
Colonial

The Net Asset Value increases 6.3% in 6 months

After the recapitalization, the Colonial Group becomes the first property company in Spain with a market capitalization of more than 2 billion euros

- The Colonial Group invests €369m in 2014
- Gross Asset Value of €5,757m, +9.6% like-for-like
- The occupancy of the total portfolio increases to 87%
- Rental revenues reached €211m, +3,2% like-for-like
- Recurring EBITDA of the Group of €161m, +4.1% like-for-like
- Solid Capital Structure with a LTV of 38%

Barcelona, 27 February 2015

2014 Results

The net results attributable to the Group were positive and amounted to €492m in 2014, mainly due to the positive extraordinary impact of the “deconsolidation” of Asentia and the increase in Gross Asset Value of the portfolio.

The rental revenues of the Colonial Group increased by 3.2% like-for-like. The portfolio in Spain had positive growth of 0.5% like-for-like, thanks to the positive performance of the Madrid portfolio (+5.4%). In Paris, the rental revenues increased by 4.3% like-for-like. The like-for-like increase in rental revenues mainly relates to the new contracts signed in 2013 and 2014 on the Martínez Villergas, Recoletos, Edouard VII, Washington Plaza and Hanovre assets.

The recurring EBITDA amounts to €161m, a figure 2% lower than the previous year. In like-for-like terms, this figure increased by 4.1%, mainly due to higher comparable rental revenues.

The recurring EPRA Net Profit is positive and amounts to €16.7m, an increase of €13m, compared to the same period of the previous year.

Business highlights

During 2014, the Colonial Group signed rental contracts for 107,881 sq m, of which 67% (71,914 sq m) corresponded to new contracts. This figure almost tripled the volume of new contracts signed throughout the whole of 2013 (28,041 sq m).

It is important to highlight that Colonial has captured a take-up share higher than its share on the total office stock in Barcelona, Madrid and the Paris CBD. This proves the high capacity of Colonial’s

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portfolio to attract demand, due to its well-positioned buildings that offer high quality facilities and maximum energy-efficiency in attractive locations.

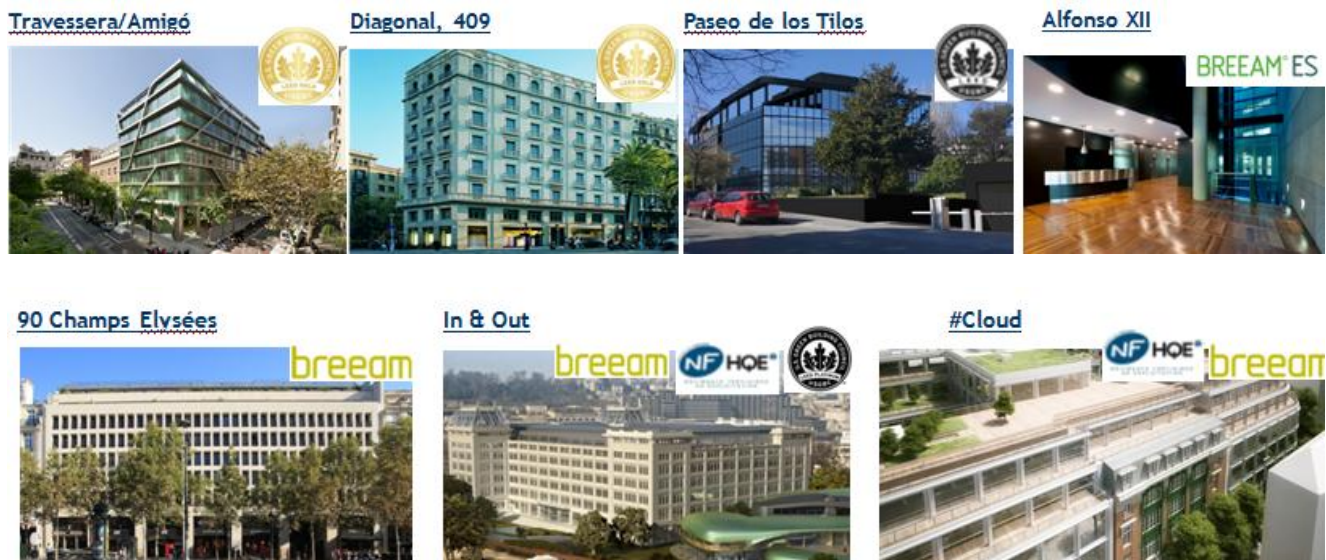
As a result, at the end of 2014, the occupancy of Colonial's office portfolio was at 85% and 87% for the total portfolio, an increase compared to the occupancies reached at the end of the previous year, thanks to the improvement in occupancy in the Madrid and Paris portfolios. In Madrid, it is important to point out the increase in the physical office occupancy of 9pp compared to 2013, reaching 89% occupancy, thanks in particular to the successful commercialisation of the Alfonso XII property.

Active Management of the portfolio

During 2014, the Colonial Group actively managed its portfolio, disposing of mature assets and carrying out new investments and acquisitions, in order to maximize value for the shareholders.

On 23 July 2014, Colonial's subsidiary, SFL, completed the sale of its minority stake in SIIC de Paris, at a price of €23.88/share (€304m). The sale price resulted in a premium of 29% above the acquisition price (€18.48/share) and, together with the dividends received, offered an attractive return for the Colonial Group.

Colonial made investments for over €369m in 2014 of which €135m were invested in refurbishments and projects of the Colonial Group to optimize the positioning of the property portfolio. In Spain, it is worth highlighting the properties of Travessera de Gràcia/Amigó, Diagonal 409, Paseo los Tilos and Alfonso XII. In France, the 90 Champs Elysees, IN/OUT & Cloud projects are highlighted.



Regarding new investments, Colonial made two acquisitions for a total volume of €234m. In Barcelona, Colonial has acquired an office building located in Plaza Europa. This property is located in a business district in expansion with excellent transportation. It is currently 100% occupied by Gallina Blanca (a Spanish multinational company) with a long term maturity contract. In Paris, Colonial has acquired, through its subsidiary Société Foncière Lyonnaise (SFL), an office building located in Rue Condorcet in district 9 in Paris. This property is also 100% occupied with a long term maturity contract by the company Gaz Réseau Distribution France.

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Capital Structure & “Net Asset Value”

The Gross Asset Value (GAV) of the Colonial Group was €5,757m at the close of 2014, which means a +9.6% increase in like-for-like terms versus the previous year.

The Barcelona portfolio increased by 6.3% like-for-like and the Madrid portfolio increased by 13.3%. This increase is mainly due to a yield compression given the growing interest by investors for prime assets in Madrid and Barcelona, as well as the positive effects of the repositioning of assets.

The asset value in Paris increased by 9.5% in like-for-like terms in the last 12 months. This increase in value is mainly due to the progressive repositioning of the property portfolio with positive impacts on rents and yields, in the context of an investment market with high interest in prime offices in Paris.

The Holding net debt at December 2014 amounted to €936m and the Group net debt amounted to €2,545m. The Loan to Value (LTV) debt ratios are 38.4% for the Holding LTV and 44.8% for the Group.

At 31 December available cash together with undrawn balances of the Group amounted to €690m.

The EPRA NAV of the Colonial Group amounted to €1,521m at 31 December 2014, equivalent to 47.7 cents of a €/share, an increase of +6.3% in 6 months.

“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 fourth quarter of 2014, registered by the Company and available on the Company’s website www.inmocolonial.com.”

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