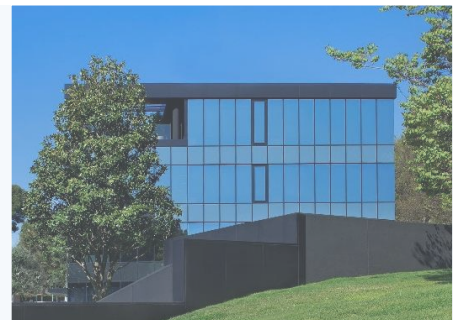

Colonial

Third quarter results January-September 2015

12 November 2015



At the close of the third quarter, the Colonial Group obtained rental revenues of €169m, an increase of 7.3% compared to the previous year (+5.3% like-for-like)

- Recurring EBITDA of the Group: €129m, +7.3% vs. the previous year (+4.6% like-for-like)
- The recurring net profit amounted to €27.4m, +112% vs. the previous year

Capital Structure

GAV Parent Company 30/06/2015 Proforma (€m) ⁽¹⁾	2,842	Valuation - by market (Parent) - 06/2015 ⁽⁹⁾	Shareholder structure Colonial
EPRA NAV 30/06/2015 ⁽²⁾ - €m	1,736		
EPRA NAV 30/06/2015 ⁽²⁾ - cents. of €/share	54.5		
Prem./Disc. NAV (30/09/15)	14%		
Parent LTV ⁽³⁾	36%		
Group LTV ⁽⁴⁾	43%		
Rating S&P	BBB- stable outlook		

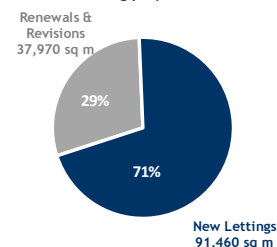
Portfolio - 30/09/2015

GAV Group 30/06/15 Proforma (€m) ⁽⁹⁾	6,357	Valuation - by uses - 06/2015 ⁽⁹⁾	Valuation - by area - 06/2015 ⁽⁹⁾
No. of assets Spain	35		
No. of assets France	20		
Total No. of assets ⁽⁵⁾	55		
Lettable surface above ground	662,644		
Developments underway - surf. above ground ⁽⁶⁾	98,381		
Surface above ground (s qm)	761,024		

Key performance indicators - 30/09/2015

	Total	Barcelona	Madrid	Paris
New contracts	91,460	22,421	6,528	62,511
Renewals & revisions	37,970	10,652	15,775	11,543
Total commercial effort (sq m)	129,430	33,073	22,303	74,054
EPRA Office occupancy ⁽⁷⁾	93%	87%	92%	95%
Rental revenues (€m)	169	20	26	124
% Like-for-like	5.3%	1.0%	8.2%	5.4%

Breakdown letting performance



Key Financial indicators - 30/09/2015 - €m

	2015	2014	Var.	Var. LFL
Rental revenues	169	158	7%	5%
EBITDA rents	151	143	6%	5%
EBITDA/rental revenues	89%	91%	-	-
EBITDA recurring business	129	120	7%	5%
Recurring Net Profit ⁽⁸⁾	27.4	12.9	112%	-
Net result attributable to the Group	213	563	na	-

⁽¹⁾ GAV Parent Company: Value of assets directly-held + NAV of the 55% stake in the SPV Torre Marenostrum + NAV of the 53.1% stake in SFL
Figures as of June 2015, incl. acquisitions of Principe de Vergara, 112 & Génova, 17 formalised in 3Q15 at acquisition prices

⁽²⁾ EPRA NAV according to the calculation recommended by EPRA

⁽³⁾ Net debt Holding excluding committed cash 09-2015 / GAV Parent Company (incl. Transfer costs) 06-2015 Proforma incl. acquisitions 3Q15

⁽⁴⁾ Net debt Group excluding committed cash 09-2015 / GAV Group (incl. Transfer costs) 06-2015 Proforma incl. acquisitions 3Q15

⁽⁵⁾ Excluding small non-core retail assets

⁽⁶⁾ Projects & refurbishments

⁽⁷⁾ EPRA occupancy: Financial occupancy according to the calculation recommended by EPRA (occupied surfaces x the market prices/surfaces in operation at market prices)

⁽⁸⁾ Recurring Net Profit= Epra Earnings - post company-specific adjustments

⁽⁹⁾ GAV as of June 2015, incl. acquisitions of Principe de Vergara, 112 and Génova, 17 formalised in 3Q15 at acquisition prices

Highlights

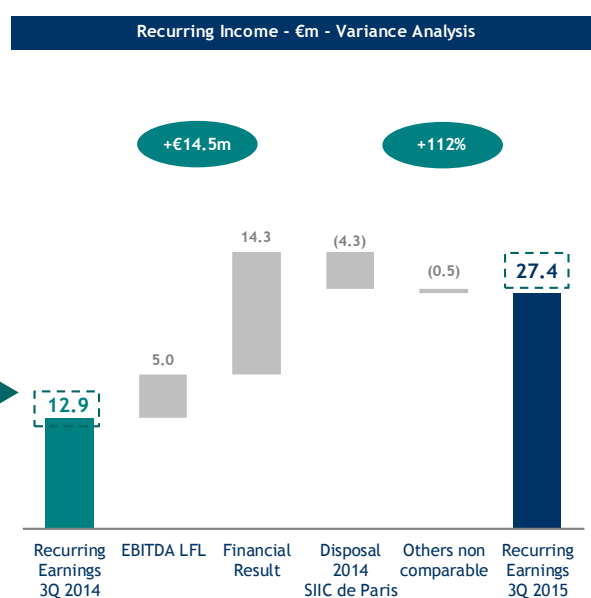
1 3Q Results 2015

The third quarter results confirm the trend of previous quarters, showing a very positive evolution in all metrics.

The recurring net profit of the Colonial Group amounted to €27.4m at the close of the third quarter of 2015, €14.5m higher than in the same period of the previous year, resulting in an increase of 112%.

Profit & Loss Accounts		
Results analysis - €m	3Q 2015	3Q 2014
Gross Rents	169	158
Net operating expenses ⁽¹⁾	(16)	(14)
Overheads	(24)	(24)
Recurring EBITDA	129	120
Results associated to SIIC de Paris - recurring	0	4
Recurring financial result	(63)	(77)
Income tax expense & others - recurring	(8)	(5)
Minority interests - recurring	(31)	(30)
Recurring Earnings	27.4	12.9
Provisions & variation of the asset value	349	31
Non-recurring financial result / MTM	(35)	(97)
Income tax & others - non recurring	(28)	(16)
Minority interests - non recurring	(100)	(71)
Profit attributable before discontinued operations	213	(140)
Discontinued operations	0	704
Profit attributable to the Group	213	563

(1) Includes other income



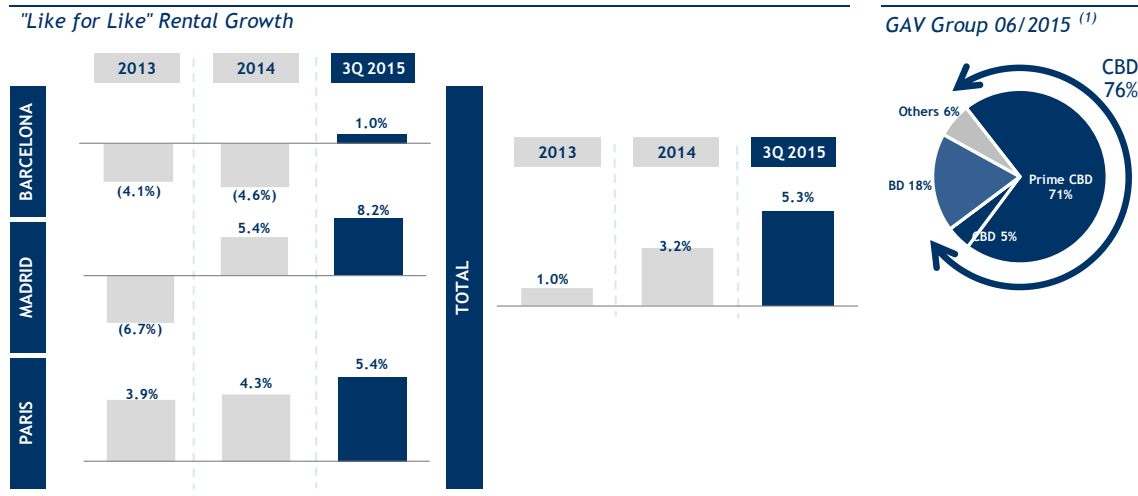
The increase in the recurring results is mainly due to two aspects:

1. An increase in rental revenues of 7.3%, (+€12m) compared to the previous year, due to:

- ✓ An increase of 5.3% like-for-like. It is important to highlight the like-for-like increases in the Madrid portfolio (+8.2%) and the Paris portfolio (+5.4%). In Barcelona, the portfolio is showing positive growth in rental revenues for the first time since the beginning of the crisis.
- ✓ An increase of 4.7% due to new acquisitions.
- ✓ Indemnities charged in 2014 and other non-comparable effects resulted in a negative variance in the 2015 vs. 2014 comparison.

2. A significant reduction in the financial expenses, thanks to the successive optimizations of the financial structure in the last months.

The growth of the rental income continues on the positive path already observed in the first half of the year, and it is clearly superior to the two previous years. This increase shows the strong resilience of a Prime CBD portfolio like Colonial's.



⁽¹⁾ Figures as of June 2015, incl. acquisitions of Principe de Vergara, 112 and Génova, 17 formalised in 3Q15

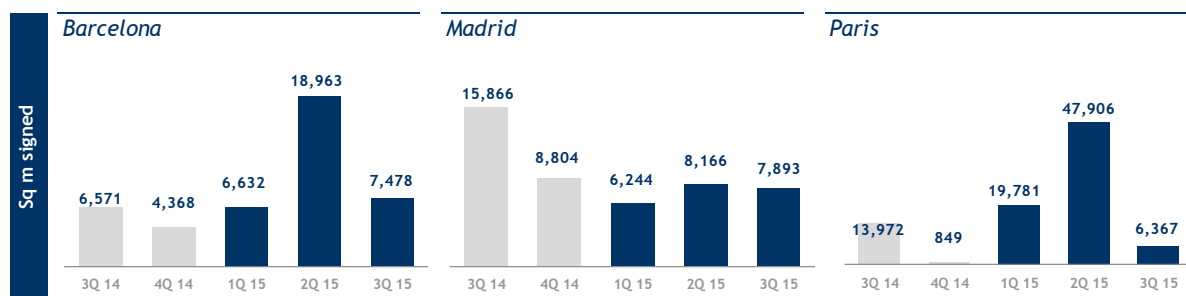
The net results attributable to the Group amounted to €213m. Excluding the positive accounting effect of the “deconsolidation”⁽¹⁾ of Asentia in the previous year, the net results increased by €354m, mainly due to the increase in the asset values.

⁽¹⁾ The deconsolidation of Asentia refers to the exit from the consolidation perimeter

2 Highlights of the rental portfolio - Trading Trends

I. Letting activity - Commercial effort

Strong momentum of letting activity in all of the markets



During the third quarter of 2015, the Colonial Group signed rental contracts for 21,738 sq m, reaching a total cumulative volume in the first nine months of 2015 of 129,430 sq m, 20% higher than the volume of contracts signed throughout the whole of the previous year. More than 70% of the signed contracts correspond to new lettings.

In the third quarter of 2015, more than 15,000 sq m were signed in the Barcelona and Madrid portfolios, which correspond to 16 contracts.

In **Barcelona**, during these three months, 7,478 sq m were signed, of which 4,435 sq m corresponded to new contracts on repositioned buildings in the CBD. It is worth specifically highlighting transactions on the Avenida Diagonal, 609-615 and Avenida Diagonal, 682 buildings, as well as the new office complex in Travessera/Amigó.

In **Madrid**, during this third quarter 7,893 sq m were signed, highlighting the contract renewal with Gamesa Corporación Tecnológica on the Ramírez de Arellano building.

In **Paris**, it is important to highlight the signing of 3,600 sq m on the #Cloud property with a world leading company in “e-economy”. This contract, together with the one signed during the first half of the year with the company Exane for 10,000 sq m, resulted in the building being approximately 50% pre-let before the delivery of the project. New contracts have also been signed on the buildings in Washington Plaza, Edouard VII and Charles de Gaulle which amount to 2,759 sq m.

In addition, it is important to point out that in the first half of 2015, in **Barcelona**, more than 6,000 sq m were signed with a subsidiary of Banc Sabadell and almost 3,400 sq m with Affinity Petcare on the building in Sant Cugat and more than 2,500 sq m with an Internet services company on the Ausiàs March building. In **Madrid**, it is worth mentioning the signing of more than 4,100 sq m with a financial institution on the Recoletos building. In **France**, it is important to highlight the rental contract signed with the Organisation for Economic Cooperation and Development (OECD) for the entire In&Out building, located in Alphonse le Gallo, in Boulogne-Billancourt. This transaction, carried out during the month of June, was the largest rental transaction carried out in the entire Paris market in the first half of 2015.

Therefore, a total of 129,430 sq m were signed in the first nine months of the year. The main actions of the Colonial Group are shown below:

Main contracts signed in Spain			Main contracts signed in Paris		
Building	Tenant	sq m	Building	Tenant	sq m
SANT CUGAT	Business Service for information (Banc Sabadell)	6,036	IN&OUT	OECD	32,614
RAMIREZ DE ARELLANO, 37	Gamesa Corporación Tecnológica	5,988	#CLOUD	Exane	10,827
RECOLETOS, 37-41	Leading financial institution	4,092	131 WAGRAM	TV5 Monde	7,549
SANT CUGAT	Affinity Petcare	3,368	LE VAISSEAU	Revolution 9	6,026
AUSIAS MARC - LEPANT	Internet Services	2,550	LOUVRE SAINT HONORE	Proparco	3,994
JOSE ABASCAL, 56	Roca Junyent	2,209	#CLOUD	World-leading “e-economy” firm	3,608
RECOLETOS, 37-41	Legal institution	1,910	EDOUARD VII	Multimedia company	1,879
BERLIN NUMANCIA	Multinational consultant	1,509			
SANT CUGAT	Accenture	1,502			
AV. DIAGONAL, 609-615 (DAU)	Pharmaceutical company	1,488			

II. Occupancy

The high volume of new lettings this year has resulted in a significant increase in occupancy. At the close of the third quarter of 2015, the Colonial Group's EPRA financial occupancy for the office portfolio reached 93%, +917 basis points vs. the previous year (+678 basis points in one quarter).

