
Colonial

Third Quarter Results January - September 2012

November 13th, 2012



Colonial obtained an operating profit of €143m, in line with the same period of the previous year.

Due to the consolidation of the non-strategic business, the Colonial Group reports a negative net attributable result of -€201m.

- Rental revenues: €169m, up 3.6% like-for-like
- Recurring EBITDA of the Group: €131m, up 5.6% like-for-like
- Operating result of the Group: €143m, in line with the previous year
- Net profit of the Group: -€201m

Key performance and financial indicators

September cumulative - €m	2012	2011	Var. %
N° Assets ⁽¹⁾	51	52	(2%)
Lettable surface above ground	620,447	635,287	(2%)
Developments underway surface above ground ⁽²⁾	137,084	138,943	(1%)
Surface below ground	335,810	326,192	3%
Total Surface (sq m)	1,093,341	1,100,422	(1%)
Office occupancy	82.4%	84.9%	(2.5 pp)
Total occupancy	83.1%	86.1%	(3.0 pp)
Rental revenues	169	167	1%
EBITDA rents	153	151	1%
EBITDA / rental revenues	90%	90%	(0.1 pp)
EBITDA rents	153	151	1%
Equity method SIIC de Paris	12.6	14.5	(13%)
EBITDA overheads and others	(22)	(23)	(2%)
EBITDA assets sales	(0.1)	(0.1)	(38%)
Group Operating Profit	143	143	0%
Financial results (without equity method)	(127)	(102)	(24%)
EPRA Net Profit	8	9	(5%)
Gain/ loss on discontinued operations	(184)	(1)	-
Net Result attributable to the Group	(201)	24	n.a.

Balance sheet indicators

September 30 th - €m	2012	2011
Group Net Debt	3,454	3,416
Net Debt Spain	2,105	2,141
Financial cost % ⁽³⁾	3.83%	3.65%
Maturity (years)	2.9	3.3

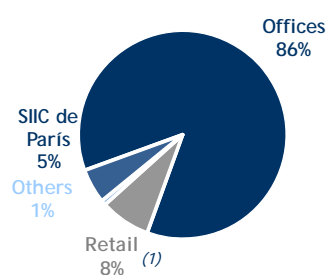
⁽¹⁾ Without including small non core retail assets

⁽²⁾ Projects & refurbishments

⁽³⁾ Not including the impact of accrued commissions

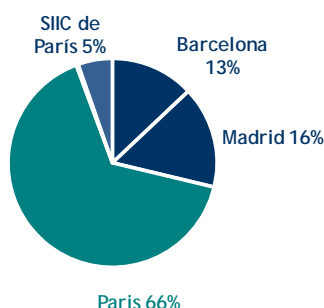
The GAV amounted to €5,222m at June 30th, 2012

Valuation - by use

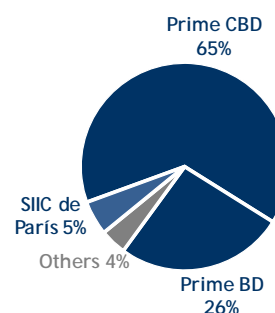


(1) Includes Saint Honore Hotel in Paris

Valuation - by market



Valuation - by area



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

Highlights

The first nine months of 2012 were defined by a deterioration in the global economic climate, with a progressive worsening of the macroeconomic situation in Spain and its prospects for 2013. As a result, the office markets in Barcelona and Madrid continue to be very fragile with continued pressure on rental prices, which currently stand at historical lows.

In this context, the Colonial Group was able to register operating results of €143m, maintaining the same levels as previous year to date figures. As a result of the strategy of business diversification, the rental revenues generated in the Paris market compensated for the decrease in rental revenues in the Madrid and Barcelona portfolios.

In addition, the generation of recurring cash flow from the Group's office portfolio meant recurring stable results, resulting in a positive EPRA net profit⁽¹⁾ (net recurring profit of the continued operations) of €8m for the first nine months of the year.

The Group's net attributable profit was negative and amounted to -€201m, which was mainly due to the accounting impact attributed to the consolidation of the non-strategic business (Asentia Group). These negative accounting impacts will continue to affect the consolidated profits as long as the Asentia Group continues to form part of the consolidation perimeter of the Colonial Group. Therefore, it is worth highlighting that the terms of Asentia's financing foresee that in the case of reaching specific gearing levels, the participative loan from the Asentia Group (which at September 30th, 2012, amounted to €60m) 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.

⁽¹⁾ Net attributable profit excluding the variation in the asset value, variation in the value of financial instruments, extraordinary effects and discontinued operations

Regarding the performance of the Colonial Group's results during the first nine months of 2012, the main highlights are the following:

1 Commercial Effort

Since the beginning of the year, the Colonial Group signed rental contracts for 61,723 sq m (35,964 sq m in Spain and 25,759 sq m in France). Of the total commercial effort, 28,205 sq m (46%) corresponds to new contracts in the Barcelona market, 25,759 sq m (42%) to new contracts in the Paris market, and 7,759 sq m (13%) to new contracts in Madrid.

The following table shows the main commercial efforts carried out:

<i>Main actions</i>			
Building	Tenants	City	Surface (sq m)
Haussman 104-110	La Mondiale Groupe	París	11,797
Illacuna	Liberty Seguros, Cegedim Hispania y Software AG España	Barcelona	6,930
Avinguda Diagonal, 530	CaixaBank	Barcelona	5,910
Ozone	SJ Berwin, Zara Francia y Solaris	París	5,594
Grenelle, 103	Financiere CVT (General Electric) y Financiere Rive Gauche	París	3,540
Sant Cugat Nord	Axa Seguros Generales y Aristan Thermo España	Barcelona	3,463
Jose Abascal, 56	Roca Junyent y Madrid Network	Madrid	2,983
MAIN ACTIONS			40,217

2 Portfolio in operation

In **Madrid**, during the month of June, the Martínez Villergas building came into operation. This office complex is located at the junction of the M-30 with Avenida América, and offers more than 24,000 sq m of the highest standards. Currently, this complex is in the process of commercialization.

As a consequence of the entry in operation of Martínez Villergas, the occupancy of the office portfolio decreased to 77%. Excluding this impact, the occupancy of the rest of the portfolio in Madrid remained stable at 90%.

In **Barcelona**, during September of this year, the Ausiàs March building came into operation. This complex offers more than 6,400 sq m of completely refurbished office space and is located in one of the most highly regarded areas of the city, in front of the Auditorio de Música de Barcelona and the Teatro Nacional de Catalunya.

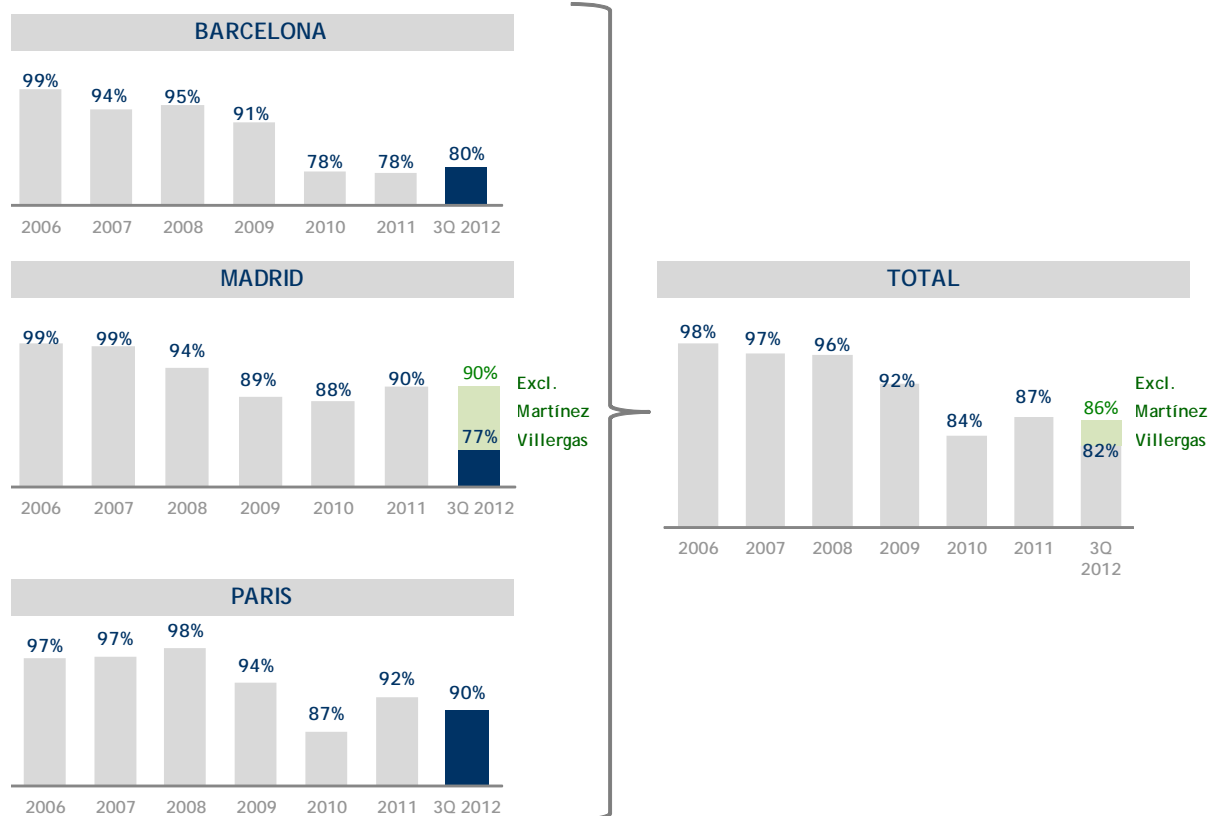
The total occupancy rate of the portfolio in Barcelona reached 80%. The new Illacuna office complex is 57% occupied, Ausiàs March is undergoing commercialisation and the remaining offices in the Barcelona portfolio have an occupancy rate of 86%.

