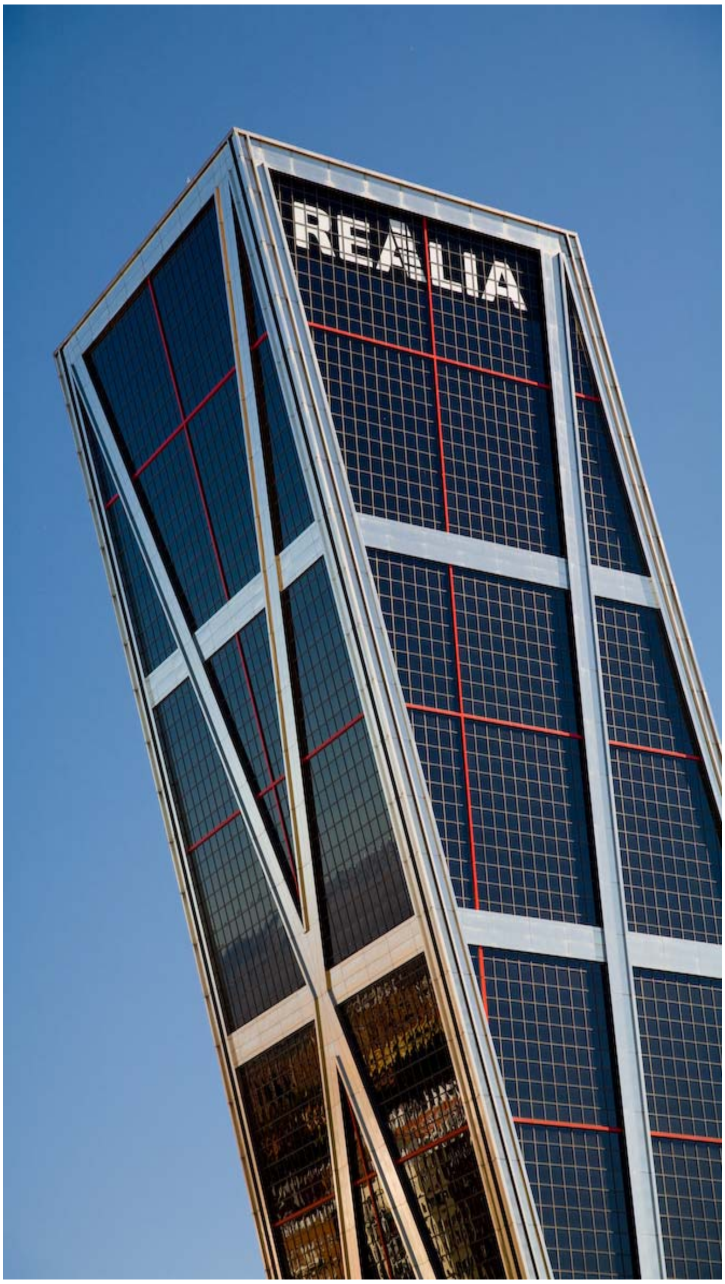
REALIA




# January - December 2008 results

*27 February 2009*

# Highlights 2008

### FCC AND CAJA MADRID AGREEMENT

- **FCC and Caja Madrid** said in a statement sent to the Spanish regulator (CNMV) on February 20th 2009 that they have agreed to **dissolve RB Business Holding**, which owned 51% of Realia equally by FCC and Caja Madrid. The statement **ensures total support to Realia**. After the agreement, FCC owns 30.02% of Realia and Caja Madrid 27.65%.

### ASSETS VALUATION IMPACT

- As of December 2008, the total assets valuation (**GAV**) amounted to **€5,145.4 million** based on market appraisals from independent expert of recognised standing, **CB Richard Ellis**.
- Realia **accounts the value of its assets according to its acquisition cost** instead of its market value. The **book value** of assets as of December 2008 totalled **€3,583 million**, therefore Realia holds **unrealised and unrecognised capital gains after minorities and tax of €979 million**, which do not appear on the balance sheet.
- However, December 2008 assets valuation reflects a market value below book value in certain assets, therefore Realia includes a **€126.1 million provision in full-year accounts**.
- **Net profit** amounted to **€48.8 million excluding provisions**.

### CORPORATE DEBT RESTRUCTURING

- **Property business** was **syndicated** on June 2007 in a **€1.6bn loan** with a **final maturity of 10 years**, which also finance most of the pipeline (€215 million undrawn facilities).
- Regarding the **corporate debt**, Realia **expects to reach a debt restructuring agreement** with the pool of banks participating in the near-term debt **to convert into long-term debt**.

### STRONG PROPERTY BUSINESS

- Strong rental growth +14.3% (Like-for-like +5.8%), high occupancy (96.7%).
- **Property business** represents **73% of the EBITDA**, with **rentals** showing a **growing weight** and **more recurrent income**.
- Important rental growth with **better margins** due to the **increase in occupancy in Paris** (94,2% vs. 88,2% in Dec 2007) where Realia obtains higher margins.
- The value of the **property** portfolio amounted to **€3,133.6 million**, and **represents 61%** of the **total GAV**.

### FINANCIAL SITUATION

- **Debt maturity average** of **more than 5 years**.
- The loan-to-value (**LTV**) ratio stands at **44%**.

### PIPELINE DEVELOPMENT: ADDITIONAL FUTURE GROWTH

- The **opening** of **Phase I** from the Project in **Leganés** (Madrid) is estimated for **May 2009**, with a total **GLA** of **50,949 sqm, 87% pre-let** to prestigious tenants as **Carrefour, Decathlon, Bricomart,** and **Toys "R" Us**.

