

S&P upgrades the credit rating of Colonial up to BBB with stable outlook

- Highest credit rating in the Spanish Real Estate sector
- Highly positive assessment of operating performance
- Diversified portfolio with a strong leadership in CBD
- Solid financial profile of the Colonial Group

Barcelona, April 19, 2017

The rating agency Standard&Poors (S&P) has announced the improvement of the credit rating of Colonial, upgrading its rating from BBB- to BBB, with stable outlook. S&P has assessed the positive operating performance of Colonial as well as the improvement of the financial profile of the Group.

The key considerations for the credit rating upgrade have been:

- A prime office portfolio located in the city centers of Barcelona, Madrid and Paris
- Leadership in CBD: a portfolio of high quality assets with a 75% CBD exposure throughout Paris, Madrid and Barcelona, CBD exposure above other peers in the office market
- An adequate geographical diversification in both assets and tenant base
- The positive trend in the office markets, both in Spain and France
- The growing demand in the office markets where Colonial operates, enabling like-for-like rental growth
- Commitment to maintain a capital structure with prudent leverage ratios
- Increase in rental income due to new acquisitions of assets

Currently, the Colonial Group has 80% of its debt in corporate bonds, with 7 issuances that prove the high acceptance from capital markets.