In Paris, during the third quarter of this year, refurbishments began on the Rue de Richelieu building, an office complex that will undergo an integral renovation project ("the Cardinal Project").

The occupancy rate of the Paris office portfolio stood at 90% (92% including other uses), a lower level than that reached in the first half of the year. This result is mainly due to the renovated office space that came into operation in the Louvre des Antiquaires and Washington Plaza properties.

The total office portfolio of the Colonial Group reached an occupancy rate of 82%, 86% excluding the impact of Martínez Villergas.

Office Occupancy - Evolution of Colonial's Portfolio



3 Results

The rental revenues reached €169m, which corresponds to an increase of 3.6% in like-for-like terms. This variation is due to a like-for-like increase of 7.3% in the Paris rentals that compensates for the like-for-like decrease of 2.2% in Spain.

The recurring EBITDA amounted to €131m, 2% higher than the previous year (+5.6% like for like) and the attributable profit of the stake in SIIC de Paris (recurring equity method) reached €10m, 12% higher than the same period of the previous year.

Once the financial expenses, taxes and corresponding minority interests were deducted, the EPRA Net Profit⁽¹⁾ (the net recurring profit of the continued operations) amounted to €8m, 5% below the same period of the previous year. This decrease is mainly due to higher financial costs in the French subsidiary.

Results Analysis - €m	2012	2011	Var.	Var. % ⁽¹⁾
EBITDA recurring	131	128	2	2%
Recurring Financial Result	(100)	(95)	(5)	(5%)
Equity method SIIC de Paris - recurring	10	9	1	12%
Income tax expense - recurring result	(3)	(2)	(1)	(25%)
Minority interest - recurring result	(30)	(32)	2	6%
EPRA Net Profit⁽²⁾	8.3	8.8	(0.5)	(5%)
Exceptional items	(210)	16	(225)	-
Profit attributable to the Group	(201)	24	(226)	-

⁽¹⁾ Sign according to the profit impact

4 Discontinued Operations

As of September 30th, 2012, the Colonial Group registered a cumulative result of -€184m for discontinued operations.

In the previous years, Colonial booked a provision to anticipate possible negative results of discontinued operations. This provision has been fully consumed, and during 2012 the losses of the discontinued operations have had a negative accounting impact on the Colonial Group's accounts. As a consequence of these effects, the Colonial Group has registered a negative net attributable result of -€201m.

It is important to point out that the negative results of the Asentia Group do not have an impact on the Net Asset Value (NAV)⁽²⁾ of the company, nor do they imply a cash outflow for Colonial.

⁽¹⁾ Net attributable profit excluding the variation in the asset value, variation in the value of financial instruments, extraordinary effects and discontinued operations

⁽²⁾ 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.

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1. Financial Statements

Consolidated results

September cumulative - €m	2012	2011	Var.	Var. % ⁽¹⁾
Rental revenues	169	167	2	1%
Costs invoiced	30	30	0	1%
Invoiceable costs	(33)	(35)	2	5%
Other operating costs	(14)	(11)	(2)	(20%)
EBITDA rents	153	151	2	1%
Other income	3	3	1	29%
Overheads	(25)	(25)	(0)	(1%)
EBITDA recurring business	131	128	2	2%
<i>Like-for-like EBITDA</i>	97	92	5	6%
Equity method SIIC de Paris	13	14	(2)	(13%)
Rental assets disposals	4	1	4	-
Cost of sales	(4)	(1)	(4)	-
EBITDA - asset sales	(0)	(0)	0	38%
Operating profit before revaluation, amortizations and provisions and interests	143	143	0	0%
Valuation movements	56	40	16	39%
Amortizations & Provisions	3	(2)	5	-
Financial results	(127)	(102)	(24)	(24%)
Profit before tax	75	78	(4)	(5%)
Income tax	(8)	(3)	(5)	(202%)
Gain/ loss on discontinued operations	(184)	(1)	(183)	-
Minority Interests	(85)	(51)	(34)	(67%)
Profit attributable to the Group	(201)	24	(226)	-
Results Analysis - €m	2012	2011	Var.	Var. % ⁽¹⁾
EBITDA recurring	131	128	2	2%
Recurring Financial Result	(100)	(95)	(5)	(5%)
Equity method SIIC de Paris - recurring	10	9	1	12%
Income tax expense - recurring result	(3)	(2)	(1)	(25%)
Minority interest - recurring result	(30)	(32)	2	6%
EPRA Net Profit ⁽²⁾	8,3	8,8	(0,5)	(5%)
EPS - € ⁽³⁾	0,04	0,04		
EBITDA - asset sales	(0)	(0)	(0)	-
Equity method SIIC de Paris - non-recurring	2	5	(3)	-
Valuation movements & Amortizations & Provisions	58	38	20	.
Movement in fair value of financial instruments	(11)	(7)	(4)	-
Finance costs non-recurring	(16)	0	(16)	-
Gain/ loss on discontinued operations	(184)	(1)	(183)	-
Income tax expense - non-recurring result	(5)	(0)	(5)	-
Minority interest - non-recurring result	(55)	(19)	(36)	-
Exceptional items	(210)	16	(225)	-
Profit attributable to the Group	(201)	24	(226)	-

⁽¹⁾ Sign according to the profit impact

⁽²⁾ Net attributable profit excl. variation in the asset value, variation in the value of financial instruments, extraordinary effects and discontinued operations

⁽³⁾ EPS considering n° of shares fully diluted

Recurring operating results

- At September 30th, 2012, the Group reached a recurring EBITDA of €131m, up 2% compared to the same period of the year before. Adjusting for disposals, variations in the project portfolio as well as other exceptional items, the like-for-like EBITDA was €97m, a figure 6% higher than the same period of 2011.
- The operating result of the property portfolio (rental EBITDA) increased by 5% in like-for-like terms. This is mainly due to an increase in the rental revenues in France, which compensate for the decrease in rental revenues in Spain. This variance will be analysed in detail in the "Business Performance" section.

<i>Operating Results</i>			
September cumulative - €m	2012	2011	Var. % ⁽¹⁾
EBITDA rents like-for-like	120	115	5%
EBITDA - Overheads	(25)	(25)	(1%)
EBITDA - Other like-for-like income	2	2	(1%)
EBITDA - recurring like-for-like	97	92	6%
Non-comparable EBITDA	34	37	(8%)
EBITDA - recurring	131	128	2%

⁽¹⁾ Sign according to the profit impact

- Additionally, the stake in SIIC de Paris has contributed an attributable profit of €13m, registered in the results under equity method.

Non-recurring operating profit

- At September 30th, 2012, the net profit attributable to the Colonial Group was negative, and amounted to -€201m. This negative result is mainly due to the accounting impacts related to the consolidation of the non-strategic business (Asentia Group).
- Colonial has fully written off its stake in Asentia. However, as this subsidiary is part of the consolidation perimeter of the Group, Asentia's losses have a negative accounting impact on consolidated Group accounts.
- It is important to highlight that these results have no impact on the Net Asset Value (NAV)¹ of the company, nor do they imply a 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.

Financial results

Financial results

September cumulative - €m	2012	2011	Var. %
Recurring Financial Income	2	4	(92%)
Recurring Financial Expenses	(110)	(106)	(4%)
Capitalised interest expenses	8	7	10%
Cost of Debt %	3.83%	3.65%	0.18 pp
Recurring Financial Result (without equity method)	(100)	(95)	(6%)
Non-recurring Financial Expenses	(16)	0	-
Movement in fair value of financial instruments	(11)	(7)	-
Financial Result (without equity method)	(127)	(102)	(25%)

- The average interest rate as at September 30th, 2012 was 3.83% (3.93% including the impact of accrued commissions associated with the financing), including an average financing spread of 170bp. The average interest rate during the same period in 2011 was 3.65% (3.72% including accrued commissions and an average financing spread of 156bp).
- This increase in financial cost is mainly due to the change in the financial structure in France due to the bond issue of €500m in May 2011 at a fixed interest rate of 4.625%.
- The capitalised interest expenses amounted to €8.3m, corresponding to the financing of three projects in Spain and two in France for €0.5m and €7.8m respectively.
- The non-recurring financial expenses corresponded mainly to the profit and loss impact related to the cumulative provisions attached to the evolution of the value of FCC shares. This is as a consequence of the decrease in the registered share price in recent months, when applying Regulation 39 of the IFRS.

