According to article 228 of the Legislative Royal Decree 4/2015 of October 23 approving the revised text of the Securities Market Act, Inmobiliaria Colonial, S.A. ("Colonial" or the "Company") hereby reports the following:

REGULATORY ANNOUNCEMENT
("HECHO RELEVANTE")

Following the Regulatory Announcement published today, the 25th of May 2016, with the registered number 239073, Colonial publishes the documentation of support for the presentation to analysts and investors to comment on the main proposals for the next Annual General Shareholders’ Meeting as well as on reached agreements related to new investments. The webcast will be held today Wednesday 25th of May 2016 at 6:30 PM (CET) through webcast.

The information regarding the presentation is detailed below:

From Spain: +34 917900882
From the Netherlands: + 31 107138194 + 93823806#
From the UK: +44 (0) 2031474609

The presentation can be followed online through the following link:

http://event.onlineseminarssolutions.com/r.htm?e=1198146&s=1&k=0AE4F4B4D06194313574D1DE222425B8

In addition, the presentation will be available on the website of the company.

Barcelona, 25th of May 2016
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This information should be examined in conjunction with all the documents and information made public with occasion of the Annual General Shareholders’ Meeting available on the Company’s website (www.inmocolonial.com) as well as on the website of the Spanish Market Regulator, the CNMV (www.cnmv.es).
AGENDA

1. Transaction Summary
2. Asset Details
3. Transaction Impacts
4. Conclusions

PRESENTING MANAGEMENT TEAM

Pere Viñolas
CEO

Carmina Ganyet
Corporate Managing Director

Carlos Krohmer
Chief Corporate Development Officer
Implementation of investment projects for a total volume of more than €400m

- Acquisition of 4 prime office assets in Spain and a 4.4% stake in SFL
- High quality products with unique positioning sourced through off market transactions
- Interesting balance of Core investments combined with Prime Factory value creation potential
- Project Alpha enables to accelerate Colonial’s strategic growth plan

**Colonial**

**PROJECT ALPHA - TRANSACTION SUMMARY**

Transaction summary

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(1) Includes SFL stake (79% CBD exposure as of 12/15)
## Colonial

### PROJECT ALPHA - TRANSACTION SUMMARY

*Transaction summary*

1. Investments located in the city center of Colonial’s core markets offering a unique positioning in every segment
2. Interesting balance of Core Investments with Prime Factory value creation potential
3. Total fit with Colonial’s selective investment strategy

<table>
<thead>
<tr>
<th>#</th>
<th>Location</th>
<th>Project Name</th>
<th>Description</th>
<th>GLA (sq m)</th>
<th>Price (€m)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Barcelona</td>
<td>Parc Glories Project</td>
<td>Barcelona 22@ Area</td>
<td>24,500</td>
<td>77</td>
</tr>
<tr>
<td>2</td>
<td>Madrid</td>
<td>José Abascal</td>
<td>Madrid Prime CBD</td>
<td>5,326</td>
<td>35</td>
</tr>
<tr>
<td>3</td>
<td>Madrid</td>
<td>Serrano, 73</td>
<td>Madrid Prime CBD</td>
<td>4,242</td>
<td>48</td>
</tr>
<tr>
<td>4</td>
<td>Madrid</td>
<td>Corporate HQ - Sta Hortensia 26-28</td>
<td>Madrid BD</td>
<td>46,928</td>
<td>154</td>
</tr>
<tr>
<td>5</td>
<td>Paris</td>
<td>4.4% Stake in SFL</td>
<td></td>
<td></td>
<td>106</td>
</tr>
</tbody>
</table>

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1. Includes capex of full development of the project

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All prices excluding transfer costs
1. Strong footprint in the prime segment of the growing 22@ market

2. Anticipating office market trends at optimal timing

**22@ Barcelona - an Attractive Growth Market**

- Growing market with an office stock of 1,000,000 sq m, 15% of total Barcelona
- Highly innovative district attracting knowledge-based international companies
- Emerging “new CBD”, more than 4,500 companies since 2000
- Future supply is scarce: 60,000 sq m of speculative space
- Within 22@, the Glories segment has the strongest fundamentals:
  - Most consolidated area in occupiers, services and connectivity
  - Limited stock of 300,000 sq m with 2% available space