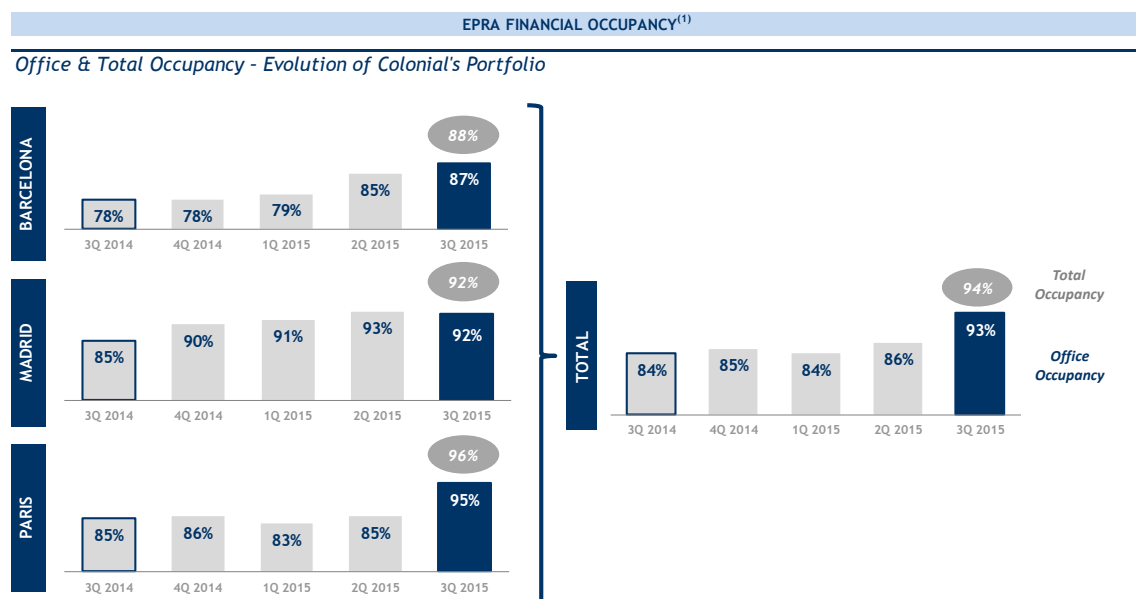
In **Barcelona**, the EPRA financial occupancy of offices increased +953 basis points compared to the year before, and +278 basis points in this last quarter, reaching a ratio of 87%.

In **Madrid**, the EPRA financial occupancy of offices was 92%, +686 basis points above the previous year. Compared to the close at June, the occupancy slightly decreased due to the incorporation of the Génova, 17 building into the perimeter, a building that is currently 66% occupied. In comparable terms, the occupancy in Madrid has remained stable compared to June 2015.

In **Paris**, the EPRA financial occupancy of offices increased by +969 basis points compared to the previous year (+918 basis points in one quarter), due to the entry into effect of the contract signed by the OECD on the In&Out building, reaching a ratio of 95%.

Consequently, the EPRA financial occupancy of offices of the Group reached 93% (94% including all uses), a substantial improvement compared to the previous year and to the close at June.

The following chart shows the evolution of the EPRA financial occupancy of the portfolio.

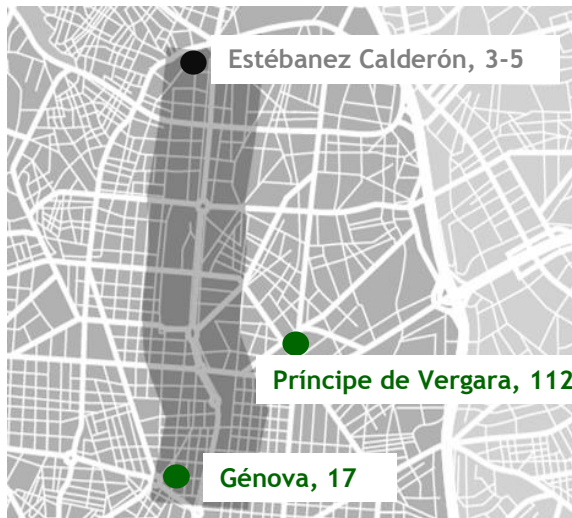


(1) EPRA financial occupancy: financial occupancy according to the calculation recommended by EPRA (occupied surfaces multiplied by the market prices/surfaces in operation at market prices).

3 New acquisitions and investments

New acquisitions

During the third quarter of 2015, the Colonial Group completed the acquisition of two office buildings in the centre of Madrid (Príncipe de Vergara, 112 and Génova, 17) for a total amount of €67m. Príncipe de Vergara, 112 is a “Prime Factory” acquisition which involves a totally new project. Génova, 17 is a “Core” asset that is already generating income.



Príncipe de Vergara, 112

PROJECT



Génova, 17



Together with the acquisitions carried out in the first half of 2015 (Estébanez Calderón, 3-5 in the Madrid CBD and 9 Avenue Percier in the Paris CBD), the volume of new acquisitions of the Group amounted to €165m YTD. These acquisitions were captured through off-market transactions in the city centre, significantly increasing Colonial’s prime CBD exposure.

Project Pipeline - Prime Factory

The Colonial Group invested €104m (€97m in France and €6m in Spain) on refurbishment projects and asset repositioning in the first nine months of 2015.

Highlighted are the projects on the Estébanez Calderón, 3-5 and Príncipe de Vergara, 112 in the Madrid CBD and the #Cloud in the Paris CBD, which are all progressing satisfactorily.



Estébanez Calderón



Príncipe de Vergara, 112



#Cloud (Rue Richelieu)

4 Capital and financial structure and others

Financial structure

At 30 September 2015, the Colonial Group has a solid, first class financial structure, being the only listed Property Company in Spain with an Investment Grade credit rating by **Standard & Poor's**.

The financial net debt of the Group stood at €2,841m at 30 September 2015. The Group LTV is at 43%⁽¹⁾ and the average cost of the current debt stands at 2.38%.

In Spain, €1,250m of the debt correspond to corporate bonds with a rating by **Standard & Poor's** of **BBB- with a stable outlook**. In France, the volume of bonds issued amounts to €1,200m, with a rating that was revised upward by **Standard & Poor's** in July, reaching **BBB with a stable outlook**.

The available balances of the Group, including cash and undrawn debt amount to €672m.

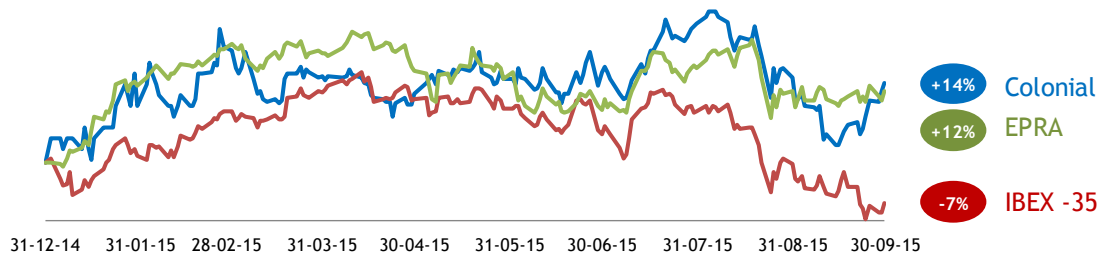
At 5 November, SFL successfully completed a new bond issue for €500m, maturing at 7 years. The coupon is for 2.25%, with a spread of 170 basis points. The issue generated high demand, with orders for around €3,500m, an oversubscription ratio of 7x.

On November 12, Colonial has signed a new credit facility for a total amount of €350m, with an initial maturity June 2018, extendable until November 2019 and a spread of 160 bp. This new financing has been underwritten by the following entities: Natixis (agent bank), Crédit Agricole Corporate and Investment Bank, Deutsche Bank, Mediobanca Banca di Credito Finanziario, BNP Paribas, JP Morgan Securities and Bank of America Merrill Lynch International Limited. The new financing will be used for Colonial's investment plan.

Share price evolution

Colonial's shares closed the third quarter of 2015 with a revaluation of +14% YTD, outperforming the Ibex35 as well as the EPRA index.

Performance of the share price versus EPRA & IBEX (2015)



In September of this year, Grupo Villar Mir decreased its stake in Colonial to 15%, through an accelerated book building among top tier qualified investors.

The current free float is at around 59% with an average daily trading volume of €12.5m, positioning Colonial among one of the most liquid companies in the European office sector.

In September, EPRA awarded Colonial the “EPRA Best Practices Gold Award - Financial Reporting”, as well as the “Most Improved Annual Report - Award”, confirming its excellence and transparency in financial communication.

Contents

1. Analysis of the Profit and Loss Account
2. Office markets
3. Business performance
4. Financial structure
5. Share price performance and shareholder structure
6. Appendices

1. Analysis of the Profit and Loss Account

Analytical Consolidated Profit and Loss Account

September cumulative - €m	2015	2014	Var.	Var. % ⁽¹⁾
Rental revenues	169	158	12	7%
Net operating expenses ⁽²⁾	(18)	(15)	(3)	(23%)
EBITDA rents	151	143	8	6%
Other income	2	1	1	148%
Overheads	(24)	(24)	(1)	(2%)
EBITDA recurring business	129	120	9	7%
Results associated to SIIC de Paris	0	6	(6)	(100%)
EBITDA - asset sales	0	(0)	0	-
Exceptional items	(2)	(5)	(7)	53%
Operating profit before revaluation, amortizations and provisions and interests (incl. Results associated to SIIC de Paris)	127	121	5	4%
Change in fair value of assets	350	189	161	85%
Amortizations & provisions	(2)	(158)	156	99%
Financial results (excl. equity method)	(97)	(174)	76	44%
Profit before tax	377	(22)	398	1835%
Income tax	(32)	(18)	(14)	(79%)
Gain/ loss on discontinued operations	0	704	(704)	-
Minority Interests	(131)	(100)	(30)	(30%)
Profit attributable to the Group	213	563	(350)	(62%)
Results analysis - €m	2015	2014	Var.	Var. % ⁽¹⁾
Rental revenues	169	158	12	7%
Net operating expenses ⁽²⁾ & other income	(16)	(14)	(2)	(16%)
Overheads	(24)	(24)	(1)	2%
Recurring EBITDA	129	120	9	7%
Results associated to SIIC de Paris - recurring	0	4	(4)	(100%)
Recurring financial result	(63)	(77)	14	19%
Income tax expense & others - recurring result	(8)	(5)	(3)	(63%)
Minority interest - recurring result	(31)	(30)	(1)	(4%)
Recurring net profit - post company-specific adjustments ⁽³⁾	27	13	14	112%
EPRA Earnings - pre company-specific adjustments ⁽⁴⁾	26	653	(627)	n.a.
Profit attributable to the Group	213	563	(350)	(62%)

⁽¹⁾ Sign according to the profit impact

⁽²⁾ Invoiceable costs net of invoiced costs + non invoiceable operating costs

⁽³⁾ Recurring net profit = EPRA Earnings - post company-specific adjustments.

⁽⁴⁾ EPRA Earnings = Recurring net profit pre company-specific adjustments

For details on the reconciliation between the recurring results and the total results, see Appendix 6.9.

- The rental revenues of the Colonial Group at the end of the third quarter of 2015 reached €169m, 7% higher than the same period of the previous year, due to the new acquisitions made during 2014 and 2015 and due to the 5.3% like-for-like increase in rents.
- The recurring EBITDA of the Group reached €129m, 7% higher than the same period of the previous year.
- The extraordinary expenses mainly relate to advisory services in relation to the bond issue in Spain.
- The operating profit before the net revaluations, amortizations, provisions and interests was €127m, 4% higher than the amount reached in the same period of the previous year.
- The impact on the profit and loss account due to the revaluation of the property investments reached €350m. This revaluation, which was registered in France (€217m) and Spain (€133m), is the result of the like-for-like increase in the appraisal values of the assets of 7.6% in the first six months of 2015.
- The net financial results amounted to €(97)m, 44% lower than the same period of the previous year.

The recurring financial results of the Group amounted to €(63)m, 19% lower than the same period of the previous year, mainly due to a lower level of debt volume as a consequence of the recapitalization carried out in 2014.

The non-recurring financial results amounted to €(35)m. In Spain, this includes the impact of the cancellation commissions of Colonial's syndicate loan, while in France, it corresponds to variances in the value of the financial instruments, mainly due to the impact of the early cancellation by SFL of non-IAS-compliant hedging transactions.
- The result of continued operations before taxes, at the close of the third quarter of 2015, amounted to €377m, a figure clearly higher than that reached during the same period of the previous year, mainly as a result of the impact of the asset revaluation, as well as the reduction in financial expenses.
- Corporate tax amounted to €32m, mainly due to the registering of deferred taxes in relation to the asset revaluation in the first half of 2015.
- Finally, and after deducting the results attributed to the minority interests amounting to €(131)m, the results after taxes attributable to the Group amounted to €213m. This result has increased by €354m with respect to the previous year, if we exclude the positive accounting effect of the deconsolidation⁽¹⁾ of Asentia in the previous year.

⁽¹⁾ The deconsolidation of Asentia refers to the exit from the consolidation perimeter

2. Office markets

Macroeconomic context ⁽¹⁾

The last few months have witnessed a readjustment in the engines of world economic growth. The deterioration in the outlook for the main emerging countries has been offset by the improvement in developed countries. Therefore, according to analysts, global growth is expected to be around 3.2% in 2015 and will tend to improve in 2016, reaching 3.7%.

The **eurozone** continues to consolidate its recovery although growth is not speeding up. The second revision for GDP growth increased the figure by 0.1 pps in the first two quarters of the year. Over the coming months, the main analysts expect the recovery to continue at a similar rate to 2Q, placing GDP growth at 1.5% and 1.8% annually for 2015 and 2016, respectively. In September, the ECB revised downwards its outlook for growth, compared with the figures announced three months ago, to 1.4% in 2015 and 1.7% in 2016. Consumption was still strong in 3Q, supported by the gradual recovery in the labour market. Regarding the uncertainty generated in the last few months due to the situation in Greece, the outcome of the recent parliamentary elections is cause for some optimism. Success is expected to be boosted by a mandate to implement the third financial assistance programme and to reduce this source of instability.

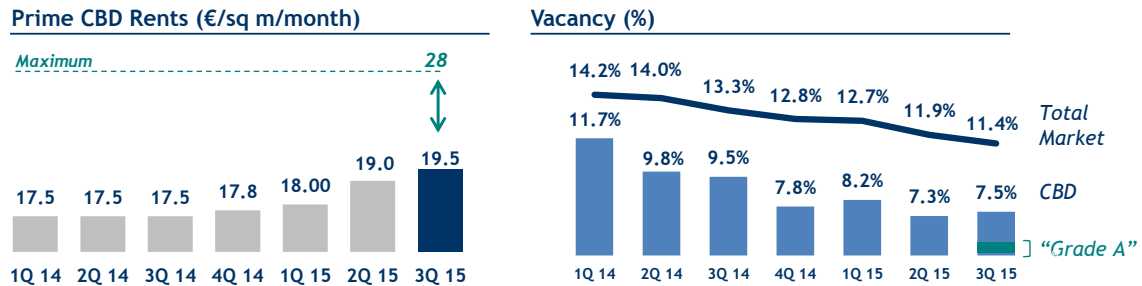
The recovery of the **Spanish** economy continues, although at slower pace. Growth was particularly strong in the first half of the year thanks to temporary factors such as the euro's depreciation, the relaxation of fiscal policy and, in particular, cheaper oil, which have notably benefited the Spanish economy. The growth rate has moderated slightly as the impact of these supports has diminished. GDP growth in 3Q was 0.8% quarter-on-quarter, a slightly lower figure than in Q2 (1.0% quarter-on-quarter). In any case, the recovery in fundamental factors such as the revival in credit and in the real estate sector suggests that growth will remain above 2% in the medium term. Slowdown is also expected to be more moderate than forecasted before the summer, thanks to the positive effect of a further drop in oil prices. Therefore the growth forecast for 2016 was revised upwards, from 2.6% to 2.7% (and the 2015 forecast has remained unchanged at 3.1%).

