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# Colonial

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*The Colonial Group obtains net attributable results of €563 million, mainly due to the single extraordinary positive impact of the “deconsolidation” of Asentia*

## Colonial increases its occupancy and raises its recurrent net profit (EPRA net profit)

Rental revenues increased +2.6% like-for-like, up to €158 million

- The increase in rental revenues mainly relates to the new contracts signed in 2013 and 2014 for the Martínez Villergas and Recoletos assets in Madrid and the Washington Plaza and Edouard VII assets in Paris.
- The Colonial Group signed a total of 93,860 sq m of rental contracts during the first nine months of 2014, of which 53% corresponded to new contracts.
- Colonial’s EPRA financial occupancy for the office portfolio reached 84% at the end of the third quarter.
- Recurring EBITDA reached €120m at September 2014, +6.3% increase in like-for-like terms.
- The Loan to Value (LTV) debt ratios were 39.8% for the Holding LTV and 40.4% for the Group.

Barcelona, 13 November 2014

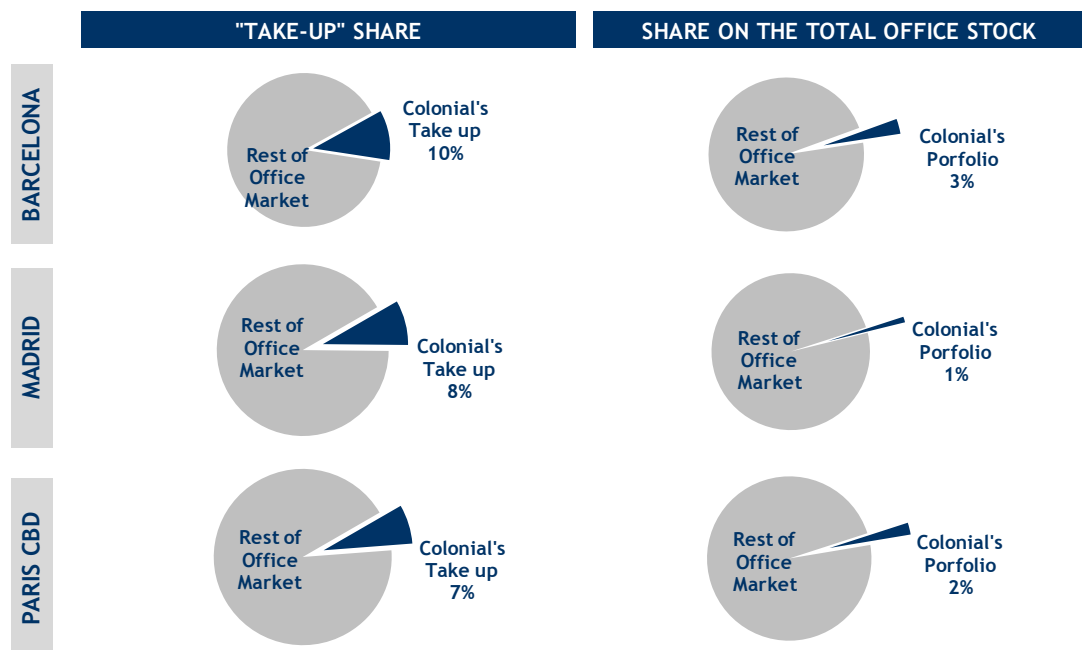
### Business performance

Colonial’s business performance, focused on the quality offices market in Barcelona, Madrid and Paris, was positive throughout the first nine months of the year. The high capacity of Colonial’s portfolio to attract demand enabled the company to reach rental revenues of €158m, an increase of 2.6% in like-for-like terms.

This increase mainly relates to the new contracts signed in 2013 and 2014 for the Martínez Villergas, Alfonso XII and Recoletos assets in Spain, and the Washington Plaza and Edouard VII assets in France.

The commercial effort made by Colonial was reflected by the rental contracts signed during the first nine months of 2014, for a total of 93.860 sq m, of which 53% corresponded to new contracts. This figure is 76% higher than the volume of new contracts signed throughout the whole of 2013. With respect to the same period of 2013, the volume of new contracts signed by Colonial has doubled (+117%).

Colonial has captured a take-up share higher than its share on the total office stock in Barcelona, Madrid and Paris CBD which demonstrates the high capacity of Colonial's portfolio to attract demand, due to its well-positioned buildings that offer high quality facilities and maximum energy-efficiency in attractive locations. In Barcelona, Colonial has captured 10% of the demand ('take up'), 8% in Madrid (12% if only taking into account the market sectors in Madrid in which the Group is present) and 7% in the Paris CBD.



Colonial's EPRA financial occupancy for the office portfolio reached 84% at the end of the third quarter of 2014 and above 90%, excluding the recently delivered projects: Travessera/Amigó ("LEED Gold" certified), Alfonso XII ("BREEAM" certified), Diagonal 409 ("LEED Silver" certified) and IN/OUT in Paris (BREEAM, LEED Silver & HQE certified).

At the close of the third quarter, the Colonial Group's portfolio totalled 984,369 sq m (697,293 sq m above ground), focused mainly on office buildings. At 30 September 2014, 86% of the portfolio was in operation and 14% corresponded to an attractive portfolio of projects and refurbishments.

### Results for the first nine months of 2014

The recurring EBITDA amounted to €120m, a figure in line with the previous year. In like-for-like terms, this figure increased by 6.3%, due to higher comparable rental revenues, together with lower overheads.

The recurring EPRA Net Profit is positive and amounts to €12.9m, an increase of €11m compared to the same period the previous year. The net results attributable to the Group were positive and amounted to €563m, mainly due to the positive extraordinary impact of the "deconsolidation" of Asentia.

Results analysis - €m	2014	2013	Var.	Var. %
Recurring EBITDA	120	120	(0)	(0%)
Equity method results - SIIC de Paris - recurring	4	9	(5)	(54%)
Recurring financial result (excl. equity method)	(77)	(91)	14	15%
Income tax expense - recurring result	(5)	(7)	2	28%
Minority interest - recurring result	(30)	(30)	0	1%
<b>Recurring EPRA net profit</b>	<b>12.9</b>	<b>1.7</b>	<b>11</b>	<b>-</b>
Non-recurring result	550	(371)	921	-
<b>Profit attributable to the Group</b>	<b>563</b>	<b>(369)</b>	<b>932</b>	<b>-</b>

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## Active Asset management

On 23 July 2014, SFL completed the sale of its stake in SIIC de Paris, at a price of €23.88/share. The disposal of SIIC de Paris is part of the Colonial Group's continuous process of active asset management of its portfolio. In particular it resulted in the disposal of an asset at maximum price levels, after capturing its full value creation potential and the release of funds for new investments that allow to maximize the value for the shareholders of the Colonial Group.

The Holding net debt at September 2014 amounted to €928m and the Group net debt amounted to €2,220m. The Loan to Value (LTV) debt ratios were 39.8% for the Holding LTV and 40.4% for the Group.

The liquidity of the Colonial Group amounted to a total of €964m, of which €80m corresponded to Spain and €884m to France.

"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 third quarter of 2014, registered by the Company and available on the Company's website [www.inmocolonial.com](http://www.inmocolonial.com)."

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