## Financial Highlights (31 December 2008)

| (€mm) | 2008 | 2007 | % Change |
|---|---|---|---|
| **Total Revenues** | **468.7** | **813.0** | **-42.3** |
| Rents | **176.9** | **154.8** | **14.3** |
| **EBITDA**[1] | **211.7** | **366.2** | **-42.2** |
| EBITDA Rents | 128.7 | 106.1 | 21.2 |
| EBITDA Homebuilding | 17.6 | 56.7 | -69.0 |
| EBITDA Land | 29.7 | 167.9 | -82.3 |
| EBITDA Sale of assets | 24.7 | 32.4 | -23.7 |
| EBITDA Others | 10.9 | 3.0 | 265.9 |
| **Net Income (Group share)** | **-45.8** | **140.4** | **-132.6** |
| **Net Income whitout depreciation**[2] | **48.8** | **140.4** | **-65.2** |
| **Net Financial Debt** | **2,279** | **1,969** | **15.7** |
| **Nº Shares (mm)** | **277.4** | **277.4** | **0.0** |
| **Earnings per Share (€)** | **-0.17** | **0.51** | **-132.6** |
| **Dividends per Share (€)** | **0.0740** | **0.2818** | **-73.7** |

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## Operational Highlights (31 December 2008)

| | 2008 | 2007 | % Change |
|---|---|---|---|
| **Commercial Property** | | | |
| **GLA (sqm)** | **723,069** | **751,148** | **-3.7** |
| Operational | 498,581 | 493,295 | 1.1 |
| In Progress [1] | 224,488 | 257,853 | -12.9 |
| **Occupancy rate (%)** | **96.7%** | **95.7%** | **1.0** |
| **Land & Homebuilding** | | | |
| **Pre-sales** | | | |
| Total value of contracts (€mm) | 75.9 | 138.7 | -45.3 |
| Homes | 326 | 459 | -29.0 |
| **Pre-sales backlog (€mm)** | **111.6** | **334.2** | **-66.6** |
| **Land Bank Consolidated (sqm mm)** | **3.5** | **4.0** | **-13.9** |
| **Nº Employees** | **211** | **239** | **-11.7** |

[1] *Realia has decided to exclude the development in Denia until the project is ensured.*

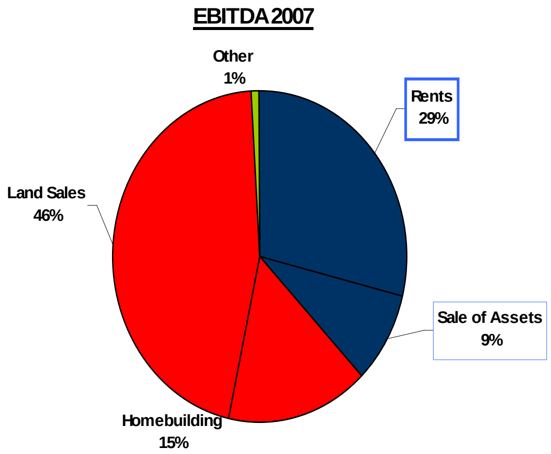
## Consolidated Income Statement

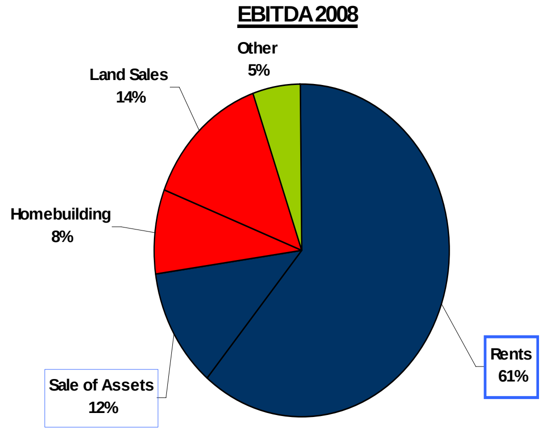
| (€mm) | 2008 | 2007 [1] | % Change |
|---|---|---|---|
| **Total Revenues** | **468.7** | **813.0** | **-42.3** |
| Rents | 176.9 | 154.8 | 14.3 |
| Sale of assets | 25.3 | 33.3 | -23.8 |
| Homebuilding | 203.6 | 323.4 | -37.0 |
| Land sales | 48.5 | 294.7 | -83.6 |
| Other | 14.4 | 6.8 | 111.9 |
| **Total Gross Margin** | **244.1** | **404.9** | **-39.7** |
| *% Margin* | *52.1* | *49.8* | |
| Rents | 143.3 | 119.0 | 20.4 |
| Sale of assets | 25.3 | 33.3 | -23.8 |
| Homebuilding | 33.6 | 74.3 | -54.8 |
| Land sales | 30.9 | 175.4 | -82.4 |
| Other | 10.9 | 3.0 | 268.7 |
| Overheads | -32.4 | -38.7 | -16.4 |
| **EBITDA** | **211.7** | **366.2** | **-42.2** |
| Amortization | -34.0 | -29.6 | 15.1 |
| **Depreciation** | -126.1 | -9.2 | |
| **EBIT** | **51.5** | **327.5** | **-84.3** |
| *% Margin* | *11.0* | *40.3* | |
| Financial Result | -87.8 | -89.7 | -2.1 |
| Other Results | -4.2 | 2.3 | |
| **PBT** | **-40.5** | **240.1** | **-116.9** |
| Taxes | 11.9 | -70.4 | |
| Results from Discontinued Activities | | -0.6 | |
| **Net Income** | **-28.6** | **169.1** | **-116.9** |
| Minority Interests | -17.2 | -28.6 | -40.0 |
| **Net Income (Group share)** | **-45.8** | **140.4** | **-132.6** |
| **Net Income excluding depreciation** | **48.8** | **140.4** | **-65.2** |

[1] *2007 figures classing services activity as "Discontinued Business".*

- Total revenues have decreased due to lower land and home sales due to the difficulties in obtaining financing from potential buyers.
- Property business performed very strong in 2008 with important rental growth (+14.3%) and increasing occupancy (96,7% vs 95,7% in Dec 2007) due to the high quality rental business portfolio.

- Consistent with the policy of rotating non-strategic assets, Realia has sold property assets for €81.9m, with a slight premium to CBRE valuation as of December 2007, and with €25.3m of capital gains. These transactions confirm the recurrent earnings for Realia from asset rotation preserving assets value.
- Full-year asset sales revenues and margin have decreased vs Sept 2008 (€93.2m and €36.2m respectively) due to a transaction reported in 1Q08 (for €40.5m with €13.3m of capital gain) cancelled in 4Q due to buyer´s failure to execute the payment. The penalty from breach of contract is accounted in other income (€11.8m) and Realia keeps the asset.
- Property business represents 73% of the EBITDA vs 38% in 2007, with rentals showing a growing weight and more recurrent income.




