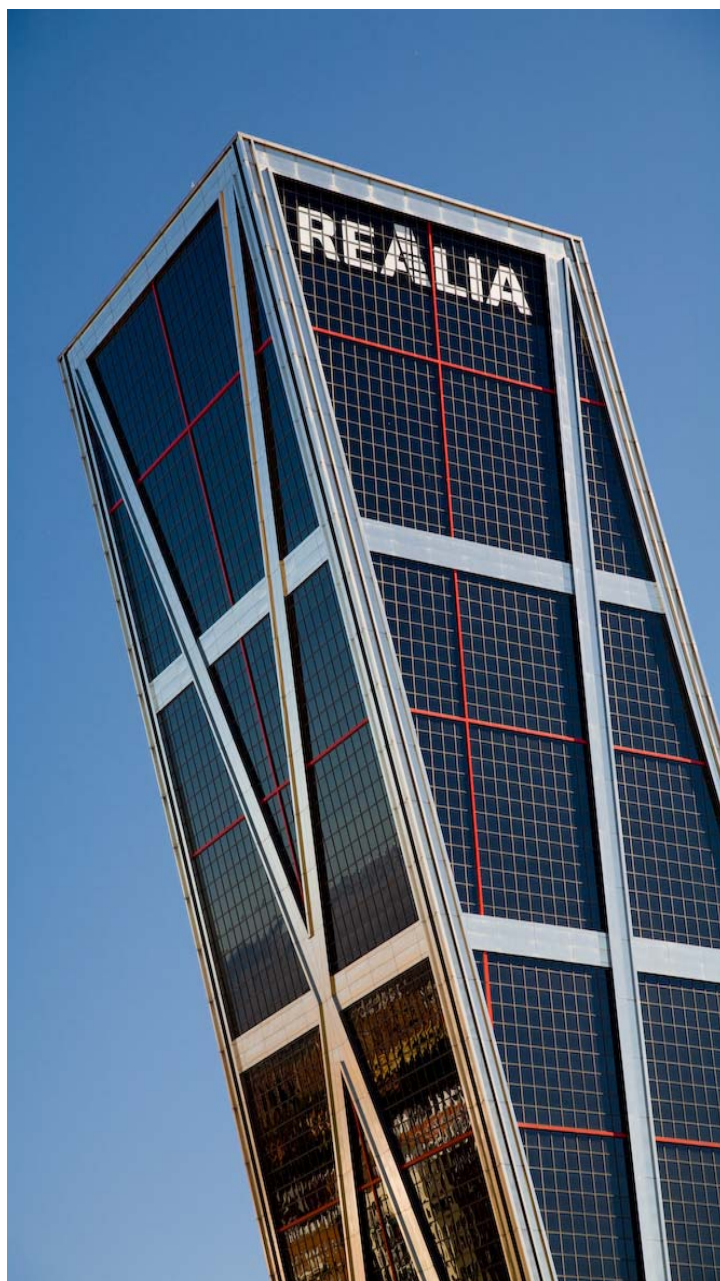


# REALIA



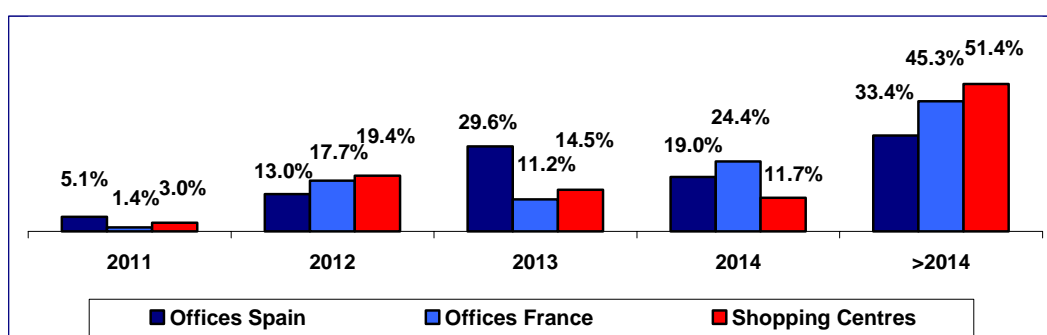
**JANUARY – MARCH 2011 RESULTS**

*13 May 2011*

Highlights 1Q 2011

**COMMERCIAL PROPERTY**

- Commercial Property business continues positive performance in 1Q 2011 with rental revenues increasing +3.2% and maintaining high occupancy 94.4% due to the high quality portfolio.
- 49.3% of total rental revenues is generated in Paris.
- Commercial Property business represents 93% of the total gross margin and over 100% of the EBITDA, with rentals showing a recurrent income giving the company solidity.
- Most of lease contracts maturing in 2011 have already been renewed in 1Q 2011, giving long term stability and visibility to the rental income:



**FINANCIAL STRUCTURE**

- Realia has treasury and treasury equivalents for a total of 267 million euro.
- Over 94% gross debt matures from December 2012 – 2017.