In **France**, the expected reduction in the deficit, from 3.8% this year to 3.3% next year, is supported by a feasible macroeconomic situation with moderate growth in GDP (1.0% in 2015 and 1.5% in 2016) and also in inflation (0.1% and 1.0%, respectively).

(1) Source: "la Caixa" monthly report

Rental market situation - offices ⁽¹⁾

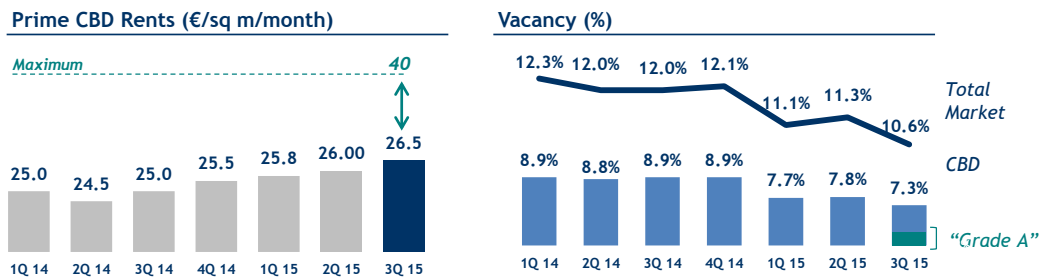
Barcelona - Rental Market



- The indicators in the Barcelona office segment reflect a strong and expanding market. Barcelona continues to attract the interest of investors and companies seeking to establish their headquarters in the city. The third quarter of 2015 saw the highest office take-up levels since 2007. Take-up volumes reached 138,500 sq m, up 233% compared to the same quarter the year before. Total cumulative take-up year-to-date has reached 315,000 sq m, 12% higher than the figure for the whole of 2014. With these figures, it is expected that in 2015 the take-up could reach, or even exceed, 400,000 sq m, which is double the figure registered in 2013 and similar to that registered in the period 2005-2007 at the height of the property boom. During this quarter, some 23 deals for over 1,000 sq m were signed (when the average in recent years has been 10), which demonstrates the strength of office take-up in Barcelona.
- Average vacancy rates in Barcelona continued to decline in the third quarter to 11.4%, a figure similar to that registered in 2009. This trend is expected to continue, especially due to the lack of new office projects in the city of Barcelona. No speculative development is expected to be added to the office market in the last quarter of 2015. In 2016, of the potential 73,000 sq m of new projects, some 50,000 sq m are speculative developments, of which over half are expected to be completed in 2017. The vacancy rate in the Paseo de Gracia/Diagonal area is 7.25% and in the city centre and new business districts it is 10.6%.
- According to main brokers, rental levels for offices in Barcelona continued to register gains for the fourth consecutive quarter. Maximum rental levels in Paseo de Gracia/Diagonal, city centre and new business districts have registered average year-to-date gains of 9.7%. The scarcity of quality supply and the strength of take-up levels are bolstering the increase in rental levels in Barcelona. The maximum rental levels for the best buildings in the Paseo de Gracia/Diagonal area stood at €19.50/sq m/month in the third quarter.

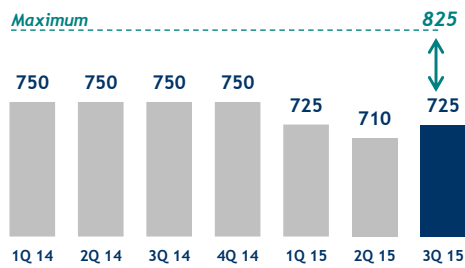
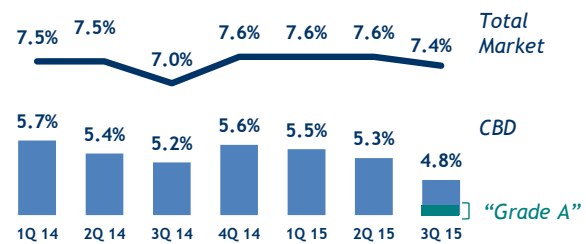
(1) Sources: Reports by Jones Lang Lasalle and CBRE

Madrid - Rental Market ⁽¹⁾



- Despite the fact that the summer months are historically the weakest in terms of take-up, the market is showing signs of recovery, given that for the first time since 2008, the quarterly take-up volume exceeded 100,000 sq m to stand at 111,500 sq m. The majority of the take-up was in central areas (the CBD and city centre), while the amount of space signed in the North East decreased, although it remained steady in peripheral areas.
- For the first time since 2011, vacancy rates have fallen below 11% to stand at 10.6%, maintaining the positive trend that began in mid-2014. These effects were most felt in the CBD, where the vacancy rates are at 7.3%, and in the North East, whereas the city centre remained steady. In the periphery, vacancy rates have increased.
- In terms of the quality of available office space, the trend observed in previous quarters continues, where there is a decrease in the availability of high quality buildings (Grade A/B+) in the CBD and an increase in the offer of lower quality buildings, in other areas, especially in the periphery. Regarding the submarkets, the lowest vacancy rate was registered in the prime CBD, Parque Empresarial las Rozas and Méndez Álvaro. On the other hand, the highest rates were found around the airport, Alcobendas and San Sebastián de los Reyes (all in the periphery).
- While maximum prices in the CBD continued to increase reaching €26.50/sq m/month, maximum prices in the BD also rose, reaching €15.50/sq m/month. The lack of transactions in satellite areas has maintained prices unchanged in this submarket, holding firm at €10/sq m/month.
- Transactions for under 500 sq m continue to dominate the market, with an average price across all submarkets of €15.40/sq m/month. Average rental levels can vary from €21.25/sq m/month in the CBD to €7.50/sq m/month in satellite areas.

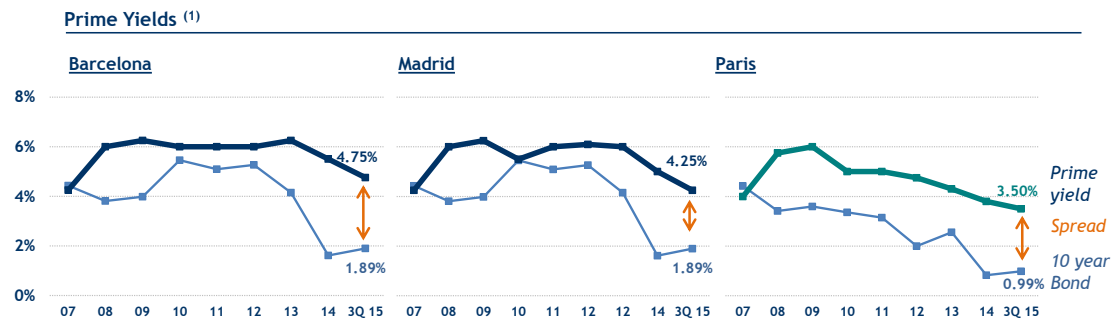
(1) Sources: Reports by Jones Lang Lasalle and CBRE

Paris - Rental Market ⁽¹⁾**Prime CBD Rents (€/sq m/year)****Vacancy (%)**

- Office take-up in the Paris region during the third quarter of 2015 was 565,000 sq m, with cumulative volumes for 2015 of 1,500,000 sq m, a 6% decrease with respect to the same period of the previous year.
- The transactions segment exceeding 5,000 sq m reached 15 transactions completed during the summer, three more than in the same period of the previous year. Three transactions exceeding 20,000 sq m were registered, although the main transaction volume came from the segment between 5,000 sq m and 10,000 sq m.
- The stock of vacant surface area in the Paris region stood at 4,000,000 sq m at the end of September 2015. Vacant office surface area remained stable at the end of the third quarter with a vacancy rate of 7.4% for the Greater Paris Region and 4.8% in the CBD, while rates below 3% were observed in Paris 5-6-7 and Paris 12-13.
- Prime rents in the CBD increased slightly, compared to the previous quarter, to €725/sq m/year, reaching levels of the first quarter of 2015. The average rental prices for Grade A properties in the CBD stood at €665/sq m/year.

(1) Sources: Reports by Jones Lang Lasalle, CBRE and BNP Paribas

Investment market situation - Offices



(1) Market consultants in Spain report gross yields and in France they report net yields (see definition in glossary in Appendix 6.10)

- Barcelona:** The investment volume for the third quarter of 2015 amounted to €293m, the most active quarter by far this year with eight transactions, and an accumulated volume of €451m. Demand for the acquisition of buildings in Barcelona remains strong, both in the city centre and new business areas. International funds and SOCIMIS are still the main players in the market. International capital dominates most of the acquisitions. A current trend in the market is the growing number of value-added investors, although core and core+ investments are still an important target for investors. Yields this quarter stood at 4.75% in the Paseo de Gracia/Diagonal area.
- Madrid:** The total investment volume in the first three quarters of 2015 exceeded €1,700m, up 130% on the same period last year, with a forecasted full-year volume of €2,000m in investment. According to main brokers, this figure is expected to be clearly exceeded, provided the Torre Espacio deal is completed prior to 31 December 2015. A total of 49 transactions were signed in the first three quarters of 2015, a number only beaten by the figure for the whole of 1999, in which 51 deals were closed. The interest for core and value-added products continues to dominate due to the lack of quality prime products. This is creating a chain reaction out towards more peripheral areas. Yields in prime CBD stood at 4.25%.
- Paris:** The third quarter of 2015 was particularly dynamic with €5,540m invested. Overall, investments totalled €11,276m. During this third quarter, 19 transactions exceeding €100m were recorded, which is 78% of the total investment volume in the quarter. French investors dominate the investment market in all the segments, whereas foreign investors are looking for emblematic assets with long leases. Prime yields stood at 3.5%.

It is important to highlight that in the three markets, the spread between the prime yields and the 10-year bonds is high.

3. Business performance

Rental revenues and EBITDA of the portfolio

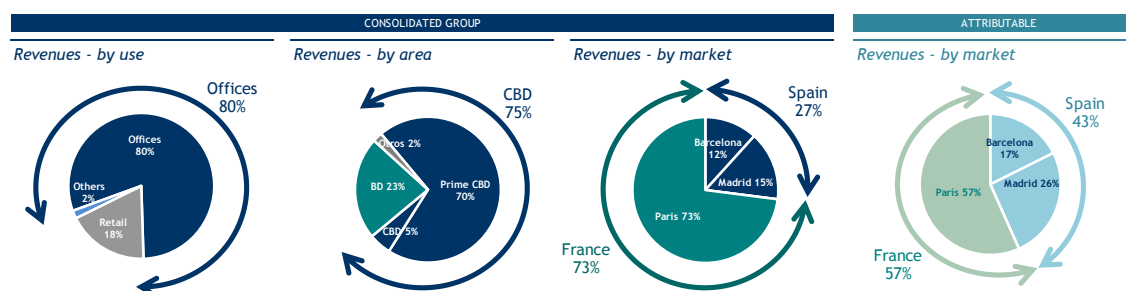
- The rental revenues reached €169m, 7% higher than the rents of the previous year. In like-for-like terms, adjusting for investments, disposals and variations in the project and refurbishment portfolio and other extraordinary items, the rental revenues of the Group increased by 5.3% like-for-like.

In Paris, the rental revenues rose by 5.4% like-for-like. In Spain, the rental revenues increased by 5.1% like-for-like, mainly due to the Madrid portfolio, which went up by 8.2%. In Barcelona, it should be mentioned that for the first time since the beginning of the crisis, the rental revenues have had positive growth, increasing by 1.0% like-for-like.

The like-for-like increase in rental revenues mainly corresponds to the new contracts signed on the Alfonso XII, Martínez Villergas and Miguel Ángel buildings in Madrid and the In&Out, 131 Wagram, Call-LDA, Edouard VII, Cézanne Saint Honoré and Washington Plaza buildings in Paris.

Variance in rents (2015 vs. 2014) €m	Barcelona	Madrid	Paris	Total
Rental revenues 2014R	21.1	24.1	112.7	157.9
<i>Like-for-Like</i>	0.2	1.9	5.5	7.6
<i>Projects & refurbishments</i>	0.7	0.0	(0.0)	0.6
<i>Acquisitions & Disposals</i>	0.3	0.1	7.0	7.4
<i>Indemnities & others</i>	(2.4)	(0.2)	(1.5)	(4.1)
Rental revenues 2015R	19.8	26.0	123.7	169.5
<i>Total variance (%)</i>	(5.9%)	7.7%	9.7%	7.3%
<i>Like-for-like variance (%)</i>	1.0%	8.2%	5.4%	5.3%

- Breakdown - Rental revenues:** The majority of the Group's revenues (80%) are from office buildings. Likewise, the Group maintains its high exposure to CBD markets (75%). In consolidated terms, 73% of the rental revenues (€124m) came from the subsidiary in Paris and 27% were generated by buildings in Spain. In attributable terms, 57% of the rents were generated in France and the rest in Spain.



- Rental EBITDA reached €151m, a 5% increase in like-for-like terms, with an EBITDA margin of 89%.

Property portfolio

September cumulative - €m	2015	2014	Var. %	Like-for-like %
Rental revenues - Barcelona	20	21	(6%)	1%
Rental revenues - Madrid	26	24	8%	8%
Rental revenues - Paris	124	113	10%	5%
Rental revenues	169	158	7%	5%
EBITDA rents Barcelona	16	18	(10%)	0%
EBITDA rents Madrid	22	20	12%	14%
EBITDA rents Paris	112	105	7%	5%
EBITDA rents	151	143	6%	5%
<i>EBITDA/Rental revenues - Barcelona</i>	<i>83%</i>	<i>86%</i>	<i>(3.5 pp)</i>	
<i>EBITDA/Rental revenues - Madrid</i>	<i>86%</i>	<i>83%</i>	<i>3.7 pp</i>	
<i>EBITDA/Rental revenues - Paris</i>	<i>91%</i>	<i>93%</i>	<i>(2.3 pp)</i>	
EBITDA/Rental revenues	89%	91%	(1.4 pp)	

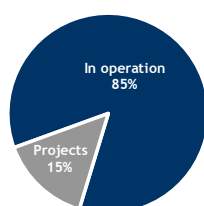
It is important to take into account that a large part of the difference between the rental revenues and the EBITDA rents relates to the non-invoiced costs due to the currently low occupancy levels. Taking into account that the Colonial Group invoices the majority of its property costs to its tenants, gradual improvements in the occupancy of the assets will have a significant positive impact on the rental EBITDA, obtaining high levels of EBITDA/revenues, as was the case in years prior to the crisis (see Appendix 6.5).

Portfolio letting performance

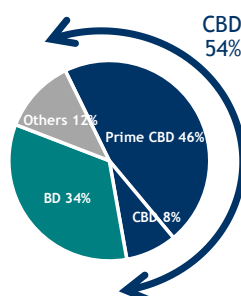
- Breakdown of the current portfolio by surface area:** At the end of the third quarter of 2015, the Colonial Group's portfolio totalled 1,067,273 sq m (761,024 sq m above ground), focused mainly on office assets.

