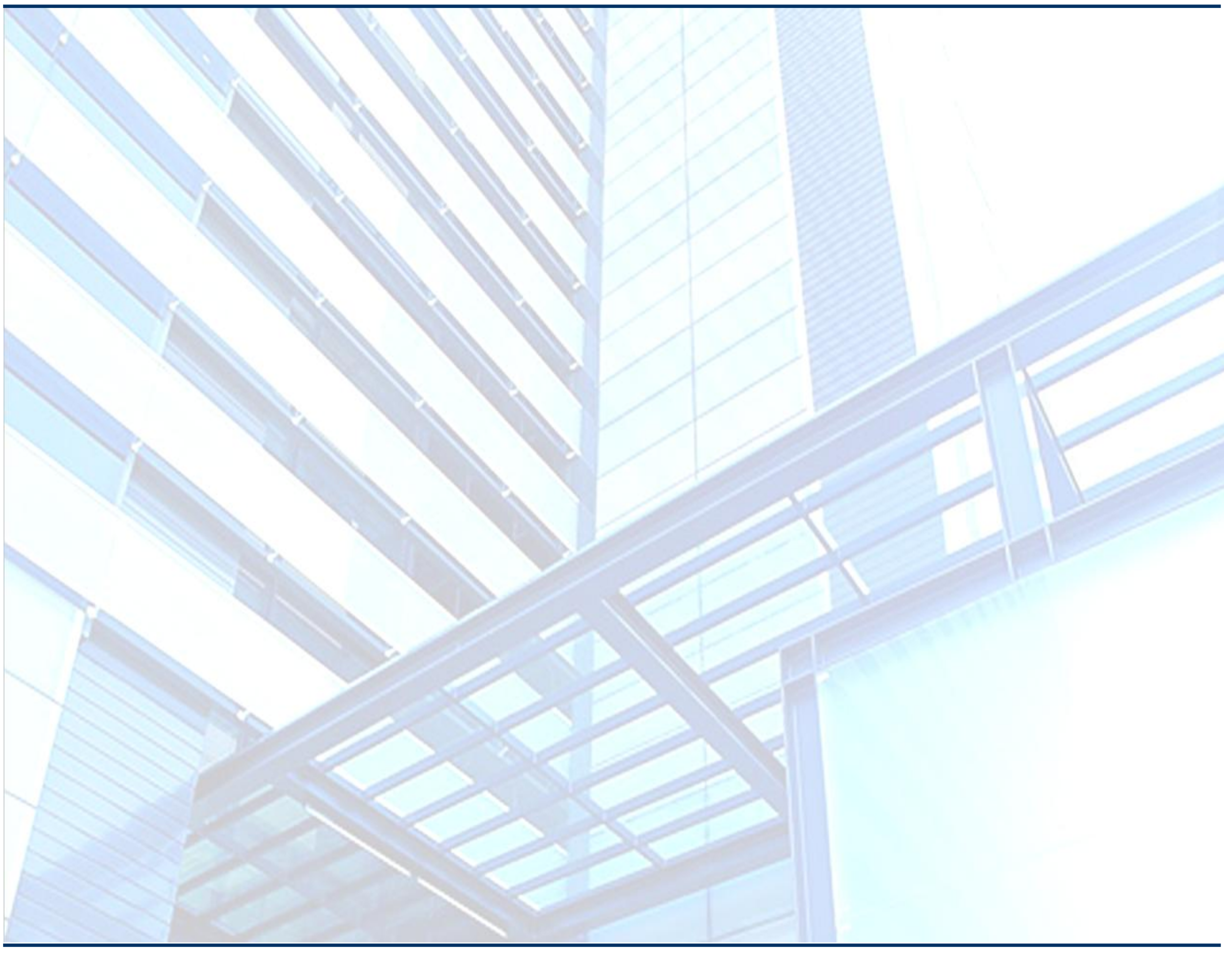
Colonial

First half results
January – June 2013

August 2nd, 2013



The Colonial Group obtained negative attributable results of (€308m) mainly due to the consolidation impacts of the non-strategic business (Asentia Group).
The operating profit of the Group is positive and amounts to €87m.
The net recurring result (Recurring EPRA net profit)(3) is negative and amounts to (€1m).

- Rental revenues: €107m, +1.2% like-for-like vs. the previous year
- Recurring EBITDA of the Group: €79m, -1% like-for-like vs. the previous year
- Group operating profit: €87m, -9% vs. the previous year
- Gross Asset Value Property Business: €5,343m, +2.2% like-for-like vs. 6 months ago
- EPRA NAV – fully diluted (post-warrant): €1.20/share
- Net result of the Group: (€308m)

Key performance and financial indicators

June cumulative - €m	2013	2012	Var. %
Nº assets (1)	50	52	(4%)
Lettable surface above ground	584,686	641,280	(9%)
Developments underway surface above ground (2)	148,063	119,596	24%
Surface underground	319,286	336,137	(5%)
Total surface (sq m)	**1,052,035**	**1,097,012**	**(4%)**
Office occupancy	85.0%	85.2%	*(0.3 pp)*
Total occupancy	85.6%	85.7%	*(0.1 pp)*
Rental revenues	107	112	(5%)
EBITDA rents	95	101	(6%)
EBITDA / rental revenues	89%	90%	*(0.8 pp)*
EBITDA rents	95	101	(6%)
Results equity method SIIC de Paris	12	9	24%
EBITDA overheads and others	(16)	(14)	(16%)
EBITDA assets sales	(3.3)	(0.0)	-
Group operating profit	**87**	**96**	**(9%)**
Financial results (without results equity method)	**(110)**	**(87)**	**(26%)**
Recurring EPRA net profit (3)	**(1)**	**7**	**-**
Gain/ loss on discontinued operations	**(257)**	**(160)**	**(60%)**
Net Result attributable to the Group	**(308)**	**(178)**	**(73%)**

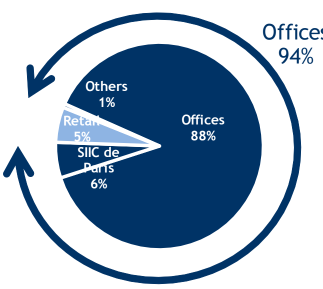
Balance sheet indicators

€m	6/2013	12/2012
GAV property business (4)	5,343	5,535
GAV discontinued operations	930	1,159
Group net debt	3,501	3,623
Net debt Spain	2,100	2,076
LTV (5)	65%	65%
Financial cost %	3.51%	3.78%
Maturity (years) - available debt	1.8	2.9
EPRA NAV	300	359 (6)
Nº of shares (m) - Fully diluted (post-warrant)	251	251
EPRA NAV (€/share) - Fully diluted (post-warrant)	1.20	1.43 (6)
EPRA NNNAV (€/share) - Fully diluted (post-warrant)	1.34	1.50 (6)
Free float %	15%	10%

(1) *Without including small non-core retail assets. Centro Norte complex has been reclassified in two assets (Agustín de Foxá, 29 & Hotel Tryp Chamartín)*
(2) *Projects & refurbishments*
(3) *Recurring EPRA net profit - post-company specific adjustments*
(4) *Includes NAV stake in SIIC de Paris*
(5) *Group Net Debt / GAV Strategic Business*
(6) *The NAV as of 31/12/2012 corresponds to NAV after considering potential contingent liabilities, already included in the NAV as of June 2013*

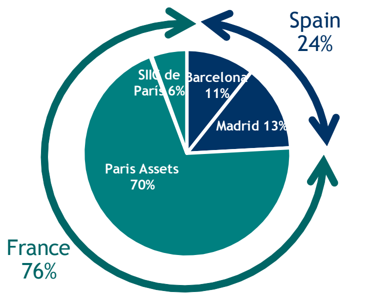
The GAV amounted to €5,343m at June 30th, 2013

Valuation - by use

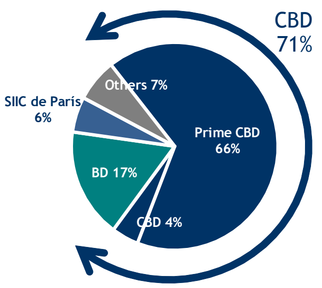


SIIC de Paris: value of the stake of SFL in SIIC de Paris

Valuation - by market



Valuation - by area



Highlights

1 First half results

The contraction in the economic activity in Spain became more pronounced at the end of 2012, and the beginning of 2013 started with the same trend. However, forward-looking indicators of activity and confidence in the first half show a slight upward trend, which could mean the start of a gradual recovery scenario.

The office markets in Barcelona and Madrid continue to have weak fundamentals, particularly regarding demand, and the rental prices are at historically low levels. The office market in Paris is beginning to see the effects of the weakening of the French economy. However, the prime assets have stable rents at present.

In this context, the office portfolio of the Colonial Group has had a defensive behaviour, with an increase in rental income of 1.2% like-for-like. In particular, the increase in rental income generated in the Paris market compensated for the reductions in the rental portfolios in Barcelona and Madrid.

The recurring EBITDA in the first six months of the year amounted to €79m, and the net recurring results (EPRA Net Profit)[2] amounted to (€1m), due to the high gearing of the Colonial Group.

Results analysis - €m	2013	2012	Var.	Var. % [1]
Recurring EBITDA	79	87	(8)	(9%)
Results equity method SIIC de Paris - recurring	7	7	(0)	(2%)
Recurring financial result (excl. equity method)	(61)	(65)	4	5%
Income tax expense - recurring result	(5)	(2)	(3)	(140%)
Minority interest - recurring result	(20)	(20)	(0)	(1%)
Recurring EPRA net profit [2]	(1)	7	(8)	-
Exceptional items	(307)	(185)	(122)	(66%)
Profit attributable to the Group	(308)	(178)	(130)	(73%)

[1] Sign according to the profit impact

[2] Recurring EPRA net profit - post-company specific adjustments

The net attributable results of the Group were negative and amounted to (€308m), mainly due to the negative accounting impacts attributable to the consolidation of the non-strategic business[3] (Asentia Group).

[3] The negative impacts attributable to the consolidation of the Asentia Group do not have an impact on the NAV of the company, and they do not imply any cash outflow for Colonial.

2 Commercial effort

During the first half of 2013, the Colonial Group signed rental contracts for 84,819 sq m, of which 21,201 sq m correspond to the commercialization of new surfaces and 63,618 sq m to renewals and revisions. Regarding the breakdown by market, 35% (29,497 sq m) of the total commercial effort corresponds to contracts signed in the Madrid market, 33% (28,369 sq m) corresponds to contracts signed in Barcelona, and 32% (26,953 sq m) corresponds to contracts signed in Paris.

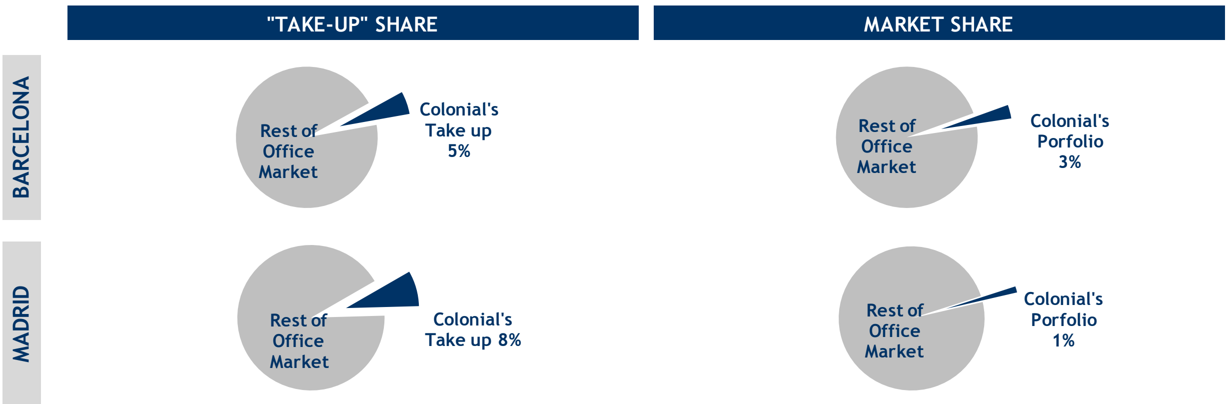
In Spain, more than 44,000 sq m of the commercial effort were concentrated in five properties, and in Paris, it is important to highlight the signing of 22,000 sq m with Natixis for the Rives de Seine building.

The following table shows the main commercial efforts carried out in the first half of 2013:

Main actions

Building	City	Tenants	Surface (sq m)
Rives de Seine	Paris	Natixis Immo Explotation	22,030
Martínez Villergas, 49	Madrid	Iberia, Líneas Aéreas de España	15,935
BCN Glories Diagonal-Llacuna	Barcelona	Ajuntament de Barcelona	11,672
Alcala, 30-32	Madrid	Comunidad de Madrid	9,088
Sant Cugat Nord	Barcelona	Accenture	4,882
ILlacuna 22@	Barcelona	Konecta BTO	3,091
Av. Diagonal, 609-615 (DAU)	Barcelona	Silk	2,462
Louvre des Antiquaires CALL·LDA	Paris	Hugo Boss	2,426
Louvre des Antiquaires CALL·LDA	Paris	Ariba	1,630
MAIN ACTIONS			**73,216**

In the first 6 months of the year, the Colonial Group was one of the main actors in capturing demand in the office markets in Barcelona and Madrid, due to the good positioning of the properties, which offer high quality features and maximum energy efficiency in attractive locations.