**PIPELINE**

- In the period 2011-2012 Realia intends to carry out some investments which will provide a bigger Commercial Property portfolio and additional rental growth:

Pipeline	Location	GLA	Total investment	Incurred investment	Annual rent expected	Yield to cost	Opening
As Cancelas <sup>1</sup>	Santiago	25,172	106.0	74.8	6.4	6.0%	2012
<b>Total Retail</b>		<b>25,172</b>	<b>106.0</b>	<b>74.8</b>	<b>6.4</b>		
163 Malesherbes	Paris	1,359	4.5	0.7	0.9	6.4%	2011
2 rue du 4 septembre	Paris	3,868	1,8	0.1	2.6	5.7%	2011
Les Miroirs	Paris	22,375	24.0	0.0	9.3	6.2%	2013
Albasanz, 14	Madrid	8,790	20.1	10.0	1.7	6.3%	2012
<b>Total Offices</b>		<b>36,392</b>	<b>50.4</b>	<b>10.7</b>	<b>14.5</b>		
<b>Total Pipeline</b>		<b>61,564</b>	<b>156.4</b>	<b>85.5</b>	<b>20.9</b>		

<sup>1</sup> Only Realia's share (50%)

**HOMEBUILDING**

- The difficulties in obtaining financing from potential buyers and the reduction of the stock during 2009 and 2010 have slowed down the pace of home sales in 1Q 2011.

**Financial Highlights (31 March 2011)**

(€mm)	1Q 2011	1Q 2010	% Change
<b>Total Revenues</b>	<b>59.8</b>	<b>76,9</b>	<b>-22,3</b>
Rents	45.4	44,0	3,2
<b>EBITDA</b>	<b>32.9</b>	<b>33,0</b>	<b>-0,2</b>
EBITDA Rents	32.6	31,6	3,1
EBITDA Homebuilding	-0.1	-0,1	-
EBITDA Land	-0.2	1,1	-
EBITDA Sale of assets	0.7	0,1	-
EBITDA Others	-0.1	0,3	-
<b>Net results (Group share)</b>	<b>-4.8</b>	<b>0,4</b>	
<b>Net Financial Debt</b>	<b>2,133</b>	<b>2.227</b>	<b>-4,2</b>
<b>Nº Shares (mm)</b>	<b>277.4</b>	<b>277,4</b>	
<b>Results per Share (€)</b>	<b>-0.02</b>	<b>0,00</b>	

**Operational Highlights (31 March 2011)**

	1Q 2011	1Q 2010	% Change
<b>Commercial Property</b>			
<b>GLA (sqm) <sup>1</sup></b>	<b>626,395</b>	<b>623,445</b>	<b>0.5</b>
Operational	564,831	570,251	-1.0
In Progress <sup>1</sup>	61,564	53,194	15.7
<b>Occupancy rate (%)</b>	<b>94.4</b>	<b>94.4</b>	
<b>Land &amp; Homebuilding</b>			
<b>Pre-sales</b>			
Total value of contracts (€mm)	10.0	29.7	-66.2
Homes	53	133	-60.0
<b>Pre-sales backlog (€mm)</b>	<b>44.3</b>	<b>59.1</b>	<b>-25.0</b>
<b>Land Bank Consolidated (sqm mm)</b>	<b>3.4</b>	<b>3.4</b>	<b>-0.1</b>
<b>Nº Employees</b>	<b>164</b>	<b>174</b>	<b>-5.7</b>

<sup>1</sup> Excluding some development projects postponed until more favourable market conditions. Including only 50% As Cancelas

<sup>2</sup> Excluding BCN office tower in Barcelona in commercializing phase (let 68%).

