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# *Colonial*

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First quarter results  
January - March 2012

May 14, 2012



Colonial obtained an operating profit of €46m, a 10% year-on-year growth, consolidating the stabilization of its business.

- Rental revenues: €56m, up 5% like-for-like compared to the previous year
- Group EBITDA: €44m, up 14% like-for-like compared to the previous year
- Group operating profit: €46m, up 10% compared to the previous year
- Net consolidated result: €(13)m

#### Key performance and financial indicators

March cumulative - €m	2012	2011	Var. %
N° Assets <sup>(1)</sup>	51	52	(2%)
Lettable surface above ground	617,878	627,718	(2%)
Developments underway surface above ground <sup>(2)</sup>	142,466	144,566	(1%)
Surface below ground	331,986	333,349	(0%)
<b>Total Surface (sq m)</b>	<b>1,092,331</b>	<b>1,105,632</b>	<b>(1%)</b>
Offices occupancy	88.2%	87.0%	1.2 pp
Total occupancy	88.1%	87.3%	0.7 pp
Rental revenues	56	55	3%
EBITDA rents	51	48	6%
EBITDA / rental revenues	90%	88%	2.7 pp
EBITDA rents	51	48	6%
Equity method SIIC de Paris	2.8	3.2	(12%)
EBITDA overheads and others	(7)	(9)	17%
EBITDA assets sales	0	(0)	-
Group Operating Profit	46	42	10%
Financial results (without equity method)	(38)	(21)	(79%)
Recurring result	10	13	(18%)
Net Result attributable to the Group	(13)	10	n.a.

#### Balance sheet indicators

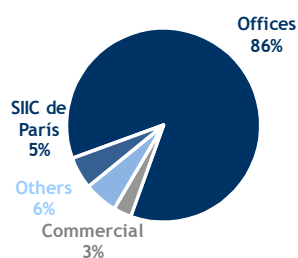
March 31 <sup>st</sup> - €m	2012	2011
Group Net Debt	3,381	3,361
Net Debt Holding	2,132	2,142
Financial cost %	3.95%	3.51%
Maturity (years)	3.0	3.5

<sup>(1)</sup> Without including small non core retail assets

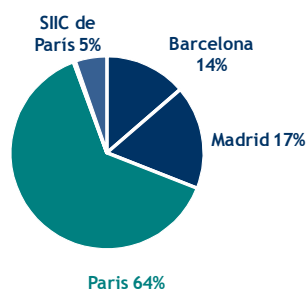
<sup>(2)</sup> Projects & refurbishments

The GAV amounted to €5,102m at December 31<sup>st</sup>, 2011

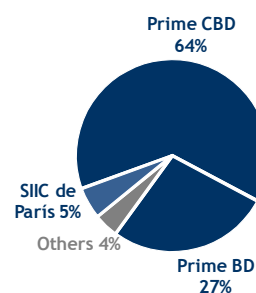
#### Valuation - by use



#### Valuation - by market



#### Valuation - by area



SIIC de Paris: Value of the stake of 29.999%

## Highlights

In the first quarter of 2012, Colonial confirmed the stabilization of its operating business. As a result, the Group posted a 10% increase in operating profit compared with the same period of the previous year, reaching €46m.

The main highlights of the first quarter are the following:

### 1 A high commercial effort in Spain

During the first quarter of 2012, the Colonial Group signed rental contracts for more than 19,000 sqm (93% in Spain and 7% in France).

Out of the total commercial effort, 8,743 sq m corresponded to new contracts in the Barcelona market, where Colonial achieved a share of 16% of the total office take up of the quarter.

The main contracts signed in this quarter were made with top tier clients, as shown in the table below:

<i>New main contracts</i>			
Building	Tenant	City	Surface (sq m)
Avinguda Diagonal, 530	CaixaBank, S.A.	Barcelona	5,910
Illacuna	Liberty Seguros, compañía seguros	Barcelona	5,595
Lopez de Hoyos	Regus Business Centre	Madrid	1,376
Avinguda Diagonal, 682	Clifford Chance, S.L.	Barcelona	1,288
Edouard VII	Simon Kucher & Partners	París	1,084
<b>NEW MAIN CONTRACTS</b>			<b>15,253</b>

### 2 Improved occupancy

The occupancy rate for the Colonial Group's office portfolio stands at 88%, which is higher than the 87% reported in the first quarter of 2011.

The Colonial Group has improved its occupancy rates for offices in Madrid and Paris, compared to the first quarter of 2011, reaching a rate above 90% in both markets (90% in Madrid and 92% in Paris). In Barcelona, the company improved the rate by 4pp compared to the end of the year, achieving 82% occupancy, a similar level to the first quarter of 2011.

### 3 Results

Rental revenues totalled €56m, a 4.8% like-for-like increase (+8.3% in France and -1.5% in Spain).

As a result, the Group achieved an operating result<sup>(1)</sup> of €46m, which represents an increase of 10% compared to the same period of the previous year. This growth is mainly due to the aforementioned increase in rental revenues and savings in overhead costs.

In the first quarter, the Colonial Group reported a negative attributable net result of -€13m. This negative result was mainly due to accounting impacts related to the consolidation of the non-strategic business. It is important to highlight that these results have no impact in the Net Asset Value (NAV)<sup>(2)</sup> of the company, nor do they imply a cash outflow for Colonial.

SIIC de Paris, a subsidiary of the Colonial Group, merged with its subsidiary SIIC de Paris 8ème, optimising the group's legal structure. This restructuring has led to a tax and financial optimisation of SIIC de Paris.

(1) *Operating results before net revaluations, amortizations, provisions and interests*

(2) *In 2010, Colonial did a write-down of 100% of the value of its stake in the Asentia Group - land and residential development- and excluded the non strategic business from the Net Asset Value calculation.*

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# 1. Financial statements

## Consolidated results

March cumulative - €m	2012	2011	Var.	Var. % <sup>(1)</sup>
Rental revenues	56	55	2	3%
Costs invoiced	10	10	1	5%
Invoiceable costs	(11)	(12)	1	5%
Other operating costs	(4)	(5)	0	6%
<b>EBITDA rents</b>	<b>51</b>	<b>48</b>	<b>3</b>	<b>6%</b>
Other income	1	0	1	272%
Overheads	(8)	(9)	1	9%
<b>EBITDA recurring business</b>	<b>44</b>	<b>39</b>	<b>4</b>	<b>11%</b>
<i>Like-for-like EBITDA</i>	<i>35</i>	<i>31</i>	<i>4</i>	<i>14%</i>
Equity method SIIC de Paris	3	3	(0)	(12%)
Rental assets disposals	0	0	0	-
Cost of sales	0	(0.1)	0	100%
<b>EBITDA - asset sales</b>	<b>0</b>	<b>(0.1)</b>	<b>0</b>	<b>100%</b>
<b>Operating profit before revaluation, amortizations and provisions and interests</b>	<b>46</b>	<b>42</b>	<b>4</b>	<b>10%</b>
Valuation movements	0	0	0	-
Amortizations & Provisions	(1)	(0)	(1)	-
<b>Financial results</b>	<b>(38)</b>	<b>(21)</b>	<b>(17)</b>	<b>(79%)</b>
<b>Profit before tax</b>	<b>8</b>	<b>21</b>	<b>(13)</b>	<b>-</b>
Income tax	(2)	(0)	(2)	-
Gain/ loss on discontinued operations	(10)	(0)	(10)	-
Minority Interests	(8)	(11)	2	20%
<b>Profit attributable to the Group</b>	<b>(13)</b>	<b>10</b>	<b>(23)</b>	<b>-</b>

Results Analysis 1Q 2012	€m	EPS - € <sup>(2)</sup>
EBITDA recurring business	44	0.19
Equity method SIIC de Paris	3	0.01
Recurring Financial Result (excl. equity method)	(36)	(0.16)
<b>Recurring result</b>	<b>10</b>	<b>0.05</b>
Valuation movements & Amortizations & Provisions	(1)	(0.00)
Movement in fair value of financial instruments	(2)	(0.01)
Gain/ loss on discontinued operations	(10)	(0.05)
Exceptional items	(13)	(0.06)
<b>Income tax expense &amp; minority interests</b>	<b>(10)</b>	<b>(0.05)</b>
<b>Profit attributable to the Group</b>	<b>(13)</b>	<b>(0.06)</b>

<sup>(1)</sup> Sign according to the profit impact

<sup>(2)</sup> N° of shares fully diluted and after reverse split: 225,991,141

## Recurring operating results

- In the first quarter of 2012, the Group reached an EBITDA of €44m, 11% higher than the same period of the previous year. Adjusting for disposals, changes in the project portfolio, as well as exceptional items, **the like-for-like EBITDA was €35m, 14% higher than the previous year.**
- The operating result of the property portfolio (**rental EBITDA**) increased a **8% like-for-like**. The increase in rental EBITDA was mainly due to the variance in rental revenues, which is analysed in detail in the 'Business performance' section of this report.
- Furthermore, the Colonial Group reduced overhead costs by 9%.