EBITDA COMMERCIAL PROPERTY = €138.5 mm (38%)

EBITDA COMMERCIAL PROPERTY = €153.4 mm (73%)

- Important rental growth with better margins:

| Commercial Property | 2008 | 2007 | % Change |
|---|---|---|---|
| **Rents** | **176.9** | **154.8** | **14.3%** |
| **Gross Margin** | **143.3** | **119.0** | **20.4%** |
| Margin | 81.0% | 76.9% | |
| **EBITDA** | **128.7** | **106.1** | **21.2%** |
| Margin | 72.8% | 68.5% | |
| **Occupancy rate** | **96.7%** | **95.7%** | **1.0%** |

- Realia accounts the value of its assets according to its acquisition cost instead of its market value. The book value of assets as of December 2008 totalled €3,583m, therefore Realia holds unrealised and unrecognised capital gains after minorities and tax of €979m, which do not appear on the balance sheet:

| | Book value | GAV (CBRE) | GAV REALIA´S Share | Capital Gains | Capital Gains REALIA´S Share | Capital Gains After Taxes |
|---|---|---|---|---|---|---|
| Assets REALIA Group | 3,583 | 5,145 | 4,343 | 1,562 | 1,268 | 979 |

- However, December 2008 assets valuation reflects a market value below book value in certain assets, therefore Realia includes a €126.1m provision in full-year accounts:

| | Commercial Property | Land & Homebuilding | Total |
|---|---|---|---|
| Depreciation | 44.5 | 81.6 | 126.1 |

- Net financial result amounted €87.8m:

| Financial Result | |
|---|---|
| Capitalised Interest [1] | 15.3 |
| Financial Expenses [2] | -133.9 |
| Financial Income [3] | 12.1 |
| Financial Instruments Sales [4] | 18.6 |
| | 87.8 |

[1] *Finance expenses were capitalised from both rental projects and residential developments in progress.*

[2] *Reflects the increase in debt from assets acquisitions and pipeline investments, and higher interest rates.*

[3] *Income from current accounts and others.*

[4] *10% sale of SIIC de Paris (formalized in 2007, accounted in 2008) and other financial investments.*

- Debt coverage ratio stands at 1.74x as of December 2008 due to the low loan-to-value (LTV) ratio (44%):

| Interest Cover | |
|---|---|
| EBITDA | 211,7 |
| Financial Expenses | -121,8 |
| Coverage ratio | 1,74 |

- 2008 gross debt average cost stood at 5.78%.
- Net profit amounted to €48.8m excluding provisions.

## Consolidated Balance Sheet

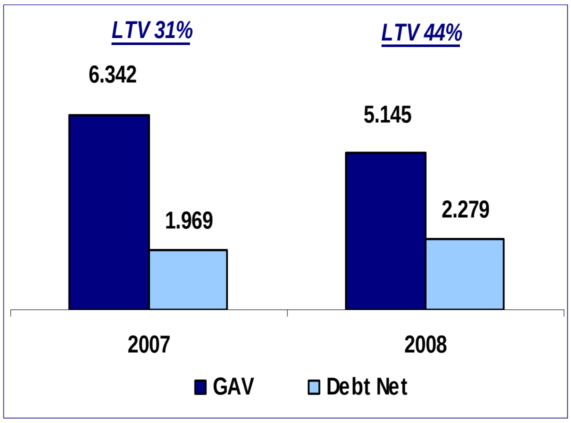
| (€mm) | 2008 | 2007 | | 2008 | 2007 |
|---|---|---|---|---|---|
| Tangible Fixed assets | 12 | 44 | Equity | 567 | 691 |
| Investment Property | 2,193 | 2,070 | Minority Shareholders | 268 | 288 |
| Financial Investment | 101 | 105 | | | |
| Inventories | 1,174 | 1,313 | Financial Debt | 2,420 | 2,136 |
| Accounts Receivable | 90 | 77 | Current Creditors | 295 | 656 |
| Others Assets | 239 | 260 | Other Liabilities | 259 | 129 |
| Assets Held for Sale | | 31 | | | |
| **Total Assets** | **3,809** | **3,900** | **Total Liabilities** | **3,809** | **3,900** |

**Assets in balance sheet at acquisition cost, not revaluated**

- Equity has decreased due to provisions and the negative impact in interest-rate hedging.
- Financial debt has increased due to assets acquisitions and pipeline investments, and the reduction in current creditors after some payments from postponed amounts of some assets acquired in previous years.

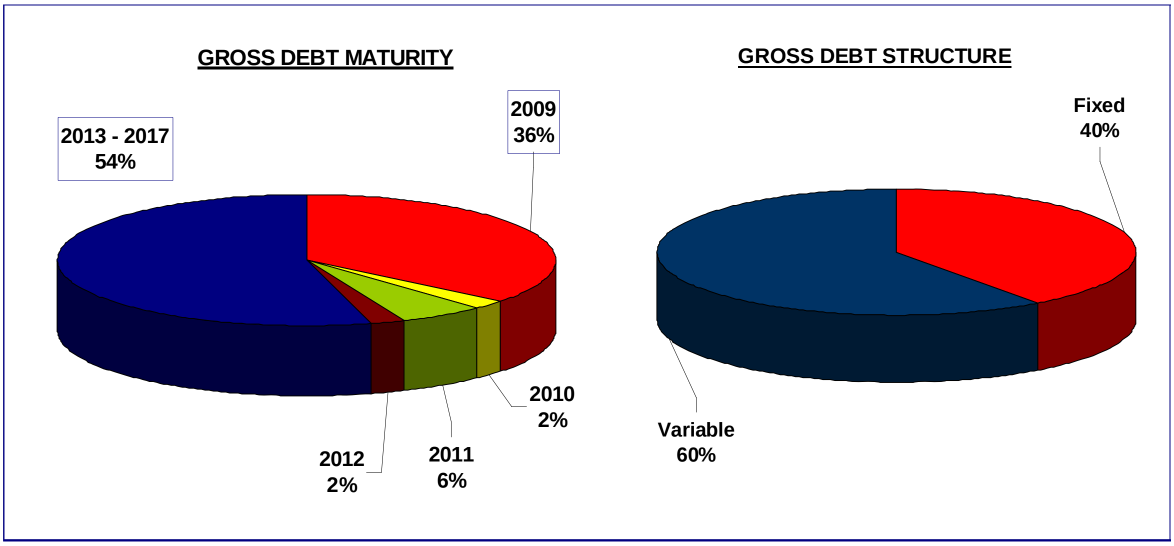
| BOOK VALUE | | | |
|---|---|---|---|
| INVESTMENTS | | SALES | |
| Asset Acquisitions | 82,1 | Asset sales | 56,6 |
| Pipeline and refurbishment | 96,0 | | |
| **Commercial Property** | **178,1** | **Commercial Property** | **56,6** |
| Land Acquisitions | 38,0 | Lans sales | 17,6 |
| Started Projects | 135,8 | Homebuilding | 170,0 |
| **Land & Homebuilding** | **173,8** | **Land & Homebuilding** | **187,6** |
| | **351,9** | | **244,2** |

## FINANCIAL STRUCTURE




| FINANCIAL STRUCTURE | (€mm) |
|---|---|
| Syndicated loan | 1,387.1 |
| Credit lines | 813.0 |
| Mortgage loans | 155.0 |
| Loans | 64.2 |
| **Total Gross Financial Debt** | **2,419.4** |
| Treasury | 117.2 |
| Treasury equivalents | 22.8 |
| **Total Net Financial Debt** | **2,279.4** |

- The loan-to-value (LTV) ratio stands at 44.3% as of December 2008.