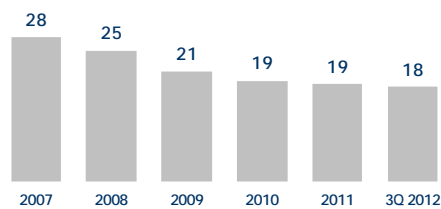
2. Business Performance

Office market situation ⁽¹⁾

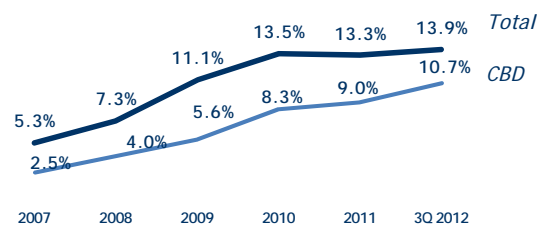
Rental market

Barcelona

Prime CBD Prices (€/sq m/month)



Vacancy (%)

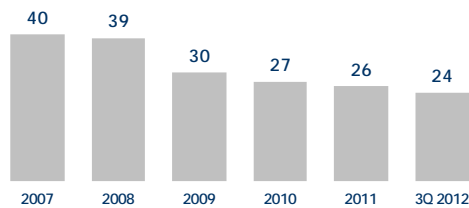


- After relatively little activity in the Barcelona office market during the second quarter of 2012, the volume during the third quarter of the year rose to 62,000 sq m, an increase of 45% in comparison to the previous quarter. The cumulative take up for 2012 stands at nearly 160,000 sq m.
- Regarding areas, demand in the city centre was double the volume of the third quarters of 2010 and 2011. The quality of the contracts signed continues to be one of the key points in companies' decision-making processes. In the third quarter of the year, 56% of new rentals was located in Class A and B+ buildings.
- The average vacancy rate for the third quarter increased slightly to 13.9% in the entire market and to 10.7% in the prime areas. In a fragile macroeconomic climate, the amount of available space continues to rise due to the reduction in space of the tenants.
- Rental prices for offices remained stable during the third quarter, with a maximum rent of €18.00 sq m per month in the prime areas. The current economic situation has meant that the rental prices of many office buildings are not in line with the evolution of the area in which they are located. Moreover, the final rental levels reflect the individual objectives of each owner, rather than the benchmarks for the maximum and minimum rental levels of that specific area.

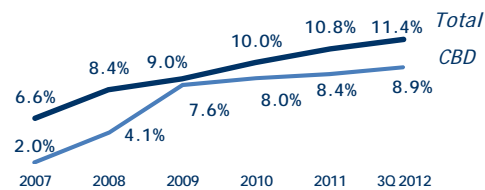
(1) Sources: Reports by Jones Lang Lasalle, Cushman & Wakefield, and CBRE at September 2012

Madrid

Prime CBD Prices (€/sq m/month)



Vacancy (%)

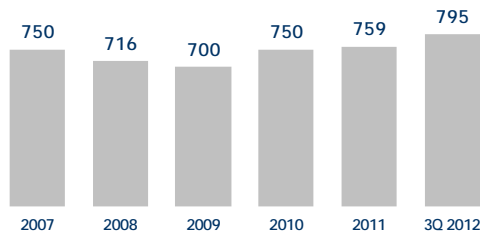


- The volume of transactions during the third quarter of the year remained low with a take up of just 60,000 sq m. These were produced by a couple of transactions of more than 5,000 sq m, both in the CBD area. The number of transactions for spaces greater than 1,000 sq m remains low and the total number of operations continues to fall. As a result, the average occupied space has continued to shrink, to just under 800 sq m.
- During this quarter, the vacancy rate increased by 0.6 pp to stand at 11.4% overall, and at 8.9% in the prime areas. In general, the availability of offices and high-tech buildings remained relatively stable across all areas. This trend is likely to continue in the medium term.
- The rental prices in the prime areas continued to fall a further 2% this quarter due to the lack of transactions and the high level of available space. However, the occasional transactions were made at very high prices, owing to the particularity of each demand. As in the previous quarters, the minimum rental levels in secondary areas remained stable, while the levels in the periphery decreased by 4.2% due to the availability of space. The maximum rental price in the CBD area stood at €24.25 sq m per month.

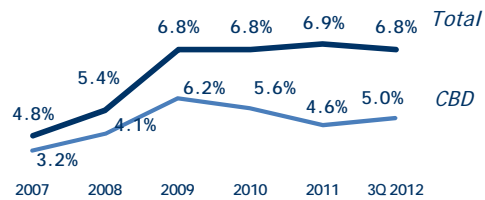
(1) Sources: Reports by Jones Lang Lasalle, Cushman & Wakefield, and CBRE at September 2012

Paris

Prime CBD Prices (€/sq m/year)



Vacancy (%)

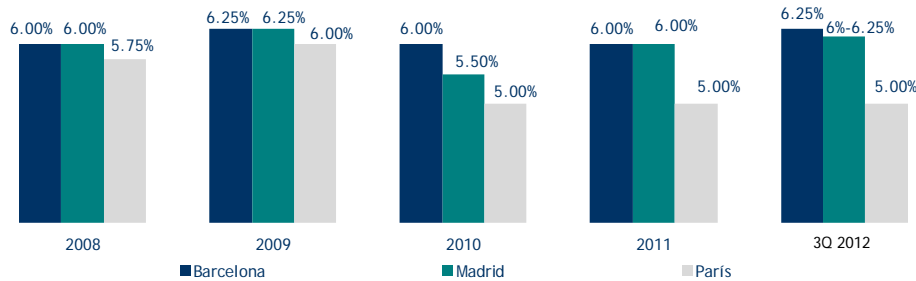


- The cumulative take up in the Paris region in the third quarter of 2012 reached 1,563,679 sq m, resulting in a decrease of 19% compared to the same period of the year before. Meanwhile, in the golden triangle, the cumulative take up was 231,404 sq m.
- The vacancy rate decreased slightly to 6.8% in the Paris region with an immediate offer of 3,556,000 sq m. In the CBD area, the vacancy rate remained at around 5% and with an immediate offer of 339,000 sq m. A total of 52 transactions for spaces over 5,000 sq m were carried out during the third quarter of 2012, which accounted for 41% of the total take up.
- The prime rental prices in the CBD area in Paris remained stable at €795 sq m per year, which represents a slight rise of 3.0% compared to the previous quarter, and they are expected to reach €805 sq m per year before the end of 2012.

(1) Sources: Reports by Jones Lang Lasalle, Cushman & Wakefield, and CBRE at September 2012

Investment market ⁽¹⁾

Prime Yields - Paris, Madrid, BCN



- Barcelona:** During the first nine months of the year, the investment market for offices in Barcelona, as well as all of the sectors in general, had relatively low activity levels. The demand for prime office buildings remained active, although there were few assets that meet the necessary criteria, including price. There was a slight increase in the prime yields, which stood at 6.25%. However the emblematic properties located in the Paseo de Gracia/Diagonal area could reach even lower yields, especially if the transaction volumes are below €20m.
- Madrid:** Private investors continue to look for opportunities, focusing on assets in the prime areas. However, the increase in the country's risk premium during recent months, in conjunction with the Euro crisis and the difficulty to obtain financing with acceptable conditions, is affecting the decision-making processes of investors. The prime yields in the Madrid market stood at levels between 6.00% - 6.25%. Nevertheless, if an opportunity were to arise in prime areas, especially in volumes below €50 m, it is highly likely that the attained yields could be lower.
- Paris:** Investment during the third quarter of the year amounted to €2,500m, reaching a cumulative €7,300m, which represents an increase of 17% versus the same period of the previous year. 73% of the investments registered during this third quarter came from foreign investors. During this third quarter, the majority of transactions were smaller, between €100m and €200m. The most active investors during this quarter were the sovereign wealth funds. Regarding the German investors who were absent during the first half of 2012, they have returned to acquire 20% of the investments carried out in the quarter. The yields in the golden triangle remained in the range of 4.50% and 5.00%, confirming the high interest in the Paris office market.

(1) Sources: Reports by Jones Lang Lasalle, Cushman & Wakefield, and CBRE at September 2012

Business Highlights

- Rental revenues amounted to €169.3m, a 1.2% rise compared to the revenues from the previous year.

Rental revenues of the Group increased by 3.6% in like-for-like terms (adjusted for disposals, changes in the project portfolio and refurbishments).

In Paris, rental revenues increased 7.3% in like-for-like terms. In Spain, like-for-like rental revenues decreased by 2.2%, mainly due to the portfolio in Barcelona (-3.3%).

Rents (2012 vs. 11) €m	Barcelona	Madrid	Paris	Total
Rental Income 2011A	24	34	109	167
<i>Like-for-Like</i>	<i>(0.7)</i>	<i>(0.4)</i>	<i>5.8</i>	<i>4.7</i>
<i>Projects & Refurbishments</i>	<i>(0.5)</i>	<i>(0.1)</i>	<i>(3.1)</i>	<i>(3.7)</i>
<i>Disposals</i>	<i>(0.0)</i>	<i>(0.3)</i>	<i>(1.9)</i>	<i>(2.1)</i>
<i>Indemnities & Others</i>	<i>(0.0)</i>	<i>0.0</i>	<i>3.0</i>	<i>3.0</i>
Rental Income 2012A	23	33	113	169
<i>Total variance (%)</i>	<i>(5.0%)</i>	<i>(2.0%)</i>	<i>3.5%</i>	<i>1.2%</i>
<i>Like-for-Like variance (%)</i>	<i>(3.3%)</i>	<i>(1.3%)</i>	<i>7.3%</i>	<i>3.6%</i>

- The rental EBITDA (net rents) reached €152.6m, increasing by 5% in like-for-like terms, with a stable EBITDA margin of 90%.