3 Portfolio in operation

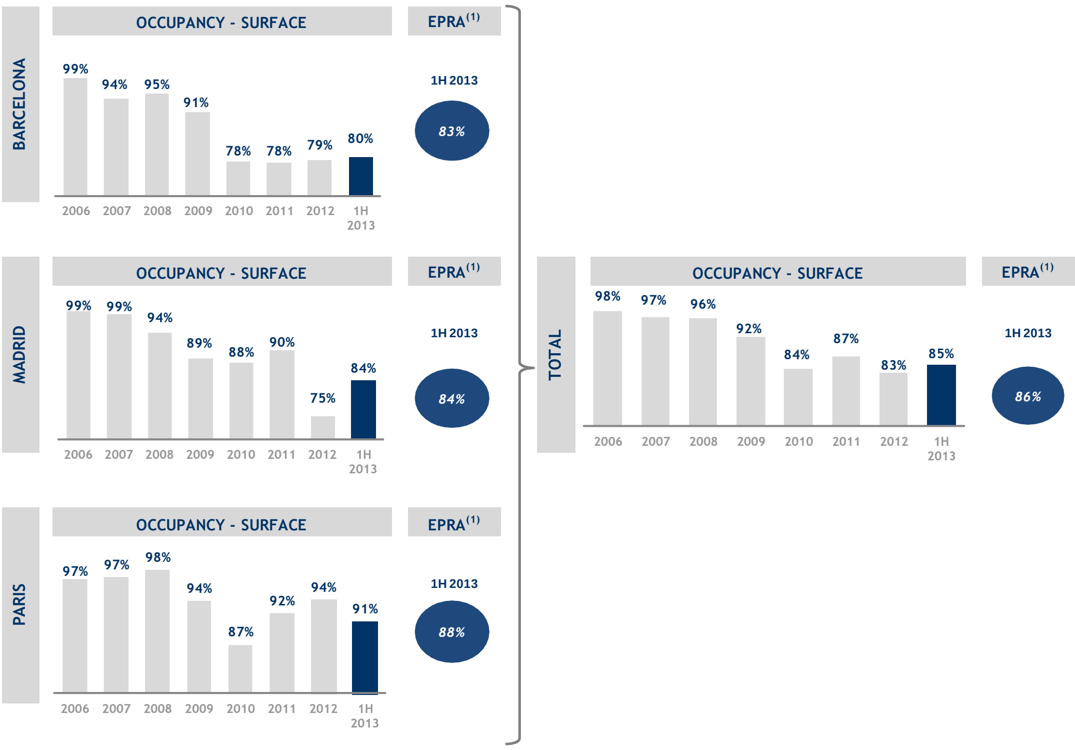
The high commercial effort carried out during the first half of 2013 led to an improvement in the occupancy of the office portfolio in Spain compared to the situation at December 2012. It is important to specifically highlight the improvement in the occupancy rate in the portfolio in Madrid, mainly due to the signing of the lease of 15,935 sq m on Martínez Villergas.

Consequently, **the office portfolios in Madrid and Barcelona** reached a financial EPRA(1) occupancy of 84% and 83%, respectively. This improvement in occupancy shows a slight change in the overall trend. However, current occupancy levels are still far below the rates of Colonial's portfolio before the crisis.

In **Madrid**, during the first half of the year, renovations started on the Alfonso XII building, an office complex which is undergoing a total refurbishment. In addition, it is important to highlight the entering into operation of the Castellana 43 building, a fully let asset rented entirely to one top tier tenant.

In **Paris** the office portfolio reached 91% occupancy (88% according to the EPRA(1)) a figure which is slightly lower than that of the previous year.

Office Occupancy - Evolution of Colonial's Portfolio



Overall, the Colonial Group's total office portfolio reached an occupancy rate of 85% (86% of financial occupancy according to EPRA(1) methodology).

(1) ***EPRA occupancy****: financial occupancy according to the calculations recommended by the EPRA (Occupied surfaces multiplied by the market rental prices / surfaces in operation at market rental prices)*

4 Capital Structure

Gross Asset Value

The Gross Asset Value of the Colonial Group was €5,343m[1] at June 30th, 2013, a 2.2% like-for-like increase versus the valuation at December 2012.
It is important to highlight that the decreases in the portfolio in Spain (-3.1% in like-for-like terms) were compensated by the increases in the French portfolio (+4.1% in like-for-like terms), confirming the high interest of investors in prime offices in the largest market in the Euro zone.

In the first half of 2013, the sale of the Mandarin Hotel in Paris was registered for €290m, with a premium of 15% over the valuation at June 2012. In Spain, the office complex in Sant Joan Despí was sold in Barcelona for €18m, a value in line with the last valuation.

Financial Structure

During the first half of the year, the Colonial Group has started conversations with its main lenders in order to explore different alternatives that would allow it to reduce the company's leverage and extend the maturity of its debt in Spain, the main part of which matures in December 2014.

Along these lines, different strategic options are being studied that will allow for the optimisation of the capital structure and a reduction of the gearing level. Among these options are the sale of assets (including the possibility of a total or partial sale of Colonial's stake in SFL), or the possibility to carry out a capital increase, although no final decision has been made regarding these options.

In addition, it is worth highlighting that in the framework of the financial restructuring, work is currently underway on the execution of the deconsolidation of the Asentia Group, in order to improve the perception of the Colonial Group in the investment community. Accordingly, in June, a refinancing agreement was signed for the mortgage debt of one of Asentia's subsidiaries, which has allowed for the total cancelation of the potential contingent recourse of that debt on Colonial.

Regarding the French business, the subsidiary SFL refinanced a syndicate loan of €300m on July 4th, 2013, increasing the nominal value to €400m, and extending the maturity to July 2018.

The liquidity of the Colonial Group amounted to €831m (current accounts and deposits for €58m and undrawn debt for €773m) at June 30th, 2013, of which €77m correspond to Colonial, and €754m to SFL.

(1) Value of the assets including the value of SFL's stake in SIIC de Paris

Contents

1. Financial statements

Consolidated Profit & Loss Account

June cumulative - €m	2013	2012	Var.	Var. % [(1)]
Rental revenues	**107**	**112**	**(5)**	**(5%)**
Costs invoiced	21	20	2	9%
Invoiceable costs	(23)	(22)	(1)	(5%)
Other operating costs	(10)	(9)	(1)	(12%)
EBITDA rents	**95**	**101**	**(6)**	**(6%)**
Other income	**2**	3	(1)	(25%)
Overheads	**(18)**	(17)	(2)	(10%)
EBITDA recurring business	**79**	**87**	**(8)**	**(9%)**
Like-for-like EBITDA	***62***	***63***	***(1)***	***(1%)***
Results equity method - SIIC de Paris	**12**	**9**	**2**	**24%**
Rental asset disposals	308	0	308	-
Cost of sales	(311)	(0)	(311)	-
EBITDA - asset sales	**(3)**	**(0)**	**(3)**	**-**
Operating profit before revaluation, amortizations and provisions and interests	**87**	**96**	**(9)**	**(9%)**
Change in fair value of assets	**34**	**56**	**(22)**	**(39%)**
Amortizations & provisions	**(1)**	**4**	**(5)**	**-**
Financial results	**(110)**	**(87)**	**(22)**	**(26%)**
Profit before tax	**11**	**68**	**(58)**	**-**
Income tax	**(19)**	**(7)**	**(11)**	**(157%)**
Gain/ loss on discontinued operations	**(257)**	**(160)**	**(96)**	**(60%)**
Minority Interests	**(43)**	**(79)**	**36**	**45%**
Profit attributable to the Group	**(308)**	**(178)**	**(130)**	**(73%)**

Results analysis - €m	2013	2012	Var.	Var. % [(1)]
Recurring EBITDA	79	87	(8)	(9%)
Results equity method SIIC de Paris - recurring	7	7	(0)	(2%)
Recurring financial result (excl. equity method)	(61)	(65)	4	5%
Income tax expense - recurring result	(5)	(2)	(3)	(140%)
Minority interest - recurring result	(20)	(20)	(0)	(1%)
Recurring EPRA net profit [(2)]	(1)	7	(8)	-
EBITDA - asset sales	(3)	0	-	-
Results equity method SIIC de Paris - non-recurring	5	2	2	98%
Change in fair value of assets & Amortizations & provisions	33	59	(26)	(44%)
Change in fair value of financial instruments	(8)	(7)	(1)	(19%)
Non-recurring finance costs	(40)	(15)	(25)	(159%)
Income tax expense - non-recurring result	(13)	(5)	(9)	(176%)
Gain/ loss on discontinued operations	(257)	(160)	(96)	(60%)
Minority interest - non-recurring result	(23)	(59)	36	61%
Exceptional items	**(307)**	**(185)**	**(122)**	**(66%)**
Profit attributable to the Group	**(308)**	**(178)**	**(130)**	**(73%)**

[(1)] Sign according to the profit impact

[(2)] Recurring EPRA net profit - post-company specific adjustments

Recurring operating results

- At June 30th, 2013, the Group reached a recurring EBITDA of €79m, 9% less than the same period of the year before. Adjusting for disposals, changes in the project portfolio, as well as other exceptional items, **the recurring like-for-like EBITDA was €62m, 1% less than the same period of 2012.**

- The operating result of the property portfolio **(EBITDA rents) increased by 1.6% in like-for-like terms.**

  This increase is mainly due to an increase in rental revenues in France which compensates for the decrease in rental revenues in Spain. This variance is analysed in detail in the 'Business Performance' section of this report.

Operating Results

June cumulative - €m	2013	2012	Var. % [1]
EBITDA rents like-for-like	**79**	**78**	**1.6%**
EBITDA - overheads	(18)	(17)	(10%)
EBITDA - other like-for-like income	1	2	(30%)
EBITDA - recurring like-for-like	**62**	**63**	**(1%)**
Non-comparable EBITDA	17	24	(30%)
EBITDA - recurring	**79**	**87**	**(9%)**

(1) Sign according to the profit impact

- In addition, the stake in SIIC de Paris contributed an attributable profit of €12m, registered in the results under equity method, representing an increase of 24% compared to the year before. This increase is mainly due to the sale of two buildings carried out by SIIC de Paris in the first half of the year (191 Avenue du Général-Leclerc and 4-10 Avenue de la Grande Armée).

Financial Results

- The recurring financial expenses of the Group amounted to €69m, €3m less than the year before. The part of the recurring financial expenses corresponding to Spanish debt amounted to €37m.

Financial results

June cumulative	2013	2012	Var. % (1)
Recurring financial income	2	2	(9%)
Recurring financial expenses - Spain	(37)	(38)	3%
Recurring financial expenses - France	(32)	(34)	5%
Capitalised interest expenses	6	5	27%
Cost of debt %	3.51%	3.77%	*(0.26 pp)*
Recurring financial result (without results equity method)	**(61)**	**(65)**	**6%**
Non-recurring financial expenses	(40)	(15)	(159%)
Change in fair value of financial instruments	(8)	(7)	(13%)
Financial result (without results equity method)	**(110)**	**(87)**	**(26%)**

(1) Sign according to the profit impact

- The average interest rate until June 30th, 2013, was 3.51% (3.66% including the impact of accrued commissions associated with the financing), with an average financing spread of 183bp. The average for the same period of 2012 was 3.77% (3.87% including the impact of accrued commissions associated with the financing) with an average financing spread of 169bp.

  The breakdown for the interest rate by country is the following:

June cumulative	2013	2012	Var. %
Cost of debt - % Spain	3.06%	3.26%	*(0.20 pp)*
Cost of debt - % France	4.19%	4.60%	*(0.41 pp)*
Cost of debt - % total	**3.51%**	**3.77%**	***(0.26 pp)***

- The capitalised interest expenses amounted to €6m, corresponding to the financing of two projects in Spain and two in France.

- The non-recurring financial expenses mainly corresponded to the accounting record for the month of June for (€37.5m) of the capitalizable interests of 450pb over the principal of the syndicate loan, retroactive to January 1st, 2013 (this effect will be analysed in more detail in the section on Financial Structure). In addition, a (€3m) write-down of the FCC shares was registered, as a consequence of the decrease in the share price registered in the first half of the year, in compliance with Regulation 39 of the IFRS.

Non-recurring operating results and discontinued operations

- In February 2013, the sale of the Mandarin Hotel in Paris was registered for €290m, a price 30% higher than the total cost of the renovation. In addition, the sale price implies a 15% premium on the valuation at June 2012 (a valuation made before the disposal agreement). The impact of the increase in value due to the disposal price in this transaction was already registered in December 2012 on the profit and loss account (the valuation at December considered the price of the pre-agreement of the sale, in the valuation of the hotel).

  In Spain, an office complex in Sant Joan Despí was sold in Barcelona for €17.7m, a value in line with the last valuation.

  The negative results for asset sales mainly correspond to the transaction costs related to the sale of the Mandarin Hotel, which were not accounted for in 2012.

- Regarding the rest of the extraordinary results, it is important to highlight that the Colonial Group registered a negative result before minority interests, due to the accounting impacts attributable to the consolidation of the non-strategic business (Asentia Group).

  In 2010, Colonial registered a provision in order to value its stake in the land and residential business (Asentia Group) at zero. This provision was totally applied, and since 2012 these losses have had an accounting impact on the consolidated accounts of the Group.

  The negative accounting impacts related to the non-strategic business will continue to affect the consolidated results, as long as the Asentia Group continues to form part of the consolidation perimeter of the Colonial Group. Therefore, it is worth emphasizing that Asentia's syndicated financing expects that the participative loan tranche of the Asentia Group could be converted into Asentia shares at the election of Asentia's lenders. In the case that the lenders exercise this option, Inmobiliaria Colonial, S.A. would dilute its stake in Asentia, which could be potentially excluded from the consolidation perimeter of the Colonial Group.

  In any case, the negative impacts attributable to the consolidation of the Asentia Group have no impact on the Net Asset Value (NAV)[1] of the Company, and they do not imply any cash outflow for Colonial.

(1) In 2010, in the individual accounts Colonial did a write-down of 100% of the value of its stake in the Asentia Group (land and residential business & Riofisa), and it was excluded from the calculation of the NAV.

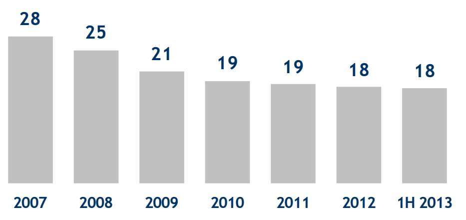
2. Business performance

Office market situation (1)

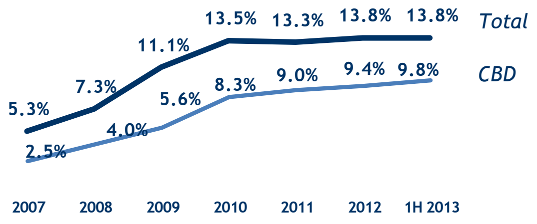
Rental market

Barcelona

Prime CBD Prices (€/sq m/month)



Vacancy (%)



- The office take-up between April and June 2013 amounted to more than 50,000 sq m. This take-up was slightly above that of recent times, more similar to the averages in 2010 and 2011 than to the year before. In total, 75 transactions took place (72 rentals, and 3 sales).

- The average vacancy rate in Barcelona stands at 13.8% and 9.8% in the CBD area. In the first half of the year, no new office buildings were delivered to the market. Meanwhile, the office stock in the city remained stable and the phenomenon of reconverting office buildings into hotels or touristic apartments in the centre of the city has been increasing.

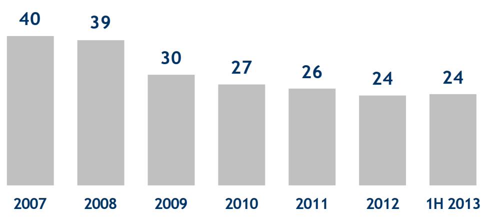
- The rental prices of Paseo de Gracia/Diagonal decreased from €18/sq m/month to €17.75/sq m/month. The brokers foresee that the rental prices will continue to decrease slightly until the end of the year, stabilizing in 2014.