### Operating Results

March cumulative - €m	2012	2011	Var. % <sup>(1)</sup>
EBITDA rents like-for-like	43	40	8%
EBITDA - Overheads	(8)	(9)	9%
EBITDA - Other like-for-like income	0	0	-
<b>EBITDA - recurring like-for-like</b>	<b>35</b>	<b>31</b>	<b>14%</b>
Non-comparable EBITDA	8	8	0%
<b>EBITDA - recurring</b>	<b>44</b>	<b>39</b>	<b>11%</b>

<sup>(1)</sup> Sign according to the profit impact

- The stake of 29.99% in SIIC de Paris contributed an attributable profit of €3m.

## Non-recurring operating results

- In the first quarter of 2012, the Colonial Group's net attributable result was negative and reached -€13m. This negative result was mainly due to accounting impacts related to the consolidation of the non strategic business.
- It is important to highlight that these results have no impact in the Net Asset Value (NAV)<sup>1</sup> of the company, nor do they imply a cash outflow for Colonial.

(1) In 2010, Colonial did a write-down of 100% of the value of its stake in the Asentia Group - land and residential development- and excluded the non strategic business from the Net Asset Value calculation.

## Financial Results

- The financial expenses in the first quarter of 2012 amounted to €39m, an increase of 16% compared to the same period of the previous year, due to a higher average interest rate.

The average interest rate during the first quarter of 2012 was 3.95% (4.16% including the impact of accrued commissions), with an average financing spread of 1.67%. The average interest rate during the same period in 2011 was 3.51% (3.57% including accrued commissions), with an average financing spread of 1.58%.

This increase in financial expenses was mainly due to the financial cost of the SFL bonds issued at a fixed rate of 4.63% in May 2011.

### Financial results

March cumulative - €m	2012	2011	Var. %
Recurring Financial Income	1	1	13%
Recurring Financial Expenses	(39)	(34)	(16%)
Capitalised interest expenses	2	3	(34%)
Cost of Debt %	3.95%	3.51%	-
<b>Recurring Financial Result (without equity method)</b>	<b>(36)</b>	<b>(30)</b>	<b>(22%)</b>
Movement in fair value of financial instruments	(2)	8	(125%)
<b>Financial Result (without equity method)</b>	<b>(38)</b>	<b>(21)</b>	<b>(79%)</b>



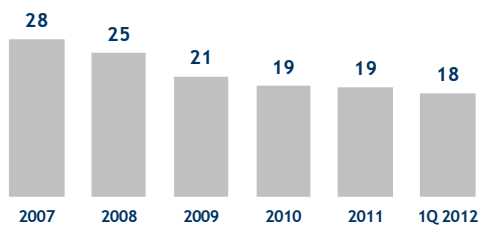
## 2. Business Performance

### Office market situation <sup>(1)</sup>

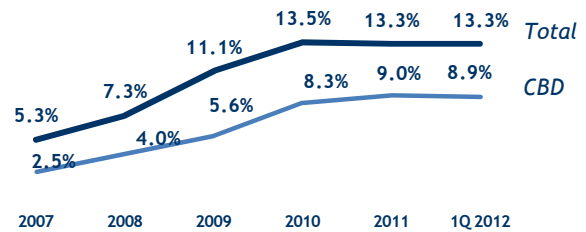
#### Rental market

##### Barcelona

Prime CBD Prices (€/sq m/month)



Vacancy (%)

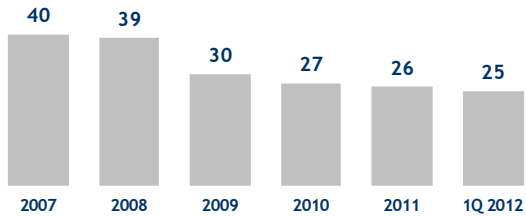


- In the first quarter of 2012, take up in Barcelona reached a volume of 53,600 sq m, which represents 20% less compared with the previous quarter and 18% less than the first quarter of 2011.
- The first quarter of 2012 was characterised by moderate take-up activity. Specifically, there were 123 transactions. Regarding the type of contracts signed, 94% was for rentals and the remaining 6% was for sales. Analysing the transactions signed, 60% of the transactions were below 300 sq m, 23% were 300 sq m to 600 sq m, 11% were 600 sq m to 1,000 sq m and 6% were above 1,000 sq m.
- The average vacancy rate continued its slight decline, standing at 13.3% in this first quarter. The vacancy in the prime area remained stable at 8.9%. It is worth highlighting that demand for prime area is highly selective, requiring the highest standards of both quality and efficiency of the assets.
- The rental revenues for offices in Barcelona continued to decrease, although slowly and moderately. Four years of subsequent decreases have led to a cumulative decrease of 34% for prime office rents in the Paseo de Gracia/Diagonal zone (decrease from 27.50€/sq m/month to 18.25€/sq m/month). Currently, the maximum prime rent stands at €18.25/sq m/month for the best buildings. The areas that have suffered the most are the outskirts of the city where the cumulative decrease is 41% (going from 16.50€/sq m/month to 9.75€/sq m/month).

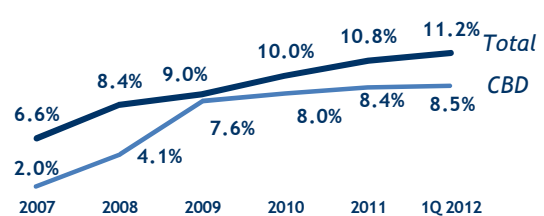
(1) Sources: Reports by Jones Lang Lasalle, Aguirre Newman, Cushman & Wakefield, CBRE at March 2012

Madrid

Prime CBD Prices (€/sq m/month)



Vacancy (%)

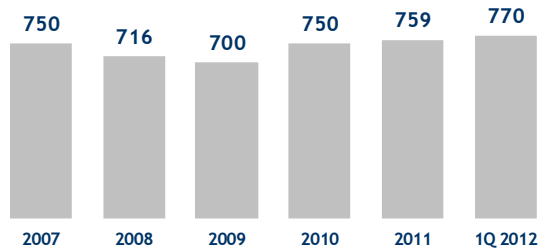


- The transactions during the first quarter of 2012 fell below 60,000 sq m, which demonstrates a very significant decrease of almost 33% compared to the previous quarter.
- During this quarter, vacancy exceeded 2,100,000 sq m in Offices and High Tech, representing an increase on the previous quarter and reaching a vacancy rate of 11.2%. The CBD area slightly increased its vacancy rate due to the gradual vacancies that have not been compensated with new occupancies. Vacancies also increased in the rest of the zones, being secondary locations the most affected.
- During this period, the rental revenues continued to decrease moderately in the majority of the zones, the maximum price in the prime areas stood at 25.25€/sq m/month, representing a decrease vs the previous quarter. If vacancies continue to rise, it is probable that rental revenues will further decrease, although moderately.

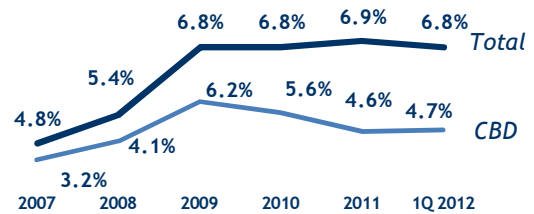
(1) Sources: Reports by Jones Lang Lasalle, Aguirre Newman, Cushman & Wakefield, CBRE at March 2012

Paris

Prime CBD Prices (€/sq m/year)



Vacancy (%)

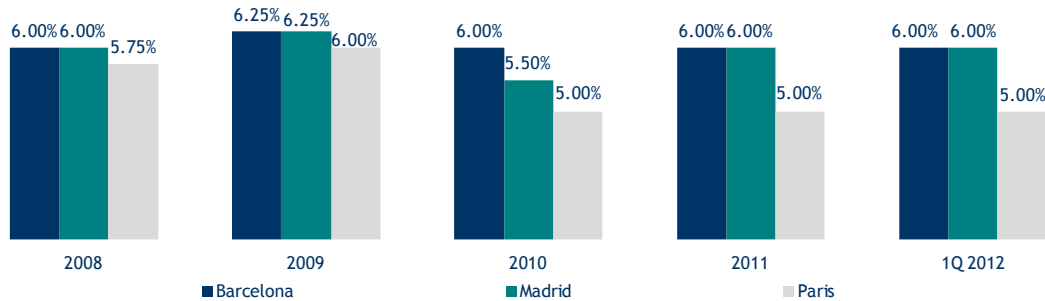


- The take up during the first quarter of 2012 was 514,000 sq m in the Paris region. The number of transactions above than 5,000 sq m increased 14% compared to the first quarter of 2011 with the segments of 10,000 sq m to 20,000 sq m being the most dynamic.
- The vacancy rate was at 6.8% in the Paris region, with an immediate supply of 3,586,000 sq m which hardly varied compared to the fourth quarter of 2011. In the CBD area, the vacancy was at 4.7% with an immediate supply of 324,000 sq m, which means a slight increase on the previous quarter.
- The prime rental prices in Paris' CBD area stand at €770/sq m/year and reach €785/sq m/year in the golden triangle.

