

**SUPPLEMENT DATED 13 MARCH 2018 TO THE BASE PROSPECTUS DATED 11 OCTOBER 2017 AS  
PREVIOUSLY SUPPLEMENTED ON 17 NOVEMBER 2017**



**INMOBILIARIA COLONIAL, SOCIMI, S.A.**

(incorporated as a limited liability company (*sociedad anónima*) in the Kingdom of Spain)

**€3,000,000,000**

**Euro Medium Term Note Programme**

This base prospectus supplement (the “**Supplement**”) has been prepared by Inmobiliaria Colonial, SOCIMI, S.A. (the “**Issuer**” or “**Colonial**” and together with its consolidated subsidiaries, “**we**”, “**us**”, “**our**” or the “**Group**”, unless otherwise indicated or the context otherwise requires) in connection with the Issuer’s Euro Medium Term Note Programme (the “**Programme**”) for the issuance of up to EUR3,000,000,000 in aggregate nominal amount of notes (the “**Notes**”).

This Supplement has been approved by the Central Bank of Ireland (the “**Central Bank**”) as competent authority under Directive 2003/71/EC (the “**Prospectus Directive**”). The Central Bank only approves this Supplement as meeting the requirements imposed under Irish and EU law pursuant to the Prospectus Directive.

This Supplement comprises a base prospectus supplement for the purposes of Article 16 of the Prospectus Directive. The Supplement is supplemental to, and should be read in conjunction with, the base prospectus dated 11 October 2017, as previously supplemented on 17 November 2017 (the “**Base Prospectus**”), prepared by the Issuer in relation to the Programme. Capitalised terms used, but not otherwise defined in this Supplement, shall have the meanings ascribed thereto in the Base Prospectus. To the extent that there is any inconsistency between (a) any statement in this Supplement or any statement incorporated by reference into the Base Prospectus by this Supplement and (b) any other statement in or incorporated by reference in the Base Prospectus, the statement in (a) above will prevail.

The purpose of this Supplement is to supplement the section entitled “*Documents Incorporated By Reference*” of the Base Prospectus to incorporate by reference certain financial and operating information as of and for the year ended 31 December 2017 in respect of the Issuer as well as to supplement the sections entitled “*Important Notices*”, “*Overview of the Programme*”, “*Description on the Issuer and the Group*”, “*Form of Final Terms*” and “*General Information*”.

## IMPORTANT NOTICES

The Issuer accepts responsibility for the information contained in this Supplement. To the best of the knowledge of the Issuer (having taken all reasonable care to ensure that such is the case), the information contained in this Supplement is in accordance with the facts and does not omit anything likely to affect the import of such information.

Save as disclosed in this Supplement, no other significant new factor, material mistake or inaccuracy relating to the information included in the Base Prospectus which is capable of affecting the assessment of the Notes issued under the Programme has arisen or been noted, as the case may be, since the date of publication of the Base Prospectus.

Copies of this Supplement and the Base Prospectus can be viewed on the website of (i) the Central Bank of Ireland at [www.centralbank.ie](http://www.centralbank.ie); and (ii) the Issuer at [www.inmocolonial.com](http://www.inmocolonial.com).

The distribution of this Supplement and the Base Prospectus and the offering or sale of the Notes in certain jurisdictions may be restricted by law. Persons into whose possession this Supplement, the Base Prospectus or any Final Terms come are required by the Issuer, the Dealers and the Arranger to inform themselves about and to observe any such restriction. The Notes have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the “**Securities Act**”) and are subject to U.S. tax law requirements. Subject to certain exceptions, the Notes may not be offered, sold or delivered, directly or indirectly, within the United States or to, or for the account or benefit of, U.S. persons (as defined in the Securities Act). For a description of certain restrictions on offers and sales of Notes and on distribution of this Base Prospectus, see “*Subscription and Sale*” in the Base Prospectus.

Any websites referred to herein do not form part of this Supplement.

## COVER PAGE

With effect from the date of this Supplement, the information appearing on the cover page of the Base Prospectus shall be amended in the manner described below.

*By virtue of this Supplement, the second paragraph of the cover page shall be deleted and replaced in its entirety by the following:*

“Application has been made to (i) the Irish Stock Exchange for the notes (“**Notes**”) issued under the Euro Medium Term Note Programme (the “**Programme**”) described in this Base Prospectus by Inmobiliaria Colonial SOCIMI, S.A. (the “**Issuer**”, “**Colonial**” or the “**Company**” and together with its consolidated subsidiaries, “**we**”, “**us**”, “**our**” or the “**Group**”, unless otherwise indicated or the context otherwise requires) to be admitted to the official list (the “**Official List**”) and trading on its regulated market; and (ii) the Spanish AIAF Fixed Income Securities Market (*AIAF Mercado de Renta Fija*) (“**AIAF**”) for the Notes issued under the Programme to be admitted to listing and trading on the AIAF.”