**Consolidated Income Statement**

(€mm)	1Q 2011	1Q 2010	% Change
<b>Total Revenues</b>	<b>59.8</b>	<b>76.9</b>	<b>-22.3</b>
Rents	45.4	44.0	3.2
Sale of assets	0.7	0.1	474.9
Homebuilding	11.6	30.0	-61.3
Land sales	1.3	1.2	8.9
Other	0.7	1.6	-53.1
<b>Total Gross Margin</b>	<b>37.9</b>	<b>38.7</b>	<b>-2.1</b>
<i>% Margin</i>	63.4	50.3	
Rents	34.6	34.7	-0.3
Sale of assets	0.7	0.1	474.9
Homebuilding	2.9	2.3	24.5
Land sales	-0.2	1.2	-118.5
Other	-0.1	0.4	-123.0
Overheads	-4.9	-5.7	-12.7
<b>EBITDA</b>	<b>32.9</b>	<b>33.0</b>	<b>-0.2</b>
Amortization	-9.0	-8.5	6.2
Depreciation	-1.9	5.4	-134.7
<b>EBIT</b>	<b>22.0</b>	<b>29.9</b>	<b>-26.4</b>
<i>% Margin</i>	36.8	38.8	
Financial Result	-25.2	-22.9	10.0
Other Results	-1.9	-4.1	-54.4
<b>Results before taxes</b>	<b>-5.1</b>	<b>2.8</b>	<b>-278.9</b>
Taxes	5.1	-0.8	-734.5
<b>Results after taxes</b>	<b>0.1</b>	<b>2.0</b>	<b>-97.1</b>
Minority Interests	-4.8	-1.6	193.6
<b>Net results (Group share)</b>	<b>-4.8</b>	<b>0.4</b>	<b>-1,319.4</b>

- Commercial Property business continues positive performance in 1Q 2011 with rental revenues increasing +3.2%, and 49.3% of total rental revenues is generated in Paris.
- Home sales have decreased in 1Q 2011 due to the difficulties in obtaining financing from potential buyers.
- Commercial Property business represents 93% of the total gross margin and over 100% of the EBITDA.
- Realia continues with an important cost-cutting effort reducing overheads -12,7%.
- 1Q 2011 gross debt average cost stood at 4.49%.
- Net Income amounted to -4.8 million euro in 1Q 2011.

**Consolidated Balance Sheet**

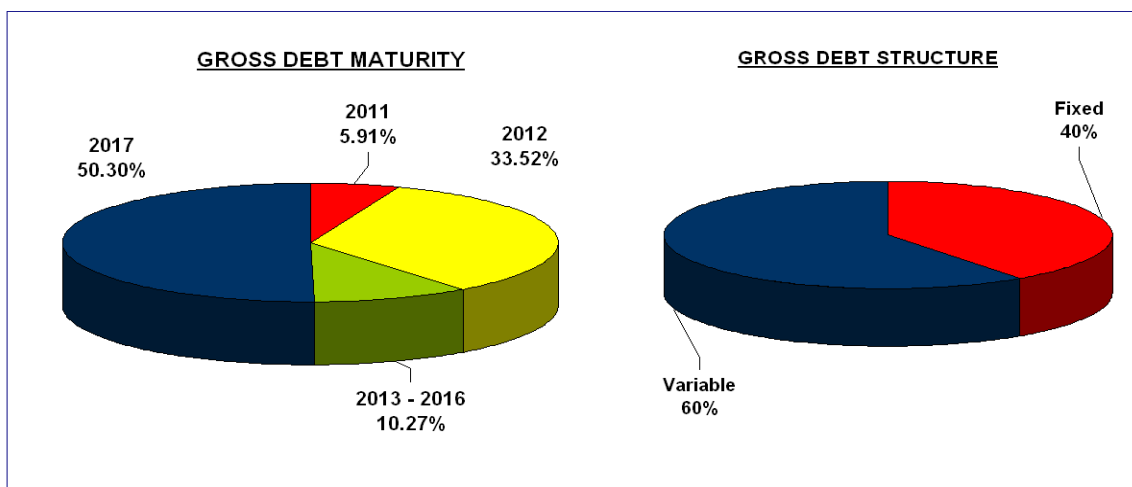
(€mm)	1Q 2011	2010		1Q 2011	2010
Tangible Fixed assets	9	9	Equity	494	481
Investment Property	2,320	2,358	Minority Shareholders	517	514
Financial Investment	96	96	Financial Debt	2,400	2,357
Inventories	919	923	Current Creditors	111	136
Accounts Receivable	56	53	Other Liabilities	279	313
Others Assets	400	361			
<b>Total Assets</b>	<b>3,800</b>	<b>3,801</b>	<b>Total Liabilities</b>	<b>3,800</b>	<b>3,801</b>

