Q3/18

Quarterly Results January - September 2018
15 November 2018

Colonial

Acceleration of recurring profit underpinned by strong top line growth

Bottom line results accelerating

- Q3 cumulative recurring earnings of €68m, +15% vs previous year
- Quarterly Recurring earnings of €27m, +21% vs previous year
- ***2018 EPS Guidance remains at €22cts***

Strong income growth

- +5% like-for-like growth in Gross Rental Income
- +22% Total growth in Gross Rental Income

Solid operating parameters

- Capturing rental price increases: +9% vs. 2017 market rents and +26% in release spreads[1]
- Solid occupancy levels

Alpha IV project

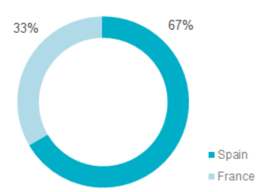
- Disposals of €441m, with a +12% premium on GAV[8]
- Acquisition of €756m of prime SFL stake up to 81% - impact in 4Q
- Pro-forma EPRA NAV of €9.44/share[9]
- Upgrade of S&P rating up to BBB+ (highest rating in Spanish Real Estate)

Company KPIs - 3Q 2018

P/L €m data	2018	2017	Variance
Gross Rental Income	258	212	+22%
EBITDA recurring	202	169	+20%
Recurring Net Profit	68	59	+15%
Attributable Net Profit	281	454	-38%

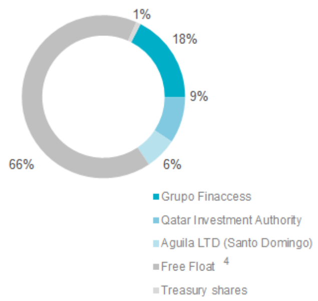
Capital Structure	2018
GAV Group (€m) - 30/06/2018	11,190
Net debt (€m)	4,344
Undrawn balances (€m)	2,054
Group LTV [3]	38%
Debt maturity (years)	6.0

Geographical diversification - 30/06/2018 [2]



Rating Standard & Poors
BBB+ stable outlook

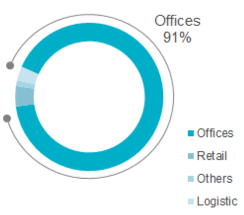
Shareholder structure Colonial



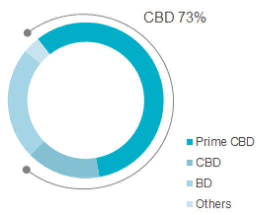
Portfolio KPIs

GAV Group (€m) - 30/06/2018	11,190
No. of assets Spain	*66*
No. of assets France	*20*
No. of assets Logistic & Others	*15*
Total no of assets [5]	101
Lettable surface	*1,383,247*
Developments underway [6]	*400,167*
Surface above ground (sqm)	1,783,413

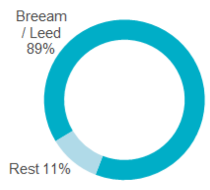
Valuation - by uses - 30/06/2018



Offices Valuation - by area - 30/06/2018 [10]



% Buildings with energy certification [7]



(1) Signed rents in renewals vs previous rent
(2) GAV Parent Company: Value of assets directly-held + NAV of the 55% stake in the SPV T. Marenostrum + NAV of the 58.6% stake in SFL + Value P. Europa JV.
(3) Net debt Group /GAV Group (incl. Transfer costs) + Treasury shares + JV Plaza Europa and post disposals
(4) Free float: shareholders with minority stakes and without representation on the Board of Directors
(5) Excluding small non-core assets
(6) Projects & refurbishments
(7) Buildings in operation with energy certification in base on GAV 6/18
(8) Last reported GAV buildings in operation and acquisition price + capex for the project
(9) NAV proforma resulting from the acquisition of 22%, calculated based on the last NAV reported by Colonial and SFL in June 2018

Highlights

Q3 Results 2018

Acceleration of Colonial's growth following the merger with Axiare with solid results of the new Group in all business segments underpinned by a strategy focussed on quality

Q3 2018 results reflect sound fundamentals across all business segments and strong rental growth.

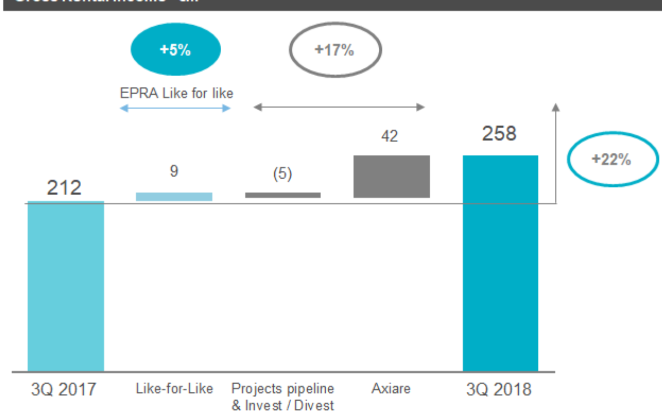
At the start of July, Colonial merged with Axiare, a transaction that consolidated Colonial Group's leadership in prime offices, allowing it to obtain very solid operating results. Colonial also completed the Alpha IV project at the beginning of October, which involved disposing of a series of mature assets, and acquired a 22% stake in SFL in November, as well as Diagonal 525 in Barcelona.

The cumulative recurring results at 30 September amounted to €68m (+15% vs previous year), boosted by a strong third quarter which registered €27m (+21% vs Q3 2017). This acceleration followed the recent completion of the Axiare merger in July 2018.

Solid fundamentals in all segments

Significant growth in rental income

Strong increase of Gross Rental Income of +22% based on the incorporation of Axiare, other acquisitions, as well as a strong like-for-like growth of +5%, one of the highest like-for-like growth rates in Spain and Europe.



	EPRA Like for like	Acquisitions & Projects	Axiare	In&Out divestment	TOTAL
BCN	+4%	(2%)	+13%	-	+15%
MADRID	+5%	+13%	+66%	-	+85%
PARIS	+5%	(1%)	-	(7%)	(3%)
TOTAL	+5%	+4%	+20%	(7%)	+22%

Strong like-for-like growth in rental income was achieved in all markets in which the Group operates:

1. Madrid +5% boosted by rental increases and new leases signed in the Alfonso XII, Génova & José Abascal 45 properties.
2. Paris +5% due to rental increases and new leases signed in Washington Plaza, Cézanne Saint Honoré, 103 Grenelle & Percier.
3. Barcelona +4% due to rental increases across the whole portfolio.

Lettings with significant growth in rental prices

During the first nine months of 2018, Colonial Group signed 82 leases, corresponding to more than 154,000 sqm and an annual rental income of €37m. More than 97,000 sqm of the space signed related to the office portfolio, achieving significant rental uplift.

Strong price increases	3Q 2018		2018	
	% Var. vs ERV 12/17[1]	Release Spread[2]	% Var. vs ERV 12/17[1]	Release Spread[2]
Barcelona	+18%	+32%	+15%	+18%
Madrid	+12%	+32%	+9%	+30%
Paris	+4%	+13%	+5%	+13%
TOTAL OFFICES	+10%	+26%	+9%	+26%

(1) Rent signed vs market rent at 31/12/2017 (ERV 12/17)
(2) Rent signed in renewals vs previous rents

Compared with the market rent (ERV) at December 2017, signed rents in Q3 2018 increased by +10%. In Barcelona, rents were signed +18% above market rents, while in the Madrid and Paris portfolios, they were signed +12% and +4% above respectively. Release spreads have been double digit in the third quarter: Barcelona +32%, Madrid +32% and Paris +13%.

Colonial's total letting activity is spread across the three markets the company operates in. In Q3 2018, almost 34,000 sqm were signed across 16 leases in the Spanish portfolio. Particularly noteworthy in Madrid was the renewal of 16,000 sqm with Iberia in the Martínez Villergas property, as well as over 9,000 sqm signed with various tenants (Utopic_us, Novo Banco, TMF Group and Fibonad) in the recently delivered Príncipe de Vergara (The Window) project, and the signing of more than 2,500 sqm in Discovery Building. In Barcelona, of note is the renewal of 2,000 sqm with Accenture in the Sant Cugat property.

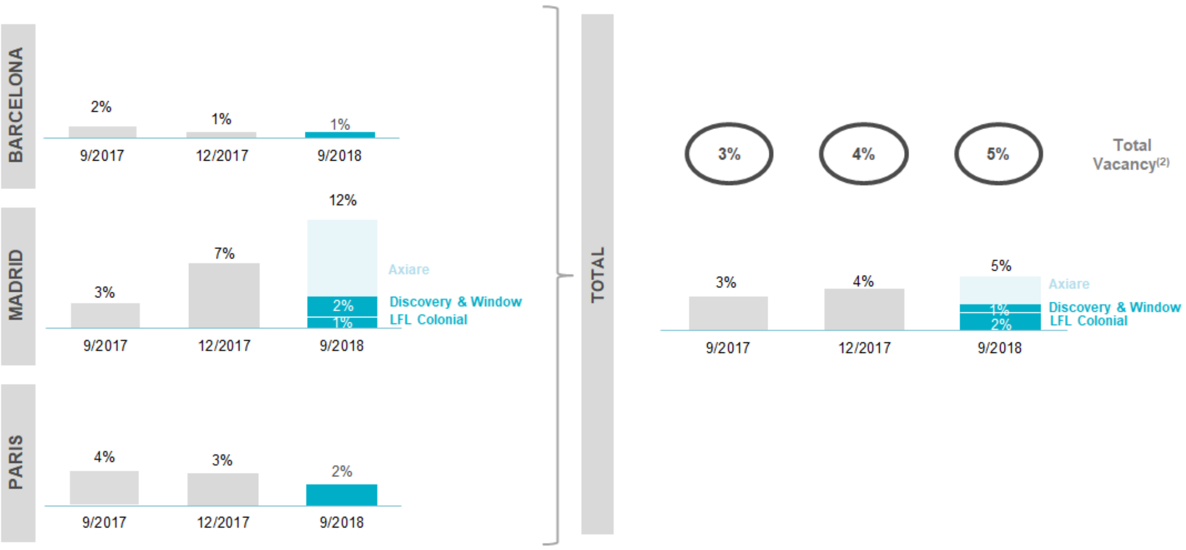
In the Paris portfolio, more than 11,000 sqm were signed across 11 leases. Of special interest are the renewals of over 1,400 sqm in the Washington Plaza building, as well as over 800 sqm in the Percier property. In terms of new leases, we would note the over 4,700 sqm let in the Washington Plaza building and 3,300 sqm in the Cézanne Saint Honoré building.