- 54% of gross financial debt has a maturity of more than 5 years and most of the total debt was syndicated in June 2007 in a €1,632m loan with a final maturity of 10 years.
- Regarding the corporate debt, Realia expects to reach a debt restructuring agreement with the pool of banks participating in the near-term debt to convert into long-term debt.

## ASSETS VALUATION

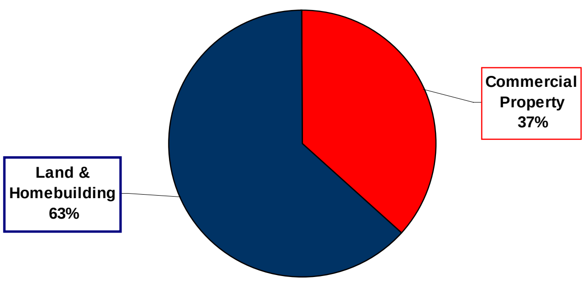
- The assets valuation has been made by independent expert of recognised standing, CB Richard Ellis.

| (€mm) | 2008 | 2007 | % Change |
|---|---|---|---|
| **Commercial Property** | **3,133.6** | **3,366.6** | **-6.9%** |
| **Land and Homebuilding** | **2,011.9** | **2,975.2** | **-32.4%** |
| **Realia Assets Valuation (GAV)** | **5,145.4** | **6,341.8** | **-18.9%** |

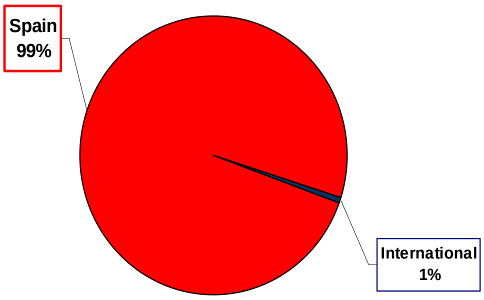
- Property business represents 61% of the total GAV and residential business 39%.

**31 DIC 2005**

**GROSS ASSETS VALUE**

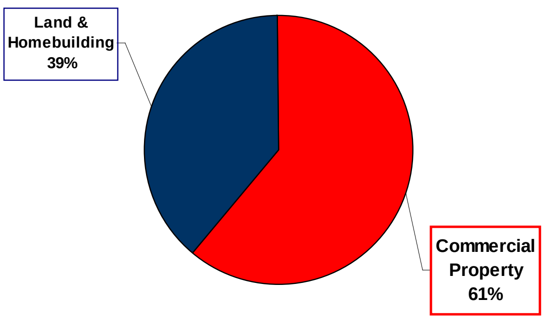



**GROSS ASSETS VALUE**

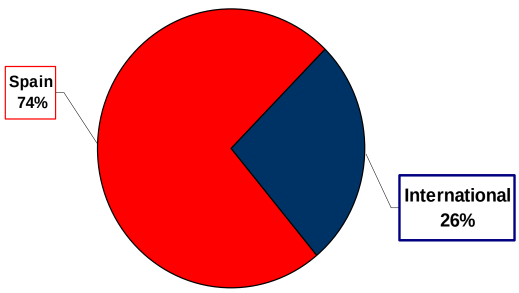



**31 DIC 2008**

**GROSS ASSETS VALUE**




**GROSS ASSETS VALUE**



## COMMERCIAL PROPERTY VALUATION

| | sqm | GAV 2008 | GAV 2007 | % Change | LfL (%) | Yield 2008 (%) [1] | Yield 2007 (%) [1] | Yield CBRE 2008 (%) [2] | Yield CBRE 2007 (%) [2] | GAV € / sqm |
|---|---|---|---|---|---|---|---|---|---|---|
| **Offices** | **360,369** | **2,427.1** | **2,706.7** | **-10.3** | **-9.4** | **5.45** | **4.67** | **5.63** | **5.13** | **6,735** |
| Spain | **236,657** | **1,229.8** | **1,349.8** | **-8.9** | **-12.6** | **5.41** | **4.46** | **5.96** | **5.43** | **5,197** |
| CBD | 109,395 | 736.8 | 851.6 | -13.5 | -13.5 | 5.20 | 4.04 | 5.81 | 5.22 | 6,735 |
| BD | 61,304 | 269.3 | 302.9 | -11.1 | -11.0 | 5.87 | 5.11 | 6.43 | 5.98 | 4,392 |
| Periphery/Other | 65,957 | 223.8 | 195.3 | 14.6 | -10.6 | 5.54 | 5.30 | 5.89 | 5.50 | 3,393 |
| France | **123,712** | **1,197.2** | **1,356.9** | **-11.8** | **-6.3** | **5.49** | **4.88** | **5.30** | **4.84** | **9,677** |
| CBD | 66,488 | 807.1 | 952.5 | -15.3 | -7.5 | 5.13 | 4.57 | 5.03 | 4.54 | 12,139 |
| BD | 48,603 | 359.1 | 374.6 | -4.1 | -4.1 | 6.16 | 5.54 | 5.76 | 5.41 | 7,389 |
| Periphery/Other | 8,621 | 31.0 | 29.8 | 4.2 | 4.2 | 7.17 | 6.75 | 7.07 | 7.08 | 3,597 |
| **Retail & Leisure** | **98,897** | **373.2** | **375.2** | **-0.6** | **-8.5** | **5.97** | **4.76** | **6.55** | **5.60** | **3,773** |
| **Other Assets** [3] | **39,315** | **39.3** | **37.0** | **6.1** | **-6.9** | **4.10** | **4.82** | **3.78** | **4.90** | **999** |
| **Pipeline** | **224,488** | **294.1** | **247.7** | **18.7** | **-** | **-** | **-** | **-** | **-** | **1,310** |
| **Total** | **723,069** | **3,133.6** | **3,366.6** | **-6.9** | **-9.3** | **5.50** | **4.68** | **5.73** | **5.19** | **4,334** |