Property business

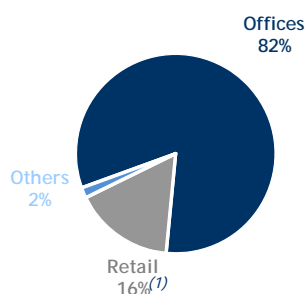
September cumulative - €m	2012	2011	Var. %	like-for-like %
Rental revenues - Barcelona	23	24	(5%)	(3%)
Rental revenues - Madrid	33	34	(2%)	(1%)
Rental revenues - Paris	113	109	4%	7%
Rental revenues	169	167	1%	4%
Costs invoiced	30	30	1%	
Invoiceable costs	(33)	(35)	5%	
Other operating costs ¹	(14)	(11)	(20%)	
EBITDA rents	153	151	1%	5%
<i>EBITDA/ Rental revenues - Barcelona</i>	<i>87%</i>	<i>86%</i>	<i>0.8 pp</i>	
<i>EBITDA/ Rental revenues - Madrid</i>	<i>88%</i>	<i>88%</i>	<i>0.2 pp</i>	
<i>EBITDA/ Rental revenues - Paris</i>	<i>91%</i>	<i>92%</i>	<i>(0.5 pp)</i>	
EBITDA/ Rental revenues	90%	90%	(0.1 pp)	

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

Pp: percentage points

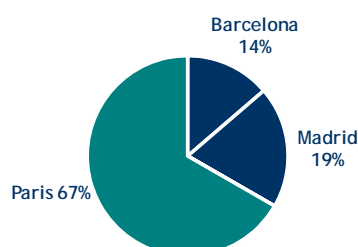
- Most of the Group's revenue, 82%, is generated by office buildings. The Group also continues to have a high exposure to prime markets. Approximately two thirds of the rental revenues (€113m) come from the subsidiary in Paris and one third from properties in Spain. In attributable terms, 50% of the cash flow is generated in France and the rest in Spain.

Revenues - by use

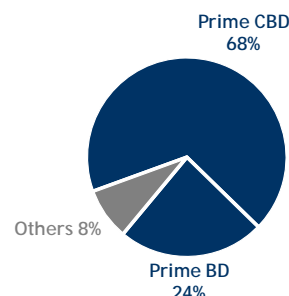


(1) Includes Saint Honore Hotel in Paris

Revenues - by market

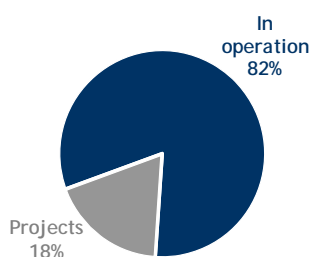


Revenues - by area

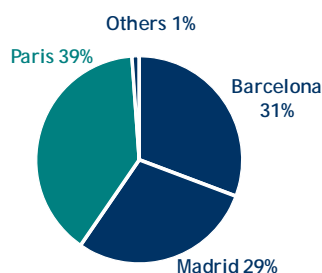


- Surface area:** At the end of the third quarter of 2012, the Colonial Group's portfolio totalled 1,093,341 sq m (757,531 sq m above ground), most of which was office space. 82% of the portfolio was in operation at September 30th, 2012, and the remaining 18% corresponds to an attractive portfolio of projects and refurbishments.

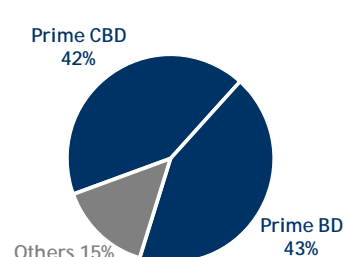
Surface - by condition



Surface - by market



Surface - by area



- Letting performance:** During the first nine months of 2012, the Group signed a total of 61,723 sq m of new rentals (rental renewals and revisions at market prices). 58% of these were in Spain and 42% in France. The new rentals set in these agreements were 12% below previous rents.

Letting Performance

September cumulative - sq m	2012	% New rents vs. previous	Average maturity
Renewals & revisions - Barcelona	17,908	(18%)	3
Renewals & revisions - Madrid	7,759	(28%)	2
Renewals & revisions - Paris	16,244	(6%)	6
Total Renewals & Revisions	41,911	(12%)	4
New lettings Barcelona	10,297		4
New lettings Madrid	-		-
New lettings France	9,515		7
New lettings	19,812	na	5
Total commercial effort	61,723	na	4

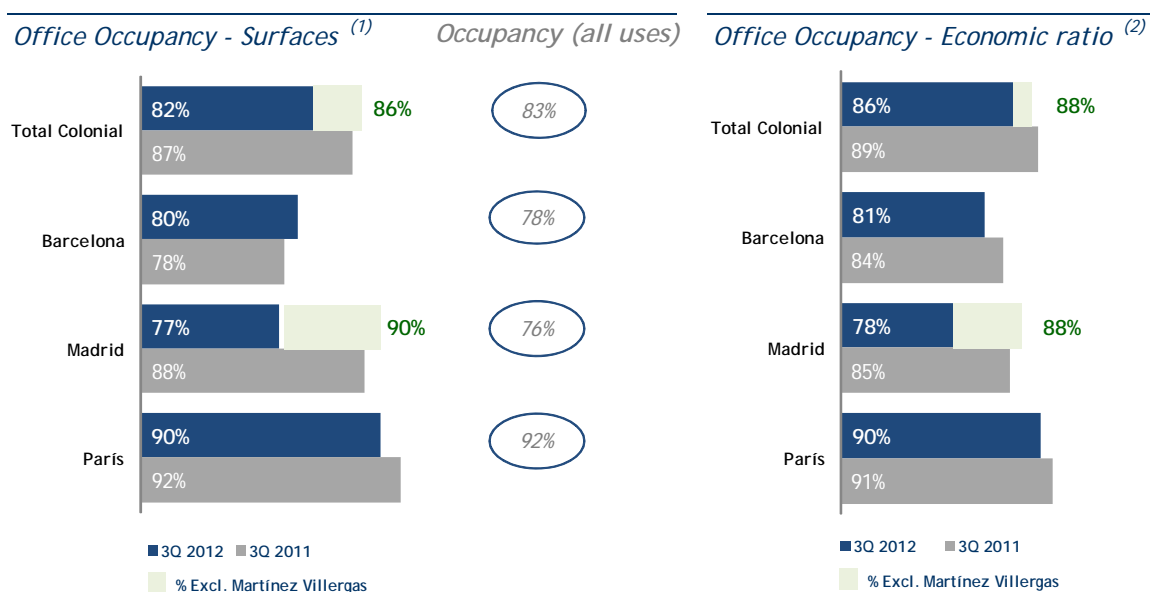
- Most of the total commercial effort in Spain corresponded to the Barcelona market, particularly highlighting the contracts signed on the Illacuna office complex, with Liberty Seguros (5,595 sq m), Cegedim Hispania (852 sq m) and Software AG España (483 sq m). This building is currently 57% occupied. It is also worth pointing out the following contracts: 5,910 sq m at Av. Diagonal 530 in Barcelona, 2,712 sq m at Sant Cugat Nord, 2,661 sq m at Av. Diagonal 609-615 (DAU) and 2,898 sq m at Av. Diagonal 682. It is important to highlight the 2,983 sq m signed in Madrid on the José Abascal building.
- During last June, the Martínez Villergas building came into operation. This complex is located in Madrid at the junction between the M-30 and Avenida América, a well-established area just minutes away from the airport and city centre. The building is currently at the marketing stage and is receiving a high number of visitors, reflecting the large interest in the market.
- In Barcelona, during September of this year, the Ausiàs March building came into operation. This office complex is located in a highly regarded area of the city and offers nearly 8,000sq m of space. The commercialisation phase of this office complex has begun recently.
- In France 26,000 sq m was commercialised. Worth highlighting are 11,797 sq m at Haussmann 104 with the Mondiale Group, 2,947 sq m at Grenelle with General Electric and 5,500 sq m at Ozone (2,032 sq m with Zara France and 3,494 sq m with S.J. Berwin).
- Occupancy: the office portfolio reached an occupancy rate of 82% at September 2012.

In **Barcelona**, the office portfolio reached an occupancy rate of 80%, a lower figure compared to that of the first half of the year (83%) although higher than that of the same period of the previous year (75%). The new Illacuna office complex is 57% occupied, Ausiàs March is at the marketing stage and the rest of the Barcelona office portfolio stands at 86%.

In **Madrid**, as a consequence of the recent entry into operation of Martínez Villergas, the occupancy of the office portfolio decreased to 77%. Excluding this impact, the occupancy of the rest of the portfolio in Madrid remained stable at 90%.

In **Paris**, the occupancy rate reached 90% for its office portfolio (92% including other uses). This was a lower figure compared to that of the first half of the year, which was mainly due to the entry into operation of the newly refurbished Louvre des Antiquaires and Washington Plaza.

Overall, the Colonial Group's total office portfolio reached an occupancy rate of 82%, 86% excluding the impact of Martínez Villergas.



(1) Occupied space/space in operation

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

- **Disposals:** During the third quarter of 2012, the gym in the Centro Norte complex in Madrid was sold for €4.3m.
- **Investments:** In terms of investments, it is important to point out that the Company holds a project portfolio of more than 105,000 sq m above ground, which is scheduled to come into operation between 2012 and 2017.

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

Projects	Entry into Operation	% Group	Market	Use	Surface above ground (sq m) ⁽¹⁾
Travessera de Gràcia	1H 2014	100%	Barcelona	Offices	8,202
Castellana, 43	2H 2013	100%	Madrid	Offices	5,998
Parc Central 22@ A.1.6 - A.1.7 - A.1.2	1H 2017	100%	Barcelona	Offices	14,737
Spain					28,937
Ozone - Champs Élysées 92	2H 2012	100%	Paris	Offices	7,600
In/Out - Quai Le Gallo	2H 2013	100%	Paris	Offices	35,000
Cardinal - Richelieu	2H 2015	100%	Paris	Offices	34,000
France					76,600
Total					105,537

(1) Floor area of completed project

In Spain, two projects worth highlighting are Castellana 43 in Madrid and Travessera de Gràcia in Barcelona. Both projects are examples of prime location office complexes that are high-quality and energy-efficient with a LEEDS certification (“green building”). The Castellana 43 project will be released in 2013 but is already 100% pre-let.