(1) Sources: Reports by Jones Lang Lasalle, Aguirre Newman, Cushman & Wakefield, CBRE at March 2012

## Investment market <sup>(1)</sup>

### Prime Yields - Paris, Madrid, BCN



- Barcelona:** Yields were in line with the levels of the fourth quarter, therefore the minimum yields for the best buildings in Barcelona's prime areas remain currently at 6%.
- Madrid:** The prime yields did not experience any variance, remaining at 6%. However, the lack of financing, along with the situation in the rental market and the risks for assets in every zone, are putting some upwards pressure on yields, leading probably to yield increases in the next quarter.
- Paris:** Investment during the first quarter of 2012 reached €1.34 billion, exactly the same figure as during the first quarter of 2011. The yield remains at 5% in the prime locations and some transactions were carried out below 5%. The market continues to be dominated by French investors, although during this quarter the number of foreign investors has increased, particularly German investors.

(1) Sources: Reports by Jones Lang Lasalle, Aguirre Newman, Cushman & Wakefield, CBRE at March 2012

## Business Highlights

- Rental revenues amounted to €56.3m, a 3.1% rise compared to the revenues from the previous year. Rental revenues increased by 4.8% like-for-like, this means adjusted for disposals, changes in the projects portfolio and refurbishments.

In Paris, rental revenues increased 8.3% like-for-like. In Spain, like-for-like rental revenues decreased by 1.5%, mainly due to the portfolio in Barcelona, since the portfolio in Madrid increased by 0.7%.

Rents (2012 vs. 11) €m	Barcelona	Madrid	Paris	Total
Rental Income 2011A	9	11	35	55
<i>Like-for-Like</i>	(0.3)	0.1	2.4	2.2
<i>Projects &amp; Refurbishments</i>	(0.7)	0.0	1.0	0.3
<i>Disposals</i>	(0.0)	(0.2)	(0.6)	(0.8)
<i>Indemnities &amp; Others</i>	(0.0)	0.0	0.0	(0.0)
Rental Income 2012A	8	11	38	56
<i>Total Variance (%)</i>	(11.5%)	(1.1%)	8.0%	3.1%
<i>Like-for-Like Variance (%)</i>	(4.4%)	0.7%	8.3%	4.8%

- The rental EBITDA (net rents) reached €50.9m, increasing by 8% like-for-like, with a 90% EBITDA margin.

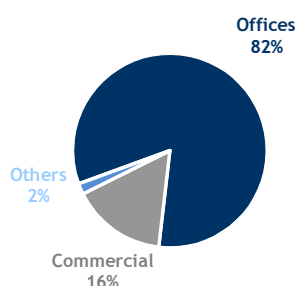
### Property business

March cumulative - €m	2012	2011	Var. %	like-for-like %
Rental revenues - Barcelona	8	9	(11%)	(4%)
Rental revenues - Madrid	11	11	(1%)	1%
Rental revenues - Paris	38	35	8%	8%
<b>Rental revenues</b>	<b>56</b>	<b>55</b>	<b>3%</b>	<b>5%</b>
Costs invoiced	10	10	5%	
Invoiceable costs	(11)	(12)	5%	
Other operating costs <sup>1</sup>	(4)	(5)	6%	
<b>EBITDA rents</b>	<b>51</b>	<b>48</b>	<b>6%</b>	<b>8%</b>
<i>EBITDA/ Rental revenues - Barcelona</i>	<i>84%</i>	<i>82%</i>	<i>2.0 pp</i>	
<i>EBITDA/ Rental revenues - Madrid</i>	<i>88%</i>	<i>88%</i>	<i>0.6 pp</i>	
<i>EBITDA/ Rental revenues - Paris</i>	<i>92%</i>	<i>89%</i>	<i>3.2 pp</i>	
<b>EBITDA/ Rental revenues</b>	<b>90%</b>	<b>88%</b>	<b>2.7 pp</b>	

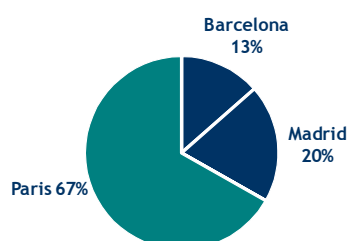
<sup>1</sup>Includes expenses related directly to property, without taking into account overheads, such as personnel expenses

- Most of the Group's revenue, 82%, is generated by office buildings. The Group also has a high exposure to prime markets. Two thirds of the rental revenues (€38m) 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.

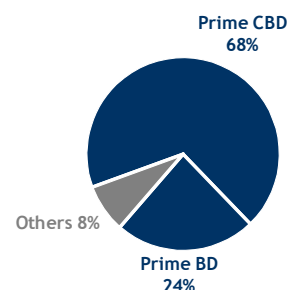
Revenues - by use



Revenues - by market

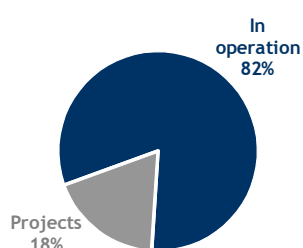


Revenues - by area

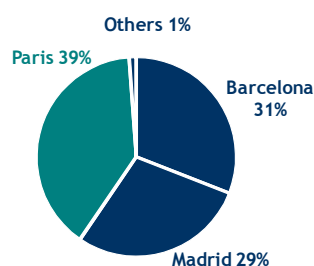


- Surface area:** At the end of the first quarter of 2012, the Colonial Group's portfolio totalled 1,092,331 sq m (760,344 sq m above ground), most of which was office space. 82% of the portfolio was in operation on March 31<sup>st</sup>, 2012, and the remaining 18% corresponds to an attractive portfolio of projects and refurbishments.

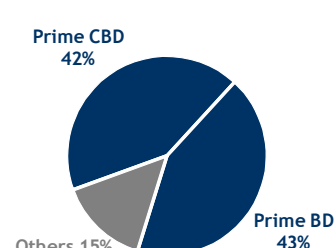
Surface - by condition



Surface - by market



Surface - by area



- Letting performance:** During the first quarter of 2012, the Group signed a total of 19,482 sq m of new rentals (rental renewals and revisions at market prices). 93% of these were in Spain and 7% in France. The new rentals set in these agreements were 20% below previous rents.

### Letting Performance

March cumulative - sq m	2012	% new rents vs. previous	Average Maturity
Renewals & revisions - Barcelona	7,283	(21%)	3
Renewals & revisions - Madrid	2,150	(33%)	1
Renewals & revisions - Paris	1,208	(7%)	3
<b>Total Renewals &amp; Revisions</b>	<b>10,641</b>	<b>(20%)</b>	<b>2</b>
New Lettings Barcelona	8,743		4
New Lettings Madrid	-		-
New Lettings France	98		0.3
<b>New Lettings</b>	<b>8,841</b>	<b>na</b>	<b>4</b>
<b>Total commercial effort</b>	<b>19,482</b>	<b>na</b>	<b>3</b>

Average maturity until break option

The new rentals agreed in Spain were 24% below previous levels, due to the renewal of contracts that came from the peak of the cycle, especially in Madrid.

Out of the total commercial effort, 8,743 sq m corresponded to new contracts in the Barcelona market, where Colonial achieved a share of 16% of the total office take up of the quarter, a ratio well above Colonial’s market share in the Barcelona market that is around 4%.

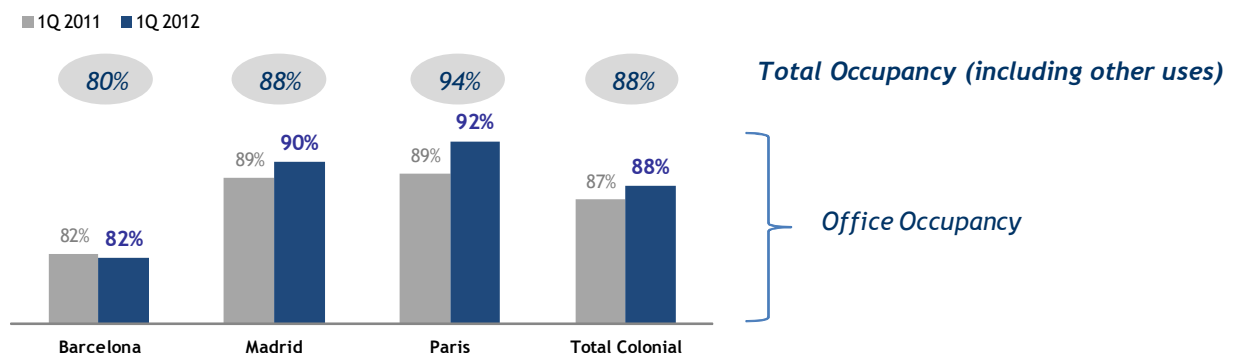
- As for the new contracts signed in Spain, it is worth highlighting the 5,910 sq m at Av. Diagonal, 530 in Barcelona, 1,376 sq m at the Lopez de Hoyos building in Madrid and almost 1,300 sq m at Av. Diagonal, 682 in Barcelona.

