

Colonial



Colonial – Investor Day

PERFORMANCE

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Chief Corporate Development Officer



Madrid 17/10/18



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PERFORMANCE VS PEERS

Outperformance through prime positioning

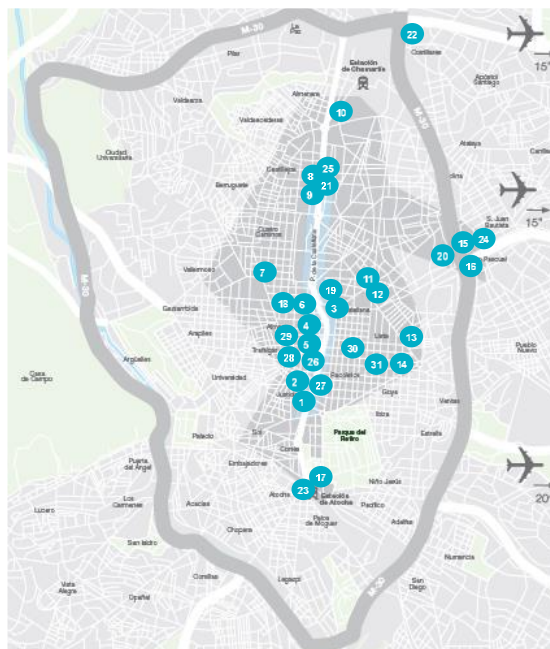
- > Solid outperformance on every metric
- > GRI LFL the highest in the sector
- > Solid price increases as driver for value

KPI's 1H 18	COLONIAL	AVERAGE PEERS
GROSS ASSET VALUE - Like-for-Like	+4%	+3%
GROSS RENTAL INCOME - EPRA LFL	+5%	+2%
RELEASE SPREAD	+26%	+14%
EPRA VACANCY	5%	6%
ENERGY CERTIFICATES (LEED/BREEAM)	89%	82%

01 Unparalleled leadership in the city center
Operational outperformance through prime positioning

- > Colonial as largest property owner in offices in the City Center of Madrid, Barcelona and Paris
- > Strong market share increases negotiation power
- > Colonial best positioned to capture the rental cycle in its markets

Madrid City Center (inside M30)



Top Property owners inside M30

	Assets	GLA (sq m)
Colonial	34	455,040
Peer 1	13	269,737
Peer 2	11	264,463
Peer 3	18	254,308
Peer 4	13	185,434
Peer 5	15	118,022