Solid occupancy levels

The total vacancy of Colonial Group's portfolio (including all uses: offices, retail and logistics) stood at 5% at the end of Q3 2018, with the Barcelona and Paris office portfolios registering particularly noteworthy low vacancy ratios of 1% and 2%, respectively. The Madrid office portfolio's vacancy rate stood at 12%, with 8.6% corresponding to the Axiare portfolio and 2% to the recent deliveries of the Discovery Building and The Window projects – both of which are generating strong interest in the lettings market. The rest of the Madrid portfolio has a vacancy rate of 1%.

EPRA VACANCY[(1)]

Office & Total Vacancy – Evolution of Colonial's Portfolio



(1) ***EPRA vacancy****: financial vacancy according to the calculation recommended by EPRA (1-[Vacant floorspace multiplied by the market rent/operational floorspace at market rent])*
(2) *Total portfolio including all uses: offices, retail and logistics*

At the close of Q3 2018, Colonial Group's logistics portfolio had a vacancy rate of 5%.

The Group currently has over 55,000 sqm of office space available, equating to an EPRA vacancy rate of 5% for the entire office portfolio. The available space in the Axiare portfolio, combined with the vacant space in the Discovery Building and The Window offers an extremely high quality supply for a Madrid market which is clearly lacking Grade-A product. Therefore, this assets offer a significant rental reversion potential in the coming quarters.

Vacancy surface of offices

Surface above ground (sq m)	Entries into operation [(1)]	BD area and others	CBD area	2018	EPRA Vacancy Offices
Barcelona	0	333	1,544	1,877	1%
Madrid	20,688	11,143	13,499	45,330	12%
París	0	6,026	2,250	8,275	2%
TOTAL	20,688	17,501	17,293	55,482	5%

(1) Projects and refurbishments that have entered into operation


"Discovery Building"


"Window Building"


Cézanne Saint Honoré


Alfonso XII


Ribera de Loira 28


Travessera Gracia/Amigó

Alpha IV delivered

In mid-November 2018, Colonial Group completed the Alpha IV project, which involved the disposal of non-core assets and mature product outside of the CBD for €441m, and the acquisition of prime assets for a total of €756m.

1. Disposals: In the third quarter, Colonial sold 7 office buildings and a turnkey project in Madrid for a total of €441m.
   The disposals were closed on very favourable terms for the Company, achieving a premium of +12% on the previous valuation[1]. The assets sold were non-strategic and mature properties and/or are located outside of the CBD, with a gross lettable area of more than 106,000 sqm.

2. Acquisition of 22% of SFL: In November, Colonial and Qatar Investment Authority (QIA) reached an agreement in which Colonial will control up to 81% of its French subsidiary SFL. The transaction will be carried out through the contribution of 22.2% of the SFL's shares from QIA (13.6% held by Qatar Holding LLC and 8.6% held by DIC Holding LLC) to Colonial.

   The transaction will be structured as follows:

   > A non-cash share capital increase of 53,523,803 Colonial shares, representing 10.5% of the capital of the Company following the transaction, for which QIA will provide 7,136,507 SFL shares to Colonial, representing 15.34% of the share capital of the French subsidiary.

   > An exchange of shares between Colonial and QIA in which QIA will exchange a total of 400,000 of its SFL shares, representing a total of 0.86%, for 3,000,000 Colonial shares held by the company as treasury shares.

(1) *Last reported GAV: GAV 6/18 for operating assets and acquisition price + Future capex in project*

> The acquisition of 2,787,475 SFL shares, representing 5.99% of the share capital, for which Colonial will pay €203m to QIA.

The total investment volume amounts to €718m. A quarter of that amount corresponds to cash payment by Colonial combined with the exchange of treasury shares enhancing the economics of the deal. The major part of the transaction is structured through a non-cash capital increase of Colonial fully underwritten by QIA.

The transaction was completed on very favourable terms for Colonial, which is acquiring 10.3 million SFL shares – representing 22.2% of the share capital – at an average price of €69.6 per share, resulting in an average discount of 19% over the last reported NAV.

The acquisition has an accretive impact of +10% on the recurring profit per share and a +4% increase on the EPRA NAV, reaching €9.44/share (pro-forma estimate based on the NAV and recurring profits reported at June 2018).

With this transaction, the Spanish Company has made significant step ahead simplifying the Group's shareholding structure by strengthening its shareholder base with long-term investors.

3. Acquisition of a prime asset in Barcelona – Diagonal 525: Colonial has acquired a 5,710 sqm above-ground office building on Barcelona's prime Avenida Diagonal. The building is currently 100% let to a single tenant, although it is expected to undergo a full-scale refurbishment in 2019 and become an iconic office building in the area. The total cost of the project, including the estimated CAPEX, will be €37m corresponding to €6,460/sqm, significantly below recent comparable transactions in this part of Diagonal.

The Alpha IV project has allowed the company to leverage on a strong momentum in investment markets to dispose of non-strategic mature products at attractive prices and reinvest the funds in off-market acquisitions offering with strong value creation potential at very attractive acquisition terms for Colonial.

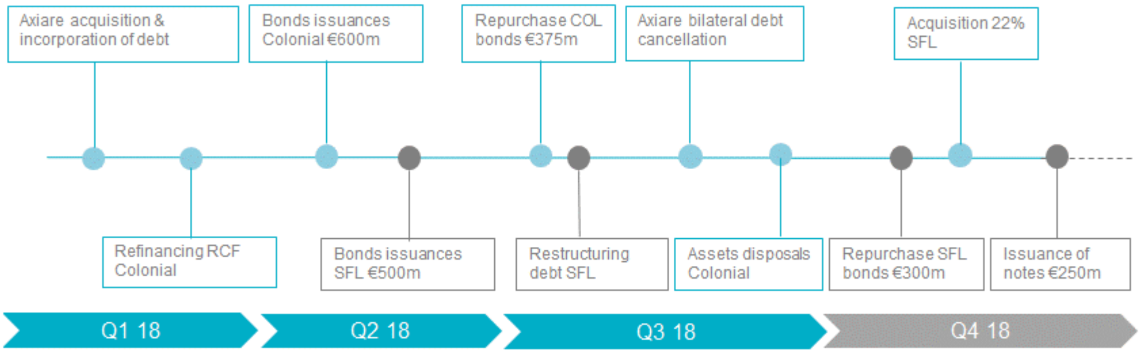
The completion of the Alpha IV project has allowed to accelerate Colonial's credit rating upgrade with Standard & Poor's revising upwards the rating from BBB up to BBB+. This credit rating is the highest ever reached by a Spanish real estate company and improves the conditions of the bonds of the Colonial Group.

Active management of the capital structure

Active management of the balance sheet

In 2018, the Colonial Group actively managed its debt, which, together with the acquisition of 22% of SFL and the high quality of its assets, resulted in Standard & Poor's upwardly revising its credit rating to BBB+ with a stable outlook.

The main transactions carried out by the Group during 2018 are as follows:



(1) RCF: Revolving Credit Facility

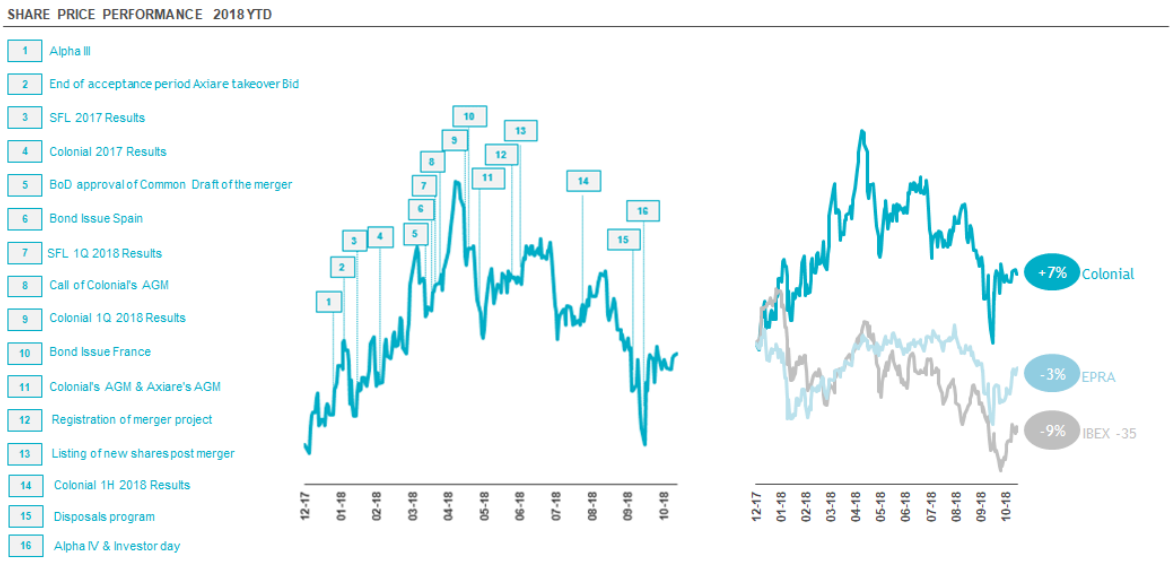
Transactions completed this quarter include:

- Bond buyback with maturity in 2019: in July, Colonial made an early repayment of the outstanding balance (€375m) from the bond issue maturing in June 2019 and that yielded an annual coupon of 1.863%.
- During the year, the €393m debt from Axiare was cancelled, all secured by mortgage guarantees.
- Property sales amounting to €441m, as well as the purchase of 22% of SFL, reducing the Group's net debt by €157m.
- SFL carried out the following transactions during Q3 2018:
  - ✓ The limit and maturity of its credits were adjusted, cancelling and/or reducing the limit of its undrawn policies for €300m and extending the maturity of another €150m credit limit from 2020 to 2023.
  - ✓ In October, it bought back €300m of its bonds maturing in November 2021 (€150m) and November 2022 (€150m).
  - ✓ In October, it also started a short-term European Commercial Programme of €300m, with current existing issues of €250m.