- The main brokers foresee that the year 2013 will be a year of transition. Gradually, there will be a consolidation of the net positive absorption and the end of the decrease in prices.

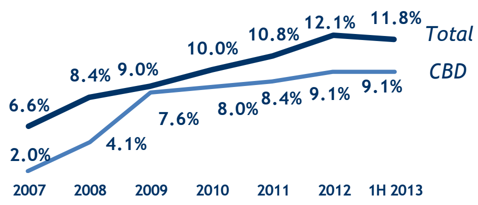
(1) Sources: Reports by Jones Lang Lasalle, Cushman & Wakefield, CBRE, and Aguirre Newman at June 2013

Madrid (1)

Prime CBD Prices (€/sq m/month)



Vacancy (%)



- Compared to an excellent first quarter, the office take up in the Madrid market suffered an important decrease in the second quarter, and reached around 51,000 sq m. However, the perspectives for the end of the year continue to exceed the take up of the year before.

- The current low demand can be seen in the low number of transactions. Nevertheless, thanks to the take up in the first quarter of 2013 and to the forecast of possible large transactions before the end of the year, the annual volume of square metres could be closer to that of 2011 (above 300,000 sq m) than to the more discreet 2012.

- It is worth highlighting the increasing postponement in decision-making and the increase in the average periods for negotiations.

- The vacancy rate is at 11.8% and in the CBD area, it is at 9.1%.

- The future supply in the short term is stable at levels very similar to the previous months, with the only movement worth mentioning in 2015, when it is expected that a couple of buildings will be delivered.

- The large shortage of prime quality products in the CBD area maintained the maximum prices for the fourth consecutive quarter, at €24.25/sq m/month.

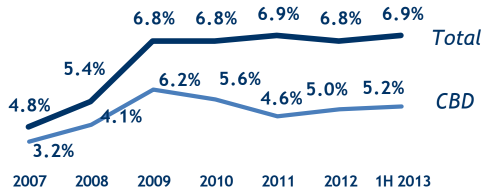
- The main brokers foresee a higher take up in the next two quarters, and a progressive stabilisation of prices, until the net absorption is consolidated in positive figures.

(1) *Sources: Reports by Jones Lang Lasalle, Cushman & Wakefield, CBRE, and Aguirre Newman at June 2013*

Paris [1]

Prime CBD Prices (€/sq m/year)

Vacancy (%)



- The cumulative take up in the Paris region in the first half of 2013 reached 832,874 sq m, resulting in a decrease of 19% compared to the same period of the year before. In the CBD area, the cumulative take up in the first half was 146,171 sq m.

- In the Paris market, the vacancy rate increased slightly, with an immediate offer of 3,684,000 sq m, which represents a vacancy rate of 6.9% for the Paris region. In the CBD area, the vacancy rate was at 5.2%, with a reduced volume of quality offer.

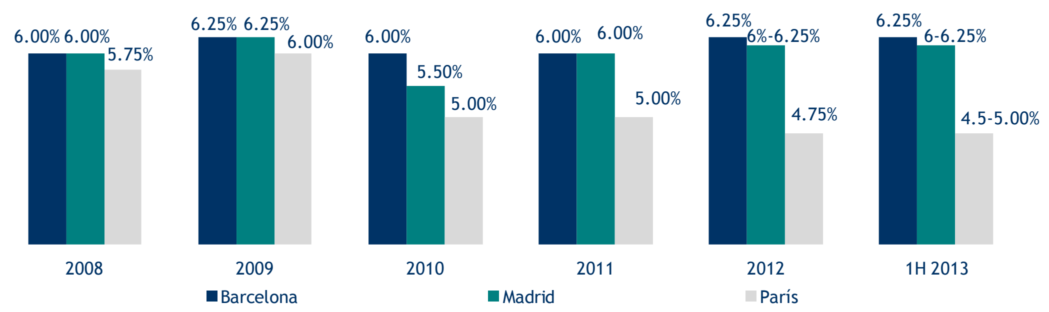
- The prime rental prices in the CBD area in Paris remained the same as in the first quarter, standing at €760/sq m/year, although the landlords have had to increase incentives to their clients, resulting in an impact on economic rents.

- The current economic uncertainty will continue to affect the office market, keeping the demand weak. However, high quality assets in prime areas could have a more defensive behavior in front of the lack of significant projects in the CBD area.

(1) Sources: Reports by Jones Lang Lasalle, Cushman & Wakefield, and CBRE at June 2013

Investment market [1]

Prime Yields – Barcelona, Madrid, París



- **Barcelona**: the activity of international investors continues to gain momentum in 2013. On the one hand, there is an interest in core assets. In addition, value added investors that are carrying out acquisitions of assets in the centre of Barcelona. All types of investors are following the market in Barcelona closely, as they see that the end of the economic downturn could be close. The total volume for the second quarter amounted to €181m, which added to the €58m from the first quarter makes a total of €239m in the first half of the year. This figure is very close to that reached for the entire year of 2012 (€266m). The prime yields remained stable at around 6.25% in the area of Paseo de Gracia/Diagonal.

- **Madrid:** The volume of transactions signed in the first half of 2013 helped to substantially improve the climate of investor confidence in the market. The main actors continue to be investors with an opportunistic profile and private investors or family offices, this includes domestic as well as Latin American investors. A lot of international investors are showing a special interest in the Spanish property market. In spite of this, there still exists a latent shortage of quality products at market prices. The general feeling of the investors is that new products will come out onto the market in the short/medium term. Yields in the prime area remained stable at around 6-6.25%, and could reach levels below 6% for unique assets.

- **Paris**: Investment in the second quarter of 2013 reached €2,500m, which means a cumulative investment volume of €4,300m during the first six months of the year. The second quarter of the year confirms the trend of the beginning of the year, with a strong activity in the medium sized transaction (those that are between €50m and €100m) with a total of 18 transactions totaling more than €1,000m. The prime yields remained stable in the range of 4.5-5.0%.

(1) *Sources: Reports by Jones Lang Lasalle, Cushman & Wakefield, CBRE, and Aguirre Newman at June 2013*

Business highlights

- Rental revenues amounted to €107m, 4.9% below the total revenues from the previous year. **Rental revenues for the Group increased by 1.2% like-for-like**, adjusting for disposals, and for changes in the projects & refurbishment portfolio.

  In Paris, rental revenues increased 5.7% like-for-like. In Spain, like-for-like rental revenues decreased by 7.5%.

Rents (2013 vs. 2012) €m	Barcelona	Madrid	Paris	Total
Rental Income 2012	15	22	75	112
Like-for-like	*(0.3)*	*(1.9)*	*3.3*	*1.0*
Projects & refurbishments	*(0.1)*	*(2.5)*	*(5.3)*	*(7.9)*
Disposals	*(0.1)*	*(0.6)*	*(4.4)*	*(5.1)*
Indemnities & others	*(0.0)*	*0.0*	*0.0*	*(0.0)*
Changes in scope of consolidation	*0.0*	*0.0*	*6.5*	*6.5*
Rental Income 2013	15	17	75	107
Total variance (%)	*(3.3%)*	*(22.7%)*	*0.1%*	*(4.9%)*
Like-for-like variance (%)	*(2.3%)*	*(12.1%)*	*5.7%*	*1.2%*

- **The rental EBITDA (net rental income) reached €95m, an increase of 2% like-for-like**, with an EBITDA margin on gross rents of 89%.

Property business

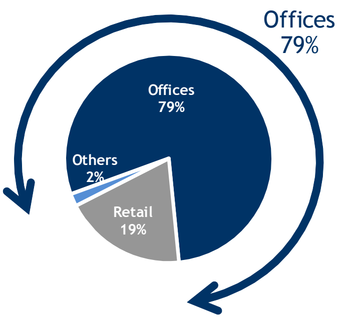
June cumulative - €m	2013	2012	Var. %	Like-for-like %
Rental revenues - Barcelona	15	15	(3%)	(2%)
Rental revenues - Madrid	17	22	(23%)	(12%)
Rental revenues - Paris	75	75	0%	6%
Rental revenues	**107**	**112**	**(5%)**	**1%**
Costs invoiced	21	20	9%	
Invoiceable costs	(23)	(22)	(5%)	
Other operating costs [1]	(10)	(9)	(12%)	
EBITDA rents	**95**	**101**	**(6%)**	**2%**
EBITDA/ Rental revenues - Barcelona	*86%*	*87%*	*(0.5 pp)*	
EBITDA/ Rental revenues - Madrid	*82%*	*89%*	*(7.4 pp)*	
EBITDA/ Rental revenues - Paris	*91%*	*91%*	*0.6 pp*	
EBITDA/ Rental revenues	***89%***	***90%***	*(0.8 pp)*	

[1] Includes expenses related directly to property

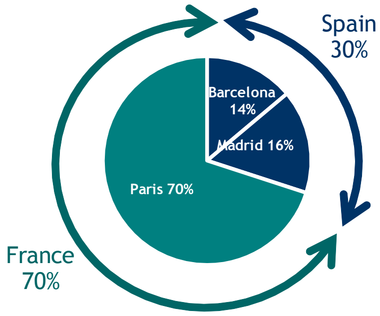
Pp: percentage points

- **Breakdown – Rental revenues:** The majority of the Group's revenue (79%) comes from office buildings.
  The Group also continues to have a high exposure to CBD markets (74%). 70% of the rental revenues (€75m) come from the subsidiary in Paris and 30% from properties in Spain.
  In attributable terms, approximately 50% of the cash flow is generated in France and the rest in Spain.

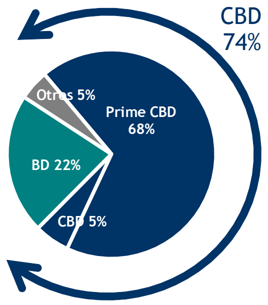
Revenues - by use



Revenues - by market

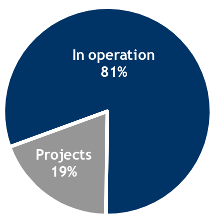


Revenues - by area

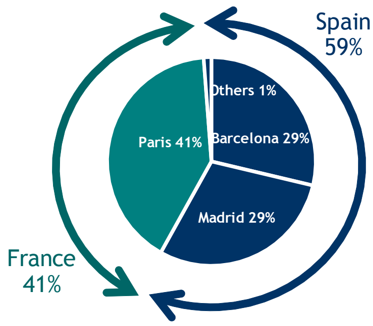


- **Surface area:** At the close of the first half of 2013, the Colonial Group's portfolio totalled 1,052,035 sq m (732,749 sq m above ground), most of which was office space.
  At June 30th, 2013, 81% of the portfolio was in operation, and the remaining 19% corresponded to an attractive portfolio of projects and refurbishments.

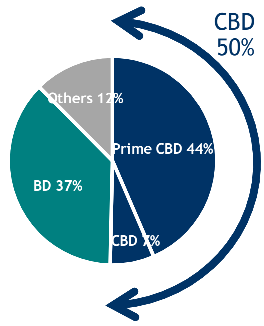
Surface - by condition



Surface - by market



Surface - by area



- **Letting performance:** During the first half of 2013, the Group signed a total of the 84,819 sq m of **new rentals** (rental renewals and revisions at market prices). Of these, 68% were in Spain and 32% in France. The new rentals set in these agreements were 13% below previous rents.

Letting Performance

June cumulative - sq m	2013	% New rents vs. previous	Average maturity
Renewals & revisions - Barcelona	23,103	*(30%)*	3
Renewals & revisions - Madrid	13,562	*(22%)*	4
Renewals & revisions - Paris	26,953	*(6%)*	7
Total renewals & revisions	**63,618**	***(13%)***	**5**
New lettings Barcelona	5,266		4
New lettings Madrid	15,935		6
New lettings Paris	-		-
New lettings	**21,201**	**n/a**	**6**
Total commercial effort	**84,819**	**n/a**	**5**

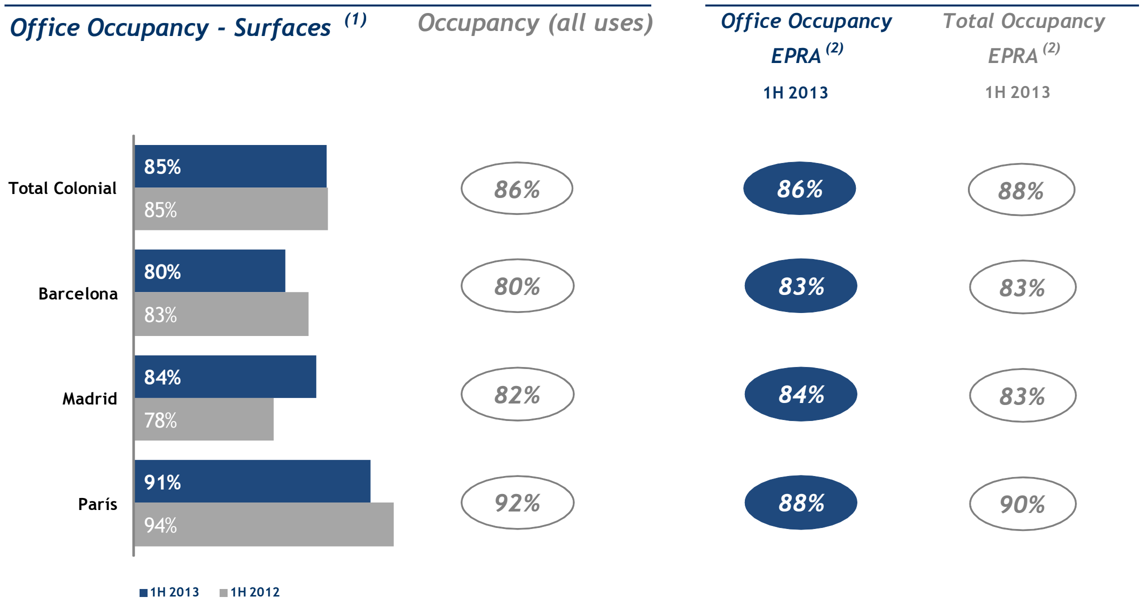
- All of Colonial's commercial effort corresponds to transactions carried out in the three markets the company is operating in.

In **Madrid**, the highlights are the contract signed on the Martínez Villergas building with Iberia for 15,935 sq m, as well as the 9,088 sq m signed on the Alcalá building with the Comunidad de Madrid.

In **Barcelona**, the highlights are the contracts signed with Konecta BTO on the Illacuna office complex for 3,091 sq m, as well as contracts signed with the Ajuntament de Barcelona on the BCN Glories Diagonal building for 11,672 sq m, with Accenture for the building in Sant Cugat Nord for 4,882 sq m, and with Silk for the El DAU building, Avenida Diagonal 609-615 (2,462 sq m).

