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# Colonial

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*The Colonial Group obtained net attributable results of €559m, mainly due to the extraordinary positive impact of the “deconsolidation” of Asentia*

## **Colonial is progressing positively in its operating business and has registered a recurring EBITDA of €79 million, +7% like-for-like**

- The rental revenues reached €105 million, +2.9% in like-for-like terms
- The Gross Asset Value of the Colonial Group was €5,582 million at 30 June 2014, a 4.4% increase vs. December 2013
- The asset portfolio in Spain increased by 3.6% in the last 6 months, the first positive variance since the beginning of the crisis.
- SFL completed the sale of its stake in SIIC de Paris at €23.88/share (€304 million)
- The Loan to Value ratios are 38.6% for the Holding LTV and 45.2% for the Group.
- The EPRA NAV of the Colonial Group amounted to €1,430 million at 30 June 2014, equivalent to €0.45/share

### **Barcelona, 29 July 2014**

The performance of Colonial’s business, focused on the prime office market, has been positive throughout the first half of the year. The high capacity of Colonial’s portfolio to attract demand has allowed the company to close the first half of the year with rental revenues of €105 million, an increase of 2.9% in like-for-like terms. In Paris, the rental revenues increased by 3,0% like-for-like, and in Spain, by 2.5%.

The recurring EBITDA amounts to €79 million, an increase of 7% like-for-like, due to higher comparable rental revenues, together with lower overheads. Likewise, the recurring EPRA Net Profit is positive and amounts to €7.9 million.

The Gross Asset Value of the Colonial Group was €5,582m at the close of the first half of 2014, resulting in an increase of 4.4% vs. December 2013. The asset portfolio in Spain increased by 3.6% (+€42 million) in the last 6 months, resulting in the first positive variance in value since the beginning of the crisis. This increase is mainly due to a yield compression given the growing interest of investors for prime assets in Madrid and Barcelona.

The asset value in Paris (excluding the stake in SIIC de Paris) increased by 5.3% (+€207 million) in 6 months. This increase in value is a consequence of the progressive repositioning of the portfolio with positive impacts on rents and yields.

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The net attributable results of the Group amounted to €559 million, mainly due to the extraordinary positive impact of the “deconsolidation” of Asentia, as well as the positive impact of the revaluation of the assets. These positive impacts were partially offset by the cancellation of the accrued hedging costs and costs related with the formalization of the new financing, as well as by the impairment registered for the entirety of the goodwill.

## *Highlights of the rental portfolio*

During the first half of 2014, the Colonial Group signed rental contracts for 57,451 sq m, of which 66% (38,180 sq m) corresponded to new contracts. This figure exceeds the volume of new contracts signed throughout the whole of 2013 by 36% (28,041 sq m). It is important to point out that, with respect to the same period of 2013, the volume of new contracts signed by Colonial is 80% higher

Regarding the office market in Spain, in the first half of 2014 Colonial captured 11% of the total take up in the Madrid market and 14% of the take up in the Barcelona market. These take-up shares are much higher than Colonial’s market share in both markets, which demonstrates the capacity of the company to attract quality demand.

Regarding new projects, those delivered in the first quarter of 2014 were the Alfonso XII building in Madrid (with “Breeam” certification) and the Diagonal 409 building in Barcelona (with “Leed Silver” certification), after their refurbishments were completed.

The EPRA financial occupancy of the office portfolio is at 84% and has reached levels above 90% excluding the Alfonso XII building in Madrid, the Diagonal 409 building in Barcelona, and the IN/OUT building in Paris (projects recently delivered).

Currently, the company has a project portfolio of more than 56,000 sq m above ground, which will enter into operation between 2014 and 2018. In Spain, highlighted is the Travessera de Gràcia/Amigó project in Barcelona, an office complex located in the prime area, with high quality finishings and energy efficiency, for which it has achieved the LEED Gold certification (Green Building), and the #CLOUD (rue Richelieu) project in France, a unique office complex in the centre of Paris for top tier clients, which will achieve the “Breeam” energy certification.

## *Capital Structure & Net Asset Value*

The Holding net debt at June 2014 amounted to €900 million and the Group net debt amounted to €2,487 million. The Loan to Value ratios are 38.6% for the Holding LTV and 45.2% for the Group.

The liquidity of the Colonial Group at 30 June 2014 amounted to €790m. It is important to point out that with the completion of the disposal of the stake in SIIC de Paris on 23 of July 2014, the liquidity of the Group increases up to approximately €1,100 million post disposal.

The EPRA NAV of the Colonial Group amounted to €1,430 million at 30 June 2014, equivalent to €0.45/share, considering the number of fully-diluted shares post-execution of the warrants (1 cent higher than the Pro Forma NAV May 2014).

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