It is also worth highlighting the signed contracts on the Illacuna office complex in Barcelona, with Liberty Seguros (5,595 sq m) and with Software AG España (483 sq m). This building is currently 50% occupied.

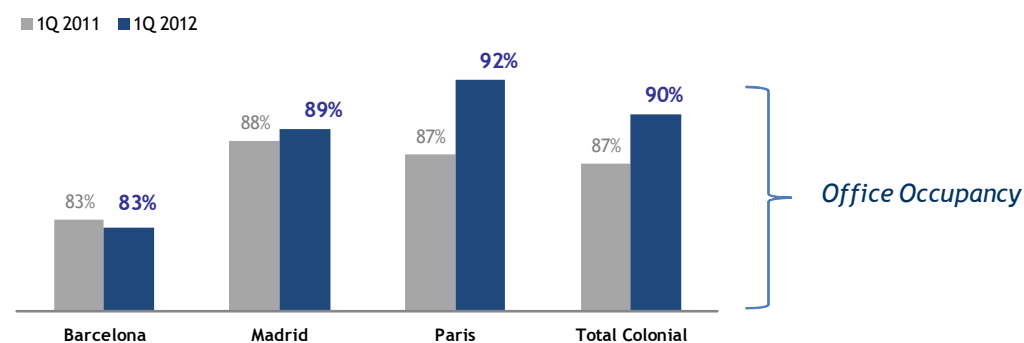
- Occupancy:** At the end of the first quarter, Colonial’s office occupancy stood at 88%, a higher figure than the same period of the previous year.

The Colonial Group improved the occupancy rate of offices in Madrid and Paris, in comparison to the previous year, reaching a ratio above 90% in both markets (90% in Madrid and 92% in Paris). In Barcelona, the company managed to maintain the rate stable at 82%.

Office Occupancy - Surfaces (1)



Office Occupancy - Economic (2)



(1) Vacant space / space in operation

(2) Vacant space multiplied by current market rent / space in operation at market rental prices

In Barcelona, the occupancy rate is still significantly below normalized levels ( $\geq 90\%$ ). This is mainly due to the entry in operation of the new Illacuna complex, with more than 20,000 sq m above ground, as well as to non-strategic assets. Excluding these impacts, the occupancy rate in Barcelona would be around 87%.

- **Disposals:** During the first quarter of 2012, the Colonial Group did not carry out any asset disposals.
- **Investments:** In terms of investments, it is important to point out that the Company holds a project portfolio of more than 99,000 sq m above ground, which is scheduled to come into operation between 2012 and 2015, and will represent additional annual rental revenues of around €40m <sup>(1)</sup>.

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

Projects	Come into Operation	% Group	Market	Use	Surface above ground (sq m) <sup>(1)</sup>
Martinez Villergas, 49	1H 2012	100%	Madrid	Offices	24,135
Ausias Marc, 148 / Lepant	1H 2012	100%	Barcelona	Offices	6,379
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
<b>Spain</b>					<b>59,451</b>
Champs Élysées 92	2H 2012	100%	Paris	Offices	7,163
Quai Le Gallo	1H 2013	100%	Paris	Offices	32,710
<b>France</b>					<b>39,873</b>
<b>Total</b>					<b>99,324</b>

(1) Floor area of completed project

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 Louvre des Antiquaires and Edouard VII 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 corporate headquarters. It also has its own car park. The building is currently at the pre-marketing stage.

(1) Estimated rents based on current market prices





#### **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 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 to 540 sq m per floor. High-quality and energy-efficient buildings and facilities that will enable the company

to apply for the LEEDS certification (green building).



#### **Ausias Marc, 148 / Lepant**

A new office development project in one of the well-regarded area of Barcelona, opposite the Auditorio de Música de Barcelona and the Teatro Nacional de Catalunya, next to the Vila Olímpica. It houses open plan office spaces available to rent with surfaces of 801 sq m to 863 sq m per floor. All floors are completely exterior with a large light well at the centre of the building. There is a reception-security service and parking provided in the same building.



#### **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. With floors of up to 697 sq m, light and airy space, 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 pre-let 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. Building available 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 professionals. The commercial part has recently been pre-let 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.

### 3. Financial Structure

#### Main debt figures

Net group debt stood at €3,381 m at March 31<sup>st</sup>, 2012 (€3,361m at March 31<sup>st</sup>, 2011). Both figures exclude the debt of the subgroup Asentia, which is classified as Discontinued Operations.

The breakdown of the debt at the end of the first quarter is the following:

#### Structure of the consolidated net financial debt

31 <sup>st</sup> March 2012 - €m	Colonial	SFL	Total	%
Syndicated loan	1,752	300	2,052	60%
Mortgage debt/leases	365	178	542	16%
Subordinated debt	39	0	39	1%
Non mortgage debt and others	10	285	295	9%
<b>Total Gross Debt</b>	<b>2,166</b>	<b>762</b>	<b>2,928</b>	<b>85%</b>
Bonds	0	500	500	15%
<b>Total Gross Debt</b>	<b>2,166</b>	<b>1,262</b>	<b>3,428</b>	<b>100%</b>
Cash & cash equivalents	(33)	(14)	(47)	
<b>Consolidated Net Debt</b>	<b>2,132</b>	<b>1,249</b>	<b>3,381</b>	
<b>Average Maturity undrawn debt (years)</b>	<b>3.0</b>	<b>3.0</b>	<b>3.0</b>	
<b>Financial cost (excl. Commissions)</b>	<b>3.68%</b>	<b>4.41%</b>	<b>3.95%</b>	
<b>Financial cost</b>	<b>22</b>	<b>16</b>	<b>38</b>	

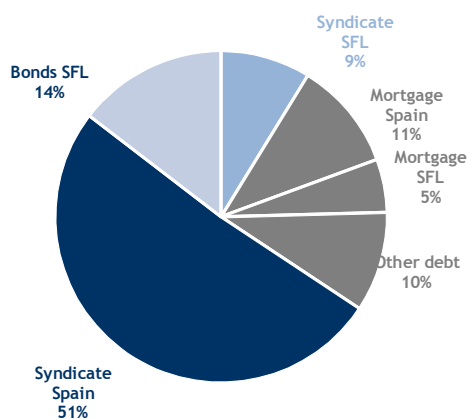
The main elements of the debt are as follows:

- A gross debt of €3,428m, with the following breakdown:
  1. A syndicate debt in Colonial holding of €1,752m was refinanced on February 19<sup>th</sup>, 2010, and subscribed for by a group of financial institutions led by Calyon Sucursal in Spain, Eurohypo Sucursal in Spain, Coral Partners and The Royal Bank of Scotland. The debt matures on December 31<sup>st</sup>, 2014, and the applicable spread for 2012 is 175 bp.  
The syndicated loan considers incentives for the company to reach a LTV of 50%. Therefore, it foresees partial amortizations of the loan. If this does not take place, it will generate additional capitalized interests (PIK, accumulation of capital) that following an agreement with the financial institutions, would be generated, if it applies, from 2013 onwards.

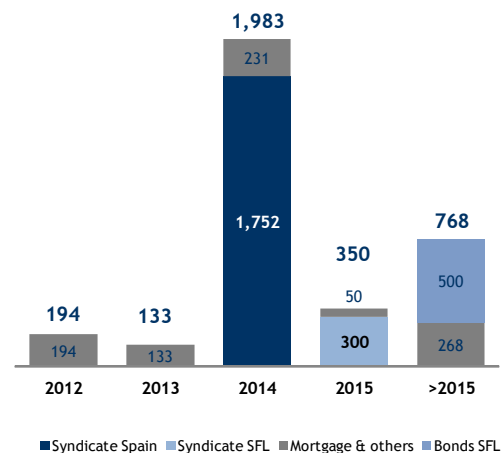
2. SFL currently has two syndicated loan arrangements, drawn down for a total amount of €300m.
    - a) A syndicated loan for the nominal amount of €300m was signed with the bank agent “BNP PARIBAS” on October 8<sup>th</sup>, 2009, maturing in October 2014, and not drawn down at the closing date. The applicable margin is 270 bp.
    - b) At December 17<sup>th</sup>, 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 €300m. The applicable margin is 215 bp.
  3. SFL carried out a bond issue for €500m on May 17<sup>th</sup>, 2011, with an annual fixed coupon of 4.625%, and maturing on May 25<sup>th</sup>, 2016.
  4. Bilateral loans with mortgage security:
    - a) Colonial has a total of €365m in bilateral loans with various credit institutions, with mortgage securities on property assets. The average maturity of these loans is 4.32 years and the average financing spread is 1.53%.
    - b) SFL has a total of €178m in bilateral loans with various credit institutions, with mortgage securities on property assets. The average maturity of these loans is 1.57 years and the average financing spread is 1.76%.
  5. Bilateral loans without mortgage security:
    - a) Colonial has a total of €10m in a single loan with an average maturity of 1.99 years and an average financing spread of 1.75%.
    - b) SFL has a total of €285m broken down into seven loans with an average maturity of 1.44 years and an average financing spread of 0.58%.
- The liquidity available at March 31<sup>st</sup> amounted to €446m (current accounts and deposits for €47m and debt not drawn down for €399m), of which €75m correspond to Colonial, €364m to SFL, and €7m to the rest the companies of the Group.