In **Paris**, highlighted is the contract signed with Natixis for 22,030 sq m on the Rives de Seine building, as well as the two contracts signed on the Louvre des Antiquaires building with Hugo Boss (2,426 sq m) and with Ariba (1,630 sq m).

- **<u>Occupancy:</u>** The office portfolio reached an occupancy rate of 85% at the end of June 2013, and the financial occupancy was 86%, calculated according to the EPRA recommendations.



(1) Occupied surfaces/surfaces in operation
(2) Financial occupancy according to the calculation recommended by the EPRA

In **Barcelona**, the office portfolio reached an occupancy rate of 80%, a rate lower than the first half of the previous year (83%), yet higher than the level reached at the close of 2012 (79%). The new Illacuna office complex is 78% occupied, and Ausiàs March is in the marketing stage.

In **Madrid**, the office portfolio reached a total occupancy rate of 84% at the close of the first half of 2013. It is worth highlighting the signing of 15,935 sq m in Martínez Villergas with a top-tier tenant.

During the first half of 2013 refurbishments began on the Alfonso XII property, an office complex which will undergo an integral refurbishment project. In addition, it is worth highlighting the entering into operation of the Castellana 43 building, which is 100% occupied by Abengoa (5,998 sq m).

In **Paris**, the occupancy rate stood at 91% for its office portfolio, a lower figure to that of both the first half of 2012 and the end of the year. This is mainly due to 6,500 sq m of refurbished offices which came into operation on the Edouard VII property during the first quarter of the year.

Overall, the Colonial Group's total office portfolio reached an occupancy rate of 85% (86% of EPRA financial occupancy), a higher rate than that at the close of 2012.

- **Tenant portfolio:** At the end of the first half of 2013, Colonial had a solvent and diverse client base. The top twenty clients constitute 47% of the total turnover of the Group.

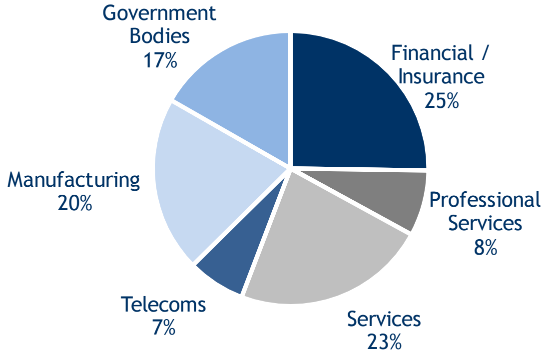
  It is worth noting Colonial's ability to retain its portfolio of clients which is reflected in their long-standing relationships with their main clients.

Ranking of the most important tenants (47% of rental income)

RK	Tenant	City	% total income	% cumul.	Age - Years
1	NATIXIS IMMO EXPLOITATION	Paris	6%	6%	9
2	FRESHFIELDS BRUCKHAUS DERINGER	Paris	4%	10%	9
3	GAS NATURAL SDG, S.A	Barcelona	3%	14%	7
4	MINISTERIO DE ASUNTOS EXTERIORES	Madrid	3%	17%	9
5	ZARA FRANCE	Paris	3%	20%	1
6	TV5 MONDE SA	Paris	3%	23%	8
7	GRUPO CAIXA	Barcelona	3%	26%	21
8	LA MONDIALE GROUPE	Paris	3%	29%	6
9	COMUNIDAD DE MADRID	Madrid	2%	31%	17
10	SOCIEDAD ESTATAL LOTERIAS Y APUESTAS DEL EST/	Madrid	2%	33%	8
11	HENNES & MAURITZ / H & M	Paris	2%	35%	3
12	ESMA	Paris	2%	37%	2
13	CITIBANK INTERNATIONAL PLC	Paris	2%	39%	8
14	ASHURST LLP	Paris	2%	40%	8
15	SJ BERWIN	Paris	2%	42%	na
16	AYUNTAMIENTO DE MADRID	Madrid	1%	44%	9
17	AJUNTAMENT DE BARCELONA	Barcelona	1%	44%	16
18	SOL MELIA S.A.	Madrid	1%	45%	10
19	ACCENTURE, S.L.	Barcelona	1%	46%	21
20	GAMESA INNOVATION AND TECHNOLOGY S.L.U	Madrid	1%	47%	6

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 56% of the Group's revenue at June 2013.

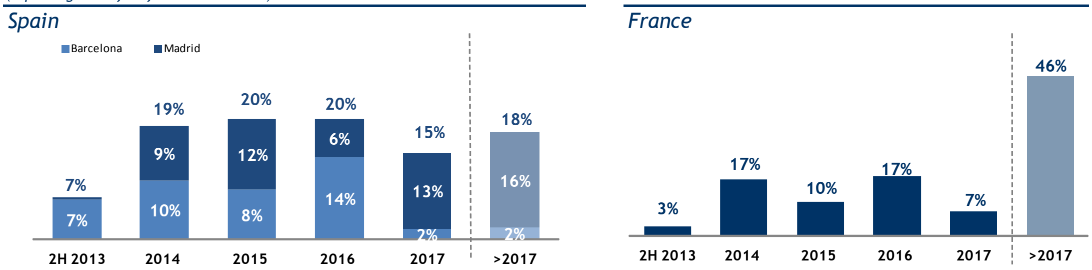
Top Tenants - Breakdown by economic sector



- **Commercial lease expiry:** The following graphs show the contractual rent roll for the coming years in the Spanish and French portfolios. The first graph shows the commercial lease expiry dates if the tenants choose to end the contract at the first possible date (break option or end of contract). The second graph reflects the evolution of the contract portfolio if the tenants remain until the contract expires.

FIRST POTENTIAL EXIT

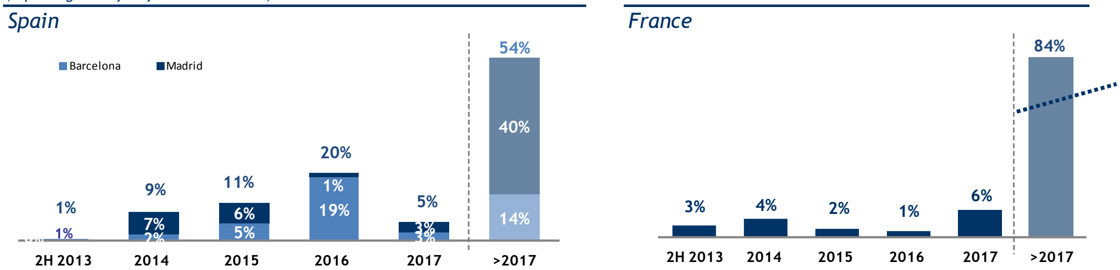
Commercial lease expiry dates in economic terms (1) - First Potential Exit (2)
(% passing rent of surfaces to be leased)



(1) % = surface to rent x current rents / current rental revenues
(2) Renewal dates based on first potential exit of the current contracts

EXPIRY DATE

Commercial lease expiry dates in economic terms - Expiry date (3)
(% passing rent of surfaces to be leased)

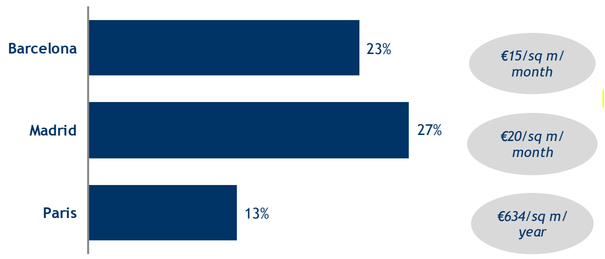


(3) Renewal dates based on the expiry date of the current contracts

- **Reversionary Potential:** The organic growth potential of the Group's rental portfolio at the close of the first half of 2013 was at +23% in Barcelona, +27% in Madrid and +13% in Paris.

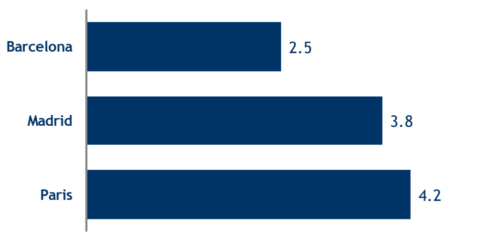
Figures at June 2013

Growth potential-rental income *Current Rent (1)*



(1) Current office rent of occupied surfaces

Average maturity of the contracts (years) (2)



(2) Average maturity until first potential exit

- This growth potential figure is based on comparing rental revenues of current contracts (contracts with current occupancy and current rents in place) with the potential rental revenues that would result from 100% occupancy at the market prices estimated by independent appraisers as of June 2013 (not including potential rents from projects in the pipeline and substantial refurbishments).

  The growth potential would result in approximately €32m of additional annual rental revenues (€15.5m corresponding to Spain and €16.5m to France).

- **Disposals:** During the first half of 2013, the Mandarin Hotel in Paris was sold for €290m, a 15% premium on its appraisal value at June 2012. In Spain, an office complex in Sant Joan Despí in Barcelona was sold for €17.7m, a value in line with the last valuation.

ASSET SALES

Disposals 2013- €m	Use	Market	Date	Price
Office complex Sant Joan Despí	Offices	Barcelona	2Q 2013	17.7
247 Saint Honoré	Hotel	Paris	1Q 2013	290.0
Others	Parking	Paris	1Q 2013	0.4
Total				308.0

- **Investments:** In terms of investments, it is important to point out that the Company holds a project portfolio of more than 104,000 sq m above ground, which is scheduled to come into operation between 2013 and 2018, and will mean additional rental revenues of €47m(*).

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

Projects	Entry into operation	% Group	Market	Use	Surface above ground (sq m) (1)
Travessera de Gràcia / Amigó	2H 2014	100%	Barcelona	Offices	8,202
Alfonso XII	1H 2014	100%	Madrid	Offices	13,135
Parc Central 22@ A.1.6 - A.1.7 - A.1.2	>2016	100%	Barcelona	Offices	14,737
Spain					36,074
In/Out - Quai Le Gallo	2H 2013	100%	Paris	Offices	35,000
Cardinal - Richelieu	2H 2015	100%	Paris	Offices	33,200
France					68,200
Total					104,274
Yield on cost2					7.1%

(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

In **Spain**, in the first half of the year, renovations began on the Alfonso XII building in Madrid, where a complete refurbishment project will be carried out in order to obtain the "BREEAM" certification (Sustainable Building). In addition, it is worth highlighting the entering into operation of the Castellana 43 building, 100% occupied by a top tier client. In Barcelona, it is worth pointing out the Travessera de Gràcia / Amigó project in Barcelona. This office complex is located in the prime area, energy efficient and with top quality finishings, resulting in the obtaining of the LEEDs certification (Green Building).

In **France**, the refurbishment projects have continued to progress during the first half, notably in the In/Out building, an office project due to be delivered during the second half of the year. At the end of 2012, refurbishments began on the Rue de Richelieu property in Paris. This office complex will undergo an integral refurbishment project ("the Cardinal Project"), which will involve the creation of 33,200 sq m of individual offices for top tier clients in central Paris. More details on these and other projects can be found in Appendix 6.4.

In addition to the projects in the pipeline, the Colonial Group is carrying out substantial refurbishments in specific buildings in order to optimize the positioning of these assets in the market.

(*) Rents estimated at current market prices

Valuation of the property business

- At the close of the first half of 2013, the rental business of the Colonial Group was valued at €5,343m by Jones Lang LaSalle, CB Richard Ellis, and BNP Paribas Real Estate. The valuation figures are updated half-yearly, following the best market practices.

Property Business

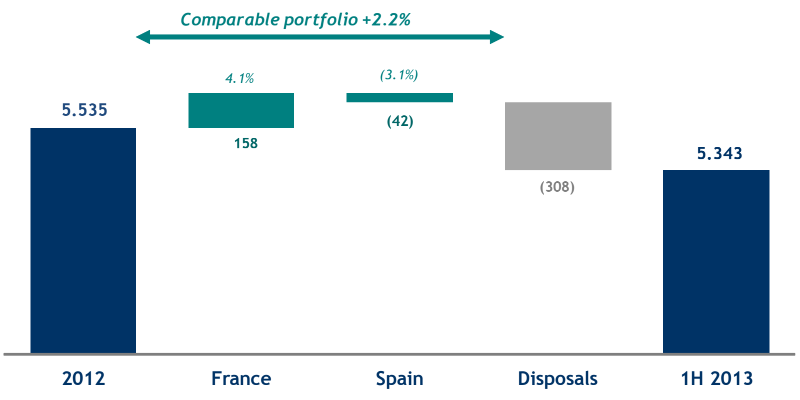
Asset valuation (€m)	30-Jun-13	31-Dec-12	30-Jun-12	Jun 13 vs Dec 12		Jun 13 vs Jun 12	
				Total	Like-for-like [1]	Total	Like-for-like [1]
Barcelona	538	579	622	(7.2%)	(4.2%)	(13.6%)	(12.9%)
Madrid	681	705	787	(3.3%)	(2.5%)	(13.4%)	(9.6%)
París	3,288	3,240	3,075	1.5%	3.0%	7.0%	4.3%
Portfolio in operation [2]	4,508	4,525	4,484	(0.4%)	1.1%	0.5%	(0.7%)
Projects	528	708	444	(25.4%)	9.9%	18.9%	40.9%
Others	11	11	15	2.0%	2.0%	(24.0%)	(24.0%)
Property business	5,047	5,244	4,943	(3.7%)	2.3%	2.1%	2.7%
SIIC de Paris	296	292	279	1.5%	1.5%	6.0%	6.0%
Colonial group	5,343	5,535	5,222	(3.5%)	2.2%	2.3%	2.9%
Spain	1,302	1,362	1,516	(4.4%)	(3.1%)	(14.1%)	(11.7%)
France	4,041	4,173	3,706	(3.2%)	4.1%	9.0%	9.1%

(1) Portfolio in comparable terms

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

- The valuation of the Colonial Group's assets at June 2013 rose by 2.2% like-for-like compared to end of the previous year (+2.9% vs. June 2012).

Variance Analysis - Value

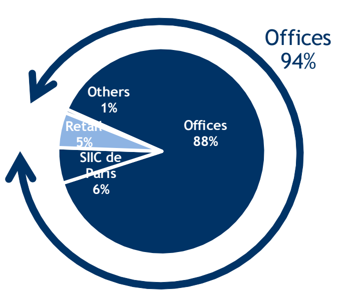


The value of the French business rose in the last 6 months by +4.1% like-for-like (+9.1% vs. June 2012) which compensated for the decrease in the value of the portfolio in Spain of -3.1% like-for-like vs. December 2012 (-11.7% vs. June 2012).

