

Colonial launches a share buyback programme for a maximum amount of 100 million of Euros

- A maximum amount of 12 million shares, a 3% stake of the current share capital
- Underpinned by strong fundamentals of the company
- The Colonial Group's liquidity amounts to 1,800 million of Euros
- Capital markets with strong support for diversification strategy in three cities

Barcelona, 16th October 2017. Colonial's Board has agreed to carry out a share buy-back programme for a maximum monetary amount of 100 million of euros and a maximum amount of shares to be acquired by the Colonial Group of 12 million shares, representing a 3% of the current share capital of the company. The programme will have a maximum duration of 6 months, remaining in force until 17th April 2018. The nature of this programme is similar to the one agreed and executed last year.

Based on solid fundamentals of the company

"This Share Buy-back Programme brought forward by the Colonial Group is carried out at a moment where the company has very strong fundamentals" says Pere Viñolas, CEO of Colonial.

A very strong letting volume in the three cities where Colonial operates with almost full occupancy of the portfolio has allowed the company to capture the rental price recovery. Rents signed represent high release spreads and substantial increases versus market rents (ERVs). Moreover the high investor interest in prime assets will enable further capital value increases of the Colonial portfolio in the next months.

Additionally, the company has a well-diversified business mix in three cities, with more than 70% exposure in Paris, in consolidated terms.

| Figures as of 6/17 cumulative | Barcelona | Madrid | Paris | Group |
|-------------------------------|-----------|--------|--------|--------|
| % GAV | 10% | 19% | 71% | 100% |
| EPRA Vacancy | 2% | 3% | 4% | 4% |
| # contracts jun-17 | 21 | 19 | 15 | 55 |
| sq m signed | 36.728 | 21.069 | 11.625 | 69.422 |
| Max. ERV Signed | 23,5 | 28,7 | 774 | na |
| Rents 2Q vs 12/16 ERV | 12% | 9% | 5% | 8% |
| 2Q Release spread | 18% | 5% | na | 13% |

Solid financial profile

The Colonial Group launches the share buy-back programme underpinned by a strong capital structure. The LTV of the Company stands at 34% after the sale of In&Out. Furthermore, the Group's liquidity is above 1,800 million of euros, with an average maturity of the financial debt above 4.5 years.

Accordingly, last April the rating agency Standard & Poor's revised upwards Colonial's rating up to **BBB with stable outlook**. Last week, the same rating agency published a report that enhances the good positioning of Colonial due to the "geographical diversification" of its asset base.

Moreover, the rating agency Moody's, that rates Colonial as **Baa2 with stable outlook**, outlined also in a recent report the defensive nature of Colonial's prime portfolio.

Capital market support

The successful execution of Colonial's growth strategy based on an industrial approach of real estate value creation, combined with a positioning focused on prime offices in Barcelona, Madrid and Paris is being supported by capital markets.

Various domestic and international analysts have issued target prices substantially above Colonial's current share price. Year to date, the Colonial share price has increased more than 20% outperforming the benchmark indices IBEX35 and EPRA.



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