Colonial

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*)

Colonial informs that, following completion of a book-building process, it has approved an issuance of senior unsecured notes under its € 3bn Euro Medium Term Note Programme, for an aggregate principal amount of € 800,000,000.00 (the **"Issuance"**), which are expected to be listed on the Irish Stock Exchange.

The Issuance has been divided into two series of notes (together, the **"Notes"**), which main terms are as follows:

- Notes for an aggregate principal amount of € 500,000,000, represented by 5,000 Notes, at a nominal value of € 100,000 each, due November 2025, at a rate of 1.625% per annum and an issue price of 99.577% of its aggregate principal amount.
- Notes for an aggregate principal amount of € 300,000,000, represented by 3,000 Notes, at a nominal value of € 100,000 each, due November 2029, at a rate of 2.5% per annum and an issue price of 99.969% of its aggregate principal amount.

The subscription and payment of the Notes is expected to take place on 28 November 2017, subject to the satisfaction of customary conditions precedent for this type of transaction.

The Company expects to use the net proceeds of the Issuance for general corporate purposes, including the financing of new investments, such as the potential acquisition of shares of Axiare Patrimonio SOCIMI, S.A., as well as the repayment of indebtedness.

In Madrid, on 21 November, 2017.

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