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

Breakdown of drawn debt



Maturity of drawn debt (€m)



	2012	2013	2014	2015	>2015
Property Business Spain	11	36	1,830	47	241
Property Business SFL	182	97	153	303	527

## Hedging Portfolio

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

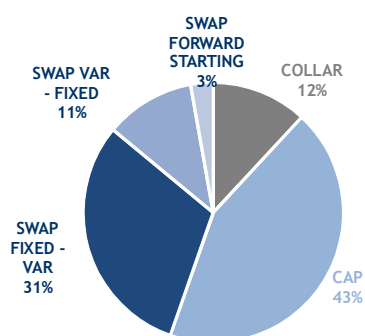
31 March 2012 Financial instrument - €m	Description	Colonial	SFL	Total	%	MTM
SWAP	From floating to fixed rate	432	664	1,095	32%	(44)
SWAP FORWARD STARTING (*)	Fixed rate	0	400	400	12%	(16)
COLLAR	Floating rate between a maximum and a minimum	25	400	425	12%	(20)
CAP	Floating rate with a maximum	1,354	200	1,554	45%	1
<b>Total Hedging portfolio (Variable - Fixed)</b>		<b>1,811</b>	<b>1,664</b>	<b>3,474</b>	<b>100%</b>	<b>(80)</b>
SWAP	Fixed to floating rate	0	100	100	100%	6
<b>Total Hedging portfolio</b>		<b>1,811</b>	<b>1,764</b>	<b>3,574</b>		<b>(73)</b>
<b>Maturity (years)</b>		<b>2.5</b>	<b>2.8</b>	<b>2.7</b>		

(\*) Initial date-July 2012

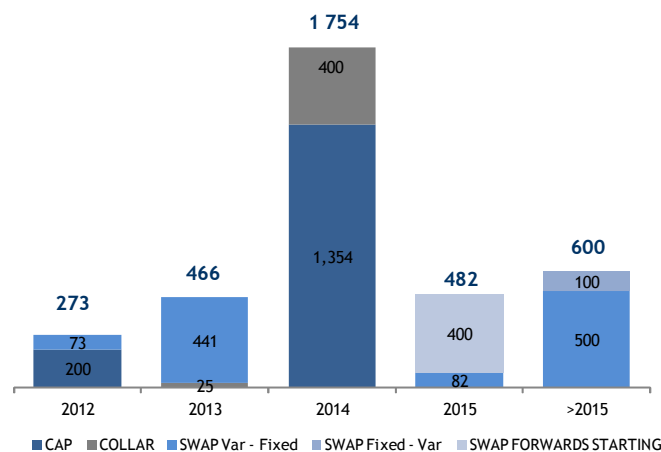
- The effective hedging ratio at March 2012 (hedges/debt at variable rate) stood at 103%. The total percentage of debt without any risk, which includes the fixed-rate bonds issued by SFL, is 100%.
- During the first quarter SFL restructured four fixed-rate Swaps, reducing the fixed interest rate and extending their maturity by an average of two years.
- Considering the current outlook for interest rates, the current hedging portfolio puts the interest rate levels (Euribor) for the hedged debt at 2.19% for 2012 with a maximum of 3.15%.
- 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, is at 2.93% for the Colonial Group in 2012.

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

Breakdown of derivatives portfolio



Maturity of derivatives portfolio (€m)



Colonial	0	425	1,354	32	0
SFL	273	41	400	450	600

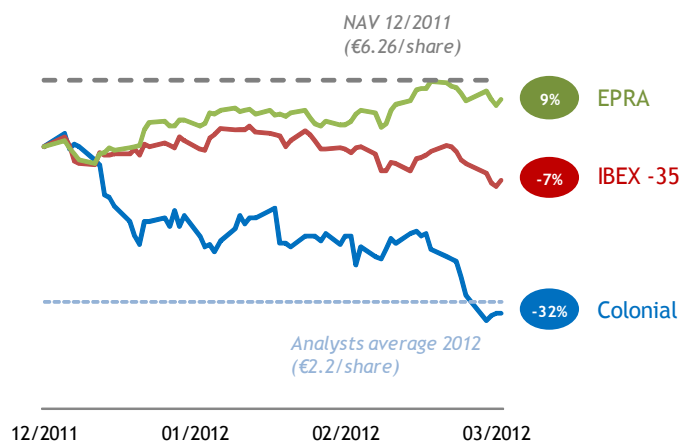
## 4. Stock market performance

### Share price evolution

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.

In particular, it is important to note the recent rise of the risk premium for Spain exceeding 400bps at the end of March. This led to significant decreases in the Spanish stock market which hit the real estate market in particular.

Consequently, Colonial is currently trading at a significant discount to its Net Asset Value.



### Share price performance

Colonial shares	Mar-12	Dec-11
Market capitalisation at closing date (€m)	352	517
Closing price (€/share)	1.6	2.3
Average daily volume (million shares)	0.36	0.42
Average daily turnover (€m)	1.7	2.0
Number of shares (mn)	225.9	225.9

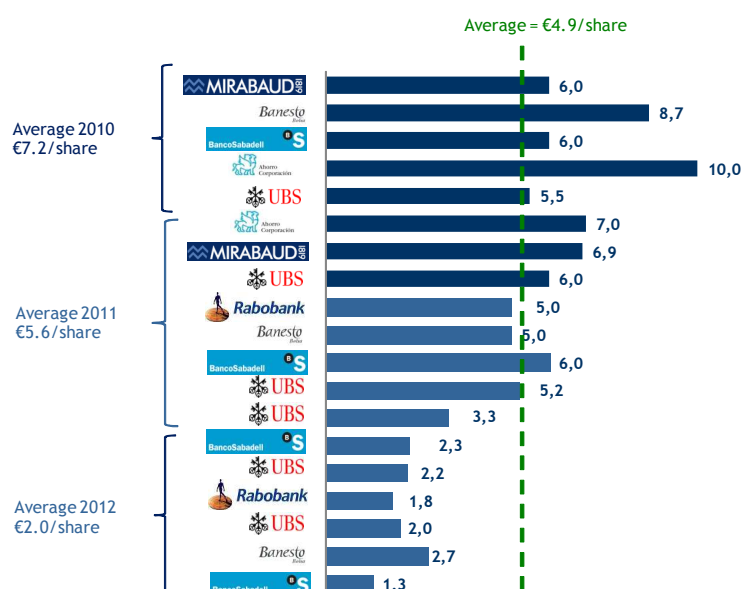
Colonial is part of the European Public Real Estate Association (EPRA), a real estate reference index for listed international companies, as well as the Investment Property Databank (IPD), a real estate profitability index with global reference.



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:

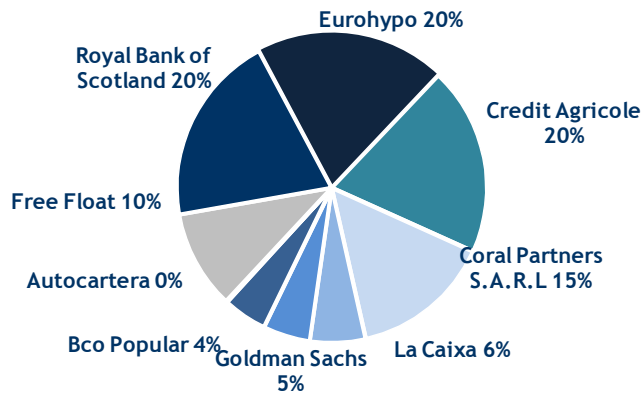
#### Analysts Recommendations (€/share)



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 Hombria	23/11/2010	Sell	10.0
UBS	Ignacio Carvajal	29/11/2010	Neutral	5.5
Ahorro Corporación	Javier Hombria	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	Neutral	2.2
Rabobank	Martijn van den Eijnden	24/01/2012	Sell	1.8
UBS	Ignacio Carvajal	14/03/2012	Neutral	2.0
Banesto	Marta Gómez	17/04/2012	Buy	2.7
Banco Sabadell	Ignacio Romero	19/04/2012	Sell	1.3

## Company shareholder structure

Shareholder structure 31/03/2012 (CNMV)



Name of Director			Executive Committee	Nominations & Remunerations Committee	Audit & Control Committee
Juan José Brugera Clavero	Chairman		Chairman		
Pedro Viñolas Serra	Chief Executive Officer		Member		
Xavier Faus Santasusana	Director		Member	Member	
Alberto Ibáñez González	Director		Member	Member	
Jean-Luc Ransac	Director		Member	Member	
Alain Chetrit	Director		Member		Member
Manuel Menéndez López	Director				
José María Sagardoy Llonis	Director				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

### Highlights: Discontinued operations

- The value of the stake in the subgroup Asentia, accounted for as Assets available for sale, was fully written off at the end of 2010.
- The land bank reserve at the end of the quarter 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*

March cumulative - €m	2012	2011	Var. %
<b>Operating indicators</b>			
Land Bank surface	1,683,874	1,718,581	(2%)
Riofisa surface	1,411,716	1,409,037	0%
Finished units	199	250	(20%)
<b>Financial results</b>			
Residential sales - Commercial sales (units)	9	3	200%
Residential sales - Booked sales (units)	5	2	150%
Revenues from homebuilding sales	1.4	0.8	70%
Revenues from land bank sales	-	-	-
Other income	0.1	0.0	-
Revenues from Riofisa	4.6	7.3	(37%)

- Regarding the residential housing portfolio, the Colonial Group continues to pursue a strategy of lowering its exposure, and its stock of residential units decreased 20% compared to the same quarter of the previous year. Colonial's current stock of finished housing amounts to 199 units (vs. 250 units at the end of the first quarter of 2011). Of these 199 units in stock, pre-sale contracts have been signed on 7 of them, and the rest (192 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 €1.4m.
- During the first quarter of 2012, the sales of housing units amounted to €1.4m. However, there were no land bank sales during this period.
- Commercial sales of residential and retail units during the first quarter of 2012 amounted to €2.1m.