At 30 September 2015, 85% of the portfolio was in operation and 15% corresponded to an attractive portfolio of projects and refurbishments.

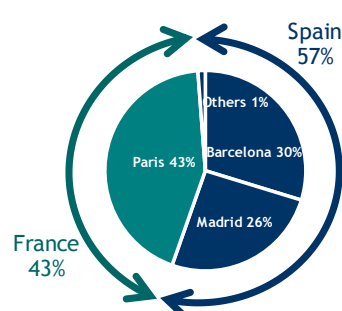
Surface - by condition



Surface - by area



Surface - by market



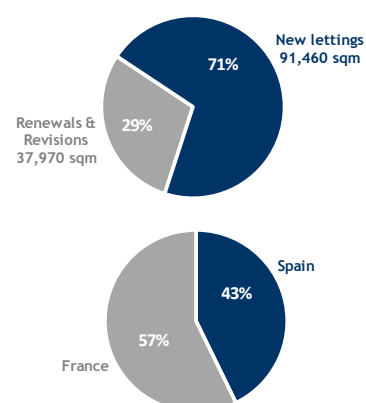
- **Signed contracts:** During the first nine months of 2015, the Group signed a total of 129,430 sq m of contracts, a figure 20% higher than that reached during the whole of 2014. Out of the total contracts, 43% (55,376 sq m) were signed in Barcelona and Madrid, and 74,054 sq m were in Paris.

New lettings: Out of the total commercial effort, 71% (91,460 sq m) related to surfaces of new lettings. It is worth mentioning that in the Paris office portfolio, the take-up during these nine months doubled the volume of new lettings signed in Paris during the whole of 2014 (24,816 sqm).

Renewals: Contract renewals were carried out for 37,970 sq m. The new rental prices relating to these contracts resulted in a decrease of 10% with respect to previous rents. This is mainly due to two contract renewals with rental prices that still corresponded to the highest part of the cycle.

Letting Performance

September cumulative - sq m	2015	% New rents vs. previous	Average maturity
Renewals & revisions - Barcelona	10,652	(6%)	2
Renewals & revisions - Madrid	15,775	(16%)	4
Renewals & revisions - Paris	11,543	(8%)	11
Total renewals & revisions	37,970	(10%)	5
New lettings Barcelona	22,421		3
New lettings Madrid	6,528		2
New lettings Paris	62,511		10
New lettings	91,460	n/a	8
Total commercial effort	129,430	n/a	7



Colonial's total commercial effort is spread over the three markets in which the company operates, highlighting the following contracts:

Main actions

	Building	Tenants	Surface (sq m)
BARCELONA	Sant Cugat	Business Service for Information & others	11,748
	Av. Diagonal, 609-615 (DAU)	Pharmaceutical company & others	5,725
	Berlín - Numancia	Multinational consultant	3,018
	Ausias Marc - Lepanto	Internet Services	2,550
MADRID	Recoletos, 37-41	Leading financial institution & others	6,002
	Ramirez de Arellano, 37	Gamesa Corporación Tecnológica	5,988
	Jose Abascal, 56	Roca Junyent & others	3,005
PARIS	In & Out	OECD	32,614
	#Cloud	Exane & World-leading "e-economy" firm	14,435
	131 Wagram	TV5 Monde	7,549
	Le Vaisseau	Revolution 9	6,026
	Louvre Saint Honoré	Proparco	3,994
	Edouard VII	Multimedia company & others	2,368

In **Spain**, during the first nine months of 2015, more than 55,000 sq m were signed, of which 33,000 sq m were signed in **Barcelona**. In particular, more than 6,000 sq m were signed with a subsidiary of Banco Sabadell and almost 3,400 sq m with Affinity Petcare on the Sant Cugat building. In addition, a contract of more than 2,500 sq m was signed with an Internet services company on the Ausiàs March building, among others.

In **Madrid**, more than 22,300 sq m have been signed, highlighting the signing of almost 6,000 sq m with Gamesa Corporación Tecnológica on the Ramírez Arellano building, 4,000 sq m signed with a financial institution and 1,900 sq m were signed with a law firm on the Recoletos property, as well as 2,200 sq m with Roca Junyent on the José Abascal property.

In **Paris**, more than 74,000 sq m have been signed, a record figure compared to previous quarters. It is particularly important to highlight the rental contract signed with the Organisation for Economic Cooperation and Development (OECD) for the entire In&Out building, located in Alphonse le Gallo in Boulogne-Billancourt. This transaction, carried out during the month of June, was the largest rental transaction carried out in the entire Paris market in the first half of 2015.

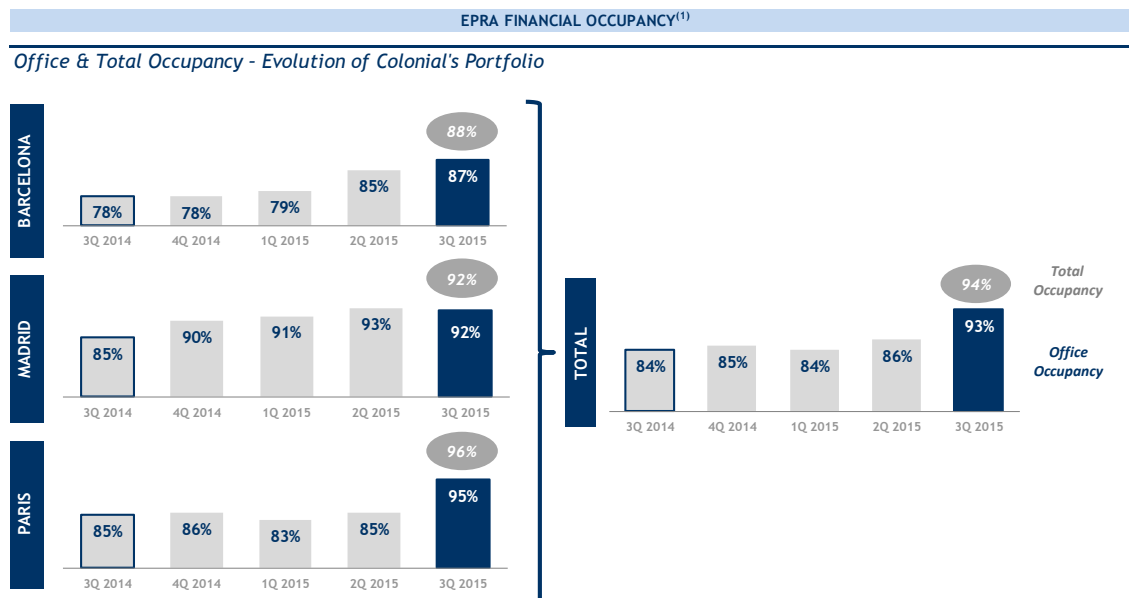
It is also important to highlight the signing of a contract for more than 10,000 sq m on the #Cloud project with the company Exane and 3,600 sq m with a world leading company in e-economy at a price of €780/sq m/year, positioned at the high end of the prime CBD market in Paris. These transactions resulted in the property being approximately 50% pre-let before the delivery of the project. #Cloud is located in the centre of Paris and will obtain top energy certificates (HQE, BREEAM & LEED Gold).

In addition, we highlight the signing of a 12-year fixed-term contract for 7,500 sq m on the 131 Wagram property with TV5 Monde, and the signing of a six-year contract for the entire surface of the property Le Vaisseau (more than 6,000 sq m) with the Revolution 9 Group. This lease will come into effect at the beginning of 2016, once the refurbishment work being carried out on the property is completed, and following the departure of its main tenant in March 2015.

The transactions described above were closed with rental prices at the high end of the rental market.

Portfolio occupancy

- At the end of the third quarter of 2015 the Colonial Group's EPRA⁽¹⁾ financial occupancy for the office portfolio reached 93%, +917 basis points compared to the previous year (+678 basis points in one quarter).



⁽¹⁾ EPRA financial occupancy: financial occupancy according to the calculation recommended by EPRA (occupied surfaces multiplied by the market prices/surfaces in operation at market prices).

The office portfolios in Madrid and Barcelona reached an EPRA⁽¹⁾ financial occupancy of 92% and 87%, respectively.

In **Barcelona**, the EPRA financial occupancy of offices increased +953 basis points compared to the previous year and +278 basis points in this last quarter, reaching a ratio of 87%. This increase is mainly due to the contracts signed on the Travessera/Amigó, Avinguda Diagonal 609-615 (DAU) and Berlín Numància buildings, among others.

In **Madrid**, the EPRA financial occupancy of offices was 92%, +686 basis points above the previous year. Regarding the close at June, the occupancy decreased slightly due to the incorporation of the Génova, 17 building into the perimeter, a building that is currently 66% occupied. In comparable terms, the occupancy in Madrid remained stable compared to June 2015. During 2015, occupancy has been progressively increasing, mainly due to the entry into operation of the Jose Abascal, Francisco Silvela, López de Hoyos & Alfonso XII buildings.

In **Paris**, the EPRA financial occupancy of offices increased by +969 basis points compared to the previous year and +918 basis points in one quarter, reaching a ratio of 95%. Highlighted is the entry into operation of the contract signed by the OECD on the In&Out building, being the most important impact on occupancy.

The table below shows an analysis of the vacant office surfaces by city and area. In Paris, the vacancy stood at 11,505 sq m, mainly corresponding to repositioned surfaces in the buildings Washington Plaza, Louvre des Antiquaires and Edouard VII. In Barcelona, the vacancy was at 23,074 sq m, 39% of which corresponded to projects and refurbishments that have entered into operation. In Madrid, the vacancy stood at 12,143 sq m.

<i>Vacancy surface of offices</i>					
Surface above ground (sq m)	Entries into operation ⁽¹⁾	BD area and others	CBD area	September 2015	EPRA Vacancy Offices
Barcelona	8,975	8,539	5,560	23,074	13%
Madrid	408	5,253	6,482	12,143	8%
París	0	0	11,505	11,505	5%
TOTAL	9,383	13,792	23,547	46,722	7%

(1) Projects and refurbishments that have entered into operation

New acquisitions, project pipeline and refurbishments

▪ New acquisitions:

During the third quarter of 2015, the Colonial Group completed the acquisition of two office buildings in the centre of Madrid (Príncipe de Vergara, 112 and Génova, 17) for a total amount of €67m.

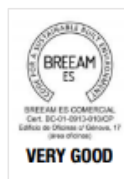


Príncipe de Vergara, 112

PROJECT



Génova, 17



The architectural project for the **Príncipe de Vergara, 112** building has been assigned to the prestigious architect firm Ortiz y León and is currently the largest development that is being carried out in the centre of Madrid.

The **Genova, 17** building achieved the award for being the best refurbished building in 2015 in the Madrid market. Currently, the available surface area for this asset has generated a lot of interest, and a large number of visits.

Together with the acquisitions carried out in the first half of 2015 (Estébanez Calderón, 3-5 in Madrid CBD and 9 Av. Percier in Paris CBD), the volume of new acquisitions of the Group amounted to €165m YTD 2015. These acquisitions were captured through off-market transactions in the city centre, significantly increasing Colonial's prime CBD exposure (for more information see details in Appendix 6.4).

- **Project portfolio and refurbishments:** During the first nine months of 2015, €104m were invested, mainly in France, in refurbishments and projects of the Colonial Group, in order to optimise the positioning of the property portfolio. These investments have attracted and will attract top tier rental demand, optimising the cash flow profile and the value of the assets.

In particular, three large projects should be highlighted, for more than 54,000 sq m above ground, which will enter into operation between 2015-2017, as shown below:

Projects	Entry into operation	% Group	Market	Use	Surface above ground (sq m) ⁽¹⁾
Estébanez Calderón	2017	100%	Madrid	Offices	10,458
Príncipe de Vergara	2017	100%	Madrid	Offices	11,308
Spain					21,766
#Cloud (rue Richelieu)	2H 2015	100%	Paris	Offices	33,200
France					33,200
Total					54,966

(1) Surface area of completed project

- ✓ **Estébanez Calderón** is a property acquired in May 2015, located in the centre of Madrid. This transaction involves demolishing the current building to build a new unique "LEED Gold" property of a total of 10,500 sq m of surface area above ground, which will incorporate the latest technologies and innovation in materials and which will receive the most prestigious environmental and sustainability certificates. Currently, Colonial has started to demolish this building. The project, led by the Lamela studio, is expected to be released in the second half 2017.



- ✓ Príncipe de Vergara, 112 is a property which was acquired in July 2015, located in the centre of Madrid. The transaction involves demolishing the current property to build a unique new office building which will provide a total surface area above ground of 11,400 sq m, with optimal space efficiency on all floors, enabling it to obtain the “LEED Gold” energy certificate.



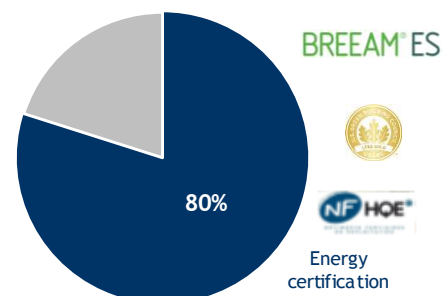
- ✓ In Paris the completion of the #CLOUD project is progressing satisfactorily. The office complex is undergoing a complete renovation project and will enter into operation at the end of this year. Currently, 50% of this building is pre-let. The building will achieve the maximum energy certificates (HQE, BREEAM & LEED Gold), and currently represents the highest quality offer in the Paris CBD.



- In addition to the project portfolio described above, the Colonial Group is carrying out substantial refurbishment actions on certain properties in order to optimise the positioning of these assets on the market.

It is worth mentioning the refurbishments being carried out on the Louvre des Antiquaires, Le Vaisseau and Percier buildings, among others.

- As a result of the Colonial Group’s repositioning policy, currently 80% of the buildings have top quality energy certificates, a fact that gives the Colonial Group a competitive advantage in attracting top tier demand and maximising the value creation of the portfolio. The Colonial Group is progressing in obtaining the maximum energy certificates for the entire portfolio of the Group as soon as possible.



4. Financial structure

Main debt figures

Colonial obtained the credit rating by Standard & Poor's (S&P) of BBB- long-term and A-3 short term, enabling Colonial to issue bonds as at 27 May 2015 in the amount of €1,250m, which at the same time have also been rated by S&P with the same credit rating as Colonial.

The bond issue was structured in two tranches of €750m and €500m, maturing at four years and eight years and with a coupon of 1.863% and 2.728%, respectively. This allowed for the early cancellation of the syndicate loan completed in April 2014. This transaction has enabled Colonial to increase and diversify the average maturity of its debt, as well as an annual savings in financing costs for the company of approximately €20m.

In addition, on 2 July 2015, S&P revised SFL's rating upwards to BBB with stable outlook.

Likewise, various actions have been carried out in France in order to increase the average maturity of its banking debt, as well to reduce its average financings costs.

- In June 2015, a new revolving credit facility of €50m was signed with Banc Sabadell, maturing in five years with an applicable spread of 120 basis points.
- In July 2015, the conditions of the syndicate loan subscribed with various financial institutions led by BNP Paribas were renegotiated, extending the maturity by two years (from July 2018 to July 2020), reducing the spread by 70 basis points (to 130 basis points). Also in July, various bilateral loans with mortgage guarantees for €208m were renewed, extending the maturity by five years (from 2017 until 2022) and establishing a fixed rate of 1.571%.