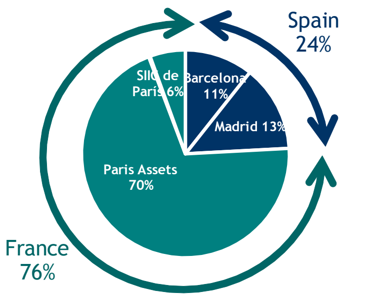
The disposals correspond to the 247 Saint Honoré building (Mandarin Hotel) in France, and the sale of the office complex in Sant Joan Despí in Barcelona

- Out of the total valuation of the property business, €5,047m corresponds to the asset portfolio owned by the Colonial Group and €296m is the value which corresponds to the stake of SFL in SIIC de Paris (attributable NAV at June 30th, 2013), a property company listed on the Paris market with a portfolio of offices worth more than €1,400m.

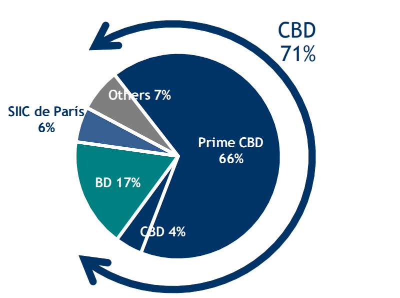
Valuation - by use



Valuation - by market



Valuation - by area



SIIC de Paris: Value of the stake of SFL in SIIC de Paris

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

Asset valuation	Value (€/sq m)			Valuation yield		
	30-Jun-13	31-Dec-12	30-Jun-12	30-Jun-13	31-Dec-12	30-Jun-12
Barcelona	3,082	2,970	3,298	6.4%	6.4%	6.1%
Madrid	3,857	3,835	4,059	6.3%	6.3%	6.1%
París	11,210	10,317	9,214	5.1%	5.0%	5.1%
Portfolio in operation (1)	**6,994**	**6,385**	**6,260**	**5.4%**	**5.4%**	**5.4%**
Total	**6,653**	**6,551**	**6,180**	**5.5%**	**5.4%**	**5.5%**

(1) *The portfolio in operation includes the rental portfolio plus all the entries into operation of the completed projects.*

3. Financial structure

Main debt figures

Group net debt stood at €3,501m at June 30th, 2013 (€3,623m at December 31st, 2012). Both figures exclude the debt of the subgroup Asentia, which is classified as Discontinued Operations.

The breakdown of the debt at the close of the first half is the following:

Breakdown of the consolidated net financial debt	June 2013			December 2012			Var.
	SP	FR	Total	SP	FR	Total	Total
Syndicate loan	1,714	0	1,714	1,714	45	1,759	(45)
Mortgage debt/leases	367	287	654	357	295	652	2
Subordinated debt	41	0	41	41	0	41	0
Unsecured debt and others	11	139	149	8	232	240	(91)
Total gross debt with credit entities	**2,133**	**426**	**2,559**	**2,120**	**572**	**2,692**	**(133)**
Bonds	0	1,000	1,000	0	1,000	1,000	0
Total gross debt	**2,133**	**1,426**	**3,559**	**2,120**	**1,572**	**3,692**	**(133)**
Cash & cash equivalents	**(33)**	**(25)**	**(58)**	**(44)**	**(25)**	**(69)**	**11**
Group Net Debt	2,100	1,401	3,501	2,076	1,547	3,623	**(122)**
Average maturity drawn debt (years)	**1.8**	**3.2**	**2.7**	**2.2**	**3.4**	**2.6**	**0.1**
Average maturity available debt (years)	**1.5**	**1.8**	**1.8**	**2.2**	**3.0**	**2.9**	**(1.1)**
Cost of debt %	**3.06%**	**4.19%**	**3.51%**	**3.24%**	**4.61%**	**3.78%**	**0.27 pp**

The Company has started conversations with its main lenders in order to explore different alternatives that would allow for a reduction in its gearing and extend the maturity of the debt in Spain, which mainly matures in December 2014.

Different strategic options are being evaluated which would optimize the capital structure and reduce the gearing level, among them the sale of assets (including the possibility of a total or partial sale of Colonial's stake in SFL), or the possibility of carrying out a capital increase. To date, no final decision has been made regarding these options.

The main characteristics of the debt are as follows.

A gross debt of €3,559m mainly includes:

1. A syndicate debt in Colonial of €1,714m refinanced on February 19th, 2010, and subscribed by a group of financial institutions led by Calyon Sucursal in Spain, Eurohypo AG Sucursal in Spain, Coral Partners, and The Royal Bank of Scotland. The debt matures on December 31st, 2014, and the applicable spread for 2013 is 175 bp.

   The syndicate loan considers incentives for the company to reach an LTV of 50%. Therefore, it foresees partial amortizations of the loan. If this does not take place, as of June 30th, 2013, it will generate additional capitalised interests of 450bp on the principal of the loan, backdating to January 1st, 2013.

Given that at June 30th the aforementioned LTV level was not reached, Colonial has registered a total of €37.5m in the line of "Non-recurring financial costs", corresponding to said interests. They will be capitalised as an increase in financial debt during the second half of 2013.

As a guarantee, the loan has mortgages on certain property assets in Spain, a pledge on the SFL shares owned by Colonial, and on the shares of the subsidiary Torre Marenostrum, S.L.

2. SFL currently has two syndicate loan arrangements, for a total amount of €650m, which were not drawn down at June 30th, 2013:

   a) A syndicate loan for a nominal amount of €300m that was signed with the bank agent "BNP PARIBAS" on October 8th, 2009, maturing in October 2014. The applicable spread is 270 bp. At July 4th 2013, this loan was refinanced with the bank, increasing the nominal to €400m and extending the maturity to July 2018 with an applicable spread between 180 bp and 230 bp subject to the level of LTV.
   b) At December 17th, 2010, a new syndicate loan was signed for a nominal amount of €350m, with the bank agent "Natixis Banques Populaires", maturing in December 2015. The applicable spread is 215 bp.

3. SFL's bonds for €1,000m, €500m issued on May 17th, 2011, and €500m on November 28th, 2012, with an annual fixed coupon of 4.625% and 3.50%, maturing on May 25th, 2016 and November 28th, 2017, respectively. These bonds are unsubordinated and non-preferential, and have been accepted for listing on the regulated market of Euronext Paris.

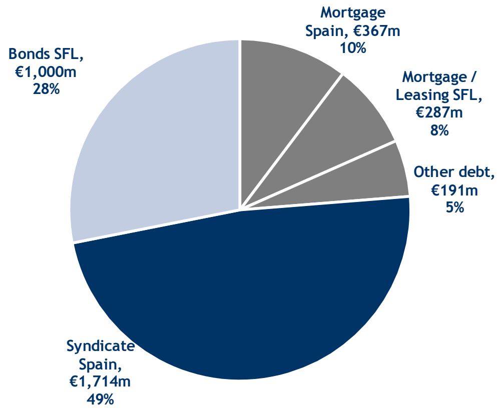
4. Bilateral loans with mortgage security:
   a) Colonial maintains a total of €367m in bilateral loans with various credit institutions, with mortgage securities on property assets. The average maturity of these loans is 3.31 years and the average financing spread is 163 bp.
   b) SFL has a total of €287m in bilateral loans with various credit institutions, with mortgage securities on property assets. The average maturity of these loans is 3.26 years and the average financing spread is 168 bp.

5. Bilateral loans without mortgage security:
   a) Colonial has a total of €11m in a single loan without mortgage security with an average maturity of 3.4 years and an average financing spread of 175 bp.
   b) SFL has a total of €213m, of which €139m broken down into various loans were drawn down with an average maturity of 0.5 years and an average financing spread of 59 bp, both of these calculated over the drawn amount.

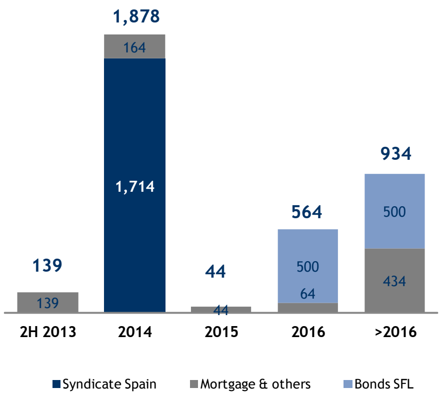
The liquidity available at June 30th amounted to €831m (current accounts and deposits for €58m and undrawn debt for €773m), of which €77m correspond to Colonial, and €754m to SFL.

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

Breakdown of drawn debt



Maturity of drawn debt (€m)



	2H 2013	2014	2015	2016	>2016
Property Business Spain	25	1,798	39	34	237
Property Business SFL	114	80	5	530	697

Hedging portfolio

- The hedging portfolio structure at June 30th, 2013, is the following:

June 30th , 2013 Financial instrument - €m	Description	Spain	France	Total	%	MTM (Ex-coupon)
SWAP	From floating to fixed rate	570	226	796	37%	(20)
CAP	Floating rate with a maximum	1,354	0	1,354	63%	0
Total hedging portfolio (Variable - fixed)		**1,924**	**226**	**2,150**	**100%**	**(20)**
Maturity (years)		**1.3**	**3.5**	**1.5**		

- The effective hedging ratio at the close of the first half of 2013 (hedges/debt at floating rates) stood at 84% (90% in Spain and 53% in France).

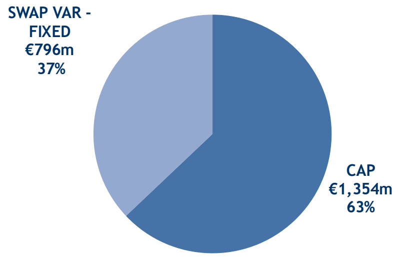
- At June 30th, 2013, the percentage of total hedged debt or total fixed rate debt stood at 88%, taking into account the SFL bonds.

- 94% of the nominal value of the hedging portfolio at the close of the first half meets the requirements established under the IFRS 39, and the variance of the market value (MtM) of the derivatives is booked directly in net equity. During the first half, the variations in the MtM of the derivatives portfolio (without including the accrued coupons) amounted to (€20m), of which (€8m) was registered under the heading "Change in fair value of financial instruments" in the profit and loss account.

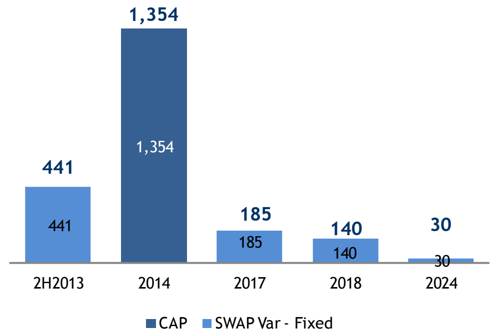
- During the first half of 2013, as a result of the issuing of fixed rate bonds and the reduction in France's debt, hedging instruments were cancelled for a nominal value of €250m with the objective of adapting the interest rate risk hedging ratio to the nominal value of the drawn debt at floating rates.

- The current structure of the hedging portfolio and its breakdown per product and company are as follows:

Breakdown of derivatives portfolio



Maturity of derivatives portfolio - €m



	2H2013	2014	2017	2018	2024
Spain	400	1,354	0	140	30
France	41	0	185	0	0

4. EPRA NAV and stock market performance

EPRA Net Asset Value (NAV)

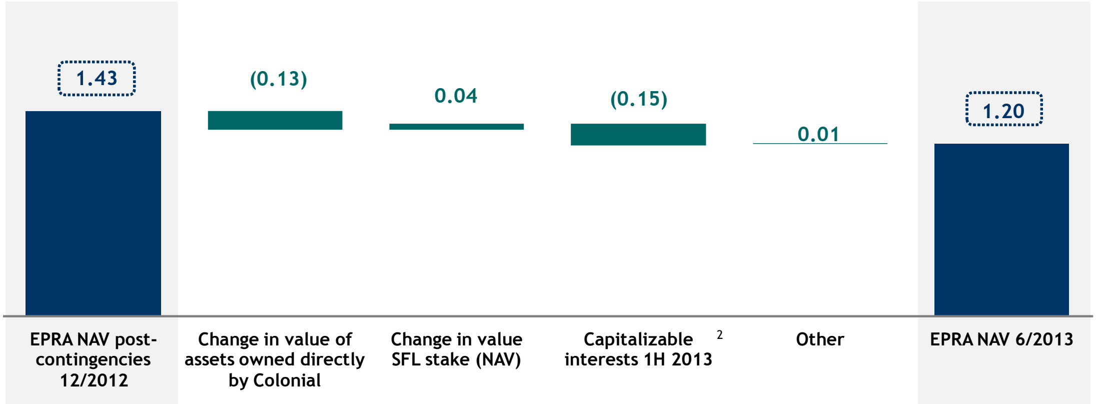
The EPRA Net Asset Value (EPRA NAV) is calculated based on the Company's equity and adjusting specific items following the recommendations of the EPRA.

EPRA Net Asset value	6/2013	12/2012
Consolidated financial statements [1]	**(109)** [1]	**172**
Adjustment of consolidation impacts from discontinued activities and from other activities without recourse to Colonial - company specific adjustments	583	427
Adjusted NAV, after the impact of discontinued activities	**474**	**600**
Include:		
(i.a) Revaluation of investment properties (if IAS 40 cost option is used)	4	9
(i.b) Revaluation of other non-current investments	12	13
Exclude:		
(ii) Fair value of financial instruments	14	19
(iii.a) Deferred tax	71	94
(iii.b) Tax credits on balance	(158)	(157)
(iii.c) Goodwill	(120)	(120)
Include/exclude:		
Adjustments (i) to (iii) above in respect of joint ventures interests	3	3
EPRA NAV	**300**	**460**
EPRA NAV per share	**1.33**	**2.03**
Nº of shares (m) - pre-execution of warrants	*226*	*226*
EPRA NAV post warrant and post contingencies	**300**	**359**
EPRA NAV post warrant and post contingencies per share	**1.20**	**1.43**
Nº of shares (m) - Fully diluted (post-execution of warrants)	*251*	*251*

The EPRA NAV of the Colonial Group stood at €300m at June 30th, 2013, which is equivalent to €1.33/share, **€1.20/share in case of the execution of the warrants.** The NAV at 30/06/2013 already considers the other potential contingent liabilities reported at December 2012.

The main variances in the NAV at June 30th, 2013 vs. December 2012 are shown in the graph below:

EPRA NAV Colonial (€/share - fully diluted post-execution of warrants)



(1) Parent company's equity at 30/06/2013 is positive and amounts to €396m (see details in appendix 6.1). However, due to the negative impacts attributable to the consolidation of the Asentia Group, the Group reports consolidated equity of (€109m).