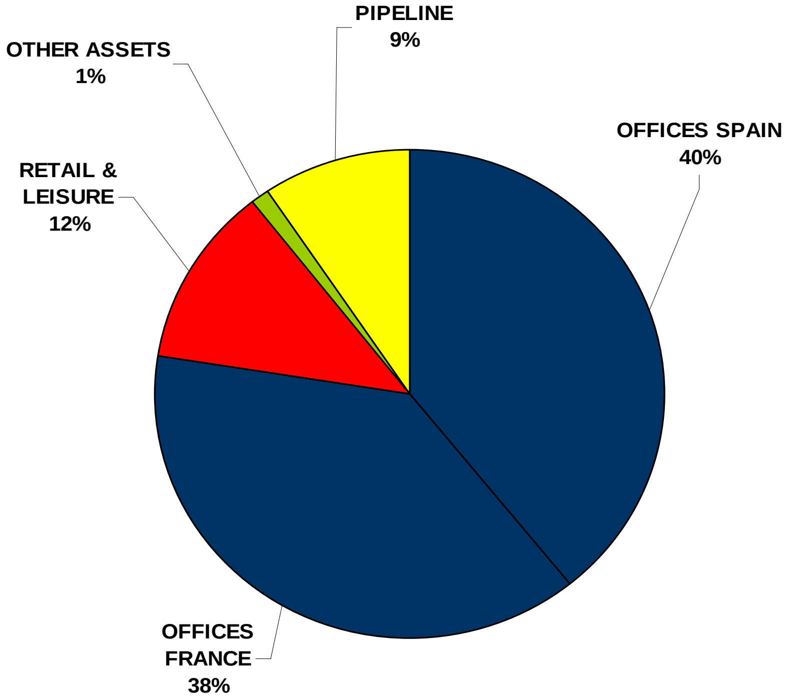
[1] *Passing rents as of Dec. 2008 (assuming 100% occupancy) divided by property values (CBRE).*

[2] *Market rents (CBRE) divided by property values (CBRE).*

[3] *Mainly a warehouse in Logroño and a hotel in Paris.*

- The value of the property portfolio amounted to €3,133.6m, 6.9% below December 2007.
- On a *like-for-like* asset basis, the value declined 9.3% against comparable assets in December 2007.
- The property portfolio in Paris shows resilience in the values downturn due to the increase in occupancy and the high quality *prime* portfolio.
- Market yield, based on market appraisal from CB Richard Ellis, stands at 5.73% vs 5.19% in December 2007. The rise in yields reflects worse financing conditions.

## COMMERCIAL PROPERTY VALUATION




Príncipe de Vergara 132 (Madrid) office building

2, Rue du 4 Septembre (Paris) office building

Nervión Plaza (Sevilla) Shopping centre

# LAND AND HOMEBUILDING VALUATION

| (€mm) | 2008 | 2007 | *% Change* |
|---|---|---|---|
| **Land Bank** | **1,537.4** | **2,300.7** | **-33.2** |
| **Started project** | **196.0** | **506.7** | **-61.3** |
| **Finish project** | **278.5** | **167.8** | **65.9** |
| **Total** | **2,011.9** | **2,975.2** | **-32.4** |

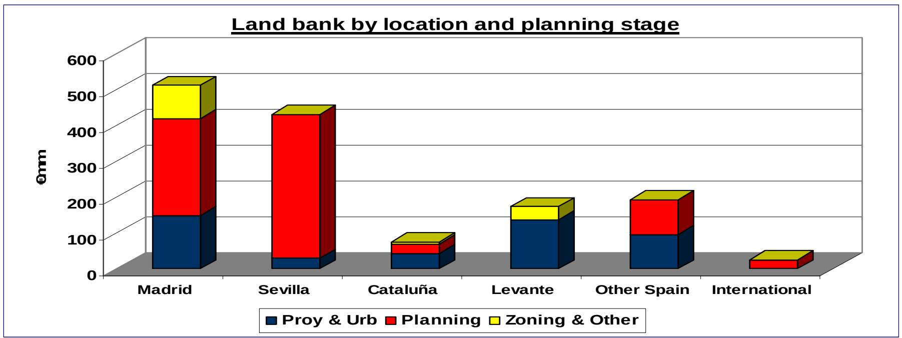
- Realia continues reducing the exposure to residential business by reducing new developments and selling land bank.
- Building Land Bank as of December 2008 is 2.8 million sqm once deducted the plots already under construction and the land own by minorities.

| Land Bank Evolution | Dec. 2008 | | | Dec. 2007 | | |
|---|---|---|---|---|---|---|
| | (000) sqm | GAV(€mm) | € / sqm | (000) sqm | GAV(€mm) | € / sqm |
| Land Bank | 3,470 | 1,734 | 500 | 4,028 | 2,807 | 697 |
| Land attributed to started project | 153 | 196 | 1,281 | 310 | 507 | 1,632 |
| Land owned by minorities | 560 | 128 | 228 | 559 | 178 | 319 |
| **Adjusted Land Bank** | **2,757** | **1,410** | **511** | **3,159** | **2,122** | **672** |

- With regards to the different stages of development, 32% of the value is in the final phases of development (urbanization and project); 68% is in the planning and zoning phases, and only 0.1% of the land is in the early stages of development.

| Adjusted Land Bank | 2008 | | | 2007 | | |
|---|---|---|---|---|---|---|
| | (000) sqm | GAV(€mm) | € / sqm | (000) sqm | GAV(€mm) | € / sqm |
| Project | 244 | 192 | 790 | 315 | 267 | 846 |
| Urbanization | 297 | 261 | 880 | 262 | 297 | 1,136 |
| Planning | 1,719 | 819 | 477 | 1,853 | 1,258 | 679 |
| Zoning | 485 | 135 | 278 | 715 | 297 | 415 |
| Other | 14 | 2 | 170 | 14 | 3 | 219 |
| **Total** | **2,757** | **1,410** | **511** | **3,159** | **2,122** | **672** |

- According to its geographical distribution, 67% of the building surface is located in Madrid and Sevilla. The rest is spread mainly over Cataluña, Levante, Warsaw and Bucharest.