## Financial structure of discontinued operations

The breakdown of the Asentia Group's financial debt at March 31<sup>st</sup>, 2012, is as follows:

<i>Structure of the financial debt</i>					
31 <sup>st</sup> March 2012 - €m	Asentia Project S.L	Riofisa	Others subsidiaries	Total	%
Syndicated loan	868	0	0	868	60%
Mortgage debt/leases	45	381	150	576	40%
Non mortgage debt and others	0	11	0	11	1%
<b>Total Gross Debt</b>	<b>913</b>	<b>392</b>	<b>150</b>	<b>1,455</b>	<b>100%</b>
Cash & cash equivalents	(17)	(23)	(17)	(56)	
<b>Consolidated Net Debt</b>	<b>896</b>	<b>369</b>	<b>133</b>	<b>1,398</b>	
Average maturity (years)	2.8	2.6	6.0	3.1	
<b>Financial cost (excl. Commissions)</b>	<b>4.88%</b>	<b>4.97%</b>	<b>3.88%</b>	<b>5.06%</b>	
<b>Financial cost</b>	<b>11</b>	<b>6</b>	<b>0</b>	<b>17</b>	

- The syndicated loan of Asentia derived from the restructuring of the Colonial Group was formalised on February 19<sup>th</sup>, 2010. The applicable spread of Asentia's syndicated loan was 400 bps, added to the principle and payable at maturity on December 31<sup>st</sup>, 2014. The amount of the capitalized interest amounted to €91.6m at March 31<sup>st</sup>.

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 equity below 10%.

- The Riofisa Group has a mortgage debt of €381m, maturing in December 2014, extendable for an additional 24 months and with an average financing spread of 2.76%.
- At March 31<sup>st</sup>, 2012, an interest rate swap amounting to €163m was taken on, totally attached to the debt of "Other Subsidiaries".
- The financial cost, of the entities reclassified as discontinued operations, was -€17.2m, of which -€10.3m corresponded to capitalised financial costs on Asentia's syndicated loan (PIK maturing on December 31<sup>st</sup>, 2014) and -€6.1m corresponded to Riofisa's financial cost.

The financial cost of the debt assigned to other subsidiaries amounted to -€1.3m, which has been entirely capitalized as it is attached to a project in process.

## 6. Appendices

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6.1 Consolidated balance sheet

6.2 Asset portfolio - Locations

6.3 Asset portfolio - Details

6.4 Legal Structure

6.5 Subsidiaries - Details

6.6 Glossary

6.7 Contact details

6.8 Disclaimer

## 6.1 Consolidated balance sheet

€m	1Q 2012	2011
<b>ASSETS</b>		
Consolidated goodwill	178	178
<i>Investment property - In operation</i>	4,278	4,297
<i>Investment property - Work in progress, advances and provisions</i>	367	321
Investments Property	4,644	4,618
Equity method	269	266
Other non-current assets	853	854
<b>Non-current assets</b>	<b>5,945</b>	<b>5,916</b>
Debtors and other receivables	59	59
Other current assets	79	97
Assets available for sale	1,863	1,865
<b>Current assets</b>	<b>2,001</b>	<b>2,021</b>
<b>TOTAL ASSETS</b>	<b>7,946</b>	<b>7,937</b>
<b>LIABILITIES</b>		
<i>Share capital</i>	226	226
<i>Other reserves</i>	1,120	1,110
<i>Profit (loss) for the period</i>	(13)	15
<i>Other instruments for equity</i>	2	2
<i>Exchange differences</i>	(0)	(0)
<i>Treasury shares</i>	(59)	(60)
Equity	1,276	1,293
Minority interests	1,046	1,038
<b>Net equity</b>	<b>2,322</b>	<b>2,331</b>
Debts with credit entities and other non-current financial liabilities	497	497
Non-current financial debt	2,691	2,439
Deferred tax	172	172
Other non-current liabilities	188	188
<b>Non-current liabilities</b>	<b>3,548</b>	<b>3,296</b>
Debts with credit entities and other current financial liabilities	19	13
Current financial debt	213	457
Creditors and other payables	72	72
Other current liabilities	56	61
Liabilities associated to assets available for sale	1,717	1,706
<b>Current liabilities</b>	<b>2,076</b>	<b>2,310</b>
<b>TOTAL EQUITY &amp; LIABILITIES</b>	<b>7,946</b>	<b>7,937</b>

