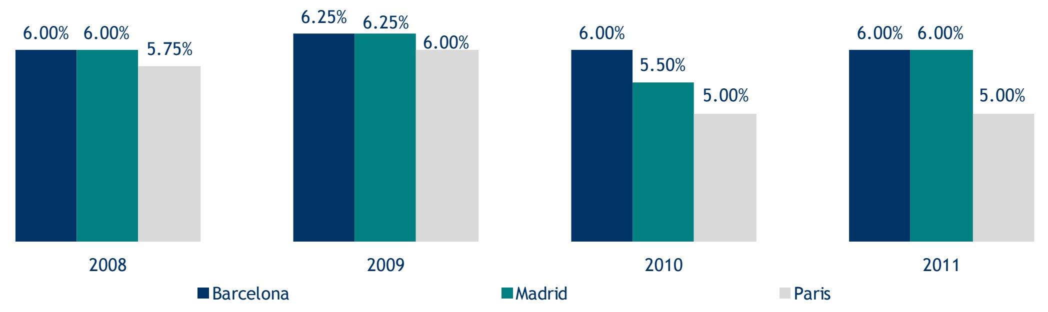
- The vacancy rate is at 6.9 % in the Paris region, with an immediate offer of 3,609,000 sq m which has practically not varied compared to the year before, while in the CBD area, the vacancy decreased to 4.6% with an immediate offer of 311,000 sq m.

- 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.

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

Investment market [1]

Prime Yields – Paris, Madrid, BCN



- **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.

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

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.

Rents (2011 vs. 10) €m	Barcelona	Madrid	Paris	Total
Rental Income 2010R	**39**	**47**	**175**	**261**
Like-for-Like	*(2)*	*(0)*	*8*	*6*
Projects & Refurbishments	*(4)*	*3*	*1*	*0*
Disposals	*(1)*	*(4)*	*(20)*	*(25)*
Indemnities & Others	*(0)*	*0*	*(13)*	*(13)*
Rental Income 2011R	**32**	**45**	**152**	**229**
Total Variance (%)	*(17.9%)*	*(2.4%)*	*(13.3%)*	*(12.1%)*
Like-for-Like Variance (%)	*(5.7%)*	*(0.7%)*	*6.6%*	*3.2%*

- **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.

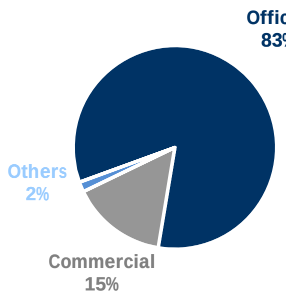
Property business

Desember cumulative - €m	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%**
EBITDA/ Rental revenues - Barcelona	*88%*	*94%*	*(06 pp)*	
EBITDA/ Rental revenues - Madrid	*90%*	*90%*	*00 pp*	
EBITDA/ Rental revenues - Paris	*93%*	*93%*	*00 pp*	
EBITDA/ Rental revenues	*92%*	*92%*	*(00 pp)*	

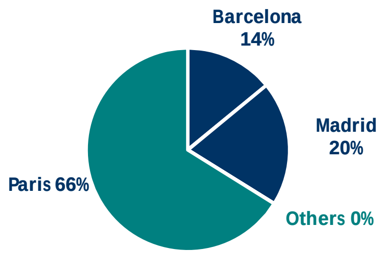
[1] Includes expenses related directly to property, without taking into account overheads, such as personnel expenses
Pp: percentage points

- 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.

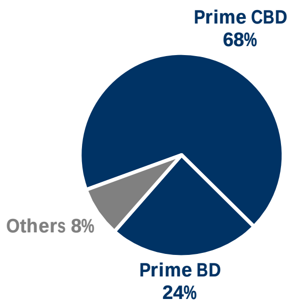
Revenues - by use



Revenues - by market

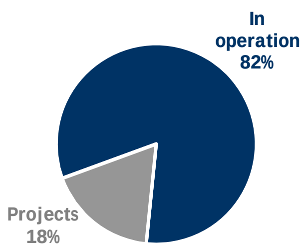


Revenues - by area

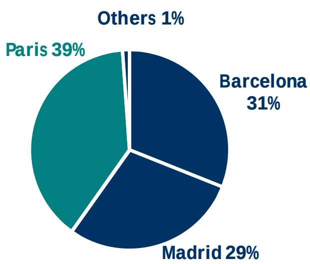


- **Surface area:** At the end of 2011, the Colonial Group's portfolio totalled 1,089,564 sq m (764,649 sq m above ground), most of which was office space. 82% of the portfolio was in operation on December 31st, 2011, and the remaining 18% corresponds to an attractive portfolio of projects and renovations.

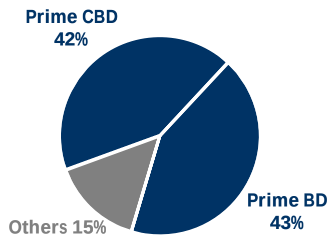
Surface - by condition



Surface - by market



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.

Letting Performance

December cumulative - sq m	2011	% new rents vs. previous	Maturity average
Renewals & revisions - Barcelona	64,492	(17%)	4
Renewals & revisions - Madrid	26,486	(19%)	7
Renewals & revisions - Paris	20,093	(4%)	5
Total Renewals & Revisions	**111,071**	(14%)	**5**
New Lettings Barcelona	8,270		2
New Lettings Madrid	18,267		7
New Lettings France	10,364		5
New Lettings	**36,901**	**na**	**5**
Total commercial effort	**147,972**	**na**	**5**

Average maturity until break option

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.

- As for the new contracts signed in Spain, it is worth highlighting the 22,750 sq m at the Torre Marenostrum (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). In addition, it is important to point out the contracts signed at Torre 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 operation 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).

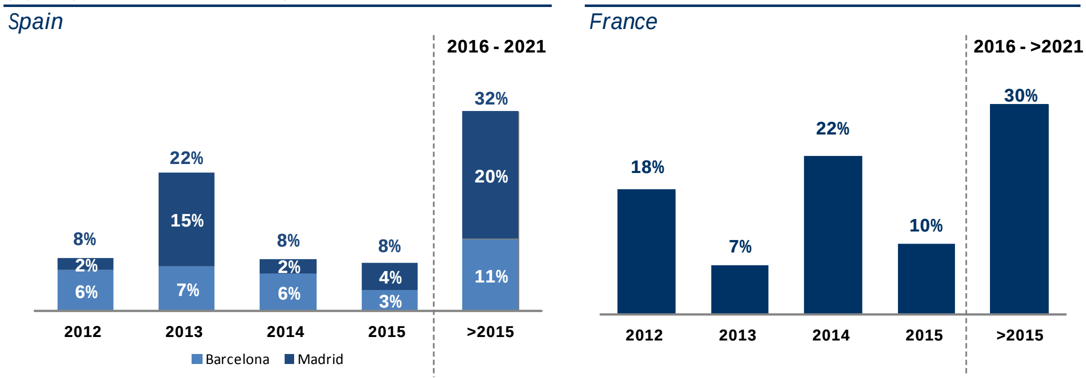
The charts below show the breakdown of the commercial lease expiry dates for the next four years for the Spanish and French contract portfolios, until their break options and the end of contract dates.