All of the above has allowed the Group's financial structure to be optimized, in terms of Loan to Value (LTV), financial costs and average life of the debt.

Solid share price performance

Colonial shares increased +7% YTD, outperforming its peers in Spain and France, as well as the benchmark EPRA and IBEX 35 indices.



(*) Share price YTD as of 14/11/2018

The share price performance is strongly correlated with the achievement of key milestones in Colonial's Business Plan, showing Capital Markets support for the strategy of the Colonial Group.

On 17 October 2018, MSCI has awarded Colonial for being the specialist fund with the highest real estate return in Spain during the past 3 years (return measured as capital value increase + income return). This MSCI ranking includes listed real estate investors, as well as private investors. This once again demonstrates Colonial Group's value creation capacity based on an industrial business model, with a significant Alpha component that allows the company to outperform the market.

MSCI

European Property
Investment Awards
WINNER 2018

Regarding sell-side analysts, there are currently 20 research firms covering the company, with the majority issuing Buy recommendations. Important recent upwards reviews include target price Goldman Sachs (Buy with €10.3/share target price), JP Morgan and BPI, with a target price of €11.2/share, as well as at Renta4 and Barclays with a target price of €11.0/share and €11.1/share respectively.

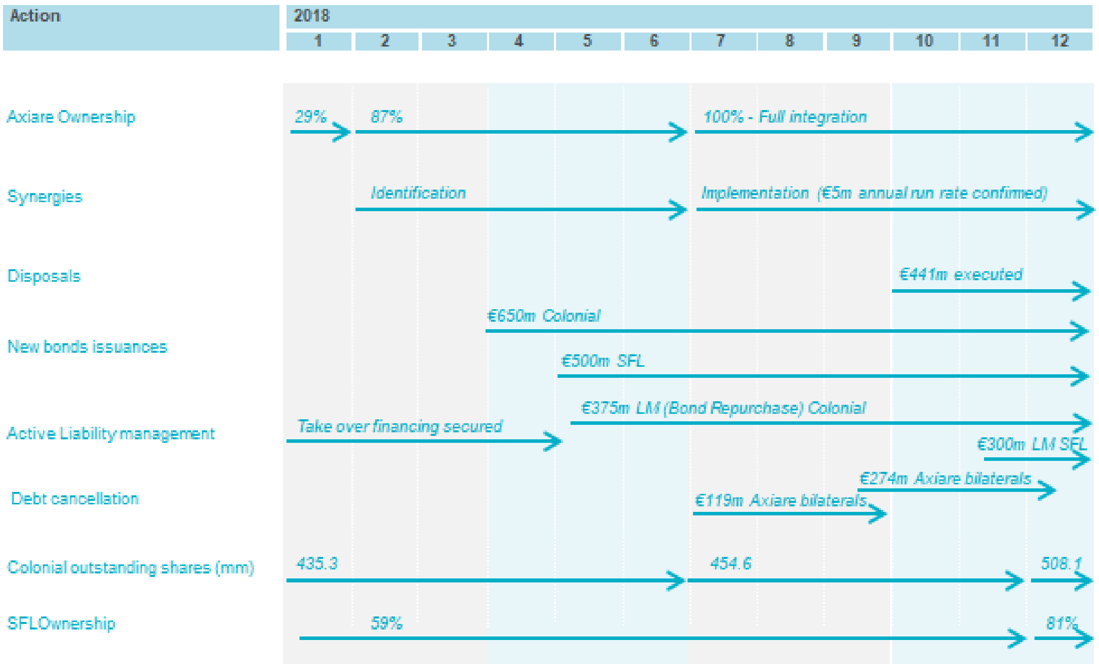
Guidance - 2018 a year of transformation

2018 is a transformation year of transition for the Colonial Group. In addition to the integration of Axiare, important transactions have been completed that are not yet reflected in these Q3 financial statements, with the full positive impacts not fully crystallizing until the 2019 results.

In particular, the following aspects have to be taken into account:

The Q3 figures include the effects of Axiare's global consolidation resulting from the 87% stake achieved in the takeover bid as of 1 February 2018 and 100% after the merger at the beginning of July. Also incorporated are the effects of the Alpha IV property sales which were materialised at the end of Q3, as well as the acquisition of Diagonal 525 in Barcelona in July.

Various other significant transactions have also been announced that are not included in the financial statements in this results report, for example the acquisition of 22.2% of SFL from QIA and the early €300m SFL bond buyback.



Guidance 2018

The Company confirms recent guidance

Results 2018E

> Top Line: rental income 2018E > €346m

> EPS recurring 2018E: €22cts

> DPS 2018E: +10% annual growth

Capital Recycling

> Disposals in 2018: €441m

> Continued selective disposals of mature assets in 2019

Acquisition programme in place

> Acquisitions of €250m per year

> Prioritise value-add opportunities

Strong commitment with a solid capital structure

> Investment Grade Rating

> LTV ~ 40%

Future growth drivers

Colonial Group has an attractive growth profile, based on its strategy of "industrial" value creation with a high Alpha component in returns, and relying on the following value creation drivers:

A. **An attractive project pipeline**: Colonial has a project pipeline of more than €1,500m (total cost of completed product) corresponding to more than 279,000 sqm (including the 4 recently delivered projects) to create prime products that offer strong returns and therefore, future value creation with solid fundamentals.

B. **A strong prime positioning with a contract portfolio to capitalize on the cycle**

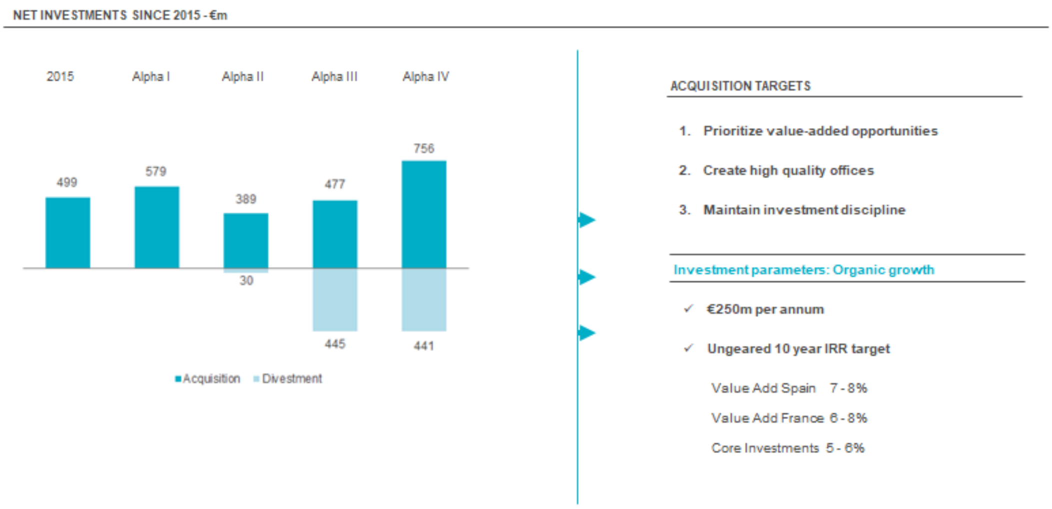
1. A clear consolidation of prime office leadership in Spain and Europe, with a high quality office portfolio of more than 1.5 million sqm of GLA.

2. An attractive lease term profile to continue to capture significant rental price increases, as delivered in the last quarters.

3. An enhanced competitive positioning in the Madrid market: Colonial is closing letting negotiations that leverage the synergies of Colonial's new portfolio to optimise prices and maximise real estate value creation.

C. **Solid investment markets** with growing interest for prime product that offer growth potential and a clear scarcity of quality products.

D. **Acquisition and Disposal Programme:** During the past years, Colonial has successfully delivered the organic investment targets announced to capital markets: asset acquisitions, prioritising off-market deals and identifying properties with value-add potential in market segments with solid fundamentals.



