

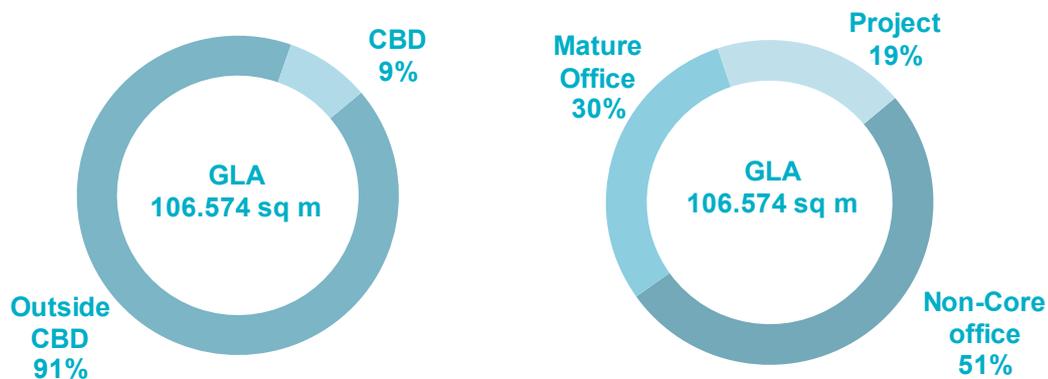
## Colonial executes disposals for a total amount of €441m with a 12% premium on appraisal value

- Disposals are concentrated on non-strategic and mature assets in Madrid
- Agreement with Catalana Occidente Group for the construction and sale of a turnkey project in Méndez Álvaro
- 91% of the sold assets are located outside the central business district
- Disposals at an optimal market timing underpinned by a strong investor interest

### **Madrid, 5th October 2018**

Colonial announced today the disposal of 7 office buildings and a turnkey project in Madrid for a total price of €441m. These disposals have been executed with a +12% premium on the latest appraisal value.

The divested portfolio has a gross lettable area of 106.574 sq m and is mainly located outside CBD (91%).



The divestments are non-strategic assets outside CBD and mature assets. In addition the project Castellana Sur / Mendez Álvaro has been sold in the framework of a turnkey project with a large coporation.

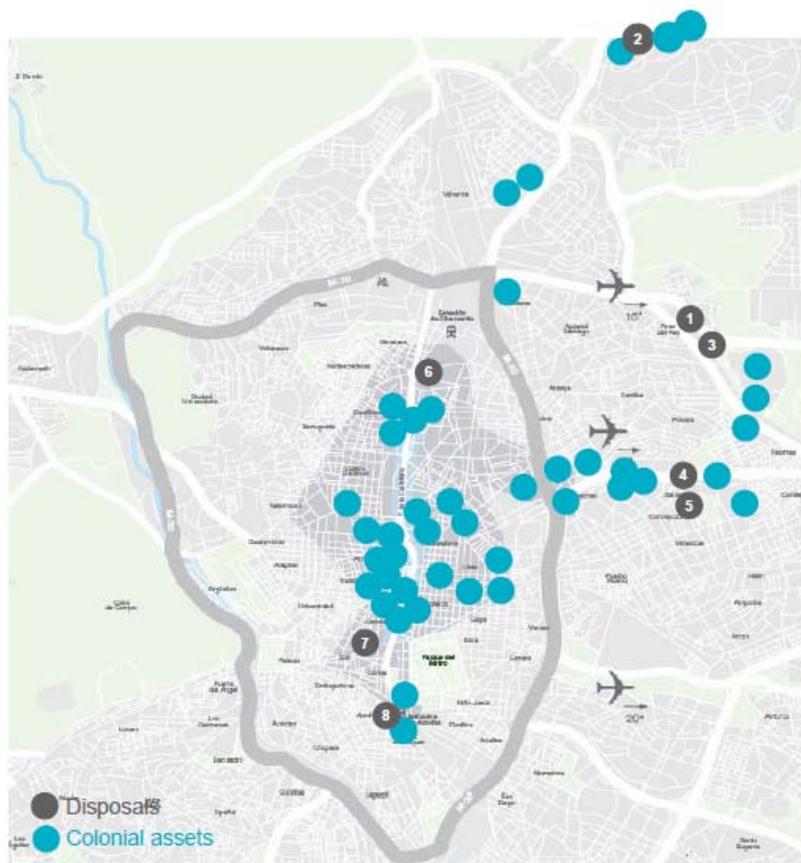
### **Disposal of operating assets**

Colonial has disposed assets, which after a recent real estate transformation, have reached levels of full occupancy and its maximum value in the real estate value creation cycle. For instance, in the case of Alcalá 30-32 building, the lease agreement was recently renegotiated with a release spread of +21% and is currently 100% occupied by public administration through a long-term contract.

## Office Building Project for major corporate

Colonial has reached an agreement with Catalana Occidente Group to sell a turnkey project for more than 20.000 sq m on one of the land plots acquired in Alpha-III project last January. The project is located at the office market segment of Méndez Álvaro and will allow the consolidation of the Castellana Sur area through the establishment of a large corporation in the area.

In the upcoming months, Colonial will also begin with the construction of another major project “Méndez Álvaro Campus”. The project has a total GLA of 90.000 sq m and will host the largest office complex within Madrid’s inner ring motoway, M-30.



### EXECUTED DISPOSALS

ASSETS	GLA
1. Cristalia 2&3	17,338
2. Avenida de la Vega 15	22,578
3. Cristalia 5&6	17,587
4. Luca de Tena 6	4,560
5. Luca de Tena 14	7,872
6. Foxá 29	7,275
7. Alcalá 30-32	9,088
8. Méndez Álvaro office scheme	20,276
<b>TOTAL</b>	<b>106,574</b>

## Optimal conditions at the right timing

The transaction has been carried out taking advantage of a strong momentum in the office investment market in Spain, which continues to generate strong interest among institutional and private investors.

After identifying the assets to be disposed and potential buyers, Colonial has executed the full disposal process in just 4 months, proving its strong capability to deliver transactions in optimal terms and timing.

The buyers are renowned institutional investors such as Tristan Capital Partners, Real I.S. and Grupo Catalana Occidente. In the different transactions, Colonial has been advised on the legal side by Ramon y Cajal Abogados and Roca Junyent.

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## Capital recycling with focus on Prime

The disposal proceeds from the divestments will be used mainly to finance the project pipeline of high-quality office projects of 320.000 sq m, as well as the company's acquisition programme. The LTV of the company after the divestment of these assets will be clearly below 40%.

*"These disposals have been implemented in the framework on a strategy focused on prime assets with maximum added value where office demand and value creation are outstanding. This transaction enhances Colonial's flexibility and capacity to further implement its growth strategy focused on projects with maximum value creation potential and returns",* explains Pere Viñolas, Colonial's CEO.



## About Colonial

Colonial is a Spanish listed REIT company (SOCIMI), leader in the European Prime office market with presence in the main business areas of Barcelona, Madrid and Paris with a prime office portfolio of more than one million of sq m of GLA and assets under management with a value of more than €11bn.



"The information included in this document should be read together with all of the public information available, particularly the Company's website [www.inmocolonial.com](http://www.inmocolonial.com)."

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