(2) The syndicate loan considers incentives for the company to reach an LTV of 50%. Therefore, it foresees partial amortizations of the loan. If this does not take place, as of June 30th, 2013, it will generate additional capitalised interests of 450bp on the principal of the loan, which at June 30th amount to €37.5m, registered as non-recurring financial expense.

Calculation of the EPRA NAV: starting from the consolidated equity of (€109m), the following adjustments were carried out:

1. Adjustment of the consolidation impacts on the discontinued activities and impacts of other subsidiaries with no recourse to Colonial: Colonial did a write down for 100% of its stake in Asentia. However, as Asentia is still included in the consolidation perimeter of the Colonial Group, losses at the Asentia level have an accounting impact on group accounts. Consequently, this consolidation impact, as well as impacts related to subsidiaries with no recourse to Colonial, have been adjusted in order to calculate the NAV.

2. Revaluation of investments: this amounts to €4m, corresponding to latent capital gains (not accounted for on the balance sheet) of specific assets registered at book value.

3. Revaluation of other non-recurring investments: this corresponds to latent capital gains (not accounted for on the balance sheet) of specific non-recurring investments, mainly the treasury stock of Spain and France, amounting to €12m.

4. Adjustment of accounted for MTM ("mark-to-market"): in order to determine the EPRA NAV, the net value of the MTM of the hedging instruments registered on the balance sheet was adjusted (+€14m), in accordance with the International Financial Reporting Standards (IFRS), and following the recommendations of the EPRA.

5. Adjustment of deferred taxes: adjustment of the amount of deferred taxes associated with the revaluation of the property assets (+€71m), registered on the balance sheet, in accordance with the International Financial Reporting Standards (IFRS), and following the recommendations of the EPRA.

6. Adjustment of the tax credit on balance and the Goodwill: in order to calculate the EPRA NAV, the values attached to the tax credit on-balance (€158m) and to the Goodwill (€120m) have been adjusted.

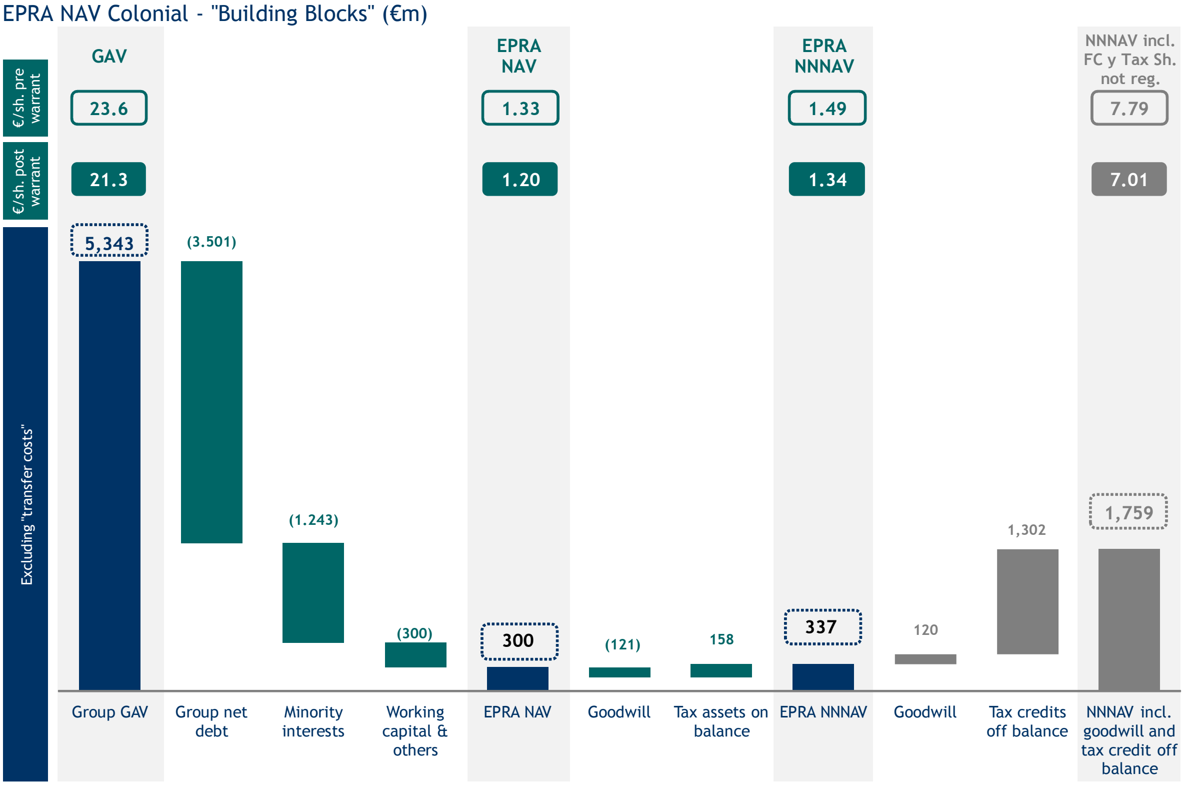
The **EPRA NNNAV** amounted to €337m at June 30th, 2013, corresponding to €1.49 per share **(€1.34/share in case of the execution of the warrants)**.

EPRA Triple Net Asset value (NNNAV)	6/2013	12/2012
EPRA NAV	300	460
Include:		
(i) Fair value of financial instruments	(14)	(19)
(ii) Fair value of debt	(44)	(42)
(iii) Deferred tax	(63)	(65)
(iv) Tax credits on balance	158	157
EPRA NNNAV	**337**	**491**
EPRA NNNAV per share	**1.49**	**2.17**
Nº of shares (m) - pre-execution of warrants	*226*	*226*
EPRA NNNAV post-warrant and post-contingencies	**337**	**377**
EPRA NNNAV post-warrant and post-contingencies per share	**1.34**	**1.50**
Nº of shares (m) - Fully diluted (post-execution of warrants)	*251*	*251*

For its calculation the following items have been adjusted in the EPRA NAV: the fair market value of the financial instruments (-€14m), the fair market value of the debt (-€44m), the taxes that would be accrued with the sales of the assets at their market value (-€63m), applying tax benefits for reinvestments and the tax credit on balance (+€158m), considering a going concern assumption.

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

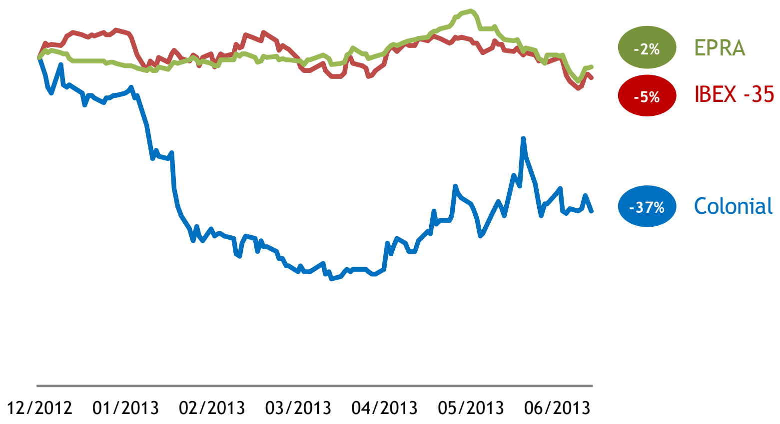
EPRA NAV Colonial - "Building Blocks" (€m)



The columns in gray show the NNNAV in case of considering the value of the goodwill (totally attributable to the French business), as well as the tax credits off balance that amount to €1,302m, and that could be applied in the next 18 years if the Colonial Group generates sufficient positive results.

Share price evolution

The share price performance has been affected by the difficult situation in the capital markets, and the risks of recession in Europe, particularly in Spain.

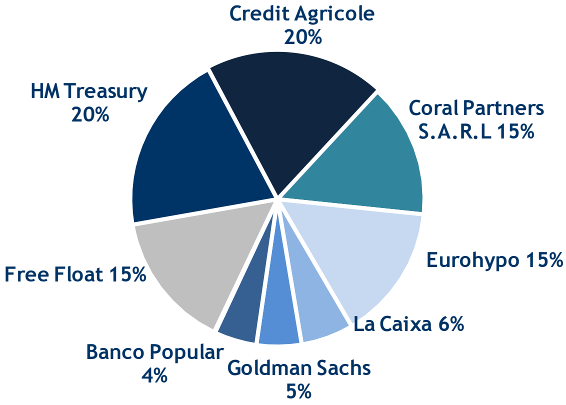


Share price performance		
Colonial shares	**Jun-13**	**Dec-12**
Market capitalisation at closing date (€m)	**230**	**368**
Closing price (€/share)	**1.02**	**1.63**
Average daily traded volume (million shares)	0.38	0.10
Average daily turnover (€m)	0.4	0.1
Number of shares (mn)	225.9	225.9

Colonial is part of the Investment Property Databank index (IPD), a property profitability index with global reference.

Company shareholder structure

Shareholder structure 30/06/2013 (CNMV)



Board of Directors

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	HM TREASURY	Member	Member	
Alain Chetrit	Director	ColonyCapital ORION	Member		Member
Luis Maluquer Trepat	Other Director				
Javier Iglesias de Ussel	Independent Director			Member	Chairman
Carlos Fernández-Lerga	Independent Director			Chairman	Member
Francisco Palá Laguna	Secretary - Non-Director		Secretary	Secretary	Secretary
Nuria Oferil Coll	Vice-secretary - Non-Director				

Corporate Governance as of July 31st, 2013

5. Discontinued operations

Highlights - Discontinued operations

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

- At the close of the first half of 2013, the land bank 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).

Discontinued operations - Key performance indicators

June cumulative - €m	2013	2012	Var. %
Operating indicators			
Land bank surface	1,685,062	1,683,874	0%
Riofisa surface [(1)]	1,516,373	1,522,412	(0%)
# of finished units	49	182	(73%)
Financial results			
Residential sales - Commercial sales (units)	45	35	29%
Residential sales - Booked sales (units)	45	22	105%
Revenues from homebuilding sales	13.6	5.5	148%
Revenues from land bank sales	0.1	-	-
Other income	-	0.2	-
Revenues from Riofisa	12.1	8.4	45%

(1) Includes residential land bank

- During the first half of 2013, the sales of housing units amounted to €13.6m, duplicating the sales figures from the same period of the year before. In addition, the revenue from the Riofisa group reached €12.1m.

- In the residential housing portfolio, the Group continues with a strategy of reducing its exposure, and its stock of residential units decreased 73% compared to the same period of the previous year.
  The current stock of finished housing amounts to 49 units (vs. 182 units at the end of 2012). Of these 49 units in stock, pre-sale contracts have been signed on 1 of them, and the rest (48 housing units) are in the process of being sold.

Valuation of the discontinued business

- The residential and commercial business of the Asentia Group was valued by Jones Lang LaSalle at €930m at the close of the first half of 2013.

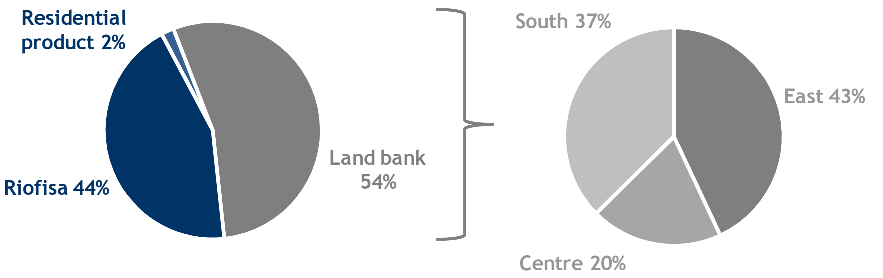
  There was a 19.8% decrease in the value of the portfolio compared to December 2012 (33% in the compared to the same period of the year before).

Residential Business & Others

Asset Valuation (€m)	30-Jun-13	31-Dec-12	30-Jun-12	Jun 13 vs Dec 12		Jun 13 vs Jun 12	
				Total	Like-for-like	Total	Like-for-like
Residential Business	17	35	59	(50.6%)	-	(70.5%)	-
Land Bank	504	606	742	(16.8%)	(16.8%)	(32.1%)	(32.1%)
Commercial	408	518	587	(21.2%)	(19.4%)	(30.5%)	(29.0%)
Residential Business & Others	**930**	**1,159**	**1,388**	**(19.8%)**	**(18.0%)**	**(33.0%)**	**(30.7%)**

Valuation - by product type

Valuation - Land bank



Financial structure of discontinued activities

The breakdown of the Asentia Group's financial debt at June 30th, 2013, is as follows:

Structure of the financial debt

June 30 , 2013 - €m	Asentia Project S.L	Riofisa Group	Other subsidiaries	Total	%
Syndicate loan	680	0	0	680	47%
Syndicate loan (participative tranche)	237	0	0	237	16%
Mortgage debt	53	322	92	467	32%
Non-mortgage debt	0	72	0	72	5%
Total gross debt	**970**	**394**	**92**	**1,456**	**100%**
Cash & cash equivalents	**(22)**	**(10)**	**(9)**	(42)	
Total net debt	**948**	**384**	**83**	**1,415**	
Average maturity (years)	**1.5**	**1.4**	**3.7**	**1.6**	
Financial cost (excl. commissions)	4.59%	4.40%	5.44%	**4.63%**	
Financial cost	**(22)**	**(9)**	**(11)**	**(41)**	

- The net financial cost of the entities reclassified as discontinued operations was (€41m), of which (€22m) corresponded to the capitalized financial expenses of Asentia. The financial costs of Riofisa amounted to (€9m) of which (€6m) were capitalized, and (€11m) corresponded to other subsidiaries as a consequence of the cancelation of a hedging contract.

- Asentia's syndicate loan was originated in the restructuring of Colonial's syndicate loan formalized on February 19th, 2010. The applicable spread of Asentia's syndicate loan is 400 bp, generated as cumulative PIK interest, and payable at maturity on December 31st, 2014. At June 30th, the amount of capitalized interest amounted to €15m.

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

- The syndicate loan provides a mechanism through which, should the Company find itself in a mercantile situation of dissolution, the capitalized interests and the convertible tranche will be converted into a participative loan (PPL) for the amount necessary to restore the Company's equity. In the first half of 2013, €171m had been converted into a participative loan (€60m in PIK tranches and €111m in the convertible tranche). At June 30th, 2013, the PPL amounted to €237m, with a fixed applicable rate of 6.5%, entirely capitalizable.

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

- In addition, Asentia has a mortgage of €45m, on which the interests are capitalized. At June 30th, 2013, the accumulated amount of these interests amounted to €7.7m, payable at maturity on February 19th, 2015.