## 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 BERLIN 38-48 / NUMANCIA 46



6 TRAVESSERA DE GRACIA 11

7 AMIGÓ 11-17

8 AV. DIAGONAL 530-532

9 AV. DIAGONAL 409

10 VIA AUGUSTA 21-23



11 TORRE MARENOSTRUM

12 AUSIAS MARC 148

13 DIAGONAL GLORIES

14 COMPLEJO DE OFICINAS PARC CENTRAL



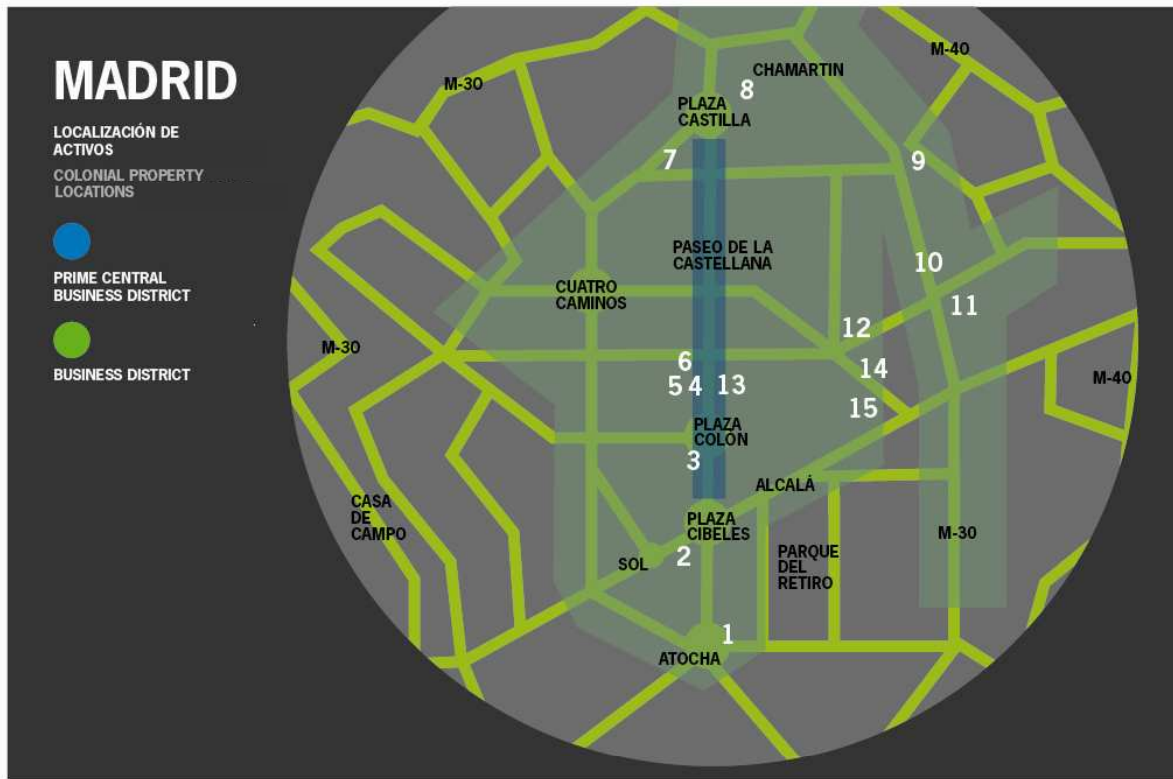
15 COMPLEJO DE OFICINAS ILLACUNA

16 COMPLEJO DE OFICINAS SANT CUGAT NORD

17 COMPLEJO DE OFICINAS SANT JOAN DESPI

## 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 AGORA/M-30

10 RAMÍREZ DE ARELLANO, 37

11 MARTÍNEZ VILLERGAS, 49

12 LÓPEZ DE HOYOS, 35



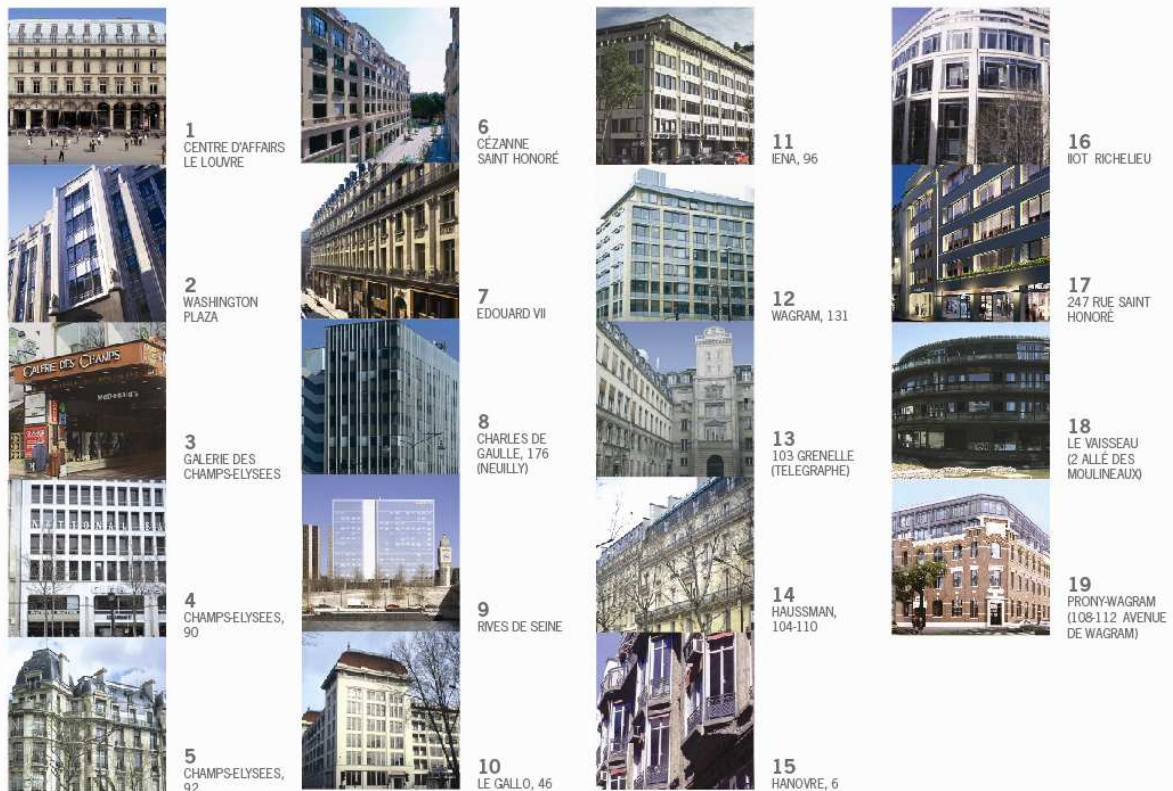
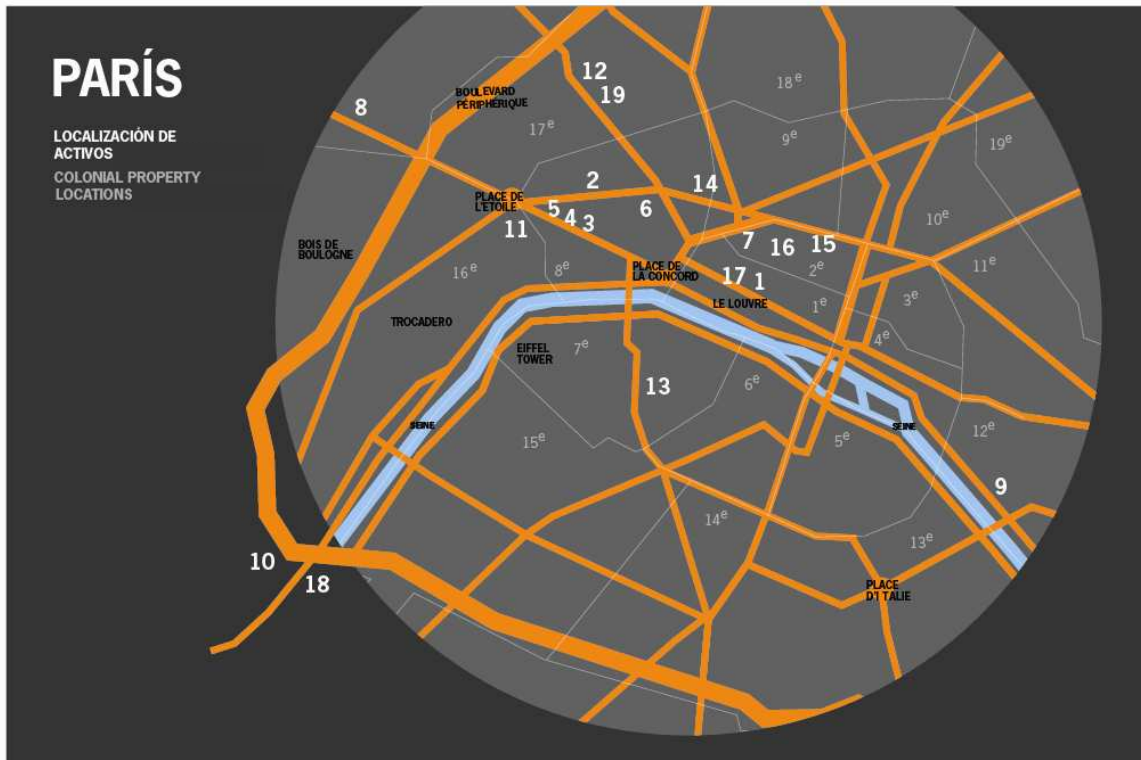
13 PASEO DE LA CASTELLANA, 52

14 FRANCISCO SILVELA, 42

15 ORTEGA Y GASSET, 100

## 6.2 Asset portfolio - locations (cont.)

### Paris



## 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	11,782					11,782	1,689	13,471
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	5,410				5,410	1,355	6,765
BERLIN, 38-48/NUMANCIA, 46	12,446					12,446	1,704	14,150
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	9,835					9,835	3,398	13,233
TORRE DEL GAS <sup>(1)</sup>	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
SAMONTA 19	0			3,905		3,905	0	3,905
<b>RENTAL PORTFOLIO</b>	<b>324,551</b>	<b>10,242</b>		<b>3,905</b>	<b>8,073</b>	<b>346,771</b>	<b>197,153</b>	<b>543,925</b>
<b>OTHER COMMERCIAL PREMISES</b>		<b>6,480</b>				<b>6,480</b>	<b>1,366</b>	<b>7,847</b>
<b>RENTAL FLOOR SPACE SPAIN</b>	<b>324,551</b>	<b>16,723</b>		<b>3,905</b>	<b>8,073</b>	<b>353,252</b>	<b>198,520</b>	<b>551,771</b>
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
BERLIN, 38-48/NUMANCIA, 46	371					371	0	371
PEDRALBES CENTRE	0	53				53	0	53
AUSIAS MARC / LEPANT	6,379					6,379	1,792	8,171
HOTEL MARINA DE LA TORRE	0				11,519	11,519	0	11,519
MARTINEZ VILLERGAS, 49	24,135					24,135	6,934	31,069
CENTRO NORTE	576					576	0	576
CASTELLANA, 43	5,999					5,999	2,441	8,440
SAMONTA 21	5,404					5,404	2,655	8,060
<b>PROJECTS UNDERWAY SPAIN</b>	<b>65,804</b>	<b>53</b>	<b>0</b>	<b>0</b>	<b>11,519</b>	<b>77,376</b>	<b>33,548</b>	<b>110,924</b>
<b>TOTAL SPAIN</b>	<b>390,356</b>	<b>16,776</b>	<b>0</b>	<b>3,905</b>	<b>19,592</b>	<b>430,628</b>	<b>232,067</b>	<b>662,695</b>