In France, it is worth highlighting that the Ozone building is fully pre-let and will be released at the end of this year. During the third quarter of this year, refurbishments began on the Rue de Richelieu property in Paris. This office complex will undergo an integral renovation project (“the Cardinal Project”), which will involve the creation of 38,000 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. It is especially important to highlight Hanovre, Louvre des Antiquaires and Edouard VII in Paris.

3. Financial Structure

Main debt figures

Net group debt stood at €3,454m at September 30th, 2012 (€3,359m at December 31st, 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 third quarter is the following:

Breakdown of the consolidated net financial debt	September 2012			December 2011			Var.
	SP	FR	Total	SP	FR	Total	Total
Syndicate loan	1,715	410	2,125	1,738	240	1,978	147
Mortgage debt/leases	361	199	560	382	180	561	(1)
Subordinate debt	40	0	40	39	0	39	1
Unsecured debt and others	8	283	291	12	335	347	(56)
Total Gross Debt with credit entities	2,124	892	3,016	2,170	755	2,925	91
Bonds	0	500	500	0	500	500	0
Total Gross Debt	2,124	1,392	3,516	2,170	1,255	3,425	91
Cash & cash equivalents	(19)	(43)	(62)	(54)	(11)	(66)	4
Total Net Debt	2,105	1,349	3,454	2,116	1,243	3,359	95
Average maturity drawn debt (years)	2.5	2.7	2.6	3.3	2.6	3.0	(0.4)
Average maturity available debt (years)	2.5	2.7	2.9	3.3	3.7	3.5	(0.6)
Cost of Debt %	3.25%	4.77%	3.83%	3.28%	4.29%	3.65%	-

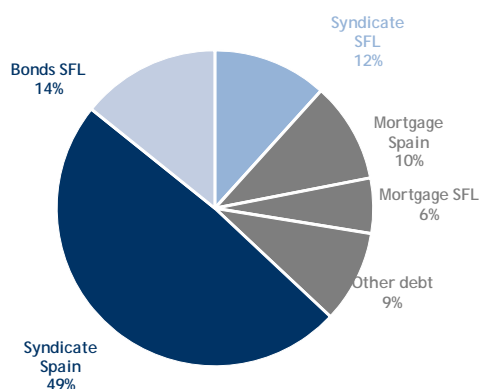
The breakdown of the debt is as follows:

- The gross debt of €3,516m mainly includes:
 1. A syndicate debt in Colonial of €1,715m, 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 2012 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, it will generate additional capitalized interests (accumulation of principal) which if applicable, and following an agreement with the financial institutions, would be generated from 2013 onwards.
 2. SFL currently has two syndicate loan arrangements, drawn down for a total amount of €410m.
 - a) A syndicate loan for a nominal amount of €300m was signed with the bank agent "BNP PARIBAS" on October 8th, 2009, maturing in October 2014, and drawn down for €65 at the closing date. The applicable margin is 270 bp.

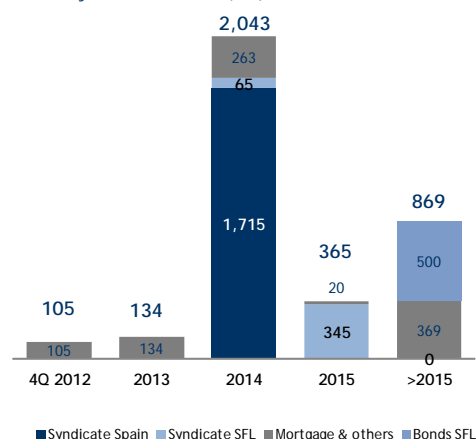
- b) At December 17th, 2010, a new syndicate loan was signed for a nominal amount of €350m, with the bank agent “Natixis Banques Populaires”, maturing in December 2015, and drawn down for €345m. The applicable margin is 215 bp.
- 3. SFL carried out a bond issue for €500m on May 17th, 2011, with an annual fixed coupon of 4.625%, and maturing on May 25th, 2016. These bonds are unsubordinated and non-preferential, and have been accepted for listing on the regulated market of Euronext Paris.
- 4. Bilateral loans with mortgage security:
 - a) Colonial has a total of €361m in bilateral loans with various credit institutions, with mortgage securities on property assets. The average maturity of these loans is 3.74 years and the average financing spread is 151 bp.
 - b) SFL has a total of €199m in bilateral loans with various credit institutions, with mortgage securities on property assets. The average maturity of these loans is 2.95 years and the average financing spread is 152 bp.
- 5. Bilateral loans without mortgage security:
 - a) Colonial has a total of €8m in a single loan without mortgage security with an average maturity of 1.63 years and an average financing spread of 175 bp.
 - b) SFL has a total of €283m broken down into seven loans with an average maturity of 0.94 years and an average financing spread of 58 bp.
- The liquidity available at September 30th amounted to €350m (current accounts and deposits for €62m and undrawn debt for €288m), of which €62m correspond to Colonial, €283m to SFL, and €5m to the rest of 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)



	4Q 2012	2013	2014	2015	>2015
Property Business Spain	6	36	1,824	16	242
Property Business SFL	99	98	219	349	627

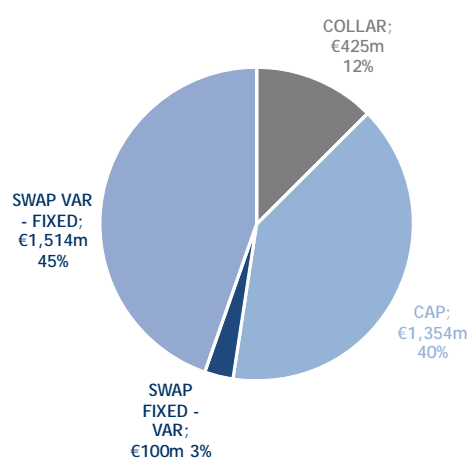
Hedging portfolio

- The current structure of the hedging portfolio and its breakdown is the following:

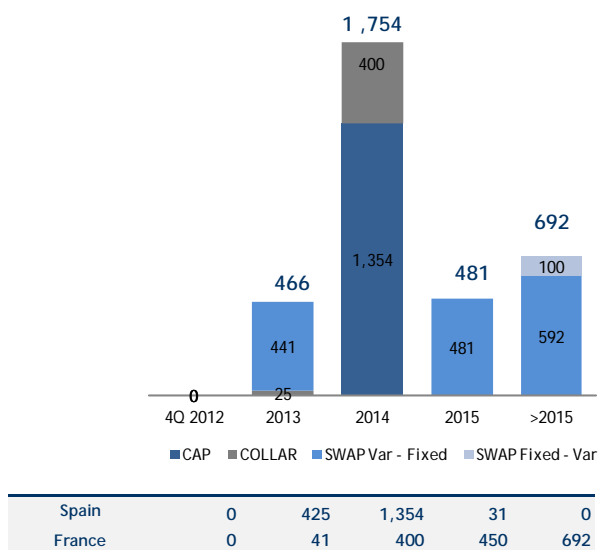
September 30 th , 2012 Financial instrument - €m	Description	Spain	France	Total	%	MTM
SWAP	From floating to fixed rate	431	1,083	1,514	46%	77
COLLAR	Floating rate between a maximum and a minimum	25	400	425	13%	17
CAP	Floating rate with a maximum	1,354	0	1,354	41%	0
Total Hedging portfolio (Variable - Fixed)		1,810	1,483	3,293	100%	94
SWAP	Fixed to floating rate	0	100	100	3%	(8)
Total Hedging portfolio (Fixed rate)		1,810	1,583	3,393	3%	85
Maturity (years)		2.0	2.8	2.4		

- The effective hedging ratio at September 2012 (hedges/debt at floating rates) stood at 109%.
- 73% of the face value of the hedging portfolio 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. The variations in the MTM of the derivatives portfolio (without including the accrued coupons) amounts to -€20m, of which -€11m was registered in non-recurring financial expenses, mainly corresponding to the French subsidiary.
- During the third quarter of the year, SFL restructured eight interest rate Swaps for the total amount of €323m, reducing the fixed rate by 67 bp, increasing the face value by €20m and extending the maturities to an average of three years.
- 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)



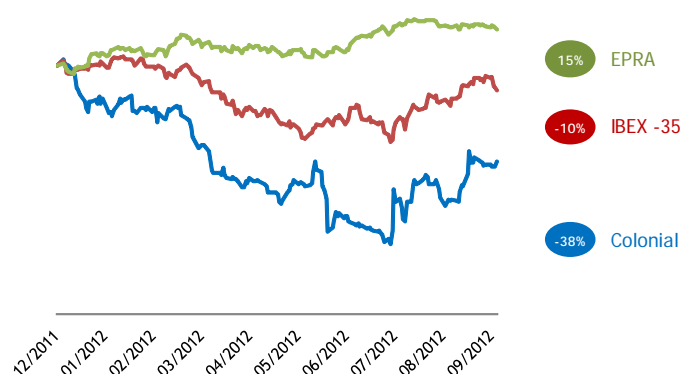
4. Stock market performance

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 specifically in Spain.

It is especially important to note the recent rise of the risk premium for Spain reaching historical maximums. This has led to significant decreases in the Spanish stock market, which have hit the property companies in particular.

Consequently, Colonial's share price has decreased significantly and is currently trading at an important discount to its Net Asset Value.