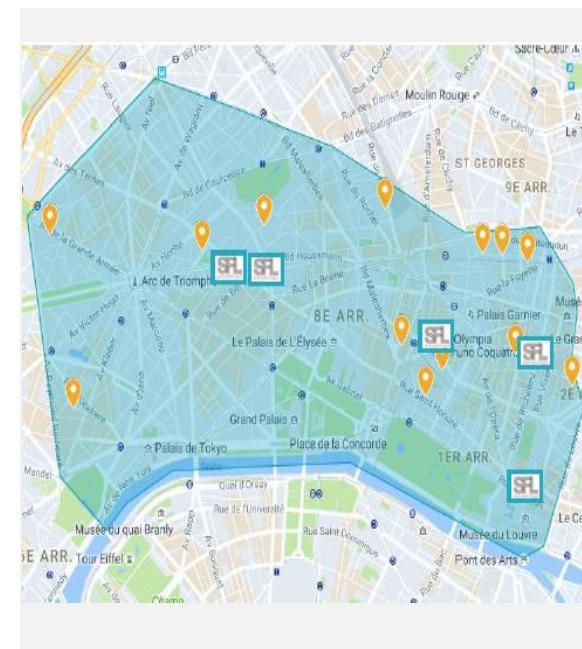
Barcelona City Center



Top Property owners in city center

	Assets	GLA (sq m)
Colonial	18	205,753
Peer 1	9	131,389
Peer 2	4	28,418

Paris CBD



Top Property owners in Paris CBD

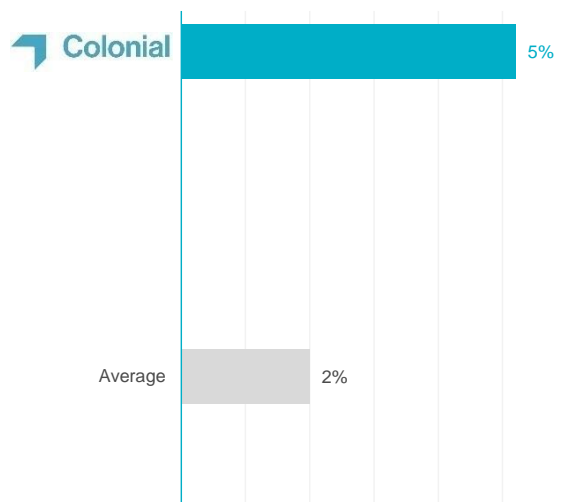
Edouard VII		Opéra Victorie
Washington Plaza		Solstys
Capital 8		Vendome Saint - Honoré
Paris Trocadéro		PSA headquarters
Louvre Saint - Honoré		Cézanne Saint - Honoré
Centorial		Le Madeleine
Paris Bourse		Cambon Capucines
#Cloud.Paris		Le Lafayette
Paris Victorie		Eloite St Honoré

Source: Colonial based on public information

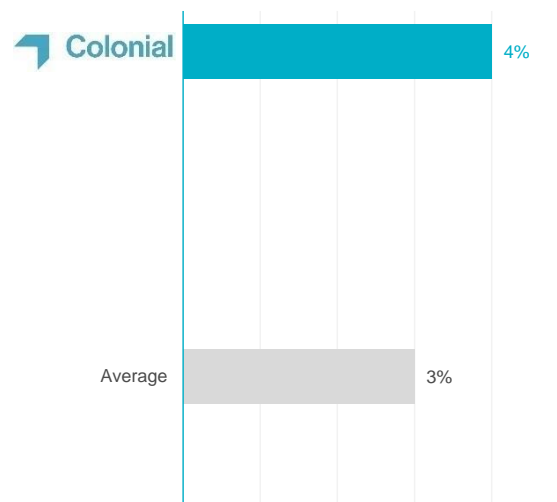
01 Performance vs peers GRI & GAV LFL outstanding

- > Highest GRI EPRA LFL in the sector
- > GAV LFL clearly above average
- > Highest 3 year return in Spanish real estate

GRI LFL 6/18 vs PEERS (TOTAL PORTFOLIO)



GAV LFL 6/18 vs PEERS (TOTAL PORTFOLIO)



HIGHEST RETURN IN SPAIN 2018

MSCI rated Colonial as the best performing specialist fund for Spain.

Colonial obtained the **highest total annualized return in the last 3 years as at 31 December 2018** compared to the property sector benchmark.



European Property
Investment Awards
WINNER 2017
& 2018

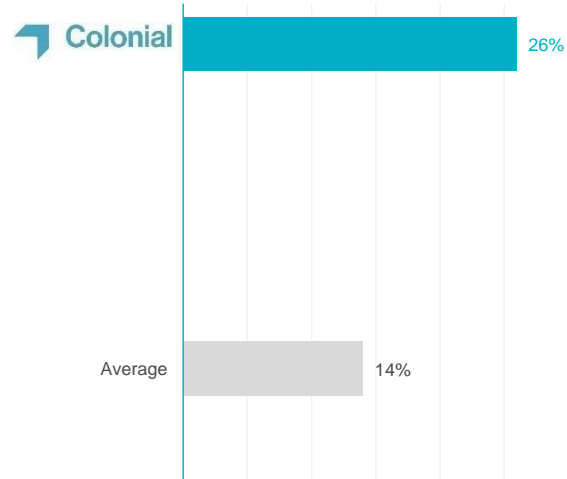
01 Performance vs peers

Strong delivery on rental price increases

- > Highest release spread among peers
- > High double digit positive release spreads
- > Solid release spreads in every city