*By virtue of this Supplement, the fourth paragraph of the cover page shall be deleted and replaced in its entirety by the following:*

“References in the Base Prospectus to the “**Irish Stock Exchange**” (and all related references) shall mean the regulated market of the Irish Stock Exchange. In addition, references in the Base Prospectus to the Notes being “listed” (and all related references) shall mean that such Notes have been admitted to listing on the Official List of the Irish Stock Exchange and admitted to trading on its regulated market or, as the case may be, a MiFID II Regulated Market (as defined below). The regulated market of the Irish Stock Exchange is a regulated market for the purposes of Directive 2014/65/EU, as amended. This document may be used to list Notes on the regulated market of (i) the Irish Stock Exchange and (ii) the AIAF pursuant to the Programme. The Programme also permits for Notes to be issued on the basis that they will be admitted to listing and trading on such other or further stock exchange(s) as may be agreed between the relevant Issuer and the relevant Dealer(s). The maximum aggregate nominal amount of all Notes from time to time outstanding under the Programme will not exceed €3,000,000,000 (or its equivalent in other currencies, subject to increase as provided herein). The Notes will be issued in such denominations as may be agreed between the Issuer and the relevant Dealer(s) and as specified in the applicable Final Terms, save that the minimum denomination of each Note will be such amount as may be allowed or required from time to time by the relevant central bank (or equivalent body) or any laws or regulations applicable to the relevant specified currency indicated in the applicable Final Terms (as defined below) and save that the minimum denomination of each Note admitted to trading on a regulated market situated or operating within the EEA and/or offered to the public in an Member State of the EEA in circumstances which require the publication of a prospectus under the Prospectus Directive will be €100,000 (or, if the Notes are denominated in a currency other than euro, the equivalent amount in such currency).”

## IMPORTANT NOTICES

With effect from the date of this Supplement, the information appearing on page 5 of the Base Prospectus under the heading “*Important Notices*” shall be amended in the manner described below.

*By virtue of this Supplement, a new paragraph shall be inserted at the end of page 5 as follows:*

“**MIFID II product governance / target market** – The Final Terms in respect of any Notes will include a legend entitled “MiFID II Product Governance” which will outline the target market assessment in respect of the Notes and which channels for distribution of the Notes are appropriate. Any person subsequently offering, selling or recommending the Notes (a “**distributor**”) should take into consideration the target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the target market assessment) and determining appropriate distribution channels. A determination will be made in relation to each issue about whether, for the purpose of the MiFID Product Governance rules under EU Delegated Directive 2017/593 (the “**MiFID Product Governance Rules**”), any Dealer subscribing for any Notes is a manufacturer in respect of such Notes, but otherwise neither the Arranger nor the Dealers nor any of their respective affiliates will be a manufacturer for the purpose of the MiFID Product Governance Rules.”

## OVERVIEW OF THE PROGRAMME

With effect from the date of this Supplement, the information appearing on page 39 of the Base Prospectus under the heading “*Overview of the Programme*” shall be amended in the manner described below.

*By virtue of this Supplement, the second paragraph of the sub-section entitled “Listing” shall be deleted and replaced in its entirety by the following:*

“Application has been made (i) to the Irish Stock Exchange plc for the Notes to be admitted to the Official List and trading on the Regulated Market and (ii) to the Spanish AIAF Fixed Income Securities Market (*AIAF Mercado de Renta Fija*) (“**AIAF**”) for the Notes to be admitted to listing and trading on the AIAF, as specified in the relevant Final Terms. Unlisted Notes will not be issued under the Programme.”

## DOCUMENTS INCORPORATED BY REFERENCE

With effect from the date of this Supplement, the information appearing on page 34 of the Base Prospectus under the heading “*Documents Incorporated By Reference*” shall be amended in the manner described below.

*By virtue of this Supplement, a new document shall be incorporated by reference as new paragraph (E) in the table of “Information incorporated by reference” (page 34 of the Base Prospectus) as follows:*

*“The Issuer’s audited condensed consolidated financial and operating information for the year ended 31 December 2017 may be obtained from:*

[https://www.inmocolonial.com/sites/default/files/2017\\_consolidated\\_annual\\_accounts\\_and\\_audit\\_report.pdf](https://www.inmocolonial.com/sites/default/files/2017_consolidated_annual_accounts_and_audit_report.pdf).