Share price performance

Colonial shares	Sep-12	Dec-11
Market capitalisation at closing date (€m)	319	517
Closing price (€/share)	1.4	2.3
Average daily traded volume (million shares)	0.09	0.42
Average daily turnover (€m)	0.1	2.0
Number of shares (mn)	225.9	225.9

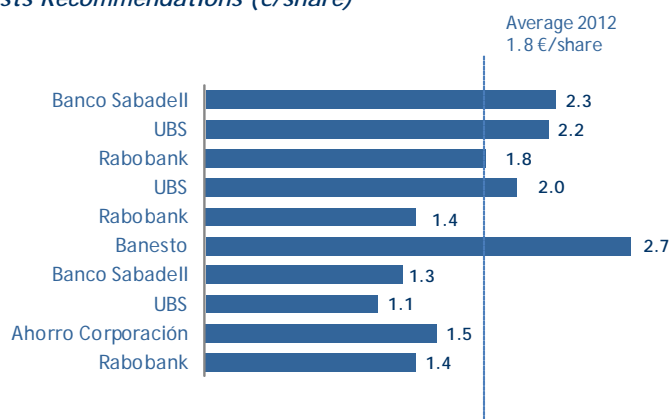
Colonial is part of the EPRA index, a reference property index for listed international companies, as well as the Investment Property Databank index (IPD), a property profitability index with global reference.



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

Their target prices and recommendations are as follows:

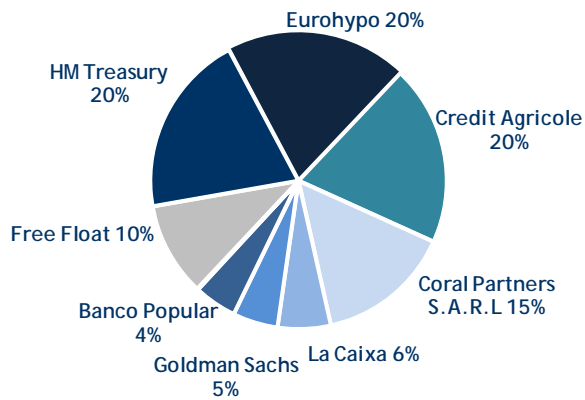
Analysts Recommendations (€/share)










Institution	Analyst	Date	Recommendation	Target Price
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
Rabobank	Martijn van den Eijnden	04/04/2012	Sell	1.4
Banesto	Marta Gómez	17/04/2012	Buy	2.7
Banco Sabadell	Ignacio Romero	19/04/2012	Sell	1.3
UBS	Ignacio Carvajal	22/05/2012	Neutral	1.1
Ahorro Corporación	Juan Moreno	22/05/2012	Sell	1.5
Rabobank	Martijn van den Eijnden	25/10/2012	Sell	1.4
Average 2012				1.8

Company shareholder structure

Shareholder structure 30/09/2012 (CNMV)



Board of Directors

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
Carlos Gramunt Suárez	Director				
José María Sagardoy Llonis	Director				Member
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 12 November 2012

5. Discontinued operations

Highlights - Discontinued operations

- The Colonial Group carries out its residential business through the subgroup Asentia with Asentia Project & Riofisa, its main subsidiaries
- The land bank reserve at the end of the third 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

September cumulative - €m	2012	2011	Var. %
Operating indicators			
Land Bank surface	1,683,874	1,710,081	(2%)
Riofisa surface	1,410,077	1,409,037	0%
# of finished units	141	227	(38%)
Financial results			
Residential sales - Commercial sales (units)	75	34	121%
Residential sales - Booked sales (units)	63	25	152%
Revenues from homebuilding sales	13.9	6.4	118%
Revenues from land bank sales	0.2	-	-
Other income	0.2	0.2	11%
Revenues from Riofisa	11.5	20.2	(43%)

- During the first nine months of 2012, the sales of housing units amounted to €13.9m, duplicating the sales figures from the same period of the year before. In addition, the revenue from the Riofisa subsidiary reached €11.5m.
- In the residential housing portfolio, the Group continues with a strategy of reducing its exposure, and its stock of residential units decreased 38% compared to the same period of the previous year.

The current stock of finished housing amounts to 141 units (vs. 227 units at the end of the third quarter of the previous year). Of these 141 units in stock, pre-sale contracts have been signed on 15 of them, and the rest (126 housing units) are in the process of being sold, which means that at the end of the third quarter, the housing stock pending sales stood at €3.3m.

Financial structure of discontinued activities

The breakdown of the Asentia Group's financial debt at September 30th, 2012, is as follows:

<i>Structure of the financial debt</i>					
September 30 th 2012 - €m	Asentia Project S.L	Riofisa	Other subsidiaries	Total	%
Syndicate loan	827	0	0	827	56%
Syndicate loan (participative tranche)	60	0	0	60	4%
Mortgage debt/leases	45	381	151	577	39%
Non-mortgage debt and others	0	12	0	12	1%
Total Gross Debt	932	393	151	1,476	100%
Cash & cash equivalents	(19)	(14)	(11)	(44)	
Consolidated Net Debt	913	379	140	1,432	
Average maturity (years)	2.2	2.0	5.4	2.5	
Financial cost (excl. commissions)	4.59%	4.76%	4.62%	4.63%	
Financial cost	(32)	(15)	(0)	(47)	

- Asentia's syndicate loan was originated in the restructuring of Colonial's syndicate loan formalised on February 19th, 2010. The applicable spread of Asentia's syndicate loan was 400 bp, generated as cumulative PIK interest, and payable at maturity on December 31st, 2014. At September 30th, the amount of capitalised interest rose to €110.9m.

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, which 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 capitalised interests and the convertible tranche will be converted into a profit participating loan for the amount necessary to restore the Company's equity. At September 30th, €60m had been converted into a profit participative loan. In addition, the syndicate loan facility provides for the voluntary conversion of the profit participating loans into new shares of the company (at the election of Asentia's lenders) if certain leverage ratios (LtV) are reached.

The fixed rate of this loan is 6.5%.

- 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 270 bp.
- At September 30th, 2012, an interest rate swap amounting to €162m was taken on, totally assigned to the debt of "Other Subsidiaries".
- The financial cost of the entities reclassified as discontinued operations was -€47m, of which -€32m correspond to the capitalised financial expenses of Asentia and -€15m corresponded to Riofisa's financial cost.
- The financial cost of the debt assigned to other subsidiaries amounted to -€5m, which has been entirely capitalized as it is a project in development process.
- The mortgage debt of €151m included under the heading "other subsidiaries" corresponds to a loan facility to finance an urban development project on a plot of land in Seville. This loan assumes compliance of a business plan (which includes a sales plan). The agreement with the financing bank of the project states that Colonial will be obliged to contribute new funds to cover the needs of the business plan.

As at September 30th, 2012, should the expected sales not take place, Colonial's contributions to expand the business plan would rise to approximately €115m. Failure to comply with the compliance with these obligations would entitle the financing bank to early terminate its credits, resulting in a recourse to Colonial of €164m under all the concepts.

6. Appendices

6.1 Consolidated balance sheet

6.2 Asset portfolio - Locations

6.3 Asset portfolio - Details

6.4 Project portfolio

6.5 Legal structure

6.6 Subsidiaries - Details

6.7 Glossary

6.8 Contact details

6.9 Disclaimer

6.1 Consolidated balance sheet

€m	3Q 2012	2011
ASSETS		
Consolidated goodwill	178	178
<i>Investment property - In operation</i>	4,516	4,297
<i>Investment property - Work in progress, advances and provisions</i>	323	321
Investments Property	4,838	4,618
Equity method	277	266
Other non-current assets	1,043	854
Non-current assets	6,337	5,916
Debtors and other receivables	97	59
Other current assets	141	97
Assets available for sale	133	1,865
Current assets	1,575	2,021
TOTAL ASSETS	7,912	7,937
LIABILITIES		
<i>Share capital</i>	226	226
<i>Other reserves</i>	1,140	1,110
<i>Profit (loss) for the period</i>	(201)	15
<i>Other instruments for equity</i>	2	2
<i>Exchange differences</i>	(1)	(0)
<i>Treasury shares</i>	(61)	(60)
Equity	1,106	1,293
Minority interests	1,088	1,038
Net equity	2,194	2,331
Debts with credit entities and other non-current financial liabilities	497	497
Non-current financial debt	4,276	2,439
Deferred tax	189	172
Other non-current liabilities	233	188
Non-current liabilities	5,196	3,296
Debts with credit entities and other current financial liabilities	0	13
Current financial debt	224	457
Creditors and other payables	182	72
Other current liabilities	117	61
Liabilities associated to assets available for sale	0	1,706
Current liabilities	522	2,310
TOTAL EQUITY & LIABILITIES	7,912	7,937

