

**ANNUAL GENERAL SHAREHOLDERS MEETING
2016**

**Colonial's shareholders ratify their support for the
successful growth plan of the company**

A double increase in capital has been approved for €265 million

- New assets will be acquired for more than €400 million
- The asset value will increase by 5%, maintaining the debt ratio
- The stake in SFL will increase to 57.5%
- The Grupo Finaccess and the Reig Capital Group will join the shareholders
- The company will distribute a dividend of €47.8m

Barcelona, the 28th of June, 2016. In a context of strong investor interest, the industrial policy of asset repositioning centered in a prime top quality portfolio capable of generating more income and increasing the value of the company to above the market average enabled Colonial to close 2015 with a historic result and an office occupancy of 94% of its portfolio.

Today, the Ordinary General Shareholders Meeting has approved these accounts that have led to an increase of 9.3% in Colonial's income reaching €231 million and closing 2015 with an EBITDA of €178 million, 11% higher than the same period of the previous year and a net profit attributable to the group of €415 million. At the same time, Colonial's shareholders have voted favourably to the Board's proposal to distribute a dividend of €47.8 million, which is equal to 1.5 euro cents per share.

A solid base for future growth

The support of Colonial's shareholders of the 2015 accounts has extended to the approval of a capital increase of €265 million. This increase will allow Colonial to carry out two of the four acquisitions of assets contained in the Alpha investment plan that Colonial's Board of Directors presented today to their shareholders.

The plan involves an investment volume of more than €400 million in the first months of 2016 and is meant to give continuity to the successful value creation policy that makes up the essence of the industrial model with which Colonial faces the excess of liquidity in the market, and the lack of opportunities to purchase prime office buildings with good returns. Its execution implies four asset acquisitions.

The first transaction will be carried out through an agreement with the Grupo Finaccess for the purchase of a portfolio that includes the building located in Santa Hortensia, 26-28, and the building located in Serrano, 73, both in Madrid. The transaction has been valued at €202 million and the acquisition will happen through the delivery of 288.6 million new Colonial shares. The execution of the transaction will result in the incorporation of Grupo Finaccess as a new significant shareholder of the company.

In order to execute the second transaction, Colonial has reached an agreement with the Reig Capital Group for the purchase of 4.4% of SFL, which will set its stake in its French subsidiary SFL at 57.5%. The acquisition will happen through the delivery of €51 million and 90.8 million new Colonial shares.

The execution of the transactions described will mean a capital increase of 379.4 million shares through the share issue of shares with a nominal value of €0.25 and a share premium of €0.45. Their implementation has a clear accretive effect for Colonial's shareholders since it means the issue of new shares at €0.70/share, resulting in a premium over the last net asset value per share (NAV) reported by Colonial which at the close of 2015 was at €0.62/share, with a record growth of 29% in 12 months. Their closings will raise the market capitalization by €265 million.

The Alpha plan will be completed with two more acquisitions. The first is the purchase of a project in the 22@ district in Barcelona, where a 17-storey office building will be built with a surface area of more than 24,000 sq m. The building will be one of the first buildings in Barcelona with a LEED Platinum certificate. The total final amount of the investment is €77 million. The second acquisition is of an architecturally unique building in José Abascal, 45, with a surface area of more than 5,300 sq m for an investment of €35 million, confirming Colonial's position as one of the leaders in prime assets in the Madrid market.

The Alpha project will enable an increase of 8% of the total rental income of the Group and 28% of the portfolio in Spain, as well as a 5% growth in the asset value of the Group, which closed 2015 at near €7,000 million. The acquisition formula of these assets maintains the debt ratios at very solid levels (41.6% of the LTV) and substantially improves the cash flow profile of the company and consequently its credit profile.

Market support

The acknowledgment of Colonial's successful policy by the market has allowed it to capture new financing at very attractive costs, to improve its capital structure and to attract new shareholders which support their industrial vision and value creation plan.

Good proof of this support is found in the new incorporations of the Board, countersigned today by the General Shareholders Meeting with the ratification of the appointment of Sheikh Ali Jassim M. J. Al-Thani as member of the Board and the new appointments of Mr. Adnane Mousannif and Mr. Carlos Fernández González also as new Board members, all three in the proprietary category.

"Our achievements give us a solid base for future growth, with a strong sustainable increase in the occupancy of our buildings and in our income, a value creation for our shareholders higher than that of our competitors and a proven capacity to acquire new outstanding quality assets for our portfolio, while maintaining our debt ratios at solid levels", says Juan José Brugera, Chairman of Colonial.

"The information included in this document has not been verified or revised by the external auditors of Colonial. In this sense, the information is subject to and should be read together with all of the public information available, in all cases including the report corresponding to the 2015 annual results, registered by the Company and available on the Company's website www.inmocolonial.com."