Appendices

1. Analysis of the Profit and Loss Account
2. Office markets
3. Business performance
4. ESG Strategy
5. Financial structure
6. EPRA ratios
7. Asset portfolio
8. Glossary and alternative performance measures
9. Contact details and disclaimer

1. Analysis of the Profit and Loss Account

Analysis of the Consolidated Profit and Loss Account

September cumulative - €m	2018	2017	Var.	Var. % [(1)]
Rental revenues	258	212	46	22%
Net operating expenses [(2)]	(23)	(16)	(7)	(43%)
Net Rental Income	236	196	39	20%
Other income	1	1	1	159%
Overheads	(35)	(28)	(7)	(25%)
EBITDA recurring business	202	169	33	20%
EBITDA - asset sales	15	(3)	18	-
Exceptional items	(6)	(6)	(12)	1%
Operating profit before revaluation, amortizations and provisions and interests	211	160	51	32%
Change in fair value of assets	324	523	(199)	-
Amortizations & provisions	(13)	0	(13)	-
Financial results	(106)	(59)	(47)	(80%)
Profit before taxes & minorities	416	623	(207)	(33%)
Income tax	(17)	41	(58)	143%
Minority Interests	(118)	(210)	92	44%
Profit attributable to the Group	281	454	(174)	(38%)

Results analysis - €m	2018	2017	Var.	Var. % [(1)]
Rental revenues	258	212	46	22%
Net operating expenses [(2)] & other income	(21)	(15)	(6)	(39%)
Overheads	(35)	(28)	(7)	(25%)
Recurring EBITDA	202	169	33	20%
Recurring financial result	(77)	(58)	(19)	(33%)
Income tax expense & others - recurring result	(10)	(8)	(2)	(30%)
Minority interest - recurring result	(47)	(44)	(3)	(6%)
Recurring net profit - post company-specific adjustments [(3)]	68	59	9	15%
EPRA Earnings - pre company-specific adjustments [(4)]	61	60	1	2%
Profit attributable to the Group	281	454	(174)	(38%)

[(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.

Analysis of the Profit and Loss Account

- At the end of Q3 2018, Colonial Group rental income amounted to €258m, a +22% y-o-y increase. In like-for-like terms, the increase stood at +5%.

- The Group's recurring EBITDA stood at €202m, a +20% y-o-y increase.

- Therefore, the operating result before net revaluations, amortizations, provisions and interest at the end of Q3 2018 stood at €211m, a +32% y-o-y increase.

- At 30 June 2018, the impact on the Consolidated Profit and Loss Account of the revaluation of investment properties amounted to €324m. This revaluation, which was registered in France, as well as in Spain, is a consequence of the increase in the appraisal value of the assets.

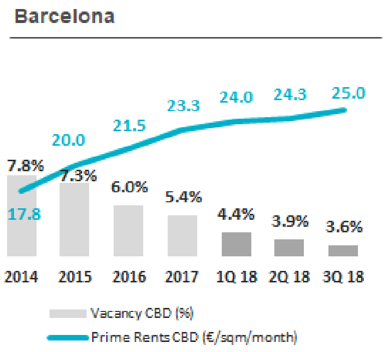
- The net financial results amounted to €(106)m, 80% higher than the same period in the previous year.
  The recurring financial results of the Group amounted to €(77)m, an increase of +33% compared to the same period in the previous year.
  The increase in financial costs is due to debt increase related to the Axiare acquisition.

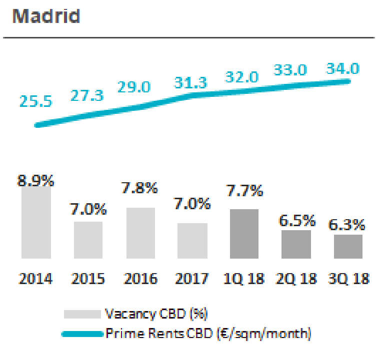
- Profit before taxes and minority interests at the end of Q3 2018 amounted to €416m.

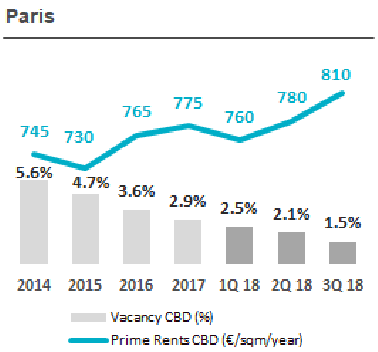
- The corporation tax expense increased to €(17)m and is mostly due to the recording in France of deferred taxes associated with the revaluation of the assets of non-SIIC companies; in particular, the Parholding Group. It should be noted that this amount does not imply a cash outflow.

- Finally, after deducting the minority interest of €(118)m, the net profit attributable to the Group amounted to €281m.

2. Office markets







Rental markets

Take-up in the **Barcelona office market** set a new record this third quarter with 101,000 sqm signed (301,000 sqm of office space to date this year). The vacancy rate stood at 9% and below 4% in the CBD. The lack of quality space, coupled with strong demand, continue to drive up rents, positioning prime rent at €25/sqm/month, an increase of +7% so far this year.

In the **Madrid office market**, more than 140,000 sqm was signed in Q3 2018, a +38% y-o-y increase, the highest quarterly take-up registered in the past decade. More than 400,000 sqm of office space has been signed so far this year. The vacancy rate stands at below 10% in Madrid. At the close of the third quarter, the prime rent in Madrid stood at €34/sqm/month.

In the **Paris office market,** take-up during Q3 2018 reached a total of 1.9 million sqm, a +6% y-o-y increase. Available office supply fell below 3 million sqm, reaching low vacancy rates. In the CBD area, the vacancy rate stood at 1.5%, an all-time record low. Prime rents continue to rise, reaching levels above €800/sqm/year.

Investment market

In **Spain**, office investment reached €1,119m during Q3 2018, of which €559m corresponded to the Madrid market and €445m to Barcelona. Prime yields in Madrid remained at c. 3.75% and in Barcelona they stand at 4%.

The Paris market closed the third quarter with an investment volume of more than €12,800m, a +33% y-o-y increase and double the average investment volume over the last 10 years. To date, 35 transactions over €100m have been completed. Prime yields remain stable at 3%.

(1) Source: Reports by Jones Lang Lasalle, Cushman & Wakefield, CBRE and Savills

3. Business performance

Portfolio rental income and EBITDA

- Rental income reached **€258m, a +22% y-o-y increase.**

  In **like-for-like terms**, adjusting for investments, disposals and variations in the project and refurbishment pipeline and other extraordinary items, **Group rental income increased by +5%**.

  In **Spain, like-for-like rental income increased by +5%,** especially due to the **Madrid** portfolio, which increased +5% like-for-like. Rental income from the **Barcelona** portfolio increased +**4% like-for-like**, mainly due to rental increases across the portfolio. In **Paris, like-for-like rental income rose by 5%**, mainly driven by lettings in the Washington Plaza, Cézanne Saint Honoré, 103 Grenelle and Percier buildings.

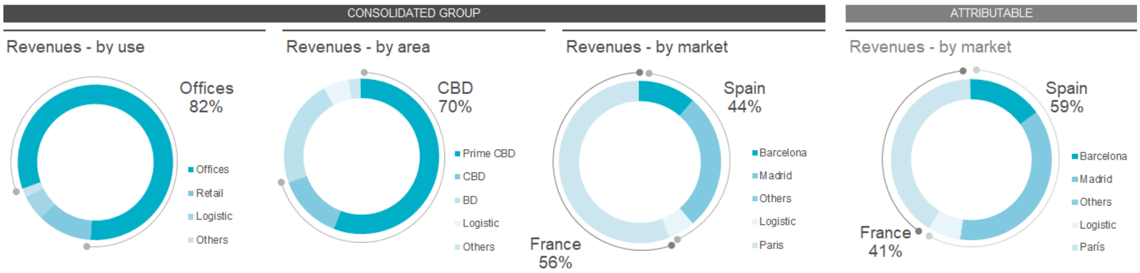
Variance in rents (2018 vs. 2017) €m	Barcelona	Madrid	París	Logistic & others	Total
Rental revenues 2017R	26.0	38.3	147.8	0.0	212.1
EPRA Like-for-Like (1)	1.0	1.8	6.0	0.0	8.8
Projects & refurbishments	(0.4)	2.0	(0.1)	0.0	1.4
Acquisitions & Disposals	0.1	3.6	(9.7)	0.0	(6.1)
Axiare	3.3	25.5	0.0	13.7	42.5
Indemnities & others	(0.0)	(0.2)	(0.2)	0.0	(0.4)
Rental revenues 2018R	29.9	70.9	143.8	13.7	258.3
Total variance (%)	*15%*	*85%*	*(3%)*	*n.a.*	*22%*
Like-for-like variance (%)	4%	5%	5%	n.a.	5%

In **Paris**, of note is the reduction in rental income due to the disposal of the In&Out property in 2017. This was offset by the additional rental income obtained from the new acquisitions carried out in Spain, as well as by the integration of the Axiare portfolio.

*(1) **EPRA like-for-like**: Like-for-like calculated according to EPRA recommendations.*

- **<u>Rental income breakdown:</u>** The majority of the Group's rental income (82%) derives from the office portfolio. The Group also continues to focus heavily on CBD markets.

  In consolidated terms, 56% of the rental income (€144m) came from the subsidiary in Paris and 44% was generated by properties in Spain. In attributable terms, 59% of the rents were generated in Spain and the rest in France.