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:

BREAK OPTION

Commercial lease expiry dates in economic terms [(1)] *- Break option* [(2)]

(% passing rent of surfaces to be leased)



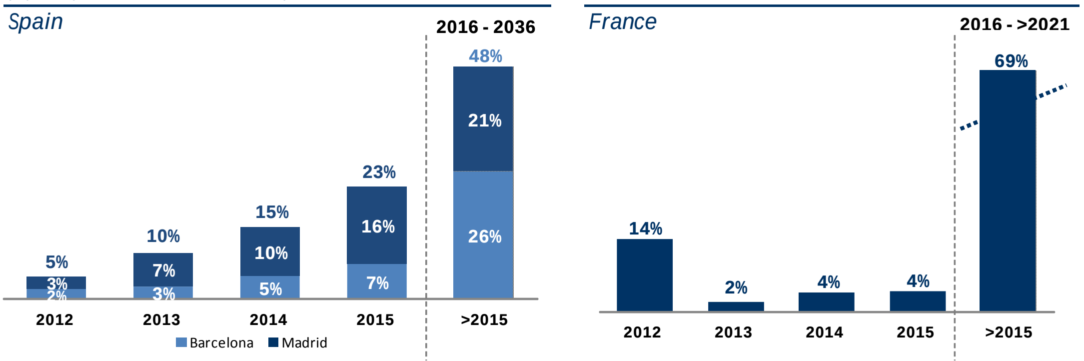
(1) % = surface to rent x current rents / current rental portfolio

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

EXPIRY DATE

Commercial lease expiry dates in economic terms - Expiry date [(3)]

(% passing rent of surfaces to be leased)

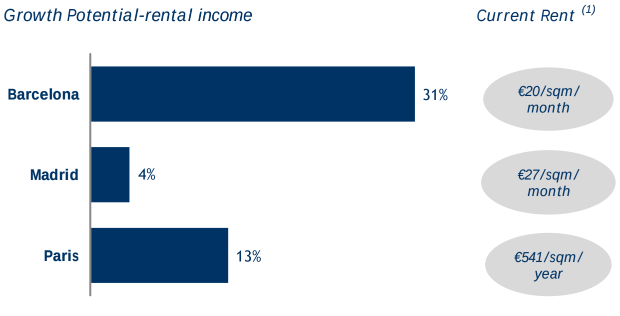


(3) Renewal dates based on the expiry date of the current contracts as of December 31st, 2011

- 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).

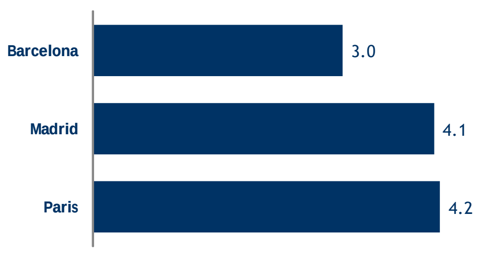
  At December, the growth potential represented approximately €25m in additional annual rental revenues (€11m corresponding to Spain and €14m to France).

Figures at December 2011



(1) Current rent of occupied surfaces

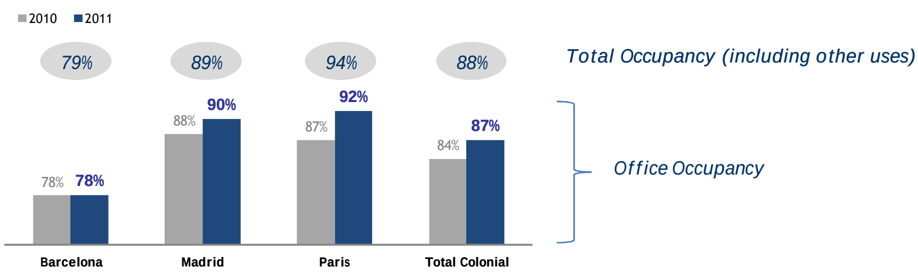
Average maturity of the contracts (2)



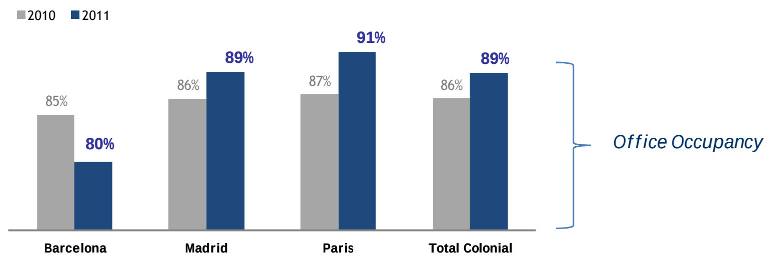
(2) Average maturity until first break option

- **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.

Office Occupancy - Surfaces (1)



Office Occupancy - Economic (2)



(1) Vacant space/rented space
(2) Vacant space multiplied by current market rent/rented space at market rental prices

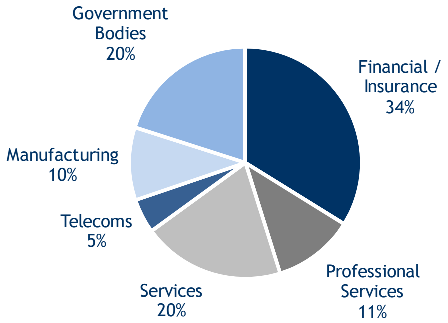
In Barcelona, the occupancy rate is still significantly below normalized levels (≥90%). This is mainly due to the new Illacuna project, with more than 20,000 sq m above ground, as well as to non-strategic properties. Excluding these impacts, the occupancy rate in Barcelona would be around 90%.

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%)

- **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.

Top Tenants - Breakdown by economic sector



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.

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 CÍVICA, 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 CORPORACION TECNOLOGICA	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.

ASSET SALES

Disposal 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%**

- **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 €38m (1).

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

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

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.

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 well-connected 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.

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.

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.

  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).**

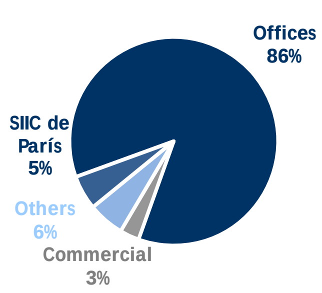
Asset Valuation (€m)	31-Dec-11	30-Jun-11	31-Dec-10	Dec11 vs Jun11		Dec11 vs Dic10		Exit Yield		
				Total	Like-for-like	Total	Like-for-like	31-Dec-11	30-Jun-11	31-Dec-10
Barcelona	585	596	606	(1.9%)	(1.9%)	(3.5%)	(3.5%)	6.1%	6.1%	6.1%
Madrid	656	738	729	(11.1%)	(3.6%)	(10.0%)	(5.6%)	6.1%	6.1%	6.2%
París	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%				
París	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 París	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 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).

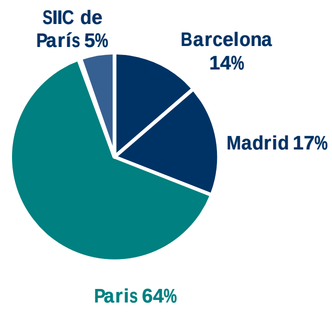
In Spain, there was a decrease in value of 3.0% in the last 12 months and 3.5% in the last 6 months of the year (-3.0% like-for-like at 12 months and -2.1% like-for-like at 6 months).

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

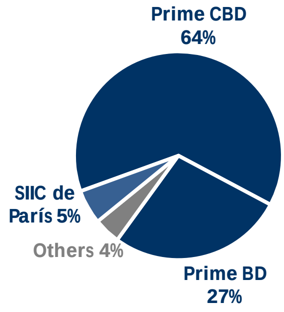
Valuation - by use



Valuation - by market



Valuation - by area



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

Value (€/sq m)	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

3. 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:

Structure of the financial debt

31 December 2011 - €m	COL	SFL	Total	%
Syndicated loan	1,738	240	1,978	58%
Mortgage debt/leases	382	180	561	16%
Subordinated debt	39	0	39	1%
Non-mortgage debt and others	12	335	347	10%
Total Gross Debt	**2,170**	**755**	**2,925**	**85%**
Bones	0	500	500	15%
Total Gross Debt	**2,170**	**1,255**	**3,425**	**100%**
Cash	**(54)**	**(11)**	**(66)**	
Consolidated Net Debt	2,116	1,243	**3,359**	
Average Maturity	**3.3**	**2.6**	**3.0**	
Financial cost %	3.30%	4.32%	**3.68%**	
Financial cost €m	84	35	119	

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:

- 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 Torre Marenostrum, 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.