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 / NUMANCIA 46



6 TRAVESSERA DE GRÀCIA 11

7 AMIGÓ 11-17

8 AV. DIAGONAL 530-532

9 AV. DIAGONAL 409

10 VIA AUGUSTA 21-23



11 TORRE MARENOSTRUM

12 AUSIÀS MARC 148

13 DIAGONAL GLÒRIES

14 COMPLEJO DE OFICINAS PARC CENTRAL



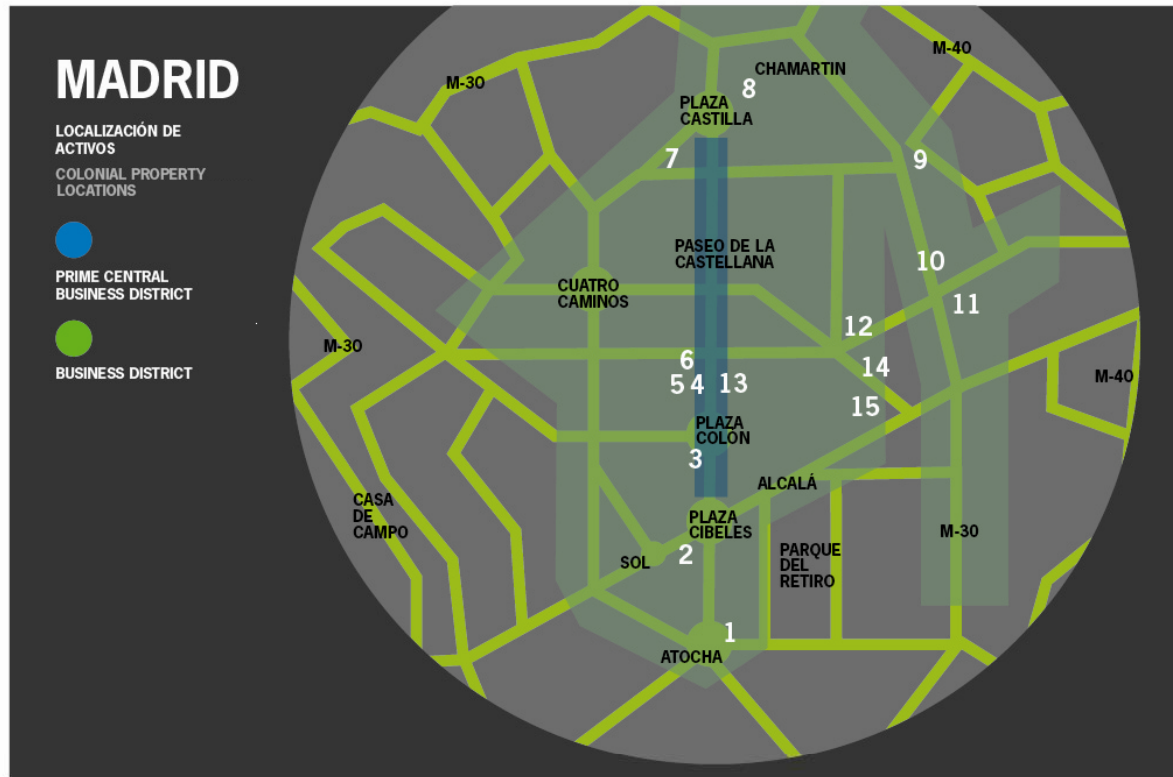
15 COMPLEJO DE OFICINAS ILLACUNA

16 COMPLEJO DE OFICINAS SANT CUGAT NORD

17 COMPLEJO DE OFICINAS SANT JOAN 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 ÁGORA/M-30

10 RAMÍREZ DE ARELLANO, 37

11 MARTÍNEZ VILLERGAS, 49

12 LÓPEZ DE HOYOS, 35



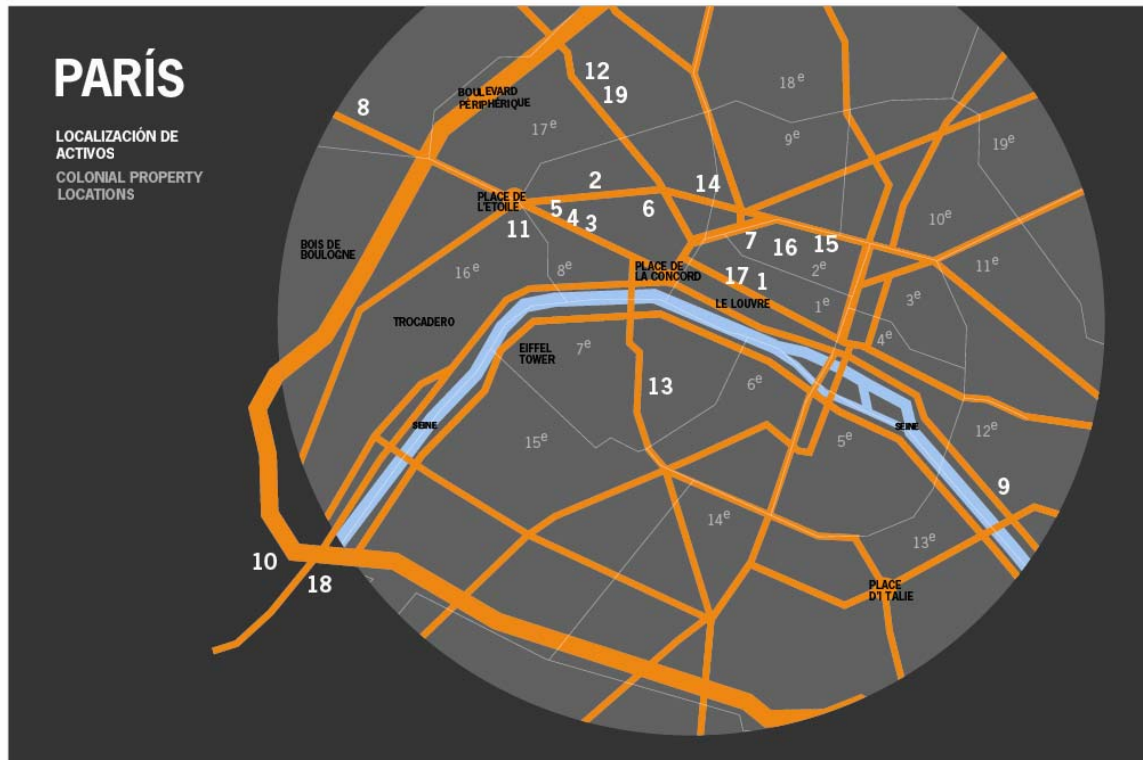
13 PASEO DE LA CASTELLANA, 52

14 FRANCISCO SILVELA, 42

15 ORTEGA Y GASSET, 100

6.2 Asset portfolio - Locations (cont.)

Paris



1 CENTRE D'AFFAIRS LE LOUVRE

2 WASHINGTON PLAZA

3 GALERIE DES CHAMPELYSEES

4 CHAMPELYSEES, 90

5 CHAMPELYSEES, 92



6 CEZANNE SAINT HONORE

7 EDOUARD VII

8 CHARLES DE GAULLE, 176 (NEUILLY)

9 RIVES DE SEINE

10 LE GALLO, 46



11 IENA, 96

12 WAGRAM, 131

13 103 GRENELLE (TELEGRAPHE)

14 HAUSSMAN, 104-110

15 HANOVRE, 6



16 ILOT RICHELIEU

17 247 RUE SAINT HONORE

18 LE VAISSEAU (2 ALLÉ DES MOULINEAUX)

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

6.3 Asset portfolio - Details

Spain

RENTAL PORTFOLIO SPAIN	Floor space above ground					Floor space above ground	Floor space under ground	Total surface
	Offices	Retail	Resid.	Logistic	Hotel			
AV. DIAGONAL, 409	4,531					4,531	0	4,531
AV. DIAGONAL, 530	11,781					11,781	1,689	13,470
AV. DIAGONAL, 609-615 (DAU)	21,872					21,872	18,989	40,861
AV. DIAGONAL, 682	8,622					8,622	600	9,222
PEDRALBES CENTRE	0	5,410				5,410	1,355	6,765
AUSIAS MARC / LEPANT	6,430					6,430	1,521	7,951
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	9,035					9,035	3,398	12,433
TORRE DEL GAS ⁽¹⁾	22,750					22,750	19,370	42,120
SANT CUGAT NORD	27,904					27,904	21,061	48,965
SAMONTA 21	11,464					11,464	9,846	21,309
P. CASTELLANA, 52	7,523					7,523	588	8,111
RECOLETOS, 37	17,202					17,202	5,340	22,542
MIGUEL ANGEL, 11	6,300					6,300	3,049	9,349
JOSE ABASCAL, 56	12,349					12,349	6,425	18,774
ALCALA, 30-32	9,088					9,088	1,700	10,788
ALFONSO XII, 62	13,135					13,135	2,287	15,422
FRANCISCO SILVELA, 42	5,725					5,725	3,654	9,379
ORTEGA Y GASSET 100	7,792					7,792	2,563	10,355
CAPITAN HAYA	16,015					16,015	9,668	25,683
SERRANO GALVACHE	30,650					30,650	15,689	46,339
LOPEZ DE HOYOS, 35	7,140					7,140	4,105	11,245
CENTRO NORTE	9,175	4,832			8,073	22,080	41,891	63,971
MARTINEZ VILLER GAS, 49	24,135					24,135	13,912	38,047
RAMIREZ DE ARELLANO, 37	5,988					5,988	4,923	10,911
SAMONTA 19	0			3,905		3,905	0	3,905
RENTAL PORTFOLIO	351,154	10,242		3,905	8,073	373,374	212,565	585,939
OTHER COMMERCIAL PREMISES		6,024				6,024	1,752	7,776
RENTAL FLOOR SPACE SPAIN	351,154	16,267		3,905	8,073	379,398	214,317	593,715
PARC CENTRAL	14,737					14,737	14,737	29,474
TRAVESSERA DE GRACIA, 11	4,025	415				4,440	1,517	5,957
AMIGÓ	3,137	625				3,762	1,403	5,165
BERLIN, 38-48/NUMANCIA, 46	371					371	0	371
AV. DIAGONAL, 609-615 (DAU)	124					124	0	124
TORRE BCN	800					800	0	800
PEDRALBES CENTRE	0	53				53	0	53
HOTEL MARINA DE LA TORRE	0				11,519	11,519	0	11,519
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
PROJECTS UNDERWAY SPAIN	35,174	1,093	0	0	11,519	47,786	22,754	70,541
TOTAL SPAIN	386,328	17,360	0	3,905	19,592	427,185	237,071	664,256