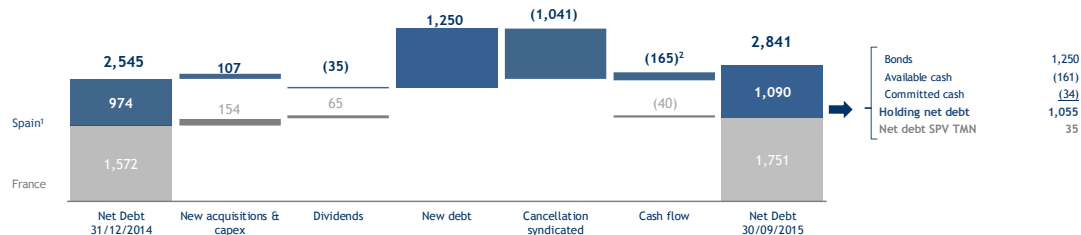
The financial net debt of the Group stood at €2,841m at 30 September 2015, as shown in the table below:

Breakdown of the consolidated net financial debt - €m	September 2015			December 2014			Var. Total
	SP	FR	Total	SP	FR	Total	
Syndicate loan	0	75	75	1,040	0	1,040	(965)
Mortgage debt/leases	40	236	276	43	232	275	1
Subordinated debt	0	0	0	0	0	0	0
Unsecured debt and others	0	259	259	0	156	156	103
Bonds	1,250	1,200	2,450	0	1,200	1,200	1,250
Total gross debt	1,290	1,770	3,060	1,083	1,588	2,671	389
Cash & cash equivalents (*)	(200)	(19)	(219)	(109)	(17)	(126)	(93)
Group Net Debt	1,090	1,751	2,841	974	1,572	2,545	296
Average maturity of drawn debt (years)	5.3	3.7	4.4	4.1	3.8	3.9	0.5
Cost of debt % (without arrangement fees)	3.69%	3.18%	3.37%	3.53%	3.98%	3.76%	(39 pb)

(*) without excluding committed cash for a total amount of €37m

The evolution of the Group's net debt during the first half of 2015 is as follows:

Net Debt Movements €m - September 2015



¹ The net debt includes the debt of SPV TorreMarenostrum

² Including the cash obtained by the bonds issue

Main leverage ratios and liquidity

As at September 2015, the Group's net debt amounted to €2,875m⁽¹⁾ with an LTV (Loan to Value) of 43%⁽²⁾. The LTV of the parent company in Spain was 36%⁽³⁾.

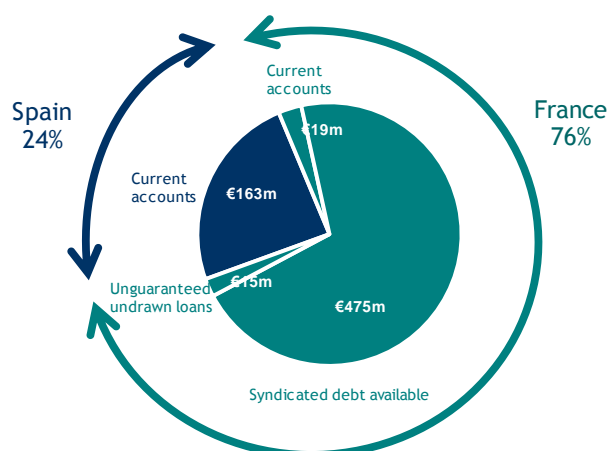
Main leverage ratios

30/09/2015 - €m	Holding	Group
GAV proforma ^(*)	3,002	6,655
Net debt - excluding committed cash	1,089	2,875
LTV incl. transfer costs	36%	43%

(*) GAV June 2015 including "transfer costs" + 3Q acquisitions at acquisition prices

Undrawn balances of the Colonial Group at 30 September 2015 amounted to €672m, distributed as shown in the graph below.

Undrawn balances (excl. committed cash)



(1) Group net debt at 30/09/2015 (excluding committed cash)

(2) Financial net debt Group, excluding committed cash at 09/2015/ GAV Group (including transfer costs) at 06/2015, incl. acquisitions formalised in 3Q15 at acquisitions prices

(3) Financial net debt Holding, excluding committed cash at 09/2015/ GAV Parent Company (including transfer costs) at 06/2015, incl. acquisitions formalised in 3Q15 at acquisitions prices

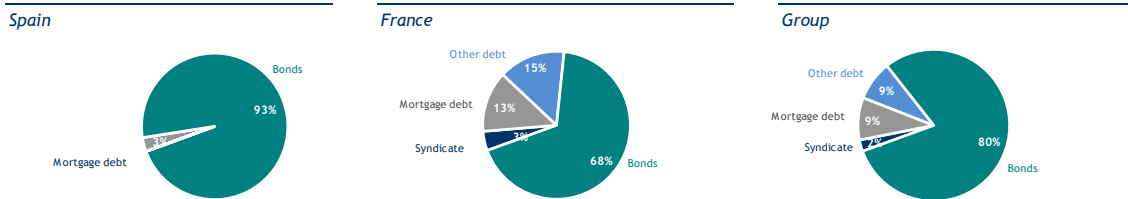
The average spot cost of the current debt is 2.38% for the Group, 2.17% in Spain and 2.53% in France.

September 2015	SP	FR	TOTAL
Average cost of current debt %	2,17% ⁽¹⁾	2.53%	2.38%
Average spread of current debt (without commissions)	173pb	163pb	167pb

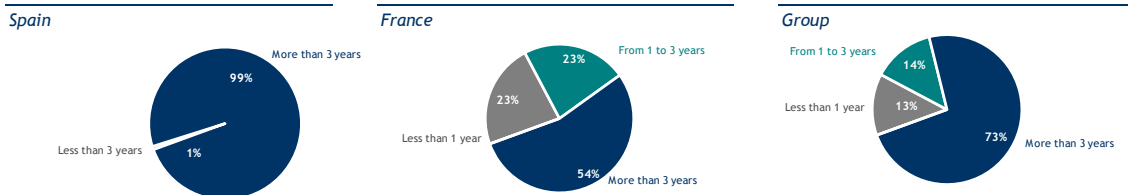
⁽¹⁾ Excluding hedging costs

The main characteristics of the Group's debt are shown below:

TYPE OF DRAWN DEBT - 30/09/2015



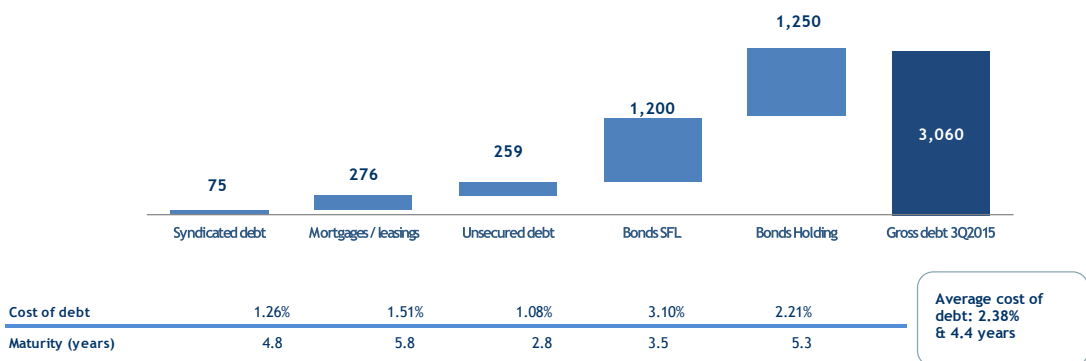
MATURITY OF CONTRACTED DEBT - 30/09/2015



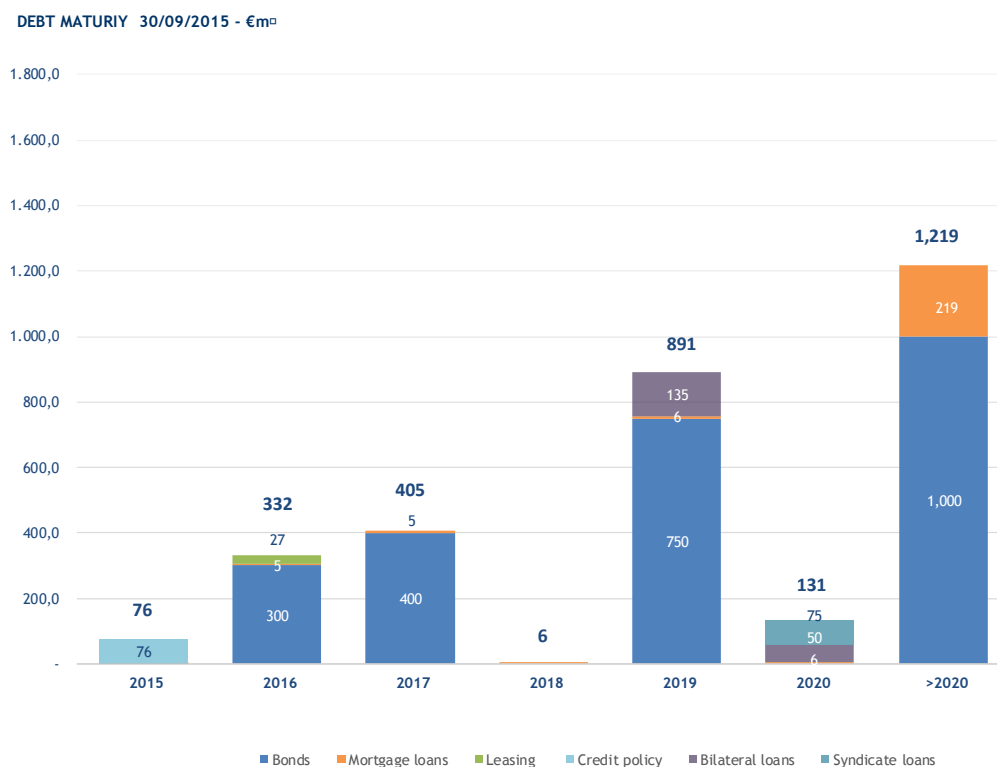
Spain	France	Total
Spread	173 b.p.	163 b.p.
Average life of drawn down debt (years)	5.3	4.4
Average life of the contracted debt (years)	5.3	4.4
Contracted debt	€1,290m	€3,550m

The composition of the drawn gross debt of the Group at 30 September 2015 is as follows:

Composition of the drawn gross debt of the Group at September 30, 2015 - €m



The breakdown of the debt in terms of maturity is as follows:



Financial results

- The breakdown of the financial results of the Group are shown in the table below:

<i>Financial results</i>					
September cumulative - €m	Spain	France	2015	2014	Var. % ⁽¹⁾
Recurring financial expenses - Spain	(29)	0	(29)	(36)	(21%)
Recurring financial expenses - France	0	(40)	(40)	(46)	(12%)
Recurring Financial Income	1	0	1	0	-
Capitalized interest expenses	0	5	5	5	9%
Recurring Financial Result (excluding equity method)	(28)	(35)	(63)	(77)	(19%)
Non-recurring financial expenses	(25)	(2)	(27)	(89)	(69%)
Change in fair value of financial instruments	0	(7)	(7)	(8)	(13%)
Financial Result (excluding equity method)	(53)	(44)	(97)	(174)	(44%)

(1) Sign according to profit impact

- The total financial results of the Group up to 30 September 2015 amounted to €(97)m, of which €(63)m corresponded to recurring financial results and €(34)m to non-recurring financial expenses, resulting in a 44% decrease compared to the same period of the previous year. The recurring financial expenses of the Group were 19% below the same period of the previous year, due to the reduced volume of debt as a result of the recapitalization carried out in 2014, as well as due to a lower financial cost.

- The non-recurring financial expenses decreased by 65%. In 2014 this concept included the capitalizable interests of 686 basis points on Colonial's old syndicate loan (cancelled in May 2014). The amount of €(27)m registered in 2015 mainly corresponds to the cancellation costs of Colonial's previous syndicate loan.
- From the recurring financial result in Spain (€28m), €(18)m related to the syndicate loan cancelled on 5 June 2015 and €(9)m to the bonds (including the accrued issue expenses in the amount of €(0.5)m). The rest is interest from other loans. In the recurring financial results for France, €(28)m correspond to the financial expenses of the three bonds, €(6)m to the bank loans and the rest €(6)m to commissions, hedging instruments and accruals of bank expenses.
- The non-recurring financial result in Spain includes the impact of the close-out fees of Colonial's previous syndicate loan, while in France it corresponds to variances in the value of the financial instruments, mainly due to the impact of SFL's early cancellation of non-IAS-compliant hedging transactions. In July 2015, SFL cancelled the remaining hedging instruments in effect at that date as the associated debt was renewed, turning the variable rate into a fixed rate.
- The capitalized financial expenses corresponded to the financing of a project in France.
- The average credit spread of the Group from January to September 2015 (excluding fees) is 221 basis points over Euribor (290 basis points in Spain and 174 basis points in France). The breakdown of the Group's financial cost of debt is shown in the chart below:

September cumulative - €m	Spain	France	2015	2014	Var. %
Average cost of debt %	3.63%	2.73%	3.09%	3.37%	(28 pb)
Commissions %	0.06%	0.45%	0.28%	0.36%	(8 pb)
Cost of debt - % total	3.69%	3.18%	3.37%	3.73%	(36 pb)
Average spread (without commissions)	290pb	174pb	221pb	232pb ⁽¹⁾	(11 pb)

⁽¹⁾ Excluding step up of old syndicate loan

- The bond issue and the cancellation of Colonial's previous syndicate loan have considerably reduced the spread of the debt in Spain, which at 30 September 2015 stood at 173 basis points.

September 2015	SP	FR	TOTAL
Average cost of current debt %	2,17% ⁽¹⁾	2.53%	2.38%
Average spread of current debt (without commissions)	173pb	163pb	167pb

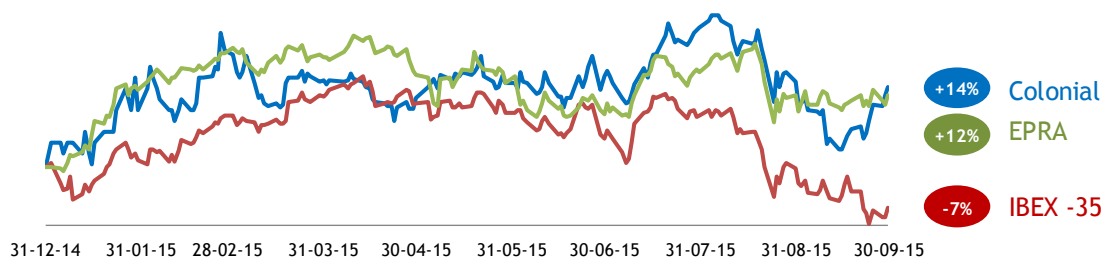
⁽¹⁾ Excluding hedging costs

5. Share price performance and shareholder structure

Share price performance

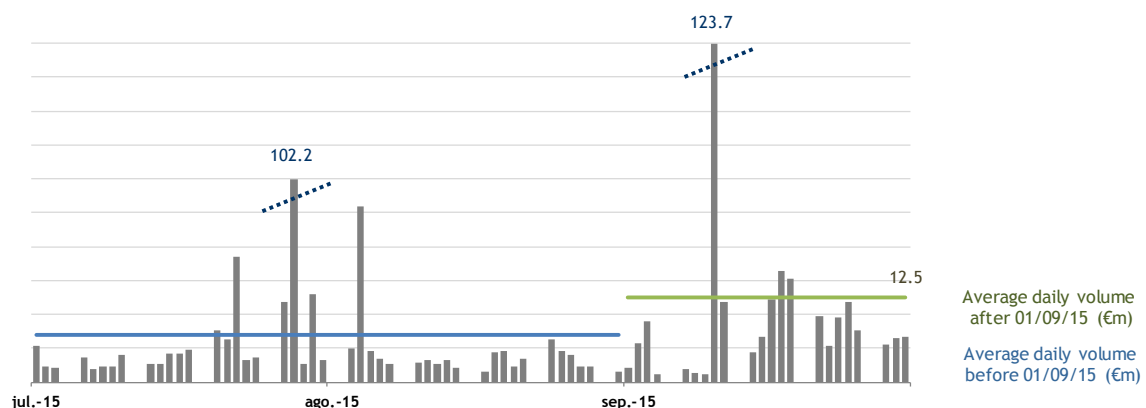
Colonial's shares closed the third quarter of 2015 with a +14% increase YTD outperforming the Ibex35 and the EPRA index.