SOLID INCREASE IN RENTAL PRICES

RELEASE SPREAD 1H 2018 vs PEERS



RELEASE SPREAD BREAKDOWN COLONIAL ¹



Castellana 52



De La Vega B. Park



Sagasta 31-33



Diagonal 609-615



Martinez Villergas, 49



Via Augusta 21-23



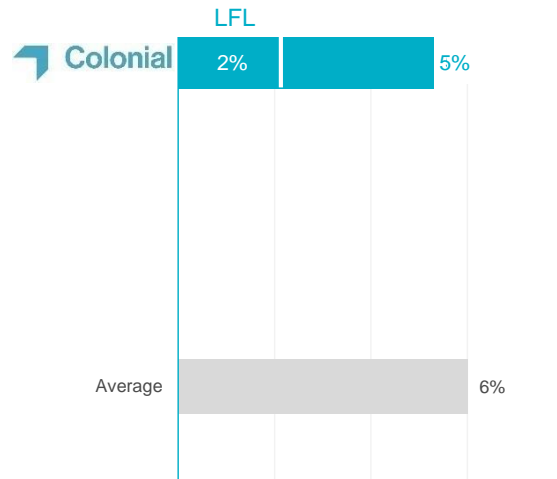
(1) Signed rents vs previous contracts (renewals)

01 Performance vs peers
Healthy vacancy levels

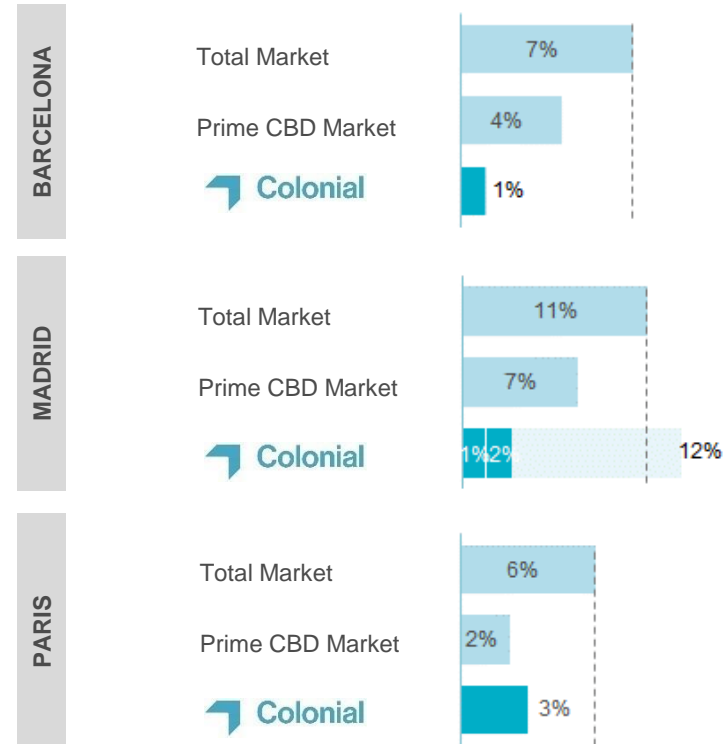
- > Colonial strongly-positioned vs market average
- > Colonial Group's vacancy profile strong vs. peer group
- > A solid base to capture rental growth

EPRA VACANCY

VACANCY 6/18 vs PEERS (TOTAL PORTFOLIO)



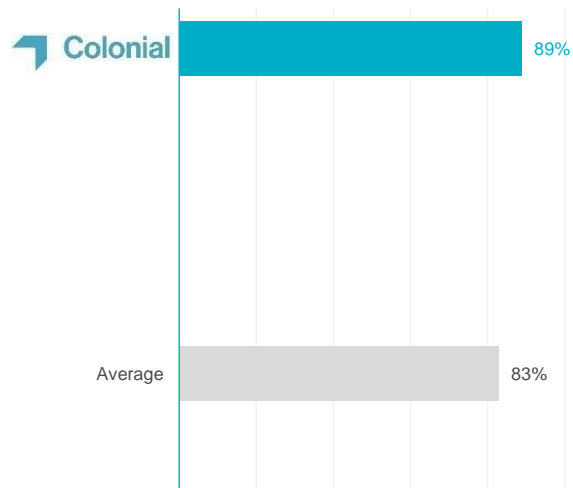
VACANCY COLONIAL vs MARKET 6/18



01 Performance vs peers Strong positioning in ESG

- > BREEAM / LEED certificates clearly above average
- > Solid progress on corporate ESG ratings
- > ESG at the core of strategy

