

# Colonial

## Successful execution of growth strategy

### The Net Result increases 131%

- Rental revenues of €66m, +20% (+8% like for like)
- Recurring EBITDA of €50m, +21% (+13% like for like)
- EPRA financial occupancy of 96%, +967 basis points

Barcelona, 12 May 2016

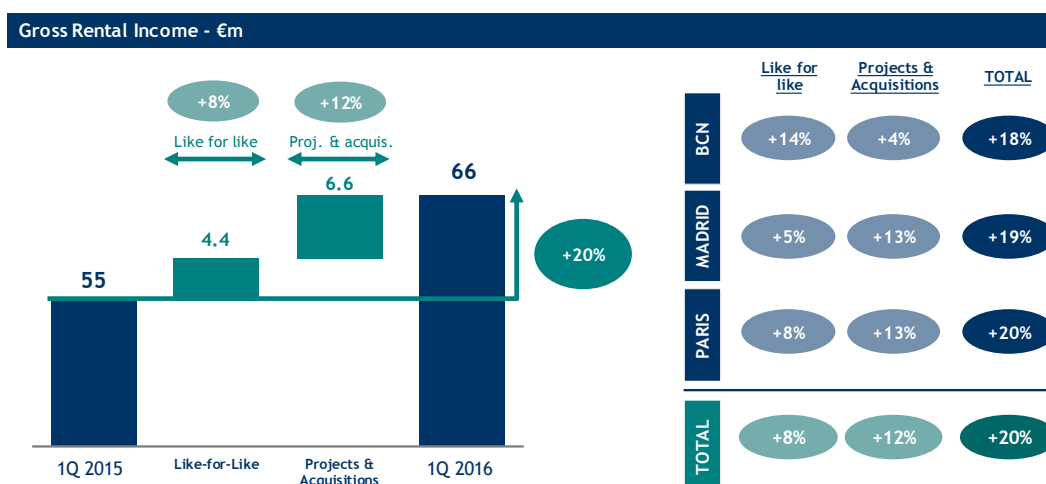
The first quarter results of 2016 reflect the successful execution of the Colonial Group's growth strategy based on a positioning of asset class specialist in prime offices in the Barcelona, Madrid and Paris markets. The Net Result of the Colonial Group amounted to €11m at the close of the first quarter of 2016, resulting in an increase of 131% year on year.

In particular, the Colonial Group achieved a 20% growth in gross rental income. This increase is mainly due to the following aspects:

1. An 8% increase in like-for-like terms, based on the attractiveness of the prime portfolio, which has improved occupancy by more than 960 basis points in a year.

In Spain the rents have increased 9% "like for like" and in France 8% "like for like".

2. In addition, a 12% increase in gross rental income has been achieved through the successful commercialization of refurbished assets, the delivery of Prime Factory projects, & the 2015 acquisitions.



The growth in gross rental income has enabled the Group to achieve an increase in the recurring EBITDA of 21% which, together with an improvement in financial costs, resulted in an increase in the Net Result of 131%.

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During the first quarter of 2016, the Colonial Group has made significant progress in commercialization, signing rental contracts on more than 45,000 sq m, 40% higher than the volume of contracts signed in the same period of the previous year.

It is important to point out the renewal of more than 22,000 sq m for Gas Natural on the Torre Marenstrum building, as well as the signing of more than 3,000 sq m on the Avinguda Diagonal, 609-615 building (DAU), and the renewal of 2,700 sq m on the Recoletos, 37-41 building. In Paris, almost 3,000 sq m were signed on the #Cloud property with a cosmetics and fragrances company, reaching 100% occupancy.

The high volume of new lettings has resulted in a significant increase in EPRA financial occupancy for the total portfolio, reaching 96% at the first quarter of 2016, +967 basis points year on year.

It is important to highlight the growth in the Barcelona portfolio, reaching an EPRA financial occupancy of 93%. Madrid and Paris properties have achieved EPRA financial occupancies of 97% and 96% respectively. These occupancies have increased during last year 1,321 basis points in Barcelona, 705 basis points in Madrid and 956 basis points in Paris.

The Colonial Group is currently analyzing under exclusivity an acquisition pipeline of more than €400m of Prime Office Assets.

“Colonial’s Prime portfolio, combined with an industrial approach of active asset management, is enabling us to obtain a good response of rental market, and is a solid base to deliver sustainable growth reaching above average return ratios”, said Mr. Brugera, Chairman of the Colonial Group.



“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 quarterly report registered by the Company and available on the Company’s website [www.inmocolonial.com](http://www.inmocolonial.com).”

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