- 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.

- 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 París.

- Bilateral loans with mortgage security:

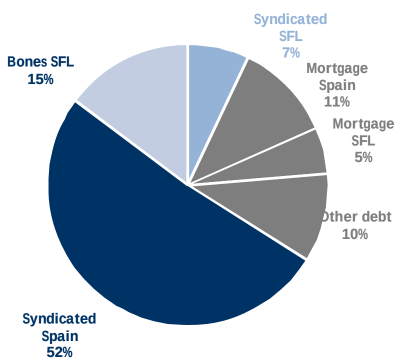
  a) Colonial has a total of €382m in bilateral loans with various credit entities, with mortgage securities on property assets. The average lifespan of these loans is 4.35 years and the average financing spread is 153 bp.

  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.

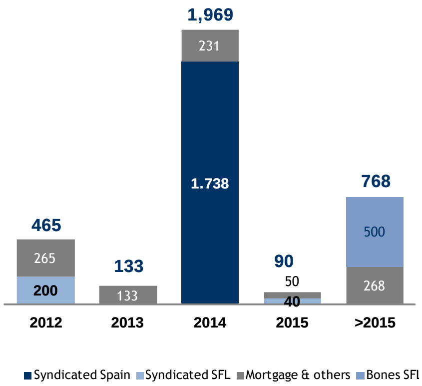
- The liquidity available at December 31st amounted to €739m (current accounts and deposits for €66m and debt not drawn down for €673m), of which €112m correspond to Colonial, €621m to SFL, and €6m to the rest the companies of the Group.

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

Arranged debt structure



Arranged debt maturity (€m)



Colonial	30	36	1.816	47	240
SFL	435	97	153	43	527
Total	465	133	1.969	90	768

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:

Financial instrument - €m	Description	SFL	Property Spain	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
Total Hedging portfolio		**1,814**	**1,811**	**3,624**		**(68)**
Maturity (years)		**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 -€17.4m, -€9.5m 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:

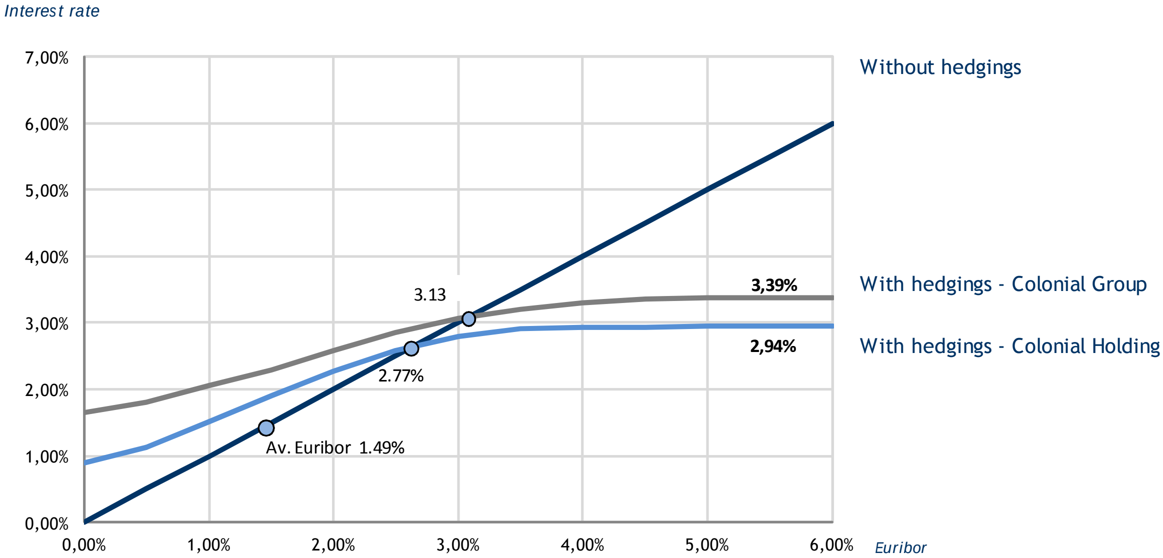
Interest rate simulation based on current hedging portfolio

	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	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	2.33%	2.32%	2.27%	2.00%

(1) Maximum Euribor resulting from hedge portfolio
(2) Euribor average resulting from hedge portfolio

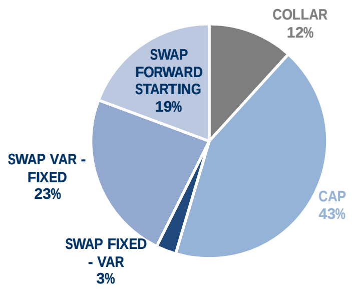
- The chart below shows the sensitivity of the hedging portfolio to changes in the Euribor in 2011. The break-even levels are 2.77% for the Colonial Holding and 3.13% for the Colonial Group. This break even is the point as of which the financial cost of the hedged debt is less than the financial cost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

Resulting interest rates - Hedge portfolio

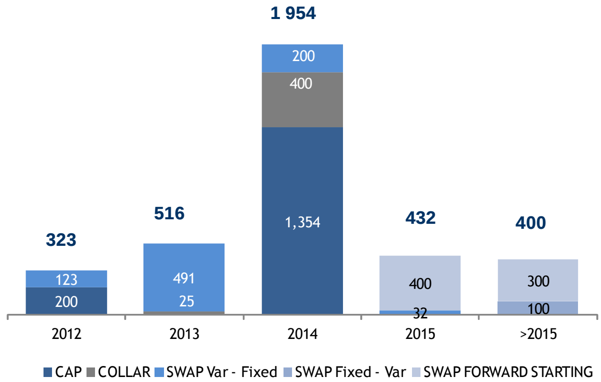


The current structure of the derivatives portfolio and its breakdown per product and company is the following:

Structure coverage



Maturity coverage (€m)



Colonial	0	425	1,354	32	0
SFL	323	91	600	400	400
Total	323	516	1,954	432	400

4. Net Asset Value (NAV) and Stock Market

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.

