

Pursuant to Section 228 of the restated Spanish Securities Market Act (*Ley del Mercado de Valores*) approved by *Real Decreto Legislativo 4/2015, de 23 de octubre*, Inmobiliaria Colonial, SOCIMI, S.A. (“**Colonial**” or the “**Company**”) hereby discloses the following:

REGULATORY ANNOUNCEMENT (*HECHO RELEVANTE*)

Qatar Holding LLC (“**QH**”) and DIC Holding LLC (“**DIC**”), shareholders of *Société Foncière Lyonnaise* (“**SFL**”) holding respectively 6,345,428 and 3,978,554 shares of SFL, which represent in aggregate approximately 22.20% of the share capital of SFL, have reached an agreement with Colonial for the acquisition by Colonial of 100% of the SFL shares held by QH and DIC, whereby Colonial shall deliver a cash amount and Colonial shares as a consideration for all the aforementioned SFL shares (the “**Agreement**”).

QH and DIC have undertaken pursuant to the Agreement, each individually and in proportion to their respective stake, and subject to approval by the General Shareholders’ Meeting of Colonial, to:

- (i) contribute to Colonial respectively 4,386,310 and 2,750,197 SFL shares, accounting in aggregate for approximately 15.34% of its share capital, as a consideration for the subscription of 53,523,803 Colonial shares to be issued by Colonial through a non-cash share capital increase;
- (ii) exchange respectively 245,852 and 154,148 SFL shares, accounting in aggregate for approximately 0.86% of its share capital, for 3,000,000 Colonial shares held by the Company as treasury shares; and
- (iii) sell to Colonial respectively 1,713,266 and 1,074,209 SFL shares, accounting in aggregate for approximately 5.99% of its share capital, at an aggregate price of 203,485,675.00 euros, this is, at a price of 73 euros per share.

The combination of the transactions described above results in an acquisition price of 69.58 euros per share, which entails a discount of 18.8% on the EPRA NAV of SFL calculated at 30 June 2018, which amounts to 85.7 euros.

QH and DIC have respectively and individually undertaken with respect to the Colonial shares arising from the non-cash share capital increase and Colonial’s treasury shares, (1) not to transfer the Colonial shares (lock-up) for a period of 6 months; (2) once the initial lock-up period has expired and for a period of 4 years, to only transfer the aforementioned Colonial shares in an orderly fashion, in accordance with habitual market practice and pursuant to the applicable regulations; and (3) during a period of 4 years, not to transfer, either directly or indirectly, the aforementioned Colonial shares to a competitor of Colonial, or to a party acting in concert with a competitor which has the purpose of acquiring a stake equal to or higher than 3% in the share capital of Colonial.

In turn Colonial has undertaken vis-à-vis QH and DIC not to acquire (lock-up) SFL shares at a price higher than 72.50 euros during a period of 18 months. Notwithstanding the foregoing, Colonial may, at any time and with no price restriction, acquire up to a 1% of SFL's issued share capital. In the event Colonial fails to comply with the aforementioned commitment, it shall compensate QH and DIC, depending on the number of shares acquired, for the positive difference between the price per share at which Colonial had acquired the SFL shares and 72.50 euros, up to a maximum equal to the total SFL shares transferred by QH and DIC, respectively, to Colonial.

In addition, if during a period of 21 months Colonial transfers more than 1% of SFL's issued share capital at a price higher than 72.50 euros per share, it shall compensate QH and DIC, depending on the number of shares transferred, for the positive difference between the price per share at which Colonial had sold the SFL shares and 72.50 euros, up to a maximum equal to the total SFL shares transferred by QH and DIC, respectively, to Colonial.

The Board of Directors of Colonial will convene in the next few days the General Shareholders' Meeting of the Company for the purposes of authorizing the Agreement and proposing a non-cash capital increase for the issue of Colonial shares representing approximately 10.5% of the capital of the Company after the transaction.

The acquisition of the SFL shares held by QH and DIC shall enable Colonial to increase its stake in SFL, which the Company considers to be strategic, and to enhance its presence in the French market. In this regard, following this acquisition, Colonial will hold shares in SFL representing, approximately, 80.74% of its share capital.

Madrid, on 15 October 2018.