- The Riofisa Group has a mortgage debt with various financial institutions for a total of €394m, of which €322m have a mortgage guarantee. The average financing spread amounted to 220 bp. Based on the refinancing agreement reached in 2011, 75% of the total financial debt matures between December 2014 and January 2015 and is extendable for 24 additional months, subject to the compliance of specific conditions, some of which are listed below:

  I. That the urban development management necessary to increase the value of the assets has been carried out

  II. That the amount of the Company's equity is at least 10% above the amount required to avoid the Company entering into cause for dissolution

- The mortgage debt of €92m included under the heading "other subsidiaries" corresponds to a loan facility to finance an urban development project on a plot of land in Seville.

During the month of June 2013, a refinancing agreement was signed on this debt (for a total of €154m previous to the refinancing), as well as for other liabilities totaling €12m, consistent in its partial cancelation for €74m, through the delivery of specific assets and the subrogation of specific liabilities by Colonial and Asentia.

The formalization of the agreement has made it possible for:

I. The total cancelation of the recourse to Colonial, estimated at €166m
II. An agreement on the new business plan in accordance with the current market situation and to the new urban development agreement with the local city council
III. Financing by the financial institution for the works necessary to meet the newly acquired commitments

6. Appendices

6.1 Consolidated balance sheet & Parent Company's Equity

Consolidated balance sheet

€m	30/06/2013	31/12/2012
ASSETS		
Consolidated goodwill	120	120
Investment property - In operation	*4,469*	*4,391*
Investment property - Work in progress, advances and provisions	*433*	*391*
Investments Property	4,902	4,782
Equity method	291	287
Other non-current assets	290	291
Non-current assets	**5,603**	**5,480**
Debtors and other receivables	79	65
Other current assets	74	85
Assets available for sale	1,069	1,624
Current assets	**1,222**	**1,773**
TOTAL ASSETS	6,825	7,253
LIABILITIES		
Share capital	*226*	*226*
Other reserves	*33*	*1,135*
Profit (loss) for the period	*(308)*	*(1,129)*
Other instruments for equity	*2*	*2*
Exchange differences	*(1)*	*(1)*
Treasury shares	*(60)*	*(60)*
Equity	(109)	172
Minority interests	1,243	1,220
Net equity	**1,134**	**1,392**
Bond issues and other non-current issues	995	994
Non-current financial debt	2,311	2,499
Deferred tax	235	226
Other non-current liabilities	121	124
Non-current liabilities	**3,662**	**3,843**
Bond issues and other current issues	11	14
Current financial debt	275	189
Creditors and other payables	101	91
Other current liabilities	53	69
Liabilities associated to assets available for sale	1,589	1,656
Current liabilities	**2,029**	**2,018**
TOTAL EQUITY & LIABILITIES	6,825	7,253

Parent company's equity

€m	30/06/2013	31/12/2012
Capital	226	226
Reserves	246	1,084
Treasury shares	(38)	(38)
Profit (loss) for the period	(43)	(837)
Other instruments for equity	4	4
Equity	**396**	**438**
Changes in value adjustments	(10)	(16)
Net equity	386	422
Adjustment according RDL	358	332
Mercantile net equity	744	755

MARKET VALUE RECONCILIATION	€m
Tangible fixed assets - own use [(1)]	30
Real estate investment (w/o advances on fixed assets) [(2)]	4,892
Non-current assets held for sale - Investment properties [(3)]	79
Value accounted on balance	**5,002**
Unrealised capital gains - own use	7
Not appraised	2
Rent free periods	36
Adjustments	**45**
Appraisal value according to external appraisers [(4)]	**5,047**

(1) Included in the line of "Other non-current assets"

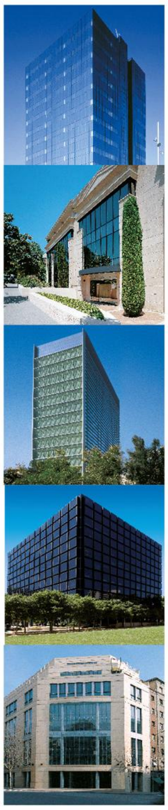
(2) Included in the line of "Property Investments"

(3) Included in the line of "Assets available for sale"

(4) NAV stake in SIIC de Paris not included

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

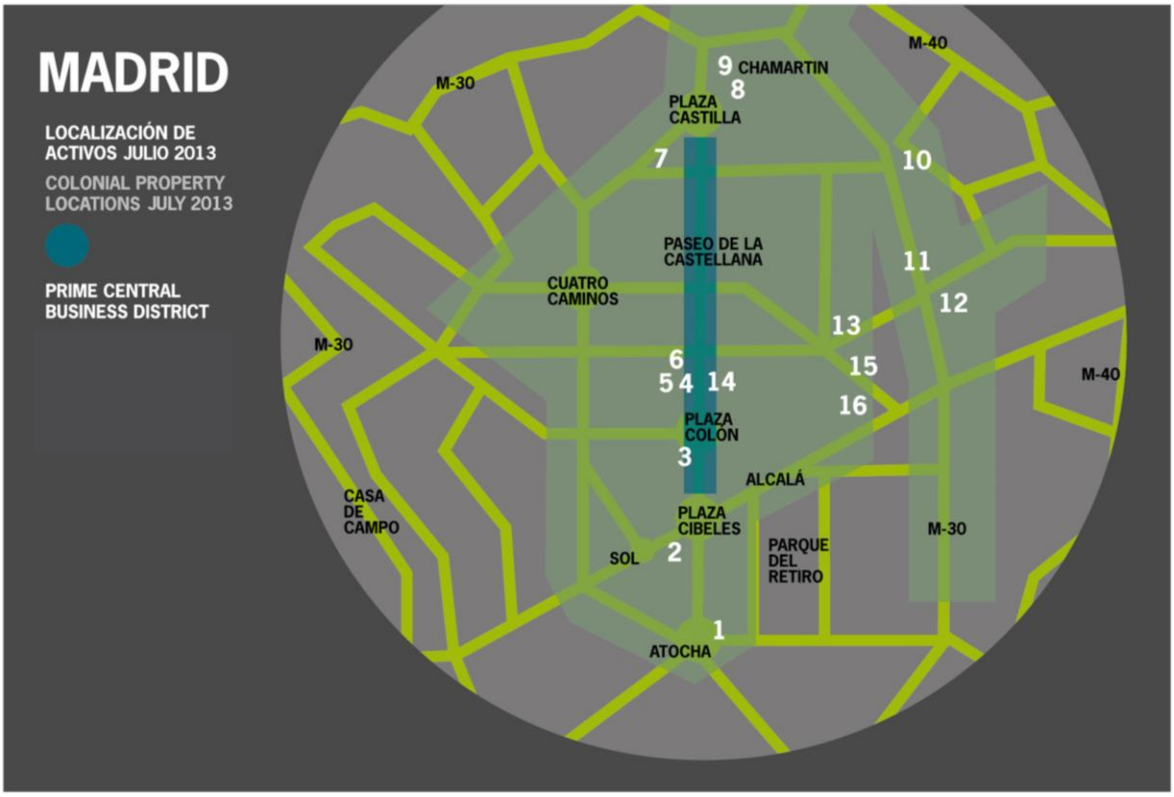
14 COMPLEJO DE OFICINAS PARC CENTRAL

15 COMPLEJO DE OFICINAS ILLACUNA

16 COMPLEJO DE SANT OFICINAS CUGAT NORD

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 AGUSTÍN DE FOXÁ, 29


9 HOTEL TRYP CHAMARTÍN


10 TORRES ÁGORA/M-30


11 RAMÍREZ DE ARELLANO, 37


12 MV 49 BUSINESS PARK


13 LÓPEZ DE HOYOS, 35

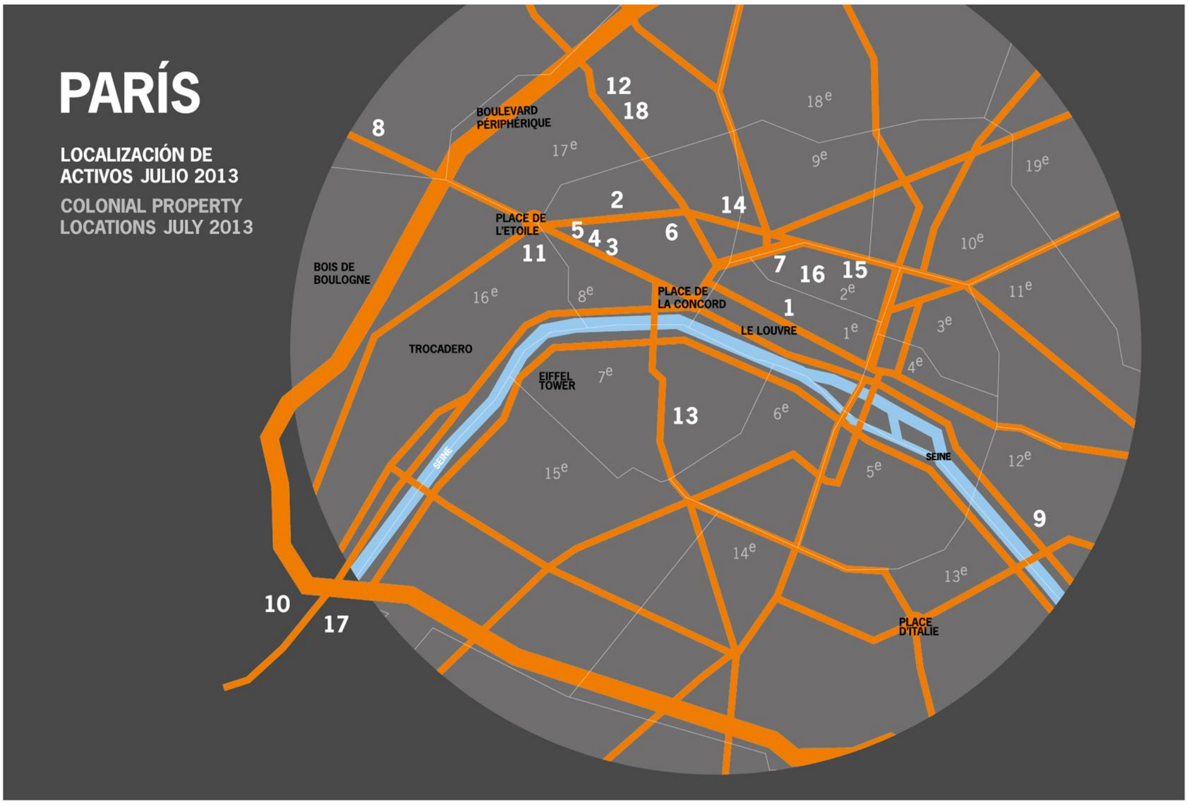

14 PASEO DE LA CASTELLANA, 52


15 FRANCISCO SILVELA, 42


16 ORTEGA Y GASSET, 100

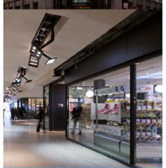
6.2 Asset portfolio – Locations (cont.)

Paris




1
LDE-LDA


2
WASHINGTON PLAZA


3
GALERIE DES CHAMPS-ÉLYSÉES


4
90, CHAMPS-ÉLYSÉES


5
92, CHAMPS-ÉLYSÉES-OZONE


6
CÉZANNE SAINT-HONORÉ


7
EDOUARD VII


8
176, CHARLES DE GAULLE


9
RIVES DE SEINE

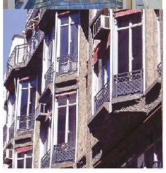

10
IN/OUT


11
96, IENA


12
131, WAGRAM


13
103, GRENELLE


14
104-110, HAUSSMANN


15
6, HANOVRE


16
ILOT RICHELIEU


17
LE VAISSEAU


18
112, WAGRAM

6.3 Asset portfolio - Details

Spain

RENTAL PORTFOLIO SPAIN	Floor space above ground					Floor space above ground	Floor space underground	Total surface
	Offices	Retail	Resid.	Logistic	Hotel			
AV. DIAGONAL, 409	851					851	0	851
AV. DIAGONAL, 530	11,781					11,781	1,688	13,469
AV. DIAGONAL, 609-615 (DAU)	21,482					21,482	18,989	40,471
AV. DIAGONAL, 682	8,622					8,622	600	9,222
PEDRALBES CENTRE	0	5,562				5,562	1,325	6,887
AUSIAS MARC / LEPANT	6,430					6,430	1,521	7,951
BERLIN, 38-48/NUMANCIA, 46	11,345					11,345	1,704	13,049
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	8,235					8,235	3,398	11,633
TORRE DEL GAS	22,750					22,750	19,370	42,120
SANT CUGAT NORD	27,904					27,904	21,061	48,965
P. CASTELLANA, 52	7,523					7,523	588	8,111
RECOLETOS, 37	17,202					17,202	5,340	22,542
CASTELLANA, 43	5,998					5,998	2,442	8,440
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
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 (1)	6,402	1,216			8,073	15,691	41,606	57,297
MARTINEZ VILLERGAS, 49	24,135					24,135	13,912	38,047
RAMIREZ DE ARELLANO, 37	5,988					5,988	4,923	10,911
RENTAL PORTFOLIO	**323,811**	**6,778**		**0**	**8,073**	**338,661**	202,558	**541,219**
OTHER COMMERCIAL PREMISES		6,039				6,039	1,737	7,776
RENTAL FLOOR SPACE SPAIN	**323,811**	**12,817**		**0**	**8,073**	**344,700**	204,295	**548,996**
PARC CENTRAL	14,737					14,737	14,737	29,474
TRAVESSERA DE GRACIA, 11	4,440					4,440	1,517	5,957
AMIGÓ	3,762					3,762	1,403	5,165
BERLIN, 38-48/NUMANCIA, 46	1,472					1,472	0	1,472
AV. DIAGONAL, 609-615 (DAU)	514					514	0	514
TORRE BCN	1,600					1,600	0	1,600
ALFONSO XII, 62	13,135					13,135	2,287	15,422
AV. DIAGONAL, 530	1					1	0	1
HOTEL MARINA DE LA TORRE	0				11,519	11,519	0	11,519
AV. DIAGONAL, 409	3,680					3,680	0	3,680
PROJECTS UNDERWAY SPAIN	**43,341**	**0**	**0**	**0**	**11,519**	**54,860**	19,945	**74,805**
TOTAL SPAIN	**367,152**	**12,817**	**0**	**0**	**19,592**	**399,560**	**224,240**	**623,800**

(1) Centro Norte complex has been reclassified in two assets (Agustín de Foxá, 29 & Hotel Tryp Chamartín)

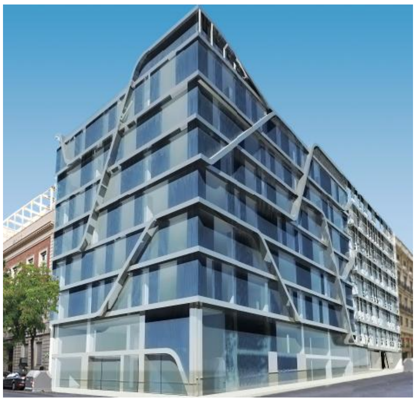
6.3 Asset portfolio - Details (cont.)