BREEAM/LEED CERTIFICATION



2017 – CONSOLIDATION OF ACHIEVED REPORTING LEVELS



EPRA sBPR Gold

- > 3rd year in a row
- > First mover in Spain



Significant improvement in MSCI Sustainability Rating

- > Upgrade to "A" Rating from "BBB"
- > One of the highest MSCI Sustainability Ratings in European Real Estate



Green Star rating from GRESB

- > 'Green Star', 2nd year in a row
- > Upgrade to 'A' Rating from 'B'



FTSE4Good Index Series

- > Inclusion in FTSE4Good Index in the June 2018 index review

UPDATE ON PERFORMANCE

02 Update on Performance
Fundamentals remain solid

- > Gross Rental Income 8/18 cumulative remains strong
- > Ongoing strong price increases
- > Healthy vacancy levels with reversionary potential

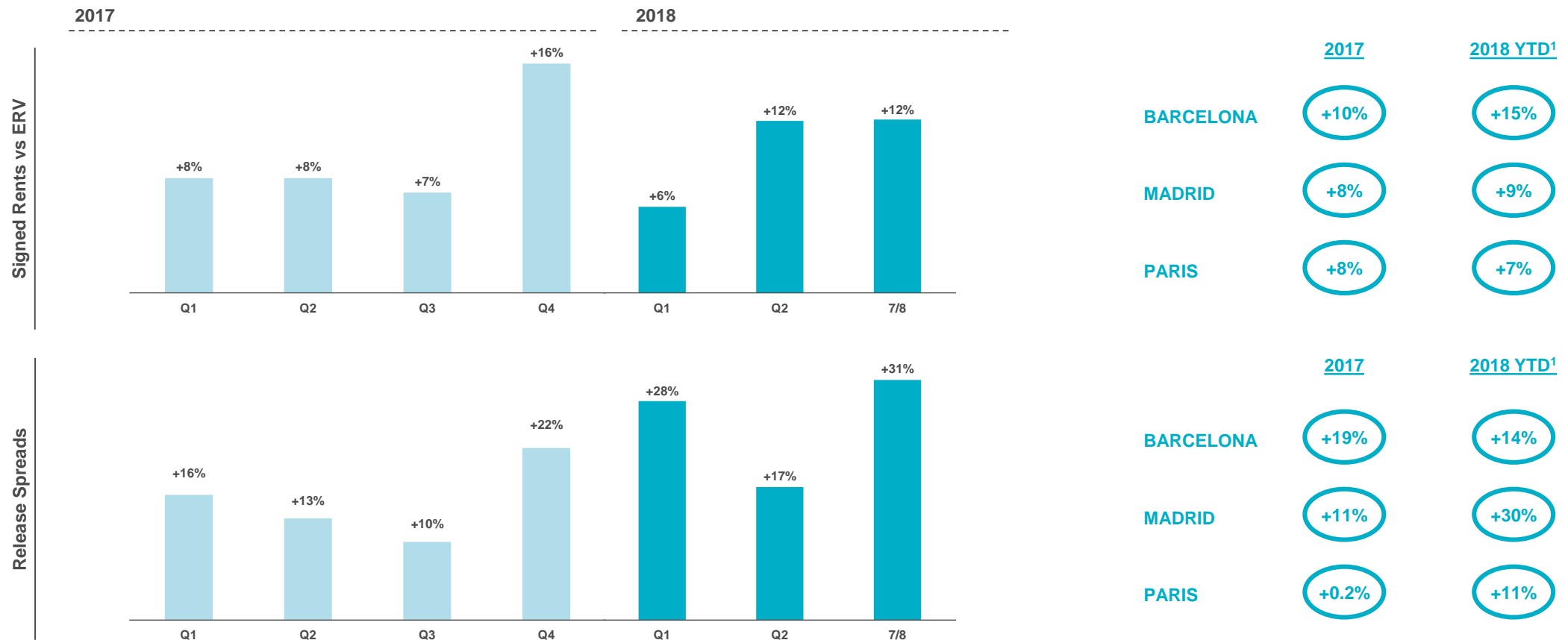
<u>Operating Performance Strong</u>	<u>FY 17</u>	<u>1H 18</u>	<u>7/8 18</u>
GROSS RENTAL INCOME EPRA LFL	+4%	+5%	+5% ¹
RENTAL GROWTH - PRICE vs ERV	+9%	+8%	+12% ²
RELEASE SPREAD	+13%	+26%	+31% ²
EPRA VACANCY	4%	5%	5% ³