Net Asset Value (NAV) - €m *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%*

Net Asset Value 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 - including 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%*
Nº 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:

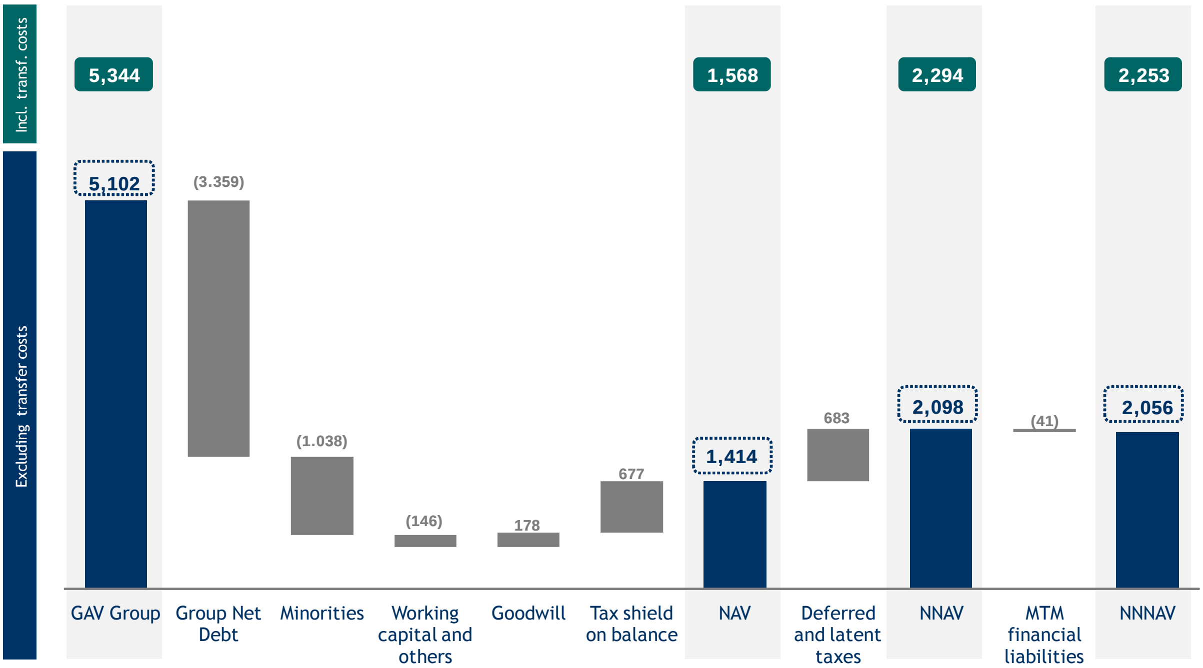
- Consolidated equity: €1,293m.
- Unrealised capital gains: the unrealised gains (i.e. not accounted for on the balance sheet) considered in the calculation of NAV totalled €20m.
- Adjustments: For the calculation of NAV, the amount of deferred taxes related to unrealised gains or losses accounted for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

Colonial's NAV - Building Blocks (€m)



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.

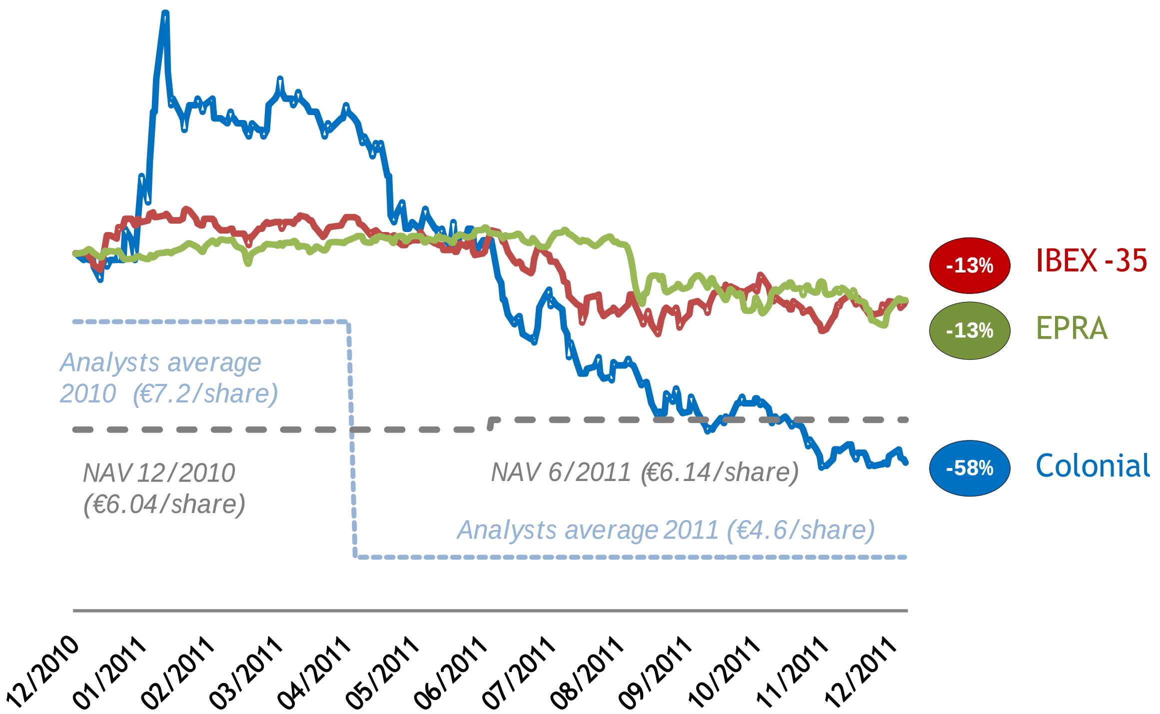
Stock market performance

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.

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 [(1)]	225.9	-

(1) Once all the convertible bonds have been exchanged



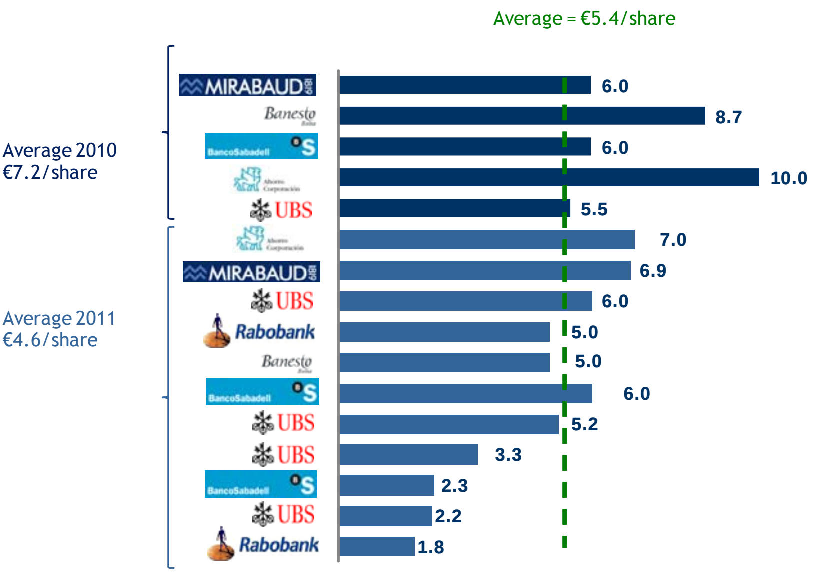
Since mid 2010, Colonial has been a member of the European Public Real Estate Association Index (EPRA) and the Global Property Index 250 (GPR 250). Both are benchmark property market indices for international listed companies.