Performance of the share price versus EPRA & IBEX (2015)



In September of this year, Grupo Villar Mir decreased its stake in Colonial to 15%, through an accelerated book building among top tier qualified investors.

The current free float is at around 59% with an average daily trading volume of €12.5m, positioning Colonial among of the most liquid companies in the European office sector.



Various domestic and international analyst firms cover the company and issue recommendations regarding the value.

During the period from July to date, eight new analyst recommendations were issued, four of which have made an upward revision of the target price and of their recommendations. Three new analysts started coverage on Colonial (Banco Santander, JB Capital & Kepler Cheuvreux).

The target price based on analysts' consensus is 67 cents of a euro/share. The maximum target price levels are at between 70 and 76 cents of a euro/share (Morgan Stanley, Goldman Sachs, Banc Sabadell, N+1, Banco Santander & Kepler Cheuvreux).

The target prices and recommendations are as follows:

Institution	Analyst	Date	Recommendation	Target Price actual (€/share)	Rental Income			Recurring Net Profit			NAV/ share (cents €)		
					2015	2016	2017	2015	2016	2017	2015	2016	2017
Ahorro Corporación	Guillermo Barrio	26/05/2015	Sell	0.55	225	245	271	16	31	51	nd	nd	nd
Main First Bank	Ignacio Carvajal	16/06/2015	Underweight	0.58	233	269	296	nd	nd	nd	49	55	62
Kempen	Boudewijn Schoon	22/09/2015	Equal-weight	0.59	236	252	277	43	57	73	58	60	63
JB Capital	Daniel Gandoy	28/09/2015	Underweight	0.58	235	254	268	nd	nd	nd	50	58	65
Goldman Sachs	Jonathan Kownator	29/09/2015	Buy	0.76	233	277	311	42	92	133	62	76	82
Banco Santander	Jose Alfonso Garcia	19/10/2015	Buy	0.73	233	288	307	39	108	127	64	73	83
N+1 Equities	Jaime Amoribieta	21/10/2015	Strong Buy	0.70	nd	nd	nd	nd	nd	nd	52	62	70
Morgan Stanley	Bart Gysens	28/10/2015	Overweight	0.72	245	261	275	83	96	112	60	66	72
Banc Sabadell	Ignacio Romero	29/10/2015	Buy	0.76	228	257	289	53	104	143	nd	nd	nd
Kepler Cheuvreux	Javier Campos	06/11/2015	Hold	0.70	239	272	292	nd	nd	nd	60	69	80
Analysts consensus				0.67	234	264	287	46	81	106	57	65	72

Source: Bloomberg & reports of analysts

In September, EPRA awarded Colonial the “EPRA Best Practices Gold Award - Financial Reporting”, as well as the “Most Improved Annual Report - Award”, confirming its excellence and transparency in financial communication.



Colonial is part of two EPRA indices: the FTSE EPRA/NAREIT Developed Europe and the FTSE EPRA/NAREIT Developed Eurozone. In addition, it is part of the Global Property Index 250 (GPR 250 Index), as well as the Ibx Medium Cap index. These indices are benchmarks for international listed property companies.

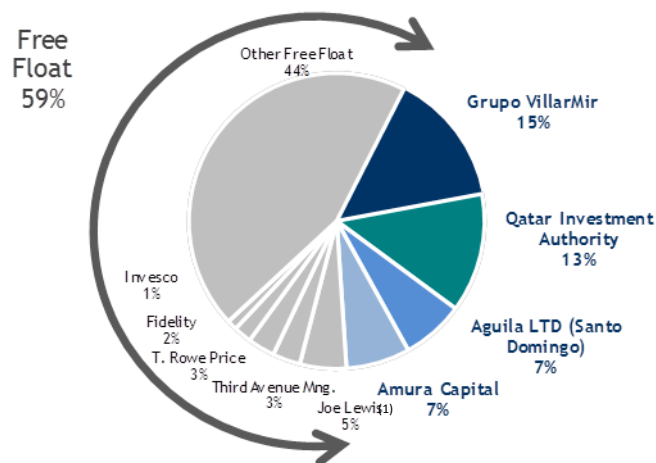
In addition, Colonial is included in the Morgan Stanley Capital International (MSCI) index, a global property benchmark index for profitability.



Company shareholder structure

Colonial's shareholder structure is as follows:







Shareholder structure at 15/10/2015 ()*



(*) According to reports in the CNMV and notifications received by the company

(1) Through Joseph Charles Lewis

Board of Directors

Name of Director			Executive Committee	Nominations & Remunerations Committee	Audit & Control Committee
Juan José Brugera Clavero	Chairman		Chairman		
Grupo Villar Mir S.A.U represented by Juan-Miguel Villar Mir	Vice-Chairman - Director		Vice-chairman		
Pedro Viñolas Serra	Chief Executive Officer		Member		
Juan Villar-Mir de Fuentes	Director			Member	Member
Sheikh Ali Jassim M. J. Al-Thani	Director				
Juan Carlos García Cañizares	Director		Member	Member	
Francesc Mora Sagués	Director		Member	Member	
Ana Sainz de Vicuña	Independent Director				Member
Carlos Fernández-Lerga Garralda	Independent Director		Member	Chairman	Member
Javier Iglesias de Ussel Ordís	Independent Director			Member	Chairman
Luis Maluquer Trepas	Other External Director				Member
Francisco Palá Laguna	Secretary - Non-Director		Secretary	Secretary	Secretary
Nuria Oferil Coll	Vice-secretary - Non-Director				

6. Appendices

- 6.1 Consolidated balance sheet
- 6.2 Asset portfolio - Locations
- 6.3 Asset portfolio - Details
- 6.4 Project portfolio & new acquisitions
- 6.5 Historical series
- 6.6 Financial structure - Details
- 6.7 Legal structure
- 6.8 Subsidiaries - Details
- 6.9 Additional information
- 6.10 Glossary
- 6.11 Contact details
- 6.12 Disclaimer

6.1 Appendix -Consolidated balance sheet

Consolidated balance sheet

€m	30/09/2015	31/12/2014
ASSETS		
Property investments	6,279	5,663
Other non-current assets	47	47
Non-current assets	6,326	5,710
Debtors and other receivables	92	71
Other current assets	221	128
Assets available for sale	16	17
Current assets	329	215
TOTAL ASSETS	6,654	5,925
LIABILITIES		
Share capital	797	797
Reserves and others	623	134
Profit (loss) for the period	213	492
Equity	1,634	1,423
Minority interests	1,477	1,376
Net equity	3,110	2,799
Bond issues and other non-current issues	2,140	1,196
Non-current financial debt	499	1,401
Deferred tax	226	197
Other non-current liabilities	118	124
Non-current liabilities	2,983	2,918
Bond issues and other current issues	330	9
Current financial debt	105	68
Creditors and other payables	92	93
Other current liabilities	34	39
Current liabilities	561	209
TOTAL EQUITY & LIABILITIES	6,654	5,925

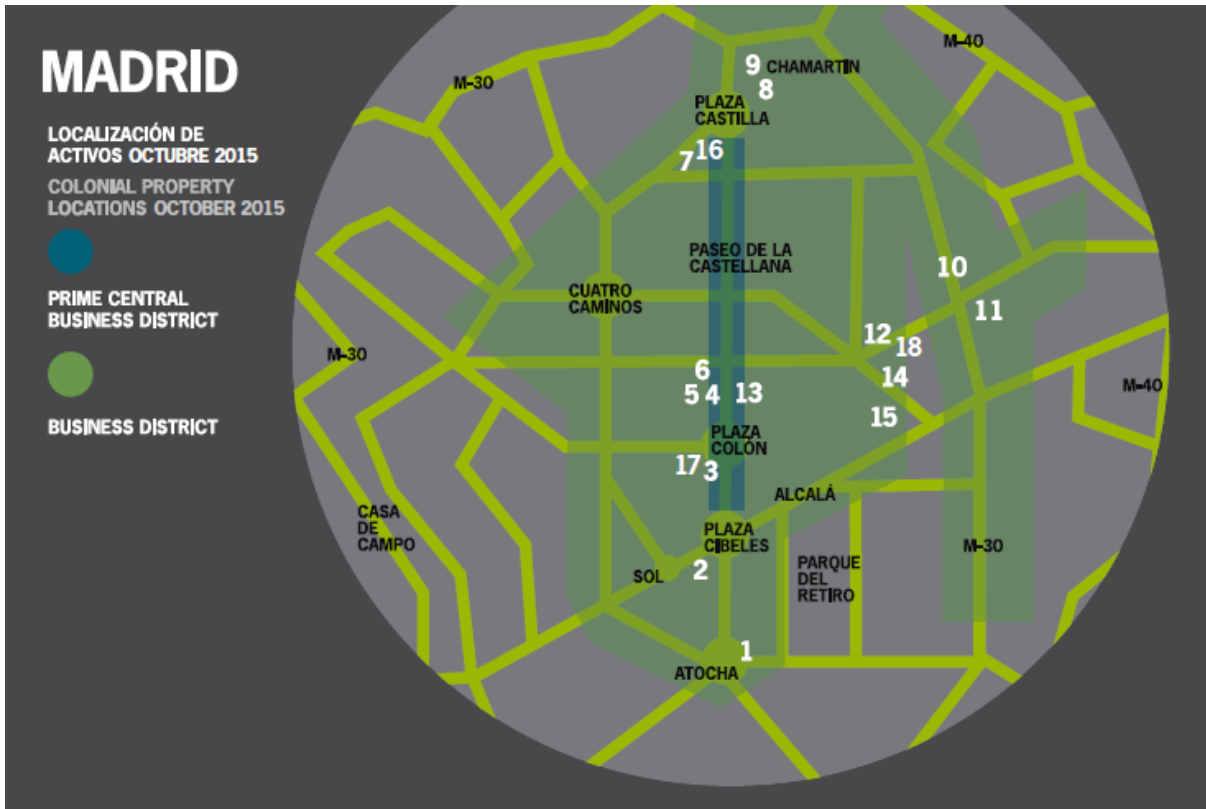
6.2 Appendix - Asset portfolio - Locations

Barcelona



6.2 Appendix - Asset portfolio - Locations (cont.)

Madrid



 1 ALFONSO XIII, 62	 6 JOSÉ ABASCAL, 56	 11 MV 49 BUSINESS PARK	 16 ESTEBANEZ CALDERÓN, 3-5
 2 ALCALÁ, 30-32	 7 CAPITÁN HAYA, 53	 12 LÓPEZ DE HOYOS, 35	 17 GÉNOVA, 17
 3 PASEO DE RECOLETOS, 37-41	 8 AGUSTÍN DE FOXÁ, 29	 13 PASEO DE LA CASTELLANA, 52	 18 PRÍNCIPE DE VERGARA, 112
 4 PASEO DE LA CASTELLANA, 43	 9 HOTEL TRYP CHAMARTÍN	 14 FRANCISCO SILVELA, 42	
 5 MIGUEL ÁNGEL, 11	 10 RAMÍREZ DE ARELLANO, 37	 15 ORTEGA Y GASSET, 100	

6.2 Appendix - Asset portfolio - Locations (cont.)

Paris

The entire Paris portfolio has energy certificates



1 LDE LDA



6 CÉZANNE SAINT-HONORE



11 96 IENA



16 ILOT RICHELIEU



2 WASHINGTON PLAZA



7 EDOUARD VII



12 131 WAGRAM



17 LE VAISSEAU



3 GALERIE DES CHAMPS-ÉLYSÉES



8 176 CHARLES DE GAULLE



13 103 GRENNELLE



18 112 WAGRAM



4 90 CHAMPS-ÉLYSÉES



9 RIVES DE SEINE



14 104-110 HAUSSMANN



19 4-8 RUE CONDORCET



5 92 CHAMPS-ÉLYSÉES-OZONE



10 IN/OUT



15 6 HANOVRE



20 9 AV. PERCIER

6.3 Appendix - Asset portfolio - Details

Spain

RENTAL PORTFOLIO SPAIN	Floor space above ground				Floor space above ground	Floor space below ground	Total surface	Parking units
	Offices	Retail	Resid.	Hotel				
AV. DIAGONAL, 409	4,531				4,531			
AV. DIAGONAL, 530	11,781				11,781	4,708	16,489	99
AV. DIAGONAL, 609-615 (DAU)	21,381				21,381	18,839	40,220	438
AV. DIAGONAL, 682	8,622				8,622	1,795	10,417	43
PEDRALBES CENTRE		5,558			5,558	1,312	6,870	
AUSIAS MARCH / LEPANT	6,430				6,430	1,521	7,951	64
BERLIN, 38-48/NUMANCIA, 46	12,817				12,817	3,780	16,597	99
GLORIES - Diagonal	11,672				11,672	549	12,221	40
ILLACUNA	20,451				20,451	13,620	34,071	480
TILOS, 2-6	5,143				5,143	3,081	8,224	79
VIA AUGUSTA, 21-23	4,838				4,838	0	4,838	
TRAVESSERA DE GRACIA, 11	4,515				4,515	1,994	6,509	55
AMIGÓ	3,580				3,580	1,766	5,346	70
PLAZA EUROPA 42-44	4,869				4,869	2,808	7,677	68
TORRE BCN	9,035				9,035	3,398	12,433	88
TORRE MARENOSTRUM	22,750				22,750	19,370	42,120	609
SANT CUGAT NORD	27,904				27,904	20,627	48,531	690
P. CASTELLANA, 52	7,523				7,523	2,615	10,138	49
RECOLETOS, 37	17,202				17,202	5,340	22,542	175
CASTELLANA, 43	5,999				5,999	2,441	8,440	81
MIGUEL ANGEL, 11	6,300				6,300	2,231	8,531	81
JOSE ABASCAL, 56	12,337				12,337	6,437	18,774	219
GÉNOVA, 17	4,670				4,670	2,601	7,271	70
ALCALA, 30-32	9,088				9,088	1,700	10,788	52
ALFONSO XII, 62	13,135				13,135	2,287	15,422	78
FRANCISCO SILVELA, 42	5,725				5,725	3,654	9,379	105
ORTEGA Y GASSET 100	7,792				7,792	2,563	10,355	96
CAPITAN HAYA	16,015				16,015	9,668	25,683	295
LOPEZ DE HOYOS, 35	7,140				7,140	4,105	11,245	111
AGUSTÍN DE FOXA, 29	6,657				6,657	2,557	9,213	158
CENTRO NORTE HOTEL				8,458	8,458	11,089	19,547	
MARTINEZ VILLER GAS, 49	24,135				24,135	14,746	38,881	437
RAMIREZ DE ARELLANO, 37	5,988				5,988	4,923	10,911	160
HOTEL MARINA DE LA TORRE				11,519	11,519		11,519	
RENTAL PORTFOLIO	330,024	5,558		19,977	355,559	178,125	533,684	5,089
OTHER SMALL RETAIL UNITS		969			969	350	1,319	
PORTFOLIO IN OPERATION SPAIN	330,024	6,527		19,977	356,529	178,475	535,003	5,089
PARC CENTRAL	14,737				14,737	14,737	29,474	184
ESTÉBANEZ CALDERÓN, 3-5	10,458				10,458	3,196	13,654	110
PRÍNCIPE DE VERGARA, 112	11,308				11,308	3,646	14,955	110
ORENSE		5,010			5,010	1,387	6,397	51
REST OF ASSETS	2,005				2,005	2,247	4,252	
PROJECTS UNDERWAY SPAIN	38,508	5,010			43,518	25,214	68,732	455
TOTAL SPAIN	368,532	11,537		19,977	400,047	203,688	603,735	5,544
BARCELONA	196,473	5,661			202,134	115,334	317,469	3,106
MADRID	172,059	5,010		8,458	185,528	88,004	273,532	2,438
OTHERS		866		11,519	12,385	350	12,735	

