

In compliance with Section 228 of the *Real Decreto Legislativo 4/2015, de 23 de octubre, por el que se aprueba el texto refundido de la Ley del Mercado de Valores*, Inmobiliaria Colonial, S.A. ("**Colonial**" or the "**Company**") hereby discloses the following

REGULATORY ANNOUNCEMENT (HECHO RELEVANTE)

Further to the Regulatory Announcement (no. 243807) published on 20 October 2016, the Company informs that, now that the acceptance period has concluded for the repurchase offer (the "**Repurchase Offer**") in cash for the EUR 750 million 1.863 per cent. Notes due 2019 with ISIN Code XS1241699922 (the "**Notes**"), it has set the maximum acceptance amount at EUR 375,000,000. The terms and conditions of the Repurchase Offer are contained in a tender offer memorandum dated 20 October 2016 (the "**Offer Document**").

Accordingly, Colonial has agreed to acquire Notes offered under the framework of the Repurchase Offer for a nominal amount of EUR 375,000,000, representing 50 per cent. of the initial aggregate nominal amount of the Notes.

Based on an expected settlement date of the Repurchase Offer of 2 November 2016, the purchase price and the accrued interest for the Notes to be repurchased as determined in the manner described in the Offer Document is 104.823 per cent. and 0.766 per cent., respectively.

Consequently, following settlement of the Repurchase Offer, the aggregate nominal amount of the outstanding Notes will be EUR 375,000,000.

In Barcelona, on 28 October, 2016.