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	22,554	2,165			2,134	26,854	5,731	32,585
EDOUARD 7	20,087	16,032	4,509		4,502	45,130	9,933	55,064
247 ST HONORE	0	1,332			14,644	15,976	0	15,976
C. ELYSEES 8288	0	2,269				2,269	1,860	4,129
C. ELYSEES 90	1,551	491				2,041	0	2,041
CEZANNE SAINT HONORE	24,181	1,849	231			26,262	3,369	29,631
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	39,521	460			2,241	42,223	13,272	55,494
HAUSS. 104-110	5,899	338				6,237	1,325	7,562
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	163	163
103 GRENELLE	15,176	258				16,486	1,872	18,357
SAINT DENIS	0		60			60	16	76
RENTAL FLOOR SPACE PARIS	180,089	29,379	4,800	0	26,782	241,049	57,713	298,763
WASHINGTON PLAZ	48					48	2,312	2,360
CALL-LDA	5,948	4,516				10,464	8,462	18,926
						0	562	562
247 ST HONORE						0	1,396	1,396
GRENELLE						0	2,996	2,996
C. ELYSEES 8288						0	1,093	1,093
C. ELYSEES 92	4,175	169				4,344	0	4,344
CEZANNE SAINT HONORE						0	1,504	1,504
C. ELYSEES 90	2,269					2,269		2,269
QUAI LE GALLO	31,003				1,275	32,278	8,434	40,712
ILOT RICHELIEU	24,392				5,095	29,487	10,248	39,735
NEUILLY						0	861	861
PRONY-WAGRAM						0	532	532
IENA						0	930	930
EDOUARD 7	7,343					7,343	0	7,343
HANOVRE	3,003		61			3,065	1,697	4,762
PROJECTS UNDERWAY PARIS	78,182	4,685	61	0	6,370	89,298	41,026	130,323
TOTAL PARIS	258,270	34,063	4,861	0	33,152	330,347	98,739	429,086
TOTAL PROPERTY COLONIAL	644,599	51,423	4,861	3,905	52,744	757,531	335,810	1,093,341

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”).

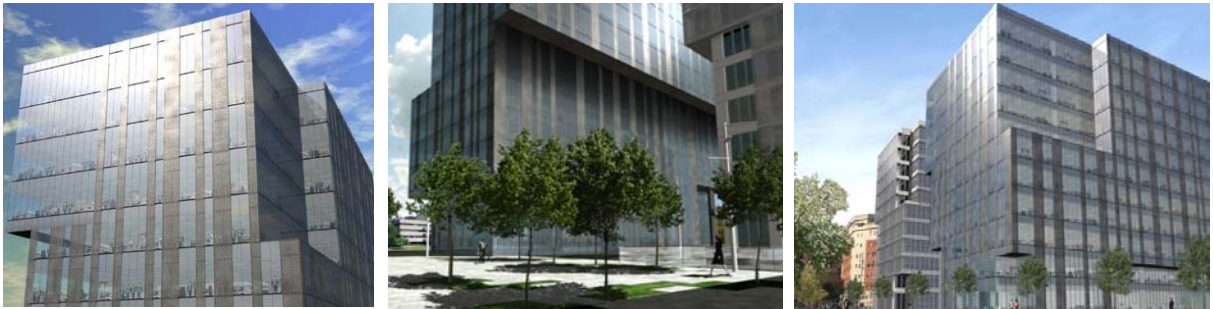
Castellana, 43



A new office development project of 5,998 sq m above ground, which will be one of the first buildings with a LEEDS GOLD certification (“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. As a consequence, the works have begun with the premises already fully pre-let to a top tier tenant.

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 (not 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 the same building.

Ozone - Champs Élysées, 92



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. Since July 2012, the building has been 100% pre-let.

6.4 Project portfolio (cont.)

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.

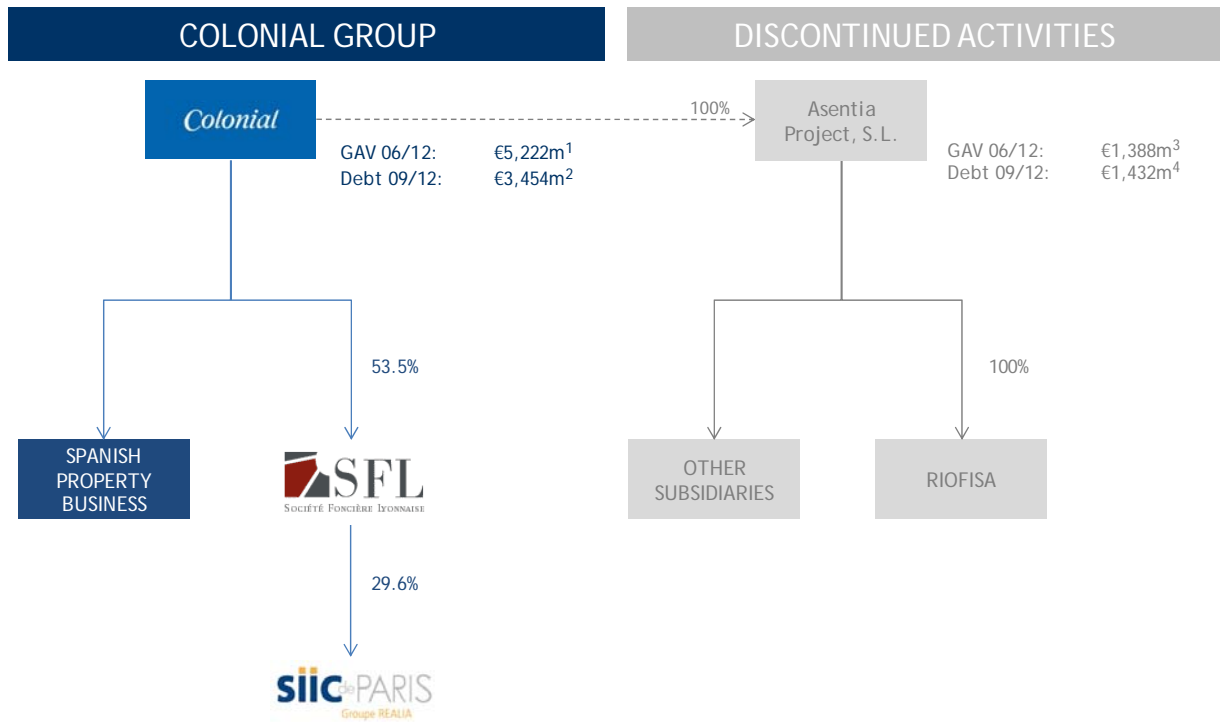
Ilot Richelieu



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 this year, refurbishments began on the property. This office complex will undergo an integral renovation project ("the Cardinal Project"), which will involve the creation of 38,000 sq m of individual offices for top tier clients in central Paris.

6.5 Financial structure



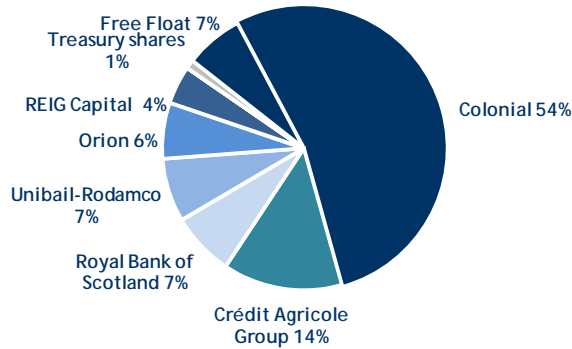
Notes:

- (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% 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, includes participative loan of €60m

6.6 Subsidiary - Details

Shareholder structure and Board of Directors of SFL

SFL - Shareholder structure 30/06/2011



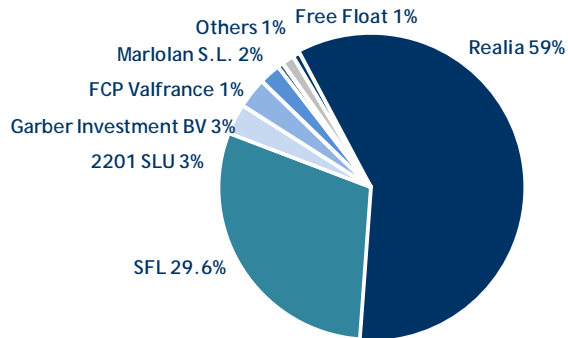
Board of Directors SFL

Name of Director			Executive Committee	Nominations & Remunerations Committee	Audit & Control Committee
Juan José Brugera Clavero	Chairman		Chairman	Member	
Anne-Marie de Chalambert	Member of the Board				
Carlos Fernández-Lerga Garralda	Member of the Board				Chairman
Carmina Ganyet Cirera	Member of the Board		Member		
Bertrand Letamendia	Member of the Board				
Carlos Losada Marrodan	Member of the Board				
Luis Maluquer Trepas	Member of the Board				
Pere Viñolas Serra	Member of the Board		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	

6.6 Subsidiaries - Details (cont.)

▪ Shareholder structure and Board of Directors of SIIC de Paris

SIIC de Paris - Shareholder structure 30/06/2012



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-Laferrrière	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

6.7 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 (floor 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
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 outside the Group
Holding	A company whose portfolio contains shares from a certain number of corporate subsidiaries
IFRS	International Financial Reporting Standards
JV	Joint Venture (association between two or more 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 renovation portfolio, and 3) other extraordinary items, for example, indemnities from tenants in case of anticipated leave
Like-for-like valuation	Data that can be compared between one period and another (investments and divestments are excluded)
LTV	Loan to Value (Net financial debt / GAV of the business)

6.7 Glossary (cont.)

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

6.8 Contact details

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Capital Market registry data - Stock market

Bloomberg: COL.SM

ISIN code: ES0139140042

Indexes: EPRA, IPD

6.9 Disclaimer

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