- **At the end of Q3 2018, EBITDA rents reached €236m, representing a +5% like-for-like increase.**

Property portfolio

September cumulative - €m	2018	2017	Var. %	EPRA Like-for-like [1] €m	EPRA Like-for-like [1] %
Rental revenues - Barcelona	30	26	15%	1.0	4%
Rental revenues - Madrid	71	38	85%	1.8	5%
Rental revenues - Paris	144	148	(3%)	6.0	5%
Rental revenues - Logistic & others	14	0	n.a.	n.a.	n.a.
Rental revenues	**258**	**212**	**22%**	**8.8**	**5%**
EBITDA rents Barcelona	28	25	13%	0.9	4%
EBITDA rents Madrid	60	32	86%	2.1	7%
EBITDA rents Paris	136	139	(3%)	6.1	5%
EBITDA rents Logistic & others	12	0	n.a.	n.a.	n.a.
EBITDA rents	**236**	**196**	**20%**	**9.1**	**5%**
EBITDA rents/Rental revenues - Barcelona	*92%*	*95%*	*(2.2 pp)*		
EBITDA rents/Rental revenues - Madrid	*84%*	*84%*	*0.5 pp*		
EBITDA rents/Rental revenues - Paris	*94%*	*94%*	*0.1 pp*		
EBITDA rents/Rental revenues - Logistic & others	*90%*	*n.a.*	*n.a.*		

Pp: percentage points

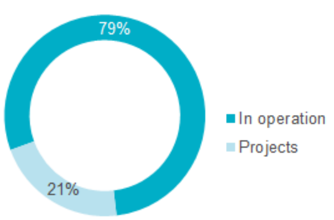
(1) ***EPRA like-for-like:*** *Like-for-like calculated according to EPRA recommendations.*

Portfolio letting performance

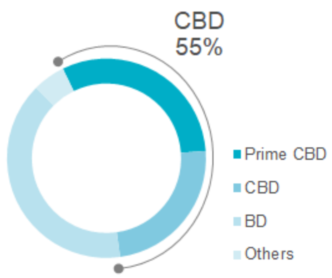
- **<u>Breakdown of the current portfolio by floor area:</u>** At the end of Q3 2018, Colonial Group's portfolio totalled 2,137,038 sqm (1,783,413 sqm above ground), primarily related to office buildings, which comprised 1,491,525 sqm.

  At the end of Q3 2018, 79% of the office portfolio was operational and the remaining corresponded to an attractive portfolio of projects and refurbishments as well as the Parc Central plot of land in Barcelona and the Puerto de Somport plot of land in Las Tablas, Madrid.

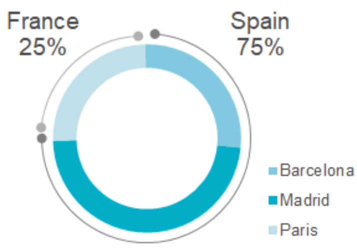
Offices Surface - by condition



Offices Surface - by area



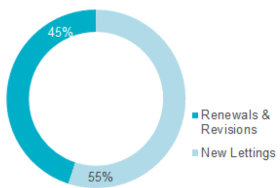
Offices Surface - by market

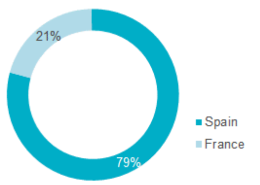


- **<u>Signed leases - Offices:</u>** During Q3 2018, the Colonial Group signed leases for a **total of 97,024 sqm of offices**. 79% (77,102 sqm) were signed in Barcelona and Madrid and the rest (19,922 sqm) were signed in Paris.

  <u>New lettings</u>: Out of the total office letting activity, 55% (53,380 sqm) related to new leases, spread over the three markets in which the group operates**.**

  <u>Renewals</u>: Lease renewals relating to 43,644 sqm were completed, of which almost 36,000 sqm were renewed in Madrid**.**





Letting Performance

September cumulative - sq m	2018	Average maturity	% New rents vs. previous
Renewals & revisions - Barcelona	5,513	2	*18%*
Renewals & revisions - Madrid	35,898	3	*30%*
Renewals & revisions - Paris	2,232	9	*13%*
Total renewals & revisions	**43,644**	3	***26%***
New lettings Barcelona	10,736	4	
New lettings Madrid	24,955	4	
New lettings Paris	17,689	8	
New lettings	**53,380**	5	na
Total commercial effort	**97,024**	**4**	**na**

New rents were +26% above the previous rents, particularly in Barcelona +18%, Madrid +30% and France +13%**.**

Three lease agreements for more than 57,000 sqm were also signed within the logistics portfolio.

Project and refurbishment portfolio

Project portfolio

- At the date of publication of this report, Colonial has an office and commercial property portfolio of over 220,000 sqm to create top quality properties, offering high returns and future value uplift with solid fundamentals. In 2018, more than 54,000 sqm were delivered, corresponding to four projects.

- The projects are progressing on schedule and are expected to be delivered gradually over the coming five years.

	Project	City	% Group	Delivery	GLA (sqm)	Total Cost[1] €m	Total Cost[2] €/ sqm	Yield on Cost
1	Discovery	Madrid	100%	Delivered	10,152	43	4,267	7.8%
2	The Window/ PV	Madrid	100%	Delivered	11,368	46	4,027	7.6%
3	Parc Glories	Barcelona	100%	Delivered	24,551	77	3,130	7.9%
4	Josefa Valcarcel 40bis	Madrid	100%	Turnkey Acqu.	8,824	30	3,366	6.0%
5	Avenida Bruselas	Madrid	100%	2H 18	14,340	40	2,817	7.0%
6	Pedralbes Center	Barcelona	100%	1H 19	5,562	38	6,843	6.3%
7	Gala Placidia / Utopic_us	Barcelona	100%	1H 19	4,312	17	3,922	7.0%
8	Miguel Angel 23	Madrid	100%	2H 20	8,036	64	7,999	5.8%
9	Castellana, 163	Madrid	100%	2020/ 21	10,910	52	4,803	6.5%
10	Diagonal 525	Barcelona	100%	1H 21	5,710	37	6,460	6.0%
11	Emile Zola / Destination XV	Paris	81%	1H 21	24,500	280	11,428	5.0%
12	Iena 96	Paris	81%	1H 21	9,300	147	15,801	5.0%
13	Velazquez Padilla 17	Madrid	100%	1H 21	17,239	113	6,532	6.5%
14	Plaza Europa 34	Barcelona	50%	2H 21	14,306	32	2,257	7.0%
15	Mendez Alvaro Campus	Madrid	100%	2H 22	89,871	273	3,038	7.5%
16	Sagasta 27	Madrid	100%	2H 22	4,481	23	5,044	6.5%
17	Louvré SaintHonoré	Paris	81%	2023	16,000	205	12,831	7.3%
	TOTAL OFFICE PIPELINE				**279,462**	**1,517**		**6.5%**
	Thereof delivered				54,895	196		7.5%
	Thereof Pipeline going forward				**224,567**	**1,322**		**6.4%**

[1] Total Cost Finished Product = Acquisition Cost/ Asset Value pre Project + future Capex
2 Info as of date of publication of this report

- In addition to these development projects, Colonial Group is currently carrying out significant refurbishments on the operational portfolio, with the aim of optimising the positioning of these properties in the market. Colonial also owns a plot of land ready for development comprising more than 14,000 sqm in the 22@ submarket in Barcelona and a 22,000 sqm plot of land ready for development in Puerto de Somport (Las Tablas, Madrid).

- In the **logistics** portfolio, particularly noteworthy is the 131,000 sqm project being developed in San Fernando de Henares, the closest logistics location to Madrid, in the Corredor de Henares, one of the most important logistics hubs in Spain.

4. ESG Strategy

- The Colonial Group's MSCI sustainability rating has significantly improved, being upgraded from "BBB" to "A". This rating is among the highest in the real estate sector in Europe.

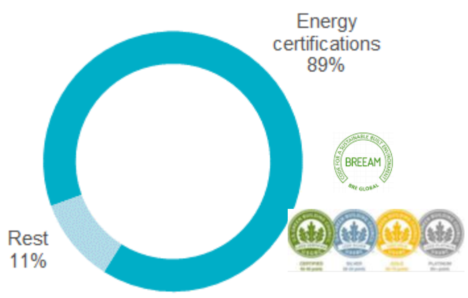
- For the third consecutive year, the Colonial Group obtained the EPRA Gold Award in sustainability reporting, and the French subsidiary SFL received the Corporate Investment in Responsible Real Estate Award at the BREEAM Awards 2017.

- The Colonial Group has a Green Star certification from GRESB (Global Real Estate Sustainability Board), the organisation that certifies sustainability best practices.

- The Colonial Group has been included, in June 2018, in the FTSE4Good Index, obtaining a "Good Practice" rating.

- Colonial's office portfolio has a clear leadership position in energy efficiency and sustainability. Currently 89% of the Group's real estate assets are certified with top energy ratings (BREEAM & LEED), which is a very high percentage compared to the real estate sector average. This places the Colonial Group in a uniquely competitive position to attract quality tenants and maximise portfolio value creation.

% Buildings with energy certification [1]



1 Operational properties with energy certification

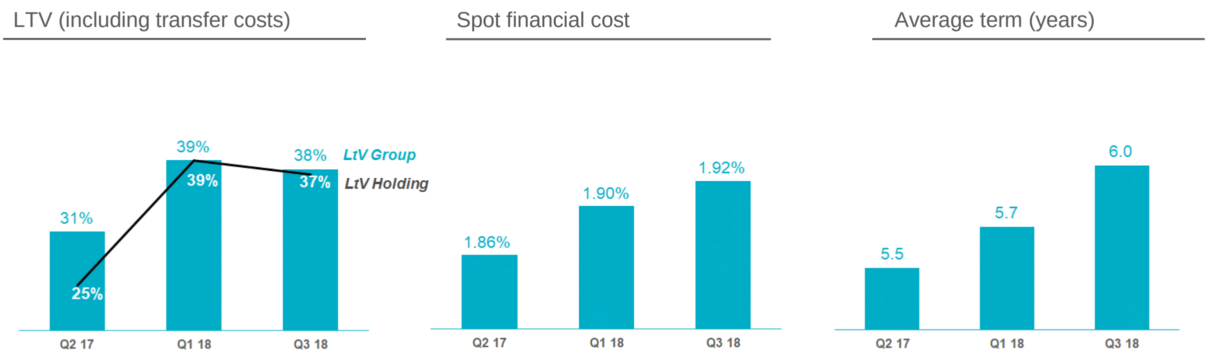
5. Financial structure

The Group's net financial debt at 30 September 2018 stood at €4,344m, the breakdown of which is as follows:

€m	Colonial	SFL	TOTAL	Cost	Average maturity
Mortatge debt	330	202	532	1.42%	4.9
Bonds Colonial	2,600	-	2,600	2.03%	7.0
Bonds SFL	-	1,500	1,500	1.88%	4.6
Other debt	-	50	50	1.88%	2.7
Gross debt	**2,930**	**1,752**	**4,682**		
Cash	(248)	(90)	(338)		
Net Debt	**2,682**	**1,662**	**4,344**		
Total liquidity [1]	1,144	910	2,054		
Cost of debt - Spot (%)	1.97%	1.84%	1.92%	1.92%	6.0

(1) Cash & Undrawn balances

The transactions detailed in this report have aimed to improve the Group's main financial indicators.



