

# Colonial

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*Colonial concludes agreements to support the future strategy of the company to focus on prime rental office assets and confirm capital markets interest in Colonial*

## Colonial signs New Facility Agreement and launches Capital Increase

- The Extraordinary Shareholders Meeting approves a rights issue of up to 1,266 million euros
- The Company has signed a new facility agreement for 1,040 million euros
- The capital increase includes binding agreements from individual institutional investors for an amount of 572 million euros
- The successful implementation of a new financial & shareholding structure will enable the Company to achieve a loan-to-value below 50%

Barcelona, April 9<sup>th</sup>, 2014

The Extraordinary Shareholders meeting of Colonial held yesterday represented an important step for the company to create a new capital structure, which Colonial hopes will allow the Company to fully implement its strategy as a pure prime rental office player.

Within the framework of a transaction with the objective of preserving the value of the company and supported by renowned institutional investors, Colonial's shareholders approved an increase in the size of the Company's previously-announced €1,000 million capital increase, approved on 21<sup>st</sup> January, of up to a maximum of 266 million euros.

In addition, the Board of Directors announced to the shareholders in the Extraordinary Shareholders meeting that Colonial has entered into a new facility agreement for 1,040 million euros.

Colonial believes that the achievement of these two milestones will allow Colonial, following the repayment of a substantial portion of its debts with part of the proceeds of the capital increase, to replace its current gross debt of 2,086 million euros with the new facility agreement of 1,040 million euros, while preserving its assets and reducing the Company's loan-to-value below 50%.

The new facility agreement of the Company, which has been possible as a result of the favourable evolution of the capital markets and the positive perception of Colonial's value creation strategy, has been subscribed by internationally renowned lenders. The new facility agreement matures on the 31<sup>st</sup> December 2018. The demand to participate in the new facility agreement significantly exceeded the required amount.

In relation to the capital increase, with a total size of up to a maximum of 1,266 million euros, that has been approved today, the shareholders have been informed that Colonial has received binding

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commitments from individual institutional investors for a total aggregate amount of 572 million euros.

In addition, the Board of Directors has determined that the premium of the new shares issued shall be 0.18 euros per share. As a result, the issue price of the new shares shall be 0.43 euros per share (0.25 euros of nominal value plus 0.18 euros of issue premium). Shareholders will be granted the right to subscribe for 13 new shares at the issue price (0.43 euros per share) for each share they own.

The Company has entered into an underwriting agreement with Morgan Stanley & Co International plc in respect of the new shares to be issued in the capital increase, other than those new shares to be subscribed pursuant to the binding commitments received from the individual institutional investors.

The Chairman and the Chief Executive Officer reminded the shareholders of Colonial's decision to maintain its controlling stake in Société Foncière Lyonnaise (SFL), which represents a fundamental component in the Company's strategy, with Spain accounting for 48% of the invested value, and France accounting for 52%.

Additionally, shareholders have been informed that on 25<sup>th</sup> February 2014, Colonial reduced its stake in Asentia to 18.99%, as a consequence of which the results of Asentia will no longer impact Colonial's consolidated accounts.

The next and final milestone will be the finalization of the capital increase expected to be completed in May, which will mark the completion of the Company's transformation. Approval of the Folleto is expected in the coming days, after which the rights trading period will commence. Rights trading is currently estimated to begin at the start of next week.

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Each decision to subscribe for or purchase securities of the Company shall be based exclusively on the information contained in the Spanish prospectus (*folleto informativo*) which is currently pending registration with the official registries of the Spanish securities market regulator (*Comisión Nacional del Mercado de Valores* or "CNMV"). Once said prospectus (*folleto*) has been registered with the CNMV, it shall be made publicly available on both the Company's website ([www.inmocolonial.com/en/](http://www.inmocolonial.com/en/)) and on the CNMV's website ([www.cnmv.es](http://www.cnmv.es)).

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