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:

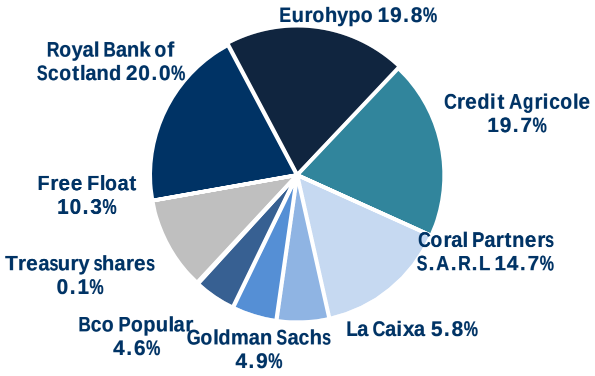
Analysts Recommendations (€/share)



Institution	Analyst	Date	Recommendation	Target Price
Mirabaud	Juan Moreno	23/08/2010	Sell	6.0
Banesto	Marta Gómez	14/09/2010	Sell	8.7
Banco Sabadell	Ignacio Romero	01/10/2010	Sell	6.0
Ahorro Corporación	Javier Hombría	23/11/2010	Sell	10.0
UBS	Ignacio Carvajal	29/11/2010	Neutral	5.5
Ahorro Corporación	Javier Hombría	04/03/2011	Sell	7.0
Mirabaud	Juan Moreno	15/03/2011	Sell	6.9
UBS	Ignacio Carvajal	16/03/2011	Sell	6.0
Rabobank	Martijn van den Eijnden	15/06/2011	Reduce	5.0
Banesto	Marta Gómez	20/06/2011	Sell	5.0
Banco Sabadell	Ignacio Romero	22/06/2011	Sell	6.0
UBS	Ignacio Carvajal	11/07/2011	Neutral	5.2
UBS	Ignacio Carvajal	23/09/2011	Neutral	3.3
Banco Sabadell	Ignacio Romero	13/01/2012	Sell	2.3
UBS	Ignacio Carvajal	16/01/2012	Sell	2.2
Rabobank	Martijn van den Eijnden	24/01/2012	Sell	1.8

Company shareholder structure

Current shareholder structure 31/12/2011 (CNMV)



Name of Director			Executive Committee	Nominations & Remunerations Committee	Audit & Control Committee
Juan José Brugera Clavero	Chairman	Colonial	Chairman		
Pedro Viñolas Serra	Chief Executive Officer	Colonial	Member		
Xavier Faus Santasusana	Director	EURO HYPO	Member	Member	
Alberto Ibáñez González	Director	RBS The Royal Bank of Scotland	Member	Member	
Jean-Luc Ransac	Director	CRÉDIT AGRICOLE CORPORATE & INVESTMENT BANK	Member	Member	
Alain Chetrit	Director	ColonyCapital ORION	Member		Member
Manuel Menéndez López	Director	"la Caixa"			
José María Sagardoy Llonis	Director	GRUPO BANCO POPULAR			Member
Javier Iglesias de Ussel	Independent Director			Chairman	Member
Carlos Fernández-Lerga	Independent Director				Chairman
Francisco Palá Laguna	Secretary - Non-Director		Secretary	Secretary	Secretary
Nuria Oferil Coll	Vice-secretary - Non-Director				

5. Discontinued operations

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.

Discontinued operations - Key performance

December cumulative - €m	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

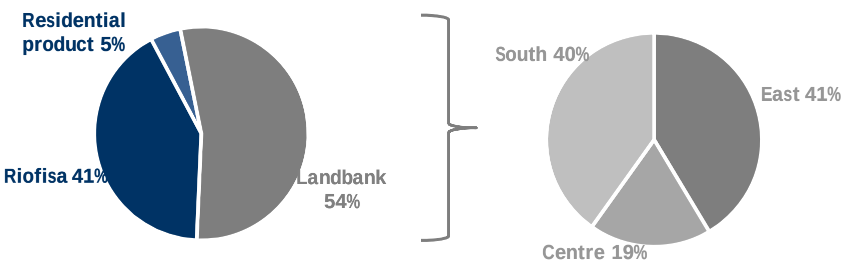
- The residential and commercial business of the Asentia Group was valued by Jones Lang LaSalle at €1,528m at the close of 2011. There was a 4.9% decrease in value of the portfolio compared to June 2011, and in like-for like terms, it decreased by 3.5%.

Residential Business & Others

Asset Valuation (€m)	31-Dec-11	30-Jun-11	31-Dec-10	Dec11 vs Jun11		Dec11 vs Dic10	
				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%)**

Valuation - by product type

Valuation - Landbank



Capital structure of discontinued operations

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

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.

6. Appendices

6.1 Consolidated balance sheet

€m	2011	2010
ASSETS		
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		
Share capital	*226*	*2,711*
Other reserves	*1,110*	*(614)*
Profit (loss) for the period	*15*	*(739)*
Other instruments for equity	*2*	*2*
Treasury shares	*(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 EQUITY & LIABILITIES	**7,937**	**7,863**

MARKET VALUE RECONCILIATION	€m
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**

6.1 Consolidated balance sheet – NAV (cont.)

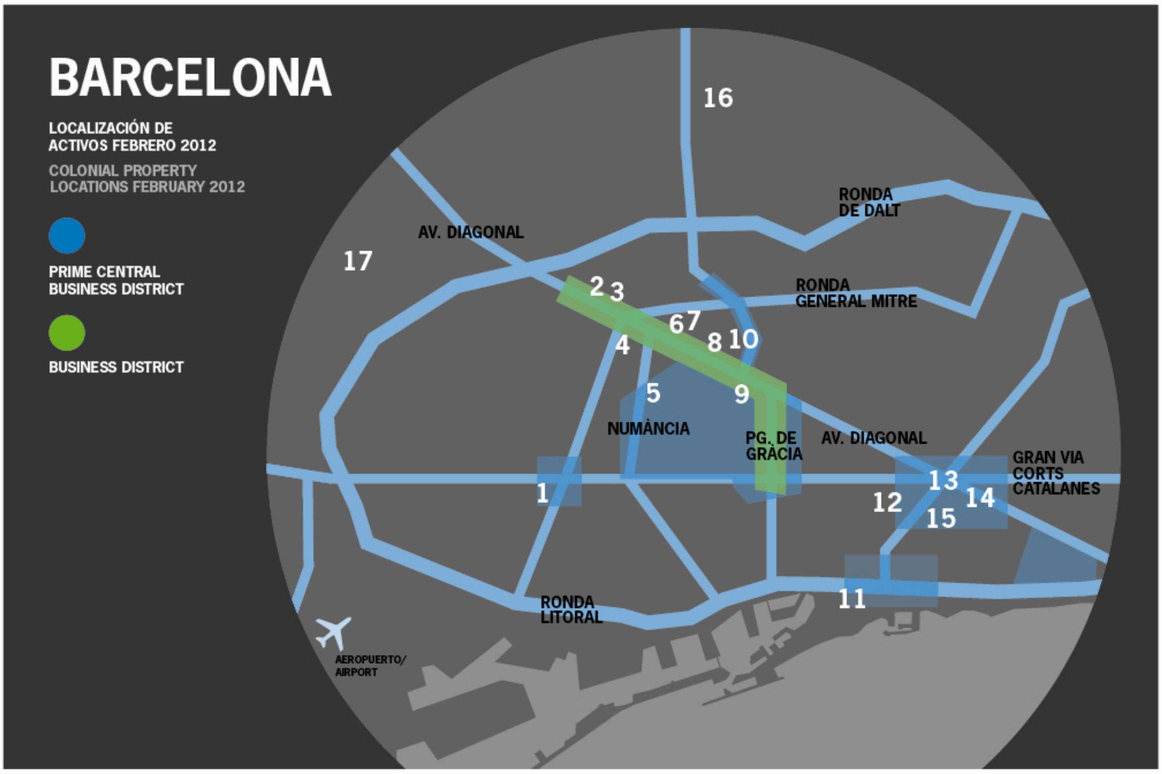
Net Asset Value (NAV) €m	31-Dec-10 reported	Adjustment for restatement[1]	31-Dec-10 comparable[1]
Shareholders' equity	**1,300**		**1,300**
+ Unrealised Gross Capital Gains	12		12
- Add back deferred taxes on balance sheet & MTM	102		102
- Adjustment (comparable basis)		(50)	(50)
NAV	**1,415**	**(50)**	**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**
Nº 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