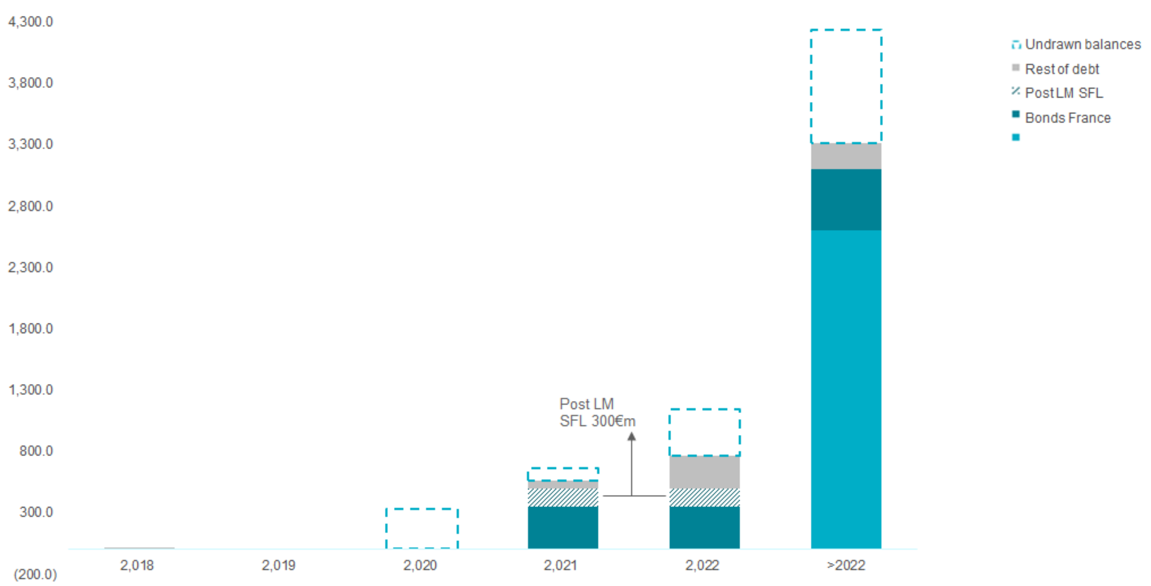
Following these transactions, the main debt figures are:

Colonial Group	Q4 17	Q3 18
Gross financial debt	4,170	4,682
Net financial debt	3,066	4,344
Total liquidity [1]	2,427	2,054
% debt fixed or hedged	90%	100%
Average maturity of the debt (years)	5.5	6.0
Cost of current debt	1.86%	1.92%
Rating Colonial	BBB	BBB+
Rating SFL	BBB+	BBB+
LtV Group (including transfer costs)	**31.0%**	37.9%

(1) Cash & Undrawn balances

In terms of the maturity schedule it is particularly noteworthy that 71% of the Group's debt will mature as of 2023:

Maturity profile of drawn debt



							TOTAL
Colonial	16	5	9	10	73	2,817	2,930
SFL	-	3	2	552	695	500	1,752
TOTAL	16	8	11	562	768	3,317	4,682

Financial results

- The following table details the Group's main financial results:

September cumulative - €m	COL	SFL	2018	2017	Var. %
Recurring financial expenses - Spain	*(56)*	*0*	*(56)*	*(29)*	*(93%)*
Recurring financial expenses - France	*0*	*(27)*	*(27)*	*(33)*	*19%*
Recurring Financial Expenses	(56)	(27)	(83)	(62)	(34%)
Recurring Financial Income	1	(0)	1	2	(56%)
Capitalized interest expenses	1	3	4	2	148%
Recurring Financial Result	**(54)**	**(24)**	**(77)**	**(58)**	**(34%)**
Non-recurring financial expenses	(14)	0	(14)	0	0%
Non-recurring Financial Income	0	(1)	(1)	(0)	452%
Change in fair value of financial instruments	(4)	(0)	(4)	(0)	(1554%)
Financial Result	**(71)**	**(25)**	**(96)**	**(58)**	**(65%)**

- The recurring financial expenses of the Group were 34% higher compared to the same period of the previous year, mainly due to an increase in Colonial's gross debt due to the acquisition of Axiare and the integration of its debt into the Group.

- The average financial cost of the drawn debt during the quarter was 1.90% compared to 1.98% in the same period of the previous year, mainly due to the reduction of the average credit spread which amounted to 139 bps (versus 158 bps in the same period of the previous year). This improvement is mainly due to the maturity in November 2017 of an SFL bond (for €301m, with a spread of 275 bps) and the formalisation of new debt at a spread lower than that in 2017. After SFL's bond buyback the spot financial cost of drawn debt amounted to 1.86%.

- The non-recurring expenses reported in the year correspond to the costs of Colonial's bond buyback, maturing in 2019. Also allocated to the results are the costs incurred from the cancelled debt of Axiare and the associated derived instruments.

6. EPRA ratios

EPRA Earnings

EPRA Earnings - €m	3Q 2018	3Q 2017
Earnings per IFRS Income statement	**281**	**454**
Adjustments to calculate EPRA Earnings, exclude:		
(i) Changes in value of investment properties, development properties held for investment and other interests	(325)	(521)
(ii) Profits or losses on disposal of investment, development properties held for investment and other interests	(15)	8
(iii) Profits or losses on sales of trading properties including impairment changes in respect of trading properties	0	0
(iv) Tax on profits or losses on disposals	0	0
(v) Negative goodwill / goodwill impairment	26	0
(vi) Changes in fair value of financial instruments and associated close-out costs	19	1
(vii) Acquisition costs on share deals and non controlling joint venture interests	0	0
(viii) Deferred tax in respect of EPRA adjustments	3	(49)
(ix) Adjustments (i) to (viii) above in respect of joint ventures (unless already included under proportional consolidation	0	0
(x) Minority interests in respect of the above	73	166
EPRA Earnings	**61**	**60**
Company specific adjustments:		
(a) Extraordinary expenses	1	(1)
(b) Non recurring financial result	0	0
(c) Tax credits	7	0
(d) Minority interests in respect of the above	(1)	0
Company specific adjusted EPRA Earnings	**68**	**59**

EPRA Vacancy Rate

EPRA Vacancy Rate - Offices Portfolio

€m	3T 2018	3T 2017	Var. %
BARCELONA			
Vacant space ERV	0	1	
Portfolio ERV	45	35	
EPRA Vacancy Rate Barcelona	**1%**	**2%**	*(1 pp)*
MADRID			
Vacant space ERV	12	2	
Portfolio ERV	100	56	
EPRA Vacancy Rate Madrid	**12%**	**3%**	*9 pp*
PARIS			
Vacant space ERV	4	7	
Portfolio ERV	177	174	
EPRA Vacancy Rate Paris	**2%**	**4%**	*(1 pp)*
TOTAL PORTFOLIO			
Vacant space ERV	17	9	
Portfolio ERV	322	265	
EPRA Vacancy Rate Total Office Portfolio	**5%**	**3%**	*2 pp*

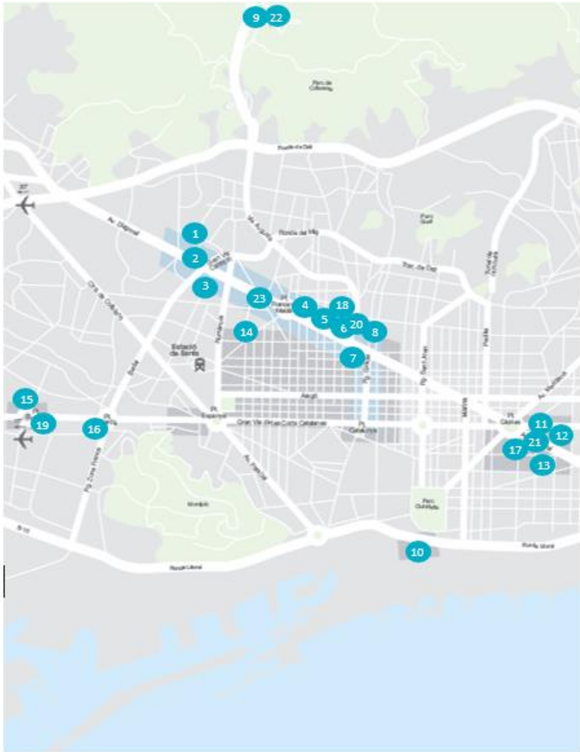
EPRA Vacancy Rate - Total Portfolio

€m	3T 2018	3T 2017	Var. %
BARCELONA			
Vacant space ERV	0	1	
Portfolio ERV	45	36	
EPRA Vacancy Rate Barcelona	**1%**	**2%**	*(1 pp)*
MADRID			
Vacant space ERV	12	2	
Portfolio ERV	102	58	
EPRA Vacancy Rate Madrid	**12%**	**3%**	*9 pp*
PARIS			
Vacant space ERV	5	7	
Portfolio ERV	217	212	
EPRA Vacancy Rate Paris	**2%**	**3%**	*(1 pp)*
LOGISTIC & OTHERS			
Vacant space ERV	1	-	
Portfolio ERV	24	-	
EPRA Vacancy Rate Total Portfolio	**5%**	-	-
TOTAL PORTFOLIO			
Vacant space ERV	19	9	
Portfolio ERV	388	307	
EPRA Vacancy Rate Total Portfolio	**5%**	**3%**	*2 pp*

