

## Colonial becomes first Spanish REIT to obtain a BBB+ rating

- S&P upgrades Colonial's rating from BBB to BBB+ with stable outlook following the acquisition of a 22,2% stake in SFL
- The credit rating is the highest in Spain for a Real Estate company
- Colonial becomes one of the top 10 companies in the IBEX-35 with the highest rating

**Madrid, October 18, 2018**

Colonial has today become the first REIT in the history of Spain to obtain a BBB+ rating by S&P. According to Standard & Poor's, Colonial upgrades its rating thanks to the recent acquisition of 22.2% of SFL from QIA, increasing its stake from 59% to 81%, but also due to the prime CBD location of its asset portfolio, in markets with strong fundamentals.

In May 2015, Colonial became the first real estate company in Spain to obtain an investment grade from Standard & Poors. At the time, the credit agency gave Colonial a BBB-rating. The rating was subsequently upgraded, in April 2017, to BBB with a stable outlook due to the positive business evolution, as well as the Group's improved financial profile. Other factors such as the prime location of Colonial's asset portfolio, its leadership in CBD areas, an adequate geographic diversification and the increased demand for office space, along with increases in rental income, also contributed to the rating upgrade.

As of today, 83% of the Colonial Group's debt is through corporate bonds, amounting to 3,800 million euros. This debt has a total cost of 2%. *"Following the upgraded rating, which proves Colonial's financial strength, the company will be able to access capital markets with a lower cost of debt"* says Carmina Ganyet, Corporate General Manager of Colonial.

### 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.



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