6.2 Asset portfolio - locations

Barcelona



1 TORRE BCN

2 PG. DELS TIL·LERS 2-6

3 AV. DIAGONAL 682

4 AV. DIAGONAL 609-615

5 BERLÍN 38-48 / NUMÀNCIA 46

6 TRAVESSERA DE GRÀCIA 11

7 AMIGÓ 11-17

8 AV. DIAGONAL 530-532

9 AV. DIAGONAL 409

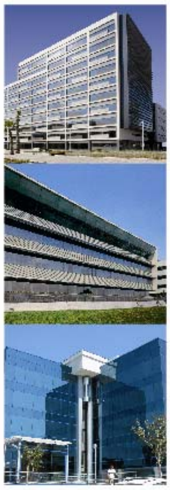
10 VIA AUGUSTA 21-23

11 TORRE MARENOSTRUM

12 AUSIÀS MARC 148

13 DIAGONAL GLÒRIES

14 COMPLEJO DE OFICINAS PARC CENTRAL



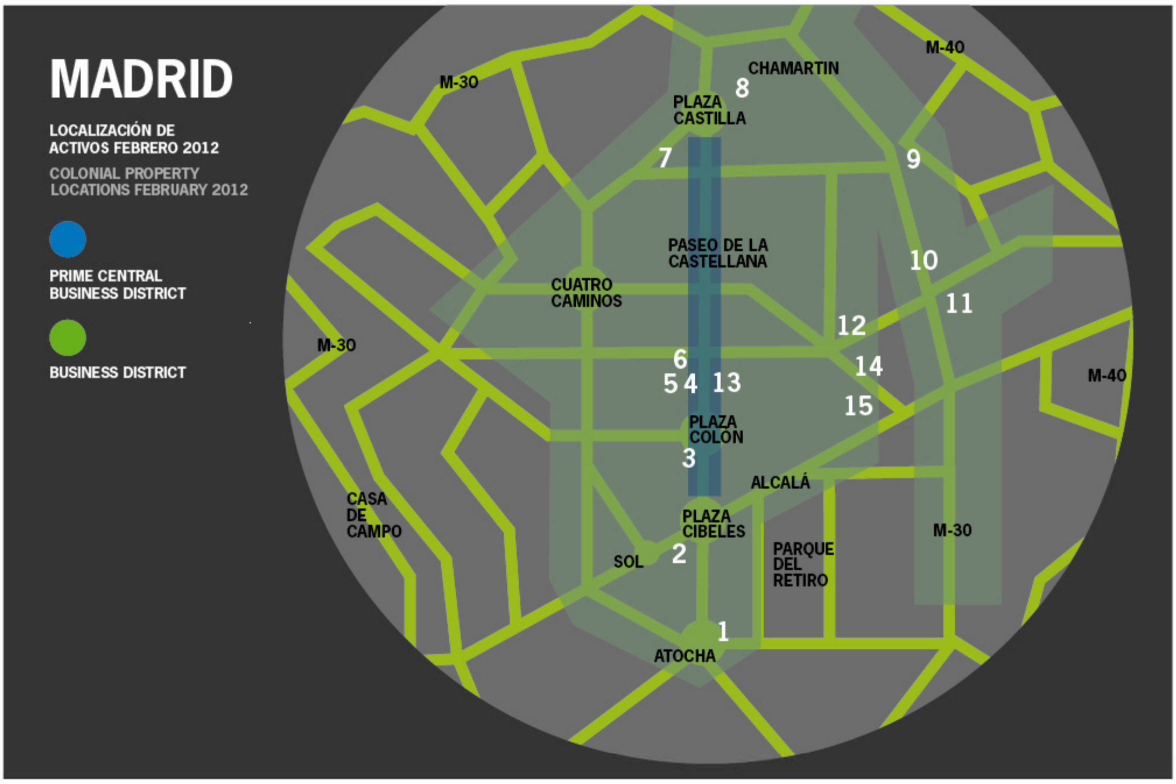
15 COMPLEJO DE OFICINAS ILLACUNA

16 COMPLEJO DE OFICINAS SANT CUGAT NORD

17 COMPLEJO DE OFICINAS SANT JOAN DESPÍ

6.2 Asset portfolio - locations (cont.)

Madrid



1
ALFONSO XII, 62

2
ALCALÁ, 30-32

3
PASEO DE
RECOLETOS, 37-41

4
PASEO DE LA
CASTELLANA, 43

5
MIGUEL ANGEL, 11

6
JOSÉ ABASCAL, 56

7
CAPITÁN HAYA, 53

8
CENTRO NORTE

9
TORRES
ÁGORA/M-30

10
RAMÍREZ
DE ARELLANO, 37

11
MARTÍNEZ
VILLERGAS, 49

12
LÓPEZ DE HOYOS, 35

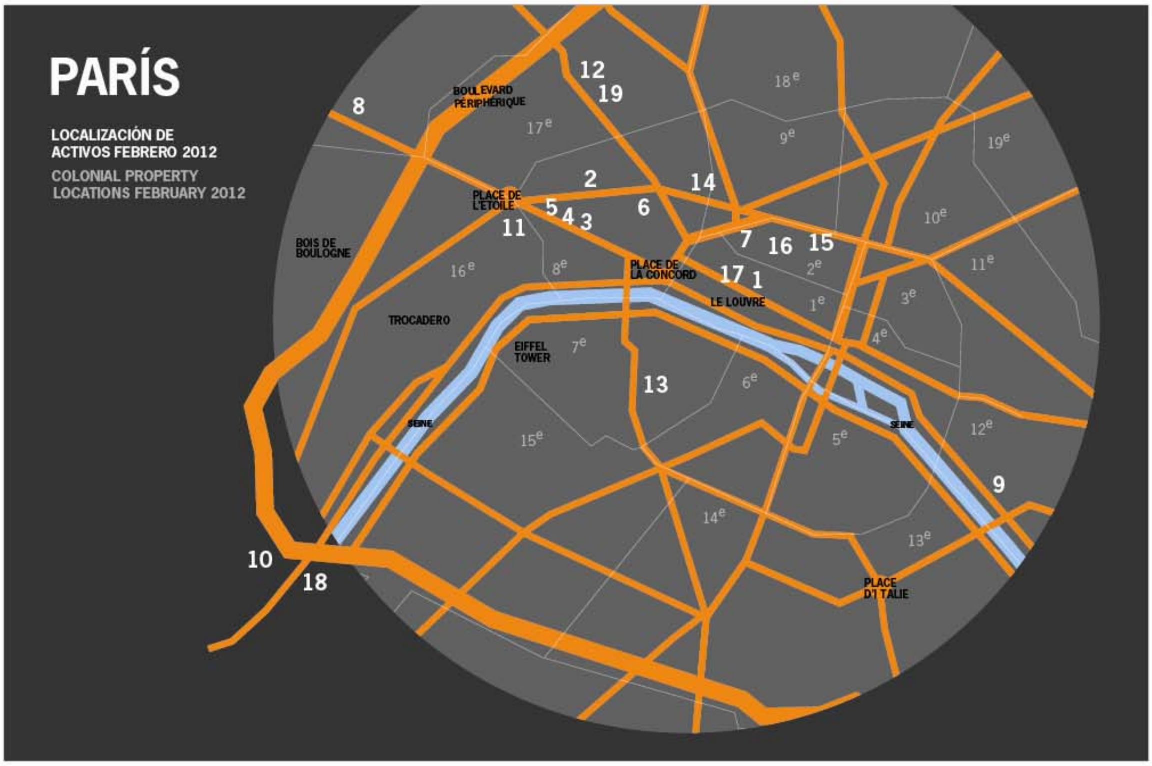
13
PASEO DE LA
CASTELLANA, 52

14
FRANCISCO
SILVELA, 42

15
ORTEGA Y
GASSET, 100

6.2 Asset portfolio - locations (cont.)

París




1
CENTRE D'AFFAIRS
LE LOUVRE


2
WASHINGTON
PLAZA


3
GALERIE DES
CHAMPS-ELYSEES


4
CHAMPS-ELYSEES,
90


5
CHAMPS-ELYSEES,
92


6
CÉZANNE
SAINT HONORÉ


7
EDOUARD VII


8
CHARLES DE
GAULLE, 176
(NEUILLY)


9
RIVES DE SEINE


10
LE GALLO, 46


11
IENA, 96


12
WAGRAM, 131


13
103 GRENELLE
(TELEGRAPHE)