(1) 8/18 cum. LFL
 (2) Letting performance July and August
 (3) EPRA vacancy 8/18 post disposals and including delivery of Window and Parc Glories project

Strong delivery on rental price increases

- > 9 quarters in a row with high increases vs ERV
- > 9 quarters in a row with double digit release spreads
- > Strong rental price increases in every segment

Strong delivery on rental price increases



(1) Accumulated until August 2018

SIGNED RENTS vs ERV

1H 2018

Park Cugat



Berlín / Numancia



José Abascal 56



Louvre Saint-Honoré



Amigó



Génova 17



J. I. Luca de Tena 14



Cézanne Saint-Honoré



Diagonal 682



The Window



Discovery Building



Washington Plaza



7/8 2018

The Window



IÉNA



Torre BCN



Washington Plaza



Martinez Villergas, 49



Washington Plaza



RELEASE SPREAD

FY 2017

Glories-Diagonal



Ajuntament de Barcelona

Génova 17



CaixaBank

José Abascal 56



Grant Thornton

Diagonal 609-615



Sagardoy Abogados

Castellana 52



Comunidad de Madrid

De La Vega B. Park **SOLD**



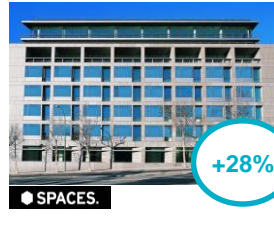
Mölnlycke

Illacuna



Liberty Seguros

Alfonso XII 62



SPACES.