6.3 Appendix - Asset portfolio - Details (cont.)

France

RENTAL PORTFOLIO FRANCE	Floor space above ground				Floor space above ground	Floor space below ground	Total surface	Parking units
	Offices	Retail	Resid.	Hotel & others				
LOUVRE DES ANTIQUAIRES	25,128	420		2,134	27,683	5,730	33,413	236
EDOUARD 7	26,645	15,998	4,509	4,237	51,389	1,646	53,035	523
HANOVRE LB	3,325				3,325	1,246	4,571	
CONDORCET	20,376		1,562	1,301	23,239	2,457	25,696	50
GALERIES C. ELYSEES 8288		4,067			4,067	3,789	7,856	125
C. ELYSEES 90	7,912	981			8,893		8,893	
C. ELYSEES 92 (OZONE)	4,110	3,089			7,199		7,199	
CEZANNE SAINT HONORE	24,411	1,849			26,261	3,337	29,598	128
PRONY-WAGRAM	7,100			449	7,549	3,119	10,668	124
96 IENA	7,505				7,505	4,711	12,217	264
108-112 WAGRAM	4,470	892			5,362	546	5,908	29
WASHINGTON PLAZA	39,065	416		2,214	41,696	13,125	54,820	662
HAUSSMANN 104-110	11,683	791			12,474	2,650	15,124	104
PERCIER	3,759				3,759	455	4,214	5
176 CHARLES DE GAULLE	5,749	389			6,138	2,739	8,876	145
IN & OUT	32,614				32,614	14,567	47,181	581
RIVES DE SEINE	20,270			1,760	22,030	6,589	28,619	366
103 GRENELLE	13,564	258		1,052	14,873	1,872	16,745	100
SAINT DENIS			60		60	16	76	1
PORTFOLIO IN OPERATION FRANCE	257,686	29,150	6,132	13,147	306,115	68,595	374,709	3,443
#CLOUD (ILOT RICHELIEU)	33,187				33,187	1,609	34,796	99
LOUVRE DES ANTIQUAIRES	3,374	6,260			9,635	8,462	18,097	
LE VAISSEAU	6,026				6,026	2,321	8,347	124
PERCIER	2,187				2,187	517	2,703	
REST OF ASSETS	3,297	531			3,829	21,056	24,885	
PROJECTS UNDERWAY FRANCE	48,071	6,792	0		54,863	33,965	88,828	223
TOTAL FRANCE	305,757	35,942	6,132	13,147	360,977	102,560	463,537	3,666
TOTAL PROPERTY COLONIAL	674,289	47,479	6,132	33,124	761,024	306,248	1,067,273	9,210

6.4 Appendix - Project portfolio & New Acquisitions

1 Projects in progress & New Acquisitions

Estébanez Calderón - Madrid



Property acquired in May 2015, located at Estébanez Calderón 3-5, just a few metres from Paseo de la Castellana. The transaction involves demolishing the current building to build a new unique property, which will incorporate the latest technologies and innovation in materials. The property will receive the most prestigious environmental and sustainability certificates. The new office building will provide a total of 10,500 sq m of surface area above ground, with optimal space efficiency on all floors, enabling it to obtain the “LEED Gold” energy certificate.

Príncipe de Vergara - Madrid



Property acquired in July 2015, located at Príncipe de Vergara, 112, Madrid. The transaction involves demolishing the current property to build a unique new building, which will incorporate the latest technologies and innovation in materials. The property will receive the most prestigious environmental and sustainability certificates. The new office building will provide a total of 11,400 sq m surface area above ground, with optimal space efficiency on all floors, enabling it to obtain the “LEED Gold” energy certificate.

#CLOUD (Rue Richelieu) - Paris



This building was acquired in April 2004, located just a few paces from the Palais Brongniart in the “Cité Financière” (Financial District), and which was let in the past by a large French Bank. During the third quarter of 2012, refurbishments began on the property. This office complex is undergoing a complete renovation project called #Cloud, which will involve the creation of 33,200 sq m of individual offices for top tier clients in central Paris. Currently, 50% of this building is pre-let.

6.4 Appendix - Project portfolio & New Acquisitions (cont.)

9 Avenue Percier - Paris Prime CBD:



Colonial has acquired in June 2015, through its subsidiary Société Foncière Lyonnaise (SFL), an office building of 6,000 sq m, located at number 9 Avenue Percier in the 8th district of Paris, for the amount of €68m (price includes transfer costs).

This new Art Deco style building, located in the central business district, provides flexible and efficient office floors and has the best features which define a prime quality building in the French capital.

"CORE" INVESTMENT	9, Avenue Percier
Paris Prime CBD	Unique asset in Prime CBD location
9 Avenue Percier - Paris (8 th district)	<ul style="list-style-type: none"> ✓ 6,000 sq m office building in the heart of the Central Business District ✓ Art Deco prime quality building with excellent intrinsic qualities ✓ Multi-Tenant building with 900 sq m flexible and efficient floors ✓ Complementary asset to the Colonial's portfolio
Main Tenant - EDF Foundation (31%)	
Price (incl. transfer Costs)	€ 68 m
Price (excl. transfer Costs)	€ 64 m
Sq m	6,000 sq m
Current Occupancy	100%
	Prime Asset with perfect fit in the Group's portfolio

Génova 17 - Madrid Prime CBD:



Colonial acquired an office building of almost 5,000 sq m, located at Génova, 17 in Madrid, for the amount of €36m. The property has recently been fully refurbished and has obtained the BREEAM Very Good certificate. The building is currently in full commercialisation phase, with an occupancy of 66 %.

"CORE" INVESTMENT	Génova, 17
Madrid Prime CBD	Unique asset in Prime CBD location
Génova, 17 - Madrid	<ul style="list-style-type: none"> ✓ 5,000 sq m building situated in Génova, 17 in Madrid ✓ Refurbished building with Breeam Very Good certification ✓ Unique product to capture maximum rents in Madrid
Price	€36 m
Surface	4,776 sq m
Parking units	70 units
Occupancy	66%
	Prime Asset with perfect fit in the Group's portfolio

6.4 Appendix - Project portfolio & New Acquisitions (cont.)

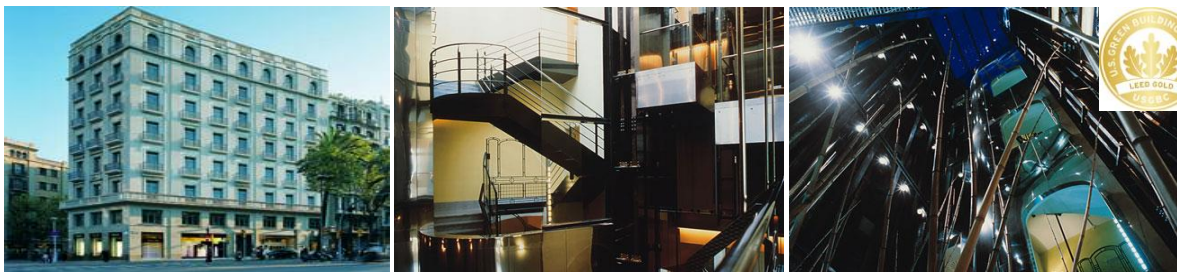
2 Recently delivered projects

Travessera de Gràcia/Amigó



A two-building office complex project with a total of 8,095 sq m above ground, located in Travessera de Gràcia, where it crosses with Calle Amigó, no more than a few metres from Avenida Diagonal in a busy and well-connected shopping area. An office complex with state-of-the-art façades and an outstanding design. Office spaces ranging from 200 sq m to 540 sq m per floor. These high-quality and energy-efficient buildings and facilities have obtained the LEED Gold Pre-certification (“green building”).

Diagonal 409



A LEED Gold certified, seven floor building with very light open plan floors distributed over approximately 500 sq m. Perfectly located at the intersection of Avenida Diagonal and Calle Balmes. Ideal for companies looking to combine a classic style with the functionality of the most modern office building. The current occupancy of this asset stands at 97%.

6.4 Appendix - Project portfolio & New acquisitions (cont.)

Paseo los Tilos



New office building, with the LEED Silver pre-certification, located in one of the most prestigious residential areas in Barcelona. The building has five open plan floors of office space with a total rentable surface area of 5,143 sq m and two floors underground with a total of 79 parking spaces. Floors with high quality interiors and finishings, which offer an average surface area per floor of over 1,000 sq m. This building was delivered during the first quarter of 2015 and is 100% let.

90 Champs-Élysées



An office complex of more than 9,000 sq m located on top of the Champs-Elysées shopping centre. During the first quarter of 2015, it came into operation. The building was already pre-let by a top tier consulting firm.

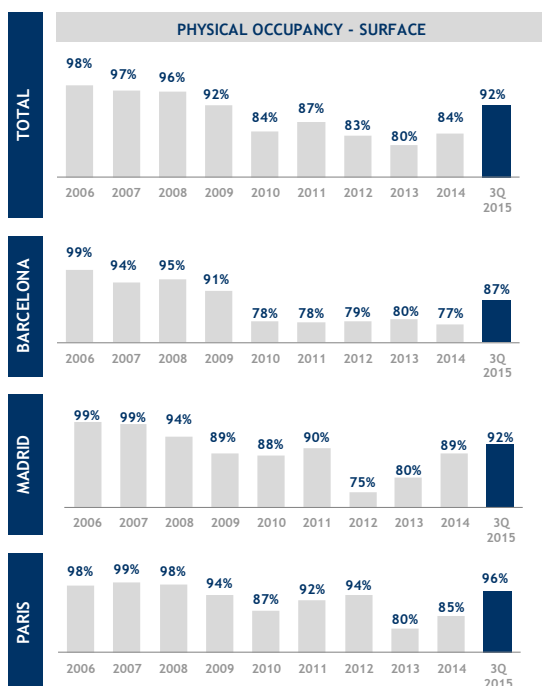
6.5 Appendix - Historical series

Historical series breakdown

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	
Barcelona												
Physical Offices Occupancy (%)	97%	100%	99%	94%	95%	91%	78%	78%	79%	80%	77%	
Rental income (€m)	55	53	56	60	51	49	39	32	31	28	28	
EBITDA (€m)	53	51	55	58	49	47	37	28	27	25	23	
Ebitda / Rental income (%)	95%	96%	97%	97%	96%	97%	93%	88%	89%	89%	85%	
Madrid												
Physical Offices Occupancy (%)	93%	98%	99%	99%	94%	89%	88%	90%	75%	80%	89%	
Rental income (€m)	37	44	68	70	56	50	47	45	44	35	32	
EBITDA (€m)	34	42	66	66	52	46	42	41	40	30	28	
Ebitda / Rental income (%)	93%	94%	96%	95%	92%	92%	90%	90%	90%	86%	85%	
Paris												
Physical Offices Occupancy (%)	97%	96%	98%	99%	98%	94%	87%	92%	94%	80%	85%	
Rental income (€m)	157	153	162	170	182	183	175	152	150	149	152	
EBITDA (€m)	147	145	153	162	171	173	162	141	138	137	139	
Ebitda / Rental income (%)	94%	95%	95%	95%	94%	94%	93%	93%	92%	92%	92%	

Evolution of physical office occupancy

Office Occupancy⁽¹⁾ - Evolution of Colonial's Portfolio



(1) Occupied surfaces/Surfaces in operation

6.6 Appendix - Financial structure - Details

The main characteristics of the Colonial Group's debt are as follows:

1. Bonds issued in two tranches in June 2015 for a total amount of €1,250m according to the following breakdown:
 - a) Issue of €750m, maturing in June 2019 with an annual fixed coupon of 1.863%.
 - b) Issue of €500m, maturing in June 2023 with an annual fixed coupon of 2.728%.

These bonds are unsubordinated and non-preferential between them, and have been accepted for listing on the Main Securities Market of the Irish Stock Exchange.

2. Three SFL bond issues for €1,200m according to the following breakdown:
 - a) Issue in May 2011 for the initial amount of €500m, maturing in May 2016. After the repurchase carried out in November 2014, the amount was reduced to €300m with an annual fixed coupon of 4.625%.
 - b) Issue in November 2012 of the initial amount of €500m, with pending amount after the repurchase carried out in November 2014 of €400m, maturing in November 2017, with an annual fixed coupon of 3.5%.
 - c) Issue in November 2014 for €500m, with an annual fixed coupon of 1.875% maturing in November 2021.

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

3. SFL's two syndicate loans:
 - a) A syndicate loan for a nominal amount of €400m, the agent bank of which is "BNP PARIBAS", maturing in July 2018 with an applicable spread between 120 basis points and 150 basis points, subject to the LTV level. €75m of this loan is drawn.
 - b) A syndicate loan, the agent bank of which is "Natixis Banques Populaires" for a nominal amount of €150m, maturing in October 2019. The applicable spread varies between 140 basis points and 170 basis points, depending on the LTV. At 30 September 2015 this loan was totally undrawn.
4. Bilateral loans with mortgage securities:
 - a) The Colonial Group in Spain holds €40m in bilateral loans, with mortgage securities on two property assets. The average maturity of these loans is 5.2 years and the average financing spread is 80 basis points.
 - b) SFL holds a total of €236m in bilateral loans with various financial institutions, with mortgage securities on property assets. The average maturity of these loans is 6 years and the average financing spread is 99 basis points. In July 2015, SFL renegotiated €208m of these bilateral loans, postponing their maturity from July 2017 to July 2022 at a fixed rate of 1.571%.