Realia accounts the value of its assets according to its acquisition cost instead of its market value

**Financial Structure**

FINANCIAL STRUCTURE	1Q 2011	1Q 2010
Syndicated loan	2,189.2	2.209,8
Credit lines	58.5	36,1
Mortgage loans	134.2	153,3
Loans	18.1	29,0
<b>Total Gross Financial Debt</b>	<b>2,400.0</b>	<b>2.428,2</b>
Treasury	214.4	150,8
Treasury equivalents	52.9	50,1
<b>Total Net Financial Debt</b>	<b>2,132.7</b>	<b>2.227,3</b>

- Realia has treasury and treasury equivalents for a total of 267 million euro.
- Over 94% gross debt matures from December 2012 – 2017.



Commercial Property

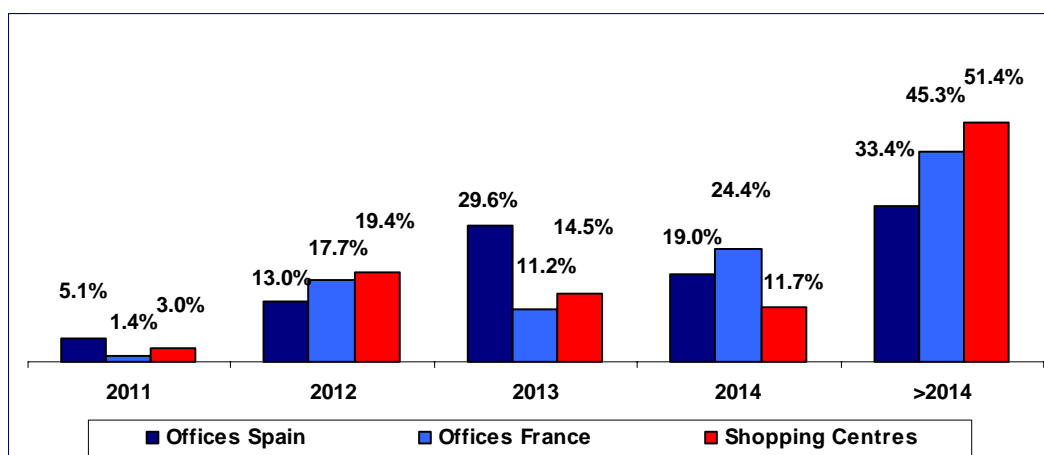
Rental Income (including expenses charged)

(€mm)	1Q 2011	1Q 2010	% Change	Like for Like (%)	Occupancy (%)	Occupancy*
<b>Offices</b>	<b>38.3</b>	<b>37.4</b>	<b>2.3</b>	<b>-0.9</b>	<b>93.1</b>	<b>95.3</b>
Spain	16.3	19.4	-15.9	-2.8	91.5	95.3
France	22.0	18.0	21.9	1.0	95.3	95.3
<b>Retails &amp; Leisure</b>	<b>6.4</b>	<b>6.2</b>	<b>3.6</b>	<b>5.2</b>	<b>90.3</b>	<b>90.3</b>
<b>Other</b>	<b>0.7</b>	<b>0.4</b>	<b>78.6</b>	<b>-</b>	<b>100.0</b>	<b>100.0</b>
<b>Total Revenues</b>	<b>45.4</b>	<b>44.0</b>	<b>3.2</b>	<b>0.9</b>	<b>92.9</b>	<b>94.4</b>
<b>Gross Margin</b>	<b>34.6</b>	<b>34.7</b>	<b>-0.3</b>			
<b>Margin (%)</b>	<b>76.2</b>	<b>78.9</b>				

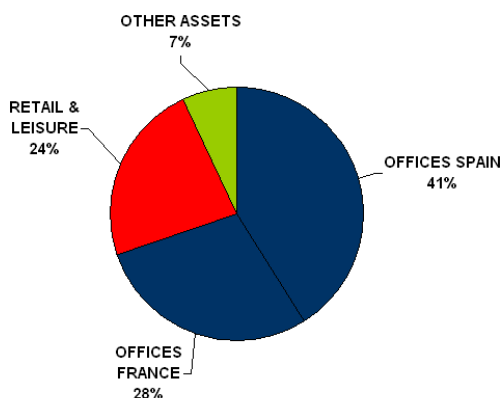
\* Excluding BCN office tower in Barcelona in commercializing phase (let 68%).