14
HAUSSMAN,
104-110


15
HANOVRE, 6


16
IIOT RICHELIEU


17
247 RUE SAINT
HONORÉ


18
LE VAISSEAU
(2 ALLÉ DES
MOULINEAUX)


19
PRONY-WAGRAM
(108-112 AVENUE
DE WAGRAM)

6.3 Asset portfolio - Details

Spain

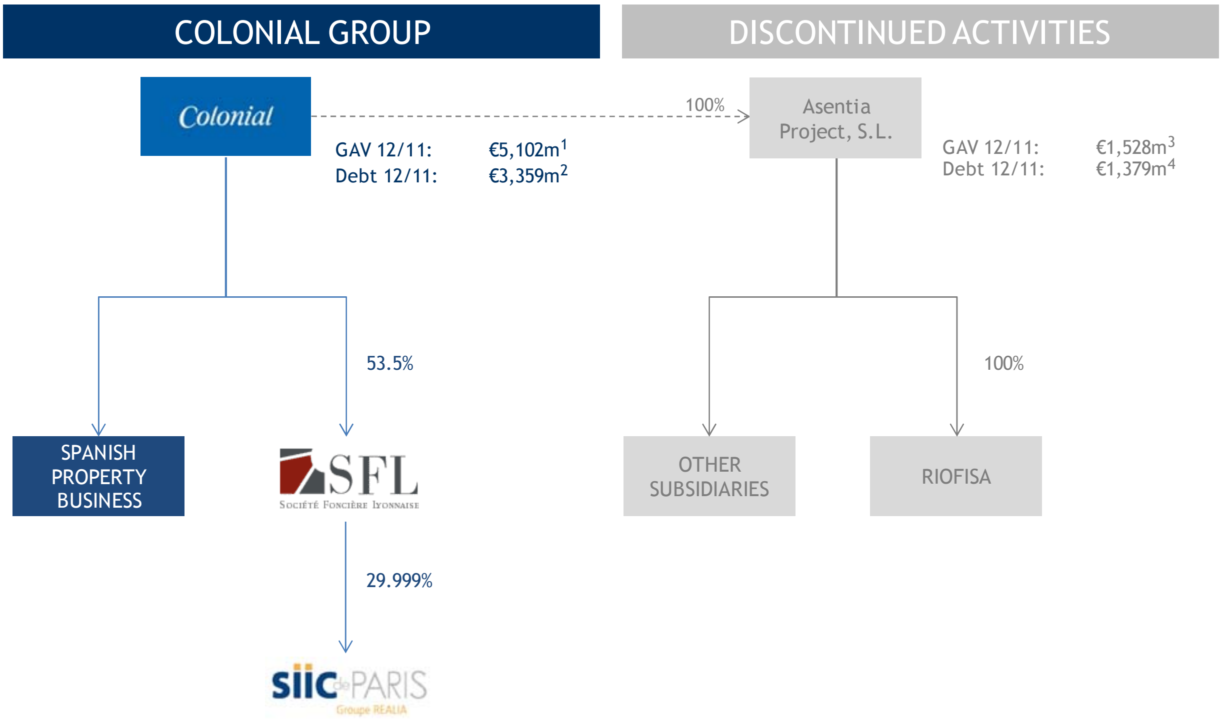
RENTAL PORTFOLIO SPAIN	Floor space above ground					Floor space above ground	Floor space under ground	Total surface
	Offices	Retail	Resid.	Logistic	Hotel			
AV. DIAGONAL, 409	4,531					4,531	0	4,531
AV. DIAGONAL, 530	11,151					11,151	1,689	12,840
AV. DIAGONAL, 609-615 (DAU)	21,996					21,996	18,989	40,985
AV. DIAGONAL, 682	8,622					8,622	600	9,222
PEDRALBES CENTRE	0	6,766				6,766	0	6,766
AUSIAS MARC / LEPANT	0					0	1,792	1,792
BERLIN, 38-48/NUMANCIA, 46	11,625					11,625	1,704	13,329
GLORIES - Diagonal	11,672					11,672	536	12,208
GLORIES - Llacuna	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	0	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
P. CASTELLANA, 52	7,523					7,523	588	8,111
RECOLETOS, 37	17,202					17,202	5,340	22,542
MIGUEL ANGEL, 11	6,300					6,300	3,049	9,349
JOSE 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
CAPITAN 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
RAMIREZ DE ARELLANO, 37	5,988					5,988	4,923	10,911
RENTAL PORTFOLIO	**322,299**	**11,598**			**8,073**	**341,970**	**197,590**	**539,561**
OTHER COMMERCIAL PREMISES		**9,428**				**9,428**		**9,428**
RENTAL FLOOR SPACE SPAIN	**322,299**	**21,026**			**8,073**	**351,398**	**197,590**	**548,988**
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	0			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	0	53				53		53
AUSIAS MARC / LEPANT	6,379					6,379		6,379
HOTEL MARINA DE LA TORRE	0				11,519	11,519		11,519
MARTINEZ 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
SAMONTA 21	5,404					5,404	2,655	8,060
						0		
PROJECTS UNDERWAY SPAIN	**68,054**	**53**	**0**	**3,905**	**11,519**	**83,531**	**31,757**	**115,288**
TOTAL SPAIN	**390,354**	**21,079**	**0**	**3,905**	**19,592**	**434,929**	**229,347**	**664,276**

6.3 Asset portfolio - Details - (cont.)

France

RENTAL PORTFOLIO PARIS	Floor space above ground					Floor space	Floor space	Total surface
	Offices	Retail	Resid.	Logistic	Hotel	above ground	under ground	
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	0	1,332			14,644	15,976	1,396	17,372
ILOT RICHELIEU	24,392				5,095	29,487	10,247	39,734
C. ELYSEES 8288	0	2,259				2,259	1,103	3,362
C. ELYSEES 90	2,249	491				2,739	0	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	0					0	163	163
IENA	7,285					7,285	5,463	12,748
108-112 WAGRAM	4,470	892				5,362	546	5,908
WASHINGTON PLAZ	39,378	460			2,241	42,079	13,271	55,350
HAUSS. 104-110	5,899	338				6,237	1,325	7,562
NEUILLY	5,621	492				6,113	2,737	8,851
QUAI LE GALLO	0					0	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	0					0	163	163
103 GRENELLE	15,176	258				15,434	1,872	17,306
SAINT DENIS	0	0	60	0	0	60	16	76
RENTAL FLOOR SPACE PARIS	**208,283**	**27,290**	**4,800**	**0**	**30,825**	**271,198**	**76,383**	**347,582**
WASHINGTON PLAZ	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
NEUILLY						0	842	842
PRONY-WAGRAM						0	532	532
IENA						0	360	360
EDOUARD 7	6,996	503				7,499		7,499
HANOVRE	3,003		61			3,065	1,697	4,762
PROJECTS UNDERWAY PARIS	**49,956**	**7,229**	**61**	**0**	**1,275**	**58,521**	**19,185**	**77,705**
TOTAL PARIS	**258,239**	**34,519**	**4,861**	**0**	**32,100**	**329,719**	**95,568**	**425,287**
TOTAL PROPERTY COLONIAL	**648,593**	**55,598**	**4,861**	**3,905**	**51,692**	**764,649**	**324,915**	**1,089,564**