France

RENTAL PORTFOLIO PARIS	Floor space above ground					Floor space above ground	Floor space underground	Total surface
	Offices	Retail	Resid.	Logistic	Hotel			
CALL-LDA	20,434	1,504			2,134	24,072	5,730	29,803
EDOUARD 7	27,430	15,997	4,509		4,502	52,438	10,145	62,583
C. ELYSEES 8288	0	4,539				4,539	3,849	8,387
C. ELYSEES 90	2,387	981				3,368	0	3,368
C. ELYSEES 92	4,110	3,089				7,199	0	7,199
CEZANNE SAINT HONORE	23,370	1,849	0			25,219	3,337	28,556
PRONY-WAGRAM	7,100				449	7,549	3,119	10,668
IENA	7,505					7,505	4,711	12,217
108-112 WAGRAM	4,470	892				5,362	546	5,908
WASHINGTON PLAZ	36,821	460			2,241	39,522	13,271	52,793
HAUSS. 104-110	11,683	791				12,474	2,650	15,124
NEUILLY	5,749	389				6,138	2,739	8,876
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	0	0	0
103 GRENELLE	15,176	258				16,486	1,872	18,357
SAINT DENIS	0		60			60	16	76
RENTAL FLOOR SPACE PARIS	**192,530**	**30,748**	**4,569**	**0**	**12,138**	**239,986**	**60,896**	**300,882**
WASHINGTON PLAZA	2,384					2,384	2,678	5,061
CALL-LDA	8,069	5,177				13,245	8,462	21,708
108-112 WAGRAM						0	562	562
GRENELLE						0	2,996	2,996
C. ELYSEES 8288						0	2,304	2,304
C. ELYSEES 92						0	493	493
CEZANNE SAINT HONORE	812		231			1,043	1,504	2,546
C. ELYSEES 90	5,252					5,252	0	5,252
QUAI LE GALLO	34,992				0	34,992	9,523	44,515
ILOT RICHELIEU	33,187				0	33,187	1,609	34,796
NEULLY						0	861	861
PRONY-WAGRAM						0	532	532
IENA						0	930	930
EDOUARD 7		35				35	0	35
HANOVRE LB	3,003		61			3,065	1,697	4,762
PROJECTS UNDERWAY PARIS	**87,699**	**5,212**	**292**	**0**	**0**	**93,203**	**34,149**	**127,352**
TOTAL PARIS	**280,229**	**35,960**	**4,861**	**0**	**12,138**	**333,188**	**95,046**	**428,234**
TOTAL PROPERTY COLONIAL	**647,380**	**48,778**	**4,861**	**0**	**31,730**	**732,749**	**319,286**	**1,052,035**

6.4 Project portfolio

Travessera de Gràcia / Amigó



A new project of 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 metres 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 sq m to 540 sq m per floor. High-quality and energy-efficient buildings and facilities have enabled the company to apply for the LEEDs GOLD certification ("green building").

Alfonso XII

An office project with more than 13,000 sq m, distributed in 8 floors of up to 2,000 sq m and offering totally open and flexible spaces. In addition, the building has a lot of light and exceptional views of the city. The building is located in a privileged area in Madrid in front of the of the Retiro Park, just a few metres from Paseo del Prado, and the hub of the Castellana. It has excellent transportation communication, as it is next to the Atocha train station, with direct access to the airport, and connections to the main bus and metro lines. In addition, it has its own car park. The building offers high quality, optimum functionality, and it will be an energy efficient building, obtaining the "BREEAM" certification (Sustainable Building).

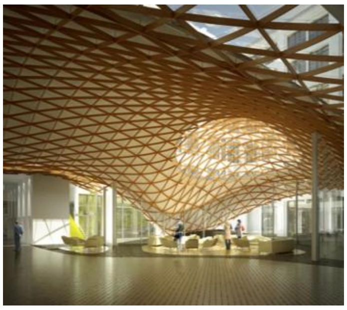
6.4 Project portfolio (cont.)

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. This project is expected to begin in the medium term. 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 the same building.

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 high 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.

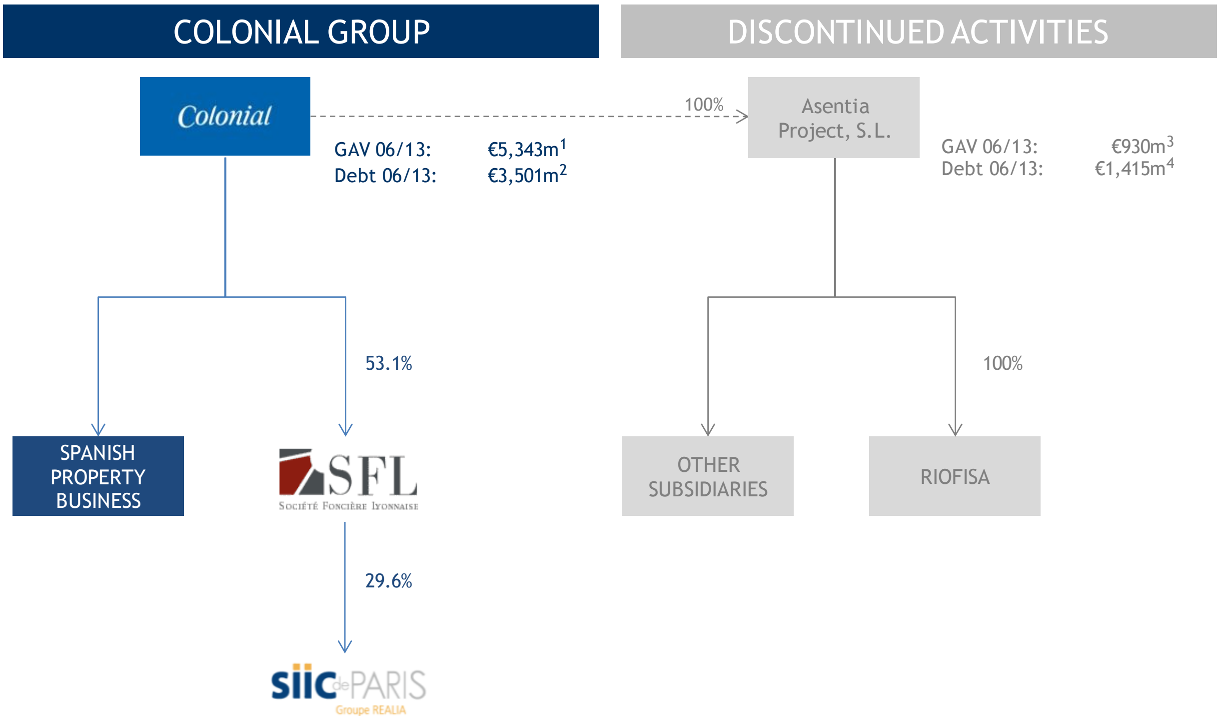
6.4 Project portfolio (cont.)

Ilot Richelieu



Acquired by SFL in April 2004, Ilot Richelieu is located just a few paces from the Palais Brongniart in the “Cité Financière” (Financial District) and was let by a large French Bank. During the third quarter of 2012, renovations began on the property. This office complex will undergo an integral refurbishment project (“the Cardinal Project”), which will involve the creation of 33,200 sq m of individual offices for top tier clients in central Paris

6.5 Financial structure



Notes:
(1) GAV of assets owned directly + GAV other subsidiaries Spain + 100% GAV SFL + % NAV SIIC de Paris
(2) Debt of Holding + debt of other subsidiaries Spain + 100% SFL debt
(3) GAV of assets owned directly + GAV of other subsidiaries + Riofisa GAV
(4) Debt of Asentia Holding + debt of other subsidiaries + Riofisa debt, includes participative loan of €60m

6.6 Subsidiary – Details

▪ Main subsidiary figures

Key performance indicators

	SFL			SIIC DE PARIS		
	Jun-13	Jun-12	Var. %	Jun-13	Jun-12	Var. %
GAV (1)	3,745	3,427	9%	1,482	1,439	3%
No. of Assets	18	19	(5%)	30	34	(12%)
Office occupancy	91%	94%	*(3.0 pp)*	-	92%	-
Total occupancy	92%	95%	*(2.7 pp)*	96%	92%	*3.5 pp*
Rental revenues	75	75	0%	37	36	1%
EBITDA rents	68	68	1%	34	33	2%
EBITDA / rental revenues	91%	91%	*0.6 pp*	92%	92%	*0.5 pp*
EBITDA Total	**59**	**61**	(4%)	**40**	**35**	12%
Profit attributable to Group	82	155	(47%)	21	22	(7%)
Net Debt	1,401	1,344	-	434	475	(9%)
LTV (2)	33%	36%	-	28%	31%	*(3.3 pp)*
NAV EPRA (excluding transfer costs)	2,267	2,182	4%	1,000	943	6%
Nº of shares (mn)	47	47	(0%)	43.1	43.0	0%
NAV EPRA (excluding transfer costs) (€/share)	48.7	46.9	4%	23.2	21.9	6%
NNNAV EPRA (excluding transfer costs) (€/share)	45.9	43.9	5%	-	-	-

Calculated considering the consolidation criteria

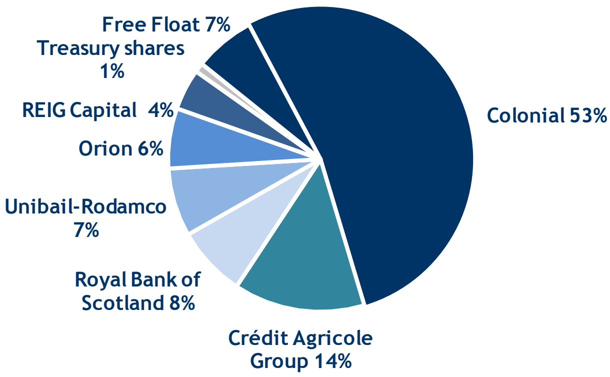
(1) GAV following consolidation criteria excluding transfer costs (not including SIIC de Paris)

(2) LTV: Net debt / (attributable GAV including transfer costs + stake in SIIC de Paris)

6.6 Subsidiary - Details

▪ Shareholder structure and Board of Directors of SFL

***SFL** - Shareholder structure at June 30 th, 2013*



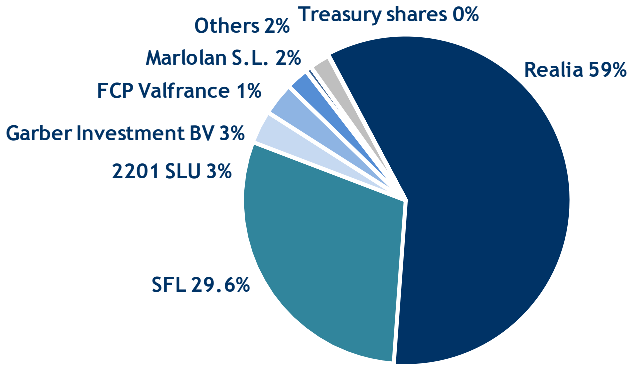
Board of Directors SFL

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 • Assurances de personnes	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	

6.6 Subsidiaries - Details (cont.)

▪ Shareholder structure and Board of Directors of SIIC de Paris

***SIIC de Paris** - Shareholder structure at May 29 th , 2013*



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

Corporate Governance as of December 2012

6.7 Additional information

EPRA Earnings - June cumulative - €m	6/2013	6/2012
Earnings per IFRS Income statement	**(308)**	**(178)**
Adjustments to calculate EPRA earnings, exclude:		
(i) Changes in value of investment properties, development properties held for investment and other interests	(33)	(59)
(ii) Profits or losses on disposal of investment, development properties held for investment and other interests	3	0
(iii) Tax credits impairment	13	5
(iv) Changes in fair value of financial instruments and associated close-out costs	48	23
(v) Adjustments (i) to (iv) above in respect of joint ventures (unless already included under proportional consolidation)	(5)	(2)
(vi) Minority interests in respect of the above	23	59
EPRA net profit - pre-company specific adjustments	**(258)**	**(153)**
(vii) Company specific adjustments - discontinued operations	257	160
EPRA net profit - post-company specific adjustments	**(1.0)**	**7.0**

6.8 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 obtained from its stock market value. It is obtained by multiplying the market value of its shares by the number of shares in circulation
CBD	Central Business District (prime business area)
Property company	Company with rental property assets
Portfolio (surface area) in operation	Property surfaces with the capacity to generate rents at the closing date of the report
EBITDA	Operative results before net revaluations, amortisations, provisions, interests and taxes
EPRA	European Public Real Estate Association: Association of listed European property companies that sets best market practices for the sector
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 after deducting transfer costs, according to appraisers that are independent from 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 companies)
Like-for-like rents	Data that can be compared between one period and another, excluding the following: 1) investments and disposals, 2) changes in the project and refurbishment portfolio, and 3) other extraordinary items, for example, compensations in case of tenants' anticipated leave

6.8 Glossary (cont.)

Like-for-like valuation	Data that can be compared between one period and another (investments and disposals are excluded)
LTV	Loan to Value (Net financial debt / GAV of the business)
EPRA NAV	The EPRA Net Asset Value (EPRA NAV) is calculated based on the company's equity and adjusting some items following the recommendations of the EPRA
EPRA NNNAV	The EPRA NNNAV is calculated adjusting the following items in the EPRA NAV: the fair market value of the financial instruments, the fair market value of the debt, the taxes that would be accrued with the sale of the assets at their market value applying tax benefits for reinvestments and the tax credit on balance, considering a going concern assumption
Occupancy - surfaces	Percentage: occupied square metres of the portfolio at the closing date of the report/ surfaces in operation of the portfolio
Occupancy - EPRA	Financial occupancy according to the calculation recommended by the EPRA (occupied surface areas multiplied by the market rental prices / surfaces in operation at market rental prices)
Reversionary potential	This is the result of comparing the rental revenues from current contracts (contracts with current occupancy and current rents in place) with the rental revenues that would result from 100% occupancy at market prices, estimated by independent appraisers. Projects and refurbishments are excluded
Projects underway	Property under development at the closing date of the report
RICS	Royal Institution of Chartered Surveyors
Yield on cost	Market rent 100% occupied / Market value at start of project net of impairment of value + invested capital expenditure
€m	In millions of Euros

6.9 Contact details

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Shareholders Office

Tel. ++34 93 404 7910
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Colonial Website

www.inmocolonial.com

Capital Market registry data - Stock Market

Bloomberg: COL.SM
ISIN code: ES0139140042
Indexes: IPD

6.10 Disclaimer

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