- Commercial Property business continues positive performance in 1Q 2011 with rental revenues increasing +3.2% (*like-for-like* +0.9%) and maintaining high occupancy 94.4% due to the high quality portfolio.
- Spanish offices rental income has decreased -15.9% mainly as a result of the sale in 2010 of Diagonal 640 office building.
- Paris offices rental income has increased +21.9% mainly due to the rentals of new assets (Montrouge and Coface office buildings).
- Retail *like-for-like* rental income has increased +5.2% due to better occupancy levels 90.3% vs. 87.1 in 1Q 2010.
- Most of lease contracts maturing in 2011 have already been renewed in 1Q 2011, giving long term stability and visibility to the rental income:

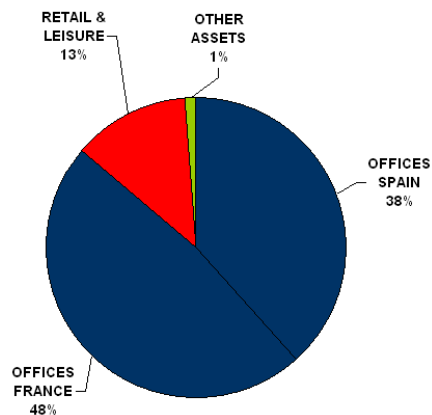
Expiry % of lease contracts



**GLA PER USE (SQM)**



**PASSING RENTS MARCH 11**



**Asset Sales**

- Consistent with the policy of asset rotation, Realia has sold one office building in Paris for 22 million euro, with 0.7 million euro of capital gains.

**Pipeline**

- In the period 2011-2012 Realia intends to carry out some investments which will provide a bigger Commercial Property portfolio and additional rental growth:

Pipeline	Location	GLA	Total investment	Incurred investment	Annual rent expected	Yield to cost	Opening
As Cancelas <sup>1</sup>	Santiago	25,172	106.0	74.8	6.4	6.0%	2012
<b>Total Retail</b>		<b>25,172</b>	<b>106.0</b>	<b>74.8</b>	<b>6.4</b>		
163 Malesherbes <sup>2</sup>	Paris	1,359	4.5	0.7	0.9	6.4%	2011
2 rue du 4 septembre <sup>2</sup>	Paris	3,868	1,8	0.1	2.6	5.7%	2011
Les Miroirs <sup>2</sup>	Paris	22,375	24.0	0.0	9.3	6.2%	2013
Albasanz, 14	Madrid	8,790	20.1	10.0	1.7	6.3%	2012
<b>Total Offices</b>		<b>36,392</b>	<b>50.4</b>	<b>10.7</b>	<b>14.5</b>		
<b>Total Pipeline</b>		<b>61,564</b>	<b>156.4</b>	<b>85.5</b>	<b>20.9</b>		

<sup>1</sup> Only Realia's share (50%).

<sup>2</sup> Under refurbishment

- Realia and Carrefour Property have created a 50% Joint Venture to develop and operate As Cancelas Shopping Centre in Santiago de Compostela, with a total GLA of 50,812 sqm and with an annual rent expected of 11.4 million euro. The Project is 59% pre-let to prestigious tenants as Carrefour, Primark, Inditex and Cinesa. The opening is estimated for the 2H 2012.

**Land and Homebuilding**

(€mm)	1Q 2011	1Q 2010	% Change
<b>Revenues</b>			
Homebuilding	11.6	30.0	-61.3
Land sales	1.3	1.2	8.9
<b>Total Revenues</b>	<b>12.9</b>	<b>31.2</b>	<b>-58.6</b>
<b>Gross Margin</b>			
Homebuilding	2.9	2.3	24.5
Land sales	-0.2	1.2	-118.5
<b>Total Gross Margin</b>	<b>2.6</b>	<b>3.5</b>	<b>-23.5</b>
<b>Homebuilding margin (%)</b>	<b>24.6</b>	<b>7.7</b>	