## NET ASSET VALUE (NNAV)

| (€mm) | PROPERTY | | RESIDENTIAL | | TOTAL | | |
|---|---|---|---|---|---|---|---|
| | 2008 | 2007 | 2008 | 2007 | 2008 | 2007 | *% Change* |
| **Total GAV** | **3,134** | **3,367** | **2,012** | **2,975** | **5,145** | **6,342** | **-18.9** |
| Minorities | 656 | 755 | 147 | 212 | 803 | 966 | -16.9 |
| GAV Realia | 2,478 | 2,612 | 1,865 | 2,763 | 4,343 | 5,376 | -19.2 |
| Book value of assets | 1,788 | 1,702 | 1,286 | 1,623 | 3,074 | 3,325 | -7.5 |
| Latent capital gains | 689 | 910 | 579 | 1,141 | 1,268 | 2,051 | -38.2 |
| Tax | 115 | 146 | 174 | 342 | 289 | 488 | -40.8 |
| Latent capital gains after tax | 574 | 764 | 405 | 798 | 979 | 1,562 | -37.3 |
| Adjustments | | | | | 31 | 5 | - |
| Equity | | | | | 566 | 691 | -18.1 |
| **NAV (before tax)** | | | | | **1,834** | **2,741** | **-33.1** |
| **NNAV (after tax)** | | | | | **1,576** | **2,258** | **-30.2** |
| **Number of shares (mm)** | | | | | **270.6**[1] | **271.6**[1] | |
| **NAV (before tax) per share (€)** | | | | | **6.78** | **10.01** | **-32.3** |
| **NNAV (after tax) per share (€)** | | | | | **5.83** | **8.31** | **-29.8** |

[1] *Adjusted by treasury stocks*

- Net Asset Value after tax (NNAV) amounted to €5.83 per share at December 2008, down 29.8% vs December 2007. The main reason for this decline is the adjustment in residential assets value affected by the slow-down of the residential market.

## Commercial Property

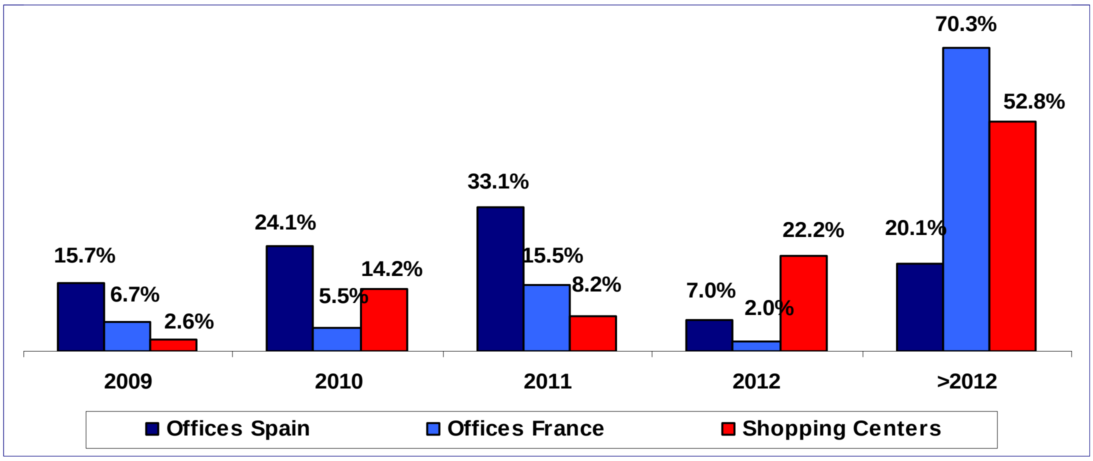
### Rental Income (including expenses charged)

| (€mm) | 2008 | 2007 | % Change | Like for Like (%) | Occupancy (%) |
|---|---|---|---|---|---|
| **Offices** | **147.5** | **135.4** | **8.9** | **5.3** | **96.9** |
| Spain | 76.3 | 70.9 | 7.6 | 5.9 | 98.4 |
| France | 71.2 | 64.5 | 10.3 | 4.7 | 94.2 |
| **Retails & Leisure** | **27.7** | **17.8** | **55.5** | **10.1** | **94.5** |
| **Other** | **1.7** | **1.6** | **5.8** | **3.7** | **99.9** |
| **Total Revenues** | **176.9** | **154.8** | **14.3** | **5.8** | **96.7** |
| **Gross Margin** | **143.3** | **119.0** | **20.4** | | |
| ***Margin (%)*** | **81.0** | **76.9** | | | |
| **EBITDA** | **128.7** | **106.1** | **21.2** | | |
| ***Margin (%)*** | **72.8** | **68.5** | | | |

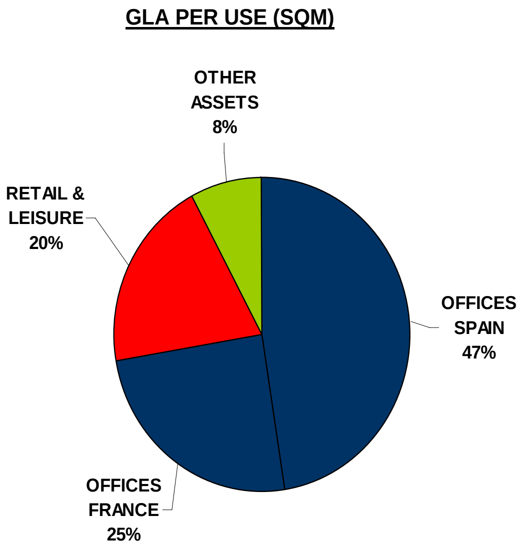
- Property business performed very strong in 2008 with important rental growth (+14.3%) and increasing occupancy (96,7% vs 95,7% in Dec 2007) due to the high quality rental business portfolio.
- Important rental growth with better margins due to the increase in occupancy in Paris (94,2% vs. 88,2% in Dec 2007) where Realia obtains higher margins (85.6%).
- Like-for-like rental growth (+5,8%) has decreased vs Sept 2008 (+7,5%) due to the volatility in Paris rental income and expenses which are not monthly scheduled.
- Strong rental growth driven by rental reversions on re-letting and renewals both in offices (Like-for-like +5.3%) and shopping centres (Like-for-like +10.1%), the increase in occupancy due to new lease contracts signed in some assets that have been refurbishmented in Paris, and the opening of new assets from the pipeline.