*The page references indicated for each document are to the page numbering of the electronic copies of such documents as available at [www.ise.ie](http://www.ise.ie). Information contained in the following document incorporated by reference but not listed in the table below is for information purposes only and does not form part of this Base Prospectus.*

<u>Information incorporated by reference</u>	<u>Page references</u>
<b>(E) The sections listed below of the Annual Report 2017 of Inmobiliaria Colonial, SOCIMI, S.A., including the audited consolidated annual accounts for the year ended 31 December 2017 together with the audit report thereon:</b>	
(a) <i>Auditors’ report on the consolidated annual accounts</i>	2-8
(b) <i>Consolidated annual accounts of Inmobiliaria Colonial, SOCIMI, S.A. for the financial year 2017</i>	9-83
(c) <i>Consolidated Directors’ Report 2017</i>	84-102”

## INFORMATION ON THE ISSUER AND THE GROUP

*With effect from the date of this Supplement, the information appearing on pages 81 to 96 of the Base Prospectus under the heading “Information on the Issuer and the Group” shall be amended in the manner described below.*

*By virtue of this Supplement, the below information shall be inserted under the heading entitled “Recent Developments” at the beginning of page 84 as follows:*

“On 2 February 2018, the CNMV announced the result of the Bid for all the shares of Axiare not already held by us, for cash. The Bid had a positive result, having been accepted by shareholders of Axiare holding 45,912,569 shares, representing 81.55% of the shares the Bid was addressed to (56,300,422 shares of Axiare, representing 71.21% of its share capital) and 58.07% of Axiare’s share capital. On 7 February 2018, settlement of the Bid took place and as at the date of this Supplement, we now holds 86.86% of Axiare’s share capital.

### *Financial information of Axiare*

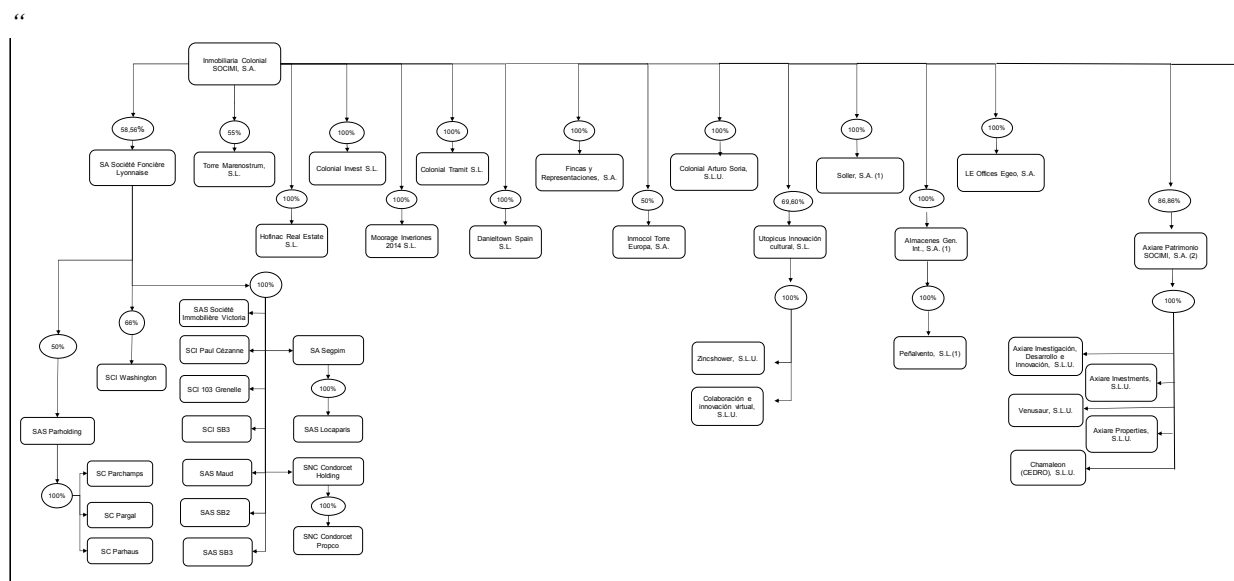
*Please note that the following information is publicly available information that has been obtained from the consolidated financial statements of Axiare as published on Axiare’s website and has not been independently verified by the Issuer or its auditors.*

The most recent publicly available financial information relating to the consolidated statement of financial position of Axiare as at 31 December 2017 is as follows:

<b>ASSETS</b>	<b>31 December 2017</b>	<b>LIABILITIES</b>	<b>31 December 2017</b>
	<b>(€ in thousands)</b>		<b>(€ in thousands)</b>
		<b>EQUITY</b>	<b>1,242,244</b>
Intangible assets	1,783		
Property, plant and equipment	663		
Investment property	1,722,655		
Non-current financial assets	21,916		
Deferred tax assets	7,528	Bank borrowings and other financial liabilities	636,414
Other non-current assets	470	Other non-current liabilities	11,388
<b>NON-CURRENT ASSETS</b>	<b>1,755,015</b>	<b>NON-CURRENT LIABILITIES</b>	<b>647,802</b>
Trade and other receivables	11,335	Bank borrowings and other financial liabilities	37,711
Tax assets	7,282	Trade payables	11,979
Cash and cash equivalents	167,979	Tax liabilities	1,875
<b>CURRENT ASSETS</b>	<b>186,596</b>	<b>CURRENT LIABILITIES</b>	<b>51,565</b>
<b>TOTAL ASSETS</b>	<b>1,941,611</b>	<b>TOTAL EQUITY AND LIABILITIES</b>	<b>1,941,611</b>

The net consolidated profit of Axiare for the financial year ended 31 December 2017 amounted to €218,238,000.”

By virtue of this Supplement, the organisational structure under the heading entitled “Organisational Structure” on page 84 shall be deleted and replaced in its entirety by the following:



**Notes:**

(1) On 20 December 2017, we acquired all of the share capital of Almacenes Generales Internacionales, S.A. (“**Agisa**”) and Soller, S.A., which own several plots of land located in Madrid. The acquisition price was €178,220,000, plus associated acquisition costs. On 27 December 2017, Agisa acquired 64.60% of the share capital of the Spanish company Peñalvento, S.L. (“**Peñalvento**”) (and together with the 35.4% stake already held by Agisa, we now hold 100% of Peñalvento’s share capital), which owns a plot of land in Madrid. The acquisition price was €12,127,000, plus associated acquisition costs.

(2) See “—Recent Developments”.

By virtue of this Supplement, the table on page 85 shall be deleted and replaced in its entirety by the following:

“The following table below shows a detailed unaudited breakdown of the category of asset and the geographical distribution of our revenues from rentals for the years ended 31 December 2017, 2016 and 2015 based on management measures as at 31 December 2017, 2016 and 2015:

Revenues from rentals	Year ended	Increase/	Year ended	Increase/	Year ended
	31 December 2017	decrease	31 December	decrease	31 December
	(€ in thousands)	2017-2016	2016	2016-2015	2015
		%	(€ in thousands)	%	(€ in thousands)
Madrid offices.....	50,355	23.22%	40,865	21.46%	33,646
Barcelona offices .....	33,151	16.04%	28,567	13.26%	25,222
Retail	1,725	-2.83%	1,775	-4.80%	1,865
Rest of uses .....	2,084	1.37%	2,055	23.97%	1,658
<b>Total Spain .....</b>	<b>87,315</b>	<b>19.18%</b>	<b>73,263</b>	<b>17.43%</b>	<b>62,391</b>
Paris offices .....	154,359	-1.87%	157,299	23.26%	127,615
Paris retail .....	37,716	3.96%	36,279	-6.56%	38,825
Rest of uses .....	3,704	-18.75%	4,559	93.66%	2,354
<b>Total France .....</b>	<b>195,780</b>	<b>-1.19%</b>	<b>198,137</b>	<b>17.38%</b>	<b>168,794</b>
<b>Total Revenues .....</b>	<b>283,095</b>	<b>4.31%</b>	<b>271,400</b>	<b>17.40%</b>	<b>231,185</b> ”



By virtue of this Supplement, the table at the beginning of page 86 shall be deleted and replaced in its entirety by the following:

“The EPRA Occupancy of our Property Portfolio in respect of office use as of 31 December 2017, 2016 and 2015 broken down by geographical area was as follows:

	As of 31 December		
	2017 (unaudited)	2016 (unaudited)	2015 (unaudited)
<b>EPRA Occupancy by location—offices</b>			
Barcelona.....	99%	97%	89%
Madrid.....	93%	97%	96%
Paris.....	97%	96%	94%
<b>Total.....</b>	<b>94%</b>	<b>97%</b>	<b>94%”</b>

By virtue of this Supplement, the table on pages 86 to 87 shall be deleted and replaced in its entirety by the following:

“The table below shows the breakdown of value by segment (properties in operation and projects) and location as at 31 December 2017 and 2016:

Asset valuation	Breakdown of value by segment (unaudited)			Like-for-like basis <sup>(1)(2)</sup> 31 December 2017 vs. 31 December 2016		
	Value as of 31 December 2017 <sup>(1)</sup>	Value as of 31 December 2016 <sup>(1)</sup>	Increase/decrease	%	%	
<b>Gross asset values excluding transfer cost</b>						
	(€ in thousands)	(€ in thousands)	(€ in thousands)	%	(€ in thousands)	%
Barcelona.....	836,380	760,910	75,470	9.9%	75,470	9.9%
Madrid.....	1,497,385	1,273,373	224,012	17.6%	133,975	10.6%
Paris.....	6,064,070	5,736,416	327,654	5.7%	678,854	12.6%
<b>Portfolio in operation<sup>(3)</sup>.....</b>	<b>8,397,835</b>	<b>7,770,699</b>	<b>627,136</b>	<b>8.1%</b>	<b>888,299</b>	<b>12.0%</b>
Projects.....	519,206	143,650	375,556	261.4%	20,030	20.5%
Others.....	15,994	13,570	2,425	17.9%	-1,545	-12.0%
<b>Property business.....</b>	<b>8,933,035</b>	<b>7,927,918</b>	<b>1,005,117</b>	<b>12.7%</b>	<b>919,214</b>	<b>12.1%</b>
Axiare.....	348,715	141,113	207,601	147.1%	25,056	17.8%
<b>Colonial Group.....</b>	<b>9,281,750</b>	<b>8,069,032</b>	<b>1,212,718</b>	<b>15.0%</b>	<b>944,269</b>	<b>12.2%</b>
Spain.....	3,052,674	2,332,616	720,058	30.9%	265,415	11.4%
France.....	6,229,076	5,736,416	492,660	8.6%	678,854	12.6%
<b>Gross asset values including transfer cost</b>						
Total Group assets.....	<b>9,740,532</b>	<b>8,478,445</b>	<b>1,262,087</b>	<b>14.9%</b>	<b>989,570</b>	<b>12.2%</b>
Spain.....	3,121,331	2,386,821	734,510	30.8%	271,293	11.4%
France.....	6,619,201	6,091,624	527,577	8.7%	718,278	12.5%

*(Source: independent appraisers)*

Notes:

- (1) Property Portfolio in comparable terms (calculated on the basis of like-for-like valuation).
- (2) Like-for-like comparison means the data that can be compared between one period and another (excluding investments and disposals).
- (3) Property Portfolio in operation: current rental portfolio as well as new entries into operation of completed projects.”

## FORM OF FINAL TERMS

With effect from the date of this Supplement, the information appearing on page 110 of the Base Prospectus under the heading “*Form of Final Terms*” shall be amended in the manner described below.

*By virtue of this Supplement, a new paragraph shall be inserted at the beginning of page 110 as follows:*

“**MiFID II product governance / Professional investors and ECPs only target market** Solely for the purposes of each manufacturer’s product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is eligible counterparties and professional clients only, each as defined in Directive 2014/65/EU (as amended, “**MiFID II**”); and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Notes (a “**distributor**”) should take into consideration the manufacturers’ target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturers’ target market assessment) and determining appropriate distribution channels.”

*By virtue of this Supplement, the sub-section “Listing and Admission to Trading” on page 117 shall be deleted and replaced in its entirety by the following:*

### “LISTING AND ADMISSION TO TRADING

- (i) Admission to Listing: [Application has been made by the Issuer (or on its behalf) for the Notes to be admitted to listing on [*the Official List of the Irish Stock Exchange/Spanish AIAF Fixed Income Securities Market*] with effect from [•].]
- (ii) Admission to Trading: Application has been made by the Issuer (or on its behalf) for the Notes to be admitted to trading on [*the regulated market of the Irish Stock Exchange/Spanish AIAF Fixed Income Securities Market*] with effect from [•].
- (When documenting a fungible issue need to indicate that original Notes are already admitted to trading.)
- (ii) Estimate of total expenses related to admission to trading: [•]”

## GENERAL INFORMATION

With effect from the date of this Supplement, the information appearing on page 121 of the Base Prospectus under the heading “*General Information*” shall be amended in the manner described below.

*By virtue of this Supplement, paragraph (3) shall be deleted and replaced in its entirety by the following:*

“

- (3) There has been no significant change in the financial or trading position of the Issuer or of the Group since 31 December 2017 and no material adverse change in the prospects of the Issuer or of the Group since 31 December 2017.”