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# Colonial

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*A transaction volume amounting to €230 million*

## The Colonial Group reaches an agreement to acquire the Parisian headquarters of Gaz Réseau Distribution France

- The building is located in the 9th district of Paris, on a plot of one hectare, with 25,000 sq m of office space
- The acquisition, which is expected to take place during December 2014, has been agreed with Blackstone Real Estate Partners Europe III

Barcelona, 17 November 2014

Société Foncière Lyonnaise (SFL), a subsidiary of the Colonial Group, has reached an agreement with Blackstone Real Estate Partners Europe III to acquire an office building of approximately 25,000 sq m on a plot of one hectare, located on the rue Condorcet in the 9<sup>th</sup> district of Paris, for a total amount of €230m.

This asset is currently fully leased by the company GrDF (Gaz Réseau Distribution France), the long-standing tenant of the building, for a fixed term expiring in 2024. The final acquisition is expected to take place during December 2014. The building has the best services in terms of quality and use thanks to the recent refurbishment it underwent.

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4-8, Rue Condorcet- Paris 9<sup>th</sup>

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## Value creation and increasing revenues

With this acquisition, the Colonial Group strengthens its investment position in the prime Paris market, a market that has shown a clear consolidation on an upward trend in capital values of prime assets in recent years and a low permeability to economic cycles. The value of the Colonial Group's assets in Paris increased by 5.3% during the first six months of 2014, more than €200m, based on the latest appraisal value.

The investment policy of the Colonial Group, a key factor within its dynamic office portfolio management strategy, is focussed on maximizing asset values as well as recurrent cash flow streams from gross rents. This investment policy includes beyond Paris also the Spanish market, in particular the cities of Barcelona and Madrid, where the group is in an active investment position in order to capture opportunities for value creation in the office markets. The acquisition of the Parisian headquarters of GrDF implies yields at the high end of levels for the prime Paris market and will allow the Group to increase its Gross Rents immediately from day one.

The new building in the Colonial Group's portfolio is located in the 9th district, in the northern region of the prime Paris market. This district has become the most attractive location for companies within the technology industry and hosts, among others, the headquarters of Google in France. Its great and attractive location is strengthened by the presence of the Gare Paris-Nord train station, the international railway connection between Paris, London, Brussels and Amsterdam.

SFL, French subsidiary of the Colonial Group, closed the third quarter of 2014 with revenues of €113m and an average occupancy of more than 85%.

"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 third quarter of 2014, registered by the Company and available on the Company's website [www.inmocolonial.com](http://www.inmocolonial.com)."

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