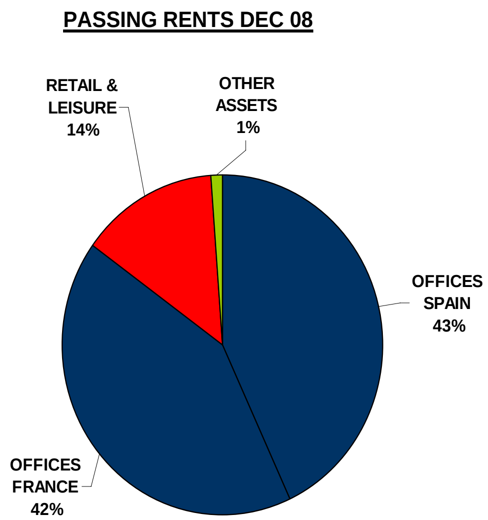
### Expiry % of lease contracts

Most of lease contracts from offices in Paris and Shopping Centres in Spain have maturity of more than 5 years, giving solidity to the rental income.



- Office rents account for 85% of the total rental income, with a similar weight of Madrid and Paris. Realia concentrates most of its assets in prime area with long term tenants with high solvency such as government agencies and services companies.




## Asset Sales

| (€mm) | 2008 | 2007 | % Change |
|---|---|---|---|
| Spain | 26.7 | 88.5 | -69.8 |
| France | 55.1 | 3.6 | |
| **Total Revenues** | **81.9** | **92.0** | **-11.1** |
| Spain | 20.1 | 32.8 | -38.6 |
| France | 5.2 | 0.5 | |
| **Total Gross Margin** | **25.3** | **33.3** | **-23.8** |
| ***Margin (%)*** | ***31.0*** | ***36.2*** | |

- Consistent with the policy of rotating non-strategic assets, Realia has sold property assets for €81.9m, with a slight premium to CBRE valuation as of December 2007, and with €25.3m of capital gains. These transactions confirm the recurrent earnings for Realia from asset rotation preserving assets value.

- In 4Q Realia has sold one office building in Paris for €27.2m with a capital gain of €3m.

- Full-year asset sales revenues and margin have decreased vs Sept 2008 (€93.2m and €36.2m respectively) due to a transaction reported in 1Q08 (for €40.5m with €13.3m of capital gain) cancelled in 4Q due to buyer´s failure to execute the payment. The penalty from breach of contract is accounted in other income (€11.8m) and Realia keeps the asset.

## Acquisitions

| | Location | Use | Surface | Parking | Investment |
|---|---|---|---|---|---|
| Avda. de Bruselas | Alcobendas | Offices | 8,856 | 243 | 38.5 |
| Musgo, 1 y 3 * | Madrid | Offices | 5,383 | 52 | 18.1 |
| Alfonso XII, 30 * | Madrid | Offices | 3,803 | 13 | 25.5 |
| **Total** | | | **18,042** | **308** | **82.1** |

** Through Hermanos Revilla*

- Realia continues increasing its commercial property portfolio and has acquired 3 office buildings in Madrid for €82.1m with 18,042 sqm (GLA) and 308 parking spaces.

## Pipeline

- Realia has decided to continue with some developments and to postpone others until more favourable market conditions:

| Pipeline | Location | Use | GLA | Total investment | Incurred investment | Annual rent expected | Yield to cost | Opening | Pre-let % |
|---|---|---|---|---|---|---|---|---|---|
| C.C. Plaza Nueva F-I | Madrid | Retail | 50,949 | 83.9 | 54.9 | 5.9 | 7.0 | 2009 | 87% [1] |
| **Total Retail** | | | **50,949** | **83.9** | **54.9** | **5.9** | **7.0** | | |
| Torre Realia BCN | Barcelona | Offices | 31,959 | 128.5 | 13.8 | 7.6 | 5.9 | 2009 | |
| François Ory' / rue Louis Lejeune | Paris | Offices | 13,811 | 85.0 | 58.3 | 5.6 | 6.6 | 2010 | |
| 129 Malesherbes [2] | Paris | Offices | 1,202 | 5.0 | 0.2 | 0.7 | 7.0 | 2010 | |
| 163 Malesherbes / 12 rue Amper [2] | Paris | Offices | 2,743 | 7.5 | 0.0 | 1.5 | 8.2 | 2010 | |
| **Total Offices** | | | **49,715** | **226.0** | **72.2** | **15.5** | **6.4** | | |
| **Total Pipeline** | | | **100,664** | **309.9** | **127.2** | **21.4** | **6.5** | | |

[1] *As of January 2009.*
[2] *Under refurbishment.*

- Postponed projects:

| Pipeline | Location | Use | GLA | Total investment | Incurred investment | Pre-let % |
|---|---|---|---|---|---|---|
| La Noria F-II | Murcia | Retail | 16,077 | 24.8 | 6.0 | |
| C.C. Plaza Nueva F-II | Madrid | Retail | 24,500 | 49.9 | 9.9 | |
| C.C. Plaza Nueva F-III | Madrid | Retail | 23,235 | 42.6 | 12.1 | |
| As Cancelas | Santiago | Retail | 50,812 | 163.0 | 84.1 | 30% |
| **Total Retail** | | | **114,624** | **280.3** | **112.1** | |
| Park Central 22@ | Barcelona | Offices | 9,200 | 25.0 | 9.5 | |
| **Total Offices** | | | **9,200** | **25.0** | **9.5** | |
| **Total Pipeline** | | | **123,824** | **305.3** | **121.6** | |

- Pipeline provides additional rental growth in offices and shopping centres with most of the financing secured by the syndicated loan.

- The opening of Phase I from the Project in Leganés (Madrid) is estimated for May 2009, with a total GLA of 50,949 sqm, 87% pre-let to prestigious tenants as Carrefour, Decathlon, Bricomart, and Toys "R" Us.

**Parque Comercial Plaza Nueva (Leganés)**

## Land and Homebuilding

| (€mm) | 2008 | 2007 | *% Change* |
|---|---|---|---|
| **Revenues** | | | |
| Homebuilding | 203.6 | 323.4 | -37.0 |
| Land sales | 48.5 | 294.7 | -83.6 |
| **Total Revenues** | **252.1** | **618.1** | **-59.2** |
| **Gross Margin** | | | |
| Homebuilding | 33.6 | 74.3 | -54.8 |
| Land sales | 30.9 | 175.4 | -82.4 |
| **Total Gross Margin** | **64.5** | **249.7** | **-74.2** |
| ***MargIn Homebuilding(%)*** | ***16.5*** | ***23.0*** | |
| ***Margin Land sales (%)*** | ***63.7*** | ***59.5*** | |

- Total revenues on homebuilding and land sales have decreased versus 2007 due to the difficulties in obtaining financing from potential buyers.
- Gross margin on homebuilding was 16.5% versus 23.0% in December 2007 due to price reductions in finish homes sold in 2008.
- Gross margin on land sales was 63.7% versus 59.5% in 2007.