### Multinational companies are moving to 22@

<table>
<thead>
<tr>
<th>Company</th>
<th>Parc Glories Area</th>
</tr>
</thead>
<tbody>
<tr>
<td>SAGE</td>
<td>-</td>
</tr>
<tr>
<td>Schneider</td>
<td>-</td>
</tr>
<tr>
<td>CISCO</td>
<td>-</td>
</tr>
<tr>
<td>T-Systems</td>
<td>-</td>
</tr>
<tr>
<td>eBay</td>
<td>-</td>
</tr>
<tr>
<td>Colonial</td>
<td>-</td>
</tr>
<tr>
<td>Yahoo</td>
<td>-</td>
</tr>
<tr>
<td>ISDIN</td>
<td>-</td>
</tr>
<tr>
<td>Cuatrecasas</td>
<td>-</td>
</tr>
<tr>
<td>unibail-rodamco</td>
<td>-</td>
</tr>
<tr>
<td>SAP</td>
<td>-</td>
</tr>
<tr>
<td>Indra</td>
<td>-</td>
</tr>
<tr>
<td>Endesa</td>
<td>-</td>
</tr>
<tr>
<td>Sanofi</td>
<td>-</td>
</tr>
</tbody>
</table>

### 22@ Barcelona - Total Market vs Parc Glories Area

<table>
<thead>
<tr>
<th>Metric</th>
<th>Total 22@ Market</th>
<th>Parc Glories Area</th>
</tr>
</thead>
<tbody>
<tr>
<td>Office Stock Sq m</td>
<td>1,000,000</td>
<td>300,000</td>
</tr>
<tr>
<td>Vacancy Rate</td>
<td>11%/2% Grade A+</td>
<td>2%</td>
</tr>
<tr>
<td>Prime ERV</td>
<td>16 €/sq m/month</td>
<td></td>
</tr>
</tbody>
</table>
1. Unique product, best positioned in Barcelona’s “new” CBD of the future

2. Anticipating office market trends at optimal market timing

**Main characteristics final product**

- Iconic new prime 17 storey office building of 24,500 sq m in Barcelona
- Open-plan column free floors with floor plates up to 1,800 sq m
- Flexible floor and sizeable plant divisible in modules
- One of the first LEED Platinum offices in Barcelona market
- The project is led by Batlle I Roig architects, who have designed Interface and CMT buildings
PROJECT ALPHA - ASSET DETAILS

Parc Glories Project

- Prime Factory investment with very attractive ungeared IRR
- Competitive entry price guarantees strong yield on cost
- “Super-Prime” positioning in a growing market

**Sources of Value Creation**

- Prime positioning in Barcelona’s most dynamic growth market
- Attractive entry price with competitive construction costs (c.1,300€/sq m)
- Unique asset, one of the first LEED Platinum Offices in Barcelona
- Competitive product in terms of size and floor layout:
  - Currently no new supply of premises with more than 10,000 sq m in Barcelona

**The Transaction**

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Price$^1$</td>
<td>€45m</td>
</tr>
<tr>
<td>Capex</td>
<td>€32m</td>
</tr>
<tr>
<td>Total Investment</td>
<td>€77m</td>
</tr>
<tr>
<td>GLA$^2$</td>
<td>24,500 sq m</td>
</tr>
<tr>
<td>Parking</td>
<td>141 units</td>
</tr>
<tr>
<td>Capital value$^3$</td>
<td>€2,991/sqm</td>
</tr>
</tbody>
</table>

**The Opportunity**

- Yield on Cost >7%
- Ungeared IRR >9%

---

1 Excluding transfer costs  2 Surface above Ground  3 Excluding parking spaces
Main asset characteristics

- Unique income producing asset located in the Prime CBD of Madrid
- “Boutique” asset belonging to a special category of selected and scarce offices
- These type of assets have had a superior performance in terms of occupancy and rents through the historical series
- Asset characteristics highly sought for certain clients (lawyers firms, international consultant companies...)
- Asset occupied by first class international tenants
- Secured cash flow with strong covenants