6.6 Appendix - Financial Structure - Details (cont.)

5. Bilateral loans without mortgage securities:

SFL holds various loans for the amount of €258m, with an average maturity of 2.8 years and an average financing spread of 110 basis points.

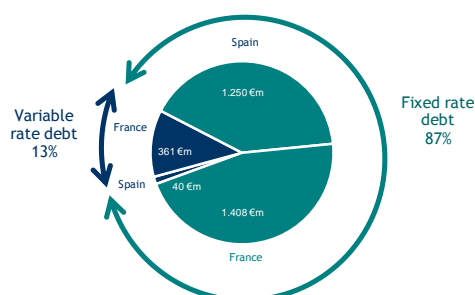
Hedging portfolio

The breakdown of the hedging portfolio at 30 September 2015 is the following:

30 September 2015 Financial instrument - €m	Description	Spain	France	Total	%	MTM (Ex-coupon)
Total hedging portfolio (Variable - Fixed)		89	0	89	100%	(7)
Maturity (years)		4.2	0.0	4.2		
% Hedging portfolio / Gross debt		100%	0%	22%		
% Fixed rate or hedged debt vs/ Gross debt		100%	80%	90%		

Colonial's bond issue and the conversion to a fixed rate of €208m of SFL's debt has resulted in 87% of the Group's debt being contracted at a fixed rate. In addition, the Group uses derivative financial instruments that enable it to manage its exposure to interest rate fluctuations. The objective of the risk management policy is to reduce exposure to interest rate volatility in order to limit and control the impact of interest rate fluctuations on the cash flow and results, maintaining an appropriate global cost of debt. In addition, the policy of the Group is to contract instruments that comply with the requirements established under the IFRS 39, allowing the variance in the market value (MtM) to be registered directly in net equity.

Breakdown of fixed rate and variable debt at 30/09/2015

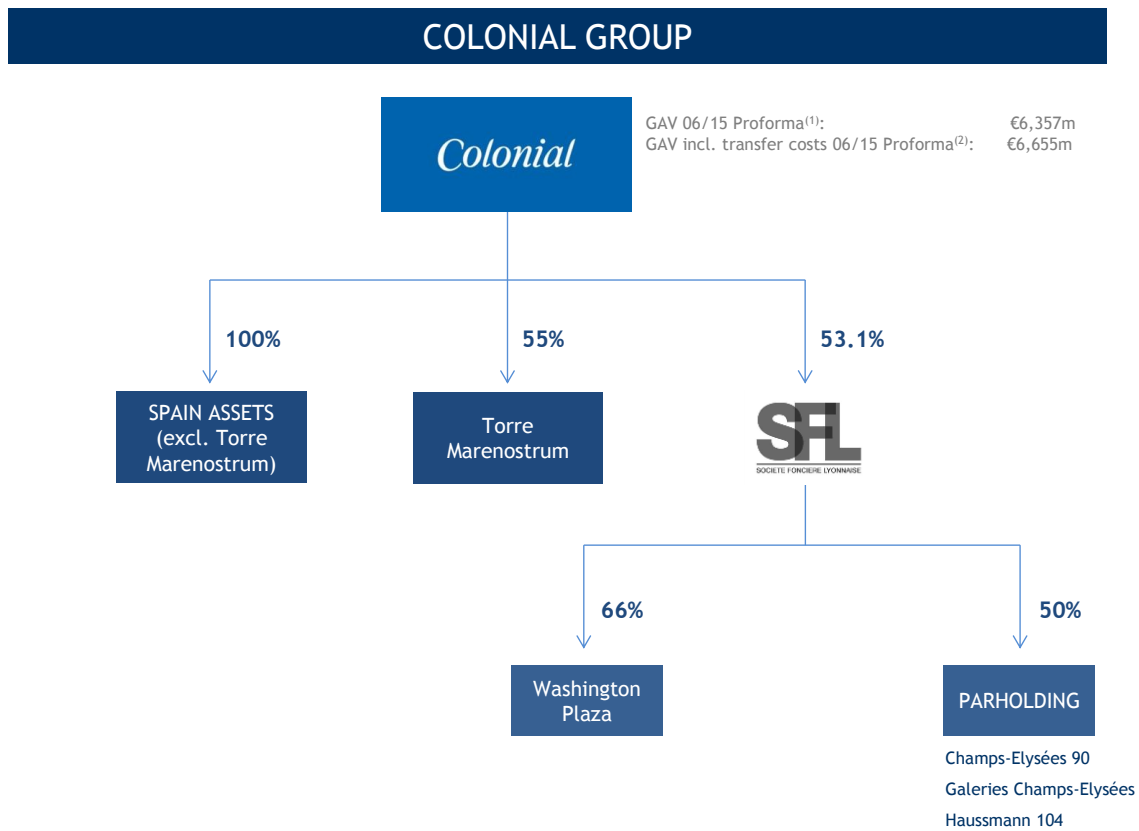


The Colonial Group has hedging instruments contracted for €89m. In addition to the previous derivatives, Colonial also has €780m in CAPS at an average interest rate of 1.25% to comply with the provisions of the previous syndicate loan.

In Spain the effective hedging ratio was 100% because, as a result of the two bond issues carried out by Colonial, the debt is almost entirely at a fixed rate. In France, all hedging instruments in force were cancelled as a consequence of the renewal at a fixed rate of the associated debt.

At 30 September 2015, the total percentage of debt hedged or at a fixed rate over the total debt stood at 90% (100% in Spain and 80% in France).

6.7 Appendix - Legal structure



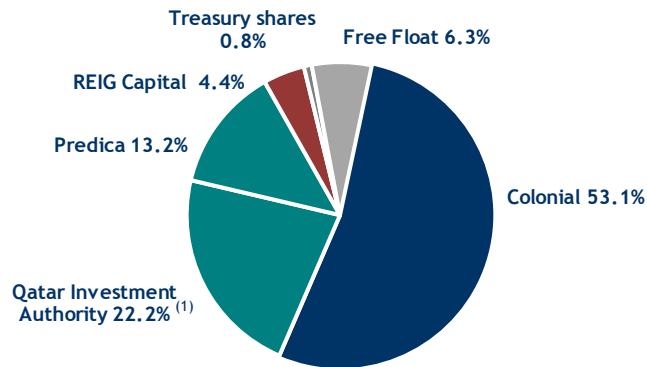
Notes:

- (1) GAV as of June 2015, incl. acquisitions of Principe de Vergara, 112 and Génova, 17 formalised in 3Q15 at acquisitions prices
 (2) GAV incl. transfer costs as of June 2015, incl. acquisitions of Principe de Vergara, 112 and Génova, 17 formalised in 3Q15 at acquisitions prices

6.8 Appendix - Subsidiaries - Details



Shareholder structure and Board of Directors of SFL

SFL - Shareholder structure at 30/09/2015



(1) Stake held through Qatar Investment Authority (13.6%) and DIC Holding (8.6%).

Board of Directors SFL

Name of Director			Executive Committee	Nominations & Remunerations Committee	Audit & Control Committee	Independent Directors Committee
Juan José Brugera Clavero	Chairman	<i>Colonial</i>	Chairman			
Pere Viñolas Serra	Vice-Chairman - Director	<i>Colonial</i>	Member	Member		
Carlos Fernández-Lerga Garralda	Director	<i>Colonial</i>			Chairman	
Carmina Ganyet Cirera	Director	<i>Colonial</i>	Member			
Angels Arderiu Ibars	Director	<i>Colonial</i>				
Carlos Krohmer	Director	<i>Colonial</i>				
Luis Maluquer Trepas	Director	<i>Colonial</i>				
Jean-Jacques Duchamp	Director		Member		Member	
Chantal du Rivau	Director					
Reig Capital Group Luxembourg SARL (Carlos Ensenat Reig)	Director					
Anne-Marie de Chalambert	Independent Director			Member		Member
Jacques Calvet	Independent Director				Member	Member
Anthony Wyand	Independent Director			Chairman		Member

6.9 Appendix - Additional information

1) EPRA Earnings

EPRA Earnings - €m	09/2015	09/2014
Earnings per IFRS Income statement	213.5	563
<i>Earnings per IFRS Income statement - Euros cents per share</i>	<i>6.7</i>	<i>17.8</i>
Adjustments to calculate EPRA Earnings, exclude:		
(i) Changes in value of investment properties, development properties held for investment and other interests	(347.6)	0.0
(ii) Profits or losses on disposal of investment, development properties held for investment and other interests	(0.5)	0.3
(iii) Profits or losses on sales of trading properties including impairment changes in respect of trading properties	(0.0)	0.0
(iv) Tax on profits or losses on disposals	0.0	0.0
(v) Negative goodwill / goodwill impairment	0.0	0.0
(vi) Changes in fair value of financial instruments and associated close-out costs	34.9	7.5 ⁽¹⁾
(vii) Acquisition costs on share deals and non controlling joint venture interests	0.0	0.0
(viii) Deferred tax in respect of EPRA adjustments	25.4	12.9 ⁽¹⁾
(ix) Adjustments (i) to (viii) above in respect of joint ventures (unless already included under proportional consolidation)	0.0	(2.0)
(x) Minority interests in respect of the above	100.2	70.8
EPRA Earnings	25.8	653
<i>EPRA Earnings per Share (EPS) - Euros cents per share</i>	<i>0.8</i>	<i>20.6</i>
Colonial specific adjustments:		
(a) Discontinued operations	0.0	(704)
(b) Extraordinary expenses	1.6	(26) ⁽¹⁾
(c) Non recurring financial result	0.0	89 ⁽¹⁾
Company specific adjusted EPRA Earnings	27.4	12.9
<i>Company adjusted EPRA Earnings per Share (EPS) - Euros cents per share</i>	<i>0.9</i>	<i>0.4</i>

(1) Note: 2014 figures restated according to the latest update of EPRA Best Practices Recommendations

6.9 Appendix - Additional information (cont.)

2) EPRA Vacancy Rate

EPRA Offices Vacancy Rate

€m	09/2015	09/2014	Var. %
<u>BARCELONA</u>			
Vacant space ERV	3.9	6.4	
Portfolio ERV	30.5	28.7	
EPRA Vacancy Rate Barcelona	13%	22%	(9.5 pp)
<u>MADRID</u>			
Vacant space ERV	2.7	4.7	
Portfolio ERV	34.7	32.1	
EPRA Vacancy Rate Madrid	8%	15%	(6.9 pp)
<u>PARIS</u>			
Vacant space ERV	8.0	22.1	
Portfolio ERV	148.5	147.1	
EPRA Vacancy Rate Paris	5%	15%	(9.7 pp)
<u>TOTAL PORTFOLIO</u>			
Vacant space ERV	14.6	33.2	
Portfolio ERV	213.7	207.9	
EPRA Vacancy Rate Total Portfolio	7%	16%	(9.2 pp)

Annualized figures

6.10 Appendix - Glossary

Earnings per share (EPS)	Profit from the year attributable to the shareholders divided by the number of shares
BD	Business District
Market capitalisation	The value of the company's capital obtained from its stock market value. It is obtained by multiplying the market value of its shares by the number of shares in circulation
CBD	Central Business District (prime business area)
Property company	Company with rental property assets
Portfolio (surface area) in operation	Property/surfaces with the capacity to generate rents at the closing date of the report
Asentia deconsolidation	Exit from the consolidation perimeter of the Colonial Group
EBITDA	Operative results before net revaluations, amortizations, provisions, interests and taxes
EPRA	European Public Real Estate Association: Association of listed European property companies that sets best market practices for the sector
Free float	The part of share capital that is freely traded on the stock market and not controlled in any stable way by shareholders
GAV excl. transfer costs	Gross Asset Value of the portfolio according to external appraisers of the Group, after deducting transfer costs
GAV incl. transfer costs	Gross Asset Value of the portfolio according to external appraisers of the Group, before deducting transfer costs
GAV Parent Company	Gross Asset Value of directly-held assets + NAV of the 55% stake in the Torre Marenostrum SPV + NAV of 53.1% stake in SFL

6.10 Appendix - Glossary (cont.)

Holding	A company whose portfolio contains shares from a certain number of corporate subsidiaries.
IFRS	International Financial Reporting Standards.
JV	Joint Venture (association between two or more companies).
Like-for-like rents	Data that can be compared between one period and another, excluding the following: 1) investments and disposals, 2) changes in the project and refurbishment portfolio, and 3) other extraordinary items, for example, indemnities from tenants in case of anticipated leave.
Like-for-like valuation	Data that can be compared between one period and another (excluding investments and disposals)
LTV	Loan to Value (Net financial debt/GAV of the business).
EPRA NAV	EPRA Net Asset Value (EPRA NAV) is calculated based on the consolidated equity of the company and adjusting some items following the EPRA recommendations
EPRA NNNAV	The EPRA NNNAV is calculated adjusting the following items in the EPRA NAV: the fair market value of the financial instruments, the fair market value of the debt, the taxes that would be accrued with the sale of the assets at their market value applying tax benefits for reinvestments and the tax credit on balance, considering a going concern assumption.
EPRA Cost Ratio	Administrative & operating costs (including & excluding costs of direct vacancy) divided by gross rental income.
Physical Occupancy	Percentage: occupied square metres of the portfolio at the closing date of the report/surfaces in operation of the portfolio
EPRA Occupancy	Financial occupancy according to the calculation recommended by the EPRA (occupied surface areas multiplied by the market rental prices/surfaces in operation at market rental prices).

6.10 Appendix - Glossary (cont.)

Reversionary potential	This is the result of comparing the rental revenues from current contracts (contracts with current occupancy and current rents in place) with the rental revenues that would result from 100% occupancy at market prices, estimated by independent appraisers. Projects and refurbishments are excluded.
Projects underway	Property under development at the closing date of the report
RICS	Royal Institution of Chartered Surveyors
SFL	Société Foncière Lyonnaise
Take-up	Materialized demand in the rental market, defined as new contracts signed
TMN	SPV of Colonial (55%) and Gas Natural (45%) related to the Torre Marenostrum building
Valuation Yield	Capitalization rate applied by the independent appraisers in the valuation
Yield on cost	Market rent 100% occupied/Market value at the start of the project net of impairment of value + invested capital expenditure
Yield occupancy 100%	Passing rents + vacant spaces rented at the market prices/market value
EPRA net initial yield (NIY)	Annualised rental income based on passing rents as at the balance sheet date, reduced by the non-recoverable expenses, divided by the market value, including transfer costs (= estimated purchasing costs).
EPRA Topped-Up Net Initial Yield	EPRA Net Initial Yield adjusted in respect of the expiration of rent-free periods.
Gross Yield	Gross rents/market value excluding transfer costs
Net Yield	Net rents/market value including transfer costs
€m	In millions of euros

6.11 Appendix - Contact details

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www.inmocolonial.com

Capital Market registry data - Stock market

Bloomberg: COL.SM

ISIN Code: ES0139140042

Indices: IPD, EPRA (FTSE EPRA/NAREIT Developed Europe and FTSE EPRA/NAREIT Developed Eurozone), Global Property Index 250 (GPR 250 Index) & Index Ibex Medium Cap.

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