### Land

| | 2008 | | 2007 | | |
|---|---|---|---|---|---|
| | **sqm** | **mm €** | **sqm** | **mm €** | *% Change* |
| Acquisitions | 46,448 | 38.0 | 155,395 | 93.0 | -59.1 |
| Disposals | 35,904 | 48.5 | 274,176 | 294.7 | -83.6 |
| Options to Buy | -361,248 | -204.9 | -14,500 | -10.9 | - |
| **Total** | **-350,704** | **-215.3** | **-133,280** | **-212.6** | **1.3** |

- Realia has acquired urban land plots in Bucharest (Romania) and Sabadell (Cataluña).
- Some options in land for a total value of €204.9m were cancelled without penalties for Realia due to milestones not completed, reducing the total Land Bank. The most significant in Portugal for 163,000 sqm of a total value of €122.3m.
- The implied average cost of the land acquired was c. 819 €/sqm.
- On the land sales, Realia has sold €48.5m slightly below CBRE valuation as of December 2007. The most significant 17,064 sqm in Madrid.
- The implied average sale price of the land sold was c. 1,350 €/sqm.
- Buildable Land Bank as of December 2008 is 2.8 million sqm once deducted the plots already under construction and the land own by minority partners.

## Homebuilding

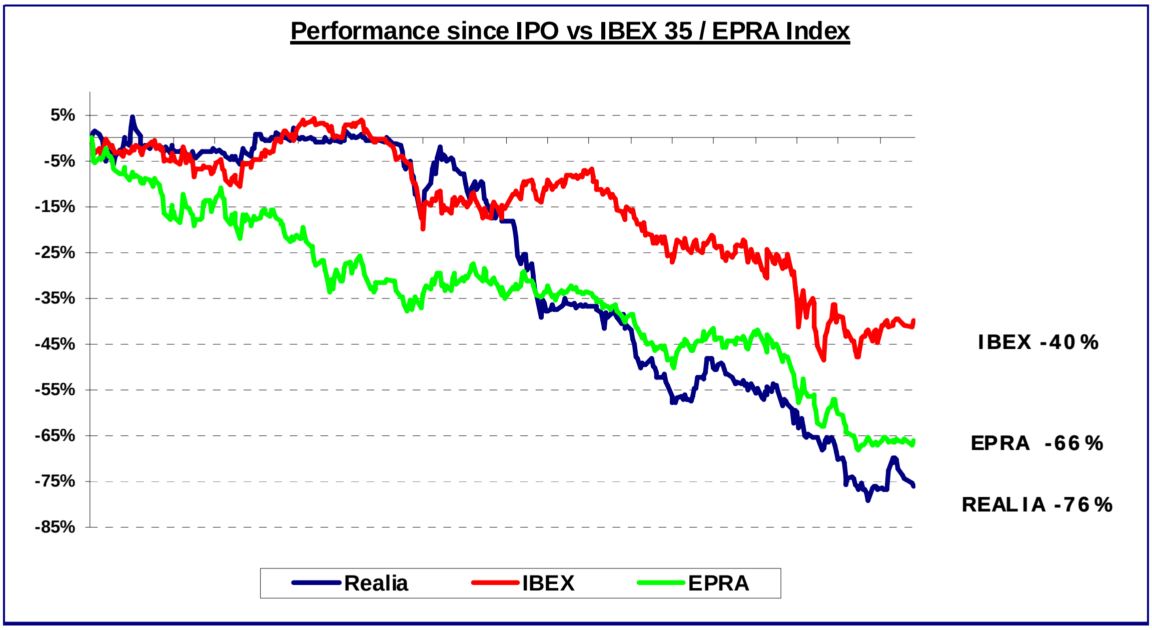
| Deliveries | Nº Units Homes | Revenues €mm |
|---|---|---|
| Madrid / Centro | 160 | 42.2 |
| Levante | 170 | 46.1 |
| Andalucía | 165 | 47.1 |
| Cataluña | 111 | 35.7 |
| Canarias | 78 | 13.7 |
| Portugal | 23 | 4.8 |
| Asturias | 80 | 13.9 |
| **Total** | **786** | **203.6** |

- In 4Q Realia has delivered 283 homes.
- Most of home's deliveries in 2008 have taken place in Madrid, Sevilla and Cataluña where Realia concentrates his homebuilding activity.

| Pre sales evolution | 2008 | 2007 |
|---|---|---|
| **(+) Pre-sales** | | |
| Number of units | 326 | 459 |
| Total value of contracts (€mm) | 75.9 | 138.7 |
| **(-) Deliveries** | | |
| Number of homes | 786 | 1,107 |
| Total value of contracts (€mm) | 203.6 | 323.4 |
| **Pre-sales backlog at EoP** | | |
| Number of units | 405 | 1,181 |
| Total value of contracts (€mm) | 111.6 | 334.2 |

- 4Q08 pre-sales (78) are in line with 4Q07 (77) and previous quarters (91 in 3Q08, 82 in 2Q08, 75 in 1Q08) but due to the difficulties in obtaining financing from potential buyers and the decision from Realia to cancel some homebuilding developments, pre-sales backlog has decreased to €111.6m.
- As of December 2008, Realia was developing 1,985 homes, of which 405 had already been pre-sold.

## Stock Data




| | 2008 |
|---|---|
| Closing Stock Price (€ per share) | 1.55 |
| Market cap. EoP (€ ) | 429,933,299 |
| High of the period | 6.42 |
| Low of the period | 1.35 |
| Daily Trading Volume (€M) | 818,285 |
| Daily Trading Volume (shares) | 219,160 |

## Dividends 2008

- Consistent with its 50% pay-out policy, Realia paid on June 19th a complementary dividend for the 2007 income of €0.014 euro gross per share and the first interim dividend (out of 2008 income) of €0.06 gross per share.

| Dividends | |
|---|---|
| 19 June | 0,074 |
| **Total 2008** | **0,074** |

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## LEGAL DISCLOSURE

**The accounting statements contained in this document have been verified by independent third parties through the performance of a limited review, which offers limited assurance as regards the scope of the work performed. That review was performed in accordance with the ISRE 2410 standard issued by the International Federation of Accountants (IFAC).**

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