1 Acquisition subject to final settlement
### Sources of Value Creation

- Additional cash flow and rental uplifts through letting up vacant surface (current occupancy 79%)
- Short term reversionary potential
- Additional value creation through repositioning initiatives:
  1. Reshape common spaces and entry areas
  2. Upgrade and reposition vacant floors

### The Transaction

<table>
<thead>
<tr>
<th></th>
<th>CBD - Madrid</th>
<th>Core Investment</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Price</strong></td>
<td>€34.5m</td>
<td></td>
</tr>
<tr>
<td><strong>GLA</strong></td>
<td>5,326 sq m</td>
<td></td>
</tr>
<tr>
<td><strong>Parking</strong></td>
<td>54 units</td>
<td></td>
</tr>
<tr>
<td><strong>Occupancy</strong></td>
<td>79%</td>
<td></td>
</tr>
<tr>
<td><strong>Capital value</strong></td>
<td>€5,971/sqm</td>
<td></td>
</tr>
</tbody>
</table>

### The Opportunity

- Potential Yield: 4 - 5%
- Ungeared IRR: > 6%

---

1 Acquisition subject to final settlement  2 Excluding transfer costs  3 Surface above Ground  4 Excluding parking spaces
Main asset characteristics

- Trophy prime office premise considered by brokers within a super prime category
- Great visibility and excellent entry of natural light thanks to its three façades
- Shortage of this type of products on the prime CBD area
- The average vacancy ratio of this type of assets is lower than the average vacancy in CBD areas
- Asset category with maximum closing rents, typically 5-10% above average prime rents
**Colonial**

**PROJECT ALPHA - ASSET DETAILS**

**Serrano 73 - Trophy Prime Office in Madrid CBD**

- Attractive ungeared IRR with high quality collateral
- Short term reversionary potential and additional upside for retail use

### Sources of Value Creation

- Trophy Asset with unique Prime Positioning
- Short term reversionary potential of current contract portfolio
- “All time outperforming” Prime Asset well positioned for market recovery
- Mid term upside potential of retail use

### The Transaction

<table>
<thead>
<tr>
<th>Price¹</th>
<th>€48m</th>
</tr>
</thead>
<tbody>
<tr>
<td>GLA²</td>
<td>4,242 sqm</td>
</tr>
<tr>
<td>Parking</td>
<td>80 units</td>
</tr>
<tr>
<td>Occupancy</td>
<td>100%</td>
</tr>
<tr>
<td>Capital value³</td>
<td>€11,315/sqm</td>
</tr>
<tr>
<td>Office Cap value³</td>
<td>€8,713/sqm</td>
</tr>
</tbody>
</table>

### The Opportunity

- Initial Yield 4%
- Ungeread IRR 6%

---

1 Excluding transfer costs   2 Surface above Ground   3 Excluding parking spaces
PROJECT ALPHA - ASSET DETAILS
Corporate Headquarters in City Centre - Santa Hortensia 26-28

- Unique positioning through one of the 7 largest office premises in Madrid
- Multinational tenant with very strong covenants in good location

Main asset characteristics

✓ Landmark free-standing building. Within the 7 largest office premises in Madrid with a 1.25 ha plot
✓ Located in Madrid’s City Center within the M-30 inner ring road and with excellent public transport connections
✓ The area is characterized by being the home to major multinational corporations’ headquarters
✓ The availability of office space in the A2 corridor has considerably decreased over the last 2 years
✓ Very strong covenant with strong annual GRI, far below historical peaks
### Sources of Value Creation

- Unique premise of more than 46,000 sq m in Madrid City Centre with attractive floor layout (horizontal)
- Attractive entry price, below 3,000€/sq m³
- Secured cash with strong covenants
- Attractive entry yield, above 6%
- Mid term value-added opportunities through light repositioning and asset optimization

### The Transaction

<table>
<thead>
<tr>
<th>Description</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Price¹</td>
<td>€154m</td>
</tr>
<tr>
<td>GLA²</td>
<td>46,928 sqm</td>
</tr>
<tr>
<td>Parking</td>
<td>946 units</td>
</tr>
<tr>
<td>Occupancy</td>
<td>100%</td>
</tr>
<tr>
<td>Capital value³</td>
<td>2,878€/sqm</td>
</tr>
</tbody>
</table>