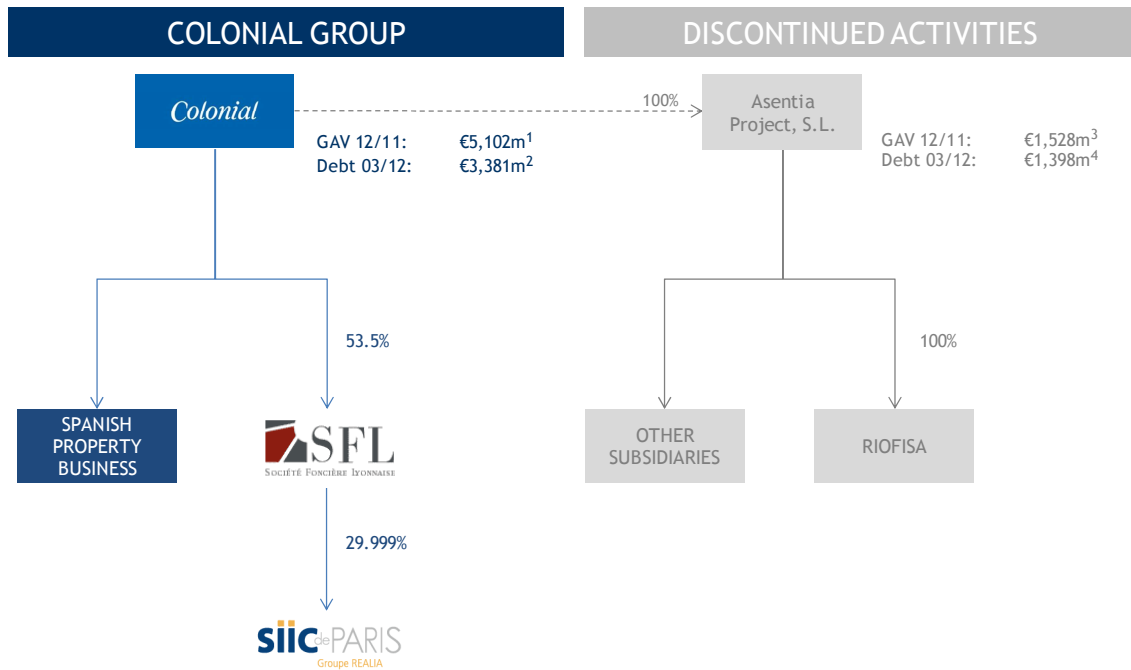


## 6.3 Asset portfolio - Details (cont.)

## France

RENTAL PORTFOLIO PARIS	Floor space above ground					Floor space above ground	Floor space under ground	Total surface
	Offices	Retail	Resid.	Logistic	Hotel			
CALL-LDA	20,080	3,726			2,040	25,846	5,730	31,576
CAPUCINES	0	0				0	0	0
EDOUARD 7	20,434	16,032	4,509		4,502	45,477	9,934	55,410
247 ST HONORE	0	1,332			14,644	15,976	0	15,976
ILOT RICHELIEU	24,392				5,095	29,487	10,247	39,734
C. ELYSEES 8288	0	2,269				2,269	1,860	4,129
C. ELYSEES 90	1,915	491				2,406	0	2,406
CEZANNE SAINT HONORE	24,181	1,395	231			25,807	3,369	29,176
PRONY-WAGRAM	7,100				449	7,549	3,119	10,668
SAINT AUGUSTIN	0					0	163	163
IENA	7,505					7,505	4,695	12,201
108-112 WAGRAM	4,470	892				5,362	546	5,908
WASHINGTON PLAZ	38,318	460			2,241	41,019	13,271	54,290
HAUSS. 104-110	5,899	338				6,237	1,325	7,562
NEUILLY	5,749	389				6,138	2,738	8,876
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 GRENNELLE	15,176	258				15,434	1,871	17,305
SAINT DENIS	0	0	60	0	0	60	16	76
<b>RENTAL FLOOR SPACE PARIS</b>	<b>201,514</b>	<b>27,581</b>	<b>4,800</b>	<b>0</b>	<b>30,730</b>	<b>264,626</b>	<b>74,881</b>	<b>339,508</b>
WASHINGTON PLAZ	1,252					1,252	2,313	3,565
CALL-LDA	8,423	2,955				11,378	8,557	19,934
108-112 WAGRAM						0	562	562
247 ST HONORE						0	1,396	1,396
GRENNELLE						0	4,048	4,048
C. ELYSEES 8288		0				0	1,093	1,093
C. ELYSEES 92	4,209	3,396				7,605	36	7,641
CEZANNE SAINT HONORE		455				455	1,504	1,958
C. ELYSEES 90	2,062					2,062		2,062
QUAI LE GALLO	31,003				1,275	32,278	1,511	33,789
NEUILLY						0	861	861
PRONY-WAGRAM						0	532	532
IENA						0	930	930
EDOUARD 7	6,996	0				6,996		6,996
HANOVRE	3,003		61			3,065	1,697	4,762
<b>PROJECTS UNDERWAY PARIS</b>	<b>56,948</b>	<b>6,806</b>	<b>61</b>	<b>0</b>	<b>1,275</b>	<b>65,090</b>	<b>25,038</b>	<b>90,127</b>
<b>TOTAL PARIS</b>	<b>258,463</b>	<b>34,387</b>	<b>4,861</b>	<b>0</b>	<b>32,005</b>	<b>329,716</b>	<b>99,919</b>	<b>429,636</b>
<b>TOTAL PROPERTY COLONIAL</b>	<b>648,818</b>	<b>51,163</b>	<b>4,861</b>	<b>3,905</b>	<b>51,597</b>	<b>760,344</b>	<b>331,986</b>	<b>1,092,331</b>

## 6.4 Legal structure



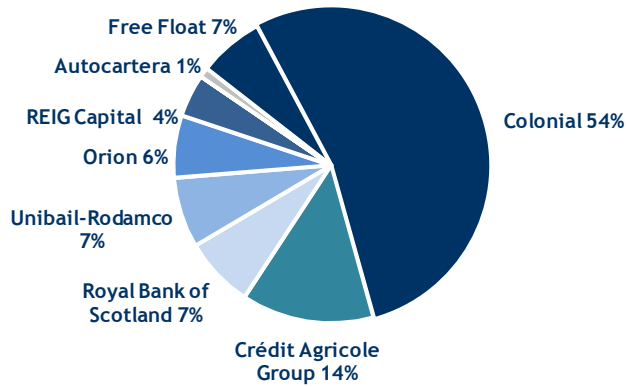
**Notes:**

- (1) GAV of assets owned directly + GAV other subsidiaries + 100% GAV SFL + % NAV 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

### Shareholder structure & Board of Directors of SFL

SFL - Shareholder structure 31/12/2011



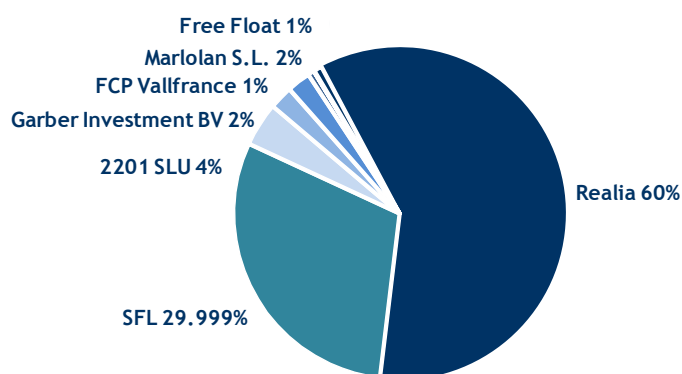
Board of Directors SFL

Name of Director			Executive Committee	Nominations & Remunerations Committee	Audit & Control Committee
Juan José Brugera Clavero	Chairman	<i>Colonial</i>	Chairman	Member	
Anne-Marie de Chalambert	Member of the Board	<i>Colonial</i>			
Carlos Fernández-Lerga Garralda	Member of the Board	<i>Colonial</i>			Chairman
Carmina Ganyet Cirera	Member of the Board	<i>Colonial</i>	Member		
Bertrand Letamendia	Member of the Board	<i>Colonial</i>			
Carlos Losada Marrodan	Member of the Board	<i>Colonial</i>			
Luis Maluquer Trepas	Member of the Board	<i>Colonial</i>			
Pere Viñolas Serra	Member of the Board	<i>Colonial</i>	Member	Chairman	
Jean-Jacques Duchamp	Member of the Board		Member		Member
Aref H. Lahham	Member of the Board		Member		
Reig Capital Group Luxembourg SARL (Alejandro Hernandez-Puertolas)	Member of the Board				
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 Paris** - Shareholder structure 31/12/2011



**Board of Directors SIIC de Paris**

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

## 6.6 Glossary

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

## 6.6 Glossary (cont.)

<b>NAV</b>	Net Asset Value corresponds to the market value of assets before taxes
<b>NNAV</b>	This corresponds to the NAV, adjusted for deferred taxes due to the sale of assets at the market value and the latent tax credit
<b>NNNAV</b>	This corresponds to the NNAV including the market value of financial liabilities (mark-to-market)
<b>Occupancy - surfaces</b>	Percentage of the occupied square metres of the portfolio at the closing date of the report/ surface in operation of the portfolio
<b>Occupancy - economic</b>	Vacant surface areas multiplied by the market rental prices / surface in operation at market rental prices
<b>Rent growth potential</b>	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 vacant space at market prices, estimated by independent appraisers. Projects are excluded
<b>Projects underway</b>	Property under development at the closing date of the report
<b>RICS</b>	Royal Institution of Chartered Surveyors
<b>Yield on cost</b>	100% rented market rent / Market value at start of project net of impairment of value + capital expenditure

## 6.7 Contact details

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[accionistas@inmocolonial.com](mailto:accionistas@inmocolonial.com)

### Colonial Website

[www.inmocolonial.com](http://www.inmocolonial.com)

### Capital Market registry data - Stock market

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

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