Annualized figures

7. Property portfolio

Barcelona



1. Paseo de los Tilos, 2-6
2. Av. Diagonal, 682
3. Av. Diagonal, 609-615
4. Travessera de Gràcia, 11
5. Amigó, 11-17
6. Av. Diagonal, 530-532
7. Av. Diagonal, 409
8. Via Augusta, 21-23
9. Complejo de oficinas Sant Cugat Nord
10. Torre Marenostrum
11. Diagonal Glories
12. Complejo de oficinas Parc Central 22@
13. Complejo de oficinas Illacuna
14. Berlin, 38-48 / Numància, 46
15. Plaza Europa, 42-44
16. Torre BCN
17. Parc Glories
18. Travessera de Gràcia, 47-49
19. Plaza Europa, 34
20. Gal·la Placidia
21. Diagonal, 197
22. Sant Cugat
23. Av. Diagonal, 525


1- Paseo de los Tilos, 2-6


2- Av. Diagonal, 682


3- Av. Diagonal, 609-615


4- Travessera de Gràcia, 11


5- Amigo, 11-17


6- Av. Diagonal, 530-532


7- Av. Diagonal, 409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9- Sant Cugat Nord


10- Torre Marenostrum


11- Diagonal Glories


12- Parc Central 22@


13- Complejo Oficinas Illacuna


14- Berlín 38-48/Numancia,46


15.- Plaça Europa, 42-44


16- Torre Bcn


17- Parc Glories


18- Travessera Gràcia, 47-49


19- Plaza Europa 34

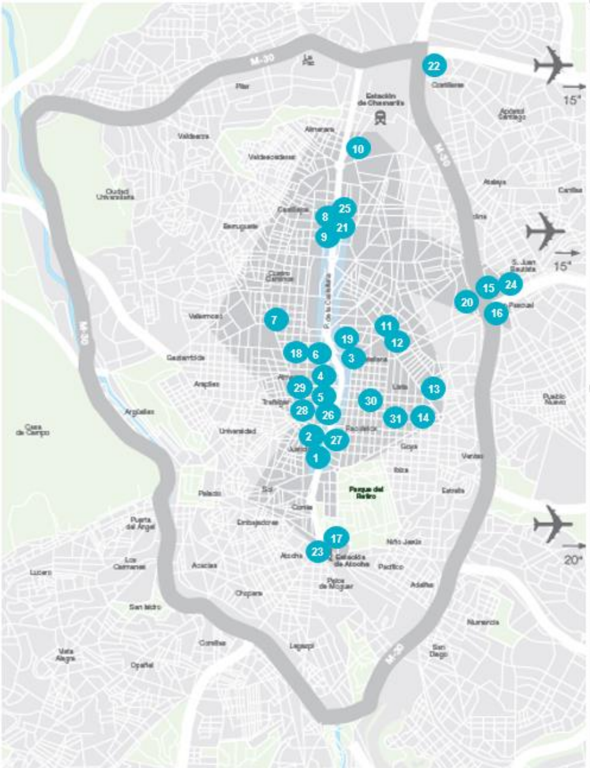

20- Gal·la Placidia


21- Diagonal 197


22- Sant Cugat


23- Av. Diagonal, 525

Madrid – Centre & CBD



1. Paseo de Recoletos, 37-41
2. Génova, 17
3. Paseo de la Castellana, 52
4. Paseo de la Castellana, 43
5. Miguel Ángel, 11
6. José Abascal, 56
7. Santa Engracia
8. Poeta Joan Maragall, 53
9. Discovery Building
10. Hotel Tryp Chamartín
11. López de Hoyos, 35
12. Príncipe de Vergara, 112
13. Francisco Silvela, 42
14. Ortega y Gasset, 100
15. Ramírez de Arellano, 37
16. MV 49 Business Park
17. Alfonso XII, 62
18. José Abascal, 45
19. Serrano, 73
20. Santa Hortensia, 26-28
21. Paseo de la Castellana, 163
22. Arturo Soria, 336
23. Campus Méndez Álvaro
24. Ramírez de Arellano, 15
25. Manuel Falla, 7
26. Sagasta, 27
27. Sagasta, 31-33
28. Almagro, 9
29. Miguel Ángel, 23
30. Velázquez-Padilla, 17
31. Don Ramón de la Cruz, 82


1- Paseo Recoletos, 37-41


2- Génova, 17


3- Castellana, 52


4- Castellana, 43


5- Miguel Angel, 11


6- José Abascal, 56


7- Santa Engracia


8- Poeta Joan Maragall, 53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10- Hotel Tryp Chamartín


11- López de Hoyos, 35


12- Príncipe de Vergara, 112


13- Francisco Silvela, 42


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16- MV 49 Business Park


17- Alfonso XII, 62


18- José Abascal,45


19- Serrano, 73


20- Santa Hortensia, 26-28


21- Paseo Castellana, 163


22- Arturo Soria, 336


23- Campus Méndez Álvaro


24- Ramírez Arellano, 15


25- Manuel Falla, 7


26- Sagasta, 27


27- Sagasta, 31-33


28- Almagro, 9


29- Miguel Ángel, 23


30- Velázquez-Padilla, 17


31- Don Ramón de la Cruz, 82

North Madrid – Arroyo de la Vega & Las Tablas

32. Francisca Delgado, 11
33. Cedro – Anabel Segura 14
34. Av. De Bruselas, 38
35. Puerto de Somport, 8
36. Puerto de Somport, 10-18


32- Francisca Delgado, 11

33- Cedro-Anabel Segura, 14


34- Av. De Bruselas, 38


35- Puerto Somport, 8


36- Puerto Somport, 10-18

East Madrid – Campo de las Naciones & A2

37. Ribera de Loira, 28
38. Tucumán
39. EGEO - Campo de las Naciones
40. Josefa Valcárcel, 40
41. Josefa Valcárcel, 24
42. Luca de Tena, 7
43. Alcalá, 506


37- Ribera de Loira, 28


38- Tucumán


39- EGEO

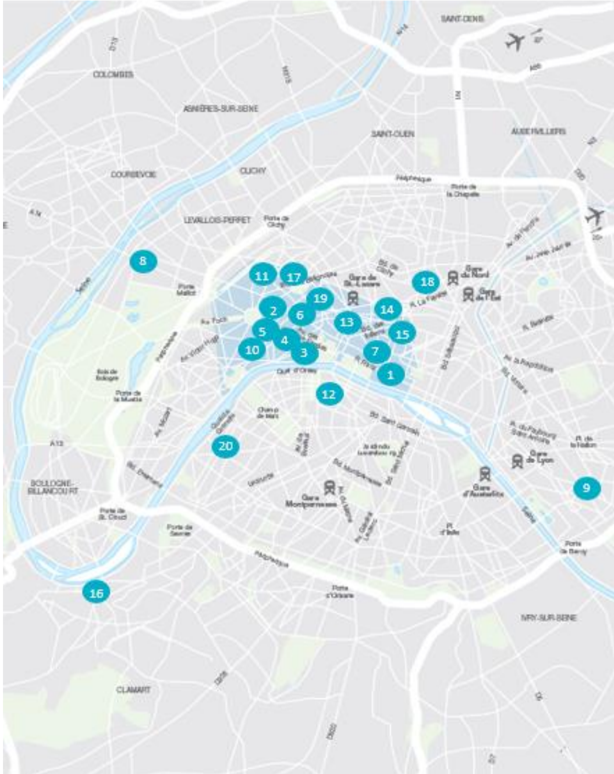

40- Josefa Valcárcel, 40


41- Josefa Valcárcel, 24

42- Luca de Tena, 7


43- Alcalá, 506

Paris



1. Louvre Saint-Honoré
2. Washington Plaza
3. Galerie des Champs-Élysées
4. 90 Champs-Élysées
5. 92 Champs-Élysées Ozone
6. Cézanne Saint-Honoré
7. Édouard VII
8. 176 Charles de-Gaulle
9. Rives de Seine
10. 96 Iéna
11. 131 Wagram
12. 103 Grenelle
13. 104-110 Haussmann Saint-Augustin
14. 6 Hanovre
15. #Cloud
16. Le Vaisseau
17. 112 Wagram
18. 4-8 Rue Condorcet
19. 9 Avenue Percier
20. 112-122 Av. Emile Zola