### The Opportunity

- Initial Yield 6.2%
- ungeared IRR >7%

---

1 Excluding transfer costs  
2 Surface above Ground  
3 Excluding parking spaces
Acquisition of the 4.4% stake of Reig in SFL, increasing the stake of Colonial in SFL to 57.5%

- Acquisition of 50% of the stake for a price of 50.00 €/share, for a total cash consideration of 51.0€m
- Contribution of 50% of the stake in SFL in exchange for 90.80 mn new shares of Colonial

**Main investment considerations**

- Acquisition consistent with Colonial’s strategy - increase of exposure to Prime CBD in Paris
- The acquisition price\(^1\) represents a 15% discount on SFL’s latest reported 12/15 NAV
- Accretive transaction in NAV per share and EPS
- Enhances the Recurring Net Profit of the Company
- SFL has a proven track record in value creation beyond the cycle
- Reinforces the controlling stake of Colonial in SFL and incorporates a long term oriented shareholder at Colonial

**The Transaction**

Acquisition 4.4% of SFL

<table>
<thead>
<tr>
<th>Element</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>NOSH acquired</td>
<td>2.02mm</td>
</tr>
<tr>
<td>Cash</td>
<td>€51m</td>
</tr>
<tr>
<td>New NOSH COL</td>
<td>90.8mm</td>
</tr>
<tr>
<td>Acquisition price(^1)</td>
<td>€106m</td>
</tr>
</tbody>
</table>

**The Opportunity**

Discount on SFL’s 12/15 reported NAV: 15%

- Dividend yield on cost: 4.0%
- Attractive Total Return

**Actual Shareholder structure**

**New Shareholder structure**

---

\(^1\) Acquisition price considering average cost of i) €51m of cash and ii) 90.8mm shares of Colonial considered at Colonial’s Pro Forma NAV post money & post dividends (60.8 €Cts. per share)
### PROJECT ALPHA - TRANSACTION IMPACTS

#### Transaction Structure

**Cash Acquisitions**

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>€35m Jose Abascal - Acquisition price upfront&lt;sup&gt;1&lt;/sup&gt;</td>
<td></td>
</tr>
<tr>
<td>€29m Parc Glories - Acquisition price upfront</td>
<td></td>
</tr>
<tr>
<td>€16m Parc Glories - Additional price in the next 2 years</td>
<td></td>
</tr>
<tr>
<td>€32m Parc Glories - Future project capex</td>
<td></td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>€111m</td>
</tr>
</tbody>
</table>

**New Colonial Shares<sup>2</sup>**

<table>
<thead>
<tr>
<th>Description</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Contribution of assets for €202m (valuation independent expert)</td>
<td></td>
</tr>
<tr>
<td>Issuance of €289m of new Colonial shares at €70cents/share</td>
<td></td>
</tr>
<tr>
<td>Transaction subject to AGM approval</td>
<td></td>
</tr>
<tr>
<td>Transaction subject to general clauses of Material Adverse Change (MAC), market stability and others&lt;sup&gt;3&lt;/sup&gt;</td>
<td></td>
</tr>
</tbody>
</table>

**Cash + New Colonial Shares<sup>1</sup>**

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>€51m paid in cash</td>
<td></td>
</tr>
<tr>
<td>Issuance of 90,8mm new Colonial shares</td>
<td></td>
</tr>
</tbody>
</table>

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<sup>1</sup> Acquisition subject to final settlement  
<sup>2</sup> Capital increase subject to AGM Approval  
<sup>3</sup> See details on the Report for the Board of Director available on Colonial’s website and the website of the market regulator (www.cnmv.es)
PROJECT ALPHA - TRANSACTION IMPACTS

**Transaction impacts**

- **Acceleration of Colonial growth strategy**
  1. Significant growth of Spanish Portfolio (+28% in GRI\(^1\) & +19% in GAV)
  2. Accretive transaction in EPS and NAV/share from day one
  3. Investment projects with very attractive growth potential
  4. Strong credit profile: LTV of 41.6% with improved cash flow profile