6.4 Legal structure



Notes:
(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

6.5 Subsidiaries - Details

▪ Main subsidiary figures

Key performance

	SFL			SIIC DE PARIS		
	Dec-11	Dec-10	Var. %	Dec-11	Dec-10	Var. %
Nº 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	3,086	2,960	4%	1,428	1,428	(0%)
Net Debt	1,244	1,202	4%	492	525	(6%)
LTV	35.5%	35.6%	1,6 pp	34.4%	36.8%	(2,3 pp)
NAV	2,147	2,050	5%	904	851	6%
Nº 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%)

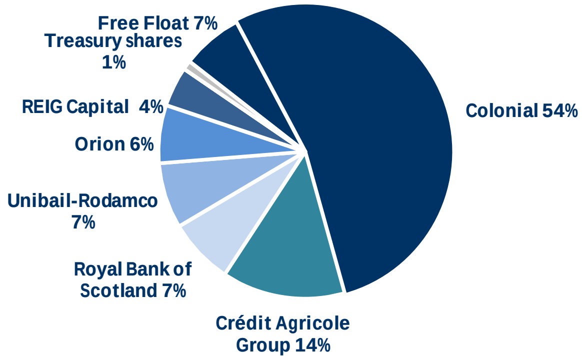
(1) GAV attributable excluding transfer costs

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

6.5 Subsidiaries – Details (cont.)

▪ Shareholder structure & Board of Directors of SFL

SFL - Current shareholder structure 31/12/2011



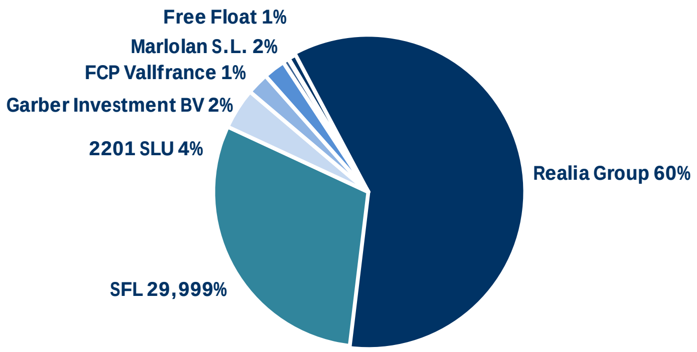
Board of Directors SFL

Name of Director			Executive Committee	Nominations & Remunerations Committee	Audit & Control Committee
Juan José Brugera Clavero	Chairman	Colonial	Chairman	Member	
Anne-Marie de Chalambert	Member of the Board	Colonial			
Carlos Fernández-Lerga Garralda	Member of the Board	Colonial			Chairman
Carmina Ganyet Cirera	Member of the Board	Colonial	Member		
Bertrand Letamendia	Member of the Board	Colonial			
Carlos Losada Marrodan	Member of the Board	Colonial			
Luis Maluquer Trepat	Member of the Board	Colonial			
Pere Viñolas Serra	Member of the Board	Colonial	Member	Chairman	
Jean-Jacques Duchamp	Member of the Board	Crédit Agricole Assurances PREDICA	Member		Member
Aref H. Lahham	Member of the Board	ORION	Member		
Reig Capital Group Luxembourg SARL (Alejandro Hernandez-Puertolas)	Member of the Board	REIG Capital Group			
Jean Arvis	Member of the Board - Independent			Member	Member
Jacques Calvet	Member of the Board - Independent				Member
Tony Wyand	Member of the Board - Independent			Member	

6.5 Subsidiaries – Details (cont.)

▪ Shareholder structure & Board of Directors of SIIC de Paris

SIIC de París *- Current shareholder structure 31/12/2011*



Board of Directors SIIC de Paris

Name of Director			Nominations & Remunerations Committee	Audit & Control Committee
Ignacio Bayón Mariné	Chairman	REALIA		
Agustín González Sánchez	Member of the Board	REALIA	Member	
Jaime Lloréns Coello	Member of the Board	REALIA		
Realia Business S.A. (Iñigo Aldaz Barrera)	Member of the Board	REALIA		
Juan Antonio Franco Díez	Member of the Board	REALIA		Member
Carmina Ganyet i Cirera	Member of the Board	SFL		
Pere Viñolas Serra	Member of the Board	SFL		
Bertrand Julien-Laferrière	Member of the Board	SFL		
Jean-Marie Soubrier	Member of the Board - Independent		Chairman	Chairman
Garber Investments BV (Carlos Cercadillo)	Member of the Board - Independent			Member

6.6 Glossary

Earnings per share (EPS)	Profit from the year attributable to the shareholders divided by the number of shares
BD	Business District
Market capitalisation	The value of the company's capital. It is obtained multiplying the share price with the total number of shares listed in the market
CBD	Central Business District
Property company	Company with rental property assets
Portfolio (floor area) in operation	Property generating rent at the closing date of the report
EBITDA	Earnings before interest, taxes, depreciation and amortization
Free float	The part of share capital that is freely traded on the stock market and not controlled in any stable way by shareholders
GAV	Gross Asset Value (value of the assets portfolio before deducting transfer costs, according to appraisers outside the Group)
Holding	A company whose portfolio contains shares from a certain number of corporate subsidiaries
IFRS	International Financial Reporting Standards
JV	Joint Venture (association between two or more firms)
Like-for-like rents	Data that can be compared between one period and another. Excluded are: 1) investments and disposals, 2) changes in the project portfolio, and 3) other extraordinary items, for example, indemnities from tenants in case of anticipated leave.
Like-for-like valuation	Data that can be compared between one period and another (investments and divestments are excluded)
LTV	Loan to Value (Net financial debt / GAV)

6.6 Glossary (cont.)

NAV	Net Asset Value, corresponding to the market value of assets before taxes
NNAV	This corresponds to the NAV adjusted for deferred taxes due to the sale of assets at market value and the latent tax credit
NNNAV	This corresponds to the NNAV also including the market value of financial liabilities (mark-to-market)
Occupancy - economic	Vacant surface areas multiplied by the market rental prices / surface area in operation at market rental prices
Occupancy - surfaces	Percentage of the occupied square metres of the portfolio at the closing date of the report
Rent growth potential	This is the result of comparing the rental revenue from current contracts (contracts with occupancy and current rents) with the rental revenue that would result from renting out all the floor space at market prices, estimated by independent appraisers. Projects are excluded
Projects underway	Property under development at the closing date of the report
RICS	Royal Institution of Chartered Surveyors
Yield on cost	100% rented market rent / Market value at start of project net of impairment of value + capital expenditure

6.7 Contact details

Investor Relations

Tel. ++34 93 404 7898
inversores@inmocolonial.com

Shareholders Office

Tel. ++34 93 404 7910
accionistas@inmocolonial.com

Colonial Website

www.inmocolonial.com

Capital Market registry data - Stock market

Bloomberg: COL.SM
ISIN code: ES0139140042
Indices: EPRA, GPR, IPD

6.8 Disclaimer

Forward-looking statements included in this presentation have not been verified by an independent entity and therefore the accuracy and completeness thereof should not be assumed. These forward-looking statements contemplate unknown risks, uncertainties or other factors which can lead to results or events that take place in reality to be different from those expressed in these forward-looking statements.

Neither the Company nor any of its advisors or representatives assumes any kind of responsibility for the damages or losses derived from any use of this document or its contents.

This document does not constitute an offer and no part of this document should be taken as a basis for entering into any contract or agreement.