1- Louvre-Saint-Honoré


2- Washington Plaza


3- Galerie de Champs-Élysées


4- 90, Champs-Élysées


5- 92, Champs-Élysées


6- Cézanne Saint-Honoré


7- Édouard VII


8- 176, Charles de Gaulle


9- Rives de Seine


10- 96, Iéna


11- 131, Wagram


12- 103, Grenelle


13- 104 Haussmann St-Agustin


14- 6, Hanovre


15- #Cloud


16- Le Vaisseau

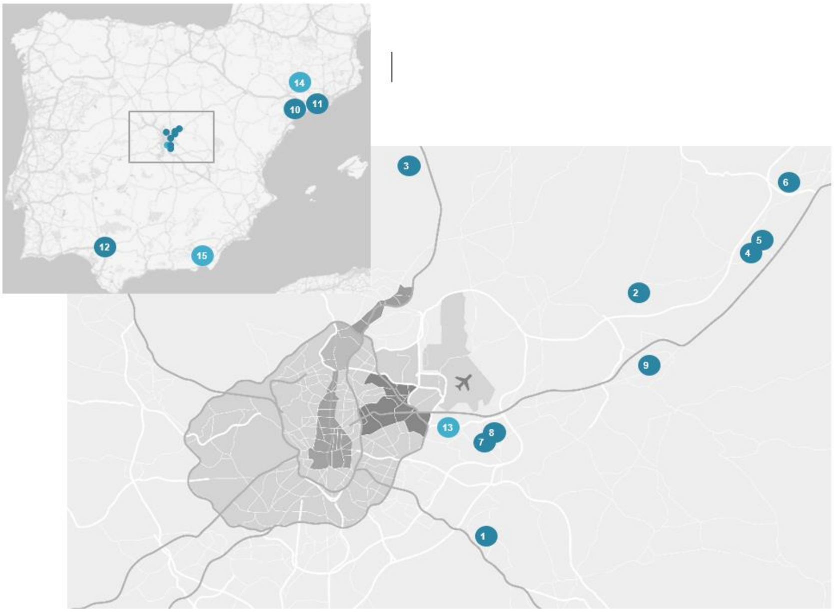

17- 112, Wagram


18- 4-8, Rue Condorcet


19- 9, Avenue Percier


20- Emile Zola

Logistics & others



1. Rivas Vaciamadrid
2. Camarma de Esteruelas
3. San Agustín de Guadalix
4. Azuqueca I
5. Azuqueca II
6. Cabanillas
7. San Fernando I
8. San Fernando II
9. Alcalá de Henares
10. Valls
11. Const antí
12. Dos Hermanas
13. Las Mercedes Open Park
14. Les Gavarres
15. Viapark


1- Rivas Vaciamadrid


2- Camarma de Esteruelas


3- San Agustín de Guadalix


4- Azuqueca I


5- Azuqueca II


6- Cabanillas


7- San Fernando I


8- San Fernando II


9- Alcalá de Henares


10- Valls


11- Constantí


12- Dos Hermanas

13- Las Mercedes Open Park


14- Les Gavarres

15- Viapark

8. Glossary & alternative performance measures

Glossary

BD	Business District.
CBD	Central Business District (prime business area). In Barcelona this includes the 22@ market.
Earnings per Share (EPS)	Profit from the year attributable to the shareholders divided by the basic number of shares.
EBIT	Calculated as the operating profit plus variance in fair value of property assets as well as variance in fair value of other assets and provisions.
EBITDA	Operating result before net revaluations, amortizations, provisions, interest and taxes.
EPRA	European Public Real Estate Association: Association of listed European property companies that sets best market practices for the sector.
EPRA Cost Ratio	Administrative & operating costs (including & excluding costs of direct vacancy) divided by gross rental income.
EPRA 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 early lease termination. Calculation based on EPRA Best Practice guidelines.
EPRA NAV	EPRA Net Asset Value (EPRA NAV) is calculated based on the consolidated equity of the company and adjusting some items following EPRA recommendations.
EPRA NNNAV	The EPRA NNNAV is calculated adjusting the following items in the EPRA NAV: the market value of the financial instruments, the 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 Net Initial Yield (NIY)	Annualised rental income based on passing rents as at the balance sheet date, minus the non-recoverable expenses, divided by the market value, including transfer costs.
EPRA Topped-Up Net Initial Yield	EPRA Net Initial Yield adjusted in respect of the expiration of rent-free periods.
EPRA Vacancy	Vacant areas multiplied by the market rental prices/operational areas at market rent. Calculation based on EPRA Best Practice guidelines.
Financial Occupancy	Financial occupancy according to the calculation recommended by the EPRA (occupied areas multiplied by the market rent/operational areas at market rent.
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 valuers, after deducting transfer costs.
GAV incl. Transfer Costs	Gross Asset Value of the portfolio according to external valuers, before deducting transfer costs.
GAV Parent Company	Gross Asset Value of directly-held assets + NAV of the 55% stake in the Torre Marenostrum SPV + Value of the JV Plaza Europa + NAV of 58.6% stake in SFL. + NAV stake in Axiare + value of the treasury shares.
Gross Yield	Gross rents/Market value, excluding Transfer costs.
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 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).
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.
Net Yield	Net rents/Market value, including Transfer costs.
Portfolio/operational floor area	Property/floor space with the capacity to generate rents at the closing date of the report.
Physical occupancy	Percentage: occupied square metres of the portfolio/operational spaces.
Property company	Company with rental property assets.
Reversionary potential	This is the result of comparing the rental income from current leases (leases with current occupancy and current rents in place) with the rental revenues that would result from 100% occupancy at market prices, estimated by independent valuers. Projects and refurbishments are excluded.
RICS	Royal Institution of Chartered Surveyors.
SFL	Société Foncière Lyonnaisse.
Take-up	Rental space that has been physically occupied, defined as newly signed leases.
TMN	SPV of Colonial (55%) and Gas Natural (45%) related to the Torre Marenostrum building.
Valuation Yield	Capitalisation rate applied by the independent valuers when carrying out the valuation.
Works in progress	Property under development at the closing date of the report.
Yield on cost	Market rent when 100% occupied/Market value at the start of the project net of value impairment + invested capital expenditure.
Yield occupancy 100%	Passing rents + vacant spaces let at market rent/market value.
€m	In millions of euros.

Alternative performance measures

Alternative Performance Measures	Method of calculation	Definition/Significance
EBIT ***(Earnings before interest and taxes)***	Calculated as the "Operating profit" plus "Changes in the value of property investments" and the "Profit/(loss) due to changes in the value of assets"	Indicates the Group's capacity to generate profits, only taking into consideration its economic activity, less the effect of debt and taxes.
EBITDA **(*Earnings Before Interest, Taxes, Depreciation and Amortization*)**	Calculated as the "Operating profit" adjusted by "Depreciation/Amortization" and "Net changes in provisions"	Indicates the Group's capacity to generate profits only taking into account its economic activity, eliminating allocations to depreciation/amortization, and the effect of debt and taxes.
Gross financial debt	Calculated as the total of all items under "Bank borrowings and other and other financial liabilities" and "Issues of debentures and similar securities", excluding "Interest (accrued), "Origination fees" and "Other financial liabilities" from the consolidated statement of financial position.	Relevant figure for analysing the financial situation. .
EPRA[1] NAV **(EPRA Net Asset Value)**	Calculated based on the Company's capital and reserves, adjusting certain items in accordance with EPRA recommendations.	Standard analysis ratio in the real estate sector and recommended by EPRA.
EPRA[1] NNNAV **(EPRA triple net asset value)**	Calculated adjusting the following items in the EPRA NAV: the market value of financial instruments, the market value of financial debt, the taxes that would be accrued with the sale of the assets at their market value, applying the tax benefits for reinvestments and the tax credit recognised in the balance sheet, considering a going concern assumption	Standard analysis ratio in the real estate sector recommended by EPRA
Market value excluding transaction costs or Gross Asset Value (GAV) excluding Transfer costs	Measurement of the Group's whole property portfolio carried out by independent valuers outside of the Group, less transaction or transfer costs.	Standard analysis ratio in the real estate sector.
Market value including transaction costs or GAV including Transfer costs	Measurement of the Group's whole property portfolio carried out by independent valuers outside of the Group, before deducting the transaction or transfer costs.	Standard analysis ratio in the real estate sector.

(1) EPRA (*European Public Real Estate Association*) or European Association of listed property companies which recommend the standards of best practices to be followed in the real estate sector. The method of calculation of these APMs is carried out following the indications established by EPRA.

Alternative Performance Measures	Method of calculation	Definition/Significance
Like-for-like rental income	Amount of rental income included in the item “Revenues” comparable between two periods. To obtain the calculation, the income from investments or disposals carried out in both periods are excluded, as well as the income deriving from assets included in the projects and refurbishments portfolio and other atypical adjustments (for example, penalties for early termination of rental contracts).	It enables a homogeneous comparison of the rental income performance of an asset or group of assets.
Like-for-like measurement	Market measurement (valuation) amount, excluding transaction costs, or market valuation, including transaction costs, comparable between two periods. To obtain the calculation, the rental income coming from investments or disposals carried out between both periods is excluded.	It enables a homogenous comparison of the evolution of the market valuation of the portfolio.
Loan to Value, Group or LTV Group	Calculated as the result of dividing the gross financial debt (reduced by the amount in the item “Cash and cash equivalents”) by the market valuation including the transaction costs of the Group’s property portfolio.	It enables the analysis of the ratio between the net financial debt and the valuation of the Group’s property portfolio.
LTV Holding or LTV Colonial	Calculated as the result of dividing the gross financial debt (less the amount in the item “Cash and cash equivalents”) by the market valuation total, including transaction costs, of the parent company’s property portfolio and the EPRA NAV of all financial stakes in subsidiary companies.	It enables the analysis of the ratio between the net financial debt and the valuation of the parent company’s property portfolio.

9. Contact details & disclaimer

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Capital Market Registry Data – Stock market

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Colonial is a Spanish listed REIT company (SOCIMI), leader in the European Prime office market, with a presence in the main business areas of Barcelona, Madrid and Paris, with a prime office portfolio of more than two million sqm (GLA) and more than €11bn of assets under management.

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