<table>
<thead>
<tr>
<th>Significant increase in size</th>
<th>In highly accretive terms from day one</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>GRI(^1) (€m)</strong></td>
<td><strong>EPS(^2) (€Cts./ share)</strong></td>
</tr>
<tr>
<td>12/15 Proforma</td>
<td>12/15 Proforma</td>
</tr>
<tr>
<td>231</td>
<td>6,913</td>
</tr>
<tr>
<td>249 +8% total</td>
<td>7,226 +5% total</td>
</tr>
<tr>
<td>249 +28% Spain</td>
<td>1,670 +19% Spain</td>
</tr>
<tr>
<td>62</td>
<td>1,983</td>
</tr>
<tr>
<td>80</td>
<td>1,983</td>
</tr>
<tr>
<td><strong>GAV(^1) (€m)</strong></td>
<td><strong>Market Cap(^3) (€m)</strong></td>
</tr>
<tr>
<td>12/15 Proforma</td>
<td>12/15 Proforma</td>
</tr>
<tr>
<td>1,670</td>
<td>2,127</td>
</tr>
<tr>
<td>6,913 +5% total</td>
<td>2,380 +12% total</td>
</tr>
<tr>
<td>1,983 +19% Spain</td>
<td>2,380 +12% total</td>
</tr>
<tr>
<td><strong>Recurring Profit(^1) (€m)</strong></td>
<td><strong>NAV/share (€Cts./ share)</strong></td>
</tr>
<tr>
<td>12/15 Proforma</td>
<td>12/15 Proforma</td>
</tr>
<tr>
<td>36.9</td>
<td>2,127</td>
</tr>
<tr>
<td>53.2 +44%</td>
<td>2,380 +12% total</td>
</tr>
<tr>
<td>12/15 Proforma</td>
<td>2,380 +12% total</td>
</tr>
</tbody>
</table>

---

1 Including full development capex and potential GRI of finalized Parc Glories Project and 100% occupancy of acquired assets
2 Considering current annualized passing rents (Jose Abascal at current occupancy and no rents for Parc Glories) 3 New shares valued at 24/05/16 stock market price
The transaction reinforces Colonial overall positioning

1. Asset allocation with increased exposure to Spain
2. Increased exposure to Paris CBD, reaching a 57.5% stake in SFL
3. New long term oriented investors in shareholder base

---

**Asset Allocation by country\(^1\)**

- **France**: 46%
- **Spain**: 54%

**SFL Shareholders**

- **Free Float**: 6.3%
- **Treasury shares**: 0.8%
- **Crédit Agricole**: 13.2%
- **Qatar Investment Authority**: 22.2%

**Colonial Shareholders**

- **Free Float**: 52.3%
- **Grupo VillarMir**: 13.0%
- **Qatar Investment Authority**: 11.7%
- **Finaccess Group**: 8.1%

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\(^1\) Asset allocation exposure based on GAV Holding
Completion of all precedent conditions and AGM approval (1):

**Acceleration of growth strategy in accretive terms**

1. Significant growth of Spanish Portfolio (+28% in GRI\(^2\) & +19% in GAV\(^2\))
2. Increased exposure to Paris CBD
3. Substantial increase of GAV (+€313m\(^2\)), Profit (+€16€m\(^2\)) & Equity Value (+€265€m\(^3\))
4. Accretive transaction in EPS\(^4\) and NAV/share from day one
5. Solid capital structure with improved cash flow profile

**Attractive growth profile maintaining investment discipline**

1. Attractive entry prices at optimal market timing
2. Assets located in city center with unique positioning in every segment
3. Market segments with interesting growth perspectives
4. Value creation potential through value added strategies (Prime Factory Investments) and scarce Core Acquisitions
5. Attractive ungeared IRRs combined with strong cash flow streams
6. Clear path to enhancement of the Group’s Credit Profile
7. Long term oriented shareholder base

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1 Transaction subject to general clauses of Material Adverse Change (MAC), market stability and others (See details on the Report Board of Director’s document available in the CNMV website)
2 Including full development capex and potential GRI of finalized Parc Glories Project and 100% occupancy of acquired assets
3 Amount of capital increase
4 Considering current annualized passing rents (Jose Abascal at current occupancy and no rents for Parc Glories)
Q & A