- Home sales have decreased in 1Q 2011 due to the difficulties in obtaining financing from potential buyers.
- Homebuilding margin has increased in 1Q 2011 due to 31 home deliveries in Fuenlabrada (Madrid) with higher margin thanks to historical low land price.
- Realia has delivered 61 homes in 1Q 2011 for a total amount of 11.6 million euro:

Deliveries	Nº Units Homes	Revenues €mm
Madrid / Centro	36	7.7
Canarias	9	1.0
Levante	6	1.3
Polonia	5	0.7
Cataluña	3	0.5
Andalucía	1	0.2
Asturias	1	0.2
Portugal	0	0.0
<b>Total</b>	<b>61</b>	<b>11.6</b>

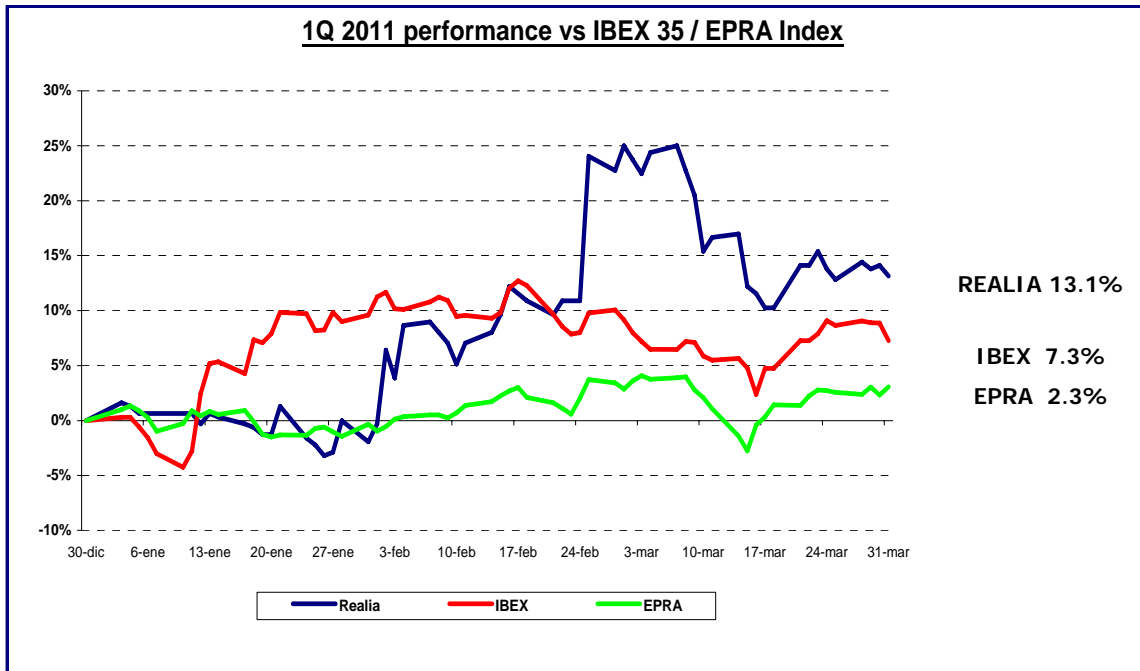
- Pre-sales amounted to 53 homes in 1Q 2011 for a total amount of 10.0 million euro:

Pre sales evolution	1Q 2011	1Q 2010
<b>(+) Pre-sales</b>		
Number of units	53	133
Total value of contracts (€mm)	10.0	29.7
<b>(-) Deliveries</b>		
Number of homes	61	133
Total value of contracts (€mm)	11.6	30.0
<b>Pre-sales backlog at EoP</b>		
Number of units	208	249
Total value of contracts (€mm)	44.3	59.1

- Realia has a total stock of 1,209 homes (426 under construction and 783 finished) of which 208 had already been pre-sold and 1,001 for sale (276 in Madrid and central area, 275 in Andalusia, 197 in Levante, 165 in Catalonia, 56 in Warsaw (Poland), 24 in Portugal, 7 in Canary Islands and 1 in Oviedo).



**Stock Data**



	1Q 2011
Closing Stock Price (€ per share)	1.77
Market cap. EoP (€)	489,569,208
High of the period (€ per share)	1.95
Low of the period (€ per share)	1.51
Daily Trading Volume (€)	330,485
Daily Trading Volume (shares)	191,992

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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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