Recoletos 37-41



Casino Gran Madrid

Via Augusta 21-23



curellsuñol

Sagasta 31-33



McKinsey & Company

Miguel Ángel 11



Simmons & Simmons

Alcalá 30-32 **SOLD**



Comunidad de Madrid

Santa Engracia



GRUPO TRANSPORTES ESCOBAR

Galerie des Champs-Élysées



PIERRE HERMÉ, Häagen-Dazs, L'OCCITANE EN PROVENCE

Berlín / Numancia



Servel Meteorològic de Catalunya

Martinez Villergas, 49



ALSTOM

Francisca Delgado 11



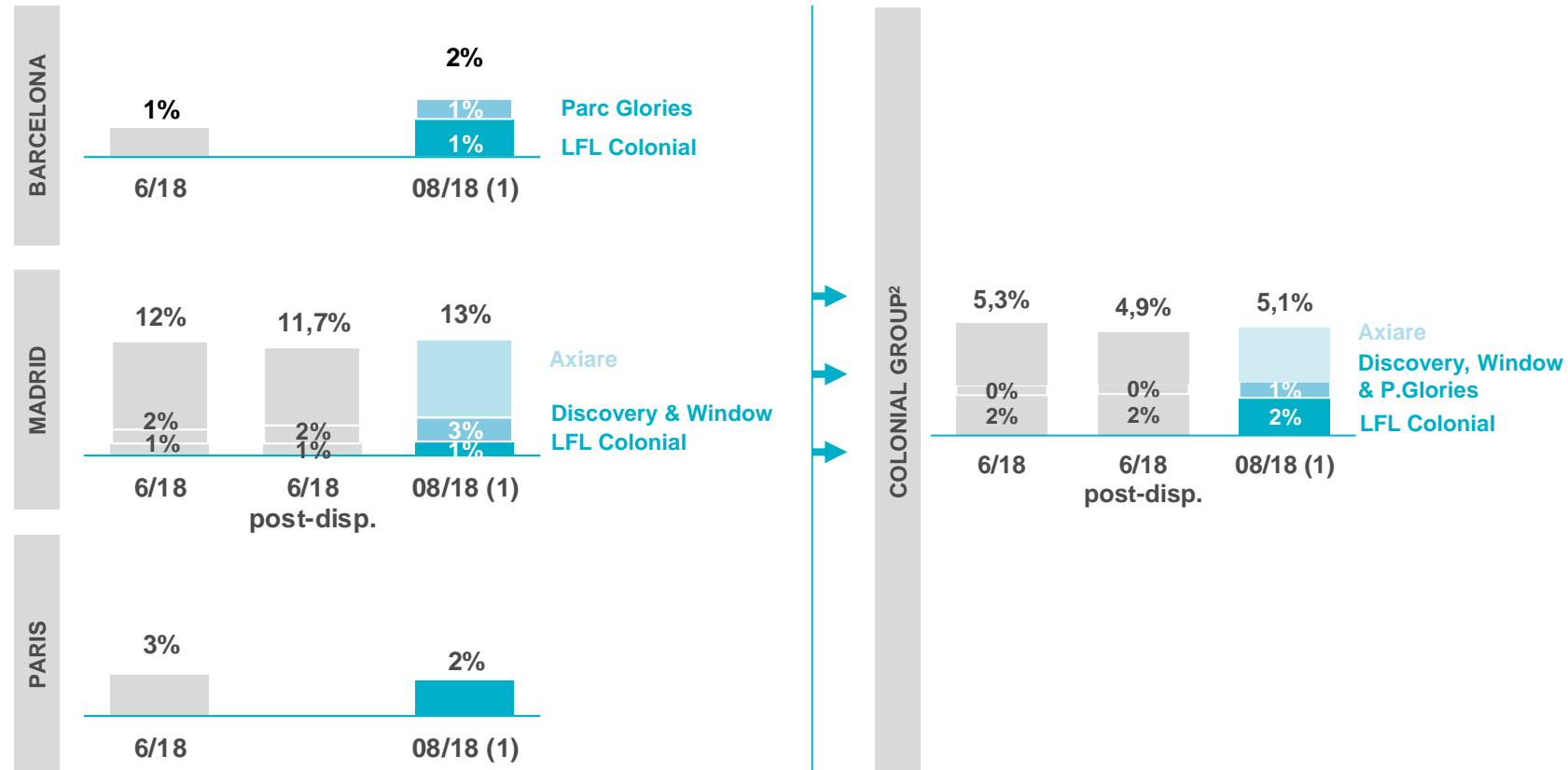
NEINVER

02 Update on Performance

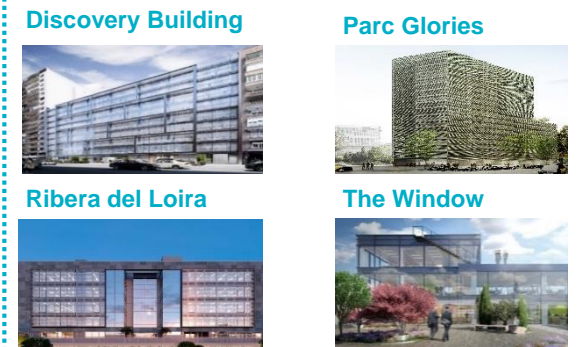
Healthy structural vacancy levels

- > Disposal of assets with higher vacancy letting risk
- > Delivery of projects pipeline provides addition reversion
- > An improved mix of available product

EPRA VACANCY



OFFLOADING RISK & IMPROVING QUALITY REVERSION



(1) Including entry in operation of Window & Parc Glories
 (2) EPRA Vacancy including all uses

Colonial



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